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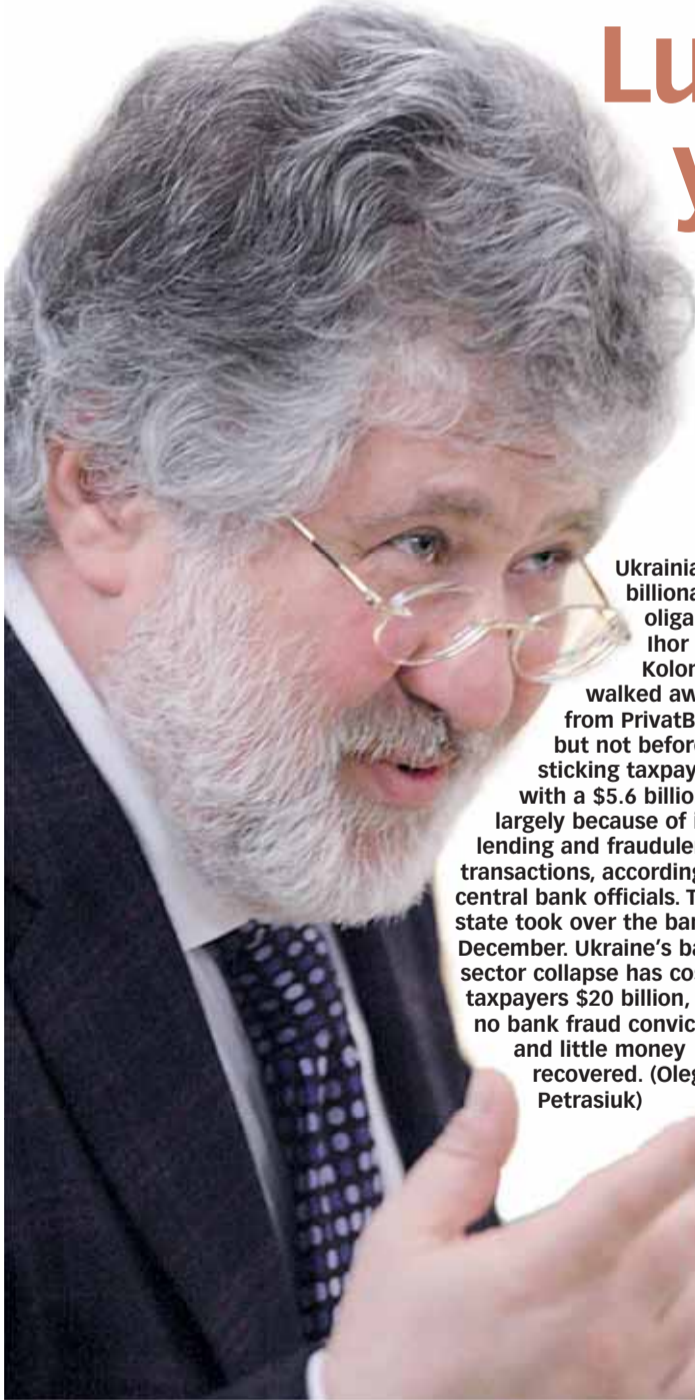
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June 9, 2017

Unpunished Bank Fraud



Ukrainian billionaire oligarch Ihor Kolomoisky walked away from PrivatBank, but not before sticking taxpayers with a \$5.6 billion tab, largely because of insider lending and fraudulent transactions, according to central bank officials. The state took over the bank in December. Ukraine's banking sector collapse has cost taxpayers \$20 billion, with no bank fraud convictions and little money recovered. (Oleg Petراسиuk)

Lutsenko, what are you waiting for?

Kolomoisky dismisses allegations of massive insider lending, criminal activity as 'nonsense'

Editor's Note: The following investigation was conducted by the Organized Crime and Corruption Reporting Project, a Kyiv Post partner.

BY GRAHAM STACK

Between mid-2015 and mid-2016, PrivatBank, the largest bank in Ukraine, handed out more than \$1 billion in loans to firms owned by seven top managers and two subordinates of its owner at the time, Ihor Kolomoisky, according to a copy of its 2016 loan book reviewed by a reporter for the Organized Crime and Corruption Reporting Project.

Subsequently, in December 2016, the bank was nationalized after the government found that it was severely

undercapitalized, threatening the country's financial system.

At least \$185 million of the \$1 billion in insider loans – and possibly the entire amount – was not backed by collateral, a serious violation of banking practices.

Kolomoisky told the Kyiv Post that the allegations are "nonsense." There's no sign that Prosecutor General Yuriy Lutsenko is hot on the trail. Prosecutors did not respond to requests for comment on June 8.

more **Fraud** on page **14**

Big fraud, no prosecution – why?

BY JOSH KOVENSKY AND OLEG SUKHOV

KOVENSKY@KYIVPOST.COM
AND SUKHOV@KYIVPOST.COM

It's been six months since the Ukrainian government nationalized PrivatBank, leaving Ukrainian taxpayers on the hook for \$5.6 billion in losses – much of it because of insider

loans and bank fraud, central bank officials acknowledge.

Ex-National Bank of Ukraine Governor Valeria Gontareva has repeatedly accused the bank's ex-owner Ihor Kolomoisky of embezzling the deposits through fraudulent transactions, including insider loans to associates.

more **Kolomoisky** on page **14**

Sex on trains? Ukrainian state railways wants people to enjoy ride

BY MARIYA KAPINOS
KAPINOS@KYIVPOST.COM

In the latest issue of its official magazine Mahistral, Ukrainian state railway monopoly Ukrzaliznytsia broached a delicate subject: having sex on trains.

But far from prudishly disapproving of such intimate encounters, a story in the June issue of the magazine encourages passengers to have sex on trains, and even gives some tips on how to go about it.

The story, entitled "Love on the Road," quickly went viral on social media – even though Mahistral doesn't even have an online version: Ukrainians simply shared a photo of the magazine page.

"The first thing you need to know about sex on trains is that it is absolutely legal," the article begins.

Mile-long club

The story has five sections that walk travelers through the process, including possible sticking points.

First, the magazine says there are no restrictions on what passengers do on their sleeping berths, as long as it doesn't violate other passengers' rights. The only rule (also the law) is that sex has to be consensual.

Compared to other types of transportation, passengers on trains are more likely to want to have sex with strangers, according to the article.

"People in one compartment are like a family. They stay together in a relatively small space and this brings them together," it reads.

Moreover, to some, the design of a train compartment might remind people of a porn film set – provided that the film is about trains, the article reads.

more **Sex** on page **13**

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A Ukrainian military doctor prepares for surgery in the Pokrovsk military hospital on May 15 in the Ukrainian-controlled Donetsk Oblast city of 26,000 people. (Volodymyr Petrov)

Ukraine's medical care improves at war front

BY WILL PONOMARENKO
PONOMARENKO@KYIVPOST.COM

POKROVSK, UKRAINE — Svitlana Ivantsova, a resident of the Ukrainian-controlled stronghold of Pokrovsk, approaches the checkpoint in the city of 64,000 people near the war front some 600 kilometers southeast of Kyiv.

Ivantsova, leading her elderly mother by the hand, tells a young soldier that a doctor is needed right away. The soldier calls for one from the mobile military hospital that has been saving soldiers' lives since the start of Russia's war in 2014.

"The doctors here never refuse health care for civilians," Ivantsova explains. "And I've been told they don't charge for checkups. We're not rich, so asking the military is the best treatment we can get in our city."

Some 15 minutes later, the soldier's radio set buzzes again and he lets the women inside the camouflage-fenced military complex. It is a relocated and expanded version of the 66th Lviv Makeshift Hospital, now sharing space with a munic-



A Ukrainian paratrooper rests in the Pokrovsk military hospital on May 15. (Volodymyr Petrov)

ipal hospital and civilian medical personnel.

"We've been working here in Pokrovsk since February 2015," the hospital's commanding officer Volodymyr Knygynytskyi says. "On our first day here, we got at least 100 wounded soldiers — the battle of Debaltseve was being unfolded then.

In the worst times, we were receiving 300 people each day, and three or four evacuation copters were taking off to Dnipro every hour."

Knygynytskyi prefers working in Spartan field conditions, organizing his office in a narrow metal trailer in the hospital's tent camp.

The days of the biggest bloodlet-

ting are hopefully gone forever, the high-ranking military doctor says.

But nevertheless, the war goes on — and the doctors have enough work to do.

At least 60 patients are receiving medical treatment in the Pokrovsk hospital at any given time.

"Here we receive the wounded from almost everywhere north of Donetsk," Knygynytskyi continues. "When a soldier gets injured in action, he is evacuated from the combat zone and then stabilized by a medical unit. If necessary, he is transported for treatment to our hospital here in Pokrovsk and stays here under our care. But sometimes, when things go bad for a fighter, we do all we can and then evacuate him to the closest big stationary hospital in Dnipro by a helicopter — in hope of saving this life there."

No refusals

Most of the injuries that Ukrainian soldiers and officers suffer are shell fragment wounds from the almost daily artillery duels with Russian-backed forces. During the worst fighting, doctors had to treat an extremely high number of sniper fire casualties, with military and civilian victims.

The policy does not make a distinction between military and civilians, Knygynytskyi says, so the Pokrovsk military hospital helps everyone.

"For instance, in the evening of May 13, a residential house in Avdiyivka was suddenly smashed with an artillery projectile. Four civilians were immediately killed, and also one man got a heavy brain damage. Fortunately, our neurosur-

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Mobile medical hospital unit treats all comers to Pokrovsk

Pokrovsk from page 2

geon managed to save him here at the hospital – he'll be all right," the doctor recalls.

"As a military medical setting during factual war time, we usually get the best equipment and personnel the country now has at its disposal," Knygynsky says. "So sometimes our civilian colleagues from the cities nearby give us telephone calls: 'Guys, we've had a complicated case, we need your equipment.' Of course, we always do our best to help the locals."

Battlefield medicine

Amid war, medical services in Ukraine's army has made a huge step forward, Knygynsky says. Starting from early 2016, the military hospital under his command has received enough equipment, personnel and medicine.

"Before 2014, the military medicine in our country was being ruined by the failed 'reforms.' Very few of us had a true experience of battlefield services in Ukraine's peacekeeping operations in Africa. Moreover, we were underfunded bitterly – this army was never meant to be winning wars, although the situation has greatly improved. Now I have personnel and equipment I could never even dreamt about before."

The Pokrovsk military hospital is enormously proud to have five rapid response ambulance crews. Among other complicated equipment, it operates advanced lung ventilation devices and mobile ultrasound scanners.



Two Ukrainian soldiers look through magazines in the lounge of Pokrovsk military hospital on May 15. (Volodymyr Petrov)

"With devices like these, paramedics can examine a wounded soldier at the battlefield and disclose body cavities filled with the air, gore or other body liquids," Knygynsky explains. "Then, they usually can clean them up with puncture drainage, without any surgical treatment, and a soldier feels much better then. Sometimes they even just get up and walk free after this procedure."

Over the past year, Ukraine's army in the disputed Donbas has noticeably improved its skills in urgent combat on-site treatment. Since last year, the Pokrovsk military paramedics

constantly train soldiers at the war front.

"By now we can say that Ukraine's combat units in the war zone are generally well-trained in tactical medicine. Most of the soldiers and officers really can administer first aid for themselves and their wounded comrades-in-arms in action," Knygynsky says.

Restful hometown

The military hospital is highly mobile – a real MASH, or mobile army surgical hospital, unit. It can be decamped and set up again within an hour.

So during the warm season, some of the hospital's facilities are brought outdoors to the tent camp in the building's yard. Both personnel and patients dine in the same big canteen tent, and the security platoon rests

inside a booth barracks with TV sets, laptops on coffee tables – and also even an aquarium.

This spring, the nurses set up a greenhouse just beyond the hospital's fence to cultivate some more vegetables.

Here, in the peaceful silence of Pokrovsk, Ukrainian soldiers and officers, often weary of war and its toils, have a chance to heal their bodies and souls. Apart from medicine and cure, many of them also need spiritual support, so anyone can seek confession from a Greek Catholic priest who volunteers as chaplain.

Previously, all religious services for the soldiers were delivered in any spare room in the hospital. Now, volunteers finish installing a simple small chapel in the yard, made of compressed wood and laminate.

For those seeking psychological aid, a trained military psychiatrist also serves his duty in Pokrovsk.

In fine weather, some of the recovering patients play volleyball at the hospital's court or simply enjoy homefront tranquility while sitting on benches in the sun.

However, most of the more seriously wounded soldiers spend their hospital days in wards, where they watch TVs with bad reception. Fortunately, there are only a few soldiers with serious wounds.

Most have less serious injuries, like Olexander Khananov, a young 80th Airmobile Brigade paratrooper with a bandaged right foot.

"Well, I got a shameful injury for a soldier like me," he laughs. "I've been at war safely for quite a while, and recently I just fell off the infantry fighting vehicle and broke my ankle bone – it's a non-combat injury, what the hell."

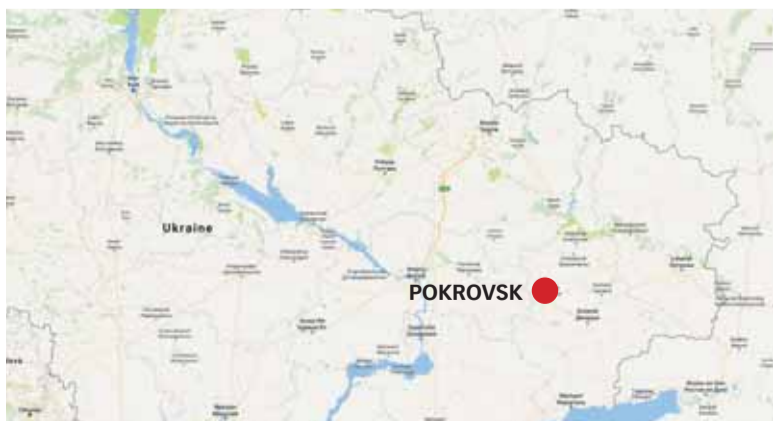
Like many of his colleagues, he sees his hospital days as a chance to rest in a soft bed and finally get enough sleep, although most are eager to get back to the war front.

Others simply withdraw, remaining in shock from combat injuries or exhaustion, nurses say.

"The war leaves a harmful dint on a human soul," Taisiya Kryvoruchko, the hospital's ambulant department head says. "A soldier's spirit gets exhausted with constant nervous strain, hypothermia, and weariness in trenches. Sometimes, they eventually get a painful syndrome – they just start feeling strong pain, and they can't sleep, eat or work because it hurts. In these cases, soldiers just need to have rest somewhere beyond the war – and we just take them for short treatment. After a couple of days of being left alone, most of them recover and spoil for the fight again." ■



A Pokrovsk military hospital patient goes for bandaging procedure on May 15. (Volodymyr Petrov)



Pokrovsk, a Ukrainian-controlled city of 26,000 people some 600 kilometers southeast of Kyiv, has a military hospital serving wounded soldiers and civilians from Russia's war.

Advertisement

Viacheslav Petryshche: Second stage of Allseeds' global development in Yuzhny port launched



The Group Allseeds started to implement the second stage of its global development in Yuzhny port, the construction of a multifunctional soybean crushing plant, with a daily production capacity of 5,000 tons.

This plant will be unique in capacity among the European oil extraction plants. According to the estimates of the company, the plant's construction and the upgrade of the infrastructure necessary for the plant's operation will take about three years.

