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Ukraine's leaders show new defiance to West

BY KATYA GORCHINSKAYA
GORCHINSKAYA@KYIVPOST.COM

Under pressure internationally for curtailing democracy and imprisoning political opponents, President Viktor

Yanukovich's administration this week adopted an even more strongly defiant tone.

The words and actions signal more clearly that the Party of Regions-led government is not going to heed

demands for the release of imprisoned ex-Prime Minister Yulia Tymoshenko and other opposition leaders.

Speaking on Oct. 3 at a gathering with foreign ambassadors, Yanukovich reaffirmed commitment to European

integration, but warned that Ukraine under his rule would not give in to demands from Brussels, Washington or anyone else.

"Putting pressure of any kind on Ukraine is unacceptable," → 18

Hot Races

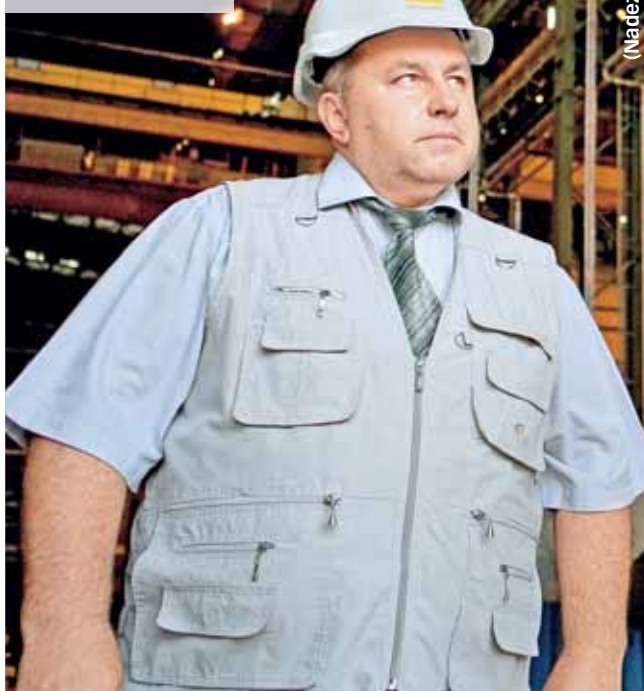
In The Oct. 28 Parliamentary Election

Where: Novograd-Volynskiy, Zhytomyr Oblast
Polling stations: 279
Number of voters: 160,539
Number of candidates: 7
Remarks: Home base of Speaker Volodymyr Lytvyn



(Facebook of Volodymyr Lytvyn)

Where: Dnipropetrovsk
Polling stations: 87
Voters: 162,017
Candidates: 22
Remarks: Viktor Pinchuk's flagship pipe factory is located in this district



(Nadezhda Gayvoronskaya)



(Yuriy Andreyev)

Where: Troyeshchyna district in Kyiv
Polling stations: 79
Number of voters: 170,211
Number of candidates: 15
Remarks: Multi-millionaire favorite taking no chances against young opponent

With his party fading, Volodymyr Lytvyn runs in rural district.

District 65: Political survival for speaker

It's no accident that this constituency in central Ukraine has just half as many candidates as the national average of 15 in 225 constituencies. Parliament Speaker Volodymyr Lytvyn is a native of this area. He's been throwing money at it for years to prepare a good landing platform for this election, so few candidates believe they have a chance.

More than 42 percent of voters are prepared to support him here, according to a local poll by Sotsintel Institute conducted in September. The next strongest candidate, Batkivshchyna member and retired colonel Vitaliy Frantsuz, is lagging way behind with 17.6 percent. → 17

Independent Yakiv Bezbakh faces a Party of Regions candidate.

District 24: Oligarch vs. Party of Regions

The constituency covers two residential and industrial areas in Dnipropetrovsk: Industrialny and Samarskiy. It is the only constituency to feature an open standoff between an oligarch and the ruling Party of Regions. For eight years starting in 1998, it has been the base of Viktor Pinchuk, one of Ukraine's richest men with a fortune of \$4.2 billion, according to Forbes' estimates.

His flagship pipe factory, which employs 6,477 people, is located there.

Pinchuk wanted his top manager, Yakiv Bezbakh, to → 17

Stories by Katya Gorchinskaya

Halyna Hereha (pictured above) faces a young opponent.

District 215: A challenge by Svoboda

A showdown between a true business and political heavyweight and a young Svoboda Party candidate means the ugly residential district in Kyiv has caught more than its fair share of attention. Halyna Hereha, who now presides over the Kyiv City Council and co-owns a chain of home improvement stores, is being challenged by 25-year-old Svoboda candidate Andriy Illenko.

According to PBN Hill+Knowlton company's election report that came out last month, Illenko is the only recognizable candidate in the constituency apart from Hereha, though his hopes for victory remain small.

But Hereha is taking no chances. She frequents the dis- → 17

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Yanukovych spooks market by inking law

BY JAKUB PARUSINSKI
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Despite unprecedented protests by Ukrainian traders, President Viktor Yanukovych signed a controversial law that essentially nationalizes the country's main depository, giving bureaucrats a glimpse into the records of all local securities market transactions.

The so-called depository law, which some say could doom the weak local capital market, is the latest in a series of rushed laws taking advantage of the final days of a rubber stamp parliament to secure various interests, experts say.

According to parliament's website, Yanukovych signed the law on Sept. 24. It remains unclear what the final version looks like. The bill was repeatedly changed at various points throughout the legislative process. The version from the second reading reappeared on parliament's website on Oct. 4 after having disappeared for 10 days.

The law proposes to create a national Central Securities Depository that would gain control over essential functions of the country's financial market. It proposes to create the new entity on the basis of the National Depository of Ukraine, a state-run institution which currently covers 10 percent of the market. It will absorb the All Ukrainian Securities Depository, majority owned by market participants. A similar process will take place for the country's clearing system.

Simply put, both functions – clearing and depository – are used to authorize any trade on the market, record transfers of ownership and ensure payments are made. Critics say the proposed system will be inefficient and could open the door to massive abuse.

The purpose of the law is to create a single structure that would consolidate Ukraine's low volume of operations, thus lowering the costs, argues the Independent Association of the Banks of Ukraine, a supporter of the law.

But most market participants and analysts disagree.

"The AUDS, by all objective criteria, appears to be stronger technically, institutionally and even financially, despite

the fact the NDU is owned by the government. The way we saw the story of NDU was: inefficient use of government funding, government equity; nontransparent management, nontransparent ownership, and quite a bit of private capture of a state institution," Marius Vismantus, World Bank expert, told the Kyiv Post earlier this year.

"The new law will have an extremely negative impact on the investment attractiveness of Ukraine," said Artemiy Yershov, managing director in Ukraine for Troika Dialog. "The law, in effect, establishes a monopoly on clearing and settlement services for securities transactions, thereby eliminating competition between clearing organizations, providing a platform for the dissemination of bureaucracy and corruption in the clearing services market."

Among the law's failures experts note: a lack of specifics as to how the new entities will be created, no planned audits of the AUDS and NDU by an independent international audit firm to assess their market value, and ignoring the interests of current shareholders.

Plans to privatize the depository after essentially nationalizing it have also raised eyebrows. In the initial version of the law, a 50 plus one percent stake of the new depository would be owned by the national bank, but sold within three years, right around the 2015 presidential elections. Potential buyers include issuers and individuals. This uncommon solution is all the more worrying in Ukraine, where oligarchs already exert too much influence on business and politics.

Market participants who spoke to the Kyiv Post on condition of anonymity for fear of reprisals said they worried the new system could lead to abuse. In particular, they noted the critical nature of technical depository and clearing functions means the new system could be used to pressure companies by creating administrative hurdles. Moreover, the depository would keep records of all trades and transfers, which could then be abused given Ukraine's notoriously corrupt justice system.

"This information only has value to those who have ill intentions.

Unfortunately, Ukraine is not immune from those kinds of intentions and from people who would be able to use that information for ill purposes if they got it. Raider attacks and companies being taken over by outsiders give unfortunate examples that problems still exist," Vismantus said.

Legislative race

The depository law is not the only one to be rushed through parliament in recent weeks and months. Other controversial bills include: a law on state procurement that would move public purchases into the shadows; a law on the national electronic payment system and multiple tax reform proposals.

