

As global economic storm clouds gather, Yushchenko is faltering and Tymoshenko is playing up the role of a 'scorned' woman. Many in Ukraine and abroad want a new political face to emerge. Is Yatsenyuk the answer? The Kyiv Post tracks the trio.

BY YULIYA POPOVA POPOVA@KPMEDIA.UA

LVIV, Ukraine – Most of Ukraine's 60-some palaces and castles are in the western part of the nation. And most are in various states of disrepair and dilapidation.

As such, they provide apt metaphors for the state of Ukrainian President Victor Yushchenko's political career. The pro-Western president isn't doing so well these days in his own west, once a stronghold of his bedrock support. How bad is it?

The performance of the Orange Revolution hero even has fresh university graduates pining for the good old days of ex-President Leonid Kuchma and ex-Prime Minister Victor Yanukovych. \rightarrow 14 President dissolves parliament; Rada election in December →3

President Victor Yushchenko, Prime Minister Yulia Tymoshenko and Verkhovna Rada's acting speaker Arseniy Yatsenyuk arrive at a business forum in January. (UNIAN)

Tymoshenko on a roll | Yatsenyuk: Fresh face or just young?

BY STEPHEN BANDERA BANDERA@KPMEDIA.UA

For stress, melodrama and possibly lasting achievement, Ukrainian Prime Minister Yulia Tymoshenko's week was hard to top.

Her plane was commandeered by President Victor Yushchenko, just as she was about to depart on Oct. 2 for Moscow, where she ended up cutting a momentous natural gas deal with Russia. She remained dogged by her 'gos gas-trade ties with former Prime Minister Pavlo Lazarenko, a convicted money launderer now serving a prison sentence in the United States.

And then Yushchenko on Oct. 8 dissolved parliament and called for a new parliamentary election in December. The president on national TV blamed Tymoshenko's personal ambitions for ruining the democratic Orange coalition, which previously had a thin ruling margin.

"I hereby declare the activities of...parliament to be suspended and call an early parlimentary election," Yushchenko said. "The vote will take place in a democratic and lawful fashion."

Tymoshenko earlier summed up the endless battles in an emotional speech.

"In the name of doing battle with Tymoshenko, parliaments are being dismissed; democratic coalitions are being ruined, [Pavlo] Lazarenko is being imported ... decrees are being prepared on the dismissal of parliament and appointment of a new prime minister ... I think that instead of ruining the $\rightarrow 3$

BY MARK RACHKEVYCH RACHKEVYCH@KPMEDIA.UA

Many Ukrainians are looking for a fresh face to lead the nation out of its political wilderness. So, too, as it turns out, is acting Verkhovna Rada Speaker Arseniy Yatsenyuk.

"Frankly speaking, it's clear that we need something fresh in Ukrainian politics, not just fresh, it has to be substantial, something really valuable," Yatsenyuk said in an interview with the Kyiv Post and other journalists earlier this month.

But is Yatsenyuk the answer to the nation's hopes? Is he the Ukrainian version of America's Barack Obama? He demurs. "I'm not sure I'm a Ukrainian Obama due to one reason," Yatsenyuk said. "I'm not a presidential hopeful."

But Yatsenyuk, if not moving in the presidential direction, is clearly staking out a future with high political ambitions for himself and for his nation. And his year as speaker $\rightarrow 14$





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Kyiv native Boris Yefimov "wielded his talent as a keen sword to advance the goals" of the Soviet Union, according to The New York Times obituary of Oct. 5, which estimated he drew 70,000 cartoons for newspapers and magazines.

R.I.P. Boris Yefimov, Kyiv native and cartoonist

2 News

He was born Boris Fridland in Kyiv on Sept. 28, 1899, the second son of a Jewish shoemaker.

By the time he died on Oct. 1, 2008, at age 109, the newspaper cartoonist who shed his Jewish surname in his 20s had lived an extraordinary life and not only for its length.

He drew political cartoons for Pravda and Izvestia under orders from Josef Stalin, even though the Soviet tyrant, during one of his many purges of "enemies of the people," ordered the execution of Yefimov's older brother, Mikhail Koltsov, in 1940.

"I could not refuse to do them ... but today I remember this with disappointment," he told Reuters news service in 1998 about some of his cartoons.

As a boy, Yefimov once saw Russia's

last czar, Nicholas II, and later met Vladimir Lenin.

His life spanned the world wars, the Bolshevik revolution, the Cold War and the collapse of the Soviet Union. His cartoons flattered Communist Party leaders and mocked U.S. leaders and "Uncle Sam" as warmongers and money-grubbing capitalists. Adolf Hitler reportedly got so enraged by Yefimov's lampoons that the Nazi dictator ordered his execution.

One of his most famous World War II cartoons depicted freezing German soldiers carrying a coffin labeled "the myth of the invincible German Army."

His family moved from Kyiv a few years after Yefimov's birth, but returned after the outbreak of World War I. He studied at an art school in Kharkiv. then returned to the capital to study law, before moving to Moscow in 1922 with his brother.

Klitschko, Peter to fight in Berlin on Oct. 11

Vitali Klitschko will fight Nigerian Samuel Peter in Berlin on Oct. 11 for the World Boxing Council championship, one of the four major titles.

Klitschko, 37, the former WBC champion, is coming out of his 2005 retirement for the bout. The match is to be broadcast on TV by Showtime. His brother, Vladimir, holds the International Boxing Federation and World Boxing Organization heavyweight championships.

Klitschko faces doubts because of his age. Boxing commentator Kevin Mitchell of London's The Observer newspaper wrote that other challengers are better, but that the WBC seems "fascinated by ... his clout in Europe and Russia, which is the new powerhouse of heavyweight boxing since the decline of the American heavyweights over the past several years."

Fans can probably watch the fight at most any Kyiv sports bar, or tune into Inter TV, which is broadcasting the match at 11: 55 p.m.



Ukrainian actress Olga Kurylenko

Big buildup of buzz for Berdyansk's Bond 'babe'

www.kyivpost.com

The storyline is familiar yet irresistible to international media: Poor but beautiful Ukrainian girl struggles to survive, gets discovered by a talent agent and then moves abroad to make it big.

The rags-to-riches story of Olga Konstantinovna Kurylenko, 28, is getting more play as the opening of the latest James Bond film, "Quantum of Solace," approaches. Kurylenko plays the role of Camille in the Agent 007 series' 22nd film, scheduled to debut in Ukrainian movie theaters on Nov.

Kurylenko grew up in Berdyansk, the Azov Sea port city. Her mother, Marina Alyabusheva, divorced her father shortly after Olga's birth. They shared a cramped Soviet flat with a half-dozen relatives. "Olga had a humbling experience of living in poverty. She had no choice but to wear rags," according to her www.imbd.com biography.

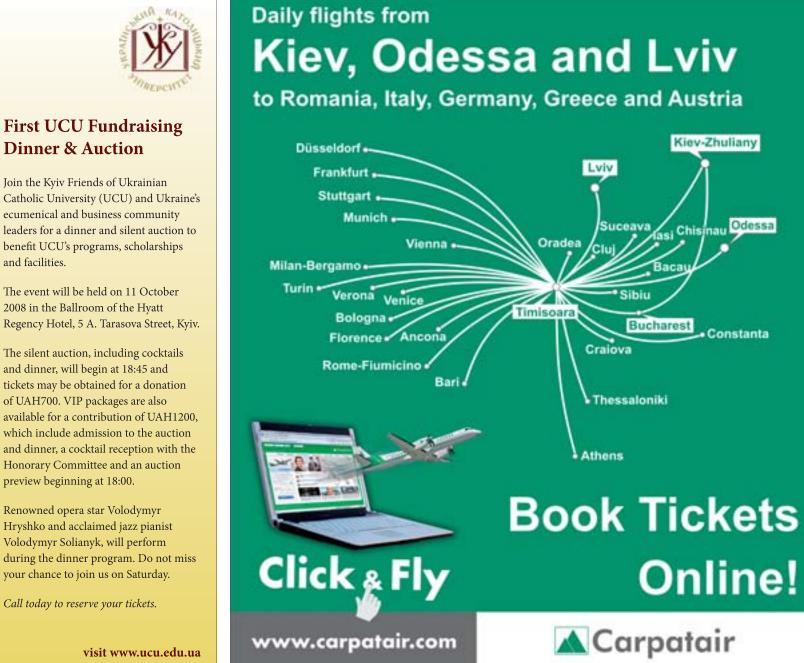
When she was a teenager, a model scout approached Olga and her mother after seeing the girl get out of a metro train while on a holiday trip to Moscow. Today, the twice-divorced star is rumored to be in a relationship with Marc Forster, the Bond film's director.

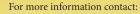
She's a hit with men's magazines and London tabloids for her open attitude about sex and nudity. "She likes strip clubs and has no problem going naked for roles," gushed The Sun.

"Her cinematic roles have been notably steamy," London's The Mail wrote. "In The Serpent, she takes part in drugfueled bondage.'

London's The Mirror predicts "the model-turned-actress looks set to be a Hollywood A-Lister by the time she is 30.'

Ukraine Abroad, a column about how Ukraine is portrayed internationally, is compiled by Kyiv Post chief editor Brian Bonner, who can be reached at bonner@kpmedia.ua





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РТИ Україна Страхова група

October 9, 2008













The silent auction, including cocktails and dinner, will begin at 18:45 and tickets may be obtained for a donation of UAH700. VIP packages are also available for a contribution of UAH1200, which include admission to the auction and dinner, a cocktail reception with the Honorary Committee and an auction preview beginning at 18:00.

and facilities.

Renowned opera star Volodymyr Hryshko and acclaimed jazz pianist Volodymyr Solianyk, will perform during the dinner program. Do not miss your chance to join us on Saturday.

Call today to reserve your tickets.

News 3

Election in December

BY ALINA PASTUKHOVA PASTUKHOVA@KPMEDIA.UA

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President Victor Yushchenko dissolved the parliament on Oct. 8. A new election is expected in mid-December, as the Constitution allows 60 days for preparation from the date the president's dissolution decree is published.

"In this state of affairs, when parliamentary forces have cornered themselves, the Ukrainian people have to have their say," Yushchenko said in a televised address to the nation.

He said he decided to dismiss the Verkhovna Rada because, after the breakup of the ruling coalition on Sept. 3, the parliament was making decisions that were "ruining Ukraine."

"The democratic coalition -I am sure of it - was ruined by the ambitions of a single person," he said.

Under Ukraine's Constitution, the president has the right, but no obligation, to call for an early election if parliament fails to form a coalition in 30 days. The deadline ran out on Oct. 3, and Ukrainians are expected to go to the polls for the third time in as many years.

A snap election is actually disadvantageous for the pro-presidential Our Ukraine-People's Self-Defense bloc that would only gain 9.4 percent of votes, down from last year's 14.5 percent, according to a recent poll by the National Institute for Strategic Studies. The situation will be even worse if Self-Defense runs independently, like its members said they would.

Analysts said the only potential gain for the president would be the removal of Yulia Tymoshenko, his former ally, from the prime minister's job – and thus from the limelight, hoping to curb her growing popularity. "Yushchenko is afraid of Tymoshenko as a serious competitor in the presidential elections," said Oles Doniy, a member of Yushchenko's bloc.

The president's strategy is to install a premier who does not want to run for president after the new parliament is elected, said Volodymyr Fesenko, a political analyst.

Yushchenko and Tymoshenko have an ongoing personal conflict that has resulted in the collapse of the coalition of their political forces, as well as public attacks and accusations. Yushchenko accused Tymoshenko of treason in September, while she said this week that he has been evading her phone calls, even from the so-called "hotline."



Journalists, others beaten

A security guard (right) beats photo journalist Oleksandr Techynsky in Kyiv on Oct. 2. Techynsky, whose arm was broken in the violence, and two other journalists were among those attacked by private guards during a protest against high-rise construction on the lands of the historic Kyiv Fortress. Police stood by and did nothing, according to eyewitnesses. The Kyiv Independent Media Trade Union said that the three journalists met with Interior Minister Yuriy Lutsenko on Oct. 6 who "promised the guilty parties would be punished." The journalists have filed criminal charges for hooliganism, interfering with a journalist's work and inaction on the part of police. (UNIAN)

She also sneered at a nasty joke by Russian Prime Minister Vladimir Putin that Yushchenko acted like "a pickpocket" when he flew a plane reserved for Tymoshenko.

Tymoshenko teamed up with the oppositional Party of Regions and Communists in September to pass laws curbing presidential powers and simplifying the impeachment process. She backtracked this week by supporting Yushchenko's vetos of some of the laws. However the president is afraid the premier might change her mind again, according to experts.

"Yushchenko doesn't trust Tymoshenko and is afraid that [her bloc] BYuT will vote again for laws reducing his power," said Fesenko. He said snap elections will guarantee that this law won't be restored – at least for a while. A snap election would most likely take place in December, on the Sunday following 60 days from parliament's official dissolution. The front-runner, Party of Regions, would receive 223 percent of votes, Tymoshenko's BYuT – 18.1 percent, Volodymyr Lytvyn Bloc – 7.1 percent and some 6.1 percent would support the Communists, according to a poll conducted on Sept. 25-28 by the National Institute for Strategic Studies.

Moscow appears to favor premier

 \rightarrow **1** country, the president should issue a decree banning Tymoshenko," she said on Sept. 29.

Tymoshenko returned home triumphantly from Moscow, where she appears to be the Kremlin's current favorite, despite Russian Prime Minister Vladimir Putin's denials. "Russia will support the Ukrainian people and respect their choice, regardless of what it is," Putin said.

She announced securing a new gas deal with Moscow that calls for a gradual three-year transition from discount to market prices, although the exact costs will be negotiated later.

But the most important facet of the deal, if it proves to be true, is a transition in January to a more-transparent sales process for the import of Russian gas, the vital lifeline to Ukrainian industry.

She had trouble getting off the ground to Moscow, however. After the presidential plane developed engine trouble, Yushchenko ordered the plane reserved for Tymoshenko. The prime minister's team had to scramble around to find a private Slovenian charter. Her Russian counterpart Putin called Yushchenko a "pickpocket" at a press conference after the duo emerged from a closed-door meeting. Rather than defending Ukraine's head of state, Tymoshenko giggled, provoking criticism in the international media. Aside from the insults, however, Putin and Tymoshenko delivered a seven-point memorandum that spells out the principles for natural gas relations between the two countries. It establishes direct relations between Russia's Gazprom and Ukraine's Naftohaz, cutting out middlemen companies that have been condemned for lack of transparency on the lucrative natural gas market.

in July 2004, and is widely believed to have funded pro-Russian political projects in Ukraine, most prominently the Party of the Regions.

The company is half-owned by Russia's Gazprom and Ukrainian billionaire Dmytro Firtash in conjunction with his partner, Ivan Fursin.

This year RosUkrEnergo has already accumulated a debt of \$2.2 billion to Gazprom, which Tymoshenko has promised to repay with the sale of 11 billion cubic meters of gas in Ukraine's underground storage facilities.

The memo also declares a three-year transition to "market, economically-viable and mutually-agreed upon prices" that Ukraine will pay for the fuel as well as the prices Ukraine will receive for transiting gas westward.

Yushchenko's decision to send Tymoshenko to the Moscow talks was seen as a good move, even as the president and prime minister are reputedly not even on speaking terms with each other. "President Yushchenko should think twice about whom he supports and ends up sending to the Kremlin for final price talks," said Volodymyr Saprykin, director of energy programs at the Razumkov Center for Economic and Political Research think tank. "That person should at the very least be neutral and not irritate the Kremlin." Central Asian republics, experts said. The Tymoshenko government's draft state budget for next year is based on a price of \$250.

The finer points of the gas dealing aside, last week's visit to Moscow helped Tymoshenko score some political points in her ongoing battle with Yushchenko. She was reported to have a private meeting with Russian President Dmitriy Medvedev to discuss her candidacy in the future presidential elections in Ukraine.

All the talk and body language suggests a U-turn in the Kremlin's oncehostile attitude to Tymoshenko.

"The Russians are saying that they are ready to support the premier," said Oleksandr Todiychuk, president of the Q Club, an international energy think tank based in Kyiv. "The president is being completely ignored while [ex-Prime Minister and Party of Regions leader Victor] Yanukovych has fallen out of favor."

She was out of favor with the Krem

him to prison, where he will await resentencing on his 1999 conviction. His conviction on eight out of 14 charges was upheld on Sept. 26 by the U.S. Ninth Circuit Court of Appeals.

Estimates run as high as \$1 billion for the amount he siphoned from Ukraine's economy. He still faces a laundry list of serious charges in Ukraine from 2000, including involvement in murder conspiracy, extortion, fraud, embezzlement and abuse of office.

After news of Lazarenko's possible return broke, it seemed to have played a role in pressuring Tymoshenko to restore the ruling Orange coalition. She said that she was prepared to make every concession to patch up her differences with Yushchenko's Our Ukraine allies.

In order to deflect the president's accusations that she sided with the Kremlin in the August Russian-Georgian war, on Oct. <u>3</u> Tymoshenko signed the joint European Union-Ukraine declaration places are now recognized as independent nations by Moscow.

Tymoshenko also conceded to ,another Yushchenko demand, with her parliamentary allies upholding the president's veto on laws limiting his powers.

That legislation was passed on Sept. 2 by her Bloc of Yulia Tymoshenko deputies, together with the Party of the Regions and Communists in parliament.

But her concessions, by mid-week, failed to reunite the Orange coalition. The president announced on Oct. 8 that he was dissolving the parliament and demanded that the lawmakers amend this year's budget to finance a new election in December.

He may regret his decision later, however.

The latest polls show that the Party of Regions and Tymoshenko's own bloc would gain the most votes, up to 25 percent each, while the president's bloc would barely make it over the three percent threshold required to get into parliament.

The latest of these companies, RosUkrEnergo, was created by thenpresidents Putin and Leonid Kuchma Gazprom said that the market price for Europeans has already reached \$500 per thousand cubic meters this month. Ukraine's Naftohaz said it expects the price in 2009 to be between \$250-300, up from the current \$179.5 per thousand cubic meters.

At 55 billion cubic meters of gas imports every year, Ukraine's tremendously energy inefficient economy could be stuck with a \$16 billion price tag next year, out of a gross domestic product that is roughly \$140 billion. The actual price is unlikely to be known until December after talks with for political as well as business reasons, dating back to her own gas trading days in the '90s. Her company, United Energy Systems of Ukraine, was also an intermediary that resold Russian gas to a third of Ukraine.

She reputedly made a fortune in this trade after obtaining a sweetheart contract from Lazarenko, the prime minister from 1996 to 1997.

Tymoshenko and Lazarenko remained political and business allies for years, before he fled abroad and landed in U.S. prison after being convicted of money laundering.

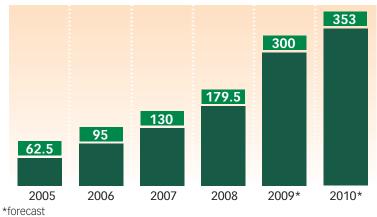
Yushchenko's administration on Sept. 25 threatened to extradite Lazarenko to Ukraine. The implicit threat is that Lazarenko's return will set the stage for sinking Tymoshenko politically through the airing of her dirty laundry from the gas-trading days.

Lazarenko's bail was revoked in U.S. federal court last week, returning

to reaffirm Georgia's territorial integrity, including the breakaway republics of Abkhazia and South Ossetia. Those

Source: Dragon Capital

Ukraine's price for Russian natural gas \$ for 1,000 cubic meters



4 Opinion

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Editorial

Enemy within

Russian Prime Minister Vladimir Putin, a bully with no respect for free markets, a free press or democracy, has been feeling more unrestrained than usual.

He pities Ukraine for its political disorder. He blames the United States for the sharp decline in Russia's main stock market and creating a lack of confidence among foreign investors. "Everything happening now in the economic and financial sphere began in the United States," Putin told a televised government meeting. "This is not the irresponsibility of specific individuals but the irresponsibility of a system which claims leadership."

He should save the pity for himself and the nation he is misruling. But Putin's mistakes and abuses in office come with no domestic cost. There are legitimate reasons for Putin's popularity, but far more illegitimate ones – such as his browbeating of the press and political opposition into submission.

Creating enemies abroad is Putin's stock in trade, a specialty he honed during his KGB days. Thanks to the Kremlin propaganda machine, recent polls show that more Russians have negative attitudes about Americans and Ukrainians. The European Union evidently doesn't bother Putin so much, because he can play a divide-and-conquer game. Germany Chancellor Angela Merkel, for instance, came through for him in Moscow on Oct. 2 by publicly nixing Ukraine's chances of getting a NATO Membership Action Plan in December.

What really bothers Putin, of course, are pesky democracies. American and Ukrainian societies, far from perfect, have strong democratic features that a Putin-controlled Russia will never have. Deep down, under what must be one of the heaviest coats of cynicism, Putin must know that his power is illegitimate.

Now that worldwide recession seems inevitable, Putin is again on the prowl for scapegoats to hide his economic mismanagement.

Americans aren't responsible for foreign investors leaving Russia in droves. The Kremlin is to blame for its heavy-handed tactics in squeezing companies such as British Petroleum in the TNK-BP deal. Putin must now find a way to come up with much-needed capital investment to reverse sagging oil and natural gas production.

The Kremlin plays by its own rules and should suffer the consequences. If there is justice, international condemnation will mount against Putin and he'll find Moscow to be an even colder, darker and lonelier place this winter.

Good gas deal

RosUkrEnergo, the Swiss-registered intermediary owned jointly by Russia's Gazprom with two Ukrainian businessmen, billionaire gas tycoon Dmytro Firtash and his partner, Ivan Fursin, has enjoyed the privilege of exclusive gas supplies to Ukraine since 2004.

Aside from depriving Ukraine's state-owned Naftohaz of revenues from domestic sales of gas and exports to Europe, it is widely believed that the arrangement created a huge slush fund that went to pro-Moscow pet projects, such as the Party of Regions. This party is also heavily influenced by lawmakers and powerbrokers close to the businessmen who profit from the Gazprom relationship.

But if money is being diverted through such schemes to interfere in Ukraine's domestic policy, this is a national security risk. It is no surprise, therefore, that the United States has called openly for the removal of such opaque schemes.

Prime Minister Yulia Tymoshenko, the Kremlin's new favorite, has apparently succeeded in cutting the RosUkrEnergo middleman out in a deal struck on Oct. 2 with her Russian counterpart, Vladimir Putin. The new deal calls for direct sales between Gazprom and Naftohaz, starting in January.

But, in order to remove the third-party scheme, the agreement requires a debt settlement of \$2.2 billion between RosUkrEnergo and Gazprom. Tymoshenko said she was going to settle the debt by selling off some of the gas that belongs to RosUkrEnergo and that is stored in underground facilities. It is strange, but no stranger than your typical Russian-Ukrainian gas deal.

The next step would be to clarify precisely how much more Ukraine will be paying for natural gas imports next year, and thus, what the shock will be for the country's still-fragile economy. Tymoshenko, who knows the ins and outs of the business from her gas-trading days in the lawless 1990s, should continue to be Ukraine's envoy to Moscow. She seems to be in the best position to strike the best deal.