Launching such a plant will require the company to increase its reception and shipping by about 1,7 million tons of raw materials and processed goods – soybean meal and oil. The development the plant will include additional funds for the infrastructure capacity increase in Yuzhny port – a complex that includes elevators, tanks and railway facilities.

Scaling up the production will allow Allseeds to realize consequent synergies and raises the company's efficiency through significant savings on the fixed costs. As a result, this development will allow the company to become remain competitive.

Allseeds will become the No.2 company in the oilseeds market of Ukraine with a total crush capacity of 2.5 million tons per year. The amount of investments of Allseeds in Ukraine will reach \$ 400 million.

"Major engineering companies of the world's oil extraction industry – such as Andreotti Impianti, Europa Crown, Desmet Ballestra, Jiangsu Muyang and others – are taking part in the tender for the supply of the equipment and technology for this new plant," indicates Viacheslav Petryshche, head of Allseeds Board.



Editorials

Yes to NATO

Ukraine's parliament on June 8 voted to make joining NATO a strategic goal of Ukraine's foreign policy. It's about time, as Russia's war against Ukraine is in its fourth year with no end in sight.

While this is largely a symbolic measure — nobody expects that Ukraine will join the alliance anytime soon — it is at least a sign that the country is at last starting to take its future defense seriously.

After the Soviet Union fell in 1991, the 14 ex-Soviet republics (apart from Russia) broke into two groups — those willing to accept limited sovereignty and regional hegemony by Moscow and those that were not.

Estonia, Latvia and Lithuania, which were formally part of the Soviet Union since the end of World War II, chose full sovereignty, defense security under NATO and membership of the European Union. They have since thrived.

The other 11 republics have either become repressive dictatorships or semi-democratic states, dominated politically and economically by Moscow. Five of them — Moldova, Armenia, Azerbaijan, Georgia and Ukraine — have suffered war, most of these either directly or indirectly engendered by the Kremlin.

Georgia, and most recently Ukraine, have been directly attacked by Russian forces and had parts of their territory occupied for attempting to move out of Moscow's orbit and integrate with the West.

The Baltic states, by quickly joining the West while Russia was weaker in the 1990s, have seen no conflicts, even though they all have significant ethnic Russian populations — the supposed casus belli in Georgia and Ukraine.

Since the 2014 dismemberment of Ukraine at the Kremlin's hands, the lesson for Ukraine could not be clearer: Join NATO and the EU; life in allegiance with (really in subservience to) Moscow is dangerous.

So Ukraine's step towards NATO, while longer overdue, is important. Ukraine now needs to get out of the slow lane and rapidly shift into high gear by fully integrating with the West. The nation has nothing to fear from Moscow any longer.

Bring back the rainbow

With Eurovision long gone from Ukraine's capital, the rainbow-colored Arch of Diversity in Kyiv is back to its original grim, gray, Soviet-era look, and back to being the People's Friendship Arch.

The gloomy monument, built in 1982 to symbolize the unity of the Soviet Socialist Republics, had for about a month been a brightly colored symbol of equal rights for all, matching the motto of May's Eurovision, which was "Celebrate Diversity."

Kyiv utility workers started covering the monument with colored sticking paper, turning it into a rainbow, in late April.

However, they hadn't even got halfway through the work before howls of criticism were raised in social media, with some accusing city authorities of promoting the lesbian, gay, bisexual and transgender community. A group of angry right-wing activists from the Right Sector movement intimidated the municipal government into a compromise — the rest of the arch was to be covered with a traditional Ukrainian embroidery-style pattern.

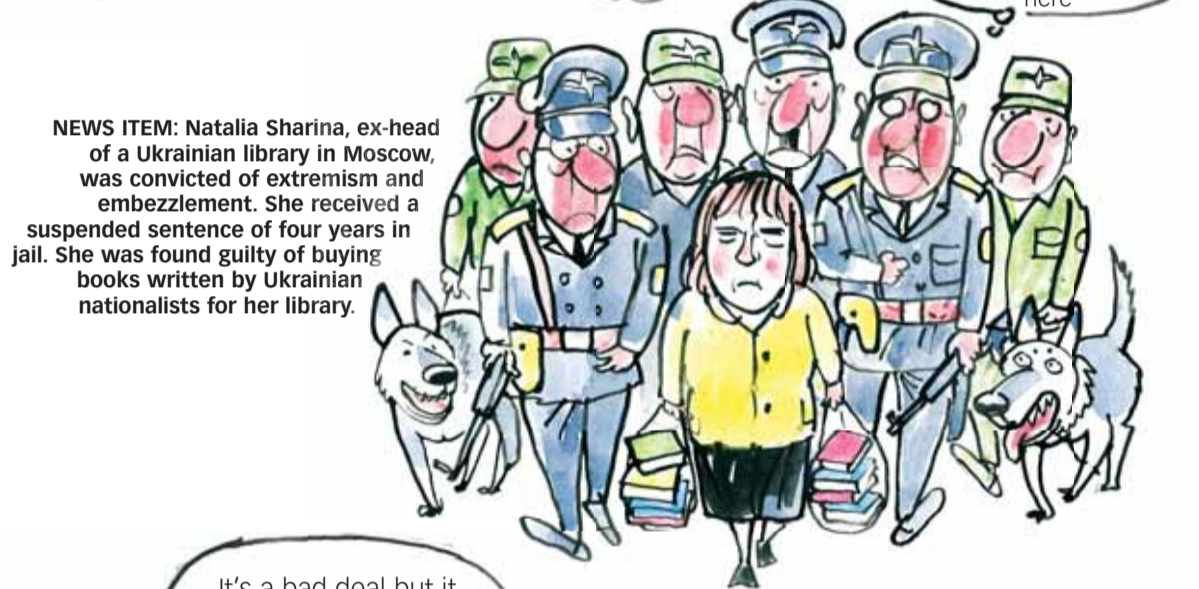
Even so, the Arch of Diversity remained unfinished until mid-May, with the gray patch on top accurately reflecting the half-hearted efforts of Ukraine's authorities to fight for diversity and equal rights.

When Eurovision was over, the colorful paper was stripped off with the last pretenses of "celebrating diversity." While Kyiv's authorities have promised to launch a public competition for future designs to decorate the dismal People's Friendship Arch, none promise to be as colorful and daring as the Arch of Diversity.

It seems Ukrainian society, or its leaders at least, are simply not ready for public displays of the kind of European values for which more than 100 Ukrainians died in the EuroMaidan Revolution that drove dictator Viktor Yanukovich from power on Feb. 22, 2014.

So now Kyiv, the capital of the independent, democratic and secular Ukrainian state, will probably end up with a bland redesign of the ugly monument, if that.

We say: When you're stuck with a 30-meter high gray steel rainbow given by a nation that is now your enemy, turn it into something beautiful. Bring back the rainbow. Celebrate diversity — now and every day.



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Reformer of the week

Vitaly Shabunin

Vitaly Shabunin, head of the Anti-Corruption Action Center's executive board, said on June 7 that two officers and several activists with a camera had served him a summons to a military enlistment office.

Shabunin, who is not fit for military service due to his health, views this as part of the authorities' campaign to crack down on and discredit anti-corruption activists. Shabunin came to the relevant enlistment office chief, who was not aware of the summons and told him he was not subject to draft.

Previously activist Igor Piven threatened to take Shabunin to a military enlistment office by force. Piven is an aide to Serhiy Trigubenko, a lawmaker from President Petro Poroshenko's Bloc, and an executive of National Interest, a non-governmental organization.

National Interest has produced a propagandist film to smear the Anti-Corruption Action Center.

In April Radio Liberty published possible evidence of the Security Service of Ukraine's involvement in organizing a protest against Shabunin.

In 2016 discredited Prosecutor General Viktor Shokin opened an embezzlement case against the Anti-Corruption Action Center. The case was later closed due to the absence of a crime.

— Oleg Sukhov



Anti-reformer of the week

Stanislav Shchotka

Stanislav Shchotka, one of the High Qualification Commission's two secretaries, has been accused of helping controversial candidates in the ongoing competition for Supreme Court jobs, which he denies.

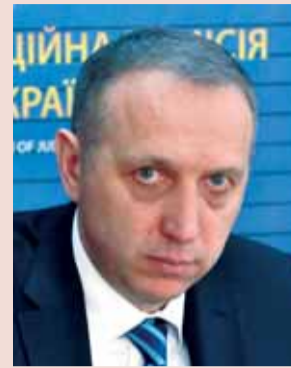
Several panels of the High Qualification Commission have ignored 82 percent of the Public Integrity Council's 140 vetoes on candidates deemed to be corrupt and let them pass to the next stage. The Public Integrity Council is a watchdog that oversees judicial reform.

However, 11 of the commission's 16 members are needed to completely override the vetoes. The commission considered 21 vetoes on April 6-7 and overrode 12 of them, prompting accusations that it is helping corrupt judges.

In some of the cases, Shchotka, Serhiy Kozyakov, head of the commission, Andriy Kozlov, who had previously been considered reformist, and other members voted unanimously to override the vetoes. Kozyakov and Shchotka have also opposed some measures to increase the competition's transparency.

On June 6, activists accused of being hired by the authorities tried to discredit a pro-reform rally in front of the High Qualification Commission's building.

— Oleg Sukhov



VOX populi

WITH ANNA YAKUTENKO
YAKUTENKO@KYIVPOST.COM



Should Ukraine introduce a visa regime with Russia?



Maksym Volodiy
Doctor
"A visa regime with Russia? Hasn't it been imposed yet? The country has borders, so (can) have

visas, we have a tense situation with Russia, and I think that we shouldn't have left the border open."



Larysa Yuzba
Teacher
"I think yes, and the faster the better. We shouldn't flirt with a country that treats its neighbors with aggression,

and a visa regime is a filter to protect our country from unwanted guests. Ordinary people will get the same access as they had."

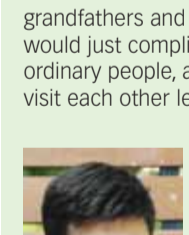


Karina Samanova
Student
"I don't support it. I am a cosmopolite, I understand that we have a tense situation but I am a pac-

ifist and I think that we shouldn't make the political situation between Ukraine and Russia more complicated. I think it would only make things worse. We should, in contrast, find diplomatic solutions."



Oleksandrov Vetrov
System administrator
"I think it would be too much, because many people have relatives there - parents, grandfathers and grandmothers. It would just complicate access for ordinary people, and they would visit each other less."



Borys Gayenko
Student
"From the state's point of view it would be positive, it would improve the spirit of society. Russia and Ukraine would distance themselves more and more. Therefore, a visa regime is a logical step."



Maria Orlova
Model
"We are brothers and a lot of Ukrainians work there (in Russia), a lot have relatives there - for them and for

me a visa regime will be very inconvenient. We are at war, but it would only worsen relations between the countries."

Ukraine's Friend & Foe Of The Week

Editor's Note: This feature separates Ukraine's friends from its enemies. The Order of Yaroslav the Wise has been given since 1995 for distinguished service to the nation. It is named after the Kyivan Rus leader from 1019-1054, when the medieval empire reached its zenith. The Order of Lenin was the highest decoration bestowed by the Soviet Union, whose demise Russian President Vladimir Putin mourns. It is named after Vladimir Lenin, whose corpse still rots on the Kremlin's Red Square, 100 years after the October Revolution he led.



Andrius Kubilius

The countries that border Russia to the west understand the threat the Kremlin regime poses — it is one they have faced for centuries. A practically unbroken line of despots, dictators and autocrats, from Tsarist Imperial Russia, through the Soviet Union, to today's Russian kleptocratic police state, has long menaced its neighbors, and looks set to do so until the red walls of the Kremlin tumble.

So it is to the front-line states that Ukraine and the West should turn to for advice on how to deal with the Kremlin. The former prime minister of Lithuania, Andrius Kubilius, is one of them, and is our friend of the week for setting it out in terms plain and simple.

As Kubilius pointed out in a recent opinion piece, the Kremlin regime, when not kept in check, relentlessly seeks to expand its territory and influence. And it is not just the front-line states that are now in immediate danger: The Kremlin, via information hacking and leaking, is meddling in the democratic process in the West

and may well have influenced some recent votes there in its favor.

Containing the Kremlin is thus in the interests of the whole of the West, and it is in the present prime target of Kremlin expansionism, Ukraine, that is today's most important battleground.

There is no sign that the Kremlin will keep its promises to withdraw its troops from the Donbas. Instead, it appears to be consolidating its hold over the seized lands, and, as it probably planned all along, will use them to permanently destabilize the Ukrainian state.

Kubilius says, and we heartily agree, that the way to make the Kremlin's plans in Ukraine fail

is to make Ukraine a success. He points to two successful strategies from the past that have stopped Russia's westward expansion — the 1947 Marshall Plan, which helped prevent Soviet domination of Western Europe, and the creation of the European Union, from which Lithuania and the other Baltic states have benefited.

Membership of the EU is no easy or quick option for Ukraine, so the next best thing is a "Ukrainian Marshall Plan" to jump start the Ukrainian economy. According to Kubilius,

annual foreign investment of \$5 billion in Ukraine's economy could translate into annual growth of 6–8 percent, up from today's 2 percent.

As long as such aid is tied to reform benchmarks, ordinary Ukrainians would finally begin to derive major economic benefits from their struggle to shake off Russian dominance.

And perhaps ordinary Russians might also see the benefits of ending the Kremlin's long-dominance of their country's politics, allowing Russia to at last become a friend of its neighbors, instead of their eternal foe.

— Euan MacDonald



Order of Yaroslav The Wise



Megyn Kelly

Perhaps it's a little harsh to name Megyn Kelly Ukraine's foe of the week, but the TV journalist did no favors to Ukraine and her career during her June 4 interview with Russian dictator Vladimir Putin.

Ukraine, against whom Russia has been waging war since 2014, did not come up once. Putin walked all over her figuratively in the mismatch as Kelly joined Charlie Rose and Larry King among American journalists who could not hold their own with Putin.

Kelly, who quit Fox News, has been praised for her combative interviewing style. But was out of her depth against Putin, who sneered his way through the 11 minutes aired by NBC News. She also showed she knew little about his destructive 17-year rule. She got the interview because she was in St. Petersburg, Russia, for the June 1–3 International Economic Forum.

When she asked him about meetings between U.S. President Donald J. Trump's campaign officials and Russian Ambassador to the United States Sergey Kislyak, Putin lied, saying there had been no meetings.

When Kelly asked about Russia's

interference in the 2016 U.S. presidential election, Putin dodged, just as a trained KGB officer would do. He even engaged in the favorite Kremlin "whataboutism," suggesting the Nov. 22, 1963 assassination of U.S. President John F. Kennedy was a special operation of America's "deep state" security services.

Putin's combative lies are familiar in this part of the world.

When the Kremlin sent its troops in unmarked uniforms out of their bases in Crimea to seize the peninsula in late February 2014, Putin just lied, saying the troops were "local militias" who had purchased their Russian regular army-issue uniforms and equipment "in a shop."

The interview brought no insight. It benefited only Putin, who went unchallenged in his message to Western living rooms

Just like the country he rules, Putin should be frozen out of civilized international discourse until he learns how to behave.

French President Emmanuel Macron on May 29 showed how Putin should be dealt with in public when the Russian leader, visiting France, was called out for interfering in France's democracy via his Sputnik and RT state propaganda media. Putin had to stand silently and listen, and was not given the opportunity to spew his lies and false excuses.

It may be unfair to use the phrase "useful idiot" in conjunction with Kelly, but interviewing Putin was a smart move only for the Kremlin leader, who would never allow himself to be grilled by knowledgeable and independent journalists. So this air time only helped Ukraine's worst foe. This week's Order of Lenin goes to Kelly, shared by the unknown yet dumb network boss who thought this was a good idea.