"The government is in a hurry because they realize that the future parliament will not be the rubber stamp institution it is now," said Igor Presniakov, political analyst at the Ukrainian Institute of Public Policy. Given that half of seats will come from single mandate districts, the next batch of parliamentarians will be more independent, he said, and will demand bigger trade-offs or bribes for their votes.

Laws passed now will also be secure, Presniakov said, as an opposition government would have to overcome a presidential veto to pass legislation canceling the current laws. But bills passed only in the first reading, will have to be re-submitted, he added.

The pro-presidential coalition is now – with its majority – rushing through any legislation that could be blocked by an opposition parliament, said Valery Chaly, deputy director of the Razumkov Center think tank. "They are expecting to lose," he said.

Most of the legislation being passed "is about the money," Chaly added. He pointed to a law on biometric passports lobbied by EDAPS, a document producing company, as an example.

"It's mainly about people who have lobbied something for a long time and now realize it's their last chance," Presniakov said.

Others see the hand of Yanukovych's allies in the recent measures.

"The national bank is controlled by the 'family,' through the friend of (the

president's son) Oleksandr Yanukovych (Serhiy Arbuzov), so it would be natural that they try to monopolize (the depository system)," said Anders Aslund, economist at the Peterson Institute in the U.S. He described the growing control of Yanukovych allies over key economic sectors as the signs of a "predatory regime."

The central bank did not respond to repeated Kyiv Post inquiries.

Game over

For Ukraine's already badly damaged stock market this could be a final nail in the coffin. The main UX index lost two thirds of its value over the past 18 months, falling from 2,900 points to less than 950. Since mid-September it lost 13 percent.

Dismal liquidity, a lack of solid issuers and listings abroad are emptying the local market. On Sept. 28, investment bank Renaissance Capital, once one of the biggest players with almost half of local turnover in 2006, canceled its Ukrainian license for trading and holding securities. Several days earlier, fellow Russian bank Alfa Bank officially closed its local trading operation.

Hoping to convince Yanukovych to veto the bill, market participants staged a historic strike on Sept. 20, refraining from any activity during the market's opening hour. Igor Mazepa, head of investment bank Concorde Capital, then told journalists: "This is a very dangerous precedent, a very dangerous law. It will make the work of the capital markets simply impossible."

Managing director of Univer, Olexiy Sukhorukov, said such a suspension of trading "has never happened anywhere in the world," adding the law could mean "the end to the stock market."

Noting that a single settlement center does not have the technical capacities to serve all the exchanges, Troika Dialog's Yershov said: "There will be no trust from investors and market participants. All of this ... complicates working conditions for local and foreign investors, and, as a result, will send domestic capital abroad."

Kyiv Post editor Jakub Parusinski can be reached at parusinski@kyivpost.com.

The Kyiv Post's Business Focus in its **October 12th** edition will be on

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Perceptions matter

In Q3, 2012 Ukraine's business climate was assessed at 2.14 points out of 5 – the lowest score for three years.

Investor confidence shrank by 0.05 points in the three months from April to June compared with the previous quarter, according to the EBA Investment Attractiveness Index. Investors have been spooked by looming fiscal pressure, corruption, and general uncertainty in the run up to October's parliamentary elections. Improved customs procedures and the new Customs Code were a couple of patches of blue in an otherwise grey-skied business climate, and other figures are poor.

On October 4, 2012 the European Business Association released its most recent Investment Index result, which showed that 70% of respondents saw a downward trend in investment attractiveness, as no positive changes have taken place.

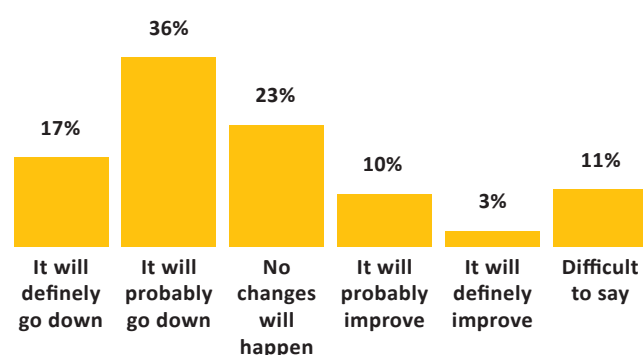
"What we see is a vicious circle setting the tone of investor discontent – corruption, a biased court system, an overregulated market, and fiscal pressure. Disarray in the ranks of political parties contesting the 2012 elections and the election campaign only add fuel to the fire," says Anna Derevyanko, the EBA's executive director.

"At the same time, we see the quality of customs procedures moving in the right direction. We all pin hopes on a post-election cooling-off period, and a return to normal. The business climate and investor content is likely to be tested in the coming quarters."

Fears of investors stem from predictions of a hryvnia devaluation, and pre-election populism, pressure on the media initiated by draft libel laws etc.

Post-elections outlook

How do you assess the conditions for doing business in Ukraine after the parliamentary elections in 2012?



TOMAS Fiala
EBA President,
CEO of Dragon Capital



The further decline of our index is in line with the negative growth in industry, agriculture and construction in Q3. Only domestic consumption remains positive. Based on the preliminary numbers, GDP declined by 1.5-2.0% in Q3, and companies can obviously feel that.

"We hope the Government will refocus on pro-growth economic policies after the election."

On the one hand, external demand is a major cause, and on the other, increasing tax pressure and the very tight monetary policy in the regions also play a negative role. We hope the Government will refocus on pro-growth economic policies after the election.

ALEXEI Kredisov
Managing Partner,
Ernst & Young in Ukraine,
Co-chair of the Emerging
Markets Center, Ernst &
Young Global



The EBA Investment Index is a perception-based indicator of over 100 Ukrainian and international business leaders in the country. It reports no improvement (rather, a slight deterioration) in the current business climate.

What is even more worrisome, it indicates no expectation that things will change for the better in the near future. Such negative expectations among business leaders will

drive their decisions on employment and investment. With the parliamentary elections coming to an end in October, this presents a new opportunity for the government to reflect on the attitudes that the business community is evincing and to approach the reform agenda in a different, more effective way.

The key issues of concern remain undue pressure from the tax authorities, widespread corruption and red tape, an uneven playing field and conflicts of interest, and an ineffective court system. The Ukrainian leadership needs to present a credible plan to address these issues, and then to effectively execute that plan. Only then can we expect changes for the better in business leaders' expectations, which in turn will drive investment and employment and increase the competitiveness of the Ukrainian economy.

KRZYSZTOF

W. Siedlecki
Country Manager Ukraine,
AstellasPharma Europe



The record low Index – Is it really that bad?

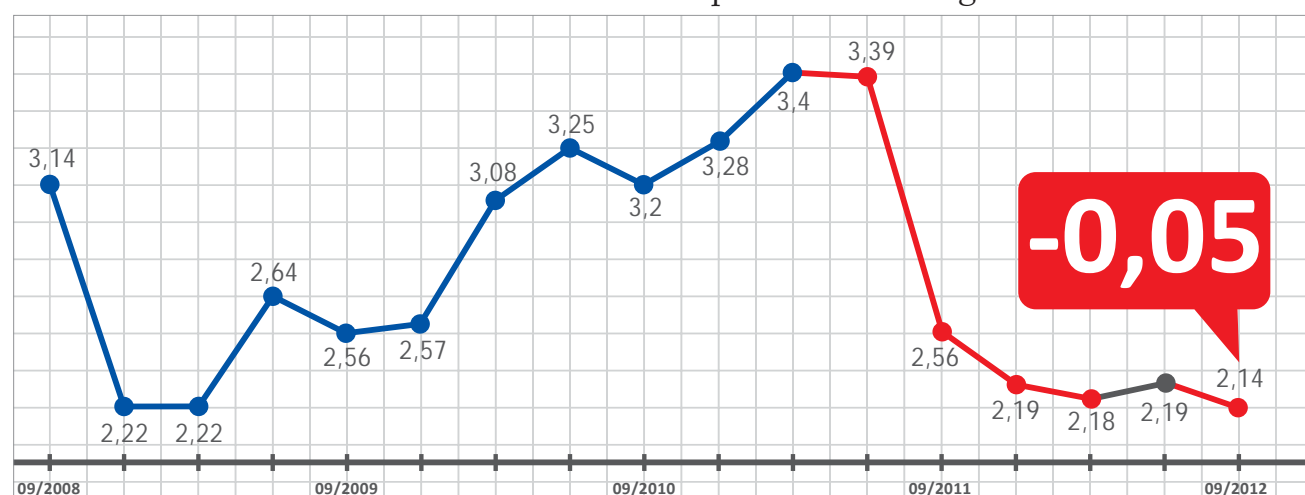
Despite recent steps by the authorities to increase openness, and their will to connect with the Ukrainian business community, the overall perception of the business climate is not improving. But the stress must be placed on "perception."

