

amnesty bill was approved. \rightarrow

de la martina

The standoff on Kyiv's Hrushevskoho Street has been relatively calm since Jan. 22, when four protesters were killed and scores injured during clashes between police and protesters. Both sides have observed a de facto ceasefire in recent days. On Jan. 30, several dozen protesters manned barricades and faced off with some 100 police officers. The lack of political settlement to the nation's two-month EuroMaidan crisis, however, threatens to reignite violence. Ex-President Leonid Kravchuk warned parliament on Jan. 30 that the nation is "on the brink of civil war." (Kostyantyn Chernichkin)

The Kyiv Post's Business Focus in its Feb. 14 edition will be on:

*Counting EuroMaidan casualties

At least five protesters have died as a result of clashes. The Interior Ministry claims that four police officers died in the line of duty, but the opposition disputes all cases. The Kyiv City State Administration says 1,231 protesters turned to the city's hospitals for help since Nov. 30. Protesters say the number is closer to 1.300. The numbers of injured outside Kviv are unclear. Information on missing people is collected by a EuroMaidanSOS unit of activists. The number of detainees, according to the General Prosecutor's Office and www.legalaid.gov.ua, is 234. Different sources, however, provide different estimates.





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EuroMaidan's victims include five killed, many injured and missing



Twenty-year-old Serhiy Nihoyan from Dnipropetrovsk was shot and killed during clashes between police and protesters on Jan. 22. Oleg Musiy, the coordinator of medical services for the EuroMaidan demonstration, told the Kyiv Post that Nihoyan had been shot four times, including in the head and neck, with live ammunition.

2 News

Roman Senyk, 45, from Lviv Oblast, died in a hospital in Kyiv, according to Svoboda Party member of parliament Irina Sekh. He was seriously wounded on Jan. 22 on Hrushevskoho Street during clashes with police. Hit with a metal bullet in the lung, he underwent several operations and had to have his arm amputated. He succumbed to his injuries days later.



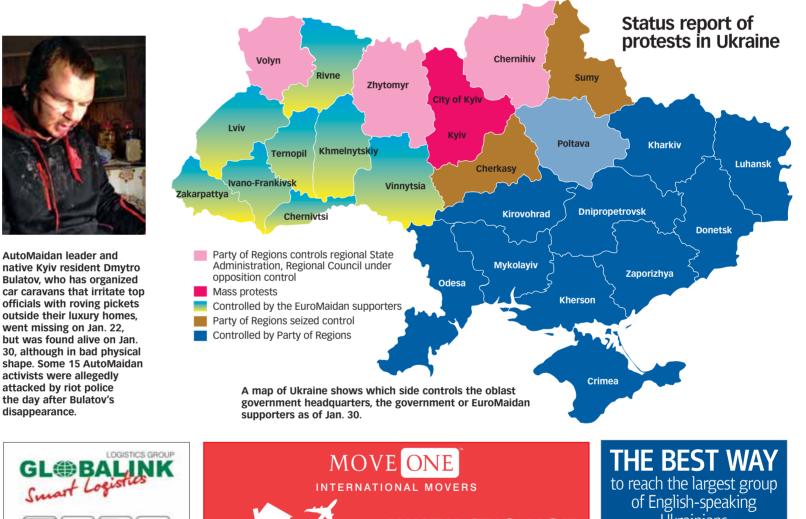
Mikhaylo Zhiznevsky, 25, died of a gunshot wound to the heart. According to the Interior Ministry, he was shot with a metal pellet often used in hunting that pierced his aorta. A Belarusian native, Zhiznevsky reportedly came to Ukraine to escape the repression he had faced in his home country.



Yuriy Verbytsky, 50, was seeking treatment in a Kyiv hospital for injuries suffered in clashes with police when he was kidnapped, along with fellow activist Ihor Lutsenko. Verbytsky was found dead on Jan. 22, in a forest near the Kyiv suburb of Boryspil. Lutsenko survived the ordeal, but not without suffering trauma and physical injuries.



Activist and businessman Bogdan Kalynyak, 52, from Kolomiya died at a hospital in Ivano-Frankivsk on Jan. 28. Kolomiya Mayor Igor Sluzar said the man had come down with pneumonia during the clashes on Hrushevskoho Street in Kyiv where police used water cannons on protesters despite sub-zero temperatures.



News 3



3. The Trade Unions building (2 Independence S me made onlong building (2 independence Square) was among the first buildings seized by protesters on Dec. 1. It promptly became EuroMaidan headquarters, hosting a press office, hostel, kitchen, meeting hall for the Narodna Rada (People's Council), a medical aid unit and selfdefense headquarters.

$^{\prime}NV$

5. The Agriculture Ministry (24 Khreshchatyk St.) was seized on Jan. 24 by the militant Spilna Sprava organization, but was vacated on Jan. 29 under pressure from others in the EuroMaidan movement.

occupied by protesters since Dec. 1 and serves as official headquarters of EuroMaidan Self-Defense units and a medical aid unit. Protesters say the building was taken over peacefully and the staff are allowed inside.

9. The barricades across Khreshchatyk Street near TSuM (the Central Department Store) separate EuroMaidan from Bessarabska Square. It is more than two meters high. EuroMaidan Self-Defense representatives guard the entrance at all times. Tea is served from the tents near the barricades.

4 Opinion

January 31, 2014

www.kyivpost.com

Come out fellas,

don't worry, we

promise everyone

immunity."

Editorials

Keep talking

The sub-zero temperatures have temporarily frozen the conflict between police and protesters massed on Kyiv's Hrushevskoho Street and Independence Square. But neither the cold nor the truce is likely to last long. So both sides in the standoff need to compromise more – especially the intransigent government.

The three steps taken by President Viktor Yanukovych and his ruling Party of Regions this week are not enough: the resignation of Prime Minister Mykola Azarov; the repeal of the anti-democratic laws curbing free speech and free assembly; and legislation providing for conditional amnesty for non-serious crimes committed during the EuroMaidan demonstrations that started on Nov. 21.

Azarov, a technocrat whose biggest achievement since 2010 was keeping the economy relatively stable, is not a leader for the future. As prime minister since Yanukovych took power, he never enjoyed much public trust. He more recently destroyed his credibility by insisting that police were not armed, therefore could not have possibly shot the three demonstrators killed on Jan. 22. However, Azarov's biggest handicap is that his thinking remains stuck in the Soviet era. Replacing him on an interim basis with Serhiy Arbuzov, a member of Yanukovych's close circle of advisers known as "the family," is not a step in the right direction.

Yanukovych needs to offer the opposition real power-sharing in government, not just through ministerial posts, but through joint control of state security and law enforcement organs, including police, prosecutors and courts.

This, however, needs to be part of a larger compromise that grants immediate and unconditional amnesty for all detainees who are not implicated in serious violence.

Constitutional changes need to be put in place that create a genuine separation of powers. New parliamentary and presidential elections need to be held in late spring – perhaps in April or May.

Yanukovych and his supporters, however, appear to be going in the opposite direction. They appear to be mobilizing the military, police and private goons for an all-out assault on EuroMaidan activists. We applaud the recent warnings from billionaires Rinat Akhmetov and Dmytro Firtash, and millionaire Petro Poroshenko for a peaceful solution. We also share the fears of U.S. national intelligence chief James Clapper, who warns that Yanukovych is so power-hungry that he may resort to violence or other illegal acts to stay in power. Actually, this already appears to be happening. At this stage, Yanukovych has two choices: back down or become the next Alexander Lukashenko.

Reign of terror

On Jan. 29, at least 23 cars were set on fire in Kyiv. Some had license plates that indicated that their owners are from western Ukraine, a stronghold of nationalism and opposition to President Viktor Yanukovych.

At least one European diplomat evacuated his family because of threats. At least one high-ranking member of the ruling Party of Regions did the same. When their mobile phone numbers were made public, Regions' members of parliament began receiving threats.

People are scared.

Some see the dirty hand of Moscow's special services in these divisive tactics. But blackmail and threats are also some of the favorite tactics of Yanukovych. On Jan. 29, he coerced his faction into supporting an amnesty bill. He threatened to disband the Rada if they did not. Some Ukrainian media even reported that he threatened criminal cases against deputies.

Under Yanukovych's watch, terror is common. Properties have been taken over by force. Women have been raped and set on fire by police officers, as in the Vradiyivka case last summer. Courts are political tools.