When Kelly asked about Russia's



Order of Lenin



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.

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In partnership with Lantmännen Cerealia

More Swedish companies (even IKEA) eye Ukraine

BY BERMET TALANT
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Several big Swedish companies are, for the first time, closely looking at opportunities in Ukraine. This is becoming evident as the 6th Sweden-Ukraine Business Forum, organized by the Embassy of Sweden in Ukraine in Kyiv, approaches on June 15.

The companies that will visit the forum for the first time are Assistanspoolen, C5 Gruppen AB, Mindmancer AB, SWEDAERO, Guang Sweden and IKEA.

They represent a wide range of industries: construction and property management, clothing, security camera systems, personal assistance services and aviation industries.

Swedish companies that already work in Ukraine, like Ericsson and Atlas Copco, will attend the business forum too. Some high-profile guests are expected, including Swedish Foreign Minister Margot Wallström and Lithuanian Foreign Minister Linas Linkevičius.

Bohdan Senchuk, co-founder of the Kyiv-based 52A Consulting firm, says the increased interest in Ukraine is clear. However, he says, there's also a lack of up-to-date information about



Big Swedish companies in Ukraine

Ukrainian Prime Minister Volodymyr Groysman and Swedish Minister of Enterprise and Innovation Mikael Damberg at the 5th Sweden-Ukraine business forum in Kyiv on June 13, 2016. The 6th forum will take place on June 15 in Kyiv. More information can be found at <http://www.subf.com.ua>. (UNIAN)



More than 100 Swedish companies are doing business in Ukraine, including these major ones in food processing, wood processing, home appliances, bearing and seal manufacturing, and energy.

Ukraine in Sweden. This makes such business forums even more essential.

“We see many new names on the forum’s participants list this year,” Senchuk said. “It’s a good sign.”

The business forum comes as the European Union political and trade Association Agreement with Ukraine has been fully ratified and is in force, with the Netherlands becoming on May 30 the last of the 28 nations to sign on to the deal.

Also new this year, the business forum organizers will present Open Trade Gate Sweden, a one-stop information center for exporters in developing countries. Ukrainian exporters will be able to learn more about Swedish market, the EU regulations, certifications and procedures.

Sweden, with more than four times fewer people than Ukraine yet more than five times the annual economic output, is particularly interested in Ukrainian light manufacturing and food production.

The June 15 forum is organized in partnership with government agencies – Export Promotion Office to the Ministry of Economic

Development and Trade of Ukraine and the Swedish National Board of Trade, as well as with Swedish business community in Ukraine.

IKEA factor

IKEA, furniture and home accessories manufacturer with nearly 400 stores around the world, has been one of the most anticipated brands in Ukraine.

At the end of May, CEO of Mandarin Plaza LLC Oleksandr Chernitskyi said in an interview with Interfax-Ukraine that IKEA was considering renting a space in a new shopping center, Yuzhnyi, that is under construction in southern Kyiv.

An IKEA representative told the Kyiv Post that Ukraine was “one of the markets that IKEA is exploring for expansion opportunities.” However, the details on location of the future store and the opening date weren’t disclosed.

But IKEA representatives will attend the Sweden-Ukraine business forum in Kyiv in June.

“IKEA will be represented by its sourcing department and is inter-

ested in contacts with Ukrainian suppliers,” Oleksandr Mashynets Commercial and Trade Officer of the Embassy of Sweden in Ukraine said.

Trade’s up

Sweden is a longstanding business partner of Ukraine. Currently, there are more than 100 Swedish companies with offices in Ukraine operating in a wide range of sectors.

But despite the presence of big names such as SEB, Westinghouse, or Sigma Software on the Ukrainian market, the amount of investment from Sweden is still rather low.

The contribution of Sweden accounts for only 1 percent in the total flow of foreign direct investment in Ukraine, according to the State Statistics Service of Ukraine.

According to the National Board of Trade of Sweden, the year 2016 saw growth in trade turnover between the two countries.

The total value of Swedish exports to Ukraine amounted to

Ambassador: Swedish firms still looking for breakthrough

BY BRIAN BONNER
BONNER@KYIVPOST.COM

For Martin Hagstrom, in his first year as Sweden's ambassador, Ukraine will know it has achieved an economic breakthrough when foreign investment shoots up. "That's the real breakthrough," Hagstrom told the Kyiv Post in an interview that took place before two key dates — National Day on June 6 and the 6th Ukraine-Sweden Business Forum in Kyiv on June 15.

The boom in investment is not happening yet, with Ukraine attracting less than \$40 billion in foreign investment since 1991 statehood. Sweden's share is only \$325 million.

Still, Sweden remains optimistic about Ukraine's future and ready to continue supporting economically, politically and financially.

Many of the conditions for an investment breakthrough are in place, Hagstrom said, including a free-trade pact with the European Union and visa-free travel to most nations in Europe, starting June 11.

Now, he said, corruption must be tackled and rule of law established. "We have a population impatient



Stockholm, the capital of Sweden, has a metropolitan area population of 2.2 million people. (Ola Ericson/imagebank.sweden.se)

to see even quicker results," he said. "This is also an asset. Ukraine has a strong civil society, a well-educated population. There are no reasons why Ukraine shouldn't succeed. There are no guarantees, either, that it will succeed. So it requires continued efforts by these actors, also by donors and others."

Economically, at least 100 Swedish businesses are working in the nation, but not yet IKEA (an international bellwether of investment climate).

Standing up to Russia

Politically, the Nordic nation of 10 million people has incurred the wrath of the Kremlin with its strong stance against Russia's war on Ukraine and support for economic sanctions on the aggressor.

So much so that Sweden — a member of the European Union but not of NATO — has reintroduced conscription for military service to meet growing security threats from Russia.

Financially, Sweden is not only one of the richest nations in the world, it's one of the most generous, giving 1 percent of its gross domestic product

more **Ambassador** on page 11

Advertisement

Swedish standards made in Ukraine

Interview with Igor Chervak, Country Manager Ukraine at Lantmannen Cerealia

Q: Igor, please tell us, how does Lantmannen differ from other companies?

A: First of all, the uniqueness of the international holding group Lantmannen with its headquarters in Stockholm, is that it is a farm cooperative, successfully operating on the market for more than a one hundred years. Our owners today are 28,000 farmers from Sweden and other countries of Scandinavia. Our fundamental point is that if shareholders for some reason cease to be farmers, they cease to be owners in the company. After all, the main contribution of our owners is the supply of high-quality and environmentally friendly products, which is reinforced by the motto of Lantmannen "Responsibility from field to fork".

All the main business areas of our company are in the sectors of agriculture, food production and agricultural machinery. Recently the company also engaged in bioenergy — the production of bioethanol and organic raw materials fuel briquettes.

Q: Which Lantmannen's products are known in Ukraine?

A: First of all, it is muesli, cereals and other cereal food products. The most popular among Ukrainian consumers are AXA cereal bars, Start shapes, and crispbread Finn Crisp. We also sell oatmeal and other food products under the brands Kungsornen, Regal, GoGreen.

Overall, these products are produced in the same place where Lantmannen's machinery and services help farmers to grow quality grain — in the countries of Scandinavia, Baltics, Germany and Poland.



Igor Chervak

Q: Igor, which products does Lantmannen produce in Ukraine?

A: Lantmannen purchased a food factory in Boryspil in 2000. Now, we produce instant porridges and breakfast cereals on four lines. The most famous of these products are crispy muesli AXA and ready-to-eat breakfasts for children START. Family Morning breakfast line first appeared in Ukraine in 2016 and has already found its buyer. So almost 90% of our assortments are produced in Ukraine.

Q: Is the competition strong in the ready-to-eat breakfasts market in Ukraine?

A: According to the research company Nielsen, our company occupies more than 50% of this market. But on the other hand, I estimate that the quantity of consumers has decreased, due in part of emigration and a decrease in incomes of educated urban residents, traditional buyers of ready-to-eat breakfasts. So, last year, overall contraction of the market was estimated at 9%. Therefore, competition is increasing, and not only between well-known international companies — but our main competitors in the Ukrainian market are private labels of large retail chains.

Q: Is it possible to compensate the drop in demand in Ukraine due to exports? Is it difficult to export your products?

A: Now we export around 30% of our products to 15 countries in Europe and CIS. In 2012–2013, the share of exports from the plant in Borispol exceeded 48%. First of all, this is due to the drop in



sales in Russia, as well as the closure by Russia of the products transit to Kazakhstan and to the Central Asian countries. The cost of delivering products to Georgia, Armenia and Azerbaijan has dramatically increased — this is reflected in prices and also leads to sales decrease. So, it became more difficult to export products to the markets of former USSR countries.

Q: Are there any plans to export to the European Union?

A: Of course, these markets are very interesting, because in the EU countries our products are quite competitive in price. But with a branded product, it's very expensive to go there. In addition, Lantmannen clearly delineates the areas of activity between the group units. Our zone includes Romania, Bulgaria, countries of the former Yugoslavia, Turkey and the UAE. "Lantmannen Axa Ukraine" started shipping to Romania and Bulgaria. This is profitable, because the European Union has reduced or abolished duties on our products, which became much cheaper there. In European networks, our products can be presented under their private labels, and we are considering this possibility, especially taking into account the growing demand for organic products and quotas in the EU for its mandatory presence in the range of retail chains.

Q: Tell us, what distinguishes organic products from traditional products?

A: Yes, this is a fashionable topic for debate and research! As a rule, food products are considered to be organic if they are grown or produced with minimal use of chemicals (pesticides, mineral fertilizers, growth regulators, artificial food additives), and also without genetically modified products — but this is in theory. From a practical point of view, the

content of dry substances in organic food products increases, and water — decreases, which improves their taste. In addition, the content of vitamins, microelements and fiber in organic products is usually much higher.

They can be called "organic" only if at least 95% of its composition is produced in an organically certified way. In order for consumers to have an opportunity to know where and how ingredients are produced, international standards oblige organic producers to indicate on the packaging the origin of each of them.

Q: Is it necessary to certify organic products?

A: Yes, it is subject to mandatory certification for controlling and confirming the process of production of organic products.

Only accredited companies have the right to certify. In Ukraine, there are 13 accredited certification bodies, where manufacturers are certified according to the European Union standards (Council Regulation 834/2007 and Commission Regulation EC889/2008). A few years ago, in Ukraine there was no certification body of the European level. But at the end of 2011 the first certification company "Organic Standard" received accreditation. It represents the interests of the European company "IMO", which issues certificates confirming the organic origin of the product.

Q: Why does your company consider organic production to be promising?

A: Organic food products in Ukraine are still only 1–2% compared to 6–7% in the European Union. But, its sales are growing very fast — by 30–40% over the past two years. For urban residents who care about the health of their families — it's a matter of well-informed choice. And the company Lantmannen shares the principles of consumer interests and environmental sustainability priority, which better corresponds to the organic products production.



Lantmännen
Cerealia

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08300, Kyiv region, Ukraine
www.lantmannen.ua



Klarälven ("the clear river" in southwestern Sweden) flows through Norway and Sweden. With Göta älv, with which it connects through Lake Vänern, Göta älv-Klarälven is the longest river in Scandinavia. (imagebank.sweden.se)

Poll: Sweden supports Ukraine's EU membership, economic aid

Sweden at a glance

Total area: 450,295 square kilometers

Population: 10 million

Government type: Parliamentary constitutional monarchy

Head of state: King Carl XVI Gustaf (since Sept. 19, 1973); Heir Apparent Princess Victoria Ingrid Alice Desiree, daughter of the monarch

Head of government: Prime Minister Stefan Lofven (since Oct. 3, 2014); Deputy Prime Minister Isabella Lovin (since May 25)

GDP, PPP: \$498.1 billion

GDP per capita, PPP: \$48,800

Main sectors of the economy: motor vehicles, timber, hydropower, iron and steel, precision equipment (bearings, radio and telephone parts, armaments), wood pulp and paper products, processed foods.

Sources: Central Intelligence Agency, Embassy of Sweden in Ukraine, Business Sweden, Ukrainian State Statistics Service, Department for Trade and Policy Developments of Sweden.

Bilateral relations

Trade: \$418 million (2015)

Exports from Sweden to Ukraine:

Machines and mechanisms, chemicals, paper, transport equipment

Exports from Ukraine to Sweden:

Engines and motors, wood products, printed materials, furniture, transport equipment

Swedish investment in Ukraine:

\$350.3 million (cumulative as of December 2016)

Main business partners: Scania, Volvo, SEB Corporate Bank, Ericsson, SKF, Sigma Software.

Number of Swedes in Ukraine: 100

Number of Ukrainians in Sweden: 8,000

According to a 2014 "Transatlantic Trends" survey by the German Marshall Fund of the United States, Swedes strongly supported providing economic and political support to Ukraine – even at the risk of increasing conflict with Russia (73%). When asked how the European Union should react to Russian actions in Ukraine, a plurality of Swedes opposed offering NATO membership to Ukraine (49%), but supported offering EU membership (56%) and increasing economic aid (72%). Swedes were more hesitant about providing military supplies and equipment to Ukraine (54% were opposed), but supported stronger sanctions against Russia (68%).

Source: <http://trends.gmfus.org/transatlantic-trends/country-profiles-2014/country-profiles-sweden-2014/> ■

Sweden-Ukraine Business Forum takes place on June 15 in Kyiv

Business from page 6

\$397 million last year, up 60 percent and the highest since 2011. Most of it came from chemicals, paper and machinery.

Ukrainian exports to Sweden also increased by 21 percent, to reach \$77 million, the highest level since 2008.

One troubling sign may be that Business Sweden, a Swedish government-backed organization that promotes business abroad, closed its Kyiv office in January. According to Senchuk, who used to work there as senior consultant, the closing came as the organization optimized its resources.

Now, all inquiries for Ukraine are handled by the Business Sweden's manager for Eastern Europe in Stockholm and, if necessary, by nearby offices in Warsaw or Vilnius.

Business Sweden in Stockholm didn't respond to a request for comment by the time this edition went to press.

New investment

According to the Embassy of Sweden in Ukraine, sawn redwood goods producer in north western Ukraine.

Wind power development and investment company Vindkraft Ukraina, which currently has 10 wind turbines in operation, plans to launch 12 additional turbines by 2018.

Andrew Shomakhia, newly appointed CEO of Ericsson's Ukrainian office, told the Kyiv Post that the company is planning to increase investment into its R&D unit, although he didn't disclose any financial figures.

The telecom company opened a R&D center in Lviv in February

Sweden's assistance to Ukraine in 2016

(million)

Governance, democracy, human rights and gender equality	\$12.2
Humanitarian aid	\$5.9
General environmental protection	\$3.5
Banking and financial services	\$3.2
Energy generation and supply	\$2.5
Unallocated/ unspecified	\$0.676
Education	\$0.534
Communications	\$0.486
Social infrastructure and services	\$0.095
Business and other services	\$0.035
Health	\$0.027
Trade policy, trade-related adjustment and tourism	\$0.006

Under a seven-year assistance program that ends in 2020, the Swedish government commits between \$22 million to \$28 million to Ukraine each year. The Nordic nation of 10 million people is one of the few in the world to spend 1 percent of annual economic output to foreign assistance.

Sources: openaid.se, sida.se

upon integration with software development company Ericpol. It currently employs 160 people.