The EBA Investment Attractiveness Index is a subjective value, rather than an objective indicator based on figures and hard data. This does not diminish its value, as many business decisions are still taken on the basis of perceptions, but the index has a lot more inertia than objective numbers.

It takes time to change managers' feelings and perceived judgments of the business environment temperature, the same way as a subjective feeling of heat or cold comes well after a temperature change can be read on a thermometer.

The government is making a visible effort to improve the business climate, and the temperature is increasing. The question is this – after the election, during the winter, will business be freezing, or will it be warming itself beside the fire of reform?

The EBA Investment Index is an independent survey that measures investor sentiment and perception of Ukraine's business climate. The results are based on the assessments of the CEOs of 103 EBA member companies.



Editorials

Status quo ante

In Ukraine even victories can leave a bitter aftertaste.

It's great that 349 members of parliament – nearly 80 percent of the body – voted on Oct. 2 to rescind a libel law that could have imprisoned journalists and other citizens, imposed stiff fines and banned media professionals from working. But the law should never have gotten as far as it did, winning a majority of 244 votes on the first reading on Sept. 18.

It's not progress.

Journalists can be commended for their quick response against the law. International organizations, business groups and governments deserve gratitude for applying pressure. But there is no reason to start patting ourselves on the back and proclaiming a return of people's power to Ukraine.

Like in most victories, many deserve credit. We suspect the libel law stepped on the toes of President Viktor Yanukovich's administration and the nation's wealthy oligarchs who control most of the media – Rinat Akhmetov, Viktor Pinchuk, Igor Kolomoisky, Petro Poroshenko and Valeriy Khoroshkovsky/Dmytro Firtash (if they are still in business together). Fines and legal expenses would come out of their pockets, while texts sterilized by the threat of prison would turn off readers and talented journalists alike.

If media owners helped, they still need to exert greater responsibility. They can start by cleansing the profession of unethical practices, like paid-for stories, and bolstering editorial independence. Yellow journalism provided some impetus for this poorly conceived law. Banning unethical practices is easy. Just do it. For our entire 17 years of existence, which the Kyiv Post celebrates this month, we are proud to say the newspaper upholds high ethics. We believe in the Society of Professional Journalists' Code of Ethics. Trust is a rare and precious commodity in a nation in which most outlets are used by their owners as political tools. But ethical behavior pays off.

Meanwhile, it remains unclear what the future holds. Pro-presidential lawmaker Vitaly Zhuravsky, who authored the law, says he may revisit the issue after the Oct. 28 parliamentary election. Ukraine's backsliding on democratic freedoms has been slowed down, but it has not been reversed.

Carved up

With little time left until the Oct. 28 elections, parliamentarians have recently embarked on a mad dash of controversial legislative projects. Some hit at the heart of Ukrainian society – the language law, the libel law, the bill on banning homosexuality.

Others fundamentally restructure the way the country operates financially – the legislation on public procurement, the depository and clearing system law, the electronic payment system law and changes to tax legislation.

The socially focused laws are deeply divisive, and often result in both domestic and international outrage. They monopolize the media's attention and demand a concerted effort from various business, government or other interest groups to stop them.

Deeply damaging and outrageous though they may be, these laws are distractions from bigger transformations taking place within Ukraine. The past years have seen growing monopolization of the nation's economy, the lack of accountability of public institutions and the perversion of the legislative and judicial process.

The process of passing the depository law, which disturbingly transfers financial market oversight from the private to state sector where corrupt officials could abuse access to privileged information, also set new lows of non-transparency. Market participants affected by the legislation complained of constant changes to the bill, which was allegedly signed by the president on Sept. 24, and is still up on the parliament's website as a draft awaiting the second reading. The text there might not be the final version.

It appears lawmakers are hedging themselves against a change in government. Even if the opposition manages to win a majority the next parliament, they will not have the necessary votes to overturn a presidential veto. Legislation being rushed through now can be protected until 2015. By then, the country's most lucrative sectors could already be in private hands. Much of the country's essential infrastructure has already been privatized and is now owned by billionaire oligarchs.

Rinat Akhmetov controls about half of Ukraine's coalmining, ore, steel and electricity markets. Dmytro Firtash has consolidated substantial control over Ukraine's chemical, gas and titanium sectors.

Meanwhile, an earlier version of the depository law suggested a sale of the National Bank of Ukraine's share to various market participants – including individuals – three years after its nationalization, before the 2015 elections. The appetite of those in power has no limit. The carving up of Ukraine for the benefit of a few marches on.



Outdated educational system translates into lagging economy



If Ukraine is to catch up economically with the outside world, it needs good education. In many ways, Ukraine's education sector is its strongest part of the economy, but the best parts of the Ukrainian education system are dwindling remnants of the Soviet system, notably basic education in mathematics, and science.

The worst is the quality of doctoral education. For management training, the World Economic Forum ranks Ukraine 116 out of 142 nations. The situation is similarly bad in economics, law and languages, as is evident from the excellent public debate in Zerkalo Nedeli and a report by CASE.

Depressingly, Education Minister Dmitry Tabachnik could hardly care less about the real problems in Ukrainian education – corruption, over-regulation, waste and poor quality. His endeavor to sovietize Ukrainian historiography and promote russification attracts most attention. His greatest "reform"

has been to reduce ordinary school from the European standard of 12 to 11, seemingly inspired by the destruction instigated by the late Turkmenbashi.

As everybody knows, the greatest problem in the Ukrainian education system is corruption. Students, or their parents, pay for entry into institutions of higher education, and if necessary also for exams and degrees. The Orange government of ex-President Viktor Yushchenko and ex-Prime Minister Yulia Tymoshenko introduced independent national tests for university entry.

Instead of correcting some anomalies in these tests, Tabachnik has amended the university admittance rules, allowing additional tests and demanding social preferences, notably for children of miners from Donetsk. In Zerkalo Nedeli, Lidiya Surzhik rightly complains that this leads to negative selection. Moreover, rectors and professors may indulge in their old corrupt ways. Laudably, the government promotes electronic applications, but the ultimate issue is the acceptance practices.

The best universities in the world, the top U.S. universities, are private non-profit foundations, and the next best, the foremost British universities, Oxford and Cambridge, are public but they enjoy great autonomy. Ukraine should transform its universities into independent founda- → **18**

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David Horsey, a two-time Pulitzer Prize-winning cartoonist and columnist for The Los Angeles Times, spent a week in Kyiv from Sept. 23-30 as part of a U.S. State Department program in which he met with journalists and journalism students. His cartoons will be on exhibit at Mystetsky Arsenal and later at Vernadsky Library. [See Entertainment Guide on page 12 and information box below for details.] He is a quick study and filed two columns and cartoons from his trip. He gave the Kyiv Post permission to republish the works below. Horsey worked for the Seattle Post-Intelligencer from 1979 to 2011 before joining the Los Angeles Times this year. His Top Of The Ticket political commentary is at: <http://www.latimes.com/news/politics/topoftheticket/>

David Horsey brings wit & wisdom to Kyiv

Ukraine is on frontline in freedom fight

DAVID HORSEY

Taking a brief escape to this heartland of the old Soviet Union, I find myself more inspired by the people's striving for liberty here than by the petty nastiness of the American presidential campaign. For over a year, Republican candidates and tea party activists have been emoting about the doom that awaits if the president is re-elected, as if four more years of Barack Obama is a dire threat to our freedom.