In EuroMaidan, police have acted with hired thugs to clear protesters off the streets and terrorize peaceful demonstrators. Of course, some in the Party of Regions see the thugs as heroes helping police to stop the EuroMaidan vigilantes.

And then there are the unsolved kidnappings and killings of activists, as in the case of Yuriy Verbytsky, who was kidnapped on Jan. 21, tortured and then left to freeze to death in a ditch.

Police have acted with brutality in dispersing crowds. There is the case of Mykhailo Havryliuk, a EuroMaidan protester forced to walk naked on snow in freezing temperatures. A video of Berkut officers abusing him was leaked online, but instead of investigating the police officers, authorities started to hunt the whistleblower, who was forced to flee Ukraine. Catherine Ashton, the EU's foreign policy chief, insisted that the Yanukovych administration address these issues. She is asking the wrong people to solve the problem. NEWS ITEM: Parliament passed a conditional amnesty law on Jan. 29 which stipulates that all detained protesters will be released and freed from criminal and civil prosecution if EuroMaidan demonstrators vacate government buildings within 15 days. The opposition balked at the bill's one-sided terms and also said they do not trust the government to honor it.

its cartoonist Anatoliy Petrovich Vasilenko to also make light of the European Union's penchant for statements, verbal condemnations and advice that appear to be falling on deaf ears in President Viktor Yanukovych's administration. Many Ukrainians are fed up with Western verbal backing and want to see sanctions applied, such as visa bans and bank freezes. The United **States and Canada** have obliged by banning unspecified numbers of Ukrainian officials from entering those countries. The EU has not yet gone the sanctions route

NEWS ITEM: Admittedly inspired

York Times, the Kyiv Post asked

by a cartoon published in The New

NEWS ITEM: Titushki, or thugs-forhire aligned with the government, were widely used to attack protesters in oblast capitals where several government buildings have been taken over. In particular, they were unleashed on protesters in Cherkasy, Zaporizhya and Dnipropetrovsk oblasts on Jan. 26-27.

Amnest law "We condemn violence! Ukrain hove 'Now that's what I call citizen policing. We can relax."



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GORCHINSKAYA

January 31, 2014

Opinion 5

The Party of Regions view of EuroMaidan



If I was a member of the pro-presidential Party of Regions telling the story of EuroMaidan, the story would look like this:

After getting the cold shoulder from Ukraine's government by ditching the European Union's association agreement on Nov. 21, the angry West started public unrest in Ukraine.

A few handfuls of radicals and fascists from western Ukraine, raised on the stories of Ukrainian Insurgent Army (UPA) and their leader Stepan Bandera (all collaborators of Nazi Germany during World War II) started violent assaults against the police, takeovers of government buildings and the like.

These people are very well paid for their effort, and are well equipped. The size of the U.S. diplomatic cargo grew by four times since the start of the riots – and this is a sign that the Americans are shipping in everything to help protesters.

The U.S. is interested in destabilizing Ukraine, while the Europeans do not want instability on their eastern border, hence their silence and lack of sanctions and other actions in the wake of the (completely legal) government crackdown on protesters.

The Americans dole out cash to certain activists (names follow), \$50,000 at a time just for fuel, right on the U.S. Embassy premises. Some protesters are getting upwards of \$500 per day for taking part in the protests, and the pay grows the more Molotov cocktails they throw at the defenseless police who have the law on their side to use weapons in such cases, but instead they act with great restraint.

I did not make any of this up.

All of these, and many more arguments, I have heard over the past week from various Party of Regions members, of all ages and both genders, as I made an effort to hear their story. They stand by this alternative history of EuroMaidan.

"Some of my acquaintances have bought apartments with the money they earned since the start of the protesters. Expensive cars also," one Party of Regions member tells me in a private conversation.

In the light of this alternative history of EuroMaidan, the Party of Regions grumble that the government is doing so little to crack down on the protesters. "I think we need a cleanup," says Oleh Tsariov, one of the key speakers in the Party of Regions, and one of its hardliners. He was one of two faction members who did not vote on Jan. 28 to repeal the autocratic laws passed on Jan. 16 that led to massive clashes between the police and the protesters.

Tsariov says that the government should use whatever it takes to clean up the streets. "Berkut (special riot police), units of self-defense, titushki (hired thugs) - anything goes. I don't like what's going on in the country now, and even less will I like it when those who are striving to get the power, will get there - such as (Oleh) Tiahnybok," Tsariov said. Many members of the Party of Regions wholeheartedly endorse the use of titushki, the paid thugs, by the government. These gangs of sporty youths, often carrying iron rods and the like, work side by side with the police in many parts of Ukraine to clear off the streets, using all means available, including brutal force, against women and children, as was the case in Zaporizhya on Jan. 26, when children aged 13-15 were caught, beaten and deprived of sleep and any rights. Some of those people were simply snatched from the streets because they were close to the site of protests. They are now going to courts to hear sentences for participating in mass riots, and in some cases parents only get to see in court their children who had been missing for more than a day, according to the protesters' information.



read "Stop Maidan," a direct reference to the ongoing anti-government protests known as EuroMaidan that are now in their third month. (Kostyantyn Chernichkin)

Yanukovych's supporters say titush **Citizens** ing to save their nation

"It's only natural that the community of cities stands up to those armed bandits who are bused in to crush the aliens who come armed and ready to destroy, vandalize and take over government buildings," he says.

Chechetov said it was no accident that those protester were coming in from different parts of the country, so that they feel no emotional or otherwise restraint to crush properties and so on.

The Party of Regions believe that their story is under-reported by the media, including the mainstream media, and hate journalists who they believe have taken the protesters' side. This view is shared by the Berkut, hence their targeted attacks that have left more than 40 journalists injured in the last phase of clashes alone. They also believe that rioters mask themselves as journalists to get closer to the police and hit harder.

This is an amazing result, that represents about 10 million people. And the number is truly stunning when you read that that 71 percent of those polled said the situation in the country has gotten worse in the course of last year. This means many of those who are unhappy with the government, still endorse it.

Vitali Klitschko, the former boxer and leader of the opposition Ukrainian Democratic Alliance for Reform, would get the second highest number of votes, 22 percent. The margin of error in this representative nationwide poll of 2,010 was 2,3 percent.

The people who support the government policy carry inherently different values than those who are braving it out onto Maidan in minus 20. As I was giving a guided tour of EuroMaidan to a visiting foreigner recently, he commented that every tent on Khreshchatyk Street has a different slogans, and every protester shouts out a different demand.

I told him that the common denominator of them all is that they want to make sure that the country allows all this diversity, and they coexist in a peaceful manner regulated by an efficient, clear and applicable set of rules.

The other side, including the Party of Regions and its electorate, on the contrary, stand for a rigid hierarchy, want to fit into that system and don't mind the casualties that come from a system like that. They have a different understanding of rules and



We asked protesters if they intend to vacate Kyiv City Hall following an amnesty law that parliament adopted on Jan. 29.



Myron Kyas. entrepreneur "People will vacate Kviv city hall if parliament adopts the law without any conditions. First they should

free people who are detained and then the buildings will be vacated."



Andriyko, commandant of Kyiv City Hall, Svoboda Party member "Nobody will leave the building. If the authorities wanted to

Ruslan

reach a compromise with us, they would first free the imprisoned protesters and bring those guilty of shedding blood to justice, and only then the building could be vacated.'



Verbytska, pensioner "For example, nine years ago the building of Kyiv City Hall was given to participants (of the Orange Revolution)

by the former mayor so they could find warmth here. This time it was occupied by protesters. Of course, the authorities shouldn't force them to leave. It's evident that (this law) is a squeeze play."



Andriy Karlinskyi, reserve officer "I understand that we are occupying a public building but Kyiv residents are supporting us, just look at the donations they are bringing here. Of course, none of the protesters wants to go to jail for being here, but those who are at the barricades keep on staying there despite brutal crackdowns. This is how the new nation is being born."

Mykhailo Chechetov, another prominent speaker in the Party of Regions says that titushki, who have played a key role in crackdowns across Ukraine, are the community that stands up to mercenaries from western Ukraine who want to destabilize the whole country

Any argument that you give the government supporters, gets a counter-argument. When you say people get killed, kidnapped and tortured by the police, you hear that they are radicals and deserve what they get. That they violate the law and the treatment they would get in the west would be even harsher

When you say the government has lost touch with people and loots, attacks and lies, they say you have a chance to change it at the next election, and instead your radical freaks are rocking the boat.