Ericsson and Intelcom held the first LTE live demo in Ukraine in June 2016. However, the introduction of 4G LTE technology has been delayed in Ukraine. Shomakhia said that the spectrum auction for LTE should take place by the end of this year. ■

These 10 Swedish firms are partners of June 15 business forum in Kyiv

Along with the Swedish National Board of Trade and the Ukrainian Export Promotion Office, these 10 businesses are partners of the Sweden-Ukraine Business Forum in Kyiv on June 15:

ABB provides products and systems for power generation, transportation and distribution, renewable power generation and integration. In Ukraine, the company employs about 120 people in Kyiv, Lviv and Zaporizhzhya offices.

Atlas Copco provides sustainable productivity solutions. Its Ukrainian subsidiary headquarters in Kyiv and has four regional branches.

Communications technology provider **Ericsson Ukraine** works with all mobile operators in Ukraine, and is involved in projects for fixed operators and other industries. It has offices in Kyiv and Lviv and employs 330 people.

Kyiv-based **Magnusson law firm** provides advice on a wide range of Ukrainian legal matters.

Scania Ukraine is a distributor of heavy trucks, buses, industrial and

marine engines. Scania is one of the top three western brands in Ukraine.

SEB is the only Nordic corporate bank in Ukraine based in Kyiv.

IT corporation **Sigma Software** has offices in Kharkiv, Odesa, Kyiv, and Lviv with over 700 employees.

SKF Group is the leading manufacturer of rolling bearings, seals, mechatronics and lubrication systems. One of its biggest factories is located in Lutsk and currently gives job to over 1,350 employees.

Volvo Ukraine is an importer of Volvo and Renault cars.

Winner Group Ukraine is a network of more than 50 dealers that officially represent Ford, Volvo, Jaguar, Land Rover, Porsche and Bentley cars.

Sweden - Ukraine Business Forum

June 15 - 9 a.m. to 8 p.m.

Venue: Hyatt Regency Kyiv

Registration at <http://www.subf.com.ua/>

SEB

SEB CORPORATE BANK
7 Mykhailivska Str, Kyiv, 01001

8 recipes of success in agriculture from a woman CEO

Back in the hardened, post crisis of 2009, I was hired to inspect the properties of a large farming company in Ukraine that was owned by a Swedish investment company East Capital. The farming operation was in a distress, with huge debt, demotivated employees, angry landlords, poor yields and a gloomy outlook at best.

I had no prior experience in agriculture but, as I learned later, it was one of my biggest assets in turning this company around.



Today Agro-Region is a successful crop farming company, employing 480 employees, operating in 4 oblasts of Ukraine, in 46 villages on 35,000 ha of land with some of the best results in the industry. We have built a modern, efficient company based on strong corporate culture and values.

Here are my 8 recipes of success in agriculture sector in Ukraine, many adopted by us from a Swedish business philosophy.



1. Learn from your own mistakes, not from those of others. Our company has gone through its fair share of disastrous, very costly mistakes. We expanded too quickly and did not manage risks properly. We acquired too many non-core, absolutely inefficient assets. We experimented too much with different varieties of crops, seeds, fertilizers. We hired the wrong type of people at the start, naively relying, on their massive 'experience'. We perhaps trusted local authorities too much, at

times, when this trust was not deserved. In the end, we are blessed to have gone through much of that, in order not to repeat the same mistakes again. No pain, no gain. Agriculture in Ukraine is a love and hate relationship. Moments of joy after a work accomplished on time are preceded by sleepless nights, worrying about early frosts or failure of suppliers to deliver fertilizers on time. You think you eventually develop immunity to all of the things that can go wrong but every time it's something,

surprising that comes up. Still, witnessing seeds going into the ground every year and then plants grow and then the harvesting season is something you cherish each time with new enthusiasm.

2. Bet on youth. When I took over as a CEO, I fired almost everyone in the top management who had any knowledge of agriculture. Agriculture is about process management and application of new technologies. I don't like what older generation

thinks about agriculture and I don't like how they treat people. I rely on young people who are eager to learn, to progress, treat their colleagues with respect and have high moral standards. And most importantly focus on process management and make sure everything is properly planned well in advance. In our business, if you are late by a week, you are late by a year. Timing of all operations is of critical importance towards the final results. Average age of staff in our headquarters is 34 years old.

3. Bet on female leadership. We are clearly in a male-dominant industry. I am the only active female CEO at UCAB, Ukrainian Club of Agrarian Business, a strong lobby association for mid and large-scale agricultural business. 2 of 3 cluster heads, each managing over 10,000 ha of land, are female in our organization. It is a fairly unique phenomenon. None of them had any direct prior experience in agriculture and possessed a background mainly in accounting and finance. I have a view that women are more structured, have a higher sense of responsibility and accountability, and are less prone to corruption which is still an Achilles heel of our country both in public, but also in the private sector. More power to women!

4. Bet on technology. Sweden, obviously, is a very tech savvy country and we are replicating this tech-biased attitude in all of our operations. I believe technology is having and will have a huge impact on agriculture. We have no right to fall behind. Agro-Region has the latest equipment and we buy the best and most expensive seeds on the market and we continuously test new seeds, new crop protection as well as new types of equipment, satellite services, drones etc. I would say we are tech geeks of agriculture and believe that technology saves us a lot of money both by managing processes smoothly and on time but also by preventing theft that is still widespread at old fashioned in mismanaged companies.

5. Choose your partners wise. Ukraine has a lot of bright, young, modern entrepreneurs that really care about their reputation. But we also have a lot of people that have a different philosophy and believe that market economy is some sort of arena where only the fittest survive. Having worked with Swedes for over 10 years, we are practicing a Swedish business philosophy where one strives for a win-win situation. Even in a difficult situation we believe both sides can leave a negotiating table with a head held high. Still, it's important to avoid bad, unreliable counterparties by exchanging information with your trustworthy colleagues or again, unfortunately, learning from your own experiences. In the end, as Warren Buffett says; "you cannot do a good deal with a bad person". So deal with good people!

6. Delegate, delegate, delegate. I believe in achieving results through other people. My most important business decision is when I hire people. Once they are part of the team, I put my trust into them, I encourage and empower. We have a complex business in remote areas and I need reliable people to take initiative and make on the spot split second decisions, if needed. Our organizational structure is flat, just like in Sweden, and we encourage new ideas to be brought from all layers of the company. It is rather unusual for Ukraine since traditionally very vertical structures of hierarchy are dominant with excessive reliance and even worshiping of leaders. This, unfortunately, is very common both in business but also in politics, in Ukraine. Needless to say, this type of management style that is based on micromanagement, complete distrust and is more a resemblance of what Jim Collins would call a Genius and a Thousand Helpers management style when the leader knows it better than anyone else. It stops progress, innovations, discourages initiative, independent thinking. Just like in Sweden, we are a consensus driven organization. We look for diversity of opinions and encourage discussion. Perhaps it slows down the decision making process but we believe those decisions are then more thought through, better planned

and carry less risk. And most importantly, it raises the team spirit! An opportunity to address the CEO by the first name, sit next to him/her at the corporate events or on a corporate trip, a presence at the never ending internal meetings with a chance to comment develops a huge employee satisfaction in Sweden. We support these practices as well. What does the leader get out of it? Happy, productive employees to whom money is far from the only instrument of encouragement.

7. Motivate staff. We have not lost a single key person in the top management team in 5 years. Why? Because we treat them with respect and have created a highly motivating environment for them. The financial part is important and we keep that at market leading levels for companies of our size, but there are many other motivating factors besides money. An important milestone in that respect was moving our Headquarters from a village to central Kiev. Being closer to banks, suppliers, buyers and simply offering more lunch options and possibly more time with family & friends to those from Kiev was a very important factor in staff motivation. Our staff is also constantly on the road, either at machinery auctions in the Mid-West of the US or learning from the best farming practices in EU or Latin America. Eventu-



ally, it all adds value to the company but also keeps staff happy and highly motivated.

8. Be fair, be socially responsible. Ukraine and its people have gone through a massive economic hardship. Some of our employees have lost their lives defending the country. It is our duty to import the best and the most honest and socially responsible business practices from Sweden, home of our shareholders, at such a critical time of development of Ukraine. We have a mission to help build a New Ukraine. A New Ukraine that does not pay bribes, that does not pay salaries in envelopes. We pay market leading land rents and help support social infrastructure in rural areas we operate. Honesty must be the best policy.

The main factor of success in agriculture in Ukraine is no longer the quality of soil or climate. It's the management! Invest in governance, technology, and most importantly invest in people. And treat them with respect!

Kateryna Rybachenko
CEO Agro-Region, since 2012



10 reasons why this Ukrainian is glad to be living in Sweden



MARINA
TRATTNER

Editor's Note: The Kyiv Post asked Marina Trattner, a journalist from Ukraine who moved to Sweden in 2005 and got her master's degree in European business law, to name 10 aspects of Swedish life that she particularly admires. She is one of an estimated 8,000 Ukrainians living in Sweden, while just 100 Swedes live in Ukraine

1. Independent justice

The cornerstone of a democratic state is respect for fundamental values, human rights and the rule of law. These values are effectively protected in Sweden and any justice seeker can receive judgments of high quality in a short period of time and at a low cost. It's unthinkable that a friend of the prime minister or a member of the government could make a call to a judge and influence the ruling.

2. Little corruption

Sweden is in the top 5 of 176 countries in Corruption Perception Index.

3. 'Invisible' tax system

Despite the fact that Swedes pay one of the highest taxes in the world, their tax system is transparent and consumer friendly. It can take me a few minutes to fill in my tax declaration and send it via sms to the tax office. No more contacts with them. I can visit their home page and see exactly where every krona goes: on education, medical system, roads, etc.

4. Free quality education

All the graduates have their marks in different subjects saved on their personal page here www.studera.nu. They can choose a course or a program at any university in Sweden

and apply for it online. The system will choose the students with the highest marks and enroll them on the courses. If there will be two persons with the same marks, the one who applied first will be accepted. If they applied at the same time, the system will choose the one by chance, like in a lottery. If they do not have the sufficient amount of points they will have a chance to study some extra courses and get them.

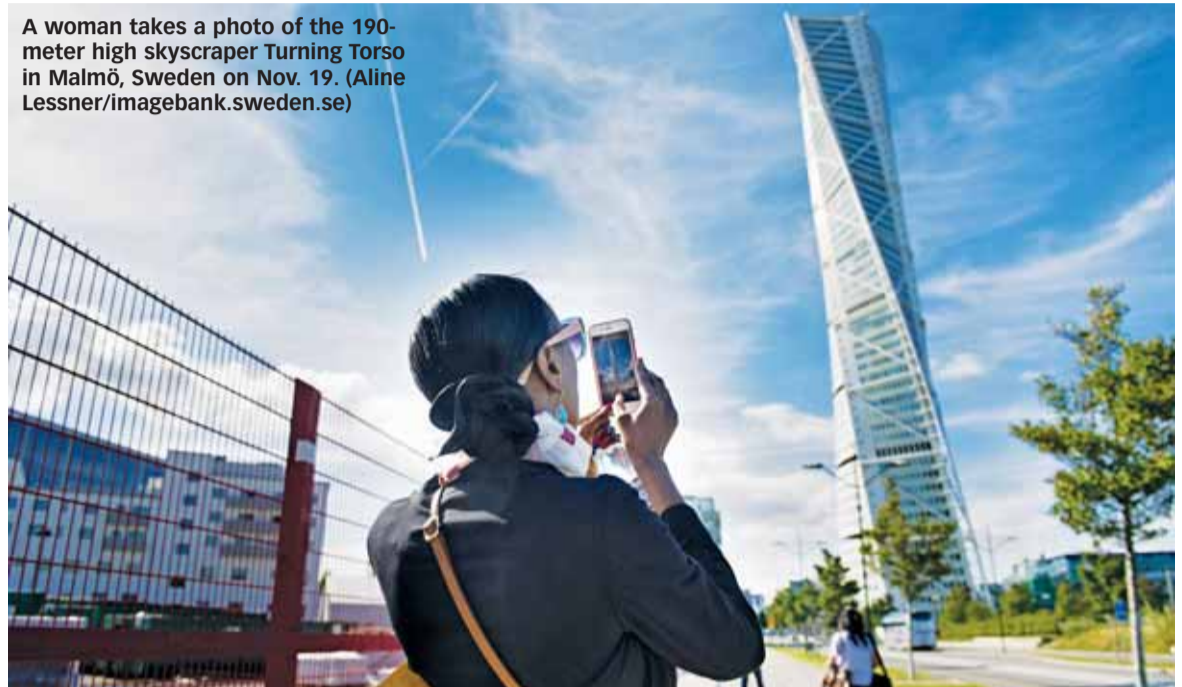
5. Inclusive society

All this is available for children and people with disabilities. Every building and transport are adjusted for them to move freely as they wish during their whole life: from kindergarten to the last days. If you have no ability to talk, no ability to walk – just to sit in a wheelchair and click on the screen to choose the words for your communication with the world, you will still have a chance to graduate from a school, get a law degree at the university and work as a judge in Sweden.

6. Personal growth

Sweden has studievägledare – specialists who can meet with you, conduct several tests and figure out which profession could suit your talents and experiences best. It's important for Sweden to unleash your full potential. The support is provided to those who want to invent something or start a business in Sweden. You may start a business in Sweden at the age of 15. You will get free consultants at the local tax office who will support you and guide you on the way. If you have an idea and want to invent something, specialists at different innovation clusters will meet with you to evaluate your idea. If it will be worth the investment, they will help you to create a business plan, make a prototype, apply for a patent, finance your costs and help you to reach markets in different countries. More information

A woman takes a photo of the 190-meter high skyscraper Turning Torso in Malmö, Sweden on Nov. 19. (Aline Lessner/imagebank.sweden.se)



about it is available here: www.ideoninnovation.se

7. Innovation leader

It is No. 1 within the European Union and No. 2 in the world after South Korea in Bloomberg Innovation Index: <https://www.bloomberg.com/news/articles/2017-01-17/sweden-gains-south-korea-reigns-as-world-s-most-innovative-economies>. It's crucial for a successful economy to make sure that every citizen can focus on personal development. Women and men have the same rights and possibilities to become successful. If society supports just men, then it's economy unleashes just 50 percent of its innovative potential. Sweden supports all on an equal basis. They have created an infrastructure which is ideal for a researcher and his family in Sweden: from cheap research centers and possibilities to protect your inventions and receive the revenues to kindergartens and schools where your children get one of the best educations in the world. Children's

rights will be strongly protected at school and at home at any stage. Corporal punishment has been prohibited in Sweden since 1979. They will be able to speak three-four languages and plan their education as it suits their needs best. They will grow up with respect for equal rights and will take care of the nature. They will make sure that it will be clean around them wherever they go. Sweden has a shortage of garbage and buys it from neighboring countries.

8. Privacy, integrity

Here you have a right to love the one you want and live with him or her in the way that suits you both. Society will respect that and support you all the way through your life. You will never ever have to explain your form of relationship to anyone. You can just describe your partner as "maka" – husband or wife, "sambo" – we live together or "särbo" – we have a relationship, but do not live together. That's it. It does not matter whom you live with as long as you

both are happy and can unleash your potential to make Sweden even more successful. I love it.

9. Church-state separate

Religion is modest in financing. It's kind and helpful. It's there for me if I need it, but it will never aggressively interfere in my life at any stage and tell me how to behave. There are female priests there. Yes, it has been possible for couples of the same gender to get married in church in Sweden since 2009.