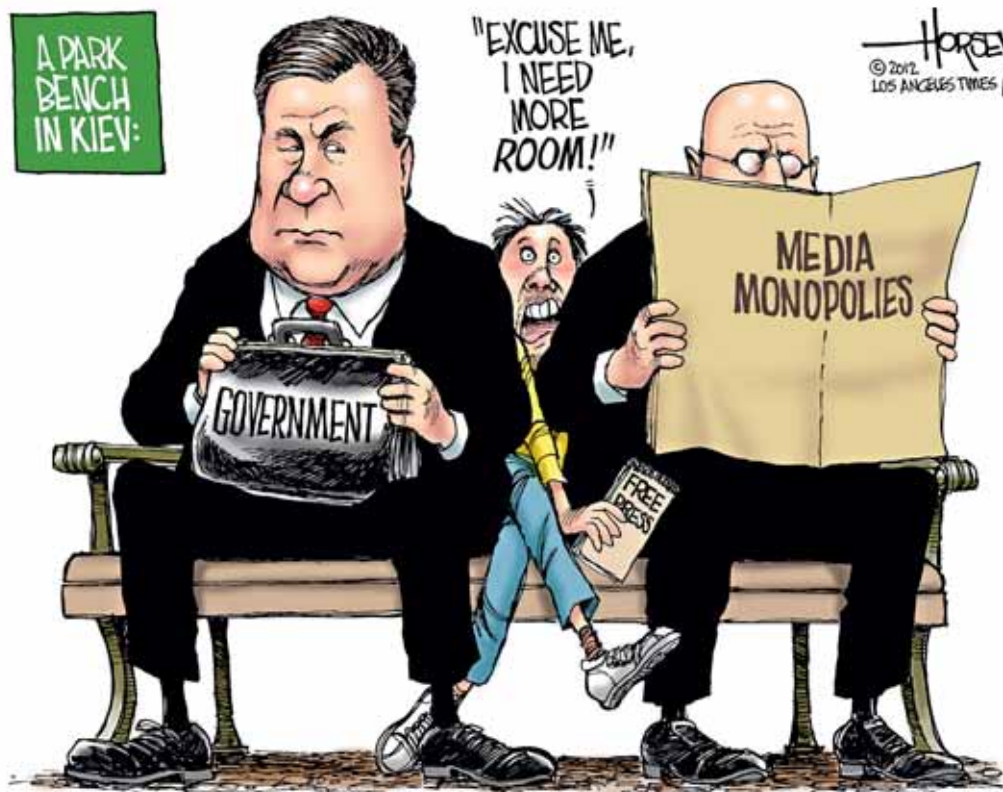
If you want to see a genuine threat to freedom, come to Kyiv.

Two decades after Ukraine escaped from the suffocating embrace of Russia and eight years after the 2004 Orange Revolution promised a truly democratic society, the country is slipping back into the Russian orbit and the government of President Viktor Yanukovich is undermining the independent media that bravely call him to account.

As in Russia, rich businessmen – many allied with Yanukovich – are building monopolies in all sectors of the economy, including the media. As these “oligarchs” gain control of major media outlets, they stifle aggressive, critical reporting and leave little of the advertising market for independent newspapers, magazines and broadcasters.

Responding to sharp criticism from Europe and the U.S., Yanukovich insists he supports free speech and a robust, free media, but his actions tell a different story. Currently, his government is trying to get a law through parliament that would make it a crime for journalists to defame government officials and politicians. With the definition of defamation in the hands of the government, this would stop all but the most courageous journalists from investigating and reporting on corruption and abuse of power among government leaders.

I am here as a guest of the U.S. State Department. Every day for a week, I have been talking to groups of students, journalists, artists, librarians and others. I tell them about my work at the Los Angeles Times. I show them my cartoons. I teach kids how to draw caricatures and share with university students how I got my start in journalism. The underlying theme in every presentation is that the cornerstone of my



David Horsey spent just a week in Kyiv, Sept. 23-30, as a U.S. State Department, but he quickly figured out the main threats to independent journalism. (Cartoon courtesy of David Horsey)

career is the United States Constitution.

Several times I have been asked if I am ever censored or get in trouble for the brash opinions I publish day after day. I answer no, I have not been censored, sanctioned or made to suffer for my exercise of free speech because, in the United States, the law is on my side. The First Amendment is stronger than any government.

I have met many bright-eyed, enthusiastic students who want to be journalists. I have met teachers and reporters who are intent on keeping liberty alive in this country. I have also talked with a cartoonist, a librarian and several others who look wistful and defeated. They fear that a great opportunity was squandered when the Orange Revolution became mired in incompetence and finally ceded power to men who take Russia's Vladimir Putin as their role model.

It seems presumptuous of me to tell these people to keep up the struggle. My freedoms were won for me by Americans of past generations. I have never had to take any risk greater than opening myself up to rude comments from readers. But, I tell them

anyway: don't give up; you still have a chance to turn this around. I hope I am right.

The younger generation of Ukrainians reminds me of my children and their friends. They speak English. Some have studied in the U.S. If they walked down a street in any American town, they would blend in easily. On weekends and in the evenings, they gather in Independence Square under a tall column at whose top stands a huge female figure clothed like a Greek goddess and trimmed in gold. She is the symbol of free Ukraine.

At the far end of the square is a McDonald's restaurant. I stood on the steps there one night, watching the young Ukrainians, admiring their energy and innocence. Across the street, a massive modern building loomed. Across its face was a huge video screen. It played the same campaign ad over and over – Ukraine's parliamentary elections are a month away. The towering face of Yanukovich lit up the night again and again; Ukraine's strong man asking for votes, asking to be entrusted with these young people's future.

Yanukovich: A modern-day tyrant

DAVID HORSEY

Ukrainian President Viktor Yanukovich is the model of a new kind of power-grabbing authoritarian. Gone is the preening, bullying fascist in a comical military costume, like Hitler or Mussolini. Mao's jacket → 18

Cartoon exhibition of Los Angeles Times' David Horsey

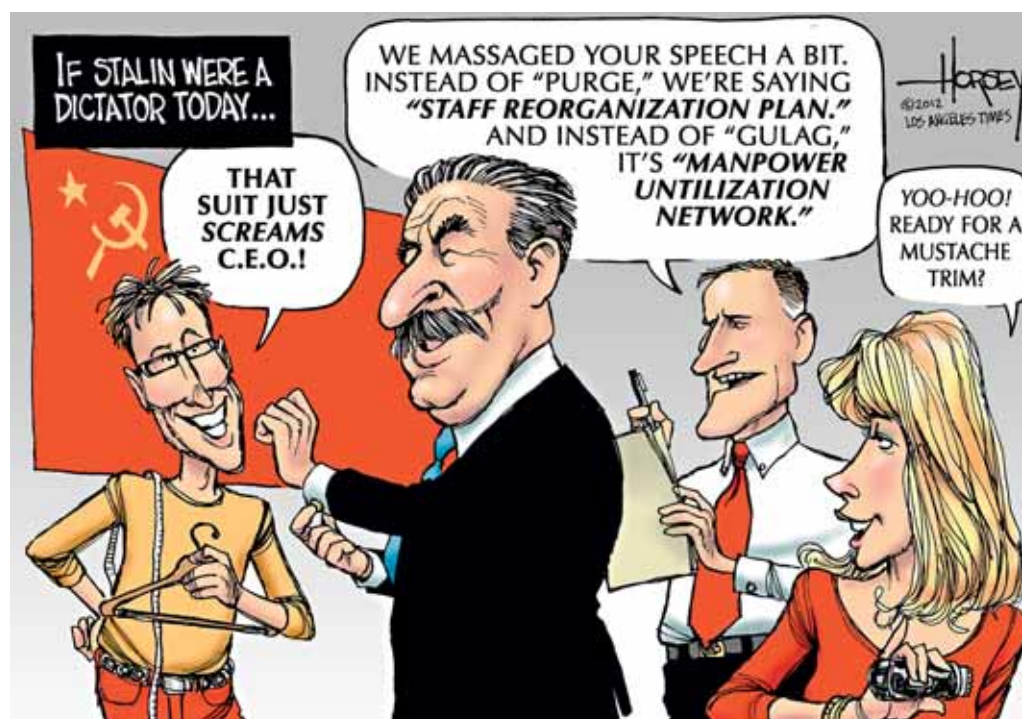
Where: Small Gallery of Mystetsky Arsenal, 10 Lavrska St., 288-5140.

When: Through Oct. 8, open daily 12 p.m. – 7 p.m. (closed on Monday).

<http://artarsenal.in.ua/gallery.html>;

Where: Vernadsky National Library of Ukraine 3 40 Richia Zhovtnia Ave. (Dymivska metro)

When: Open daily 9:15 a.m. – 5 p.m. (closed on Saturday, Sunday) (044) 524-81-38



How would Josef Stalin, one of history's most prolific mass murderers, go over in the Internet and PR-driven age? David Horsey lets his imagination run wild as he takes a shot at the hired Western political consultants who promote authoritarian rulers around the world as democrats.