This alternative story is shared by many people across the country, and here is the proof. At the end of December, after several government-ordered crackdowns against the protesters, President Viktor Yanukovych would still get 30 percent of the vote in a presidential election, according to a poll conducted by Democratic Initiatives Foundation and Razumkov Centre, two reputable think tanks.

justice, also

One Party of Regions member told me, for example, that many in their ranks got trampled on, insulted and slandered in the past few years by journalists and activists. So, the Jan. 16 laws that made slander a criminal offense punishable by up to seven years in prison, as well as a ban of non-government sector activities, was an adequate and justified response.

Their argument against repealing the laws was the fact that it does not work anyway because the government has no strength (at least for now) to enforce it. They dismissively laugh at the fact that the law passed without a proper procedure, by a show of hands, in half-empty hall, but was still made law. They interpret that as their victory and don't think much about legal procedures or the fact limitation of rights would concern them as well. "We don't do anything illegal," is their main argument.

This is why the kangaroo courts against political prisoners like ex-Prime Minister Yulia Tymoshenko and protesters seem like justice to them: those people are committed crimes and are justly punished. The crimes may be different from what they go to prison for, but it's justice nevertheless.

Kyiv Post deputy chief editor Katya Gorchinskaya can be reached at katya.gorchinskaya@gmail.com.



Ivanna Kukharenko. pensioner "The authorities have to free all who were put in jail illegally first. If we follow their demands, we

will all end up in prison. We will stay here until pre-term parliamentary and presidential elections are held. I've been here for 71 days already and I am ready to stay more."





January 31, 2014

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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

German Advisory Group favors IMF cooperation

In partnership with Gide

BY ANASTASIA FORINA FORINA@KYIVPOST.COM

Ukraine's second biggest foreign investor and third largest trading partner - Germany - also advises the government on economic affairs. Established in 1994 by the country's Federal Ministry of Economic Affairs and Energy, the German Advisory Group has been consulting the Ukrainian government on macroeconomic, tax and energy policy. Its six-member team is based in Germany but makes monthly trips to Ukraine to meet with key government officials.

"The first and most important part of our mandate is to advise the (Ukrainian) government on economic policy," says Ricardo Giucci, team leader of the German Advisory Group. "As much as we can, we support and facilitate economic relations between Ukraine and Germany and the European Union."

The group's most recent study, in particular, provides a glimpse into the Ukrainian-Russian deal signed on Dec. 17. The deal, including a \$15 billion package for Ukraine and a 33 percent discount for Russian natural gas, came when the country was facing substantial budget and current account deficits: \$8 billion and \$8,3 billion, respectively, and its foreign-exchange reserves were at a perilously low level of \$18.8 billion.

Ukraine was no longer able to finance itself without external financial help and had two options receive financing from Russia or the International Monetary Fund. When Ukraine received the first \$3 billion installment of the Russian loan in December, it helped stabilize reserves. The gas discount could save the country up to \$3 billion in 2014 alone, Giucci says. Still, he says Ukraine could benefit more from TAHE the International Monetary Fund

→ Group has advised Ukrainian government since 1994 on economic policy

On Jan. 24, the IMF's deputy spokesman William Murray announced that the international lender is ready to discuss financial cooperation with Ukraine if such a proposal is made, but so far the Ukrainian government hasn't submitted one.

Moreover, ex-Prime Minister Mykola Azarov has repeatedly criticized the fund's demands which have included loosening the hryvnia exchange rate and increasing household energy tariffs combined with a number of social measures. The German Advisory Group also supports these ideas.

At around \$100 per 1,000 cubic meters, Ukraine's household gas and heating tariffs are among the lowest in Europe

Meanwhile, the hryvnia has devaluated recently: from Hr 8.2 to Hr 8.5 to the dollar. Giucci the says German

HOLSTEIN

MECKLENBURG -

VORPOMMERN



Ricardo Giucci, head of the German Advisory Group in Ukraine, speaks at the economic and trade policy risks panel during the Dec. 3 Kyiv Post Tiger Conference. The managing director of Berlin Economics, Giucci is a high ranking economic policy adviser in several countries, such as Belarus, Germany, Moldova and the Russian Federation. (Anastasia Vlasova)

Advisory Group endorses flexibility, but to a certain extent.

"We favor flexibility of the exchange rate, but not complete flexibility. We advised the National Bank to have a currency basket (including) the euro, dollar, (Russian) ruble, so it adjusts better to the external situation." Giucci says. Regarding Ukraine's trade relations, the group suggests having good relations with Russia and the EU. At the same time, closer integration with the Kremlinled Customs Union could lead to increases in customs tariffs in Ukraine because Russia has higher tariffs, Giucci says. Average customs tariff in Ukraine is 2.7 percent while in Russia it is eight percent. "Russia is a protectionist country and Ukraine is a liberal country in terms

tionist country, meaning fewer imports, fewer exports and less gross domestic product," Giucci says.

But should Ukraine integrate closer with the EU, Ukraine's imports, exports and gross domestic product could each increase by six percent, when all the adjustments take place, according to GAG's calculations.

Yet Ukraine rejected signing the Association Agreement with the EU ernment protests throughout the country, a political crisis Ukraine has never seen.

While there were numerous statements on behalf of the government regarding the negative impact of the protests on the nation's economy, GAG says it hasn't noticed serious impact so far.

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at the Eastern Partnership Summit in November. The government's decision led to massive street rallies in Kyiv that transformed into huge anti-gov-

Germany at a glance:

Size: 357,022 square kilometers Population: 81.1 million (2013) **Government type:** Federal Republic Head of government: Chancellor Angela Merkel (since 2005) **GDP (PPP):** \$3.1 trillion (2012) GDP (PPP) per capita: \$38,700 (2012) Main industries: iron, steel, coal, cement, chemicals, machinery, vehicles, machine tools, electronics, food and beverages, shipbuilding, textiles

Ukrainian-German relations:

Trade: \$7.7 billion (January-November 2013)

Exports from Germany to Ukraine: machinery, motor vehicles, chemical and pharmaceutical products, electrical goods, foodstuffs and animal feed Exports from Ukraine to Germany: textiles and garments, metals, alloys, iron goods, chemical products and motor vehicles.

German investment in Ukraine: \$6.3 billion (as of January 2013) Ukraine's investment in Germany: \$9.1 million (as of January 2013)

Source: CIA Factbook, State Statistics Committee, German Embassy in Ukraine, Ukrainian Embassy in Germany

Germany's relationship with Yanukovych getting frostier

BY BRIAN BONNER

BONNER@KYIVPOST.COM

Three images or events stand out in the current tough state of Ukraine-Germany bilateral relations.

ITEM No. 1: A meme is floating around the Internet showing German Chancellor Angela Merkel and Russian President Vladimir Putin shaking hands. The inscription reads "New Molotov-Ribbentrop Pact," with a map of Ukraine being sold out as it was in 1939.

INTERPRETATION: Germany cares too much about its business relationship with Russia to get too heavily involved in Ukraine. Some Ukrainians are disappointed that Germany, which is the heavyweight of European Union politics, is – for the time being anyway - not considering sanctions against President Viktor Yanukovych and his top officials for human rights abuses linked to EuroMaidan protests. The United States and Canada, on the other hand, have banned key officials from entering those countries.

ITEM No. 2: A strategically released videotape of Yanukovych and Merkel at a cocktail reception on the eve of the Nov. 28-29 Vilnius Summit created a stir. Merkel is shown expressing her disappointment with Yanukovych for backing out of an EU association agreement, saying "we expected more." Yanukovych complains in response about the lack of EU support for Ukraine. The day after the summit ends, on Nov. 30, Ukrainian police launch the first violent crackdown on EuroMaidan demonstrators

INTERPRETATION: The overriding impression from the video clip is that Merkel doesn't like Yanukovych and they don't have much of a relationship. Another one is that EU leaders wanted to show Yanukovych as a coarse and money-hungry leader.

ITEM NO. 3: Frank-Walter Steinmeier, considered to be very pro-Russian, has replaced Guido Westerwelle, who visited EuroMaidan demonstrators in December to show his support.

INTERPRETATION: Germany's relationship with Russia will trump its relationship with Ukraine. So if Russia won't let Ukraine get closer to the EU, Germany will abide.

However, criticism that Merkel is selling out Ukraine to Putin appears to be off the mark, even though the German chancellor is not yet willing to consider sanctions.