10. Animal rights

Animal rights are protected and insured on a daily basis. Animals should not suffer in any way. Dogs have a right to go out for a walk every sixth hour. Puppies and old dogs should go out more often. They must have a clean space around them, food and water at any time. Their claws should be cut regularly and you have to play with your dog, cat, other animal or bird often to make sure that it develops properly. ■

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KYIV TROYITSKA

Former journalist now directs Sweden's assistance to Ukraine

Ambassador from page 7

in foreign aid, mainly through the Swedish International Development Cooperation Agency. Out of \$1.4 billion spent by SIDA, Ukraine annually gets \$22 million to \$28 million under a seven-year program that runs through 2020.

Sweden's politics are built on consensus, high taxes and public trust, elements lacking in Ukraine. "Strengthening trust should be one of the priority tasks for the Ukrainian authorities," he said. Existing distrust makes it hard to "carry out far-reaching reforms that, many of which, will not produce immediate results."

Building democracy

Still, Hagstrom said, Sweden is not likely to reduce its commitment to help Ukraine transform into a resilient, "prosperous democracy" able to stand up to Russian aggression.

"We're not going to change our principles," Hagstrom said. "Our main tasks are supporting Ukrainian reformers and Ukraine's European Union integration. That is how we can best help Ukraine to stand up for its own rights and its own development and become more resilient. Central to that is the fight against corruption."

Since leaving journalism and joining the foreign service in 2002, Hagstrom has concentrated on Eastern Europe in various capacities. He studied Russian in high school and has also worked in Russia. He became ambassador to Ukraine, replacing Andreas von Beckerath, in September.

He left journalism partly because "it's a very tough market and become even tougher over time." But he found many of the skills and benefits are transferable to the foreign service, such as meeting new and interesting people from all walks of life.

While SIDA, the development assistance arm of the Swedish Ministry of Foreign Affairs, focuses on the world's poorest countries, "the logic is different, it's one of proximity" for Ukraine.

Swedes, he said, are positive about Ukraine, citing a poll by the German Marshall Fund of the United States from 2014 placing Sweden at the top of a country survey list of supporters.

The Swedish government started giving financial aid to Ukraine in the mid-1990s. "For a large chunk of time that Sweden has been engaged here, we cannot boast of significant results in reforms. The last three years have been different in that sense. We clearly have more reforms."

At the same time, "anyone would admit that corruption is a problem for Ukraine that needs to be tackled," the ambassador said. "There are people who have benefitted and do benefit from corrupt practices... These forces will oppose change."

But President Petro Poroshenko and Prime Minister Volodymyr Groysman, he said, have made it clear that they want European Union integration. And so Sweden will help.



Sweden's Ambassador to Ukraine Martin Hagstrom speaks with guests in the ambassador's residence on June 5 in Kyiv. (Volodymyr Petrov)

\$27.8 million in aid

Sweden assists in many ways, from a biomass heating project in Ivano-Frankivsk to promotion of gender equality and other areas. If there is a facet that sets Sweden apart, he said, it's that financial assistance is directed to "core support" of organizations over long periods of time.

Sweden's transparent culture makes it easy to find out what the nation is doing in Ukraine and around the globe. It's all on the openaid.se website.

The largest share of Sweden's \$27.8 million in support to Ukraine for 79 projects in 2016 came under the heading of "democracy, governance, human rights and gender equality." It got 44 percent of total aid. The biggest share in this \$12.2 million category went to government decentralization projects, which received \$1.7 million. But other money went to support media, including \$397,000 for Hromadske TV and \$177,000 to Media Detector, which analyzes the industry in Ukraine.

SIDA also has a comprehensive website at <http://www.sida.se/English/>

Attracting investment

While many Swedish companies have been here a long time, Hagstrom said, many of those are still recovering from Ukraine's sharp recession of 2014-2015.

To attract new investors, the ambassador said, Ukraine needs "to persuade foreign companies that the fight against corruption is producing results, to demonstrate that the reform of the judiciary is happening and, for example, reform of some other state structures, like the fiscal (tax & customs) service."

Once foreign investors see enough "positive movement," he said, "I see no reason why they wouldn't come here."

Sweden has made "massive investments" in the Baltic nations and Poland, so the next logical step is for companies to move further east."

Ukraine-Sweden bilateral trade is

finally moving up again, hitting \$418 million in 2015, but still has not returned to pre-2014 crisis levels.

Still, a Swedish sawmill in Rivne Oblast is opening up, Hagstrom said, giving an example of a new

investment.

"For new entrants, they listen a lot to the companies that are here already," he said, making it essential for Ukraine to tackle corruption and establish rule of law.

About **Martin Hagstrom**

Job: **Sweden's ambassador to Ukraine**

Age: **44**

Family: **Wife, 3 children**

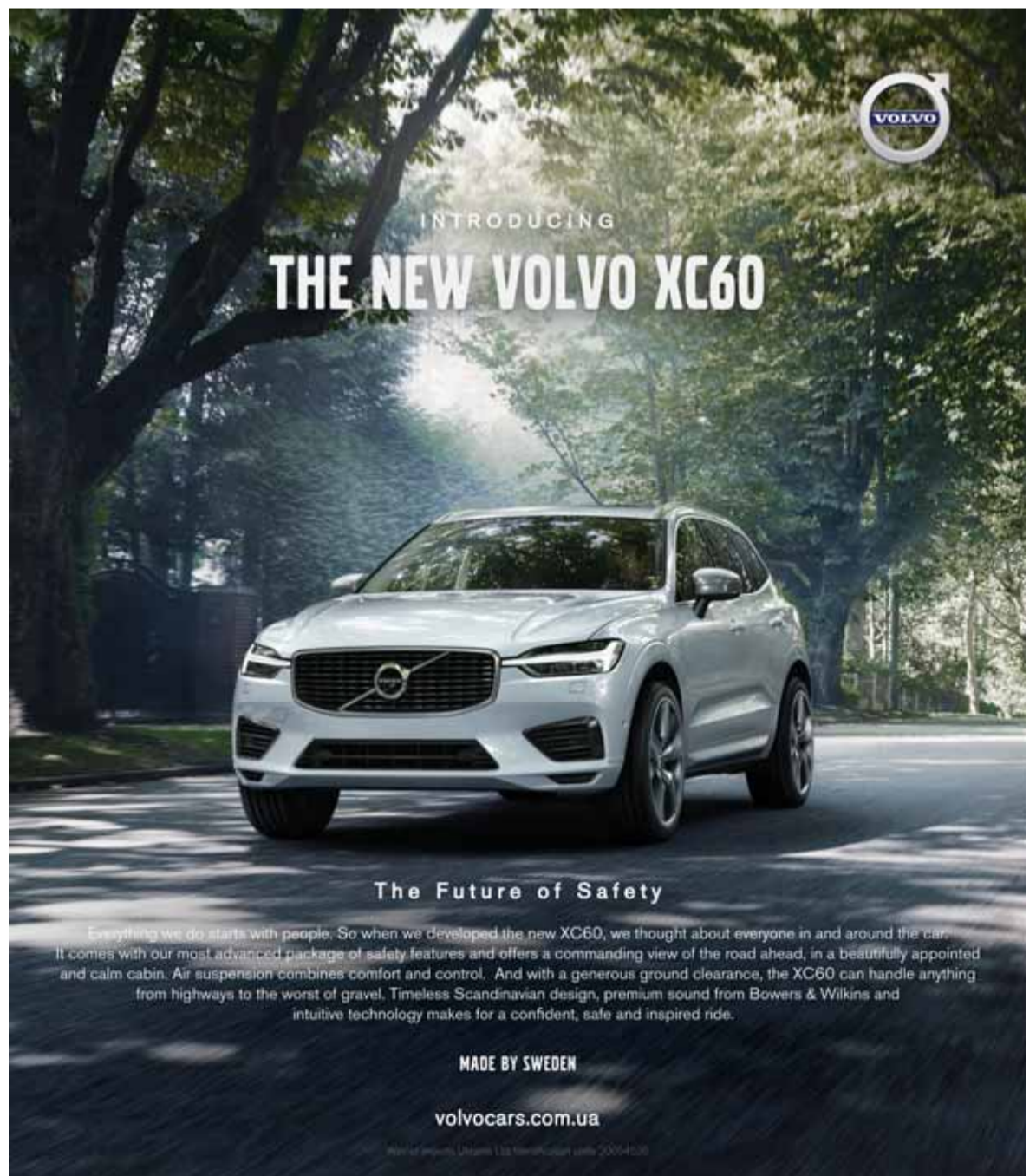
Born: **Stockholm, Sweden**

How to succeed in Ukraine:

"The key to success wherever you are is to meet and know a lot of people... I am still in a situation where I learn something new every day. I hope I will remain like that."

Did you know? Before joining the foreign service in 2002, Hagstrom worked as a journalist in Sweden.

The ex-journalist also said that the general news media is not so helpful" by focusing on "crisis, conflict and problems." Unless a person looks for other types of news, "you will get the feeling that everyone in the world is more or less in crisis, including in Ukraine." ■



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Visa-free travel will be catalyst for closer ties

BY MARIYA KAPINOS AND RAHIM RAHEMTULLA
MARIONKAPINOS@GMAIL.COM
RAHEMTULLA@KYIVPOST.COM

As the visa barrier to 34 European nations disappears for Ukrainians on June 11, travel costs are expected to go down also — eventually.

Taken together, Ukraine is about to undergo a positive transformation not only in travel, but also in its status as a developing democracy trying to integrate more closely with the rest of Europe.

Ukrainian President Petro Poroshenko knows the magnitude of the change that is about to take place. He describes visa-free travel as a “final farewell to the Soviet and Russian empire.”

The long-awaited event comes hot on the heels of the entry of Irish low-cost carrier Ryanair into the Ukrainian air travel market, with the first flights to take off this September from Kyiv and Lviv.

This is not expected to be the last of the low-cost carriers to seek entry into the market, all to the benefit of

Ukrainians who want to go abroad for visits of up to 90 days. It is hoped that Ukraine International Airlines, the near-monopoly carrier owned by billionaire oligarch Ihor Kolomoisky, will have to start competing on price and service or lose its 40-plus percent share of the market.

In response to Ryanair's entry, Ukraine International Airlines in May launched a new “low-cost” fares category for those who buy tickets 10 months in advance.

Fares checked by the Kyiv Post in June for travel to Stockholm, Sweden show that a one-week round trip from March 12–19, 2018 would cost \$59 on Ukraine International Airlines and \$78 on Ryanair. Both airlines depart from Kyiv's Boryspil International Airport but land at different airports serving the Swedish capital.

Ukraine International Airlines also planned a sale of tickets to European capitals on June 11, the day when the visa-free travel comes in force.

For those planning to see the continent by train, Ukrainian state railway company Ukrzaliznytsya says it



People sit at a bus stop near an advertisement of visa-free travel on May 23 in Kyiv. (Volodymyr Petrov)

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will be providing more international travel options. It has promised that from June 12, trains will run daily from Kovel in western Ukraine to Chelm in southeastern Poland. More services to other cities in Poland and Romania are in the works.

But Ukrzaliznytsya has stressed that the visa-free regime will not influence the speed of border crossings by train because document checks will, as before, be carried out throughout the course of a journey.

Market dynamics

Meanwhile, Ukraine International Airlines has applied to Ukraine's State Aviation Service for permission to fly on the same routes as those offered by Ryanair, suggesting that competition in the air travel market is only set to intensify.

But any talk of a price war would be premature, says Vladimir Shulmeister, a former deputy infrastructure minister and now an analyst at the Ukrainian Institute for the Future.

He says that such a develop-

ment would more likely be seen in oligopolistic markets, where there are from three to six players with roughly equal market share. Ukraine International Airlines' grip on the market as a near-monopolist significantly changes the dynamic.

“Ukraine International Airlines has a solid market position,” Shulmeister said. “When you take into account the fact that it essentially has a

more **Travel** on page **13**



This unusual Kyiv race brings color to running – literally

Participants run as Holi paint is thrown at them during the Kyiv Color Run on June 4. Several hundred people participated in the event that brings together running and the traditions of Indian Holi festival. During this race, dry Holi paint was thrown at runners, who by the end of their 3-kilometer and 6-kilometer races were colorfully sprinkled from head to toe. (Volodymyr Petrov)

Visa-free travel boosts drive to integrate with rest of Europe

Travel from page 12

monopoly, you see that it is strong enough to withstand attempts at predatory price undercutting, which are usually used by new market players and low-cost airlines."

But even if prices were to go to minimum levels, weak demand means Ryanair's market share would be unlikely to grow.

The low-cost carrier has said that it expects in its first year of operation in Ukraine to transport around 500,000 passengers, a market share of 6 percent.

Shulmeister believes that figure will remain steady for the foreseeable future.

"Today in Ukraine we don't have the economic preconditions needed for Ryanair to gain a significant share of the market for at least the next three years," he said.

Ukrainian airlines carried 8.27 million passengers in 2016, or 31 percent more than in 2015. But Shulmeister says that the rise simply meant returning to the normal levels after the economic slump of 2014–2015, and is unlikely to be repeated this year.

"In spite of the visa-free regime, there won't be significant growth in demand for air travel," he told the Kyiv Post.

Visa-free, rules-based

When the EU decided to waive visas for Ukraine, it also made sure at the same time to strengthen its ability to easily reintroduce them if Ukrainians violate the rules of the regime. The chief stipulations are that Ukrainians are not allowed to work in EU without a visa and they should not stay longer than 90 days in a 180-day period.

But based on the experience of other nations that have received visa-free travel, the risks of such a scenario are low according to Max Fras, a European Institute visiting fellow at the London School of Economics.

"It has been over six years since visa liberalization for a number of Western Balkan countries, and despite repeated warnings, none of the countries lost visa-free travel rights, so it does not seem to be a tangible threat," he told the Kyiv Post.

For Fras, ensuring Ukrainians conform to all the requirements of visa-free travel is a challenge that needs to be met by the Ukrainian government, whose task is to ensure "Ukrainian citizens leaving the country are duly informed about their rights and responsibilities, and that Ukrainian citizens expelled from the EU are returned promptly."

The Georgian experience

The arrival of visa-free travel to Ukraine will come nearly three

months after Georgia received the same benefits, although the two countries were at one time considered to be moving on the same time-frame in terms of implementation of the visa-free program.

Data is still scarce on the Georgian experience, but as reported in the Georgian media, after one month of visa liberalization, 11,700 Georgians had traveled visa-free to the Schengen area.

Alexander Kipiani, a senior adviser to the Georgian ambassador in Kyiv said that during the first month of the new regime there were 17 cases of Georgians being refused entry at EU borders, but that the number of Georgians travelling abroad had increased significantly.

Anita Gvasalia, a student at the Agricultural University of Georgia, told the Kyiv Post that none of her friends had experienced any problems while travelling to the EU visa-free. She said the regime is positive not only in practical terms, but symbolically too.

"The implementation of the visa-free regime was probably the most popular topic of every conversation for several months, and we were all very excited," she said, "For me personally it was not just about traveling more easily, but also about being acknowledged as part of Europe."

For Salome Goduadze, a frequent traveler from Tbilisi, the best thing about visa-free is the elimination of the "stressful" bureaucracy associated with visa applications.

"I remember my emotions when I was waiting for a visa, and I'm glad I will not have these feelings ever again," she said.

To enter the Schengen Zone visa-free, apart from having a biometric passport, Ukrainians are required to show their return tickets, proof of accommodation, medical insurance, and sufficient funds to cover their trip.

According to Fras, how things work for Ukrainians in practice will depend to a great extent on the training and instruction given to border guards, both at home and abroad.