The logical question is: What is expected of her in return? Is the Orange Princess, formerly the Gas Princess, going to give up her pro-Western rhetoric in exchange for cheap gas and political support from the Kremlin? If that is the case, the nation is about to see a new, pro-Russian Tymoshenko rise from the ashes of the Orange coalition.



Despite global crisis, U.S. risk-taking has its upside



I have continuously felt that there is much more support in many spheres of American life. I am not just talking about extensive financial subsidies that one enjoys - or used to enjoy - in the United States in the form of loans, credits and various financial instruments that few people fully understand. The perception of support is much broader: if you do something and fail, in most cases there is always some kind of backup plan or relief that prevents you from bearing the full consequences. The realization that there is a backup plan stimulates a tendency to act less carefully. For example, everybody in the United States must have car insurance. That requirement only recently came into force in Ukraine. CD player stolen? You're covered. Does such assurance consequently make you less careful about locking your car or taking care of your belongings? Perhaps.

have the right to appeal the assessment and come up with a plausible reason for your misconduct. I know for a fact that this backup plan is always on my mind as a potential excuse.

Many U.S. advanced-degree programs do not have a fixed schedule. You could potentially take as long as you'd like to complete your masters in business administration. So, knowing Even though we are witnessing the downside of this perception now, with excessive financial risk-taking that has blossomed into a global financial crisis, I believe there is another side to the coin.

America is the home of world's greatest innovations. It is amazing that every other person here is a freelancer, has a "business idea" and a personal website. The number of people pursuing MBAs shows that an overwhelmingly large percentage of the nation inspires to be "the head" of the organization or, ideally, to start something new. According to a 2007 survey, the U.S. ranked third after China (259) and Australia (228) in number of new initial public offerings. In one year, 172 companies in the United States took the risk and went public. They raised \$34.2 billion, only surpassed by the \$63 billion raised by China in the same year. So, even though the United States is going through a downturn right now that is blamed on negligence and excessive risk-taking, there is a very good Russian proverb that comes to mind: "He who doesn't take risks, doesn't drink champagne." Lena Redko, a Kyiv native, lives in San Francisco and is studying for a master's in business administration at the University of San Francisco. She can be reached at bonjourlena@yahoo.com



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Similarly, even if you happen to get a parking ticket in the United States, you

that you do not have to necessarily pass a certain class this semester (or need to drop out) is not exactly a great motivation to graduate.

Finally take Triple A (AAA), a U.S. emergency car service, as an example. For just \$60 a year, you can call the 1-800 number, regardless of where you are, 24/7, and get you car towed if something happens to it. You can also call and have it filled with gas, if you did not notice your tank was empty. Subconsciously, I know that I have a backup plan, so I often take the risk of driving on low fuel.

Since this perception of societal backups and support often encourages Americans to take excessive risks, they tend to be more aggressive and less restrained with their ideas and actions. Ukrainians, by contrast, are much more cautious. They know that if luck turns against them, there will be no miraculous helping hand.

Opinion 5

No need to overestimate Russian military might



Although it is never wise to underestimate a potential adversary, it is equally unwise to overestimate his strength. After the Iron Curtain came down and Westerners had the opportunity to closely observe the conditions of the Soviet Union, they admitted that they had greatly overestimated the U.S.S.R.'s state of development. Throughout its history, Russian military capability had often been exaggerated, as its government sought to gain diplomatic advantage through inflated public perceptions. Even today, the bellicose statements from the Kremlin mask the severe shortfalls of its military capability.

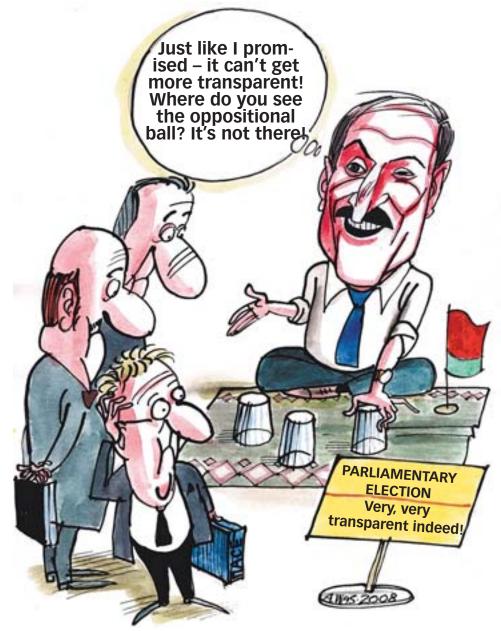
There is little doubt that - in terms of sheer numbers - Russia's conventional military strength is several times that of Ukraine. But numbers can be misleading. Poor training, weak morale and poor quality and availability of supplies and armaments can easily transform a seemingly formidable military into a "hollow force." On paper it may look impressive, but operationally it can suffer defeats as embarrassing as Stalin's disastrous war against the Finns or Russia's defeat at the hands of the fledgling Japanese military in 1905.

Russia's attack on Georgia in August is illustrative of the serious problems it faces in bringing its operational capability in line with its "superpower" pretensions. Russia's 58th Army invaded tiny Georgia with 500 tanks and an equal number of combat vehicles. However, prior to the attack, the Russian army secretly transferred its top-of-the-line T-80 and T-90 battle tanks and BMP-2 infantry fighting vehicles from its Moscow and Western military districts to the Caucasus, thereby hoping to hide the obsolete and dilapidated state of its equipment. Despite the pre-planning and the "show" pieces Russia put on display, observers commented on the numerous stranded tanks and generally unimpressive "ragtag" performance of the Russian military.

Participants in an April conference in Washington on Russian military reform unanimously acknowledged that "there was no revival of Russia's military might to be observed, and there was hardly any hope for Russia to create a modern and effective army by 2020." Russia's armed forces remain beset by manpower and morale problems, aging equipment, graft and unfulfilled promises. Although Putin has increased the defense budget to a level five times greater than when he became president, it is still only 7 percent of U.S. spending. With the decline in the price of oil, it is doubtful that Russia will be able to continue its planned expansion and to afford the \$200 billion needed for modernization.

According to a 2005 Defense Ministry report, 60 percent of Russian missiles have exceeded their service life and half require major repairs. Just 30 percent of the country's fighter planes are combatready. John Pike, director of a Virginia-based military research group, noted that Russia suffers from endemic draft avoidance and that 9 out of 10 of eligible draftees escape service: "If you've got 90 percent draft evasion, those who show up are just too stupid to evade it." Imagine the kind of military you can make out of that.

An article in an Estonian newspaper in 2007 quoted a Russian officer as saying that "we lack armaments, and the weapons we do have don't work only about 15-20 percent of Russia's military hardware meets Western quality standards." Then, with the obvious intent of dramatizing the state of decline of the Russian military, the officer went on to say "if Estonia attacked us tomorrow, its soldiers might well reach Moscow." It was interesting, however, to read a



rebuttal of this last point by the military observer for "Komsomolskaya Pravda," who went on to analyze the manpower and logistics of the Estonian army and reassure the reader that "one Russian division would suffice to defeat it."

Even the much-favored strategic arm of the Russian military is increasingly obsolete. Of the 500 groundbased ICBMs in Russia's strategic arsenal, 400 are old and need to be replaced. Of the 12 nuclear-powered submarines, 2 are ready to be scrapped. Of the 79 strategic bombers, many are 30 years old. Even the much ballyhooed "new strategic bomber patrols" that Putin ordered to be resumed in August, are done mostly by aging Tu-95 "Bear" bombers that have turbo-prop rather than jet engines, carry no nuclear weapons, and are limited to about one flight a week by budget and equipment constraints.

Can Russia reverse the decline in its military capability? Not according to Stanislav Belkovsky of Russia's Institute for National Strategy. According to him, "it's impossible to reverse these trends in current policy." He explained that the steady decline of the Russian military-industrial complex would make it impossible to increase weapon production without huge investments.

These numbers and observations, however, give little cause for comfort. Although - with the exception of the airborne divisions, the air assault brigades, and a few tank and motor-rifle divisions - Russia has relatively few competent, deployable formations, Ukraine's military is in no better shape. Both Russian and Ukrainian military forces are largely "hollow." Both countries produce a great deal of military hardware for export, but relatively little of the new equipment is sold to their own armed forces. Most of the weapons used by Ukraine's military are inherited from the Soviet armed forces.

In 2007, the Ukrainian state-owned arms exporters generated \$1 billion in revenue (more than half of the total annual budget of Ukraine's defense ministry) placing Ukraine in the top 10 worldwide exporters. Yet the Ukrainian army's 800 tanks are modernized versions of tanks produced in 1964 and its planes were manufactured 25-35 years ago.

Although Ukrainian law requires that the defense ministry be financed with 3 percent of the gross domestic product, no government has even approached the 2 percent level. Its 2008 funding has been 1 percent of GDP while Russia has earmarked 7 percent and NATO requires 2 percent. The 2009 budget, although nearly doubling, is still less than 1 percent of GDP.

Predictably, such a budget does not allow much for training, and soldiers are engaged in such activities as picking potatoes to feed themselves. Conscripts get marksmanship training only several times during their 10-month compulsory service. Ukrainian officers and enlisted personnel are notoriously underpaid and cared for. A lieutenant's wage is \$422 per month and a serviceman is allocated only \$7-8 per day for food. "Contract" volunteers earn \$175 per month - a fifth of what a Kyiv taxi driver takes home. Poor morale, poor training, outdated equipment, and loss of skilled personnel have placed Ukraine's independence at risk.

The "good news" is that Ukraine - in defense of its orders – does not need to match Russia's military



Considering the global economic instability, what currency do you trust?



Volkodav Pensioner "The euro is the most reliable currency at the moment. Taking into consideration the

crisis in the U.S., the fall of the dollar is likely to hit Ukraine very soon. However, it [the dollar] will go up again in about half a year. The situation with the hryvnia is unpredictable, which makes the euro the best choice."



Babir Cook "I still trust the dollar. And I am certain that fluctuations in its exchange rate are

Oleksandr

transient. The dollar will go back to normal in the nearest future, especially considering the financial assistance the U.S. provided to avoid the collapse of major national banks."



Victor Panishchenko Music teacher "I bet on the euro these days. Only God knows what is going to happen

with the dollar, and the destiny of the hryvnia is even more obscure. The future of our national currency totally depends on Ukraine's political situation.



Veronika Kokurina Student "I rely on the dollar. I am pretty sure it will continue its growth

No opposition candidates made it into Belarus' parliament in the Sept. 28 election, which international observers condemned as unfair and undemocratic. Nonetheless, some in the West say the time has come to end sanctions and isolation of President Alexander Lukashenko, "Europe's last dictator."

strength. Russia has a huge land mass to protect and will never leave its Chinese, Caucasus, or Western borders unguarded. A country with pretensions of "superpower" status must field and finance a force larger than it needs for its own defense. Ukraine, on the other hand, needs a military force only large enough to ensure that the cost of foreign aggression will be too high a price for the aggressor to bear. It does not need a larger military force ... only one that is well-trained, adequately paid, and equipped with the latest technology, supplies, and equipment.

In short, Ukrainian politicians must decide whether they want to have a real military force capable of protecting Ukraine (with or without NATO), or simply pay lip service to national security. Russia's military may be as hollow as Ukraine's. And Ukraine need not (currently) be intimidated by threats, but the day will come when that may change. It is time for Ukraine to begin the long but critical process of upgrading its military capability. A good beginning is the allocation of the 3 percent of GDP that has been promised but never delivered.

George Woloshyn, a native of Kupnovychi, Ukraine, is an American citizen living in Linden, Virginia.

in Ukraine despite the expecta-

tions of its collapse. Speaking of the hryvnia, our economic situation leaves much to be desired, as well as the strength of the national currency."



Accountant "I fully supcurrency and consider the hryvnia to be most able choice

among all today. The dollar is too subject to fluctuations to be trusted."

<u>6 Business</u>

Business Briefs



Konstantin Zhevago

Zhevago sells off minority stake for \$175 million

Konstantin Zhevago, majority owner of Swiss-registered iron ore miner Ferrexpo, sold a minority stake just under 21 percent to RPG Industries SE on Oct. 6. The deal was worth just over \$175 million. Zhevago now controls 51 percent of Ferrexpo shares through his company Fevamotinico.

Ferrexpo controls Ukrainian iron ore exporter GOK, whose 2007 profits were \$68 million.

In other company news, Ferrexpo plans to choose a partner for the development of two iron ore deposits in Poltava oblast by the end of this year, reports Ukraine-based Galt and Taggart.

Oil, gas company Cadogan to invest \$489 million

British oil and gas explorer Cadogan Petroleum announced plans to invest \$489 million to develop its deposits in Ukraine by 2010, with most of the funds received from the company's international investors on Oct. 6, according to Ukrainian News.

The company plans to boost oil output to 16,000 barrels per day by 2016.

Cadogan won its appeal in the Kharkiv Administrative Court of Appeals and regained its rights to licenses for the Pirkovske and Zahorianske deposits. The decision annulled an earlier ruling by a Poltava court that declared its licenses illegal and awarded them to Nadra Ukraine and Poltavanaftogazgeologia.

Kyivstar dispute possibly resolved; Telenor wins

Galt and Taggart reports that according to several sources, Norwegian telecom operator Telenor and Russia's Alfa Group are close to completing a share swap deal, with Telenor emerging as the sole owner of Kyivstar. The move is set to end a longrunning battle between the two for the Ukrainian telecom operator.

Sources reported that Alfa Group will give up its 43.5 percent stake in Kyivstar in return for an additional 12 percent share of its own subsidiary Vimpelcom, which had earlier been interested in controlling Kyivstar, and a 5 percent stake in Telenor itself from the Norwegian government.

Telenor and Alfa Group had been locked in a standoff and the later has used its blocking stake to stymie shareholder meetings.

Hryvnia fall adds to bank industry trouble

BY STEPHEN BANDERA BANDERA@KPMEDIA.UA

The national currency fell to an eightyear low earlier this week as the National Bank of Ukraine widened the trading corridor for the hryvnia. While the official exchange rate is set as Hr 4.95 – plus or minus eight percent – to the U.S. dollar, some exchange booths were offering Hr. 5.5 to Hr 6 for \$1.

It appears that Ukraine's banking officials are willing to sacrifice some of the hryvnia's value in order to maintain trust in the banking sector. Ukraine's nearly 180 banks have combined assets of over \$722 billion.

It's a delicate balancing act for the National Bank, which has \$38 billion in foreign exchange reserves, while its officials are promising "strong interventions" to keep the hryvnia at roughly five to the dollar. This comes at a time when international financing sources are drying up and Ukraine continues experiencing Europe's highest inflation rate, 25 percent year-onyear, and a growing current account deficit, nearly \$8 billion in July.

Last week, the NBU announced a \$1 billion, one-year bailout loan to PromInvestBank, the nation's sixthlargest bank. An ongoing shareholders dispute at PromInvestBank resulted in a media war and, against the background of the "global credit crunch" hype, a run on bank branches and ATMs in Donetsk oblast. The NBU had injected Hr 2 billion (\$400 million) before it announced that the bank would be placed in receivership, Reuters reported on Oct. 8. The National Bank is expected to take over the bank's operations.

While PromInvestBank's problems are complicated by non-transparent management and shareholder structure, other Ukrainian banks are due to pay out more than \$1 billion by the end of the year, including UkrSotsbank, Nadra Bank and Raiffeisen Bank Aval.

"The strategy appears to be not to waste foreign exchange reserves, defending an arguably un-defendable exchange rate, but to conserve reserves to support banks and corporates to meet external debt service payments falling due and, also, to more generally prop up the banking sector," explained Timothy Ash of the Royal Bank of Scotland. "Our sense is that the NBU can either support the currency, or support the banks and corporates ... it does not really have

Hryvnia sliding, even against weakening dollar Inter-bank Hr/\$



enough foreign exchange reserves to do both."

Meanwhile, the former finance minister of Ukraine, Ihor Mityukov, argued that the country's financial system is not as vulnerable as it was before the 1998 "Russian default crisis" because it has high foreign exchange reserves. Ten years ago, the Asian and Russian financial crises spilled over into Ukraine causing hryvnia devaluation by 60 percent, inflation at 20 percent and the NBU to lose 40 percent of its foreign reserves.

Economist Victor Lysytsky, who has served in the National Bank and government, agrees with Mityukov.

"The economic crisis does not yet threaten Ukraine. Bank deposits have grown 137 percent in the last 12 months. It's very important that in the conditions of the global credit crisis our bankers would be able to increase non-deposit sources of crediting the banking sector," he said.

"The Soroses of the world trust our bankers and economy, but not our politicians. The primary risk to our economy is not financial. The greatest risk to our economy is a slow-witted, bribe-intensive government drowning in political bedlam." Lysytsky said.

Credit crunch hits Moscow party set

MOSCOW (AP) At Moscow's Soho Rooms nightclub one recent night, bankers partied with abandon to a decadent theme: "It's the end of the world."

As Russia's stock market goes into freefall, the Kremlin struggles to shore up the ruble, and experts predict a wave of corporate bankruptcies, the party may be ending for Russia's super rich.

"The bell has started to ring," said billionaire banker Alexander Lebedev.

Russia's oligarchs have acquired a reputation for flashy displays of wealth, overwhelmingly concentrated in Moscow, where Ostozhenka Street's \$3,738-per-square-foot residential real estate prices make it among the top six most expensive streets in the world.

The number of Russian billionaires has shot up by one third in just a year, from 53 in 2007 to 71 this year, according to the annual Forbes magazine ranking. Most made their mining – that flourished in the age of easy credit and surging demand. But all signs point to a nasty economic hangover.

Russia's markets are estimated to have lost around \$800 billion since hitting highs back in May – with much of that loss coming in September.

The country is earning \$400 million per day less from oil and gas than it was in early July, when it was raking in around \$1.3 billion, noted Uralsib strategist Chris Weafer.

Exclusive nightclubs, where a decent table can cost tens of thousands of dollars, look set for a hard hit.

A tour of trendy spots this past weekend by a casually-dressed AP reporter, who normally couldn't sneak pass face control, found uncrowded bars and empty VIP areas.

Fashionable clubs like Soho Rooms and Most – usually teeming with wealthy youth – echoed with the dance steps of the few who had bothered to turn up. wealthy "minigarchs" like businessman Vladimir Pirozhkov – appear loathe to ditch their hedonistic habits.

"Financial institutions will be affected," conceded Pirozhkov, sporting designer stubble, shouted over the pulsating beat at the fashionable downtown Denis Simachev bar.

"But on the other hand, people will keep coming here. It's a very popular place; it's sort of the magnet of the city."

Lebedev appeared remarkably cool for a businessman who has lost around half of his estimated \$3.1 billion wealth in the stock market plunge.

"I can only pin my hopes that what the people call a crisis will be a cold shower for a lot of hotheads in the Forbes list here," said the 49-year-old, grey-haired Lebedev, perched on a couch in his Moscow office.

Lebedev, ranked by Forbes as the world's 358th richest man, said he welcomes the financial pinch, which he said will help bring sanity to a you back \$10, a glass of lousy wine at a good restaurant costs \$15 and a three-bedroom apartment in a modest central neighborhood costs \$10,000 a month.

All this in a country where the average monthly income is around \$700.

"If someone isn't able to buy a Bentley, or if some government bureaucrat has to sell his Gulfstream jet for \$50 million of his hardworking money ... that's a good thing," said Lebedev.

For the fabulously rich, the turmoil isn't cause for consternation just yet, said Nikolai Uskov, editor-in-chief of GQ magazine's Russian language edition.

"The richest Russians will continue to consume huge amounts and they simply can't stop," he said. "If you want to buy new watches and you have the money, you will keep buying them. I do not think they will care about another \$10,000 or \$20,000, even

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National Bank moves to control PromInvestBank

The National Bank of Ukraine has assumed temporary authority of PromInvestBank, one of Ukraine's biggest banks, according to Ukrainian News.

"The temporary administration [of PromInvestBank] was introduced on Oct. 7," an NBU source said.

This decision was passed by the NBU board after it reviewed the bank's situation.

PromInvestBank has repeatedly reported attacks from corporate raiders, claiming the latter are trying to force the current owners to sell.

The NBU loaned the bank nearly $1 \$ billion to shore up the bank's liquidity late last month.

Please e-mail all correspondence to Jonathan Holmberg, editor, at **holmberg@kpmedia.ua** fortunes in commodities – oil, steel, But many oligarchs and merely city where a cup of coffee can put during a crisis."

KP Media becomes ITC Publishing strategic investor

KP Media will become a strategic investor with a minority stake in LLC ITC Publishing.

Both companies will collaborate on the launch of new titles and Internet projects.

ITC is the leader in information technology and computer media in Ukraine with market-leading print titles and top Internet sites. Additionally, ITC publishes numerous special interest titles and Internet sites.

KPMedia is a national leader in news publications and the largest Internet company in Ukraine. The operations of both companies will remain separate, although limited integration for Internet projects is foreseen.

"ITC is the leader in the information technology sector and one of the most successful publishing houses in Ukraine with a well-developed internet presence. We hope that by working together we can combine our experiences and develop new products which expand our audiences," said Jed Sunden, owner of KP Media.

"Our products complement each other so that the consolidation of our companies will have concrete benefits for advertisers, which will get higher quality for the same price," added Sergey Arabadji, director of ITC Publishing.

About the companies:

KP Media (www.kpmedia.ua) is a leader in the Ukrainian media market; active in both print and the Internet. KP Media publishes Kyiv Post, 15 Minutes, Korrespondent, Afisha, Pink, Pani, Vona, Interior Magazine, Ideas for your Home and the Kyiv Business Directory. Its Internet projects include Bigmir.net, Korrespondent.net, Kyivpost.com, Pink.com.ua, Afisha.ua, Ricardo.com.ua and Novynar.com.ua. KP Media is traded on the PFTS, stock symbol KPME.

ITC Publishing (www.itcpublishing.com) publishes such magazines as Computer Review, Home Computer, DFOTO, Mobility, Gameplay, Autocar. Internet projects include: hotline.ua, itc.ua, ko-online, dpk.com.ua, gameplay.com.ua, autocar.ua. The company was established in 1993 and specializes in mass media for information technology consumers and devotees and has an audience of over two million Ukrainians.

October 9, 2008



Editor's Note: Business Sense is a feature in which experts explain Ukraine's place in the world economy. To contribute, contact chief editor Brian Bonner at bonner@kpmedia.ua

Is an economic recession inevitable for Ukraine?

BY PAVLO PROKOPOVYCH

Fitch Ratings revised the outlook for Ukraine and nine major banks in the country from stable to negative on Sept. 25. These negative rating actions by Fitch have not found much understanding with leading Ukrainian economists. For many of them, Ukrainian macroeconomic policy is highly professional and the current world financial crisis will affect Ukraine's economy to a very limited extent, if at all

Ukraine's economy grew by more than 7 percent in the first eight months of 2008, the rate of inflation was negative in July and August, and net foreign direct investment capital flows amounted to more than \$1 billion just in August alone.