Why are you running for parliament again, given that the public is so disappointed with the current Verkhovna Rada?



Olena Bondarenko, 36, Party of Regions faction law-maker
"Because the people and the party trust me. No

one is preventing others from competing with us. But to generate people's support much needs to be done."



Andriy Pinchuk, 32, Party of Regions faction law-maker
"With which parliament were people not ever disappointed?

It's like every new wife is worse than a previous one. (I'm running because) there are a lot of plans and tasks that need to be done. And in particular, I am running for parliament with the (political) force that has a plan for the country's development for the next five years."



Andriy Shkil, 49, Batkivshchyna-Block of Yulia Tymoshenko faction
"I think that the longer a lawmaker works, the

more qualified they get. Unlike others, I'm actually working in parliament. And I think that there should more lawmakers like me.



Oleh Lyashko, 39, Independent law-maker
"I lead a team into parliament from my Radical Party that does not

include lawmakers or civil servants. I want to bring only new people to parliament. I am not old and I have not had an opportunity to show my worth in parliament."



Yevhen Tsarkov, 37, Communist Party of Ukraine faction law-maker
"If voters are tired of seeing some-one's face or

if some lawmaker failed to meet their expectations, it's their right not to vote for that person or party. I do not have optimism regarding the possible consequences of electing new lawmakers into parliament. I think no one can tell that in my voting I stepped away from my party's program."

→ On the move PAID ANNOUNCEMENTS



BRYAN DISHER recently became Managing Partner of PwC in Ukraine. Bryan joined PwC Ukraine in March 2011 after more than 30 years with PwC in Canada where he served as the managing partner of the Ottawa office of PwC and chair of PwC Canada's partnership board, before moving to Kyiv from Vancouver.

Since his arrival in Kyiv, he has worked with leading Ukrainian companies in the metals, energy, chemicals, oil and gas, agriculture and confectionery industries.

He has more than 30 years of experience in accounting consultancy, assurance and financial management for government agencies as well for both private and publicly listed companies. Disher has worked with both privately owned and publicly listed companies. He has led more than 50 public share offerings, helping many growing companies complete their initial public offerings and mature companies carry out secondary offerings of their shares. He has served clients in industries as diverse as metals, mining and exploration, software, green energy, retail, agriculture, food processing and distribution, brewing, and transportation. Disher is a fellow of the Canadian Institute of Chartered Accountants and member of the Institute of Chartered Accountants of British Columbia.



JOHN CAMPBELL recently joined the Assurance practice of PwC Ukraine as a Partner.

Before moving to Ukraine John was based in Moscow for four years, where is served as the Industry Leader for the Consumer and Industrial Products group in PwC Russia. He also was PwC's Metals and Mining Industry Leader in

Central and Eastern Europe. John became an Audit Partner in 1992 while with PwC Canada, and has 32 years of experience with PwC.

John brings his working experience with publicly listed companies to PwC Ukraine, and he has a broad range of knowledge relevant to large multinational companies. His background is in auditing and accounting under both International and US standards, including reporting on internal controls under Sarbanes-Oxley Section 404. His experience covers metals and mining companies, and also includes consumer products, transportation, electronics and forest products companies. He has assisted clients with many complex transactions, including conversions in accounting principles, public offerings and various financial reporting issues.

John holds degrees from the University of Toronto and McGill University. He is a Chartered Accountant of Canada (Quebec) and a US Certified Public Accountant (Illinois).



RAFAEL KRASNODEBSKI recently joined the Advisory practice of PwC Ukraine as a Partner. Before moving to Ukraine, he served as the Service Line Lead Partner in the PwC Budapest office, and was responsible for leading the Advisory practice of the Hungarian firm. Rafael joined PwC in 2001 in Warsaw, Poland, where he grew the consulting

practice into one of the major strategic and operational professional services providers in the country. He recruited and developed a series of industry sector focused teams which have successfully completed several major transformation projects in the financial services, telecommunications, oil, gas, energy, mining, manufacturing and public sectors. Rafael also set-up a shared services consulting team in Krakow, Poland. This team has gone on to become a world leader in the shared services consulting space, performing projects throughout Europe and America. Krasnodebski was born and educated in England where he started his professional career in journalism after completing degrees in Economic History and Political Science at Leeds and Leicester Universities. He moved to management consulting in 1991 after being offered the opportunity to work in the Central European region.



TEYMUR ABASGULIYEV recently joined the Assurance practice of PwC Ukraine as a Partner. Teymur has been with PwC since 1996 and has 16 years of experience. Before moving to Ukraine, Teymur served as the Assurance Practice Leader in Azerbaijan. He was responsible for audit and advisory projects for companies operating in oil and gas, tele-

coms, construction and manufacturing industries. His portfolio of clients included subsidiaries of large MNCs and international businesses as well as emerging and leading local industrial and financial groups in Azerbaijan and Georgia. One of his recent assignments included a large-scale transformational project for a state-run company into International Financial Reporting Standards (IFRS) covering development of sustainable reporting processes, methodological support in automation of accounting, reporting and various other business functions based on an ERP solution, risk management and other areas. Teymur is closely familiar with the problems and challenges facing large state-owned and commercial enterprises on emerging markets in the process of implementation of IFRS and development of effective management information systems and processes. Teymur holds a Master's degree in International Relations and Law from Baku State University. He is a fellow member of the Association of Chartered Certified Accountants (UK).

Have a new employee or promoted someone recently? Let Kyiv Post readers know about all the changes in your business, government agency or non-profit organization through a paid announcement in the On The Move section. For information about how to place your On The Move item at the low rate of Hr 1,440, please call advertising at 591-77-88 or email advertising@kyivpost.com.

Pinchuk opens nation's first new steel mill in years

KYIV POST

Billionaire Viktor Pinchuk has formally launched operation of Interpipe Steel, the largest greenfield investment in Ukraine so far and first metallurgical plant built from scratch since the nation declared independence in 1991. Pinchuk, the son-in-law to former ex-President Leonid Kuchma, pumped an estimated \$700 million into the Dnipropetrovsk-based plant through Interpipe, his steel pipe and railway business parts manufacturer.

The mill started operating earlier this year. Ukrainian President Viktor Yanukovich attended an Oct. 4 opening ceremony of the mill and its integrated "Dnipropetrovsk Sunrise" art exhibit designed by Olafur Eliasson.

Pinchuk hopes the five large-scale masterpieces permanently installed and exhibited within the mill will serve as a "metaphor of the industrial renaissance of Ukraine." The new mill with its art exhibit is open for visitors.

"When we thought about the construction of a new mill, we had a dream – to create the most up-to-date metallurgical production in Ukraine," Pinchuk said.

According to Interpipe, the new mill uses innovative steel melting technologies from one of the world's top metallurgical equipment producers, Italy's Danieli. State-of-the-art equipment and green technology at the new mill will enable Interpipe to replace outdated open hearth steel production, in turn cutting energy consumption and emissions per ton of steel by more than two fold. The mill will create 700 new jobs.

But in the course of our work we realized that we are able to do more. And we have created a mill, combining innovative technologies and production culture with contemporary art. This mill is the first and only one of its kind, built for the workers, the city, and society. And for me, the mill is also a tribute of honor to generations of Ukrainian metallurgists," Pinchuk added.

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Google buys Ukrainian firm in multimillion dollar deal

BY MARK RACHKEVYCH
RACHKEVYCH@KYIVPOST.COM

Google's Motorola Mobility has purchased Viewdle, a leading independent imaging and gesture recognition company whose research and development team is based in Kyiv.

The announcement came on Oct. 4 by Motorola Mobility, a U.S. maker of smartphones and other communication products.

"Motorola Mobility announced that it has acquired Viewdle," read a press statement released by Motorola on Oct. 4.

"Motorola and Viewdle have an existing commercial agreement and have been collaborating for some time. Terms of the transaction were not disclosed."

Citing sources, Forbes Ukraine mag-

azine estimated that Viewdle was purchased for \$30-45 million.

Launched in 2006, Viewdle is perhaps best known for its application for Android devices that allow users to tag people in their pictures and upload them to any social network.

Last year, Viewdle released a multi-player role-playing Android game that uses facial analysis to determine which side a game player is on based on facial characteristics.