"Anecdotal evidence has it that Georgian border guards have been scared by their bosses, and are more strict than EU border guards in requiring their fellow citizens to present insurance, bookings and cash details – even where it was not necessary or in a way more detailed than any EU border guard (would do)," Fras told the Kyiv Post.

"In short – a lot will depend on the first few months of the implementation of the agreement," Fras added. "If the migration services pass the initial test, it may go smoothly." ■



A typical two-passenger berth in a train operated by Ukrzaliznytsia, the state railways monopoly, is a good place for sex, according to the company's monthly magazine Mahistral. (PHL)

Touting benefits of having safe sex on trains, railway even ready to supply belts

Sex from page 1

One may argue that train porn is an extremely rare genre, but Ukrzaliznytsia's magazine is sure that there is such a thing. It goes as far as stating that train sex is a category in adult film awards. The Kyiv Post couldn't find any information to back this claim up, however.

Ukrzaliznytsia is, of course, an advocate of safe sex – the magazine advises that passengers use safety belts to avoid injury due to unexpected movements of the train. The belts, which are attached to the wall and the berth, are designed to prevent passengers from falling while sleeping, but the magazine encourages their use during sex too. The belts can be requested from a steward.

"There is need to mention to the steward why the belt is actually needed," the story reads.

Finally, the magazine praises sex on a train as a way for couples spice up a sex life that might have become routine. Extra services are available to couple who rent a whole carriage from Ukrzaliznytsia – the company offers a full-size bed.

Sex sells

The article from Mahistral, a magazine that is available only in first class on intercity trains, hit the headlines in Ukrainian media, and stimulated a lot of excitement on social media.

Ukrainians shared a picture of the magazine page with comments like: "So you think Ukrzaliznytsia

hasn't upgraded its services? Check this out!" and "Ukrzaliznytsia seems to be very client-oriented."

Olena Los, an editor with Mahistral, told the Kyiv Post she had expected the article to generate some interest, but the reaction had exceeded her expectations.

"My friends now send me messages about their experiences, describing how they did it," she said, adding that she never had sex on a train herself. Neither has the author of the story, according to her. The author refused to talk to the press.

"What sells the best? Sex, kittens and kids. We have already written about kittens, so we went with sex," Los said. ■

World in Ukraine: Canada



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PrivatBank made a flurry of stinky insider loans before going bust, costing taxpayers \$5.6 billion

Fraud from page 1

To receive the money, the nine recipients created 28 companies in Kharkiv, Ukraine's second-largest city with 1 million people. Almost all were founded in 2015, all except one with equity of just 1,000 Ukrainian hryvnia (\$38) each — a sign that they were paper companies. PrivatBank then approved loans to the firms totaling 28 billion hryvnia (over \$1 billion). PrivatBank holds 35 percent of all individual deposits in Ukraine, meaning the savings of ordinary people. It was founded and owned by Kolomoisky, a wealthy Ukrainian businessman, and his partner, Hennadiy Boholiubov. Kolomoisky and Boholiubov are believed to have additional business interests in energy, media, aviation, metallurgy and agriculture, which place them second and third, respectively, among the top 100 richest Ukrainians in a 2016 ranking by Forbes Ukraine. Each man is esti-

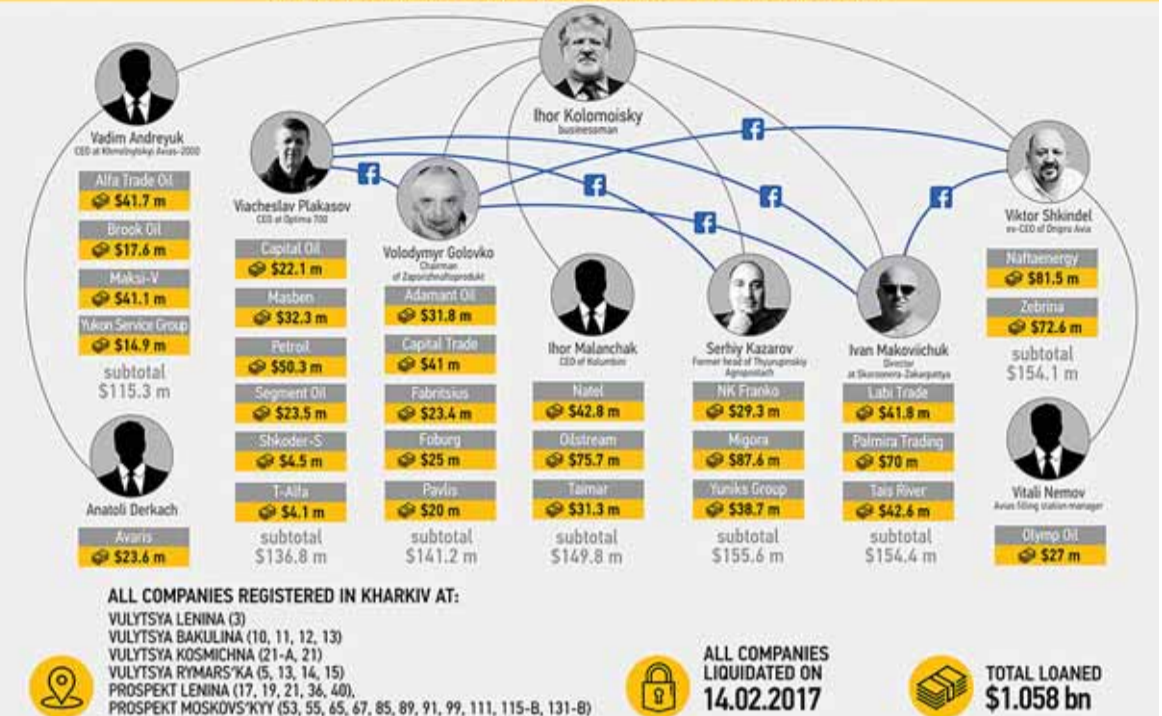


Ukrainian billionaire oligarch Ihor Kolomoisky on March 6, 2015, in Kyiv. (UNIAN)

estimated to be worth \$1.3 billion. Following his support of the Euromaidan Revolution which

Kolomoisky's Billion Dollar Friends

Before its nationalization, Ihor Kolomoisky's PrivatBank lent more than \$1 billion to companies belonging to his top lieutenants and two of their subordinates. Here's how much they received.



Before its financial collapse and nationalization by the state at an estimated cost to taxpayers of \$5.6 billion, Ukraine's PrivatBank — the nation's largest bank with more than 20 percent of the nation's deposits — made more than \$1 billion in loans to people and businesses associated with Ihor Kolomoisky, the billionaire oligarch who owned the bank. (Organized Crime and Corruption Reporting Project)

deposed President Viktor Yanukovich on Feb. 22, 2014, Kolomoisky in March 2014 was appointed governor of the east-central Ukrainian region of Dnipropetrovsk, where PrivatBank is headquartered. Ukrainian President Petro Poroshenko fired Kolomoisky one year later, in March 2015,

after a political falling out over Kolomoisky's influence over Ukrnafta, Ukraine's largest and state-owned oil company. Later that year, in October 2015, a close ally of Kolomoisky, Hennadiy Korban, was arrested and charged with heading an organized crime group, taking hostages, and embez-

zlement, according to Interfax Ukraine. **Government takeover** On Dec. 19, 2016, Ukraine's government nationalized PrivatBank after the National Bank of Ukraine

more Fraud on page 15

Poroshenko-Kolomoisky deal suspected

Kolomoisky from page 1

"On the last night (before nationalization), they conducted fraudulent transactions amounting to more than Hr 16 billion (\$612 million)," Gontareva said in an April interview. She called on the General Prosecutors' Office to investigate fraud at the bank, which remains Ukraine's larg-

est lender with 36 percent of deposits. But there doesn't appear to be an active criminal investigation into the former owners, Kolomoisky and his business partner Gennadiy Bogolyubov. Prosecutor General Yuriy Lutsenko, the National Anti-Corruption Bureau of Ukraine, the National Bank of Ukraine — which is now run by

acting governor Yakiv Smolii — and the Presidential Administration, did not reply to requests for comment on June 8. Mustafa Nayyem, a lawmaker with the dominant Bloc of Petro Poroshenko in parliament, called for prosecutors to open fraud and organized crime investigations against PrivatBank executives who signed the loan documents. Nayyem said the executives should also be called to testify on who ordered them to lend the money.

"The National Bank was apparently observing this process," Nayyem said. "And if it was observing it, why didn't they start investigations or inspections? Apparently Gontareva or other National Bank officials got orders not to open cases." The central bank had a curator in place at PrivatBank from the time it received recapitalization loans in 2014. The curator would have been able to see all the operations going in and out of the bank.

But, as one NBU official who wished to remain anonymous due to a lack of authorization to speak publicly said, the central bank only has "ex-post facto authority." It can only act after it observes misconduct and, at that, only as a civil regulator, and not as a criminal prosecutor. According to Nayyem and Anti-Corruption Action Center executive director Daria Kaleniuk, Kolomoisky hasn't been prosecuted because of a political agreement with President Petro Poroshenko. Kolomoisky may have been granted de facto immunity because he controls at least

20 votes in the 423-member parliament and has vast media holdings in which he can block criticism of the president. "If PrivatBank's former shareholders got guarantees from those who could have given them — and this could have only been the head of state — then it's obvious why neither the Interior Ministry, nor the Prosecutor General's Office, nor the National Bank investigated this," Nayyem said. "Kolomoisky received a certain political indulgence." Kaleniuk said that PrivatBank took capitalization loans from the NBU from 2014 to 2015, and then lent \$1.8 billion to offshores, without totally repaying the NBU loans. The Anti-Corruption Action Center asked the Prosecutor General's Office to investigate the loans, but prosecutors have been unwilling to open criminal cases, she said. Kaleniuk suspects that the transactions could have involved fraud, money laundering and embezzlement of public funds.

Bank fraud in plain sight

From the moment that the NBU learned of the extent of PrivatBank's issues, Kolomoisky was in negotiations for a settlement. Oleksandr Zavadetsky, the NBU's first-ever related party loans monitoring unit chief, who took part in the verification of PrivatBank's loan portfolio, said that the central bank knew about the depths of the problem as early as December 2015. From there, the NBU and government engaged Kolomoisky in

negotiations surrounding the bank's recapitalization and subsequent nationalization. The oligarch visited the NBU more than 30 times in the year before the nationalization, giving him months to strip assets from the bank. Political analyst Volodymyr Fesenko spoke of "rumors" in December that Kolomoisky had already "withdrawn the tastiest parts from the bank." Kolomoisky dismissed an investigation by the Organized Crime and Corruption Reporting Project, a Kyiv Post partner, that PrivatBank made more than a \$1 billion in loans to business associates in the run-up to nationalization. Kolomoisky called the OCCRP investigation "nonsense" in a written reply. He has denied that the government forced the nationalization and instead said that he and his fellow shareholder, Gennadiy Bogolyubov, requested the government takeover after a coordinated attack in the press which caused a run on the lender. When the bank was nationalized, the government hired EY to audit the past two years of PrivatBank's activity in an effort to account for the massive losses at the bank. The NBU promised that the audit would be released publicly by March, providing final details of everything that happened at the bank until it fell under state ownership. PrivatBank is now under the control of Ukraine's Ministry of Finance, which has yet to make the audit public. ■

ON THE MOVE

INTERGRITES Team Welcomes a New Counsel



Victoria's team will consult clients on tax and customs issues, tax risks assessment and development of mechanisms for their minimization, handling of tax disputes in administrative courts of any jurisdiction, including representation of, as well as escorting clients during inspections by tax and customs authorities.

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Prior to joining INTEGRITES, Victoria worked in PWC, as well as in the international law firms - Dentons, Beiten Burkhardt, Peterka and Partners.

With more than 15 years of experience, Victoria has a vast experience in advising a number of international and Ukrainian companies, as well as representative offices of foreign companies in Ukraine on tax and customs law, international taxation, transfer pricing and tax compliance, and represented clients in courts, as well as before the tax and customs authorities.



Mountains of financial losses for taxpayers as law enforcement again evades responsibility

Fraud from page 14

found it insolvent. "The alternative would have looked irresponsible, as it would have meant to close our eyes, bury our heads in the sand and wait for the bank to fall," Poroshenko said in a statement, adding that the bank was so undercapitalized that it threatened the entire financial system.

Following the takeover, the NBU announced that as much as 100 percent of PrivatBank's loans had gone to its own shareholders, indicating that the owners were enriching themselves while endangering the savings of millions of Ukrainians. Prior to its nationalization, PrivatBank had claimed that only 4.71 percent of its loans had been made to insiders and argued that it had been financially stable.

The more than \$1 billion in loans PrivatBank made to Kolomoisky's lieutenants accounted for 13.8 percent of its total portfolio of loans larger than \$400,000 as of July 2016.

Missing money

PrivatBank is now under management appointed by the government.

On March 6, the deputy head of the NBU, Kateryna Rozhkova, told OCCRP that the PrivatBank shareholders "have undertaken to restructure all related party loans by July 1."

However, records show that a month previously, the new Kharkiv-registered companies had all started liquidation proceedings on the same day and all named the same person as liquidator, indicating coordinated action — and suggesting a lack of intention to return the loans.

Since then, the NBU's governor, Valerya Gontareva, has resigned, and the central bank is under investigation by the National Anti-Corruption Bureau of Ukraine.

A PrivatBank spokesperson con-



A worker cleans windows of PrivatBank in Kyiv on June 1. The bank, the nation's largest with 20 percent of all deposits in a sector valued at \$52.8 billion, failed under the ownership of Ukrainian billionaire oligarch Ihor Kolomoisky. The National Bank of Ukraine blames insider lending, but hasn't released an audit yet. A bailout will cost taxpayers an estimated \$5.6 billion. (Volodymyr Petrov)

firmed to OCCRP that international auditors had found that three of the Kharkiv borrowers had provided no real collateral for their loans, apart from worthless shares in no-name companies. These three firms hold a total of \$185 million in loans, about 18 percent of the total loans to the Kharkiv firms.

Investigations into the other loans are continuing. The coordinated pattern of borrowing suggests that more of the \$1 billion in Kharkiv loans likely also lacked collateral.

Managers united

The people who own the Kharkiv firms are mostly top managers in businesses controlled by Kolomoisky. Most are also interlinked on Facebook.

Viktor Shkindel, Ihor Malanchak and Ivan Makoviichuk own the three Kharkiv firms known to hold \$185 million in unsecured loans. The three men own five additional Kharkiv-registered companies that also got Privatbank loans; in all, their firms hold a total of \$458 million in loans from the bank.

Shkindel is a former chief executive officer of Dnipropetrovsk airport, which is also controlled by Kolomoisky.

Ivan Makoviichuk is director of Skorzonera-Zakarpatya, a tourism company owned by Kolomoisky and Boholiubov.

Ihor Malanchak is the CEO of Kolumbini, a company affiliated with Kolomoisky, according to the compa-

ny register.

Besides Shkindel, Malanchak and Makoviichuk, the other owners of the Kharkiv businesses that received Privatbank loans are Viacheslav Plakasov, Volodymyr Golovko, Serhiy Kazarov, Vitaly Nemov, Vadim Andreyuk and Anatoliy Derkach.

Viacheslav Plakasov is the CEO of Optima 770, which is related to Privat Group, an unconsolidated business group with holdings in oil, ferrous metal, and agriculture which is widely attributed to Kolomoisky and Boholiubov.

Zaporizhzhya-based Volodymyr Golovko is a former top manager in Kolomoisky's refinery business. Serhiy Kazarov is former head of

Tsyurupinskiy Agropostach, a fuel supplier which is connected to Privat offshores.