What else is needed to show that Fitch, to put it mildly, has exaggerated the seriousness of the situation?

Fitch's actions will nonetheless make external borrowing more expensive for Ukrainian banks. Taking into account that Ukrainian borrowers have to repay \$8.1 billion to foreign creditors in the second half of 2008, one can understand why the National Bank of Ukraine moved fast last month to simplify borrowing procedures by banks from abroad and to reduce loan reserve requirements. Otherwise, a number of Ukrainian banks could have had some difficulties meeting their external obligations. Supposedly, liquidity problems have stood behind a number of banks jacking up their lending rates.

However, these developments cannot shake the optimism of some Ukrainian leading economists. According to Valeriy Lytvytsky, top advisor at the National Bank of Ukraine, last August's current account deficit was a mere \$600 million, but net capital inflows during that month amounted to about \$2 billion. Unfortunately, a year consists of 12 months. Fitch's prediction regarding Ukraine's 2008 current account deficit is one of the most optimistic around: 7 percent of gross domestic product in 2008, which is a large number by any standards.

Some find it comforting that Ukraine has not had persistent current account problems. The current account surplus was 10.6 percent of GDP in 2004, 2.9 percent in 2005, 1.5 percent in 2006 and 4.2 percent in 2007. However, many economists look at the growing current account deficit from a more bleak perspective

An avalanche of foreign funds descended upon Ukraine in 2006-2008. As a result, in 2007, the net foreign indebtedness of Ukraine, a country with a 2007 GDP of \$140 billion, grew by \$30 billion. Significant amounts of the relatively cheap money were used by banks for extending pricey loans to high-risk Ukrainians, thereby feeding a major consumption boom. As of Jan. 1, 2008, funds borrowed from non-residents made up 29 percent of all bank liabilities. Taking into account the fact that private deposits made up 31 percent, one can understand the importance of non-resident funds to the Ukrainian banking system.

The more money came in, the worse Ukraine's current account deficit became. Prices for steel products (the major Ukrainian export goods) went through the roof and the national currency weakened in line with the falling dollar, thereby making Ukrainian exports more attractive to many foreign countries. Consumption of foreign goods skyrocketed in Ukraine as a result of accessible bank loans.

Exorbitant effective lending rates were the solution on the part of banks to the difficult task of giving out tens of billions of dollars to people having no credit histories. More often than not, borrowers were not aware of how much they were going to pay for the loan. Banks added all sorts of fees to their loans, with effective lending rates being as high as up to 100 percent.

The current global financial crisis is the result of regulatory failure to guard against excessive risk-taking. Mortgages with no down payment or with teasing rates are the first to come to mind when one thinks of the bursting housing bubble in the United States. Lenders used a great deal of bait to entice sub-prime borrowers into taking out a mortgage.

Unfortunately, many Ukrainian banks borrowed not only money from abroad but the lending techniques as well. The share of mortgages in Ukrainian banks' credit portfolios is still comparably small - 10.6 percent as of Jan. 1. But it is disturbing that almost 80 percent of outstanding mortgages are denominated in foreign currencies. A devaluation of the hryvnia would make many mortgage borrowers insolvent simultaneously

Problems in the U.S. financial markets began when the housing prices faltered. Ukrainian housing prices, fueled by huge capital inflows, rose until very recently. What waits for them in the nearest future?

If the U.S. Federal Reserve Bank keeps on pumping hundreds of billions of dollars in the global financial system, then another soaring of Kyiv's housing prices is possible. If, at some point, the Fed realizes that its attempts to inflate out of the recession are futile and it is time to swallow the bitter pill, then capital flows to Ukraine will dry up and commodity prices will drop, leading to a recession in Ukraine.

At the same time, Ukraine's foreign debt of more than \$100 billion may indicate that its financial sector is too big for current conditions. If so, a correction is unavoidable. Transition countries with a high level of corruption, a failed judicial system, weak institutions and poor governance have higher chances of facing a major economic crisis.

Time will show whether Ukraine is one of them.

Pavlo Prokopovych is a senior economist at the Kyiv Economics Institute and an assistant professor at the Kyiv School of Economics.



Oct.08



STOCK MARKET COMMENTARY

In light of the global economic slow- market experienced a savage beating election still very much in play. down, Ukrainian steelmakers this at the hands of market forces (the Even President Victor Yushchenko's

TODAY — KYIV. TOMORROW — **NEW YORK.**

Ministry of Transport on the 11th of April,

AB #32368

week announced cuts in production KP-Dragon index dropped by nearly that put them 30 percent behind last year's output, and when these companies – the veritable lifeblood of the Ukrainian economy – begin to pull back on the reins, it means trouble for the whole country. In one week the

a quarter week-on-week). This news serves as a reminder that things will zations proved little more than a get worse - perhaps a lot worse before they get better. Adding to the negative mood, parliament remains at a standstill with a possible December

Mar.07

Dragon Capital Market Watch is a business feature of the Kyiv Post.

announcement that he would rescind the ban on energy sector privatisop to investors, for whom political instability in Ukraine is paramount. Reflecting this mood, Ukrainian blue chips, especially banks, steels and coke and coal producers, fell on aver-

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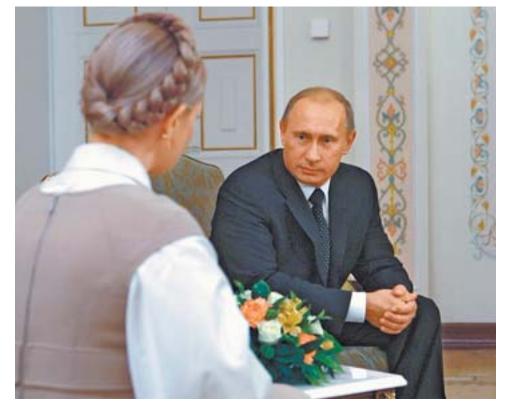




UAH:EUR

age anywhere from 20-40 percent this week, with investors even taking cover and abandoning new listings such as LSE-listed poultry producer MHP, which has lost half its stock value just since Oct. 3. To make matters worse, the hryvnia continues to depreciate, which has forced the NBU to widen its fluctuation band for the currency versus the U.S. dollar. The coming week is unlikely to bring much respite to the market: expect further sell-offs and low market turnover.

8 Business



Gas, arms and more on their minds

Russian Prime Minister Vladimir Putin met with Ukrainian Prime Minister Yulia Tymoshenko in the Novo-Ogaryovo residence outside Moscow on Oct. 2. Putin and Tymoshenko negotiated the outlines of a new natural gas agreement. During the meeting Putin complained about Ukrainian arms shipments to Georgia on the eve of the Russian-Georgian war last August. (AP)



Yalta European Strategy forum

Victor Pinchuk (left), Yalta European Strategy (YES) founder and board member, and Stephen Byers, member of the United Kingdom parliament and YES board chairman, met on Oct. 2 in Kyiv. During the meeting, the men discussed the global financial crisis, energy policy, the current geopolitical situation and the prospects of Ukraine's integration into the European Union. (Sergei Illin)

\rightarrow On the move



MAKSYM CHERKASENKO was appointed partner and head of corporate law practice for Arzinger & Partners law firm. Previously, he spent six years as the head of the corporate

law and property matters division at TNK-BP Ukraine. In that job, Cherkasenko provided legal support on corporate restructuring processes, bankruptcy procedures, disclosure issues, mergers and acquisition and other issues. He also worked as a lawyer at KINTO investment company, providing legal support for stock market institutions. Cherkasenko is a highlyqualified specialist on the registration of property rights, including real estate units and land plots. Cherkasenko holds a master's degree in law from Kyiv National Shevchenko University and in international finance from Kyiv National University of Economics.

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D ner r ; he

was appointed strategic communication planning director of the media agencies of ADV group. This seasoned specialist, with 14 years of media experience in Britian,

BAZ SHARIFF

is tasked to strengthen the media branch of ADV Group, which consists of four international agencies — initiative, Universal McCann, MPG and Media Expert/Arena with an overall \$140 million in revenues. From 2001 to 2007, he was the client service director in Walker Media. From 1996 to 2000, he was an account manager at Media Insight agency. Shariff was educated by the leading advertising institute in Britain – the IPA, and graduated with a business degree from Leeds University.



releases to: kp-news@kpmedia.ua, or contact the newsroom at 496-4563.

STANISLAV GERASYMENKO was appointed senior associate for Arzinger & Partners. Prior to this, Gerasymenko was group leader in the corporate law and property issues section

Send On the Move news to pastukhova@kpmedia.ua, or contact Alina Pastukhova at 496-4563. Send business photos and press

at TNK-BP Ukraine, providing legal support for Securities and Stock Market State Commission, the Antimonopoly Committee of Ukraine and the State Property Fund of Ukraine inspections. Gerasymenko is an expert in asset acquisition legal risk assessment, preparation and legal support of mergers and acquisitions, corporate law consultation, investment rights, competition law, bankruptcy, company dissolution and real estate title acquisition. Gerasymenko holds a master's degree in law from Kyiv National Shevchenko University and in linguistics from Kyiv Combined Arms Military College.



VINCENT AMOURSKY

was appointed general manager for Chanel Ukraine. In his new position, Amoursky will be responsible for developing the Chanel fragrance and

beauty business in Ukraine. He also will be in charge of the company's Ukrainian fashion division with the opening of the first Chanel Fashion, Watches and Fine Jewelry boutique in Kyiv. He arrives in Kyiv from Moscow. Recently, Amoursky obtained the position of sales director for fragrance and beauty of Chanel Russia. He joined Chanel Russia in 2004. Prior to that, he worked in the luxury spirits industry.



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October 9, 2008

Business Focus 9



Russians dominate casino industry; changes coming

BY ELENA PLEKHANOVA PLEKHANOVA@KPMEDIA.UA

Insiders within Ukraine's budding yet cloudy gambling business worry that stiffening competition from Russian syndicates and new legislation may force smaller domestic operations completely into the shadows.

However, Ukrainian legal experts who back plans to clean up the sector insist honest gambling businesses have no reason to panic. The pending legislation and licensing regime will result in a round of market consolidation, leaving only legally operating gambling companies standing, they say.

According to the Ukrainian Gambling Industry Association, nearly two-thirds of gambling operations are illegal, primarily due to poor laws governing the business. The State Statistics Committee estimates that there are some 1,400 gambling operations in Ukraine in total, many of them Russian-owned.

The flood of Russian gaming companies into the market – and their tough tactics – has made it difficult for domestic gambling houses to compete.

The Russian groups are coming in masses after their country adopted a controversial game-zone law in 2007 that banished casinos from the nation's major cities. It confined gambling to four "Las Vegas-like" areas in the country's hinterlands.

Consequently, Russian-backed gambling operations turned their covetous



eye to Ukraine's more permissive gaming market.

"They're all [the Russians] coming here now. They have a lot capital ... and Ukrainian operators are in a fight for survival," said Ihor Kulik, president of Extrema-Ukraine, one of the country's largest gambling manufacturers and operators.

"Russian companies use dumping policies to bust out Ukrainian operators and have plenty of money to lobby for laws that favor them," he added.

Ukrainian gaming companies expect the competition to get fiercer, gradually forcing many small operations underground once a new bill pushed forward by the Finance Ministry goes into law.

Ukraine shares a similar experience with gambling regulation that other former post-Soviet nations have had: from complete gambling prohibition and the growth of an illegal gambling



Ihor Kulik

underground, to a quasi-legal industry with poor oversight. The figures bear this out.

According to Ukraine's Accounting Chamber, there are more than 120,000 uncertified game machines in Ukraine. Better transparency, including legalization of the business in a way that would force everyone to pay for required permits, could add \$1.2 billion to state coffers. "Currently, it is nearly impossible to run a legal gambling business in the country. We pay over \$4 million per year in taxes. And we may have to shut down the business. Who's going to win from this? Not the state, for sure ... but large Russian companies," Kulik added. \rightarrow 10

Key regulations of proposed Ukrainian gambling law

The gambling law proposed by the Finance Ministry establishes larger operating space requirements and capital costs for gaming operations. This may force smaller operators to fold and usher in a round of market consolidation.

- → The government would set the cost of a license. Currently each license costs \$280,000 annually.
- \rightarrow The demands for the minimal statutory fund (reserves), on the date of registration for operators:
 - \$1.4 million for casinos and game machine halls
 - \$560,000 for virtual gambling establishments
 - \$280,000 for betting parlors
- → A gaming establishment's total area, including office and other administrative facilities, must be at least 300 square meters.
- → Casino must have at least six gambling tables, one with a roulette wheel.
- → Game machine hall's total area, including office and other administrative facilities, must be no less than 100 square meters.
- → Game machine halls must have at least 40 working gamemachines.
- → The chances of winning on a gaming machine must be at least 80 percent of the total amount of the bets on the machine.
- → The fine for gaming law violations is set at 500 minimal salaries (\$50,000).

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10 Business Focus

Association strives to clean up mostly illegal gambling industry

BY ELENA PLEKHANOVA

PLEKHANOVA@KPMEDIA.UA

Serhiy Tretyakov serves as president of the Ukrainian Association of Gambling Business Operators, as well as an adviser to Prime Minister Yulia Tymoshenko. The gambling association he heads was created in 1998 and has 16 member companies whose main objectives are to lobby for clear, transparent and realistic gambling regulations.

In this Kyiv Post interview, Tretyakov said current gambling laws are corruptly enforced by authorities and – as a result – over 60 percent of gambling operations are illegal.

KP: How transparent is the gambling business in Ukraine today?

ST: About two-thirds of the business is still in shadows. Government organi-

zations that are supposed to regulate the gambling business give companies who operate illegally favorable treatment. The association has been working for a decade to help clean this up, but we only have a very basic foundation to work with.

KP: What is Ukraine's legislation lacking?

ST: It is easier to say what it has – almost nothing. We do not have the laws necessary to adequately regulate gambling in Ukraine.

KP: But there is a law that obliges operators to receive a license for gambling, isn't there?

ST: Yes, it has been necessary to purchase a license since 2002. In 2005, there was an amendment to the licensing law. The cost of a five-year license is nearly \$215,000. In 2006 the Finance Ministry issued a code of requirements that operators need to fulfill to receive a license.

A year later, local authorities started introducing additional demands that contradicted the national requirements. This led to legal confusion that fueled corruption, forcing gambling operators to illegally conduct business.

KP: Still, you said that one-third of the operators are legal. How do they deal with the chaotic licensing regime?

ST: This has created a very unfair, uncompetitive environment for legal operators. But this business is very profitable. And legal market players are doing their best to create responsible legal conditions by advocating for new laws. We have had some success. And the figures show it. Budget income from gambling licensing during the last three years has more than doubled from \$57 million to almost \$141 million.

KP: What is the size of the casino and gambling market in Ukraine?

ST: With much of the business in the shadows, it is hard to accurately estimate the size of the market. But we believe the market size ranges from \$1-\$3 billion, where only about 30 percent of the market share rests with operators that operate legally.

KP: How many operators currently work on the market?

ST: Between 4,000 and 4,500, of whom only 1,500 possess licenses, and these are largely licenses issued by local officials. Currently, there are only 173 licenses that have been issued by the Finance Ministry in accordance with the new rules.

KP: Are there many foreign gambling companies operating in Ukraine?

ST: We have many Russian operators. Most of the operators in Kyiv are Russian. There are a few Western companies: Austria's Novomatic, one of the leading game-machine manufacturers, and Estonian-American Olympia. But most of the players on the market are Russian-backed.

KP: Does this suggest that despite the high profitability of Ukraine's gambling and casino business, it is not attractive for Western investors?

ST: For a long time, Ukrainian income levels were considered to be too low to justify substantial investment in casinos. This is the first reason. The second reason is the flood of Russian operators and the nature of the business in Ukraine. Russian operators [are used to such conditions] and fled their domestic market to Ukraine when strict regulation was introduced in their country in 2007, (including plans to ban gambling from big cities). Since then, Russian operators have squeezed local players, and



Serhiy Tretyakov

frightened other foreign investment away. They have literally broken the market apart.

KP: Ukrainian politicians have also discussed removing gambling from big cities by establishing special gaming zones. What are your thoughts on this?

ST: These were populist statements. Where can we move casinos? To Chornobyl?

We can move them [out of the cities to special zones], but this would only make the business more illegal. I should say that no European countries have taken this strategy. It is not going to work in our country either.

KP: Is the market doomed to fall into deeper lawlessness?

ST: We [the association] hope that the new law we drafted will be approved and make business regulation clear and fair. Of course, there are people in the government that lobby for the interests of illegal gaming businesses.

The good news is that the authorities have begun to listen to the opinions of professionals and, hopefully, the law will be approved.

New gambling codes may force small-time operators out of market, or illegally underground



Small unlicensed gaming operations will come under increased pressure if proposed gambling regulations pass into law. Some, however, caution it will make the market more chaotic and force small-time operators underground. (UNIAN)



→9 Many market experts believe the draft legislation will actually create even more chaos in the gambling market. And this, they say, will sow the seeds for greater corruption, more bribe paying, and ultimately the destruction of the legal gaming business.

The new law establishes much tougher and more expensive regulations on gambling premises, higher taxes, licensing fees and penalties. In effect, it will make it impossible for market players without deep pockets to continue operations.

"The new law brought forward by the Finance Ministry – in its existing form – will seriously change the market in favor of Russian companies," Kulik said.

Russian gambling operators tend to agree, and are, therefore, optimistic about the upcoming changes.

Mykhailo Ilyashev

Yevhen Poshyvaylo, general director

The government's inability to establish control over gambling needs to be addressed. Mykhailo Ilyashev

of the Maksbet gambling group that operates 63 gambling halls nationwide and has Russian roots, sees no market crash on the horizon. He is convinced that despite the lack of an effective legislative base, the market is growing and is going through an inevitable development cycle. The new law reflects the growing international trend of consolidation, he says.

"The new law has strong and weak sides. The draft law is aimed at the consolidation of the business. This means gambling in Ukraine must be represented by larger operators that can afford to pay higher operating costs. Those who cannot pay will naturally say it will 'ruin' the market," Poshyvaylo added.

Legal experts believe the gaps in the new law are not a significant problem. But they are concerned about the government's ability to regulate gambling.

"It is doubtful that the operators that work illegally today will begin working within the legal limits, no matter what limitations and demands the new law stipulates," said Mykhailo Ilyashev, senior partner at Ilyashev & Partners Law Firm.

"The main factor that needs to be addressed is the government's dereliction in establishing control over gambling operators and forcing small-time illegal operators out of the market." **October 9, 2008**

Business Focus 11

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|--|---|-----------------------------------|--|--------------------------------|--------------------------|---|--------------------------------------|---|--|-----------------------------------|--|----------------------------------|-------------------------------|
| | Companies listed by year of establishment | | | | | | | | | | | | |
| PHONE FAX | TOP EXECUTIVE | YEAR ESTABLISHED IN UKRAINE | ownership, Ukrainian / Foreign (%) | # OF FULL-TIME EMPLOYEES | # OF VISITORS PER DAY | GAMES AVAILABLE | GAMING AREA (METERS SQUARE) | MIN AND MAX BETS | JACKPOTS AND OTHER MAJOR PRIZES | # OF TABLES / SLOT MACHINES | OTHER SERVICES | NETWORK | BUSINESS HOURS |
| Premier P | Premier Palace Casino, 01004 Kyiv, 5-7/29 T.Shevchenka / Pushkinska, www.premier-casino.com | | | | | | | | | | | | |
| (044)537-4545 | WND | 1990 | 100 / 0 | WND | WND | American roulette, blackjack, 6 kinds of poker | WND | \$1 - unlimited | WND | WND | Hotel, restaurant | N/A | 24 hours |
| Maximum, 01001 Kyiv, 12 / 37 Dekabrystiv, casino@maxymum.com | | | | | | | | | | | | | |
| (044)563-5409 (044)562-6770 | | 1992 | 100 / 0 | 30 | WND | American roulette, blackjack, 2 kinds of poker | WND | \$1 - \$5 | Car drawings | 7/N/A | Free taxi services and bar for gamblers, billiard, bowling, strip, disco, restaurant | N/A | 2pm - 6am |
| Joss , 01001 | Kyiv, 2 R.Okipnoy | yi, Tourist H | otel, info@ | joss.com.u | ia, www.joss | s.com.ua | | , | | · | | • | |
| (044)541-0157 (044)541-0266 | Maksyn Sobkovych | 1993 | 100 / 0 | 240 | About 100 | American roulette, blackjack, 5 kinds of poker, slot machines | 400 | \$1 - \$2,000 | \$7,000 lottery and car drawings | 8 / 25 | Restaurant, pub, strip bar, currency exchange, hotel | Split Group | 24 hours |
| River Pala | ce Entertain | ment Co | mplex, (|) 1001 Kyiv, | Naberezhne | e shosse, www.riverpa | alace.kiev.u | а | | | | 1 | 1 |
| (044)490-6695 (044)490-6696 | lan Payne | 1995 | 0 / 100 | 350 | 300 | Draw, stud and Russian poker, slot machines | 400 | \$0.50 - \$50 slots, \$1 - \$100 tables | Drawing for Nissan Note, and Fiat 500 | 26 / 108 | Night club/disco, VIP casino area, sports bar, daily live music | Ritzio Entertainment Group | 3pm - 7am; slots 24 / 7 |
| Bingo , 0100 |)1 Kyiv, 112 Perer | nohy, bingc | @gu.kiev.u | ia, www.bi | ngo.com.ua | | | | | | | · | |
| (044)424-2555 | WND | 1996 | 100 / 0 | WND | WND | Roulette, blackjack, poker | WND | Roulette \$1 - \$25, blackjack \$5 - \$10, poker \$5 - \$50 | Daily poker tournaments | WND | Disco, billiards, strip show | N/A | 24 hours |

Business Focus is Kyiv Post's weekly spotlight on countries, companies, industries and services doing business in Ukraine. The newspaper gathers data from individual companies, public information and the Kyiv Business Directory. The list is not meant to be all-inclusive. For more information about including your company in our list, please contact Yulia Golub at golub@kpmedia.ua Key to abbreviations: WND - would not disclose.