The company evolved from the Cybernetics Institute in Kyiv, a former military university laboratory project.

Headquartered in California's Silicon Valley, Viewdle's Kyiv office is home to its research and development team of more than 40 employees.

Kyiv Post staff writer Mark Rachkevych can be reached at rachkevych@kyivpost.com.

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How Ukraine misses out on billions in tax revenue

BY MARK RACHKEVYCH
and OKSANA FARYNA
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Ukraine's top taxman has confirmed what many analysts, politicians and journalists have long suspected: massive tax evasion and avoidance by companies is each year robbing financially-stretched budget coffers of billions of dollars in badly needed revenue.

Citing analysis of customs declarations, Oleksandr Klymenko, head of Ukraine's State Tax Service, said nearly \$25 billion in profits are stashed abroad annually in tax havens by export-oriented businesses using transfer pricing schemes. Closing such schemes would alone noticeably close the nation's tax gap of uncollected revenue, which was estimated by Korrespondent magazine to be \$44 billion in 2011.

"Fifty two percent of exported Ukrainian goods are supplied through third parties (middleman companies), of which, 13.8 percent go through offshore zones," Kommersant business daily quoted Klymenko as saying. "In metallurgy alone more than 75 percent of the volume of operations for black metals goes through third parties. Some \$8 billion went through third parties."

Klymenko added that the largest

user of third parties is the grain market where 98 percent of export operations, or more than \$3 billion worth of transactions are conducted using third parties, often times with companies that are connected to each other.

Klymenko did not name companies suspected of evading taxes illegally, or those that abuse legal tax optimization schemes. He said tax authorities in cooperation with the National Bank of Ukraine are working on a plan that could in the near-term stop companies from moving up to \$10 billion of yearly taxable money to offshore zones.

The capital flight obstacles he wants to erect are still in the works, he said, adding that authorities will get tougher down the road on companies guilty of abusive practices.

"We have mechanisms (being developed), but until they're finalized, I don't want to announce them to the public," said Klymenko.

About a third of total 2011 tax payments to local and federal government budget coffers came from just 20 companies listed by Korrespondent magazine in a Sept. 7 ranking of the nation's top taxpayers.

The figures show to what extent Ukraine's economy is undiluted and controlled by a handful of people and companies. Analysts said that while the ranking is not completely accu-



Oleksandr Klymenko

rate, it nonetheless helps to illustrate the scope of tax dodging across the nation's economic landscape because of legal and illegal means of tax avoidance, including the use of transfer pricing, offshore countries and various forms of illicit money conversion and money laundering schemes.

Korrespondent found that the nation's 20 biggest taxpayers paid some \$13.6 billion in taxes last year. The bulk of this came from the ten biggest contributors who paid \$11 billion into the

state and oblast budgets in the form of profit tax, value-added tax, rent, excise and other taxes.

According to the Finance Ministry, a total of \$33 billion made it into the federal state budget in 2011 as tax revenue. Other tax receipts made it into regional government coffers. The state tax service recently reported that in January-August of this year, the 15 largest taxpayers paid \$5 billion into the budget.

Eleven of the top 20 taxpayers singled out by Korrespondent are foreign, four are wholly or partially government-owned, and the remaining five are private businesses. Oil and gas, steel, coal, electricity, rail and tobacco companies make up the top 10 list.

"It's not a secret that many Ukrainian companies, especially those that are linked to oligarchs, minimize their taxes not only with the help of technical measures but through their influence and connections," said Alexander Minin, senior partner at KM Partners, a Ukrainian law firm.

Hennadiy Voytsitskyi, head of the tax practice at the Kyiv office of international law firm Baker & McKenzie, said western companies have completely different standards when it comes to paying taxes.

"To pay taxes is a many years tradition for them. They pay taxes in

Ukraine or in their native country," he said. "While for some Ukrainian businessmen it's a matter of honor not to pay taxes."

Distrust of how government spends public funds was cited for widespread tax evasion.

"I, like many entrepreneurs, don't believe that the taxes we pay are used rationally," Korrespondent quoted Ihor Humennyi, president of UBC Group, a maker of freezing storage facilities.

Voytsitskyi said tax rates are a secondary question and have nothing in common with a desire to pay or not to pay taxes. "The state does not care about its citizens and citizens do not care for the state," he added.

Maintaining a competitive edge was also cited as a reason for tax avoidance, especially in the wholesale, retail and information technology sectors.

Overall, Korrespondent said, companies simply don't want to deal with the daunting task of full tax compliance citing the discretionary power of authorities who demand tax payments in advance, impose fines and who can confiscate computer hardware and company documents.

Additionally, the publication cited the risk of exposure to potential company "raiders" if a company operates fully in the white.

Ildar Gazizullin, senior analyst → 10



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Targeted tax breaks: Boon for all, or only for insiders?

BY MARK RACHKEVYCH
RACHKEVYCH@KYIVPOST.COM

Companies in select industries are set to benefit from tax breaks and other incentives on Jan. 1 if they meet certain investment, jobs creation and salary requirements.

On Sept. 28, President Viktor Yanukovich signed a bill that is designed to "introduce innovative and energy-saving technologies, create new jobs and (promote) regional development."

It will come into force on Jan. 1, but the Cabinet of Ministers only has three months to draft secondary legislation to ensure the law doesn't contradict existing rules and provide implementation instructions.

Less than 800 words, the bill lacks specifics but outlines a list of tax incentives for companies who meet certain criteria.

According to the bill, only companies who operate in still undefined "priority economic sectors" can qualify for a zero percent profit tax rate if they embark on new or existing reconstruction or modernization projects. They also will be exempt from customs duties on equipment and components used in investment projects and will be entitled to issue value-added tax promissory notes upon the import of such equipment and components that should be settled in 60 days, reads a report by auditing giant PwC.



Andriy Novak

The profit tax rate will rise to 8 percent from 2018 to 2022 on income derived from the investment projects.

Priority economic areas are vaguely defined in the bill: "...sectors aimed at meeting the needs of society in high-technological, competitive ecologically clean products, high-quality services that carry out the state's policy with regard to the development of production and export potential, and the creation of new jobs."

The loose wording has raised suspicions that the bill will benefit insiders.

"There's suspicion in economic cir-



Wind Park Novoazovskiy company in Donetsk Oblast launched a wind farm in July 2011. (Ukrainphoto)

cles that this is just another lobbied law for concrete people, for the benefit of certain financial-industrial groups," said Andriy Novak, an economist and head of the Committee of Economists of Ukraine. "Besides, you can't improve the investment climate with one law, you need to improve the banking system, the judicial system to protect investments, corruption...there's just so much more that needs to be done."

Some qualification criteria furthermore is puzzling and vary based on a company's size. Thus, small businesses qualify if they invest at least 500,000 euros, create at least 25 jobs and pay employees a salary that is at least 2.5 times the minimum monthly salary set on Jan. 1 of the reporting year.

The minimum monthly salary currently is 112 euros as of Oct. 1.

"I doubt small businesses have the financial means (at least 500,000 euros) to qualify," said Yulia Drohova, head of the economic committee at the Ukrainian Union of Industrialists and Entrepreneurs.

She added that it's unlikely that a small business, which usually employs up to 50 employees, normally has the capacity to hire 25 employees.

"This law (is mostly) for larger com-

panies...tax incentives should presumably cover the investment that is made," stated Yaroslav Guseynov, senior corporate tax manager at PwC.

Medium-sized businesses must invest at least 1 million euros, and create a minimum of 50 jobs. Investments by large companies must exceed 3 million euros with more than 150 jobs created.

Implementation and administration of the incentive program falls on the Cabinet of Ministers' shoulders. This includes identifying the economic sector priority areas and awarding the incentives to companies who qualify.

PwC said the qualifying sectors likely will include the high-tech, eco-friendly, manufacturing and export-oriented industries.

"Overall, this is a positive first step," said Guseynov. "It looks like renewable energy companies, as well as (exporters in) metallurgy and chemicals will benefit."

After the bill was adopted in parliament in September, Deputy Prime Minister Serhiy Tigipko lauded it not only for its potential for regional development and large-scale job creation, but also for its multiplier effects.

"Its implementation will allow us

in the coming years to build dozens of new industrial manufacturers and bring in billions of dollars in investment and create thousands of high-paying jobs in industry," said Tigipko.