Merkel told German lawmakers in a speech at the Bundestag on Jan. 29 that she supports the demands of the demonstrations and praised their courage in pressing for democratic reforms.

"They are fighting for the same values that guide the European Union and that is why they must be listened to," Merkel said. "We support, with all the means at our disposal, efforts for a peaceful solution of the conflict and the justified demands of the opposition."

She and Putin also talked this week by telephone about Ukraine and she pressed him to take constructive steps to help end Ukraine's crisis. She has also issued numerous official statements this month calling for negotiations and a non-violent solution.

Another way to gauge the importance of bilateral relations is to count the number of top-level visits.

On that score, there has not been exactly a frenetic pace of dialogue between the two nations. Merkel visited Ukraine in 2008 while Yanukovych visited Germany in 2010 and 2012.

Amid the tension, some German expatriates in Ukraine are running for cover when asked to talk about bilateral relations.

German Ambassador to Ukraine Christof Weil, for instance, agreed to an interview with the Kviv Post this month, scheduled it and then backed out at the last minute, saying he was too busy and, anyway, the public knows what he thinks.

Even businesses are skittish about talking publicly in the midst of Ukraine's political crisis. After giving an interview with the Kyiv Post on purely



business topics, a representative of a German-based company in Ukraine had second thoughts and requested to cancel the story, citing nervousness over the tense political situation.

So the Kyiv Post turned to two academics who watch Ukraine-German relations closely for insight.

One is Susan Stewart, a Berlin-based research for the German Institute for International and Security Affairs. The other is Andreas Umland, an associate professor at Kyiv Mohyla Academy.

Stewart said accusations that Germany is selling out Ukraine for the sake of good Russian relations are off base.

Merkel has taken a tougher stand with Putin, she noted, by more openly criticizing his human rights abuses and interference in Ukraine's affairs. Merkel, however, is also frustrated with Yanukovych for his backtracking on the EU political and trade deal. The prevailing view in Germany, Stewart said, is that sanctions against the Ukrainian regime will turn it into another Belarus, an outcast from the European community.

GIDE LOYRETTE NOUEL

Business 7 GIDE

Stewart expects little substance between Germany and Ukraine as long as Yanukovych is in office. "If Yanukovych does manage to stay in power, I doubt there would be any more than superficial dealings with him," Stewart said.

Moreover, Stewart said, "there's a lot of sympathy" in Germany for imprisoned ex-Prime Minister Yulia Tymoshenko, Yanukovych's rival who is considered by the West as a political prisoner. German doctors are treating Tymoshenko for spinal problems and, had Yanukovych pardoned her, Germany would likely be her destination.

She does not, however, think that the political tensions will affect trade ties much.

Umland, a German who teaches university classes in Kyiv, said that polls show most Germans want to see Ukraine join the EU within 20 years.

"The population is quite pro-Ukraine," Umland said. "I think they understand that Ukraine is geopolitically important and in the future could be economically important."

At the same time, Umland said, Germans don't see any conflict between having good relations with Ukraine and Russia. They believe that by drawing Ukraine into the European democratic community, Russia will change for the better also.

He admits, however, there's a double standard in the way Germany treats Ukraine and Russia.

Ukrainians "are seen as our people, not a geographical rival," Umland said. "They should play by the European rules and if they don't, they are bad. Russia is not expected to play by European rules.

Kyiv Post chief editor Brian Bonner can be reached at bribonner@gmail.com.



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8 Business

Firtash acquires Pravex in cheap, risky move

BY NATALIYA TRACH TRACH@KYIVPOST.COM

Ukrainian billionaire Dmytro Firtash strengthened his Group DF's presence in the Ukrainian banking sector after purchasing Pravex Bank from Intesa Sanpaolo, an Italian banking group, as other foreign banks line up to leave the country.

Centragas Holding, which consolidates Firtash's banking businesses, paid \notin 74million for Pravex, a \notin 400 million discount over the original price that the Italians paid for it in 2008. In addition to Pravex, Firtash bought Nadra Bank in 2011, and analysts predict the two will merge to reach \notin 3 billion in total assets. The merger would make it the seventh largest bank out of 175 registered banks in Ukraine by assets, according to the Association of Ukrainian Banks.

Group DF's chief executive Borys Krasnyansky said that the banking business is one of the conglomerate's priorities. "Our strategy involves further development and expansion of this business line," he told the Kyiv Post, explaining the group's acquisition.

Intesa Sanpaolo is leaving the Ukrainian market due to losses. Pravex ended last year with a net loss of $\notin 5.84$ million, though in 2012 losses were even greater at $\notin 102$ million.

ance sheet, by the end of 2013 it had $€_{398}$ million worth of assets, including $€_{97}$ million of owner's equity, with a loan portfolio of $€_{212}$ million, of which 53.5 percent were bad loans at the end of the third quarter. Pravex currently is the 34th largest bank in Ukraine by assets.

According to the Pravex Bank's bal-

Following the announcement of the sale, global credit worthiness rating agency Fitch stated it may downgrade Pravex's credit rating from the current B-.

Foreign pessimism

The sale of Pravex, according to analysts, is part of a significant trend of foreign banks exiting the country. "They are being substituted with homegrown oligarchs or Russian financial industrial groups," said Kyiv Mohyla Business School professor Oleskiy Herashchenko.

A December Standard & Poor's report on Ukraine stated the exodus started since the beginning of the 2008 financial crisis "in view of difficult operating conditions in Ukraine resulting in low risk-adjusted returns and high delinquencies as well as prevailing financial and economic problems in Europe, higher minimum capital requirements from banks ...and downscaling of operations."



Analysts keep making bets on whether Dmytro Firtash's two banks – Nadra and newly bought Pravex – will merge, although agree that the billionaire has acquired quite a risky asset. (UNIAN)

Consequently, Ukrainian subsidiaries of foreign banks are being sold at great discounts because many sellers are willing to exit as soon as possible. S&P, however, doesn't anticipate the share of foreign capital in Ukraine's banking system to dip beyond 35 percent in the next two years from the height of 42 percent at year-end in 2011.

Since 2009, more than 15 banks with foreign capital left the Ukrainian market. Recovery of defaulted loans in Ukraine is next to impossible. Nonrepayment of debt has become a widespread practice among Ukrainian borrowers.

Furthermore the banking business model that is commonly used in Europe is not efficient in Ukraine, Herashchenko added. Doing business in Ukraine requires a substantially higher level of risk tolerance. Bad loans in the loan portfolios of European banks usually do not exceed 1 percent, while banks in Ukraine may keep 10-15 percent of risky loans in their portfolios. According to S&P, problem loans of Ukrainian banks may reach 40 percent. Its latest country risk report on Ukraine says it has one of the riskiest banking systems in the world.

More to leave

Other banks are following suit. The Ukrainian subsidiary of Bank of Cyprus, whose parent company is facing serious financial problems and has been struggling to find a buyer for its Ukrainian assets during the past two years, is now being sold to the Russian Alfa Bank for €225 million. The latter has been doing business in Ukraine since 1992.

Herashchenko believes that Raiffeisen Bank Aval and Ukrsibbank BNP Paribas Group – the biggest banks with foreign capital – are also getting ready to leave Ukraine. "They want to go, the only question is the price," he said.

Vitaliy Vavryshchuk, head of research at Ukraine-based investment boutique SP Advisors, agreed that subsidiaries of foreign banks will keep leaving the country. "There is no hope that the investment climate will improve in the near future and enforcement of loan agreements will become possible," he said. "We don't expect the trend to change in the next 2-3 years."

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Sky Mall investors in 'classic stalemate'

BY IVAN VERSTYUK VERSTYUK@KYIVPOST.COM

Kyivans purchasing fancy Tommy Hilfiger shirts or casual Carlo Pazolini shoes at Kyiv's third largest shopping center Sky Mall may not be aware of the deep-seated conflict between its two owners. Majority shareholder Andrey Adamovskiy – a Russian born in Odesa – and Estonian Hillar Teder, who holds a minority stake, haven't found common ground since 2010.