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12 Business Focus

October 9, 2008

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| Bulldozer, | , 01001 Kyiv, 1-A I | Urytskoho, | www.buld | ozer.org.ua | 1 | · | | , | J | ļ | J | | I |
| WND | WND | 1997 | WND | About 30 | WND | Slot machines | 600 | \$0.5 - \$100 | \$114,000 | N/A/200 | WND | N/A | 24 hour |
| (yiv Club , | , 01001 Kyiv, 19 Va | asylkivska, | www.clubl | kiev.com.ua | a | | | | | _ | | | |
| 044)287-6605 | Borys Groysman | 1997 | 100 / 0 | WND | WND | Roulette, blackjack, poker | 1,000 | \$0.40 - \$400 | Cash lotteries | 8 / 15 | Restaurant, billiard, disco bar | Split Group | 24 hour |
| Metro-Ja | ckpot , 01001 I | Kyiv, 1 Nab | erezhno Pe | echerska d | oroha, info@ |) Pmetrojackpot.com, w | ww.ritzio.co | om | 1 | 1 | 1 | | 1 |
| 044)251-1999 044)536-9352 | | 1998 | 0 / 100 | 3,675 | 20 - 200 | Slot machines | 20,400 | \$0 - \$61 | jackpot - \$1,200 prizes - apartments, cars, houses, home appliances | 0 / 7,350 | Sport-betting venue, sports bar, parking | Ritzio Entertainment Group | 24 hour |
| Gorod , 010 | 01 Kyiv, 7 P. Tychy | /ny, oops@ | gorod.com | .ua, www.g | gorod.com.u | la | | • | | | | | |
| (044)554-2050 | WND | 2000 | 100 / 0 | 45 | About 30 | Roulette, blackjack, poker | 70 | \$1 - \$500 | \$600 - \$1,400 weekly | WND | Free bar for gamblers, taxi | N/A | 24 hours |
| Maxbet , 0 [°] | 1001 Kyiv, 1 Frunz | ze, office@ | maxbet.kie | v.ua, ww.m | naxbet.com. | ua | | | • | | | | |
| (044)206-6440 (044)206-6446 | WND | 2002 | 0 / 100 | About 1,000 | About 1,400 | Slot machines | 100 - 600 each | \$0.5 - \$200 | Drawings for \$20,000 and Mitsubishi Outlander | N / A / 2,000 | Bar and sports bar | N/A | 8am - 6am |
| Casino Fr | eedom , 01001 | Kyiv, 134 F | runze, mec | lia@freedo | , mhall.com.ι | ia, www.freedomhall.c | com.ua | 1 | 1 | i. | 1 | i. | 1 |
| (044)468-6080 (044)468-4068 | Sergei Ganitskiy | 2003 | 0 / 100 | 80 | WND | American roulette, blackjack, 5 kinds of poker | 200 | American roulette \$1 - \$300, blackjack \$5 - \$2,000, 5 kinds of poker \$5 - \$50,000 | Slot-Jackpot, Poker- Jackpot, Everyday Casino Jackpot, Volkswagen Touareg and Volkswagen Passat lotteries | 12 / 15 | Concert hall and restaurant | Kozyrnaya Karta | 24 hours |
| Penthous | e , 01001 Kyiv, 58 | Chervono | armiyska | | | | | | | | | | |
| 044)289-4682 | WND | 2003 | 100 / 0 | WND | WND | Roulette, blackjack, 4 kinds of poker | 150 | \$1 - \$100 | \$1,000 | 6/N/A | Bar, night club | N/A | 24 hours |
| Grand Pla | za , 01001 Kyiv, 1 | Peremohy | , Lybid hot | el, 2nd floo | r, grandplaz | a@nbi.com.ua, ww.gra | andplaza.ki | ev.ua | | | | | |
| (044)236-6556 | WND | 2003 | WND | WND | WND | American roulette, blackjack, 4 kinds of poker | 250 | American roulette \$1 - \$2,000, blackjack and poker \$5 - \$500 | WND | 14 / N / A | Free bar for gamblers, guarded parking, restaurant, bar, daily strip show | Split Group | 24 hours |
| King , 0100 ⁻ | 1 Kyiv, 1 Naberezl | hno Peche | erska doroh | a, info.kiev | @ritzio.com | , www.ritzio.com | | | • | | | | |
| (044)251-1999 (044)536-9352 | | 2004 | 0 / 100 | 325 | 50 - 350 | American roulette, 3 kinds of poker, blackjack | 10467,77 | \$0 - \$61 | Jackpot - \$1,200, prizes - apartments, cars, houses, home appliances | 45 / 2,392 | Sport-betting venue, sport bar, parking | Ritzio Entertainment Group | 24 hours |
| Arena Cas | Sino , 01001 Kyiv, | , 2-A Basey | /na, 3rd flo | or, casino@ | arena-kiev. | com, www.arena-kiev. | com | | | | | | |
| 044)494-2088 | lgor Syzov | 2004 | WND | 60 | 70 | American roulette, blackjack, 5 kinds of poker | 480 | \$1 - \$2,000 | Porshe Cayenne lottery | 11 / 20 | Restaurant, bar, night club | N/A | 24 hour |
| Olympic C | asino Ukrair | 1 e, 01001 | Kyiv, 16 Khr | eschatyk, | 8th floor | l | 1 | I | 1 | 1 | 1 | I | 1 |
| 044)279-2293 044)538-0330 | | 2004 | 0 / 100 | WND | WND | Slot machines | 440 | \$0.5 - \$500 | \$500 and more | WND | Bar, currency exchange, show programs | WND | 24 hours |
| Avalon , 010 | 001 Kyiv, 3 Leonto | l ovicha, info | l o@avalon-c | lub.com.ua | l a, www.aval | l on.ua | | | | | | | |
| 044)234-7494 | | WND | WND | WND | WND | American roulette, blackjack, poker | WND | WND | Lottery for Jaguar S-type | 30 / N / A | Bar, restaurant, night club | N/A | 24 hour |
| | | l | | | Į | | l | | | l | | | |

| Mandarin Casino, 01001 Kyiv, 4 Hazoprovidna, casinomandarin@ukr.net, www.mandarin.net.ua | | | | | | | | | | | | | |
|--|------------------------|---------------|-------------|-------------|-------------|--|----------|---------------|-------------------|---------|--|--------------------|----------|
| (044)466-9876 (044)587-8212 | WND | WND | 0 / 100 | WND | WND | American roulette, blackjack, oasis stud poker, six-card poker | WND | \$10 - \$20 | \$1,000 - \$5,000 | WND | Free bar and taxi services for gamblers, restaurant | Kozyrnaya Karta | 24 hours |
| Split Casino, 01001 Kyiv, 8 Prorizna, reklama@split.kiev.ua, www.split.kiev.ua | | | | | | | | | | | | | |
| (044)536-1717 (044)536-1706 | WND | WND | 100 / 0 | WND | WND | American roulette, blackjack, poker, slot machines | WND | \$1 - \$1,000 | WND | 8 / WND | Restaurant, bar | Split Group | 24 hours |
| Gabriela C | asino , 01001 K | yiv, 1 / 2 Kh | ireschatyk, | , Dnipro hc | tel, www.ca | sino-gabriela.kiev.ua | | | | | | | |
| (044)278-8821 | WND | WND | 100 / 0 | WND | WND | American roulette, blackjack, poker | About 50 | WND | WND | WND | Hotel, restaurant | N/A | 24 hours |
| Platon, 01001 Kyiv, 87-B Mezhyhirska, www.platon.kiev.ua | | | | | | | | | | | | | |
| (044)229-8707 | WND | WND | WND | WND | WND | Poker | WND | WND | Daily tournaments | WND | Bar, restaurant | N/A | WND |

News 13

The doctor is in: Kyiv-Mohyla Academy starts Ph.D. program

Anastasia Grynko is the one of four lucky students who made it to Ukraine's first-ever Doctor of Philosophy program, often referred to in the world by its abbreviation, Ph.D.

The Kyiv-Mohyla Academy student will study mass communications and hopes the new program and her new knowledge will help bring the country's media closer to Western European standards.

She remains bothered by the fact that the groundbreaking program launched this month is still not recognized by Ukraine's educational establishment and in most of the world.

But she has hopes that the Kyiv-Mohyla Academy program will develop such a good reputation that it is eventually recognized everywhere.

And if not, students will just have to agree that knowledge gained is never wasted.

"First I wanted to get a Ph.D. degree in the United States. But since there is a chance for the first time to get it in Ukraine - why not do it?" Grynko asked. "Even if the state does not recognize it, the main thing for me is the knowledge I will get and recognition as a professional on the European level."

Ukraine still uses the old Soviet system of academic degrees, slightly upgraded. After four years of studying the student gains a bachelor's degree. Another year at the university will typically make them a "specialist." And after the next year they become "masters." They can start post-graduate studies to become a "doctoral candidate," which takes three years to do. There is a higher "doctoral degree" that takes another five years to complete, bringing the total number of student years to 15.

In Europe, it takes up to four years to get a Ph.D. But the main difference is not the time spent in gaining an academic degree, but the quality of the program and achievements in academia, educators said. Yevhen Fedchenko, head of Kyiv-Mohyla's school of journalism and creator of the new Ph.D. program, said a typical Ukrainian graduate student meets their tutors only once or twice a month. Their final thesis looks like a bunch of clever thoughts from different sources strung together, with little scientific value.

"Because of such an educational system, the Ukrainian scientific heritage is not seen and our academics are almost never quoted in any mass media literature, they themselves have no academic research done," Fedchenko said.

Despite joining the unified European system for academic degrees in 2005, spelled out in the Bologna agreement, the Ministry of Education still does not officially recognize any Ph.D. degrees in Ukraine. At the same time, Ukraine's non-standard degree system causes confusion abroad.

To gain international and domestic recognition, Grynko decided to cover her bets. She entered both the new Ph.D. program and a traditional Ukrainian graduate school.

"I understand it will be hard to do both degrees, but it looks ridiculous if I get international recognition without getting a Ukrainian degree. I still hope that European demands to my thesis will be comparable to the Ukrainian demands, so I will combine the topics of both theses," Grynko said.

Kyiv-Mohyla Academy educators hope the new Ph.D. program will help start a trend. They say changes – and honesty – in Ukraine's post-graduate education programs are much needed.

Many post-graduate students simply buy their diplomas for cash rather than do the work. They pay for the required number of published works rather than produce worthy articles, professors complain.

"The cost of a graduate school final paper costs some \$5,000 and, of course, some more money is needed to buy publications in Ukrainian magazines," said a professor at a Kyiv institute, who did not want his name published.

Because post-graduate studies are so boring, corrupt and long, many tal-



These Kyiv-Mohyla graduates now have a chance to do a post-graduate degree at home as a new, Western-style Ph.D. program in media studies kicked off at Kyiv-Mohyla Academy in October. However, the program is yet to be recognized by the Education Ministry that still uses old Soviet standards for academic degrees. (Natalia Kravchuk)

ented students prefer to emigrate and start an academic career abroad.

There were 300,000 academics in Ukraine in 1991, but the number has dropped to just 140,000 now, according to Maksym Striha, deputy minister of education and science.

"Today, an average Ukrainian postgraduate is 52, a doctor is 60 and academic is over 70 years old. Many high-qualified scientists, mainly doctors, emigrated abroad," Striha said.

Ukraine's first modern Ph.D. program is free of charge for the four pioneering students. It even pays a monthly stipend of Hr 1,500.

The program is subsidized by Ukraine's richest oligarch Rinat Akhmetov, worth some \$31 billion by some estimates. His Foundation for the Development of Ukraine gave a grant of Hr 560,000 to finance the first academic year of the new Ph.D. program. Svetlana Panushkina, a foundation supervisor, said Ukraine can expect more donations to be forthcoming.

"Investing in education is the most valuable thing that can help Ukraine develop," she said.

The students are expected to work hard to get a degree. "It is a full-time job for scholars," Fedchenko said. "This means that journalists who used to work and earn money have to leave their job and start studying again, spending all their time at the university, not at work."

To avoid "fake diplomas," Fedchenko said, "students' research papers need to be published not in Ukrainian, but in famous foreign scientific magazines in English. And, most importantly, they will have two tutors during their work on a final thesis: a Ukrainian and a foreign one – either from Ohio University or from the Universitat Autonoma de Barcelona in Spain," Fedchenko said.

Despite the European partners and high international standards the Ph.D. program is using, the Education Ministry does not know what status its students are going to have in Ukraine, and what sort of graduation paper they will receive.

"The Ministry decided at least not to intrude in this process today. Perhaps, it is the best thing we can expect for now," said Striha.

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14 News

Yushchenko getting out of touch with his traditional support base

 \rightarrow **1** "During Kuchma's and Yanukovich's time, prices were stable. Russia was not at our throat," said Ihor Barvinkov. "Now it seems that we are living in a gas gulag because of Yuschenko's Westernization efforts."

The evidence is far more than anecdotal.

While western Ukraine supported Yushchenko's Our Ukraine bloc in the 2006 parliamentary election, the presidential group slipped into second place behind the Bloc of Yulia Tymoshenko in the 2007 contest.

And last month's poll by the Kyiv International Institute of Sociology shows 40.4 percent of western Ukrainians would vote for Tymoshenko as president, while only 14.4 percent would back Yushchenko. The pro-presidential Our Ukraine forces would fare even worse in a parliamentary election, winning support from only 9.2 percent.

Yushchenko traveled to this chilling climate on Oct. 2, reminding foreign investors at the International Economic Forum in Lviv that 2008 is the year of castles.

It was hard to tell from his manner whether he knows he is no longer perceived as a knight in shining armor fighting off Eastern kings and signing treaties with Western legions. He looked confident and self-composed as if the skies were still clear. He spoke of market dynamics, Euro 2012 soccer tournament prospects and unified energy systems, whatever that means. In short, he asked for money.

"For 1,000 years, families of local counts were related to Western families," Yushchenko said. "I know this is an ill time to talk about joining the EU (European Union). But we need more from our relationship now."

"Ukraine needs a billion here and a billion there (dollars) – to build roads, to promote tourism, and for many other projects."

During a coffee break, businessmen from world-famous companies spoke of mines, hotels and airports soon to take off in Ukraine. PricewaterhouseCoopers, the financial and crisis management giant, ran a commercial on big plasma screens with the logo "connected thinking."

A floor down from the elegant conference hall in Lviv National University, three women working in a cloak room looked rather disconnected from the event upstairs.

They spoke of disappointment in their political leaders, especially in Yushchenko.

"We are paupers and they are aristocracy," said Natalia Stetsko, 50, who started working in the university three years ago. "It will be long before we feel the effects of this meeting." Like her colleagues, she voted for Yushchenko and his party in three consecutive elections. But now she is not sure any more.

"He's been scolding Yulia Tymoshenko for triggering inflation when she started paying people back their savings which devalued in the '90s. What about those thousands that they earn regularly, don't they instigate the inflation?" Stetsko said, complaining of meager social benefits.

Passing designer label jackets to bankers, she said that she had just enough money for food, let alone new clothing.

The cloakroom women agreed that they would rather vote for students in this university than for Yushchenko again.

The head of the Lviv District Administration, Mykola Kmit, appointed by Yushchenko, sensed a storm rising among his residents. "We'll only be able to say that we have succeeded when the pensioners say so," Kmit said.

Eager to revamp his region in preparation to Euro 2012, he is positive that the president's efforts will pay off soon.

"We need to move in the direction of the EU. Lublin and Zheshiv (Polish eastern regions bordering Ukraine) secured two billion dollars from the EU easily. We are fighting for a billion,"



President Victor Yushchenko's popularity drops in western Ukraine.

he said, trying to explain the reasons behind Yushchenko's pro-Western agenda. Kmit is anticipating more workplaces and better salaries as a result of foreign investment.

People working the land in the village Bilyi Kamin, 75 kilometers from Lviv, could probably attest to Kmit's plans. British agricultural business, Landkom International Plc, utilized fallow fields, brought new machinery and employed some 800 local farmers a year ago. "They've never seen modern tractors before. The fields were covered in weeds when we came," said farming administrator, Kostyantyn Zolotukhin. Growing oilseed rape and wheat, he said, farmers get paid five times more than people in nearby villages.

He commended Yushchenko for lobbying foreign investment in Ukraine and relaxing visa rules. Nevertheless, Zolotukhin missed the parliamentary vote last year.

Back in the city, Barvinkov, 24, in his old Lada that is now a taxi, was seeing a seamy side of European integration. Grumbling at another pothole on the road, he said that he felt no changes since Yushchenko took office.

Graduating from Lviv Technical University with a degree in management, Barvinkov failed to find a permanent workplace. He said that earning \$800 a month for driving around the city was more than a run-of-the-mill manager's salary. Barvinkov regretted taking Yushchenko's side during the Orange Revolution, a peaceful uprising in 2004 which swept the president to power.

At this snapshot in time, the president's western castle seems to have turned into flat sand, attracting fewer visitors and even fewer admirers.

Acting speaker is a welcome new face, but has yet to develop presidential ambitions

 \rightarrow **1** of a 450-member divided parliament has made him "ready for anything," he said.

He wants to start a populist political party that is not "held hostage" to the financing of Ukraine's omnipresent tycoons. His vision is of a party financed by "ordinary people, smalland medium-sized enterprises," a party in which no one has a majority stake.

Yatsenyuk's vision for the country is a vague prescription of economic and political "reforms." He wants the nation to build on the legacy and realize the goals of its 2004 democratic Orange Revolution. The popular movement succeeded in overturning a rigged election, but also sought to cleanse Ukraine from its post-independence stains of a corrupt elite, dishonest elections and economic unfairness.



His pragmatic style appears to appeal to Ukrainians who are increasingly frustrated with the squabbling older set of politicians. He has a 13 percent approval rating among new party or bloc leaders, according to a poll by the Ukrainian Sociology Service. While that might not seem high, it's above the rating of the nation's richest man, Rinat Akhmetov, who is spending part of his \$31 billion fortune on image-whitening PR campaigns and charity events.

A survey conducted by the National Institute of Strategic Research in September showed that a party or bloc headed by Yatsenyuk would pass the 3 percent threshold into parliament. It's not a bad start for a party that has not even yet been created.

So far, he has managed to climb the political ladder without any party affiliation, although he got into parliament in the pre-term 2007 election on the back of the pro-presidential Our Ukraine Peoples' Self-Defense bloc. edly a member of a local crime group, and Valeriy Chynush, a Chernivtsi city council member who introduced him to other influential politicians.

He quickly earned a reputation as a top-flight lawyer. He is said to have impressed one of the lawyers of Aval Bank during a legal dispute by quoting verbatim a passage in a legal textbook that one of the opposing lawyers had written.

By 1998, when he was just 24, he was already working as a consultant for Aval's Kyiv office. He became the bank's deputy chairman before resigning in 2001 to embark on a political career.

Mid-decade, he served briefly as the nation's foreign minister and economic minister. His resume also includes stints as economic minister in Crimea, deputy regional governor of Odesa, a board member and first deputy chairman of the National Bank of Ukraine and first deputy chairman of the president's administration.

was described as a professional who sought compromises and didn't rouse the ire of Russia or resentment from the West.

As speaker, Yatsenyuk displayed the same qualities. He was considered impartial and independent, as well as committed to public service. "Yatsenyuk demonstrated that he doesn't struggle for personal gain or power, which is quite exceptional for a Ukrainian politician," said Serhiy Taran, director of the International Democracy Institute.

He is definitely in his elements as a political operator, wrote analyst Volodymyr Fesenko, being able to fuse "extraordinary professional knowledge and know-how with a tough, sometimes cynical, business-like grasp while knowing how to engage in bureaucratic intrigue."

Many of the goals have gone unrealized during the presidency of Victor Yushchenko, the revolution's hero, who is engaged in what many see as a childish feud with Prime Minister Yulia Tymoshenko, his former ally.

"They had all opportunities and chances to realize these goals, but those in the coalition did all they could to make it the coalition of lost chances and opportunities," Yatsenyuk said.

Yatsenyuk is seen as a breath of fresh air in Ukrainian politicians for many reasons.

At age 34, he is seen – rightly or wrongly – as a new breed of politician. He is viewed by supporters as Western in political orientation, but also understanding of the Soviet past. He has a reputation of being motivated by national interest and not personal greed. He is also seen as someone who achieved success on his own in the private sector, as opposed to an insider



Arseniy Yatsenyuk is considered a rising star on political scene.

enriched by rigged privatizations of Soviet assets.

Yatsenyuk is not only well-versed in the nation's cut-throat brand of politics, he has managed to rise to the post of parliament speaker. He formally resigned from the speaker's post when the ruling coalition collapsed in September, but remains as acting speaker for now.

Of the way the political game is played in Ukraine, he said: It's "all about squeezing hard, squeezing until there is nothing left to squeeze."

He wants to lead the nation out of its perpetual conflicts with a new generation of "strong and decisive leaders who are focused not on their individual destinies but who are cooperative and able to negotiate and find a solution and not instigate disputes and controversies." But who exactly is Yastenyuk? And how did he come so far so fast? His prodigious ascent started in the southwestern city of Chernivtsi, where he was born and raised. He co-founded a law firm in 1992, during his second year in law school. He was only 18 and was savvy enough to hire the son of the regional governor.

In his official autobiography, Yatsenyuk wrote that, as president of Yurek Ltd., he represented clients in arbitrage courts and also participated in the privatization of state enterprises.

He counted regionally influential people among his clients. Among them were Vitaliy Bilous, who was twice convicted for extortion and was reputHe appears to enjoy a warm relationship with Victor Pinchuk, Ukraine's second-richest man, and reportedly one of his early political patrons. Yatsenyuk has spoken several times at Davos and Yalta forums sponsored the billionaire Pinchuk, who got spectacularly wealthy during the reign of Leonid Kuchma, the scandal-plagued ex-president and the father of Pinchuk's wife.

He had notable achievements in his brief tours as minister of economy and foreign minister.

He is credited with persuading parliamentarians that Ukraine would benefit by joining the World Trade Organization, which it did earlier this year.

As foreign minister in 2007, he

But praise for him is not universal and Ukrainian politicians have a tendency of making enemies the higher they rise.

"He was a gift that showed promise. But ... he kept swimming, and then stopped," said Nestor Shufrich, a Party of Regions parliamentarian after Yatsenyuk resigned as speaker following the collapse of the ruling coalition.

He has become a hrynvia millionaire, with a declared net worth of \$248,000, according to his 2007 income statement. Together with his wife and two daughters, he lives in a comfortable home north of Kyiv and owns two cars.

He wants more, but not more material wealth.

"I don't want to have a comfortable life," Yatsenyuk said. "I don't want to be selfish. Business is more selfish. Business is oriented towards a certain flavor of society. It's very limited."

News 15



PASTUKHOVA@KPMEDIA.UA

In an attempt to end the daily carnage on Ukraine's notoriously dangerous roads, a new law calls for stricter rules and steeper fines for unsafe or drunken drivers.

Either the lawless streets will become safer, or bribe-seeking traffic police richer, or both. But drivers and pedestrians alike hope that lives will be saved.

"[The new law will] sober all those who are behind the wheel and threaten all with their crude actions as well as the pedestrians," Deputy Interior Minister Oleksandr Savchenko told the Kviv Post.

The law officially came into effect on Oct. 4, but the State Automotive Inspection, known as DAI by its Ukrainian acronym, said new fines are unlikely to be levied before November.

Changes to road rules are badly needed because Ukraine has one the highest rates of traffic accidents in the world, and its number is growing every year. Rates are seven to eight times higher than in Austria, Germany, Portugal, and four times higher than in France, Hungary, Finland and Denmark. The number of deaths on the road has grown from 5,900 in 2002 to 9,500 in 2007, according to DAI statistics.

a day in Ukraine. No wonder pedestrians are afraid to walk and careful drivers are afraid to drive.

"I feel very uncomfortable on the road regarding the number of traffic rules violators and number of accidents I see every day," said Volodymyr Alimov, a driver with 20 years of experience behind the wheel.