The social policy minister said that the creation of one job at an industrial enterprise allows for the creation of 10 jobs along the value chain of a particular industry in transport, communication, the financial sector, in trade and in construction.

Tigipko added: "The renewal of industry, we provide incentives for the return of hundreds of thousands of Ukrainians who are forced to seek work abroad."

Guseynov was unconvinced, however.

"That won't be the decisive factor for coming back," he said.

And not everyone is so enthusiastic. Julian Ries who heads Beiten Burkhardt law firm in Kyiv questioned why the law isn't inclusive of the entire economy.

"But why create 'most favorable investment conditions' only for priority projects?" Ries asked rhetorically. "Why not create the most favorable investment conditions for everybody? Reading these kinds of laws, I sometimes have the impression that there is a long line of investors with deep pockets full of money, all impatiently waiting to pour money into and flood Ukraine. [Yet] Ukraine desperately tries to limit investment only to an exclusive circle of investors..."

Still, Drohova of the Ukrainian Union of Industrialists and Entrepreneurs said the law is needed to stimulate capital investment yet lamented the fact that the Cabinet of Ministers will be the sole deciding body of who qualifies.

"There's so much secondary legislation that needs to be drafted, the criteria isn't clear especially the priority investment areas; how will it function with other existing norms related to taxes, there's so many unanswered questions," said Drohova.

Kyiv Post staff writer Mark Rachkevych can be reached at rachkevych@kyivpost.com.

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Ukraine stands to profit from business process outsourcing

BY SVITLANA TUCHYNSKA
and JAKUB PARUSINSKI
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Shared services and outsourcing stand to gain popularity in Ukraine, promising to bring fresh investment and new jobs to the country, if only labor and human capital barriers can be overcome. Accounting outsourcing is the youngest and one of the most promising kinds of Business Process Outsourcing in Ukraine, experts say.

Neighboring Poland has already reaped millions in investments and jobs created thanks to the industry. The country consistently features in global top 10 BPO rankings, outpacing regional silver and bronze medalists Czech Republic and Hungary.

Average 20 percent growth in 2008-2011, according to Poland's national investment office PAIIZ, has boosted employment in the sector to close to 100,000. The agency estimates the field is worth around \$3.75 billion at present, up by a quarter from 2011.

Having conquered Poland's biggest cities, outsourcing-linked investments are focused on provincial centers that can provide needed infrastructure but offer lower wages. Thus, companies are moving from Krakow and its average gross wages of \$1,200, to just under \$950 in nearby Rzeszow – less, but still twice as high as offered in many Ukrainian cities. As a result, some companies are looking across the border to Ukraine in search of cheaper workers and infrastructure.

Nestle, the world's largest food producer, was among the first to realize Ukraine's potential. In 2011 it opened a center for financial and human resources services in Lviv – one of three worldwide. A year later Nestle says the move was a success.

"Now more than 400 people work there, providing all financial services, including accounting, and human resources services for the company's branches in Poland, the Czech Republic, Slovakia, Russia and Ukraine," said Gennadiy Radchenko, head of corporate communications and corporate affairs of Nestle Ukraine & Moldova.

The company hesitated among Poland, Hungary and Ukraine, he said, but decided on Ukraine because of low labor and office costs. "Also, the quali-



Nestle, one of the world's largest food producers, opened a regional hub for financial and human resources services in Lviv in July 2011. (Ukrainian photo)

fications of local people are very high," Radchenko added.

The sphere is small, but growing 20-40 percent every year, said Oleksandr Kobzarev, who heads the City Institute, a think tank that helps set up Lviv's development strategy.

"In Lviv, BPO companies are growing fast. The city's economic strategy puts IT and BPO as a priority. After the recent Outsourcing Shared Service Week in Amsterdam one big company already visited the city, and several other visits are planned. Investors learned more about Lviv and what it has to offer," Kobzarev said.

Recent arrivals to the western Ukrainian hub include Limelight Networks Ukraine, Vertaline, Lemberg Solution, Mita Technic and InteleX.

For now, most demand for BPO comes from big international firms, but local companies are slowly moving to shared service centers for their administrative and bookkeeping work.

"This is especially effective when the company is working in several spheres. To find accountants who will be good in several directions of accounting, let's say, retail and construction, is very hard. Also, it is very costly to have an accounting team in house," said Yuliya Nykonenko, senior manager for tax and legal issues at Big-Four auditor KPMG.

But while some players have been on the Ukrainian BPO market for over a decade, experts note there is still a lot of room for growth.

"Ukrainian businesses see the accounting function as vital, and it is hard for them to imagine sharing accounting information with a third party, due to reputation and confiden-

tiality risks," said Nataliya Vovchuk, head of the Association of Chartered Certified Accountants in Ukraine, Baltic and Caucasus States.

Ukraine's Byzantine tax system is one of the factors driving domestic outsourcing. Valeriy Bondar, managing partner of HLB, which currently does accounting for several Indian and European companies in Ukraine, said most of their clients are newcomers on the Ukrainian market.

"Ukraine is a country with 135 kinds of taxes, compared to 40-45 in most European states. Also, our tax code is complicated and changes often, so foreign companies are in big need of competent people as they arrive," he says.

A confused tax service, however, can be a double-edged sword. "A lot of time and resources are wasted on inspections of the Tax Service. There can be dozens of checks per year," Bondar explained.

Yet a lack of personnel, competent in both foreign languages and their field of expertise, is a barrier international BPO growth. Experts point to Lviv and Kharkiv as the top cities for international BPO, with enough qualified personnel, lower wages than in the capital and developed information technology sectors – a particularly important aspect given the industry's reliance on computers.

Ukraine's high number of qualified IT specialists, who can help with the outsourcing infrastructure set-up, is a top reason to be optimistic about the sector's prospects, said ACCA's Vovchuk. "There is a big niche on the market that has to be taken," she added.

But Ukraine needs to boost its supply of office space. Poland has →10

→On the move

PAID ANNOUNCEMENT



DHL, the world's leading express company, has appointed **VADIM SIDORUK** as Country Manager of DHL Express Ukraine.

Vadim brings with him 20 years of experience and achievement in the express and logistics industry with DHL. As the Country Manager of DHL Express Ukraine, Vadim will be responsible for the strategic development of all facets of the company's business in Ukraine.

Vadim has a strong track record across different commercial functions in DHL Express. In his most recent role as

Commercial Manager of CIS and South Eastern Europe, Vadim oversaw the development and implementation of DHL's commercial strategy. He was instrumental in improving sales effectiveness and rolling out product, pricing and marketing programs. "I am excited about this new opportunity to lead DHL Express division in Ukraine," said Vadim Sidoruk. "I have taken an active part in the development of DHL's business in Ukraine from the early days of the company's entry into Ukrainian market. It was great to see how our buildings, vans, aircraft have grown in size and numbers. However, our key strength is the people who work for DHL. I am very privileged to work with teams of extremely experienced and dedicated international specialists. My prime focus will be to ensure that we are all synchronized in our aspiration to be the Provider of Choice for our customers'.



The famous German company Siemens has announced **CORNELIUS GRANIG** as their new CEO for Ukraine.

He will be located in Kiev and in Donetsk. Mr. Granig is an Austrian citizen and has been working here already for four years as deputy chairman of the board of an international bank. He sees a bright and challenging future for the Ukrainian economy: "Siemens has a 160 years long history of delivering leading edge technology and services for the healthcare, the energy and the industrial sector of Ukraine.

Among our main clients are the big steel producers, the main energy companies and major hospitals. For the oncoming years we see a big potential in the improvement of the infrastructure and the support of cities and communities in their modernization challenges. Siemens offers modern metros, tramways, railways and smart traffic systems. And our overall goal is to implement solutions for a better environment, to improve the living quality for everybody in this big and promising country", - Mr. Granig said.



NATALIA MESHCHERIAKOVA joined

AstapovLawyers as Head of Intellectual Property Department, which will advise on a full range of related topics.

Prior to joining AstapovLawyers Ms Meshcheriakova was a Senior Partner with DD&I IP Agency and Managing Partner of Expert Bureau on Intellectual Property.

Ms Meshcheriakova has 7 years of professional experience and holds a degree in philology from Melitopol State Pedagogical University (Ukraine), a degree summa cum laude in law from National University of Internal Affairs (Ukraine), and a degree in intellectual property from the Institute of Intellectual Property (Ukraine). AstapovLawyers International Law Group is an international full-service law firm with offices in Kyiv, Moscow, Almaty and London. The firm is among TOP-5 best law firms in Ukraine, TOP-25 best law firms in Russia and fast growing firms in Kazakhstan.