Teder has not received his 49.97 percent share of the mall's yearly \$25 million turnover since Feb 2012. In turn, Adamovskiy contends that Teder locked him out of a Cyprus company that both had used to finish construc tion of the mall. At the heart of the dispute is a shareholder agreement to which the two are bound that was concluded when Teder had trouble finding enough money to build the mall after the financial crisis hit in 2009. Adamovsky agreed to help in exchange for a majority stake in the mall. Teder saw this as a temporary arrangement since the agreement contained a call option that allowed him to buy back Adamovsky's stake once the mall was finished. French supermarket chain Auchan anchors Sky Mall. Overall it boasts 260 shops occupying an area of 90,000 square meters with such tenants as shoe retailer Intertop, and clothing chains Inditex and Warehouse. The mall's net cash flow in 2013 reached \$25 million, while its net profit has been constantly growing over the past three years, Adamovskiy and his junior partner Oleksandr Granovskyi told the Kyiv Post, adding that the mall is worth



still ongoing. Teder did not stop there. He sued his partner in a Cypriot court, claiming that his minority shareholder rights were violated.

"If a minority shareholder can prove that his rights are violated and a Cypriot court decides to liquidate the holding company, its property may be sold to anyone at a fair market price," said Leonid Antonenko, a partner at Sayenko Kharenko law firm. "As far as I understand, each side has their own solid arguments. That is why during the court hearings these arguments balance each other, leaving the arguing sides in the current status quo which is not comfortable for either of them."

He sees negotiations between the

\$140 million.

Teder, however, assesses Sky Mall's value at \$200 million. Market analysts emphasize Sky Mall's successful concept and location, while Sergiy Kostetskyi of SV Development real estate consultancy said, "The movie theater and entertainment (aspects) are the weakest points of Sky Mall."

Teder started building the shopping center in 2006, but had to stop in 2009 due to lack of funding. Adamovskiy agreed to provide enough financial resources to finish the project in exchange for a majority stake. In February 2010, the two businessmen signed an agreement introducing the following ownership structure: Adamovskiy received a 50.03 percent stake, and Teder got 49.97 percent. Moreover, sides agreed to call option implying Teder's right to acquire Adamovskiy's shares before March of 2011 for \$51-\$56 million depending on the precise date of the acquisition.

"I warned Hillar (Teder) that I was not going to let this call option be realized and would keep an eye on the execution of all the details of the agreement," said Adamovskiy.

Things were going well until Teder sold 35 percent of Arricano, the company that owned 49.97 percent of Sky Mall. The shareholder agreement prohibited the sale of a controlling interest in entities which owned Sky Mall – Arricano in Cyprus on Teder's side, and Stockman in the British Virgin Islands on Adamovskiy's – without the other's written permission. The Estonian thought that a 35 percent stake was not a controlling interest. A panel of three judges in a London arbitration court later ruled that it was. Moreover, the agreement regarding Sky Mall's ownership was confidential. Yet after Teder informed Dragon-Ukrainian Property Development Plc of his call option – the company to which he sold part of Arricano – Adamovskiy accused him of breaking confidentiality clause of their agreement.

Adamovskiy subsequently refused to execute the call option and sell the majority stake of Sky Mall back to Teder.

London and Kyiv courts took Adamovskiy's side in the conflict, though one case in the British capital is two as the most effective way to settle the conflict given that they still communicate with each other.

Adamovskiy said he is ready to negotiate. Teder replied: negotiations have reached a deadlock. When asked if they would consider selling the mall to a third party, Adamovskiy agreed to do so at a fair market price, while the latter said he was not going to accept such an offer.

"Sky Mall is currently at the peak of its development, so it would be a smart decision to sell it right now," mentioned SV Development's Kostetskyi.

Andrey Adamovskiy and Hillar Teder are far from burying the hatchet. They still exchange text messages and sent each other season's greetings. Nobody knows how long their conflict will last though.

"This is a classical stalemate situation," summarized Antonenko of Sayenko Kharenko law firm.

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One coming, one going

BY BRIAN BONNER BONNER@KYIVPOST.COM

There's a changing of the guard at the American Chamber of Commerce in Ukraine

Jorge Zukoski, the man who has been synonymous with the organization's phenomenal growth in the last 15 years, is leaving as president. Bernard Casey is his replacement. Both are Americans with MBAs.

Casey will be inheriting an organization that has grown to 633 members with more than 50 employees.

Zukoski and his wife, Courtney, will be starting a second life - awaiting the birth of twins, the couple's first children. He will make his home in St. Augustine, Florida.

Zukoski has been a fixture in the expatriate community and is a familiar face to those at the highest levels of Ukraine's government. He's a well-liked, affable, and an energetic networker who probably could have kept his job for many more years to come, but simply decided he needed a change. Both he and Courtney want to be closer to their parents and also have time to one themselves.

He arrived in Kharkiv as a Peace Corps volunteer in 1996. He got the Chamber job in 1999. It wasn't much of a prize back then. "When I took over the chamber; they handed me a shoebox full of change. We had one employee and that was it. They (the board of directors) said if you build it. We will take care of you.'

Now it's one of the "largest and most effective chambers in the world," he boasts

While Ukraine's business climate remains near the bottom of international rankings, Zukoski has been around long enough to remind everyone of the improvements - incremental as they might seem - in areas of tax, regulation and customs, among others.

One of the keys to his strategy is to "work with whoever is in power," Zukoski said. "We're apolitical. We don't care who's in power. We want predictability and stability."

The progress has translated into an improved economy and personal standard of living for many Ukrainians, certainly by the standards of 1996 when so many were mired in a struggle to survive. Then, Ukraine lacked



Bernard Casey

Age: 49 Family: Single. Birth: Schenectady, New York Key to succeeding in Ukraine: "Passion commitment natience finding personal sense of satisfaction in incremental progress.



Jorge Zukoski Age: 46

Family: wife Courtney; expecting twins, a boy and a girl Birth: Philadelphia, Pennsylvania Key to succeeding in Ukraine:

"Understand that it's all about diligently working for small incremental wins that add up over time. It's all about patience and thinking through and building relationships necessary in your specific industry or sector to be successful."

will be a peaceful solution soon that brings healing and unity to the people of Ukraine."

He also sees opportunities in many sectors - information technology, manufacturing, aerospace, agriculture and others, if the government takes the right steps. Ukraine "can't count on bailouts from Russia and the IMF (International Monetary Fund) forever. Casey said.

Expats To WatchFragile ceasefireOne coming,holds on street

 \rightarrow 1 In its wake hundreds have been injured and detained, dozens are missing, and deaths have been reported on both sides. Citing a fever and a respiratory illness, President Viktor Yanukovych went on sick leave on Jan. 30, putting negotiations with opposition leaders and a solution to the country's political crisis on hold, at least until parliament reconvenes on Feb. 4.

Former President Leonid Kravchuk issued a warning in parliament on Jan. 29. He said the country was "on the brink of civil war," before pro-government lawmakers passed a conditional amnesty law with much drama that included Yanukovych making an appearance to bully his party's lawmakers into voting for the measure.

This week has also seen the resignation of Azarov, a close ally of Yanukovych, as well as fresh Russian sanctions on Ukrainian products crossing the border. As if that didn't hit hard enough, Russia said it would put a \$15 billion bailout package on hold until a new government is formed in Ukraine.

The amnesty law, passed with great drama late in the night on Jan. 29, has already been dubbed the law "on exchange of hostages" by the opposition and human rights groups. There are many reasons for that.

The law obliges demonstrators to vacate all occupied government buildings within 15 days after it comes into effect. After that, the fate of 234 protesters who have been detained, including 140 who remain behind bars, is in General Prosecutor Viktor Pshonka's hands.

Under the law, Pshonka is supposed to issue a statement on his official website, giving a green light to courts to review cases, one by one. If any link in that chain fails, the protester remains behind bars.

"Effectively, the parliament has made the law conditional on the general prosecutor's office," says Valentyna Telychenko, a prominent

lawyer. "This is not a democratic way and does not match the European standards for human rights."

Members of the opposition say this law makes the government look like terrorists who hold hostages and release them if demands are met. "The authorities do everything to increase tensions in society," said Vitali Klitschko, leader of the Ukrainian Democratic Alliance for Reform party.

UDAR said that Yanukovych should not sign the law, as it was passed with multiple violations of procedures. They posted photos of Party of Regions' members of parliament pressing buttons for their fellow faction members, which is against the law. The law was approved by the ruling majority of the Regions and Communist party.

The law features a list of 25 articles of the Criminal Code which fall under amnesty. Even those who attempted to change constitutional order, seized government buildings and damaged property will be granted amnesty, as well as those who committed more minor crimes like hooliganism. But the trick is, these actions have to be connected to mass protests that started on Nov. 21, and it has to be proven by court.