Five of the above-named, who are on Facebook, did not respond when contacted via the social networking website.

Vitaly Nemov, owner of Olymp Oil, which received 715 million hryvnia (about \$27 million) in loans, is manager of a gas station for Avias, under Shkindel's command. His CV shows him looking for a job as a gas station manager with a monthly salary expectation of 6,000 hryvnia (\$226).

Nemov confirmed his ownership of Olymp Oil but denied borrowing \$27 million. "There is no loan," he said when contacted by phone, "and they have already closed the firm," he said about Olymp Oil. He declined to specify who he meant by "they," but acknowledged being acquainted with Shkindel.

Vadim Andreyuk, owner of three Kharkiv firms holding 2.7 billion hryvnia (about \$115.3 million) in Privatbank loans, is head of the sales department of the state oil firm Ukrnafta in the Khmelnytskyi region, according to an online resume.

Khmelnytskyi-based Anatoliy Derkach, the owner of Avaris, previously worked as a taxi driver, according to filings he made in a state register of entrepreneurs. The Avaris phone number matched the number of a number of firms run by Andreyuk. When an OCCRP reporter phoned Andreyuk's office and asked to speak to Derkach, and was put through to him. When asked whether the loan Avaris received had been repaid, Derkach said "apparently," but hung up when asked whether Andreyuk was his boss. Privatbank did not confirm this information.

Kolomoisky did not respond to requests for comment and Boholiubov could not be located. ■

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American Chamber of Commerce in Ukraine celebrates 25th year

- 1** An estimated 1,500 guests celebrate the 25th anniversary of the American Chamber of Commerce in Ukraine. The event took place in Mystytskiy Arsenal in Kyiv on June 1. The organization has 630 members.
- 2** Roman Skivskyi of the Association of Cement Producers of Ukraine, "Ukrcement," looks on.
- 3** From left, U.S. Ambassador to Ukraine Marie L. Yovanovitch, American Chamber of Commerce president Andy Hunder and Ukrainian President Petro Poroshenko toast with a glass of champagne.
- 4** AmCham board members join president Andy Hunder (L) in cutting the cake. Others, from left: Martin Schumacher, managing director of METRO Cash & Carry Ukraine; Grzegorz Chmielarski, managing director of McDonald's Ukraine; Lenna Kozarny, CEO of Horizon Capital, Nadiia Vasylieva, general manager of Microsoft Ukraine; Steven Fisher, CEO of Citibank Ukraine, and Martin Schuldt, general manager of Cargill Ukraine.
- 5** American Chamber of Commerce in Ukraine president Andy Hunder holds up a congratulatory message from U.S. President Donald J. Trump, read by U.S. Ambassador to Ukraine Marie L. Yovanovitch. "The relationship between the United States and Ukraine has never been more important," Trump wrote. "We stand together as partners in Ukraine's efforts to strengthen democratic governance, root out corruption and attract foreign investment."
- 6** Kyiv Mayor Vitali Klitschko adopts a familiar stance for the former world heavyweight boxing champion.
- 7** Horizon Capital CEO and Pulse Communications and Shooter's nightclub co-owner Robert McNeil catch up.
- 8** Singer Ruslana Lyzhychko looks even more glamorous in a shiny red car.
- 9** Oksana Yakovleva, Gefco Ukraine (R). (Photos courtesy of American Chamber of Commerce in Ukraine)



Lawmakers start health reform; divisions remain

BY VERONIKA MELKOZEROVA
MELKOZEROVA@KYIVPOST.COM

With moans, groans and claims of illegal voting, Ukrainian lawmakers on June 8 approved a bill on state financial guarantees for medical services in the first reading. By doing so, they at last started the process of health care reform in Ukraine.

After a heated debate, parliament garnered 227 votes – just one more than the 226 needed – to pass the bill on the third attempt. Parliament Speaker Andriy Parubiy was able to force the vote through only after several amendments from lawmakers were included in the bill.

However, parliament supported only one of the two new health care reform bills, rejecting a supporting bill on changes to the state budget that would allow money for state financial guarantees to be allocated.

Lawmakers also rejected two alternative health care reform bills authored by former Health Minister Oleh Musiy that opposed the plans of Acting Health Minister Ulana Suprun.

Olga Bogomolets, a Bloc of Petro Poroshenko lawmaker and head of the health care committee in the Rada, said Suprun's bill "throws Ukrainian patients under tanks. The Cabinet of Ministers of Ukraine and Health Ministry didn't name the numbers, the sums people will have to pay for medical services, and neither did they specify what exactly is going to be included in the guaranteed package of medical help provided by the state," Bogomolets said.

The lawmaker added that, if the bill becomes law, Ukrainians would have to pay for urgent surgery to be admitted to hospitals.

But Victoria Syumar, a People's Front party lawmaker, said that there has been no free medical services for a long time in Ukraine. People get them only on paper, while in reality they are forced to pay "charitable contributions" to hospitals.

"Just try to find free antiseptic or a bandage in a Ukrainian hospital, and I swear, you won't be able to," Syumar said.

Bogomolets said she was ready to take over responsibility for reform, and asked to be given a month to improve the health care bills in the health committee of the Rada.

Suprun said she was grateful for all the criticism and promised to include all reasonable changes. However, she asked lawmakers to vote for it anyway, saying health care reform must start as soon as possible in Ukraine.

"We could continue to search for an ideal model, but the current health care system is in ruins," Suprun said during her speech in the Verkhovna Rada on June 8.

"It's time to tell the truth. There are no free medical services in Ukraine. We give bribes for every other procedure, even for childbirth. This will end with the new reform."

After the lawmakers voted for the bill, Oleh Lyashko, the Radical Party leader, claimed that several lawmakers were "piano voting" in favor of the reform and demanded that the result of the vote be canceled. "Piano voting" is the illegal practice of lawmakers casting votes for absent colleagues, so called because it involves stretching over to press voting buttons on neighboring voting consoles, as if making a wide stretch while playing a piano.

"You force us to vote in favor of the reform, basically twisting our arms behind our backs. You call yourself pro-Western politicians and close your eyes to piano voting," Lyashko said.

He added that Suprun's reform would kill many Ukrainians, as it took away the right for free medical services from them.

"You should vote in favor of Ukrainian people not the International Monetary Fund to give you another loan," Lyashko said.

Suprun's draft medical reform permits official co-paying for medical services starting in 2018. The bill aims to reduce the practice of making unofficial private payments for medical services, which is widespread in hospitals and medical centers all over Ukraine. ■




Protesters demand health care reform for Ukraine

Activists lie on the ground in front of Ukraine's parliament on June 6 in Kyiv as they demand that lawmakers adopt the draft laws that advance health care reform. An estimated 67 patients die in Ukraine hourly because they do not receive treatment or receive poor treatment. The legislation, which barely passed an initial vote in parliament on June 8, aims to scrap Soviet-era funding schemes that allocated state money on the basis of the number of hospital beds rather than providing effective treatment, among other changes. The changes are part of far-reaching reforms spearheaded by acting Health Minister Ulana Suprun. (Oleg Petراسиuk)



Ukraine's acting Health Minister Ulana Suprun speaks at a rally in front of the Verkhovna Rada on June 6 in Kyiv. (Oleg Petراسиuk)

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TO: "Unknown" heirs of Nikolai B. Berezhnoy and Tatiana Grigorevna Nikitenko- Berezhnoy, (whose names and whereabouts are unknown), hereby intending to designate the distributees of the late Zoia Lytwynec, a/k/a Zoia Berezhnoy, legal representatives, assigns and all persons, who by purchase, inheritance or otherwise have or claim to have an interest in the estate of Zoia Lytwynec.

A petition having been duly filed by Elena F. Cariola, Esq.
 who is/are domiciled at 14 West Ham Circle, North Chili, New York 14514

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 at 99 Exchange Blvd., Room 533, Hall of Justice, Rochester New York, on August 17, 2017
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Zoia Lytwynec lately domiciled at
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in the County of _____, New York, granting Letters of Administration upon the estate of
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MONROE COUNTY

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Mark L. Annunziata
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Frank B. Iacovangelo, Esq.
 Print Name of Attorney
(585) 454-7145
 Telephone
180 Canal View Boulevard; Suite 100, Rochester, New York 14623
 Address

NOTE: This citation is served upon you as required by law. You are not required to appear. If you fail to appear it will be assumed you do not object to the relief requested. You have a right to have an attorney-at-law appear for you.

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Alfa Jazz Fest kicks off in Lviv in two weeks. Check the schedule of events from June 23-27 at www.alfajazzfest.com/en.



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June 9, 2017

www.kyivpost.com

Kyiv Post guide to 7 of best summer terraces

Food Critic
WITH JOSH KOVENSKY
KOVENSKY@KYIVPOST.COM

Where to go for Chinese food in Kyiv

As a multicultural city, Kyiv offers restaurants of all kinds of cuisines, including Chinese restaurants. Two that stand out are Kitaisky Privet (Chinese Hello) and Han Yuan.

Kitaisky Privet sits at the bottom of Afanasyev Yar on Ivana Franka Street, surrounded by lush vegetation and adorned with bamboo sprouts that make the restaurant seem Southeast Asian on a muggy May day.

The restaurant opened in August. Chinese characters written in neon decorate the interior as do Russian-language signs mimicking the mistakes of Chinese native speakers.

One sign in the bathroom informs guests, referred to as "dear China friend," that "paper hand towel and other material into toilet throw do not!" while the napkins have "wipe face so sauce no flow" printed on them.

Getting past Kitaisky Privet's jokes grants access to the restaurant's colorful menu. Broad, technicolor photos accompany each dish. A separate drinks menu offers a dozen kinds of Chinese tea.

Szechuan soup like Dan-Dan noodles are on the menu, as well as many spicy beef and chicken dishes. Fried tofu and other vegetarian options are also available.

On the appetizer side, visitors are greeted with many options, including an intriguing looking bowl of fried maggots (locally sourced, according to the waiter). The menu's picture shows a huge pile of the fried insects in a large bowl, almost ready to wriggle out at a hungry guest.

But while the other portions were huge, there was a bit of false maggot advertising - visitors are left with a measly 10 fried flesh eaters, a shame given their crunchily delicious taste.

But if Kitaisky Privet is a hip establishment with cocktails on offer, Han Yuan is the dive bar of Kyiv Chinese food.

Situated in the basement of a National Aviation University dormitory miles from the nearest metro stop (Shuliavska), it seems more like a place where one might find a local university's frat house than Szechuan cooking.

Visitors have to enter from

more Food on page 20



A waitress serves food to customers of Atmosfera restaurant on the top of Premier Palace hotel in Kyiv on May 17. (Pavlo Podufalov)

BY NATALIYA TRACH
TRACH@KYIVPOST.COM

Kyiv is especially beautiful in summer, even more enjoyable at outdoor places surrounded by beautiful views and serving tasty food. The Kyiv Post has tracked the best summer terraces offering exquisite cuisine and breathtaking landscapes for a relaxing dinner, a romantic evening or a party with friends.

Ronin

The restaurant has a cozy garden, summer terraces and plenty of room for kids. Ronin's terraces are equipped with wooden furniture and surrounded by a lawn. The restaurant's guests can sit on the grass or relax on beach chairs.

The restaurant's futuristic building with its glass walls, big halls and marble staircase combines a minimalistic style with a modern approach. Ronin offers a tasty mix

of Japanese Peruvian cuisine. It serves food of Japanese immigrants in Peru who created a new popular gastronomic tradition called Nikkei. One can try Peruvian style sushi, delicious and healthy desserts without oil, flour and sugar. Thanks to its unusual cuisine and architecture, Ronin is one of the most interesting restaurants and attracts visitors all year round. It is perfect for a date or a family dinner.

10 Zoologichna St. Open

daily 11 a.m. – 11 p.m. tel. 38-068-713-1414

Kompot

Kompot, an Odesa cafe chain restaurant, serves simple Soviet favorites and homemade-like dishes such as Olivier salad, meat rissoles, pancakes, cabbage rolls and soup with meat balls. Kompot is popular among Kyivans because of its tasty food,

more Terraces on page 19

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KyivPost

No reason to dine inside with terraces like these

Terraces from page 18

good service and excellent location – it perches on the Dnipro's right bank not far from Kyiv's River Port.

The two-story restaurant has two spacious terraces offering magnificent views on the Dnipro River and Trukhaniv Island. The place is especially romantic in the evenings when the billions of the city's lights are reflected in the Dnipro's calm waters.

3 Poshтова Ploshcha Sq. Open daily 8 a.m. – 11 p.m. tel. 38-044-390-1550

Gnezdo Bar

Gnezdo Bar is located on Andriyivsky Uzviz Street but only locals know its whereabouts – the place is hard to notice when walking along the Andriyivsky Uzviz Street. To find it one should go through the arc near Kanapa restaurant and go to the very depth. Gnezdo Bar is surrounded by trees, which reflects perfectly the bar's name – gnezdo means nest in Russian. Inside it is decorated with the reproductions of famous paintings. Wooden comfortable deck chairs and padded stools make the bar's interior cozy and homy. Gnezdo Bar offers dizzying view of the Kyiv's steep slopes. In the evening the trees around the bar are illuminated, lamps and lanterns are lit creating a holiday and merry mood. In the warm season, Gnezdo Bar often holds music shows, film screenings and fantabulous parties.

21 Andritivsky Uzviz St. Open daily 11 a.m. – 1 a.m. Tel. 38-096-318-7112



A visitor of the Hyatt Regency Hotel's Bar on 8 places an order on June 8. The outdoor terrace offers spectacular views of the St. Sophia and St. Michael's cathedrals in central Kyiv. (Kostyantyn Chernichkin)

Atmosfera

Atmosfera restaurant is located on the rooftop of the Premier Palace hotel in the Kyiv center not far from Besarabsky market. During the

warm season, from April to October, it is one of the best places in town to enjoy scenic city views. Atmosfera is a perfect place for those willing to see the city from a new perspec-

tive – it offers a breathtaking view on Kyiv's beautiful old churches and colorful houses. The venue is lavishly decorated with flower pots and flowering shrubs. The upscale

restaurant serves exquisite European and Mediterranean cuisine. Besides panoramic views and tasty food one

more Terraces on page 24



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GREGORY PORTER
(US)

MARE NOSTRUM: Paolo FRESU -
Richard GALLIANO - Jan LUNDGREN
(IT-FR-SE)

21:00 BUIKA (ES)

YELLOWJACKETS (US)

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QUARTET (CU-US)

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PATITUCCI, Eric MARIENTHAL, Frank
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LIVE SOUND

KyivPost

New 'Kyiv by Locals' guidebook offers keen insights about Kyiv

BY ANNA YAKUTENKO
YAKUTENKO@KYIVPOST.COM

No one knows their home turf better than the locals, so it's no surprise that a new English-language guidebook called "Kyiv by Locals," written by four Kyivans, has some of the best and most up-to-date information about the Ukrainian capital.

The four — Alina Rudya, Nina Gorbacheva, Zoya Lytvyn and Olga Bezkhmeltytsyna — selected their favorite city venues and tourist attractions to cover, and interviewed famous Kyivans about the places in the city they love to go to.

Unlike most guidebooks about Kyiv, each venue mentioned in "Kyiv by Locals" has a handy infobox with its address, the nearest metro stations, and relevant websites and social media pages.

The book also had a great look and feel: printed on soft matte paper, it has adorable cartoonish illustrations and a stylish layout.