The most common causes of accidents are drunk driving, ignoring pedestrian crossing points and traffic lights, speeding and driving on the wrong side of the road. These behaviors are all singled out for more severe punishment under the new law.

Drivers caught drunk or on drugs behind the wheel may lose their license for up to 10 years, and will be fined Hr 2,250 to 3,400 - up from the current Hr 255 to 340. Ukraine has a zero tolerance policy, which means drivers cannot drink at all behind the wheel.

The speeding fine was raised from Hr 17 to Hr 510-680, depending on the case, but it will only be charged if the driver is 50 kilometers per hour over the speed limit. Up until now, the driver was fined if the speed was 20 kilometers over the limit. The law also introduced a new fine for talking on the phone without a hand-free device while driving. Offenders can be charged between Hr 425 and 510.

Interior Ministry officials said they are trying to fight corruption by rotating supervisors between regions, and establishing hot lines that drivers can dial to report extorting inspectors. As of next year, all DAI inspectors will also have to sign a contract that says they will lose their job if they accept bribes.

Nina Khmilevska, DAI spokeswomen, said drivers often initiate corruption by offering bribes.

"Paying a bribe is easier than [going through] the procedure of paying fines," explained Valentyn Demchuk, deputy head of Drivers Union, a nonprofit organization.

Whether they have to pay a bribe or a fine, drivers say they will offend less because it's becoming expensive.

"I don't care how to pay, whether it's a high fine paid to the state or a high bribe paid to the police inspector," said Olga Baiborodina, a driving instructor, who heads Autolady driving school. "In both cases, I am punished. I lose my money, so I would rather not break the rules.'

One DAI inspector who wanted to go nameless said that even the prospect of new, higher fines was enough to improve behavior on Kyiv's roads. "Many of them are trying harder than ever since the Rada approved the law," he said.

New fines for violating traffic rules

| Offense | Current fines | New fines |
|--|--|---|
| No seatbelt or helmet, illegal crossing by pedestrians | Hr 8.5 | Hr 51 - 85 |
| Using a cell phone, ille- gal overtaking, failure to observe a safe distance | Up to Hr 17 | Hr 425 - 510 |
| Speeding Driving through a red light Illegal parking | Hr 17 – 68 or license confiscation for 6 – 12 months | Hr 510 – 680 or 30-40 hours of social work, or license confiscation for 6 – 12 months |
| Failing to stop at inspec- tor's demand | Hr 136 – 170 or license confiscation for 1 – 3 years | Hr 153 – 187 or license confiscation for 3 – 8 months |
| Fleeing after causing an accident | Hr 136 – 170 or license confiscation for 1 – 3 years | Hr 255 – 306 or 30- 40 hours of public works or 10 – 15 days arrest |
| Driving without a license or car insurance | Up to Hr 17 | Hr 340 – 425 |
| Drunk driving, driving on drugs, refusal to take a blood test | Hr 255 – 340 or license confiscation for 1- 2 years for first-time offenders; Hr 340 – 680 car confiscation, or license confiscation for 2-3 years for repeat offense | Hr 2,250 – 3,400 or license confiscation for 1 – 2 years, or 40 – 50 hours of social work, or 7 days under arrest for first-time offenders; license confiscation for 2 – 3 years, car confiscation, 50 – 60 hours of social work, or 10 – 15 days arrest for repeat offenders; license confiscation for 10 years and car confiscation if caught for the third time in a year |
| Causing personal injury in an accident | Up to Hr 170 | Hr 3,400 – 8,500 |

This is only a small sampling of the regular bloodshed:

- On Sept. 16, Vitaliy Faingold, the son of Simferopol City Council deputy Yosyp Faingold and one of the richest people in Crimea, killed a 25-year-old female biker. He struck and killed the woman while driving his Bentley at a speed one witness estimated at more than 200 kilometers per hour.
- The same day, a speeding Audi driver struck and killed a traffic police inspector, who had stopped to investigate another traffic accident. The driver escaped.
- On Oct. 2, a drunk driver struck a bus and two cars, injuring three people. The tragedies play out several times

All fines will be issued by the a judge. DAI inspectors are not allowed to accept money from drivers. Their job is to fill out the paperwork when they catch an offender.

Some drivers feared that higher fines may mean higher bribes to inspectors, however.

Nearly 60 percent of Ukrainians consider road inspectors to be the most corrupt officials in Ukraine, according to a poll of 10,580 people by the Kyiv International Institute of Sociology. The poll was conducted in Jan.-April 2007. DAI inspectors were perceived as more corrupt than politicians, customs officials, other police units and doctors.

The new law gives traffic inspectors a right to confiscate driver's licenses in case of serious offenses, such as speeding and drunk driving. Pending a court ruling, the driver will be able to continue driving using a temporary license issued by the inspector on the spot.

Another welcome measure in the new law is the issue of a copy of the offense protocol for the driver. Drivers often complain that inspectors added non-existing offenses to the protocol once the driver had signed it and driven away.

Other facets of the new law: introduction of compulsory social work for drunk driving, fleeing the scene of an accident or refusing to stop on demand for road inspectors.

Sources: State Automotive Inspection (DAI), Kyiv Post research

Interior Minister Yuriy Lutsenko told Korrespondent, a Russian-language sister publication of the Kyiv Post, that high-ranking officials who often cause accidents will easily wriggle out of this rule by presenting a paper to the ministry that they have done their share of social work.

"It will be interesting to see how [Kyiv mayor Leonid] Chernovetskiy paints the railroad station for illegal driving with his flasher on, but I am afraid that his deputy will give him a paper showing that he has already done it," Lutsenko said.

Demchuk, the deputy head of the Drivers Union, said the new law gives inspectors the right to confiscate vehicles on the spot, which contradicts Ukraine's property laws. "I think there will be many court cases on this issue," he said.



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Culinary travels – some of the most original restaurants in the country discovered in Lviv \rightarrow 8 **Chat with singer Yulia Lord, returning to Ukrainian show biz with new video** \rightarrow 9 The magic of Lypky: Kyiv's ancient luxurious district surrounded by stories and legends \rightarrow 11



Entertainment & Culture section

October 9, 2008

www.kyivpost.com

Asian Cinema



Well, ladies and gentlemen, I'm sorry to inform you that the musical tastes of a wide majority of Ukrainians keep on falling lower and lower. What else can explain the fact that a band like Quest Pistols was voted Best Ukrainian Act at MTV Europe Music Awards 2008?

Quest Pistols were selected out of five nominees, which also included Esthetic Education, Druha Rika, Skay and Boombox. The voting, open to all MTV Ukraine viewers, began on Sept. 6 and final results were announced on Oct. 4. Ouite honestly, once I heard the news, I was in a state of amazed stupor for a few minutes. I simply couldn't believe things could be that bad. Sure, MTV is a mainstream channel and is naturally favored by viewers with mainstream tastes. But mainstream doesn't necessarily imply primitive. There is bad and good pop music. And the truth is, all four other candidates for the award were quite mainstream, with the exception of Esthetic Education. which is a bit on the alternative side. But the four of them were dozens of times better in every sense than this bunch of poseurs who call themselves Quest Pistols. The four others have great vocals music good lyrics while the actual winners have nothing, but a massive promotion campaign and a colorful image.

The three members of Quest Pistols started their career in show biz as a show-ballet called Quest. The ballet became really famous working at Shans talent show, providing dance numbers for all participants. Finally on a show that aired April 1, 2007, they appeared onstage as a band and played a song. The performance was an April Fool's joke which earned Quest 60,000 votes from the viewers, and, of course, such success couldn't go ignored. The dancers turned to musicians in one go, and a new band was born.

Quest Pistols define their music as "aggressive pop" and their main hit goes: "I'm tired, I want love forever, and you want sex." How very insightful and poetic. Surely they are young good-looking fellows with wellrehearsed dance moves, but what does it have to do with music?

Initially, the top five nominees for the Ukrainian Act at MTV EMA were selected by an "academy" of 26 representatives from the music industry – composers, music video creators, recording companies, directors and others, as well as 74 MTV Ukraine viewers - the most active users of the official forum of the channel. The candidates then made a tour around the country, and a final show took place on Kontraktova Ploshcha on Oct. 4, with final results being announced after the concert. Quest Pistols turned out to be the ones destined to perform on stage at the MTV EMA 2008 finals in Liverpool on Nov. 6 and to demonstrate to all of Europe what kind of primitive music Ukrainians produce and listen to. Though, after Virka Serdyuchka's spectacular appearance at the Eurovision Song Contest 2007, no one will be really surprised.

The 5th Asia-Cinema festival prepared the best program of its history. It will showcase six new movies from prominent Asian directors and include all the main genres of Asian cinema – action, drama, horror and even western.

From Oct. 9, you can see the comedy "Milyang" ("Secret Sunshine") by South Korean director Chang-dong Lee. The film received a Golden Palm at the Cannes Film Festival for best actress. The comedy "Kantoku, Banza!" ("Glory to the Filmmaker") by one of the most famous Japanese directors, Takeshi Kitano, will be shown from Oct. 12. In the film Takeshi Kitano, as in some of his previous works, again plays a version of himself. This time he's a struggling director who alternates a number of different genres in an effort to complete his latest project.

The Japanese Western "Sukiyaki Western Django" by Takashi Miike, will start on Oct. 15. It's an epic tale of blood, lust and greed, featuring a surprise appearance by Quentin Tarantino.

Traditionally the festival will be

opened by a film from legendary South Korean director Ki-duk Kim. This time it will be his new drama "Soom" ("Breath"), a love story involving a convicted prisoner who slowly falls for a woman who decorates his prison cell, starring famous actor Chen Chang. Last year, the movie was nominated for a Golden Palm at the Cannes Film Festival. Ki-duk Kim's feature is an Eastern puzzle that cannot be solved and cannot be missed at the same time.

"Kantoku, Banza!" is shown in Japanese language with Russian sub-

titles. "Milyang" and "Soom" are in Korean, "Sukiyaki Western Django" – in English, and all three will be translated to Ukrainian by an interpreter in the cinema hall.

Ki-duk Kim's drama

Asia-Cinema festival.

(arthouse.ru)

"Breath" will open the

UKRAINA

5 Horodetskoho, 279-6750, 279-8232. Through Oct. 22 Tickets Hr 35 More information at www.kino-ukraina.com.ua

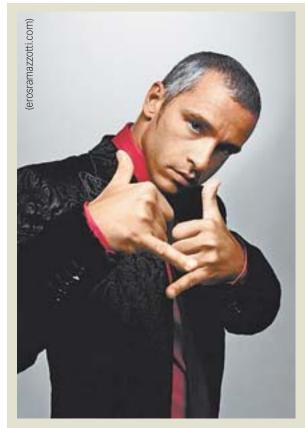
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| Index: | Seven Days →2 | Paparazzi → <mark>6</mark> | Shopping $\rightarrow 10$ | Real Estate \rightarrow 14 | |
|---------|---------------|----------------------------|-----------------------------|------------------------------|--|
| IIIUCA. | Time Out→4 | Food →8 | Photo page \rightarrow 12 | Classifieds \rightarrow 15 | |

October 9, 2008

2 Seven Days



Eros Ramazzotti

Italian singer Eros Ramazzotti will give his first-ever concert in Ukraine on Oct. 15. Ramazzotti will present his last double album "e2," featuring 14 of his best hits, four new songs and 17 old tracks remade with new singers, producers and arrangers such as Carlos Santana, Wyclef Jean, Steve Vai, Rhythm Del Mundo, Jon Spencer, Take 6, The Chieftains and John Spencer.

In 25 years of his music career, the prolific Ramazzotti released 11 albums and sold 40 million copies of them. In 1999, German's Echo Awards named him the best international singer.

The Italian singer has performed with many international mega-stars. He sang "Cose Della Vita" ("Can't Stop Thinking of You") with American pop icon Tina Turner, and "Musica E" with Italian opera singer Andrea Bocelli. His duets with Cher in "Piu Che Puoi" and "That's All I Need to Know – Defendere" with Joe Cocker were also extremely popular. He sang "I Belong to You" with American singer Anastacia and "Non Siamo Soli" with Latino pop star Ricky Martin.

What has made Ramazzotti a success is his unique voice that can be described as slightly nasalized yet energetic and even a little aggressive. His songs are catchy yet passionate autobiographic ballads with a soft rock influence. Also, it doesn't hurt that he is a good-looking chap with a Casanova reputation.

PALATS UKRAINA 103 Chervonoarmiyska, 247-2316, 247-2476. **Oct. 15,** 7:30 p.m..

Tickets on balcony Hr 250 to Hr 800, in parterre Hr 650 to Hr 5000.

Deep Purple

British rock band Deep Purple has already played in Dnipropetrovsk and Odesa this month, and its members have now reached Kyiv. After that, they will travel to Cherkasy and continue their world tour with eight concerts in Russia. Such active touring activity is not unusual for the band. Deep Purple is known as one of the toughest touring bands in the world. They have done 26 tours during their career. The latest one is dedicated to band's 40th anniversary.

The band was formed in 1968, and was first called Roundabout. The same year, guitarist Ritchie Blackmore suggested the name Deep Purple, which was his grandmother's favorite song.

Since that time the band has gone through many lineup changes and an eight-year hiatus. The band's second lineup, featuring lan Gillan on vocals, guitarist Ritchie Blackmore, keyboardist Jon Lord, bass guitarist Roger Glover and lan Paice on drums, is considered classical. With this lineup, the band gained world recognition, commercial success and released three albums "In Rock," "Fireball" and "Machine Head," all of which became hard rock classics. This lineup was active through 1969-1973 and was revived in 1984-1989 and again in 1993. The current lineup, including guitarist Steve Morse instead of Ritchie Blackmore, has been much more stable, though Lord's retirement in 2002 has left Paice as the only original member.

Deep Purple, along with Led Zeppelin and Black Sabbath, are considered to be the pioneers of heavy metal and modern hard rock although some band members refuse to admit belonging to any single genre. They were once listed by the Guinness Book of World Records as the world's loudest band. With worldwide sales of more than 100 million albums, their popularity is undeniable.



PALATS SPORTU Palats Sportu metro station, 246-7405. **Oct. 15**, 7 p.m. Tickets Hr 200 to Hr 500.

Aquarium International

Boris Grebenshchikov, leader of Russian rock band Aquarium, is coming to show his new project in Kyiv. One of the founding fathers of Russian rock, Grebenshchikov will perform in a company of 10 musicians from the USA, England, Ireland, India and Poland. The new extended band will be called Aquarium International. Musicians play Aquarium's classical songs and new compositions written for the next album, which they are currently being recorded in the London studio Livingston. They use unusual instruments, such as Irish Uilleann pipe, ancient Polish violin and Indian sitar and Chinese erhu.

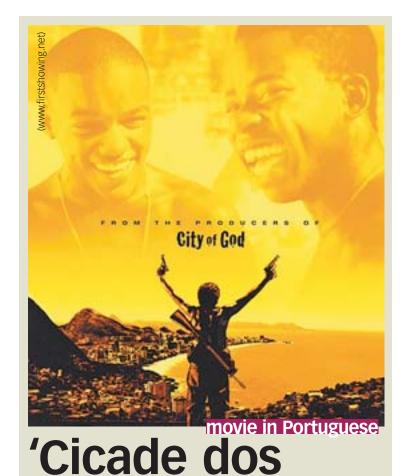


BekBekson

Young Georgian musician BekBekson will show what miracles he can make with a common guitar. Though his guitar is not quite so common: it was made by BekBekson's father – jeweler, designer and artist. It is the only guitar in the world which has a built-in microphone that allows one creating musical samples. BekBekson plays guitar with a fiddlestick and uses many unusual techniques. His instrument sounds like a violin or violin cello, and can even imitate a wild bird or Tibetan monk choir. Speaking of genres, BekBekson experiments with jazz, rock, avant-garde, noise, classics, psychedelic and fusion. So the "Guitar Alchemy" is really a fitting name for his concert program.

BekBekson has been writing and playing music compositions since he was 15. He graduated from Batumi Music Academy with a major in classical guitar. The musician has been playing under the stage name BekBekson since 2005 and does not disclose his real name. He performed at several festivals in Tbilisi and at Ukrainian jazz festivals in Lviv, Donetsk and Koktebel. This concert will be BekBekson's second gig in Kyiv.He visited the city for the first time last spring playing at Ukrainian Fashion Week.

44 44B Khreshchatyk, 279-4137. **Oct. 10**, 10 p.m. Tickets Hr 50.



Aquarium International first performed in the Royal Albert Hall. Then they played in the Dublin Olympia Theatre in Northern Ireland. After playing in Kyiv, musicians will move on to Moscow, Saint-Petersburg, Milan and Vienna.

As a surprise for fans, bass guitarist Alexandr Titov, who is from the band's first lineup but who hasn't played with the group for the last 12 years, will join Aquarium International onstage.

The concert in Kyiv will be charitable. All funds collected from the concert will be given to Korostyshevska Boarding School for children with mental disorders in Zhytomyr Oblast.

The history of Aquarium dates back to 1972, when Grebenshchikov and his childhood friend Anatoliy Gunitskiy founded the band together. After a

performance at a rock festival in Tbilisi in 1980, Grebenshchikov was kicked out of the Komsomol (an organization for all "decent" Soviet youth) and the Institute of Sociology, where he worked as a researcher. Aquarium was banned officially. Times have changed and, in 2003 Grebenshchikov celebrated his 50th birthday with a big concert in the Kremlin.

NATIONAL OPERA HOUSE 50 Volodymyrska, 279-1169. **Oct.14**, 8 p.m. Tickets Hr 100 to Hr 5,000

Homens'

The English title of Paulo Morelli's criminal drama is "City of Men." This feature derives from, and features the same main characters as, the eponymous 2002-2005 Brazilian TV series about boys in the "favela" hill ghettos above Rio de Janeiro. The series, starring Darlan Cunha as Laranjinha (Wallace) and Douglas Silva as Acerola (Ace), growing up from year to year and episode to episode, was loosely based on the film by Fernando Meirelles and Katia Lund "City of God" released in 2002, which, in turn, was based on Paulo Lins' tumultuous and partly autobiographical novel about three decades in the slums.

Paradoxically, "City of God" has a more positive message than "City of Men," because its hero works his way out of the slums into mainstream Rio de Janeiro to become a photojournalist. In "City of Men." nothing like that happens. Instead, the focus is on the difficult reconciliation between the two boys, on the brink of eighteen years of age. The fathers of both boys are missing, but then one of the fathers comes back into the picture and, reluctantly at first, chooses to be a warm presence in the life of his son in the middle of a war between rival drug gangs. It's a tale about friendship and survival in a city where the greatest challenge is growing up. The movie is shown in Portuguese with Ukrainian subtitles.

> ZHOVTEN 26 Konstyantynivska, 417-2702, 205-5951. **Through Oct. 29**.

Classical Music/Theater

THE NATIONAL OPERA OF UKRAINE

50 Volodymyrska, 279-1169 Thu 9 "Evgeniy Onegin" P.Tchaikovsky. Lyric scenes in 3 acts Fri 10 "Nutcracker" P.Tchaikovsky. Ballet

Sat 11 Evening of romance, leading soloists of the theater performing Sun 12 "Spartak" by Khachaturian Evening performances begin at 7 p.m.

NATIONAL PHILHARMONIC

2 Volodymyrsky Uzviz, 278-1697 **Thu 9** Works of Wagner Mozart Shostakovich. Symphonic Orchestra of the National Philharmonic of Ukraine. Soloists: Bohdana Pivanenko (violin), Theodor Kuchar (conductor)

Fri 10 Author's evening dedicated to conductor Evgeny Stankovych. State Chamber Ensemble Kyiv Soloists, Bohodar Kotorovitch (conductor) Concerts begin at 7 p.m.

HOUSE OF ORGAN AND CHAMBER MUSIC

77 Chervonoarmiyska, 268-3186

Thu 9 Works of Purcell, Couperin, Bach, Lopez. Performers: Volodymyr Soler.



Live Music

Nazareth

Koshuba (organ), Natalia Sviridenko (clavecin), Tamara Roi (flute), Viktor Timets (clarinet), Daryna Kharrytonova (piano)

Fri 10 Pushkin and music: works by Verstovsky, Glinka, Dargomyzhsky, Borodin, Tchaikovsky, Rimsky-Korsakov, Rakhmaninov, Rubinstane, Sviridov, Nadenenko. Performers: Natalia Lavrenova (mezzo-soprano), Tetiana Trypolska, Oleg Dyachenko (piano), Iryna Kharechko (organ)

Sat 11 Works of Bach, Petrali, Dubois, Rheinberger Vidor Bonet Reger Valeria Balakhovska performing (organ)

Mon 13 Works of Beethoven performed by Lysenko Quartet: Anatoly Bazhenov (violin), Ivan Kucher (chello), Yury Kot, Tetiana Voitekh (piano)

Tue 14 Works of Mendelssohn, Frank. Vidor, Rahmaninov performed by Sophie-Veronique Koshfer-Shopelaine (organ, France)

BConcerts begin at 7:30 p.m.

KYIV ACADEMIC OPERETTA THEATER 53/3 Chervonoarmiyska, 287-2630

Thu 9 "Takoe Evreiskoe Schastie" (Such Jewish Fortune) by Ihor Poklad. Musical

in two acts Sat 11 "Mayskaya Noch" (May Night) by Mykola Lysenko. Music comedy in 2 acts, Ukrainian language

Sun 12 "Evening with Italians" by J.Offenbach. Operetta in one act. Theater in foyer, seats at tables with champagne Tue 14 "Silva" by I.Kalman. Operetta in 2 acts Ukrainian language Concerts begin at 7 p.m.

Movies Diego Luna plays a professional Michael Jackson lookalike in "Mister Lonely." (outnow.ch)

MISTER LONELY

Comedy/ Drama, UK/ Ireland/ France/ USA (2007) Directed by Harmony Korine Starring Diego Luna, Samantha Morton and Werner Herzog Language: English/ French Harmony Korine, co-writer and director of "Mister Lonely," depicts the lives of stars (some of which have passed long ago) neared to our everyday living. In the city of Paris, we watch the love story of a young American director Eran Kolirin, has already working as a Michael Jackson won a sack of awards, among lookalike, who meets a Marilyn Monroe lookalike. Monroe the FIPRESCI Prize. Un Certain invites him to her commune in Regard - Jury Coup de Coeur at Scotland, where she lives with Cannes Film Festival 2007 and

October 9, 2008

Charlie Chaplin and her daughter, Shirley Temple.

THE BAND'S VISIT

Comedv/ Drama, Israel/ France/ USA (2007) Directed by Eran Kolirin Starring Sasson Gabai, Ronit

Elkabetz and Saleh Bakri Language: English/ Arabic/ Hebrew

The absurdist movie "The Band's Visit." the first feature by beginning which are Award of the Youth, the Scythian Deer at the film festival Molodist in Kviv last year. The plot evolves around an Egyptian Ceremonial Police Orchestra that

19 Chervonoarmiyska (Lva Tolstoho

234 7381, 251 2199. www.kievkind *com.ua* **The Band's Visit** – Daily at 5.45 p.m., 7.30 p.m., Oct. 11 – 4.10 p.m. **The City of Men** – Daily at 9.15 p.m.