"The biased people (judges) will be making decisions," Telychenko says. She says that many protesters, particularly AutoMaidan protesters who mostly traveled to officials' homes with pickets and chased gangs of hired thugs, are in danger of remaining in jail because courts might decide that they just violated traffic rules when they blocked roads.

Also, for anyone to be amnestied at all, first protesters must free all government buildings across the country, unblock Hrushevskoho Street and others, "except those where peaceful protests are taking place."

Yury Miroshnychenko, the president's representative in parliament and author of the bill, says the law allows the protesters to keep tents

on Khreshchatyk Street and hang on to the Trade Unions House and two other buildings in Kyiv, but will have to free the city hall.

But lawyers say the law allows the general prosecutor to have his own interpretation. The law leaves it up to the general prosecutor to decide if the protesters have fulfilled enough conditions to make a move to set the courts in motion, says Telychenko.

Another lawyer, Andriy Guck, a senior associate at Danevych law firm, says the law is "inhuman."

"It treats people like hostages, whose freedom is exchanged for someone's access to working places in some buildings," he says.

But the authorities clearly do not share that sentiment. President Viktor Yanukovych, who took a sick leave after an intense late night meeting with his stubborn faction that did not want to support the amnesty, said in a statement on Jan. 30 that by passing the law, the government has fulfilled all its promises to the opposition.

"All commitments the government has taken, we have met," Yanukovych said, who is yet to sign the law to set it in motion.

But political analyst Oleksandr Sushko says they did the opposite.

"It means that instead of a compromise, the will of just one political force has been tested," Sushko said.

Protesters in the streets do not trust this particular force and say they will not clear Hrushevskoho Street, regardless of the deadline.

"If we leave Hrushevskoho, they (the authorities) will demand us to leave Maidan as well," says Dmytro, an 18-year-old student, who wears a green helmet with the inscription of his home city Rivne, and a awkward homemade balaclava. He does not want to give his last name because of fear of prosecution. "They are just playing with us."

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modern retail shops, good hotels, fast internet and other conveniences now taken for granted.

The ongoing standoff between the government and protesters is not helping business, Zukoski said, but he believes the crisis will pass and it will end up being "a blip on the radar screen."

"This is part of a country going through a difficult transition," Zukoski said. "Shaking 70 years of Soviet legacy has been incredibly painful for Ukraine and other former Soviet countries."

As he puts it, "there's so much more to do, so many more exciting projects to be done.'

That task will fall to Casey.

He realizes he's coming in at a challenging time because of the EuroMaidan protests, in their 72nd day on Jan. 31.

"As someone who loves the wonderful people of a great nation, my heart breaks when I see the crisis out on the streets," Casey said. "I hope there

He expects to have a good relationship with other business associations, such as the European Business Association, the British Ukrainian Chamber of Commerce and the U.S.-Ukraine Business Council.

"We're all focused on the same thing, bringing a free market economy to Ukraine, implementing business and economic reforms, attracting foreign and direct investment," he said.

He's got lots of experience in the region, including work in Russia and Ukraine. Most recently, he worked as the chief executive of UkrWindEnergo, a wind energy producer in Crimea.

When he heard about the Chamber presidency coming open, Casey said, "I jumped at the opportunity. I said 'that's something I'd love to do.' It's a great opportunity, privilege and a huge responsibility."

Kyiv Post chief editor Brian Bonner can be reached at bonner@kyivpost.com.

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Entertainment Guide 11



Kozak System

Founded in the 1990s, this band is a fun, folk, punk and reggae cocktail. Kozak System represented Ukraine at numerous festivals all over Europe and is considered to be the voice of Ukraine at these places. In 2009, the band was a participant of Sziget Festival, one of the biggest music events in Europe. The latest album by the band was released in 2012 and was called "Shablya" (The Saber). Its genre is Kozak rock.

Kozak System. Jan. 31. 10 p.m. Art Club 44 (44B Khreshchatyk St.). Hr 70

Daniel Zamir Quartet

Daniel Zamir, one of the most famous saxophonists in Israel is coming to Kyiv. In his music, Zamir unites the tunes of traditional Jewish songs, jazz and ethnical elements. Israeli audience believes that jazz in the country became popular only because of Zamir's virtuous play. The artist's discography includes seven records, recorded in Israel and the USA. In 2013 Zamir was representing Israel on the Jazzahead, European Jazz Fair at Bremen.

Daniel Zamir. Feb. 1. 8 p.m. Master Class (16A Lavrska St.). Hr 110







Dvj Bazuka

As a part of her worldwide tour, the Dvj Bazuka is coming to Kyiv for the first time. This Russian DJ is bringing her new show "Muza" (The Muse). Bazuka has been around in the music business for nine years now, gathering thousands of people on every show she does. Her new show represents a work thought through and created by the artist herself.

Dvj Bazuka. Feb. 1. 10 p.m. Saxon Club (4 Onufriya Trutenko St.). Hr 40 – 80 for men, free for women







Israeli Movie Days

This week Master Class is screening the movie "Once I Was," written, directed and produced by Avi Nesher. The movie is based on the book "When Heroes Fly" by Amir Gutfreund and tells a story of three teenagers, whose lives change once they discover places in their own town they never knew existed. This 2010 drama won a Silver Plaque award at the Chicago International Film Festival. "Once I was" by Avi Nesher. Feb. 6. 7 p.m. Master Class (16A Lavrska St.). Free of charge

Modern Art Festival

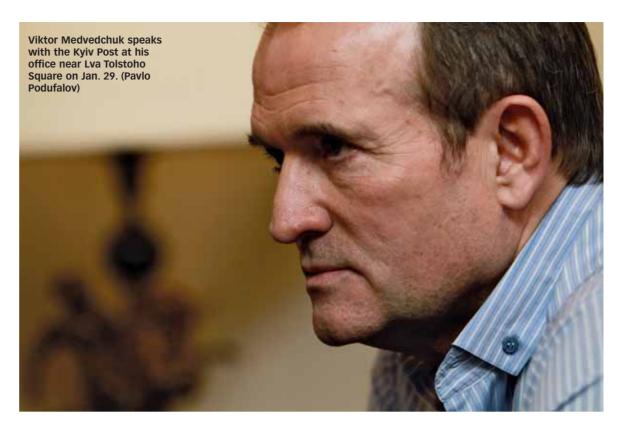
The idea of Fabrika, the modern art festival, fully belongs to the artists participating in it. Over the course of three days, the audience will be able to enjoy different aspects of the modern visual art. The festival covers various areas of art: exhibitions, movies, music, dance, photography. The participants list includes more than 40 Kyiv artists. *Fabrika, the Modern Art Festival. Jan. 31 – Feb. 1. Tykva, the music complex* (72 Hlybochytska St.) Hr 25

Compiled by Alisa Shulkina



12 News

Fresh off Ukrainian Choice victory, Medvedchuk looks for new challenges



BY CHRISTOPHER J. MILLER MILLERJCHRISTOPHER@GMAIL.COM

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Viktor Medvedchuk's office is tucked away in an alley off Lva Tolstoho Square and behind doors protected by numerous security guards. Known by critics as Ukraine's "prince of darkness," Medvedchuk remains a powerful figure on Ukraine's political scene.

Medvedchuk, 59, most recently led a successful national campaign through Ukrainian Choice, a non-profit group he founded, to torpedo an association agreement between Ukraine and the European Union last fall. Many think he did so at the behest of the Kremlin. His friendship with Russian President Vladimir Putin, the godfather of his daughter, enhances his image as a powerbroker. And, in the most recent government shake-up, his name has been touted as a possible prime minister or chief of staff to President Viktor Yanukovych.

If either of those jobs do come Medvedchuk's way, he would assume yet another prestigious role in a life that has seen many of them – multimillionaire businessman, media mogul, lawyer, member of parliament and chief of staff to ex-President Leonid Kuchma. The Kuchma position earned him the nickname of "grey cardinal" for his alleged role in the 2004 rigged presidential election and as the alleged architect of "temnyki," essential censorship instructions to be followed by news media. He has routinely denied both charges over the years.

Medvedchuk recently made news for his anger at a group of activists who showed up at his home outside Kyiv and spray painted and reportedly damaged his security gate. "I also know how (to fight)," he warned on Ukrainian Choice's website. "We have common strength and capabilities to stand up for our views and convictions. And we shall do this."