It starts with basic information about the city's history, geography, emergency numbers, public transportation and tipping culture. The book's several chapters



A new English-language guidebook called "Kyiv by Locals" offers city venues and tourist attractions selected by Kyivans. (Volodymyr Petrov)

apart from the usual tourist attractions there are some more unusual listings — the best examples of Soviet architecture, for example, or a guide to Kyiv's left bank, a list of cultural events and festivals held in the city, and one-day trips from the capital.

At the end of each chapter there is a map showing all of the places mentioned. One drawback is that the one-page maps don't show all of the street names, which might be confusing.

As for venues, the guidebook has a useful list of restaurants divided by cuisine, as well as a list of the best burger joints, confectionaries and coffee shops.

The "Where to Drink and Party" chapter lists the city's best bars and clubs, including two aimed at LGBT people — Pomada and Lift.

The book also has some quirky novelties, such as a list of 10 things to do in Kyiv, which includes taking a selfie with the cat sculpture on Peizazhna Alley, and instructions for drinking the traditional Ukrainian strong spirit, horilka.

All in all, "Kyiv by Locals" is currently the most practical guidebook for the city available in book stores. If you're new in town, and don't know any locals personally, it's the ideal way to get up to speed on city information.

"Kyiv by Locals" is available in the online store Yakaboo for Hr 240 and in the Index 50 store at 50 Vozdvyzhenska St. For more details visit www.kyivbylocals.com. ■

Other guidebooks for Kyiv and Ukraine:

"Different Kyiv." Hr 50 www.interestny.kiev.ua

"Ukraine. Travel Guide." Hr 147 www.bukva.ua, www.yakaboo.ua

"Lonely Planet Ukraine." Hr 570 for paperback edition and Hr 400 for web version www.shop.lonelyplanet.com

"A Motor-Car Trip Through Ukraine." Hr 215 www.interestny.kiev.ua

"Awesome Kyiv," "Awesome Ukraine." Hr 150 and Hr 200 respectively www.osnovypublishing.com

are in the form of to-do lists: where to stay, where to eat, where to drink and party, along with a metro map and useful phrases in Ukrainian.

Even the photos in the book were taken by ordinary locals. The authors encouraged photographers and regular Kyivans to post their snaps of

the city life on Instagram with the hashtag #kyivbylocals. More than 4,500 people participated, posting pictures of Kyiv streets and cafes. Around 200 photos ended up in the book.

This first edition of the book only has 140 pages, giving a broad overview of the city. All the same,

Food Critic: Kyiv's 2 best Chinese restaurants

Food from page 18

the back of the dorm after walking through a spacious student courtyard. Dumpsters are parked in the alley where the restaurant's entrance is located, but the kitchen's appealing smell overpowers the trash reek, giving guests a way to find the entrance.

Han Yuan is sparse on decor, with wood panels along the interior and scattered Chinese lanterns. It is favored by Asian foreign exchange students. The menu is large and bilingual, in Chinese and Ukrainian, separating out dishes into veggies, fish, chicken, beef and specialties. The food is tasty and offers more authentic and spicier Chinese than nearly anywhere else in Kyiv.

Han Yuan is an unlikely contender on a Kyiv culinary scene that appeals more to opportunities for Instagram than to cozy, down-home cooking. And as badly as I want Han Yuan to beat out Kitaisky Privet's crypto-racist bougie facade on the culinary merits, it falls short.

Kitaisky Privet wins on taste and whatever I can discern of authenticity. The food is often too spicy, but tasty enough to be worth the burn to the tongue and throat. That said,

both joints offer food far spicier and as deliciously fatty and greasy as the best that Ukraine has to offer. Give both a try. ■

Selection of Chinese, Thai and Vietnamese restaurants improves in Kyiv

Harbin (Chinese)
33A Artema St. 12 p.m. to 11 p.m.

Kitaisky Privet (Chinese)
7 Ivana Franka St.
12 p.m. – 11 p.m. +38095-556 9977

Han Yuan (Chinese)
12 Nizhynska St. 12.30 p.m. – 10.30 p.m. +38093-690 8298

Chang (Chinese, Vietnamese)
23 Yaroslaviv Val St.
11 a.m. – 10.30 p.m. +38067-8737878

Dyu Long (Chinese)
46B Tarasa Shevchenka Blvd.
11 a.m. – 11 p.m. +38044-3310710

Sapa (Chinese, Thai)
61/2 Mykoly Zakrevskoho St.
11 a.m. – 11 p.m. +38044-5303663

Bite & Go (Chinese, Vietnamese, Thai)
1 Tarasa Shevchenka Blvd.
9 a.m. – 11 p.m. +38098-1188911

Kitai (Chinese, Thai)
29 Vyacheslava Chernovola St.
10 a.m. - 11 p.m. +38098-177977



People talk during their dinner at Han Yuan Chinese restaurant in Kyiv on May 10. (Volodymyr Petrov)

The man who runs 3 of Kyiv's most popular bars

BY ANNA YAKUTENKO
YAKUTENKO@KYIVPOST.COM

A meeting with Kirill Kislyakov, a co-owner of three of Kyiv's top bars — Barmen Dyktat, Torf and Sklad — starts, obviously, with a drink.

"I spend a lot of time in bars, although I'm not only drinking, but also working and thinking," Kislyakov says, sipping rum from his glass.

Kislyakov has a long black beard, from which he gets his nickname — "Black Santa." He also often wears a black shirt with a white inscription reading "the place which doesn't exist" — an oblique reference to his "secret" bar, Torf.

Apart from the bar business, Kislyakov makes his own programs on the "Torf TV" internet channel, the studio of which morphed into Kislyakov's first bar, Torf, a place popular among artists and reformist politicians.

Kislyakov never planned to open a bar, but always loved alcohol, especially strong drinks. One of his favorite drinks, now included on the menus of his bars, is a cocktail named "Ebanitka," which is a mixture of 70-percent rum and coke.

Accidental opening

Kislyakov said that he opened Torf four years ago by accident: he met there with his friend and business partner Volodymyr Kostelman, a co-owner of Fozzy Group, which owns supermarkets, pharmacy chains, electronics stores and a restaurant, to record programs for Torf TV.

However, soon their friends started regularly coming over their studio between production nights, then they brought their friends, and eventually the place regularly became packed with people.

So Kislyakov hired a cook and other staff, applied for a license and turned the studio into a bar.

"We still work only two days a week, but when other bars are empty this one is packed," Kislyakov said. "I think we're the only place of this kind in Kyiv, with this serpentarium of like-minded people."

Even after opening Torf, Kislyakov didn't plan to concentrate on the bar business. But that changed when he and Kostelman learned that Art Club 44, the venerable old venue opened in the 1990s by celebrated restaurateur Eric Aigner, was up for sale after a decade of slow decline.



Kirill Kislyakov poses in one of his three bars in Kyiv, Barmen Dyktat, during an interview with the Kyiv Post on April 21. (Kostyantyn Chernichkin)

Legendary location

Before opening his bars, Kislyakov used to work as photographer for celebrities and various parties with famous guests. He spent lots of time taking pictures in the Art Club 44, which had in the past been a Mecca for the capital's arty people.

So Kislyakov and his business partner, who used to perform on the guitar at Art Club 44 from time to time, both had special feelings for the place, and decided to open a new bar, Barmen Dyktat (meaning Dictator Bartender), at the legendary location.

The place has a giant 13-meter-long bar backed by shelves bearing a vast selection of drinks bottles. Kislyakov says his idea was for someone who is sitting at bar, as they raise their glass to take a sip of their drink, to find themselves looking up at the bottles "almost like looking at an iconostasis."

"There is a saying: if you know how to do it better — do it. So we weren't going to tell anyone how

to make their bars better — we just opened our own."

Now, a year after opening, Kislyakov says the bar is turning a profit. And in the first time for the market, Kislyakov says his bar is itself directly importing alcohol, including mezcal, gin, and rum, without involving intermediaries.

"I think of Barmen Dyktat as (a place) that changes the rules of the market," he said.

Neat drinks

Encouraged by the success of Barmen Dyktat, Kislyakov has opened a new bar called Sklad (which means "storeroom") in the former premises of another legendary bar, Divan, on Bessarabska Square.

Sklad has a young staff, offers only neat drinks (no cocktails) and hosts DJ sets on its dancefloor most nights.

Kislyakov says the bar-boom of recent years is partly due to the economic crisis: people, who can't afford to buy houses or other big-ticket items can still console themselves an expensive drink in a fancy bar.

Meanwhile, Kislyakov has yet to realize the plan he had from the very beginning — to open a small bar with around 12 seats.

"But the fate challenges us with these 'giants,'" he jokes, looking around the cavernous hall of Barmen Dyktat. ■



Kirill Kislyakov talks to a patron of one of his three bars in Kyiv, Barmen Dyktat, on April 21. (Kostyantyn Chernichkin)



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Sklad.
2 Bessarabska Sq.
6 p.m. – 6 a.m. +38067-5649488



June 15 – Aug. 6

'Dress Code of Independent Ukraine' (exhibition)

This exhibition, dedicated to the history of Ukrainian fashion, will feature 200 outfits by 40 Ukrainian designers, the inauguration dress of one of Ukraine's first ladies, and local celebrities' stage costumes. The idea is to show the transformation of Ukraine through changes in its fashion.
"Dress Code of Independent Ukraine" (exhibition). June 15 – Aug. 6. 11 a.m. - 8 p.m. Mystetskyi Arsenal (10-12 Lavrska St.) Hr 60



June 10, 11

Polina Veller (fashion show)

Ukrainian designer Polina Veller will present her new collection of clutch bags created in collaboration with Ukrainian artists. Show attendees will have a chance to see the original patterns and drawings that were used to create the bags, as well as to listen to experimental electronic music.
Polina Veller (fashion show). June 10. 7 - 9 p.m. June 11. 12 p.m. - 8 p.m. Port Creative Hub (10A Naberezhno-Khreshchatytska St.). Free



June 13

'Obsession' (British National Theatre Live)

Belgian director Ivo van Hove created this stage adaptation of the 1943 movie "Obsession" for the Barbican Theater in London. It is a story of two lovers, Gino and Giovanna. They conspire to kill Giovanna's husband to be together, but the crime tears them apart. Famous British actor Jude Law plays Gino. The screening is in English with Ukrainian subtitles.
British National Theatre Live "Obsession." June 13. 7 p.m. Kyiv Cinema (19 Velyka Vasylkivska St.) .Hr 175

Francophonie Day

Kostiolna Street in the city center will host a one-day festival of French culture, Francophonie Day. The event is organized by the Très Français restaurant chain and aims to introduce the culture of the French-speaking countries - Canada, France, and Switzerland - to Kyivans. There will be food, live music, cooking workshops, and a sale of handmade products.
Francophonie Day. June 11. 10 a.m. - 10 p.m. Kostiolna Street. Free



June 11

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June 17

DJ set by Ghostpoet

British musician Ghostpoet heads to Kyiv to play a DJ set at the Sentrum nightclub. He has already performed in Kyiv before, back in 2015, when he presented his third album. This time, Ghostpoet returns just for a DJ set.
DJ set by Ghostpoet. June 17. 10 p.m. Sentrum (11 Shota Rustaveli St.). Hr 200-350



Professionals for Reform Support Mechanism (PRSM) provides human resource support – from managers to technical experts - to critical reform initiatives undertaken by national governmental agencies. PRSM is currently seeking candidates to fill the following expert positions for the Government of Ukraine.

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Chemonics International, an international development consulting firm, seeks **Program Development Assistant** for a USAID/Office of Transition Initiatives (OTI)-funded Ukraine Confidence Building Initiative II (UCBI II). The position will be based in **Mariupol, Ukraine**. Send electronic submissions to gmurecruit@gmail.com by **June 22, 2017**. Please insert the position you are applying for ("Program Development Assistant") in the subject line and include your CV and a cover letter/ statement of interest explaining interest in and qualifications for the job. No telephone inquiries, please. Candidates will be considered on a rolling basis and only finalists will be contacted. Interested prospective applicants are encouraged to visit UCBI's Facebook page <https://www.facebook.com/USAIDUCBI/> and www.chemonics.com for more detailed information.



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I-TECH Ukraine seeks **Executive Administrative Assistant** for its projects of international technical assistance focusing on public health, position based in its Kyiv office.

Job duties will include:

- Administrative support of the office and I-TECH Ukraine team;
- Logistical support to visitors and events;
- Translation, interpretation, and writing.

Requirements are: university degree; proven successful record with organization's administration and finance; exceptional computer skills; exceptional communication, team work, diplomatic skills; ability to multitask, work independently, and deliver results under pressure; grammatical excellence in English, Ukrainian, and Russian languages; outstanding attention to details.

I-TECH welcomes candidates, including recent university graduates, whose potential could be expanded with offered professional development opportunities, available to committed staff.

Short-listed candidates will be contacted and will receive detailed job description prior to their interviews.

All resumes w/cover letter & references should be sent to iryana.yuryeva@itech-ukraine.org by **6 p.m. June 23, 2017**.

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Terraces from page 19

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Bar on 8

The Bar on 8 is named after its location – the venue perches on the 8th floor of Kyiv's Hyatt Regency hotel. It offers a stunning view of Kyiv's Saint Sophia and Saint Michael cathedrals, the city's most prominent churches which are also the main tourists' attractions. The urban chic venue can boast with a beautiful terrace with wooden furniture decorated with flowers. There one can enjoy Kyiv's panoramic views at any weather – the terrace has tents protecting

its visitors from sun and rain. The large tandoor oven in the center is the place's main specialty. Bar on 8 serves Ukrainian and European dishes complemented with exquisite wine and cocktails lists. The place is popular among the locals and foreigners.

5 Ally Tarasovoyi St. Open daily 12 p.m. – 2 a.m. Tel. 38-044-581-1234

Praha

One of Kyiv's best restaurants, Praha is located near the beautiful lake in Holosiyivsky Park – one of few places in Kyiv to enjoy beautiful white and black swans walking or swimming. Praha's terrace has a covered roof so one can enjoy great views rain or shine. Its marvelous location is combined with the restaurant's refined interior, live music and sluggish ser-



A musician plays guitar in Gnezdo bar, on 21 Andriyivsky Uzviz St., on June 25, 2014. (Anastasia Vlasova)



People talk during their meal at Kompot restaurant, 3 Poshtova Ploshcha Square, in Kyiv on May 5. (Volodymyr Petrov)

vice. Praha focuses on European cuisine and offers a long list of French and Italian wines. Its terrace is especially good place to enjoy a romantic evening with a loved one or to celebrate special occasions with close friends or family.

1 Akademia Hlushkova St. Open daily 9 a.m. – 12 p.m. Tel. 38-044-526-9990

Terasa

Terasa restaurant (the name mean-

ing "a terrace") is located in a stylish Vozdvyzhensky hotel in Podil district. The place is surrounded by a nice little garden facing Andriyivsky Uzviz Street. The restaurant serves European and Ukrainian cuisines and meals prepared on the eco-grill Molteni. It also has an extensive choice of wines and freshly – squeezed juices. Its terrace can seat up to 40 visitors. To enjoy meals outdoors Terasa's guests can sit at a

panoramic terrace, in a shadowy garden or in a little patio. The panoramic terrace opens a magnificent view of Kyiv's Podil district and green slopes of Andriyivsky Uzviz Street. For those seeking for privacy the best choice would be the seats in the pergola in a garden or chairs near the creek.

Vozdvyzhensky Hotel, 60a Vozdvyzhenska St. Open daily 11 a.m. – 11 p.m. Tel. 38-044-531-9933 ■



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