> ZHOVTEN 26 Kostiantynivska (Kontraktova Ploscha metro), 2055951, 4173004, www.zhovten-kino.kiev.ua

The City of Men - Daily at 12.25 o.m., 4.05 p.m., 7.45 p.m.

KINOPANORAMA 9 Shota Rustavelli, 287 3041, 287-

Fri 10 Rocking Wolves

- Sat 11 Landcruisers
- Sun 12 Tex Mex

Mon 13 Night Blocks

QUEEN BEE CLUB

5 Marshala Malinovskoho, metro Obolon, 451-6145

Fri 10 All Night Rockin: Stressor (Russia), Ruki v Bruki, Poison Bar, Night Surf

DISCO

different lineups, periods of popularity and

decline. This February they release a new

TNMK, which celebrates 20 years of its life onstage.

Cosmo Vitelli

Popular French deejay Cosmo Vitelli opens a series of Disco Diet parties that will be held every month in Khlib Club and will be dedicated to retro-music. Benjamin Boguet borrowed the name Cosmo Vitelli from the character of the '70s trash comedy "The Killing of a Chinese Bookie" by John Cassavetes. DJ Cosmo-Boguet even used the character's phrase "they want to make minced meat out of me" in the lyrics of his second single "We Don't Need No Smurf Here." In Kyiv, Bouget will be supported by local deejay Pavel Plastikk, Appleman and Kirpich Soundsystem.

Tue 14 Top Orchestra **BOCHKA KHMILNA** 3B-1 Khmelnytskoho, 390-6106 Thu 9 Eat Me Tiger Fri 10 Mr. Och & his Root Boys Sat 11 Dozhd album - "The Newz." In Kyiv, the musicians will play with the Ukrainian band Sun 12 Odri

Center of Culture and Arts at the National Technical University of Ukraine "KPI" 37 Peremohy Prospect, 236-7989, Oct. 10, 7 p.m., Tickets Hr 70 to Hr 500

ARENA DANCE CLUB

2A Baseyna, 492-0000 Thu 9 Show Monro, DJs Rocket, Ladv Kate Fri 10 DMD 1 part: DJ Fashion

(Russia), DJs Rocket, Lady Kate Sat 11 Comedy Club UA, DMD 2 part: Famous Club, DJ Bro

Sun 12 PJ Battle, DJs Lady Kate,

BARSKY

5 Chervonoarmiyska, 496-0606 Thu 9 Devil's Thursday party: DJ

Bro, Alfred Sun 12 Cubana party SHOOTERS 22 Moskovska, 254-2024

Thu 9 Strip day: DJ Vova Black's, MC Sapko Fri 10 Love party: DJs Alex Small, Badrove

10 Muzeiny provulok Sat 11 Shanghai Surprise party: DJs Doomsky, Romantic, Intel Sun 12 Shake Your Ass party: AGP Family, Juicy M, Speedy, Phatam

XLIB CLUB

12 Frunze Thu 9 October iPod battle: 8 Bit, Groove Loozers, Korn Flaiks, Boyz, noT-Toiz, Zhar Michael, Zhar Boroda, Privet, Angie!, Mighty Ducks

Fri 10 Younnat

Sat 11 Disco Diet party: Cosmo Vitelli (France), DJ Pavel Plastikk, Appleman, Kirpich Soundsystem

TSAR PROJECT

1V Hrushevskoho, 278-6246 Fri 10 Eclectics party: DJs Kon, Zlata, show-ballet Tsar Project Ladies

Sat 11 Light Time party: DJs Light, Starkoff, show-ballet Tsar Project Ladies

PATIPA

Fri 10 Chic'n'Shine: DJs Eva, Light, Percussion live show Sat 11 Dance Euphoria party: DJs

Seven Days 3

egation meets them at the airport and they have to cope with problems by themselves Mister Lonely – Daily at 10.50 a.m., 2.40 p.m., 6.30 p.m., 8.30 p.m. UKRAINA

arrives on tour in Israel. No del

5 Horodetskoho (Khreschatvk metro). 279 6301/02, 2796750, www.kinoukraina.com.ua

Soom – Oct 9-11 at 7 p.m., Oct 12-14 at 9.10 p.m. Milyang - Oct 9-11 at 9.10 p.m. Kantoku - Banzai! - Oct 12-14, 16, 17 at 7 p.m., Oct 15 at 9.10 p.m. Sukuiyaki Western Django – Oct 15, 18-20 at 7 p.m., Oct 16, 17 at 9.30 p.m.

Kaidan – Oct 18-20 at 9.30 p.m. Fong juk - Oct 21, 22 at 9.30 p.m.





44 Khreshchatyk, 279-4137 Thu 9 B.R.T. Fri 10 BeckBekson Sat 11 Singleton Sun 12 Via Paradox

Sun 12 Dozhd Mon 13 Dollores Jam

DOCKER PUB

BOCHKA PYVNA

25 Bohatvrska, 451-8528 Thu 9 Red Rocks Fri 10 Mad Heads, Vostochny Express Sat 11 Mr. Och & his Root Boys, Motorola Sun 12 Smyslovie Gollutsinatsii (Russia), Foxtrot Music Band

17/1 Moskovsky 461-8788 Tue 14 Tres Deseos Thu 9 Slow Roll Fri 10 Natural Studio DOCKER'S ABC Sat 11 Mr. Och & his Root Boys 15 Khreschatyk, 278-1717 Thu 9 Magma, Selo I Ludi

> Ot Vinta Sat 11 Tex-Mex, Second Breath

Sun 12 Vostochny Express Mon 13 Animals Session Tue 14 More Huana

Thu 9 Riffmaster

ROUTE 66

Mon 13 Lemmons

87/30 Zhylanska, 239-3865

Tue 14 Angie Nears Fri 10 Mr. Och & his Root Boys,

12 Frunze, Oct. 11, 11 p.m.

Khlib Club

Galleries&Exhibitions



'ArtProm' Paintings by Victor Pokydanets

During the last several years, Victor Pokydanets has worked in the industrial landscape genre. He presented the first pictures from this series last year at the

prestigious "Art Moscow" exhibition. The "ArtProm" project is very relevant, the artist insists. "Stonemason, carpenter and metal worker professions are not popular now. For me, the smell of black oil, the sight of machines and pipes are all the jobs that make a man of a man," Pokydanets said. "Today it's difficult to find a good worker and, on the contrary, there are too many lawyers and managers. This project is my gift to the working class, which I truly respect."

Atelier Karas 22A Andriyivskiy Uzviz, 238-6531. YA GALLERY 55/57 Voloshska, 537-3351 Daily 10 a.m. - 8 p.m. Paintings and installations by Tiberiy Silvashi. Through Oct. 13.

KOLO

15 Lesi Ukrainky 286-6978 Open Tue-Sat 11 a.m. - 7 p.m. "Wind in Manes." Photography exhibition. Through Oct. 17.

FRENCH INSTITUTE IN UKRAINE

104 Antonovvcha, 529-4157 Mon-Fri 9 a.m. – 7 p.m. "Dress Code." Photographs by Stephan Gizart. Through Oct. 18.

6 Grushevskoho 278-7454 Tue - Sun Noon - 8 p.m. Wed-Thu 10 a.m. – 6 p.m., Fri Paintings by Fedir Zakharov. Through Oct. 23. Noon – 8 p.m., Sat 11 a.m. – 5 p.m. Oleg Minko. Paintings. Through BOHDAN AND VARVARA KHANENKO ARTS MUSEUM Sept 19 - Oct 19 "From Venice to Dresden" 15 Tereshchenkivska, 235-0206 Baroque graphic arts from Wed-Fri 10:30 a.m. - 5 p.m., Dresden Cabinet of Engravings. Sat-Sun noon – 8 p.m. Florentine Mosaics by Yuriy Mandahanov. Through Oct. 27 DA VINCI 5 Chervonoarmivska, Arena-Class, CENTRAL ARTIST'S HOUSE 1st floor, 499-1376 Daily from 10 a.m. – 8 p.m. 1-5 Artema, 272-0535 "Summer, Sea, Nu. Alina Maksimenko." Paintings. **Through** Exhibition dedicated to Artist's Day. Trhough Oct. 20 Oct. 23

A-House photo

7/6 Striletska, 209-7829 Tue-Fri 11 a.m. – 7 p.m., Sat-Sun noon - 6 p.m.

Underground: photos by Vladislav Filin, Viacheslav Maevsky, Andrei Loboy Vitaly Ocheretiany Evgeny Kostukov, Sergei Chernikov, Dmytriy Onemitskiy, Dmytry Kobzarenko Through Oct 30

IRENA

35 Artema, 484-0010 Daily from 10.30 a.m., - 7.30 p.m. Summer Without Holidavs: paint-

ings by Dmytro Korsun. Through Oct 15

Sribni Dzvony

18/29 Mazepy, 254-5777 Mon – Fri 10 a.m. – 6.30 p.m., Sat noon – 4 p.m. Paintings by Lubov Senchuk (Lviv). Through Oct 22

Through Oct. 27.

THE NATIONAL ART MUSEUM OF UKRAINE

KOLO ZASPY Koncha Zaspa, Damba, 1km, 520-8020



Karaoke clubbing

BY OLGA KOVALENKO KOVALENKO,OLGA@KPMEDIA.UA

Though karaoke bars have a short history in Ukraine, the interest for this kind of entertainment has been growing for a long time already. I am not keen on such fun myself, but some of my friends are real adherents of karaoke. Thanks to them, karaoke has become an essential part of my life, and I decided to search Kyiv to find the most comfortable places for karaoke activities. After all, there are plenty of cafes and restaurants offering karaoke in VIP rooms. But what about real karaoke clubs?

club's interior is aimed to bring you into the atmosphere of the Soviet past and the very name TsK, Tsentralnaya Komisia, which means Central Committee of the Communist Party of Soviet Union, already speaks for itself. The place is divided into separate halls – there are four VIP rooms labelled according to the realities of the Soviet era – "The Isle of Freedom" or "The Flat of a Dissident," for example. In the main hall, there is a tribune, presidium, and a stage. Moreover, the tables in one of TsK's halls are arranged like a train buffet, signed with names of the Communist party leaders - Lenin, Stalin, Khrushchev, Brezhnev, Andropov and Gorbachev. The halls are logically decorated with old photos, books and Lenin busts. The furniture was selected accordingly. Finally being seated at one of the tables, we could examine the menu. which also had lots of witty names to smile about, such as "Bright Future" (apples baked with honey and nuts) for Hr 43 or "Intrigues of Capitalism" (French fries) for Hr 27. If you are a karaoke fan, you should be glad to find a list of 14,000 songs, which you can perform either in one of the VIPs or on the main stage and even be supported by musicians, at least during programmed karaoke parties on Thursday and Saturday. By the way, from time to time the club organizes a karaoke contest "Zolotoy Golos" ("Golden Voice"). Wednesday turned out to be a casting day for the contest so we had some fun, taking into account that I'm not a karaoke fan.

vou **Solo**

My visits to Solo and LyaLyaFa karaoke clubs appeared not so fruitful, but Sunday could just be the wrong choice of day. Our main destination at first was Solo, located on Sofiyivska street in the very city center. The sign "Solo," shining in black, white and red lights, marked the hidden entrance to the

A taste for karaoke in Kyiv the entrance, but understandably the atmosphere didn't dispose one to jolly karaoke singing, so we left in hopes of coming back another time. If you feel like holding a karaoke party at Solo, note that the entrance fee for gentlemen constitutes Hr 100. The songs are performed according to the line – each table of less than four people has the right to one song. If there are four people at one table, there is the possibility of singing two songs.

I must say that Solo didn't give me the feeling of a real karaoke club. If not for the entrance fee, it could easily go for a common eatery or pre-party place, but again – the visitors create the atmosphere, and as there were so in one area. By the way, the food is brought to LyaLyaFa from the restaurants included in the complex and the prices are mid-range. I happened to drop by the karaoke club some months ago after eating out in Mandarin – just to gape for the sake of sheer interest. Practically all tables were occupied and some guests were singing karaoke on a specially equipped stage. The place was specially designed as a karaoke club, not a restaurant or disco.

Together with my friend, we decided to stay a bit longer this time. Already on the stairs, we heard a voice singing. As we saw in a moment, the voice belonged to a waiter. The entrance fee was the same as in Solo - Hr 8o, but there was not a soul in the empty hall. But again - we had Sunday to blame for that, as obviously LyaLyaFa was a real karaoke club. The stage for karaoke singing is stylishly designed - it's dark red, decorated with numerous small lamps, and supplied with a professional microphone, so that once you go up there, you feel like a real star in the limelight. But you can use one of the portable microphones as well, with which you can move around the hall.

TSK

I happened to visit the retro club TsK to prove or shatter contradictory comments that I have heard about it. Knowing that the club is a three-in-one: a restaurant, disco club and karaoke bar, I checked their schedule online. It said that Thursday and Saturday are karaoke days. Yet, when I came in on Wednesday evening, the sounds of hearty guests singing pop hits reached my ears, and TsK from the very start justified its status as a karaoke bar. It offers karaoke five days a week from 6 p.m., excluding Sundays and Mondays, which are the club's rest days. I decided to take as much as possible from the club that day, paying Hr 50 at the entrance. Take into account that on Friday and Saturday, the entrance fee goes up as high as Hr 100 per person and since TsK defines itself as a club for grown-ups, its doors are shut for those under 21.

The first thing to mention is that

keeps on growing

club. After pulling a heavy golden door, as if barring the way to some underground refuge, we found ourselves in a dimly lit hall with a bar on our right and a line of low tables and couches on our left. Passing a narrow aisle in the middle we examined another hall. where only one table was occupied by a young couple whispering over the menu. Black walls with silvery adornment and lamps made of glass beads gave the place a rather pretentious look. But in the right mood it might really inspire to put out a little show, singing in the middle of the hall surrounded by blinking colourful lights. We were asked to pay Hr 8o for few at the time I came in, it is hard for me to judge.

LyaLyaFa

After leaving Solo, we agreed to descend to Podil by funicular. Yet when we got as far as Sofiyivska Square, we realized that the transport we intended to use was being renovated, so we decided to cut our route and descend the hill by stairs. Why make circles if Podil is right under our feet? We encountered night alleys, crumbling stairs and narrow paths going around building sites - not the best option, but my feet remained safe by some miracle. And we got there fast. In some 15 minutes, we were already at the riverside. LyaLyaFa is located in one of the entertainment complexes floating at the pier, the one consisting of Japanese restaurants Mandarin and Yakitoria, and a night club Disco Radio Hall. These offered various possibilities for a good evening

TsK

1G Saksahanskoho (on the territory of the Stadium), 228-8608 Solo 10 Sofiivska, 227-0362, with Afisha Card 10 percent discount LyaLyaFa Naberezhno-Khreshchatytska, quay 6, 428-7388

Time out 5

Singer Christina Aguilera to give a double show

BY ALEXANDRA MATOSHKO MATOSHKO@KPMEDIA.UA

When it was first announced that one of world's hottest pop stars, Christina Aguilera, is going to play Kyiy, it caused quite a stir. It sounded like a must-see not only for her ardent fans. Singers of her scale seldom perform here, and she was guaranteed to deliver a magnificent show. Yet there was a downside. The concert was going to take place at Ukraina music hall on Oct. 20, which meant very pricy tickets and limited number of seats. True enough, most of the tickets were gone several weeks before the show. However, there is still hope for anyone who desperately wants to see Christina live. Inspired by the public excitement with the show, the organizers added another gig to the program, set to take place the following day at Palats Sportu. Tickets will of course be much cheaper – from Hr 200, and there is plenty of space inside the concert hall - we all can get in, if we hurry.

A star is born

Christina Maria Aguilera was born Dec. 18, 1980 in New York to an Ecuadorian father and a mother of Irish descent. Having discovered her singing abilities at an early age, Christina tried out on various talent shows and many were impressed with the "big voice" of a little girl. It wasn't until her appear-

Palats Sportu

Palats Sportu metro, 246-7406 Oct. 20, 7:30 p.m. Tickets Hr 200 to Hr 2,500

Palats Ukraina

Palasts Ukraina metro, 103 Chervonoarmiyska, 274-2444 Oct. 21, 7 p.m. Tickets Hr 500 to Hr 9,500

ance on The New Mickey Mouse Club on the Disney Channel in 1993 that her singing career started seriously moving up. In 1998, she recorded the song "Reflection" for Disney's animated film "Mulan" and was signed to RCA Records. A year later she debuted with the album "Christina Aguilera" and found herself among most promising young pop stars in the US and worldwide. Her hit singles "Genie in a Bottle" and "What a Girl Wants" topped the charts and made her main rival to another pop star and former Mickey Mouse Club colleague, Britney Spears. Little did anyone know, that almost ten years later, the career of Spears will be going down the drain, while Aguilera's star would be rising higher and higher.

Back to the roots

Like many singers of Latin descent, Aguilera decided to reflect on her heritage in the album "Mi Reflejo," released in 2000, featuring Spanish versions from her debut record as well as original Spanish songs. Some criticized her for trying to speculate on the Latin music boom at the time, yet the album did well, especially in Latin charts and went gold in the US. She also hurried to release a Christmas album, "My Kind of Christmas," in autumn same year.

In 2001 Aguilera teamed up with Lil' Kim, Mya and Pink to record a sensational remake (and appear in twice as sensational video) of Labellee's "Lady Marmalade" for the soundtrack to musical drama "Moulin Rouge." The song was a huge hit and became the most successful airplay-only single in history.

Getting "Dirrty"

Everything seemed going well for Christina, yet she wasn't happy. The bubblegum pop image created for her by the management didn't allow her to express herself as much as she wanted. So Aguilera took matters in her own hands. She filed a lawsuit against her manager, hired new one, and in October 2002 released her second full-length English album, "Stripped," matched with a a dramatic image overhaul. The album, reaching No.2 on the Billboard 200 chart, was likewise a considerable departure from what she did before. As co-writer of most of the songs in "Stripped," Aguilera experimented with a variety of music styles, including R&B, gospel, soul, pop rock and hip-hop.

As if attempting to get away from her "sweet blonde" style as far as possible, she appeared in many magazines nude or semi-nude, promoting her new sexy, provocative, raunchy image. This and controversial video for the song "Dirrty" eventually had a negative impact on her reputation in the US. Still, "Xtina," as she liked to call herself at the time, claimed the new style reflected her true persona. Besides, the soulful ballad "Beautiful" from the same record was not just a massive hit, but also received critical praise, and the rock song "Fighter" remains one of her most original works.

"Stripped" stayed on the US and U.K. charts well into 2004. In the summer Aguilera joined Justin Timberlake on his international "Justified" tour and later the same year she dyed her hair black and continued touring by herself with the "Stripped World Tour."

Golden era

After shocking the world by experiments with her looks and behavior, Christina Aguilera reinvented herself once again. She cut her hair, dyed it blonde and presented a look a la Marilyn Monroe. She was no more a "dirty" girl, but, instead, a classy Hollywood beauty with soft curls, bright red lipstick and 50s outfits.

Her music changed accordingly. Christina's third English studio album,



Just can't wait: Christina Aguilera's spectacular shows are known around the world, and Kyivans are getting ready to see it all. (picasaweb.google.com)

the double-CD "Back to Basics," released in August 2006, debuted at No.1 in the UK, the U.S. and many other countries. The record sounded like a homage to 20s, 30s and 40s jazz and blues with a modern twist. Hits like "Ain't No Other Man" and "Candyman" with matching videos were hot, sexy, musically well-accomplished songs, taking pop music to a new level, with a mixture of vintage tunes and modern beats. With her new record Aguilera went on tour worldwide, giving extravagant performances including cabaret, three-ring circus and 10 piece costumes created by designer Roberto Cavalli. In January 2007, she was named the 19th richest woman in entertainment by Forbes magazine.

After ten years in show biz, Aguilera decided it was about time to release a best hits compilation. The album "Keeps Gettin' Better – A Decade of Hits" is set to come out on Nov. 11, 2008.

Like some of her show biz colleagues, Christina released several fragrances for her fans in Europe. First came "Xpose" in 2004, then "Simply Christina" in 2007 and "Inspire" with a body care collection in 2008. And she did inspire not just her fans, but also famous jewelry designer and close friend Stephen Webster, who created the "Shattered" collection of sterling silver pieces dedicated to her. She was featured in the ads for it as a Hitchcock heroine.

So now that the world is already awaiting her next album and possibly another image reinvention, Christina continues traveling the world, giving concerts in places where she has no't performed yet. Kyiv is lucky to become one of them – twice.

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DEMOCRATS ABROAD AND REPUBLICANS ABROAD PRESENT THE PRESIDENTIAL DEBATES AT THE GOLDEN GATE

This is a sipartisan event, welcoming all voters and friends to see we candidates debate the issues on the big screen I the Golden Gate Pub four Saturdays in a row:

- First Presidential Debate, Oxford, Mi Screening on Saturday, Sept. 27.0 1 pm
- Vice-Presidential Debate, St. Louis, HO Screening on Saturday, Oct. 4 & 1 pm
- Second Presidential Debate, Nashville, TN Screening on Saturday, Oct. 11
 1 pm
- Third Presidential Debate, Hempstead, NY Screening on Saturday, Oct. 18

 1 pm

Golden Gate Pub, 15 Zolotovoritska St.

<u>6 Paparazzi</u>





A tango ball held at Lipskiy Osobnyak restaurant on Oct. 5 closed the Week of Argentinean Tango in Kyiv – TANGO. Kyiv Style 2008. British actor and choreographer, Diomar Giraldo Escobar, strolled along the dance floor with Innes Nikolusias, teaching tango lessons in Kyiv (1), German dancers Isabella Kremer and Iwan Harlan demonstrated their skills (2), and masters of tango Carolina Rocchietti and Silvio Sotomayor (3) showed real class. (Yaroslav Debelyi)





The celebrity karaoke party, hosted by musician and showman Kuzma (4, left), took place at Murakami on Oct. 2. Brothers-singers Igor (5, middle) and Sasha Voyevudskiy (6) from the Aviator band had a good time, while pop star Mika Newton (5, right) looked moody. (Yaroslav Debelyi)



October 9, 2008

Paparazzi 7



8 Food

Exploring curious restaurants in Lviv

BY YULIYA POPOVA POPOVA@KPMEDIA.UA

A western Ukrainian city of chocolate, coffee and sleeping lions, Lviv is capturing history in a curious way. Enough of fresh-ground cliches and picture posing with another church in Lviv! Check out the restaurant life there as it will tell you more about the city's background than a trip to a museum.

Going down the dark corridor of the first venue, watch your step – Russians dug a treacherous hole. In the red and black lights of another historical restaurant, watch your bottom – you may get flogged by a lady in leather.

These two restaurants are sometimes busier than castles or cathedrals in Lviv. They teach history in a way you are likely to remember.