The protests-on-wheels, known as AutoMaidan, irritated not only Medvedchuk with their car convoys to the luxury homes in-country and abroad of officials and wealthy elite.

Bad things happened to AutoMaidan participants after the protests. Unknown men attacked several members. The leader of the group, Dmytro Bulatov, went missing on Jan. 22 and hasn't been seen since.

Asked about his rage and the troubles that later befell AutoMaidan participants, Medvedchuk laughed off any connection.

"What representatives of AutoMaidan did is unlawful. When AutoMaidan came to my house they engaged in hooliganism and damaged my property, which happened several times," he told the Kyiv Post in an interview on Jan. 29. "The investigation is under way and I believe that the perpetrators will be brought to justice." Medvedchuk's public campaign – Ukrainsky Vybor, or Ukrainian Choice – played a role in successfully scuttling the political and free trade agreement between the EU and Ukraine last November. The Yanukovych government's announcement on Nov. 21 that he would abandon the EU deal triggered the mass protests known as EuroMaidan that continue today.

He has no apologies for the nongovernmental organization, financed with his own money, that stirred up anti-European sentiment ahead of the Eastern Partnership summit in Vilnius, Lithuania on Nov. 28-29.

Some of the Ukrainsky Vybor billboards used in the campaign depicted stick figure images of same-sex couples holding hands, with the words "Association with the EU means samesex marriages," a bit of misleading propaganda on a social hot-button issue. Then, in taking a victory lap after Yanukovych backed out of the deal, another billboard featured a checked box (in other words, mission accomplished) next to the words "Stopping the association with the EU."

Medvedchuk doesn't like to get pinned down on the exact size of his wealth (Focus magazine puts it at \$260 million) or his friendship with Putin.

"I have a relationship of friendship with Vladimir Putin," he said. "If he was just my friend, we could discuss that, but as long as he's the president of another state, I don't think it's appropriate to share the topics of our discussions."

As for his money, he said, he has more than enough to comfortably provide for his family, but also to finance social projects such as Ukrainsky Vybor.

As for what he wants in Ukraine's future, Medvedchuk says the nation should become a parliamentary republic where the president's powers are reduced and where referendums can decide issues. He says EuroMaidan happened because of rampant corruption, a monopolistic economy and a subordinate judiciary.

Medvedchuk was born in Siberia to a father who was deported there after suffering political repression for participating in national movements in Ukraine. His father was exonerated posthumously.

When asked about persistent rumors that he was ever part of the Soviet KGB or the Russian secret services, he responded: "I have never worked and have had no relationship with bodies such as the Committee for State Security and Security Service of Ukraine, or with the Communist Party."

Those allegations surfaced on the Mykola Melnychenko tapes, the hundreds of hours of recordings that Kuchma's bodyguard made in the presidential office. Medvedchuk doubts the authenticity of the tapes, but two crimes in Ukraine's independent history from the 2000s still bother him – the 2000 murder of journalist Georgiy Gongadze and the 2004 dioxin poisoning of ex-President Viktor Yushchenko.

"I believe that in Ukraine (these) two cases should be investigated to the end," Medvedchuk said. "They play an historical role in the development of independent Ukraine, its reputation. I have always been for justice and law. I was a founder of the Independent Lawyers Association during the Soviet Union."

As for the future of the nation, Medvedchuk is not exactly the biggest fan of Yanukovych, saying each successive government in Ukraine has been worse than the previous one. He does, however, think that ex-Prime Minister Mykola Azarov will be hard to replace because of his high level of professionalism.

Medvedchuk said he's not interested in holding a position in government. He believes he can be more effective in leading social movements. "Bringing people together, promoting and educating on many economic, political and social issues, the process of attracting supporters to the social movement – these are more important things that can change lives in the country for the better."

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Russia restarts trade sanctions against

Okraine, puis banoui package on noid

BY KATYA GORCHINSKAYA KATYA.GORCHINSKAYA@GMAIL.COM

At least two trade association complained that Ukrainian exports are once again facing troubles at the Russian border, similar to the brief but damaging trade war in August.

As of Jan. 28, Russia's customs service started treating Ukrainian goods as high risk, and demand additional checks and documents that delay shipments, Ukrainian associations said.

"We can confirm this information," said Gennadiy Chizhikov, head of the Ukrainian Chamber of Commerce and Industry. He said a delegation from his association was planning to depart to Moscow urgently to conduct consultations with the Russian counterparts. "We're really bothered by this situation," he said. Another association, the Federation of Employers of Ukraine, said that they have already got an envoy in Moscow "to negotiate the renewal of the usual regime of export of the Ukrainian goods to Russia," the organization said in a statement.

Ruslan Illichov, general director of the association, said that Ukrainian cargo gets detailed examinations. This particularly effects food, machine building, metals and trade equipment.

"During the customs clearance, goods are unloaded from trucks and railway cars, weighed and their certificates are checked. The customs organs of Russia demand from owners of cargo to pay additional contingent customs duties of 5 to 40 percent of the cost of goods. These measures lead to delays of terms of delivery to Russian clients," the Federation of Employers said.

The Russian Federal Customs could not be reached for comment.

Introduction of the new measures coincided with resignation on Jan. 28 of Minister Mykola Azarov, a staunchly pro-Russian prime minister, whose government remains in place in caretaker capacity.

President Vladimir Putin said on Jan. 28 that Russia will watch closely the new government's policies, but intends to honor its commitments. "We intend to honor our commitments, regardless of who leads the government of Ukraine, Putin said. However, a day later, Putin said Russia will wait to release billions of dollars in additional loans to Ukraine until a new government is formed. "Let's take our time until there is a new government," he said during a meeting with Prime Minister Dmitry Medvedev.

Russia has so far disbursed \$3 billion of its \$15 billion aid package promised to Kyiv in December. It als promised cheaper gas and restoration of trade after the trade war that started in August, which hurt many exporters.

Russia only invested \$3 billion into Ukraine's Eurobonds in December, and Ukraine's government said this week that \$2 more billion is coming this month. But Igor Shuvalov, Russia's deputy prime minister, said on Jan. 29 that Russia and Ukraine have yet to agree on terms of the second tranche of the loan.

Serhiy Svistel, deputy head of the Ukrainian Chamber of Commerce and Industry, said his organization had unofficial information that the Russian customs received an order to apply the same tactics to Ukrainian exports as during the summer. But the Chamber was still waiting for official confirmation.

Dmytro Firtash, the Ukrainian billionaire and head the Federation of Employers of Ukraine, appealed to the Russian side to reverse the measures. "Complication of customs procedures are felt by both the Ukrainian and the Russian business. Because of introduction of of risk profiles, Rissian enterprises will receive goods contracted in Ukraine with big delays. Thats why a quick restoration of the usual regime of export of the Ukrainian goods to Russia is within the interest of businesses of both countries," Firtash said in a statement.

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EuroMaidan inspires revolutionary artistry



Maksym Vegera paints a scene of protesters clashing with riot police in central Kyiv on Jan. 25. The photo went viral and Vegera got many offers to exhibit or sell this painting. (AFP)

BY DARYNA SHEVCHENKO SHEVCHENKO@KYIVPOST.COM

A photograph of artist Maksym Vegera standing by the fire line at Hrushevskoho Street with an easel went viral overnight. In sub-freezing temperatures, the artist worked for seven hours one day to create a painting, inspired by the atmosphere of a fight for freedom.

"Actually, the cold scared me just as much as the clashes did," he said.

Artists of every discription are drawn to the site of clashes, creating dozens of images that fill the internet since the mostly peaceful EuroMaidan uprising turned more violent on Jan. 19. Vegera, who mostly paints landscapes and cityscapes, said the view on Hrushevskoho Street was definitely worth all the trouble and risk. "Many asked me how the oil paints worked in such weather. They were totally fine," he said. Vegera hasn't exhibited his work anywhere yet, but says he has many offers from gallery and even some offers to buy the painting, although he didn't reveal the offered price.

Vegera says he sympathized with the protest but didn't join it until the first protester was reported dead on Jan. 22 "At that point I could no longer stay aside," he says. So he came right to the scene to feel the fight and to find the inspiration.

has also created some revolution-inspired works. They will go on display on Independence Square on Jan. 31. Most of the works are catroons featuring EuroMaidan participants and government members.

Zhuravel is mostly known as a mem-



WITH NATALIYA TRACH

EuroMaidan library is relief for protesters

A middle-aged man in a black jacket is sitting on a chair near the wall with a book in his hands on the first floor of the Ukrainian House, the exhibition hall in central Kyiv that was recently taken over by EuroMaidan activists. Andriy Shpak, a protester from Kryvyi Rih in central Ukraine, is a regular visitor of the recently formed Maidan library.

"I love history," he said, looking aside from a brown hardcover book he is reading.

"Two days ago I finished reading the first volume of Dmytro Yavornytsky's 'History of Ukraine,' now I am reading the third volume of the book," he added.

Shpak has come to the Ukrainian House for a snack and for a little rest after he has been building new barricades behind the Ukrainian House, formerly the Lenin Museum during Soviet times. He says he is very busy these days but devotes his every free moment to reading.

"People here are interested in books in history, law and Ukrainian fiction most of all," says EuroMaidan volunteer Mykyta Ihnatiuk, a student from Dnipropetrovsk.

Wrapped in a Ukrainian flag, Ihnatiuk is sitting behind a table with two piles of books on it. There are hundreds of donated books available, and their numbers keep growing daily. He takes books from one stack, quickly stamps them with a EuroMaidan's library mark and places them into another pile. Simultaneously, Ihnatiuk helps the library's visitors to find books they look for. Before the building was taken over, the books were brought to the city hall, another building held by protesters. "When I am not too busy I like to read books on law and the European Union because I want to find out what are the best European laws that Ukraine could adopt," he says. "A variety of children's literature is a distinctive feature of our library," says Larysa Nitsoy, a Ukrainian writer who currently volunteers as a EuroMaidan librarian "Fairy tales are very popular among the protesters. Many of them come and ask for more," she added and explained that reading children fiction therapeutic that helps activists relax after the tense atmosphere in Kyiv's streets. Nitsoy believes that after the protests are over and the activists return home to their families, they will be able to retell their \rightarrow **14**

A 29-year-old engineer with a passion for painting, Vegera said he was afraid to be in such a dangerous place.

And he did. He was not alone. Musician and artist Yuriy Zhuravel

ber of Ot Vinta band that also supported EuroMaidan from the start, while Zhuravel's art is not as well known.

One of the cartoons features opposition leaders Vitali Klitschko, Oleh Tiahnybok and Arseniy Yatseniuk. The trio are modeled on the three \rightarrow **14**



14 Lifestyle

Best gallery picks



Color and sound installations by Anna Mironova

Kyiv artist Anna Mironova is a graduate of the National Academy of Fine Arts and Architecture. The project called Disorientation addresses the multi-sensual perception of viewers, offering a combination of graphics and non-visual art forms. "Disorienting and confusing art of unusual rhyme, a cacophony of sounds, an uncomfortable composition of colors will reveal their essence," said Mironova, the show's author.

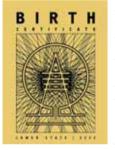
Ya Gallery (49B Khoryva St), www.yagallery.com.ua. Through Feb. 8. Free admission



Photographs by Ihor Chursin

Works by Ihor Chursin have been exhibited in Ukraine, Europe, the U.S. and Russia. For this exhibition Chursin divided his works in two sections. Bushes of Podil features impressionist photographs and Workcamera With

People includes photographs from Chursin's trip to Tel Aviv. Mystetsky Arsenal gallery, 10-12 Lavrska St. 288-5225 www.artarsenal.in.ua Through Feb. 10. Free admission



Artistic installations on political and ethical issues

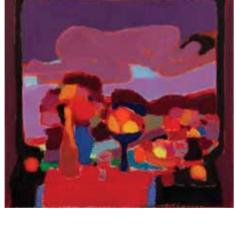
A young artist from Dnipropetrovsk, Daniel Galkin presents «Rock, Paper, Scissors,» an exhibition of artistic installations that demonstrate how bureaucracy impacts the development of ethical values. In his creations, Galkin pays attention to content, rather than the form. The show is part of a longterm project «Lower State», which reflects upon modern social and existential issues.

Karas Gallery (22A Andriyivskiy Uzviz Street). Through Feb. 5. Free admission

Still-life exhibition

A number of artists from Azerbaijan, Moldova, Georgia and Ukraine present their still-life paintings. Using different stylistic tools, Peter Lebedynets, David Sharashidze, Nicholas Zhuravel, Alex Malyh, Leonid Bernat and Alla Volobueva present their view of still-life art.

Kyiv Fortress Gallery (24A Hospitalna St.). Closed on Monday. Through Feb. 8. Free admissior



Compiled by Solomiya Zinevych

City Life: Even

EuroMaidan inspires revolutionary art

 \rightarrow **13** little pigs from the fairy tale, jumping around a wolf, trying to get treats from him.

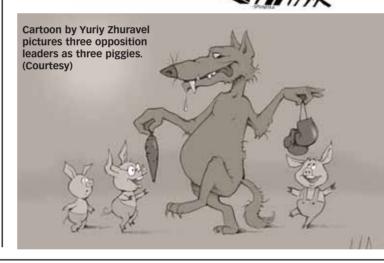
"I am much better at drawing than in throwing Molotov cocktails,' Zhuravel jokes.

For some, drawing or painting EuroMaidan is a way to let off steam. Illustrator Marysya Rudska from Kyiv says she finds most of EuroMaidan events uninspiring.

"But there are so many emotions accumulated in me - anger, hate, fear, hope, pride, shock. And all these emotions need a way out," she says, adding that "you cannot keep illustrating children's books when people are being beaten, tortured and killed."

So far Rudska painted has two pictures related to EuroMaidan, and two others are in the works. One of them is a stylized portrait of Mykhailo Havryliuk the man who was

Protester plays piano in the drawing by Marysya Rudska. (Courtesy)



filmed being tortured by riot police. She pictured him as traditional Ukrainian Kozak fighting a black serpent.

"I wanted to support this adamant man. And he has this very bright look, hard to resist drawing it," the artist explained.

Rudska believes that revolutionary art serves not only as a booster of morals for the protesters, but also serves as a tool in the information war led against EuroMaidan.

"What got the most attention i what will be remembered," she said. Street artist Jerzy Konopie tries to draw more public

> attention to the tragside ic of the protests.

> > Late on Jan. 26, he came to Hrushevskoho Street to make three symbolic installations that looked like targets used practice to

EuroMaidan hero Mykhailo Havryliuk pictured as a fairy tale cossack. (Courtesv)

shooting. One of tured an orange those targets feapress vest, one has Red Cross insignia on it and one featured a blue-and-vellow ribbon - all symbolizing different types of victims that resulted from clashes with police.

Konopie said he was inspired by a Channel Five video showing a riot police officer firing his gun directly at the camera lens. "It actually made me think that these beasts were trained to shoot journalists and doctors," he says.

Konopie said that even though many liked his idea, some didn't understand it. "But when I explained they would laugh and agree that this is very appropriate," the artist said. But the next day, the installation was ruined "either by some hired provocateurs or by those who didn't understand it."

The artist says he will create another one, only further from the fire line this time.

"After all, war without art is just a banal massacre," he says.

Kyiv Post staff writer Daryna Shevchenko can be reached at shevchenko@kyivpost.com

EuroMaidan volunteer Mykyta Ihnatiuk sits with a book in the makeshift library in Ukrainian House. (Anastasia Vlasova)

otests, reading is

 \rightarrow **13** kids the fairy tales they have read at the EuroMaidan library.

"It seems that Ukrainians suddenly became one of the most reading nations in the world," jokes Ihnatiuk, adding that the library has on average 25 visitors an hour. Some of them come and grab up to 15 books. People take books not only for themselves but also their friends.

"Heads of EuroMaidan self-defense units told me that now the entire self-defense squads are engaged in reading," Ihnatiuk said.

Nitsoy says that the idea to form EuroMaidan's library appeared a month ago when Ukrainian writers started gathering books and arranging reading marathons for the protesters at the Kviv city council. Now the library has several bookcases but the number of its books is constantly growing.

"People bring us books every day," says the writer. "Some people are very generous, like Dmytro Hortman, who vesterday donated some 50 books on foreign literature and promised to bring more."

Membership or a library card isn't a requirement at the library. Everyone is welcome to take a book for free.

"We trust our readers and give them candies when they return books to the library," says Ihnatiuk.

Kyiv Post staff writer Nataliya Trach can be reached at trach@kyivpost.com.



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Employment 15



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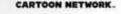
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