Lesson one is from an underground guerrilla food hut, or Kryyivka. Squeezed in a dark nook at the central market square, it looks like nothing more than a wooden door at the first sight. As you knock, a small window opens and a face with a gun pokes out asking what you want. Your password - Glory to Ukraine - will unbar the door yet for another interrogation. The same face turns out to be a guard in the uniform of the Ukrainian Partisan Army, or UPA, with a real gun. Now he wants to know if you are a Russian or if you carry a ban on Ukrainian literature. Should you pass this exam too, he will give you a shot of medovukha - a honey-flavored vodka similar to mead. Unless you are Russian, dropping dead like flies after this drink, according to the guard, you can now barge in.

Behind a secret door in a book case, there are three rooms with wooden furniture, iron plates and heaps of pictures with Ukrainian insurgents. In sepia and black and white colors, they stare at you from the walls and a menu of a 6o-year-old history. Recipes, as we were told, have been gathered from veterans of the UPA army all over the country. Traditional Ukrainian cuisine dishes like salo or lard, cabbage rolls or dumplings with meat sport revolutionary names with anti-Russian flavor.

For instance, "Drunken Muscovites" stand for river carp on a frying pan for Hr 15. "Nightingale Smile" is a grilled carp for Hr 26. The menu is written in western Ukrainian dialect which makes it sometimes hard even for Kyivans to figure out the dishes. Soups, for instance, read as "zoups" and sauces as "smaruvydla."



Unlike Kyiv pubs, servings are huge and prices are small. The food is served in iron plates, wooden boards and frying pans. For no extra fee, you can try on army helmets and shoot a gun in the air at the bar. Students waiting on you will only be happy to share their version of the controversial insurgent army's history fighting both the Nazis and the Communists in the Second World War.

I asked them if they were really hostile to Russians in this pub. The answer came from a table next to ours. People from eastern Ukraine and Russia sipping beer said they took this pub as a good joke and another chance to bury the hatchet of war.

Hopping through the puddles on the cobbled medieval streets, we felt in need of a guilty pleasure to wash away the rain. A cafe with an intrigufamous writer was born in Lviv and first became popular for his stories about Ukrainian life. Later in Germany, he expressed his fantasies about dominant women in other novels, thus paving a road to the term "masochism."

For years, the communists tabooed his Ukrainian roots. Contemporaries wiped the dust off his name and opened a bar celebrating his fantasies.

Apart from a wide choice of fondue, we found whips, metal cuffs, chains and collars for those feeling uninspired by food alone.

Their menu has only two clear-cut entries like bulls testicles as a hot starter for Hr 24 and soup from a bull's penis for Hr 29. Other dishes come from European cuisine but with sexually explicit names. We opted for a vegetable fondue for Hr 89. I forgot that not all fondues come with cheese

display of wicked fetishes, but unlike Kryyivka, the cafe was less than its name suggested. Masoch is a friendly bar with a naughty decor, and unless you ask for a whip, you will not feel like a famous Ukrainian. For the two hours that we were there, no one asked. For the sake of experiment, my friend volunteered thinking it would be a make-believe flog. It was not and for the rest of the dessert, his hands were slightly shaking. He later complained that he expected a special femme fatale to deliver the pain. Instead, a cute waitress with a friendly face in a traditional Ukrainian shirt slapped him a couple of times.

We finished the evening with a chocolate and orange fondue which meant to include strawberries, kiwi, and mint for Hr 59. It arrived with canned cherries instead of strawberries but I did not grumble since we had a free whip.

chains on the door. The Commission on Ethics and Morale was biting its elbows too, having discovered only a bookish reference to Leo Masoch instead of a display of sexual violence.

Apart from Kruyivka and Masoch Cafe, Lviv has a few more theme restaurants to explore. Do not miss Kypol – an elegant restaurant with antique tables, crockery and old family pictures of 19th century nobility.

And if you are hungry for a good book with a touch of jazz in the background, go to the art cafe Cabinet for an intellectual snack.

Kryyivka,

ploscha Rynok, tel. (032) 254-6119 Masoch, Serbska 7, tel. (032) 272-1872 Kypol,

After a long day in the city, we opted for the "Feast in the Forest" – jacket potatoes baked with garlic and lard for Hr 8, a large borsch for Hr 10 and a "Half Meter of Sausage" for Hr 30. ing statue to the father of masochism, Leopold Von Sacher-Masoch, seemed like the right place for dessert.

History lesson two came from the Masoch's Cafe on Serbian street. The

dips, so we had to boil our mushrooms and cauliflower in olive oil.

Under red lights, waitresses have walked someone out on a leash for a "torture." We prepared for a regular Most people who come to this place expect more of a brutal strip bar than a small cozy coffee house with a few Chaikovskogo 37, tel. (032) 261-4454/82 **Cabinet**, Vynnychenka 12, tel. (032) 276-5832

Restaurant news

Draft restaurant has prepared a number of new dishes for its guests: pork in mustard-and-pepper crust (Hr 85); veal medallions with mustard sauce (Hr 75); chicken breast stuffed with cheese and vegetables (Hr 60); duck breast with apples seasoned with strawberry sauce (Hr 90).

(famous Russian soup) with pasties (Hr 45). Some new dishes appeared as well: duck breast with apples and orange sauce (Hr 140); veal on a bone with juniper sauce; carp baked with cheese and mushrooms (Hr 20 per 100 grams).

ZA DVOMA ZAYTSYAMY 34 Andriyivskiy Uzviv, 279-7972 Open 11 a.m. till 11 p.m.

1/2 Khoryva, 463-7330 Open 11 a.m. till last customer

DRAFT

Popular hot dishes at **Za Dvoma Zaytsyamy** returned to the menu after the summer break: blood sausage (Hr 80); holodets – meat jelly (Hr 50); hot schi

Wolkonsky Kayzer bakery celebrates autumn by adding new kinds of bread to its assortment: "Mineral Palin" (Hr 12), made from a mix of buckwheat and wheat flour with bran; "Monzh" (Hr 12), made from a traditional recipe – hard wheat flour and corn flour; "Fitness" roll with ground carrots and sunflower, and pumpkin seeds (Hr 7).

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WOLKONSKIY KAYZER
15 Khreshchatyk, 207-5996
7 Shevchenko Boulevard, Premier Palace hotel, 244-
1361
Open 8 a.m. till midnight
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A menu of Caucasian dishes arrived to country restaurant **Vytrybenky**. Try lavash-horovats (Hr 18) with suluguni cheese and herbs; a range various kinds of meet cooked on the open fire, including pork ribs (Hr 94), lamb ribs (Hr 98) and veal liver (Hr 82); kebabs of chicken (Hr 48), veal (Hr 79) and mutton (Hr 84). Guests who order a barbecue assortment (Hr 299) on Thursday can smoke hookah for free.

VYTREBENKI Kozyn village, 22 Starokyivska, Stolichne Shose, 26th kilometer, 251-5761 Open noon till last customer

> Please send your restaurant news to Alexandra Matoshko at matoshko@kpmedia.ua

Chat Room 9



'90s rock girl Yulia Lord announces her return

BY OLGA KOVALENKO KOVALENKO.OLGA@KPMEDIA.UA

If you think Ukraine's show business is underdeveloped, you should have seen it 10 years ago when it was barely starting. Many talented performers and bands came into the limelight in the '90s, then disappeared. Some of them returned later, having given their stage image a facelift, and tried to win the hearts of their audience once again.

Yulia Lord is one of those singers who took a lengthy break in her career, but then decided to give it another go. She and her producer Dmytro Prykordonniy eagerly talked about their new project in a Kyiv Post interview.

Prykordonniy started off as a guitar player in Yulia Lord's band. In 1997, he became a producer of the famous festival and song contest Chervona Ruta, where Lord took part and won second place.

This jump-started her career. She actually made her first breakbrough in 1006 with a hit called

through in 1996 with a hit called "Tanets Dush" (The Dance of Souls). With her gloomy rock image and an alternative style of music, she easily stood out among the crowd because most other girls on the Ukrainian music scene performed light and sappy romantic pop. Lord had a full-scale rock band going, playing shows, shooting videos and scooping awards.

Lord's remake of Nirvana's "Smells Like Teen Spirit," which she called "Dukh Molodi" (Youth Spirit) was another big hit, as was another single recorded in duet with Kuzma of the Skriabin band – "Brudna Yak Angel" (Dirty Like an Angel).

But after these hits, Lord suddenly disappeared in 2003, to return only

DRNN 22 (C

five years later. "I felt all right without music, but now I want to return to the stage. You know, the creative process never stops, but sometimes its results are not presented to the public," Lord said.

Now she is ready to present to the public her new music video, "Bonnie and Clyde," that starts rotating on M1 music TV channel on Oct. 12. The single that Lord hopes to make her comeback with is a cover of another famous song written by Serge Gainsbourg and performed in duet with Brigitte Bardot, the French actress and sex symbol.

The song is about a couple of gangster-lovers, Bonnie Parker and Clyde Barrow, that drove around the United States in the years of the Great Depression. It became an anthem of rebellious youth around Europe.

Lord used Gainsbourg's music and wrote her own lyrics. The video itself is based on an old Dutch tale about a wicked sorcerer, who played a magic flute to lure nonconformist youths to a secret place out of town to prevent them from becoming criminals.

"Bonnie and Clyde became criminals because they were never kidnapped to that place and they were in discord with society," Prykordonniy joked, explaining why particular gangster images were picked for the video. He said there is no magic flute in their story. It's replaced by a telephone booth with a sign on that says "Bonnie and Clyde Show." People buy coins, get inside and disappear for good.

The idea behind the video is Prykordonniy's. He produced and directed it together with well-known cameraman Vyacheslav Pilutskiy, whose trademark movie is Orange Love, depicting a romance during the Orange Revolution.

The creative duo of Lord and Prykordonniy is planning to release another video by the end of this year, as well as a new album. Lord says to expect more romance: "Everything in it will be about love. I'm a very romantic person."

Lord says there is nothing but music in her life, so she spends a lot of time writing lyrics. She will start giving concerts after the new album comes out. She seems eager and ready to conquer the Ukrainian stage once again and then move on to a broader audience.

But she said she has no plans to keep to the beaten track and participate in the Eurovision song contest. "There are lots of ways to become popular in the world and Eurovision is not the best one," Lord said, calling the contest a "freak show that has nothing to do with music." Instead, she and her producer are now seeking contacts with recording companies abroad.

Despite much griping about the state of the music industry, Lord was upbeat about the numbers of talented musicians. Oe does not need to be a millionaire, she said, to start a musical career.

"Money is not the main problem for a beginning performer. All that is needed is good material and hard work. There are many ways to show yourself, including all those 'Fabrikas' (popular reality show 'Star Factory')," she said.

She would consider going on one if the right opportunity came along.

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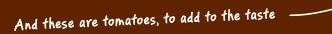


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10 Shopping

October 9, 2008

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Find a crazy gift at New Ton store

BY ALEXANDRA MATOSHKO MATOSHKO@KPMEDIA.UA

New Ton store, known as one of the best places in town to shop for original and cool gifts, now has a "brother" that recently opened at Karavan shopping mall. The new store is bigger than the one at Metrohrad, and, therefore, its assortment is wider.

The most original item to be found in the store is the I-Sobot, which is listed in the Guinness Book of Records as the smallest human-like robot in the world. Featured by Japanese company Tomy in 2007, it is 16 centimeters high and weighs 350 grams, supplied with 17 motors and a gyroscope. The robot is programmed to perform 200 different functions. It can walk, dance, lift light objects, get up, play drums and imitate pets. You can even communicate with your I-Sobot, which has a vocabulary of 180 sounds, and keeps on bubbling away most of the time, commenting on what he's doing. And he can recognize about 10 voice commands. With a remote control you can manage his actions, or pre-program a whole range of them according to your scenario. Hardly

New Ton

Karavan shopping center, 12 Luhova, 331-4776 Open daily 10 p.m. till to a.m. Metrohrad, Gifts Gallery, 5/1 Chervonoarmiyska, 587-6709 Open daily 10 a.m. till 9 p.m. www.chudesa.com.ua anyone could be unimpressed by such a gift (Hr 2,800). But if you cannot afford it, there are other cool options.

For example USB-slippers that can be heated (Hr 394) are sure to come handy in the approaching winter. There are plenty of original clocks – a vinyl record clock or tennis ball clock, ashtrays and USB memory sticks of funny shapes. There are also: plenty of cool gadgets, like mini-speakers shaped like a little pink dog (Hr 707) or flower, web cameras disguised as toys, and TV sets designed as an apple or a football. For home parties, you can purchase fountains for hot chocolate or champagne (Hr 374).

For a workaholic who spends whole days at the office, a stress reliever will be a great gift. It can be useless but amusing item, for example, a miniature drum kit for fingers, anti-stress paperclip magnets, various mechanical insects and a strange eggshaped object with holes in it called smell-annihilator.

Gifts from New Ton are mostly not so cheap. However, you can get something even for Hr 17 – Spy Sunglasses. They have built-in rearview windows that show who is walking behind you. Sure to make a great present for a slightly paranoid friend.

Bollywood mania

If you take an interest in yoga, Indian dances, Bollywood films or simply went to India once and fell in love with it forever, this shop is just for you. Recently opened in Pozniaki area, Ganga has everything to make you and your home look a little moreIndian.

You can start by trying on a silk sari – traditional wear of Indian women (Hr 450), and choose one of various clanking colorful bracelets, both to wear

around you wrists and ankles (from Hr 20). Get many as you wish – according to Indian fashion rules, there can never be too much jewelry. To complete your outfit, add a colorful scarf (Hr 250), light baggy trousers with ethnic ornaments and a real Indian tunic. Japanese humanoid robot I-Sobot offered at New Ton can make a cool present for almost anyone. (pobot.org)

For decorating your apartment in the Indian style, you can get vases, statues of various gods, and some truly original "singing bowls" – mortars with pestles. You have to move the pestle inside the mortar to make a deep, unusual sound. Those are used for rituals, for clearing water and auras, but they can serve as musical instruments as well.

For a real Indian, feel you'll surely need to cook some Indian food. Buy special Indian rice, various spices and black salt for Hr 25 (a cool thing to place on the table to impress your friends). Certainly, you will need authentic Indian tea (Hr 120) and silver-plated tea sets to serve it in. To remove the smell of food after cooking and create an atmosphere, there is, of course, a selection of incense (from Hr 5). Ganga shop assistants assure that all their original items are delivered straight from India.

plus one



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Ganga 2/30 Kniazhiy Zaton, 575-8624

City Walk 11







The House with Chimeras (above) looks mysterious yet alluring with all the spooky creatures peering down on you; feel the taste of chocolate, standing next to the famous "Chocolate House" (above, to the right); The Grieving Widow cries her tears under grey Kyiv skies, her history still uknown. (Olena Pavlova)

Lypky uncovers its strange legends

BY OKSANA FARYNA FARYNA@KPMEDIA.UA

Moody autumn is the best time to walk around the city, to recall its past times and legends. Strolling around the most prestigious district in Kyiv, Lypky, is especially pleasant on weekends, when the streets are quiet and there is much less traffic. Previously, this territory was occupied by the lime trees and mulberry gardens of Kyiv-Pechersk Monastery. When streets were laid here in the first half of the 19th century, the new district derived its name from the word "lypa" – Ukrainian for "lime tree." Only

People like to say that the famous architect built the house dedicated to sea creatures in memory of his drowned daughter. In truth, this is no more than a beautiful legend. The architect's daughter, Helena, outlived her father and died in Switzerland. It probably was Horodetskiy's own hobby that induced him to seat all those creatures on the building. He was an experienced hunter, or "sportsman," as it was called at the time. He hunted in Ukrainian Polissya, the Caspian steppe, in the Alps and the Siberian taiga. After finishing the House with Chimeras, he fulfilled his old dream and went hunting in Africa in 1911, a luxury affordable by the likes of U.S. President Theodore Roosevelt or Count Stanislav Pototskiy. As people told, after this voyage, Horodetskiv would stroll down Khreshchatyk with a tamed monkey or trained giraffe. It is, of course, another fable. The real fact, however, is that the legendary architect was one of the first people in Kyiv to own a car. Horodetskiy's firm was very profitable, and apart from luxurious building projects, it made the first sewers in Kyiv. He was also a stockholder of "FOR" cement plant, which gave him cement for free just to advertise new building materials. Could there be better advertising than such a masterpiece as the House with Chimeras? Another fact is that the architect bet his colleague that it is possible to build a house on a steep hill. And he won. You can also bet a tourist that in Kyiv there is a house with three floors on

→Some of the most spectacular old buildings in Kyiv are to be found in Lypky – the richest area of Kyiv since 19th century you as something special from the first glance. But if you look up its front you'll see a bass-relief of a woman's face. There are small holes in the apple of her eyes. The rain and snow falls in special holes in the back of her head and flows out like tears from her eyes. Due to this, the building is called *The House of Grieving Widow*.

Historian Dmytro Malakhov recalls a legend from his childhood about the building. People said there was a train carriage in the yard where the master invited his guests to stay at night. There were bed linen and tea glasses like in a real train. The carriage could even shake, imitating a moving train. Another story says that there was a room designed like a train compartment in the building. The master of the house wanted to have such a room because that's how he met his beloved wife - on a train. When he tragically died, his wife built a house with a crying woman on the front. In reality the room with the compartment really exists, but it's located in the house of Kovalyovskiy's family on the next street. The House of the Grieving Widow was built by a merchant of the second guild, Serhiy Arshavskiy, in 1907. He lived peacefully with his family and planted a couple of paradise trees in the yard. Why the crying bass-relief appeared on the house of a happy family, even historians can't tell. Now the merchant of the first guild, Semen Mohylyovtsev, from the neighboring Shovkovychna street, was the one who really lived a lonely life. Go

up on Lyuteranska, take a turn on your left and you will see his brown two-floored villa under the number 17 built in 1899 by architect Volodymyr Nikolayev's project. Kyivans could not believe that such a rich entrepreneur and patron, member of the city council, director of the city credit association and head of Kyiv's stock exchange committee didn't have a wife and made up a legend that he was fall in love with a rich married woman from another city and built a house for their romantic meetings. Wether it was mere coincidence or fate, after Mohylvovtsev died, in 1960s-80s his villa was used as a Wedding Palace (a common name for administrations were marriages were registered in Soviet times). Due to its rich brown color, the building became known as Chocolate House. "It really smells like chocolate when you stand near the house," -afriend of mine said after we went past the Chocolate House together. Indeed, it is said that you can feel a taste of cocoa in your mouth if you watch the brown front of the house for a while. Since 1989, Chocolate House has been closed for restoration. So we can judge about the interior only from photos. The building had a Gothic dining room, Baroque cabinets and rooms in modern. Moorish and Russian styles. It was decorated with stained-glass windows, marble window sills, carved doors, and painted walls. It was one of the richest villas in the city. It desperately needs restoration, but for the last twenty years, the city administration has been unable to find money for it.

the richest merchants and aristocrats could afford to build their villas here. These masterpieces of architecture impressed common people with luxury and became quickly surrounded by gossip.

Probably the best way to start your walk is at the entrance to Khreshchatvk metro station. There are several of them, but you need the one that opens onto Instytutska Street. Take the second turn on your right and you'll find yourself at Bankova street, where the Presidential Administration is located. Right away you'll see the first of the most interesting buildings of Lypky. It is all grey, decorated with different fantastic creatures - mythic nereids on dolphins, frogs, lizards, the heads of elephants and rhinoceroses. The House with Chimeras, as it was called by Kyivans, was built in 1903 by famous architect Vladyslav Horodetskiy for his own use.

one side and six on the other. It might be hard to believe, but the House with Chimeras is a "living" proof.

Horodetskiy moved to a new house when he was 40 years old. He said to the impressed guests at the first reception: "I understand that the building looks a bit wild, but nobody who walks through will stay indifferent." The architect lived in only one of its apartments and rented out the rest. To have fresh milk for his morning coffee, he even built a cowshed. He placed it in such a way that the bad smell couldn't reach the living rooms and wouldn't bother guests. Today, the House with Chimeras is used for official presidential receptions while Mariyinskiy Palace is being reconstructed.

Flags of foreign countries from time to time appear on the front of the building on 23 Lyuteranska Street. Honorable guests stay there while visiting Kyiv. The building doesn't strike

12 Photo Page

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Kids from a school for gifted children in Odesa play on Khreshchatyk.



An old woman asks for money to help her pets on Khreshchatyk.





A man on Maidan Nezalezhnosti protests the church, holding a poster with words from poet Taras Shevchenko.

October 9, 2008

The Guide 13

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The Evangelic Presbyterian Church of the Holy Trinity invites you to our worship service, held in Ukrainian and Russian with simultaneous English translation. We meet each Sunday at 50/52.1. Shevchenko, #402 (4th floor). Worship begins at 9:45 a.m. and 12:30 pm. Sunday school begins at 11:20 a.m. Pastor Ivan Bespalov (tel. 2467576). Email: ibespalov@mail.ru.

246/57/6). Effiail, Ibespalov@ffiail.fu. Kiev International Bible Church, an Englishlanguage evangelical non-denominational church meeting at 10:30 am Sundays at 34A Popudrinka, between Darnytsya and Chernihivska metro stops, is a Biblecentered "church for the nations" and place of joy for people want-ing growth, and fellowship. Contact: 501-8082 or kiev/BC@gmail.com.

International Christian Assembly meets on Sundays at Holosiyivska 57 near the MIR hotel on the first floor. English Fellowship gathers at 10:30 a.m. and Korean Fellowship gathers at 1 p.m. Please call Paul (80503822762) and Olga (8050695-9205), or go to www.icakiev.com.

SOCIAL, SPORT AND HEALTH

KYIV RUNNERS' CLUB. Has one member now. Serious effort to meet with people

who enjoy amateur running in order to build up a team of local runners. Please express your interest to pvassakos@ gmail.com

Kyiv Hash House Harriers club meets every second Sunday at 2 p.m.at the Bierstube, 20 Chervonoarmiyska St. (in the courtyard, under thearch, near L'va Tolstoho metro station). For more details visit website www.h3.kiev.ua.

"Fighter", the only English speaking Marshal Arts Academy. We study Muai Thai boxing, Wing Chun, and medita-tion Invites everyone interested in self defense and self development For further info, please call 8(067) 503 83 39 Patrick.

Kyiv Cricket Club (KCC) invites you to play/learn cricket on every Saturday 10 AM at VASHOD Stadium, Privakzalnaya 6, Opposite to Darnitsa Vokzal. For further

info, please call, Thamarai (Tom): 4902691 or 80674017077.

Individual consultations, psychological

support in divorce, family relations, stress management, health issues, relaxation, selfesteem, personal development. Call Elena: +380972946781.

SUPPORT GROUPS

CLUBS

\rightarrow Community listings

BUSINESS CLUBS

"Free English Discussions on Canada's Temporary Foreign Worker Program" will be held every Sunday throughout August and September. Reserve a seat by emailing jason@osrec.com No phone calls please

The British Business Club in Ukraine mets every Saturday for Business Discussions and once every month for networking membership of the BBCU is by invitation only and is open to individu-als and companies. Please email: rbrady@ bbcu.com.ua

ENGLISH CLUBS

The "Only English" Club organized by NAI Picard in Shooters (22 Movskovskaya) with native speakers. Thursdays, 19:0022:00. For more details contact: lbogatenko@ naipickard.com, tel: 8044-270-7345

Improve English speaking skills and have fun. Be prepared to speak in English nost of the time with native speakers. Convesational club, thematic discussions on Saturdays and Sundays. For more information please contact Vadym. email: vadik_s@ukr.net 80667674407

Free International conversation club on Fridays at 7.00 p.m. at English Language Center. Interesting topics for discussion, studying the Bible sometimes. Join us at 2B NikolskoSlobodskaya Str. of 277 (m. Levoberezhnaya) and 76 Irpenskaya str. off. 31(m. Akademgorodok). The ELC LTD. e1 5811890 unswergedich in US Tel. 5811989 www.english.in.ua

Free speaking club every Saturday, startave. 7A, http://www.blcis.com info@blcis.

Are you a native English speaker? We are glad to invite you to make an English Speaking Club with us. Call 80676203120(Olga) email Olga.Bondar@ atlantm com us atlantm.com.ua

Conversational club, thematic discussions on Saturdays. If you came to Ukraine this is possibility to meet other people, to study Ukrainian culture, get to know its customs, traditions. Please contact Elena mob. 8 067 661 51 06 email: lo_ahead@ mail.ru

Native English speakers. Meet well-educated, ambitious, and talented young people. Share your English skills and make new friends. Every Sunday at 10 AM near Metro Station Beresteiska at the International Institute of Business Dehtyariyskaya 51. Please contact Mark in exchange for French lessons (elementary level) or English conversation prac-tice" write to eterno@inbox.ru or call 80683539359

Ukranian girl, looking for English-speaking friends. Kyiv sight-seeing on weekends. I think we'll find a lot of things to talk about. Please contact Yulia. cheary@narod.ru , 8 068 361 77 21

Ukrainian girl, 29 is looking for English, Italian, German, French, Spanish friends to exchange Russian/Ukrainian practice, also business ideas. tel.: 80633228956 Julia email: juliaitaly@gmail.com

FREE RUSSIAN conversation practice in exchange for ENGLISH practice(native speakers).Sasha,30. Help new expats to adjust to Ukraine. (sightseeing, socializing etc). +380975763706 bakara2000@yandex.ru

I'm looking for English conversation prac-tice with a native speaker in exchange for Russian. Elena: prehelen@bigmir.net

Spanish guy (30 y.o.), new in Kyiv would like to practice Russian with Ukranian native speakers , preferably females in exchange of English, Spanish or French. 809 8540 1655. bushpilot2001@hotmail. com

English guy, 32, living and working in Kyiv is looking for a Russian language tutor for flexible tuition, maybe including socialising etc. I need to turn basic conversation and comprehension skills into fluency. Happy to help with English language practice in return. Please email: lsepaul@gmail.com

Australian guy, 33, willing to provide English practice for Ukrainian practice during fun outings. Please send e-mail & photo, to kangaru75@gmail.com

Professional Russian classes in exchange for English classes. Need a native English speaker. Contact: Irina 8 067 402 87 04.

Free Russian/Ukrainian conversational practice in exchange for English conver-sational practice with native speakers. I am also interested in education in Europe, business contacts and interesting ideas. Please contact 8 093 921 60 50. Alex.

A native English speaker will exchange language practice for either Spanish, French, German or Italian with the rel-evant native speaker. Ask for Sophia 80637528141 or email: leballetdamour@ gmail.com

Russian/English conversation practice in exchange for French and Italian conver-sation practice with native speakers, on weekends, Please, contact Irina by email

tice.(Sightseeing or free Russian lessons are possible.) Natalia (34 y.o.) +380974697972 (10 a.m.7 p.m.)natalrak@ukr.net

Ukrainian guy, 29, engaged in finance, interested in socializing with colleagues, English/French practice. No limits for talks: from weather to establishing joint business. Serhiy +380.67.7406820, kob-serg@yahoo.com

Free Russian\Ukrainian conversational practice in exchange for Hebrew\English conversational practice with native speakers. I am also interested in ideas exchange and business contacts. Please, email at yael@bigmir.net

Ukrainian\Russian native speaker would like to help for English/Scandinavian new coming expats adjust to a new country (socializing, etc.). Please, email to Mila at mitiko@bigmir.net

PUBLIC SPEAKING

European Business Association Toastmasters Club invites enthusias-tic, goal-oriented people to learn and improve their communication and leadership skills in friendly learning and support-ive environment. We meet every Monday at 7.30 p.m. at American Councils at Melnykova, 63. For details please contact Iryna Nikolaenko at Irina_n_s@ukr.net or call 80676059827

ArtTalkers Toastmasters International Artialkers loastmasters international Club invites those interested in improving public speaking, communicating skills and creative abilities to join its meetings on Saturdays at 11 a.m. at the British Council (Library room), 4/12 Hryhoriya Skovorody (metro "Kontraktova ploscha"). Call +38 067 934 2899 or email at infojanet@ukr. net. http://arttalkers.wordpress.com

Dnipro Hills Toastmasters Club would like to invite success-oriented people to learn and develop public speaking, presenta-tion and leadership skills. Join us Sundays from 10 to 11 a.m. at the International Institute of Business at Dehtyariyska, 51. For detailed information, please contact Andriy Yaroshenko at andrey.yaroshen-ko@gmail.com or call +380 (95) 846 9999.

Koogmail.com or call +380 (95) 846 9999. Kyiv Toastcrackers Club, a part of Toastmasters International, is a worldwide organization that helps men and women learn the arts of speaking, listening and thinking through effective oral commu-nication. We invite new people to benefit from the meetings on Wednesdays, at 7 p.m. at the House of Scientists, 45a Volodymyrska St. For more information see wowthastcrackers kievua or email Olga Pogorelova at toastcrackers@mail

email: apartment.kiev@yahoo.com. Ivan. Roommate for big 2 rm aptmt near Libidska Met Sept. Furnished, telephone, huge cabinets, balcony in room. 25 min walk to Metro. Russian speaking expat preferred. 380-63-9932172

F.29 looking for native English Speaking professional to share a buautiful appart-ment in the centre of Kiev. Only for responsible, positive, non smoking rom-mate. Call Natalia +38-063-744-1080 or e-mail at: rusarian8@yahoo.ca

INTERNATIONAL CLUBS

The International Women's Club of Kyiv (IWCK) welcomes women from around the world to join our support network and par-ticipate in our extensive social and charitable programs. For more information, look at our website www.iwck.org, call or email the IWCK office to Yaroslava Neruh who is IWCK Program Coordinator. 2343180, office@iwck.org. Address: 39 Pushkinska, #51, entrance 5, door code 38.

#51, entrance 5, door code 38. 10th Annual Meeting of the League of Professional Women! Saturday, October 27,2007; "Opera" Hotel. 4.008.00 p.m., Kyiv. Registration fee (UAH 150 by Oct.19, UAH 200 After). Quiz with prizes <-listory and LPW activities during 10 years>, pre-sentation, Pear Garden Theater perfor-mance. For more information see www. Ipw.iatp.org.ua contact: Ipw_network@i. ua, tel.cell 80681984377 The Potarect Club Kiv/Center meets

The Rotaract Club KyivCenter meets on Thursday at 7:30 p.m. at the Ivana Franko str. 16/2 in the library of Adama Mitzkevycha. For more information, please contact Olga Oleksyuk +38 067 322 30 39 or email: olgawow@ukr.net.Web site www.rotaract.kiev.ua.

The Rotary Club KyivCenter meets on Wednesdays at 6:30 p.m. at the Trehsvyatitelska in the Premiere Cafe. For more information, please contact either Mominul Hogue +38 096 959 6610 or email: rc_kyiv_center@yahoo.com, or Koslinsky Peter +38 044 234 2091, +38 044 234 0352, +38 050 310 8374.

Amnesty International English Speaking Group. Meetings are being held every other Tuesday of the month at 7pm. Become informed, get involved and brush up on your English. Meetings are held at the German Lutheran Church, Vul. Luteranska 20. Collometid for more detaile 00/4 047 22. Call/email for more details. 8066 247 4099. amnestykiev@yahoo.com.

Democrats Abroad Ukraine is the official

dance studio. Come and enjoy dancing with professionals. www.volta.kiev.ua tel: 8 066 716 7921

Looking to meet people interested in pho-tography for meetings, and more. Photo competitions, field trips in and around Kiev are possible. Email: photo.mjs@ gmail com

Looking for dancing partner. Ballroom dance: latin&standard. Group of begin-ners. Classes twice a week nearby Livoberezhan metro. Olga (30 y.o., 170 height). Please, write at dancedance1@ bigmir.net

Amateur English Theatre invites people (25-40 years old) to try themselves on the stage. It is free of charge. If you are artistic, have a loud voice and can attend rehearsals each Saturday 14:0017:00, call us 2235919

US 2233717 "Alma Latina" all Dance Studio invite you to share with us a joy and energy of Salsa, Chachacha, Merengue, Bachata, Reggaeton from Peruvian Maestro. Also, Strip and Baily Dace with the profession-als. Dance with Me! mail: www. alma-latina.kiev.ua, 8 (067) 953 40 40, 8 (063) 377 80 50 377 80 50

The Scandinavian Choir in Kyiv welcomes The Scandinavian crioir in your werecomes new male and female Nordic singers! Rehearsals once per week, repertoire mainly Swedish. Requirements: choir experience/basic singing skills, Please experience/basic singing skills. Please contact our choir leader 80672399484 or frida@voliacable.com

The Club studio "Cubano Boom" invites you to Latin dance classes. Our dance teacher from Cuba will present to you Salsa, Chachacha, Merenge, Bachata lessons. For more information call 80677983692. www.cubanoboom.com.ua

RELIGION

CHRIST CHURCH, KYIV. We are the Anglican/Episcopal Church, serving the English-speaking community in Kyiv. We meet Sundays at 30m at St Catherine's German Lutheran Church, 22 Luteranska Street, 5 minutes walk from Khreshatyk. Bible study is on Tuesdays at 7.30pm - please call Todd on 8 050 355 25 19 for more information more information. www.acny.org uk/8592

You are invited to the St. Paul's Evangelical Church. Roger McMurrin is its founding pastor. Music for worship is provided by the Kyiv Symphony Orchestra and Chorus. Worship services are held every

Taylor at imt260@hotmail.com

Free English Discussions about Internetmarketing. Bold Endeavours, a UK marketing and Web development company, welcomes senior marketing managers/ directors to an English language discus-sion group about search engines and internet marketing at noon on the first Saturday of each month. Call 5361101, or register online at www.bold.com.ua

Daily English at PHOENIX CENTER, Improve your Business & Communication Skills in Free Conversation Classes. US & UK Native Speakers. Now by Pechersk Metro. Tel: 5996080 email: Phoenix7kiev@yahoo.com

Free conversation club on Sundays, blyr Druzhbi Narodiv, 18/7. Everybody is welcome.

Free English/German conversation clu on Sundays. blvr. Druzhbi Narodov, 18/7, of.3 everybody is welcome. 5297577

Australian English Conversation Club. Free group lessons every Tuesday at 7 pm.

CONVERSATION PRACTICE

Professional Russian language lessons in exchange for English practice Natalia +38-067-936-18-39

Ukrainian girl is looking for English prac-tice with native speakers in return for Russian practice. Please,contact Victoria 80676017319(leviktoria@mail.ru)

at irinasn@ukr.net. ru

If you are interested in exchange of ideas and English/ German / French for Russian conversation practice feel free to call 80976821709 or write me: emailbox@ yandex.ru (Natasha, 23)

Ukrainian girl (27) is willing to communi-cate and spend free time with American native speakers. Feel free to write me to lexia2005@yandex.ru

Ukrainian girl, 25, looking for English, German or Spanish practice with native speakers in return for Russian practice. Call Svetlana 8 095 4352520, svetlana554@mail.ru

Ukrainian girl is looking for English con-versation practice with native speakers in exchange for Ukrainian/Russian conver-sation practice. Please contact Tatyana at stardom@ukr.net or 8 050 539 09 35

Ukrainian guy offers Russia/Ukrainian communicaton practice in exchange for English. Please contact Taras.8 066 395 28 77, email: sltar@ukr.net

Want to improve your French or get infor-mation about France? French guy would like to practice Russian and discover Kviv in exchange. Contact Jeremie at jeremie. kiev@gmail.com

Ukrainian guy, 23, is looking for English friends to have conversation practice. Alex. 80667007140

Spanish lessons / conversation practice I am looking for English conversation prac-

Those interested in improving their public speaking, communication skills and cre-ative abilities are invited to the Arttalkers Toastmasters Club on Saturdays, at 12 a.m. at the British Council, 4/12 Hryhoriya Skovorody (Kontraktova ploscha). Čall +38 067 934 2899 or email at infojanet@ukr. net. http://arttalkers.wordpress.com

The American Chamber of Commerce Toastmasters Club invites English speaking professionals to advance their pre sentation and communication skills in friendly and supportive environment. The membership is opened for employ-ees of companiesmembers of American Chamber of Commerce. We meet every Wednesday at 7.30 p.m. at the Chambe Conference Facility (Horizon Office Towers, 4244, Shovkovychna vul., LL2). For further detailed information, please contact VP PR Marina Seredkina at marina.seredkina@novartis.com

FIND A ROOMMATE

Roommate for big nice Soviet 2 rm aptmt near Libidska Met; Furnished, telephone, huge cabinets + balcony in room. Metro 25 min walk, 5 trolley ______380-93-7046998 380-639932172 mkham6@juno.com

I am looking for a room (rent) with rea-sonable price from October. Not far from METRO. Please you can reach me by mobile 90877655556, 80634591183 or

organization of the Democratic Party in Ukraine; connecting Americans with U.S. politics and the Democratic Party reg-stering, informing, and motivating vot-ers; supporting U.S. candidates, holding events, and fundraising. To join, email info@democratsabroad.org.ua.

The Kyiv Multinational Rotary Club wel-comes all Rotarians in Kyiv and new potential Rotarians. Our meetings are held in English at take place every Wednesday evening at 7 p.m. at the Bukovyna Restaurant located at 107 Zhylyanska Street. For more information please email us at Kyiv.MultinationalRC@gmail.com.

The Kyiv Lions Club is one of 45,000 Lions Clubs around the world, we raise funds and provide services to help those most in need in our community by support-ing charities in our chosen sectors of giving, children, the Disabled, and the elderly. We meet on the second Monday of every month in the downstairs bar of the Golden Gate Irish Pub at 19:00. For more information contact Paul Niland on +380 44 531 9193 or paul.niland@prim-terefination. erosfunds com

The Kviv Rotaract Club meets at 7 p.m. on Wednesdays at the Stoned Baboon, 39 B. Khmelnytskoho. For more information, please contact Oleg Lukashik at 80506432802, or email victoria.e@mail.ru, or lucas41@mail.ru.

MUSIC/ARTS/DANCE CLUBS

VOLTA Dance Club invites you to a cosy

Sunday at 2:30 pm at the House of Artistic Collectives (Veriovka Choir Hall, 4th floor) at 50/52 Shevchenko Blvd. Telephone: 235 45 03 or 235 69 80.

INTERNATIONAL CHURCH, KIEV. English and Spanish Bible Study Classes. We invite you to weekly services at 10.30 a.m. Saturdays at 13A Miropolskaya str. (m. Chernihivska, 2nd stop by a tram Boichenka. Central entrance of twostorey building 101: 9007272494 building). Tel.: 80937576848, 8044542-3194

Word of God Church offers Bible Studies every Sunday & Wednesday at 7 p.m. Sunday school, nursery for children. For more information call: 5175193.

Science of Kabbalah teaches methods to find the answer to question about sense of life. Lessons for beginners are held every Thursday at 7 p.m. at City Center of Health, 29 Vladimirskaya, St. www.kabbal-ahportal.org, tel. 3310361, (050) 8658218.

International Baptist Church invites you to our English language worship services (Sundays 10 am.) We are located near Vyrlitsa Metro in the downstairs hall of Transfiguration Church, Verbitskovo Street 30B. http://livingvinechurch.googlepages.

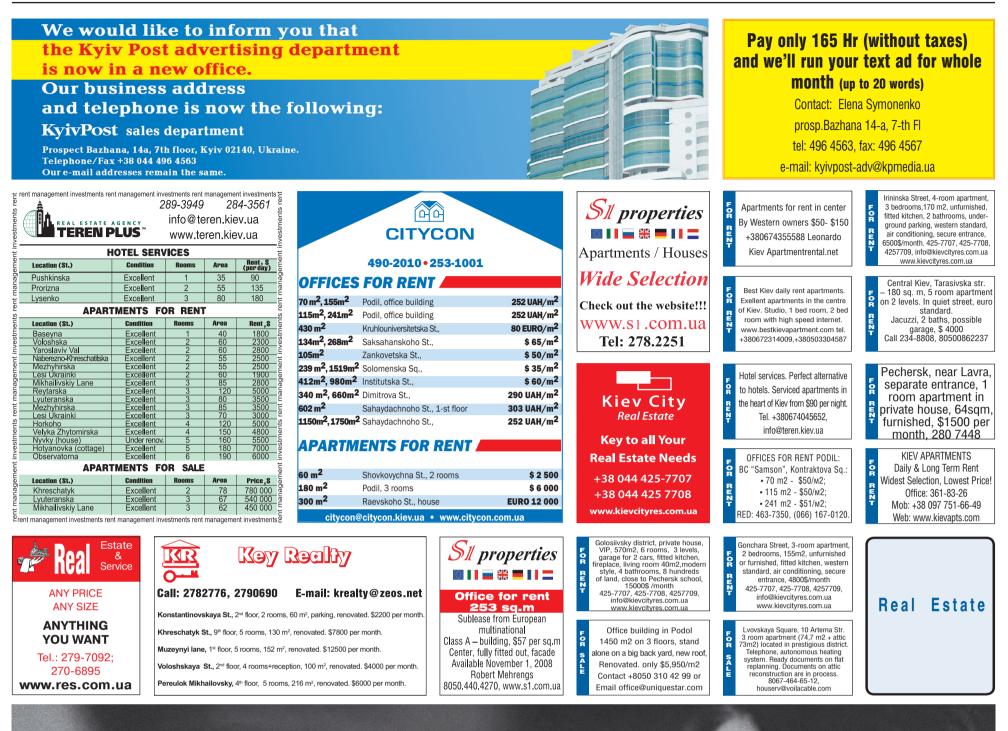
Bible study Tuesday evening,. Do come and join us, visitors welcome. We meet at 3 pm every Sunday, at the German Lutheran Church, 22,Luteranska Street, 5 minute walk up the hill from Khreschatik metro. Contact 2341447 angkyiv@yahoo. co.uk acny.org.uk/8592 Alcoholics Anonymous English Speaking Group meets Sat 10.30 am at 17d Kostyolna St. Meets Sun, Tues, Thurs at various locations, aakviv@ukr.net 8067 2348699 / 8050 3315028 (Jon)

Counseling/advising in relationships, personal growth, body/ mind/spirit mat-ters. Well-known Ukrainian psychologist counsels expats in English and French in the center of Kyiv (Lyuteranska). See www.hohel.kiev.ua, or call 80505953686 hotword 2 are and 5 are between 3 p.m. and 5 p.m.

Individual psychological counsel-ing for Russian and English speakers. Family issues, mood disorders, anxiety, depression. Psychological Rehabilitation & Resocialization Center call Elena Kornyeyeva 80505735810 between 10 and 6 p.m., or email: kornyeyeva@ a m nbler.ru.

Submissions to the Kyiv Post Community Listings are free but must be no more than 30 words in length. If you wish your submission to remain in the paper for a long period of time, you need to send in a new submissior every three months. Deadline for sub missions is Friday at 3 p.m. the week before publishing. Email **Alexandra** Matoshko at matoshko@kpmedia.ua * Please, note that we no longer accept ads that offer paid services.

14 Real Estate



ADVIIA October 2 - November 9 Shevchenko park. Free entrance p h o t o e x h i b i t i o n FRENCH CINEMA through the photos cahiers du cinema

Afisha magazine presents a new photo exhibition by Carol Bellaiche and Frederic Poletti, legendary French film-magazine Cahiers du cinema chroniclers, where future New Wave directors Jean-luc Godard, Francois Truffaut and Claude Chabrol wrote their reviews. Don't miss it!



Fanny Ardant, Catherine Deneuve, Isabelle Huppert and other French cinema icons in the open air in Shevchenko Park.

With support from: Cahiers du cinema Institut Francais d'Ukraine



official airlines of exhibition

Coffee Carte Noire. An Aroma that evokes desire!



Classifieds 15

We would like to inform you that the Kyiv Post advertising department is now in a new office.

Our business address

and telephone is now the following:

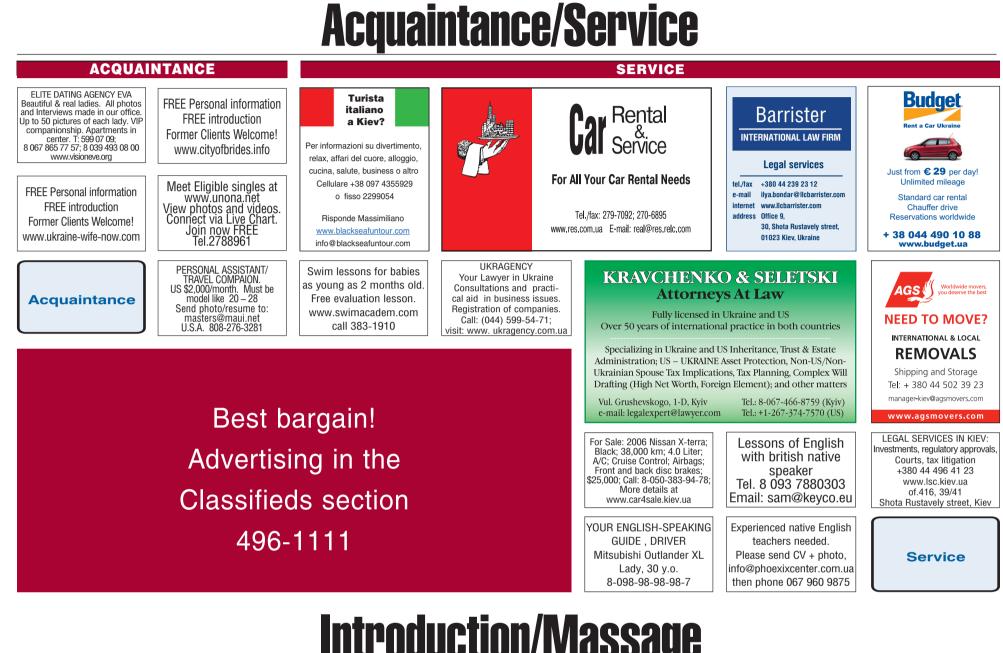
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