Have a new employee or promoted someone recently? Let Kyiv Post readers know about all the changes in your business, government agency or non-profit organization through a paid announcement in the On The Move section. For information about how to place your On The Move item at the low rate of Hr 1,440, please call advertising at 591-77-88 or email advertising@kyivpost.com.

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Korrespondent publishes list of top taxpayers

→7 at Kyiv's International Centre for Policy Studies, said that even though Korrespondent's list of top taxpayers ostensibly reflects Ukraine's mostly natural resource and commodity-based economy, he would've expected to see agribusinesses and financial service companies.

"These sectors started to recover last year and show healthy profits," said Gazizullin.

Taking into account that Ukraine's economy is largely export-oriented, oligarch-owned metallurgy and chemical companies should have been presented much more in the top list, said Minin from KM Partners. "It seems tax control is stronger for companies which work on the domestic market, than for export-oriented businesses," Minin added.

The largest taxpayer is the state-owned oil and gas monopoly Naftogaz Ukrainy which contributed more than \$4.6 billion to the state budget. Naftogaz has historically been the nation's largest taxpayer, but it also enjoys generous government subsidies, which offsets the company's tax burden.

Two companies, steel and iron ore giant Metinvest and coal and electricity behemoth DTEK, both controlled by Ukraine's richest billionaire oligarch Rinat Akhmetov, were portrayed in the Korrespondent ranking as being amid the largest taxpayers in Ukraine. Together they paid about \$2 billion in taxes last year, according to Korrespondent, becoming the second and fourth largest taxpayers.

But Metinvest and DTEK wouldn't provide the Kyiv Post with a breakdown of how much profits they had onshore in Ukraine, and how much their offshore affiliates made.

Other major Ukrainian businesses registered offshore were not in the ranking. "The Korrespondent list in this case is comparing apples with oranges," said Gazizullin.

Still, much remains to be done to collect on taxes. The economy ministry in April said Ukraine's shadow economy is 34 percent of gross domestic product, or \$56 billion. Independent economists estimate that 40-60 percent of GDP lies underground.

Kyiv Post staff writers Oksana Faryna and Mark Rachkevych can be reached at faryna@kyivpost.com and rachkevych@kyivpost.com.

Top 20 biggest taxpayers in Ukraine

#	Company	Country	Ownership	Business activity	Taxes paid into Ukrainian budget in 2011, Hr billion
1	NJSC Naftogaz of Ukraine (including Ukrnafta, Ukrtransnafta, Chornomornaftogaz, Ukgazproduction)	Ukraine	National joint stock company	Exploration, drilling, extraction and supply of oil and gas	37
2	Metinvest	Ukraine	71.25 percent of shares belong to Rinat Akhmetov SCM Group; 23,75 percent – Smart Holding of businessman Vadym Novinsky	Production of iron ore and steel	9.8
3	Philip Morris Ukraine	Switzerland	Ukrainian daughter of Philip Morris Brands SARL (Switzerland)	Production of tobacco products (main brands are Chesterfield, Bond Street, Marlboro, L&M, Parliament)	7.6
4	DTEK	Ukraine	100 percent of shares belong to Rinat Akhmetov's SCM	Coal mining and refining, electricity production and sale	5.6
5	Ukrzaliznytsia	Ukraine	State-owned	railway transportation of passengers and cargo	5.4
6	JT International Ukraine	Switzerland	Ukrainian daughter of JT International (Switzerland)	Production of tobacco products (main brands are Winston, Glamur, Sobranie)	5.2
7	Ukratnafta	Ukraine	Biggest shareholder (43 percent of shares) is owned by NJSC Naftogaz of Ukraine	Production and sale of oil products	5.1
8	Kyivstar	Netherlands	VimpelCom Holdings BV (The Netherlands)	Mobile and internet services	4.5
9	Energoatom	Ukraine	State-owned	Nuclear energy	3.8
10	Imperial Tobacco Production Ukraine	Great Britain	Ukrainian daughter of Imperial Tobacco Group (Great Britain)	Production of tobacco products (main brands are Davidoff, Gauloises, Prima)	3.8
11	V.A.T. – Pryluky	Great Britain	Ukrainian daughter of British American Tobacco (Great Britain)	Production of tobacco products (main brands are Dunhill, Kent, Vogue, Pall Mall, Capri, Lucky Strike, Viceroy, Pryluky)	3.6
12	ArcelorMittal Kryviy Rih	India	Owned by Indian businessman Lakshmi Mittal	Steel production	3.2
13	Fozzi-Food	Ukraine	Owned by a group of Ukrainian businessman (Volodymyr Kostelmak, Roman Chyhyr, Oleh Sotnikov)	Retail (Fozzy, Silpo, Fora retail networks)	3.2
14	Lysychansk Oil Investment Company	Russia	Owned by TNK Management Company Limited	Oil products production	3.2
15	Southern Mining and Refining Plant (Ugok)	Ukraine	One of the main shareholders is businessman Vadym Novinsky	Iron ore production	2.5
16	Slavutich Brewery	Danemark	Owned by Carlsberg Group (Danemark)	Beer and soft drinks production (most famous brands are Slavutich, Tuborg, Holsten, Baltika, Lvivske, Arsenal)	1.5
17	Poltava Gas and Oil Company	Great Britain	Owned by JKK Oil & Gas (Great Britain)	Oil and gas extraction, exploration	1.0
18	Nemiroff Ukrainian Vodka Company	Cyprus	Owned by Nemiroff Holding Ltd (Cyprus)	Production of alcohol drinks (vodka, most famous brands are Nemiroff, Ukrainian honey vodka with pepper)	1.0
19	Kraft Foods Ukraine	Netherlands	Owned by Kraft Foods Entity B.V. (Netherlands)	Food products production (most famous brands are Barni, Corona, Tuc, Jacobs, Milka, Oreo, Carte Noire)	0.8
20	Motor Sich	Ukraine	Biggest shareholder is Vyacheslav Bohuslayev	Production of aircraft engines and components	0.8
Total:					108.6

Source: Korrespondent magazine

Lviv leads as hub for business outsourcing

→9 6 million square meters, with another million in the works, according to global real estate consulting firm CBRE. Meanwhile, Kyiv has 1.3 million square meters on the market, with other cities far behind.

Policy also has to be amended to lure in big investments.

"Ukraine's labor regulations are outdated and inflexible. Likewise, the tax environment continues to frustrate foreign investors. A phased decrease in VAT [value-added tax] and corporate income taxes will help make the country more competitive over the next few years," says Nikolai Ganzha, director at Acumen International, a Kyiv-based outsourcing firm. "The government needs to embrace a customer service attitude that carefully examines what investors need, then meet and exceed those needs," Ganzha added.

Kyiv Post staff writer Svitlana Tuchynska can be reached at tuchynska@kyivpost.com.



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Going Out Guide

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For tickets online, please visit kvytky.ua, parter.ua, freedomhall.com.ua, bilethouse.com.ua, karabas.com, or biletik.ua.



Book fair in Kyiv

One of Ukraine’s biggest annual book fairs kicked off on Oct. 4 at Mystetsky Arsenal near Pecherska Lavra. The event brings together more than 50 prominent writers from Ukraine, Russia and several European

countries. Ukraine’s Yuri Andrukhovych, Liubko Deresh, Sergiy Zhadan, Italian Alessandro Baricco, Austrian Joseph Vinkler and French Gerard de Cortanze will be giving a series of master classes and lectures on modern literature over four days at the fair. Naturally, book lovers will get to browse Ukrainian bestsellers and of the world’s modern literature, comic books and graphic works. A special entertainment program will be held for kids. A detailed schedule is available at <http://artarsenal.in.ua/event49.html>. **Book Fair. Through Oct.7. Mystetsky Arsenal. 11 a.m. – 8 p.m. Free** **Mystetsky Arsenal, 10-12 Lavrska St., <http://artarsenal.in.ua>, 288-5225**

Friday, October 5

Classical music

Kyiv Music Fest. 23rd International Festival. National Philharmonic.7 p.m. Free **1**

Classics on Fridays. Quintet of Wind-Instruments Bravo Playing Nielsen. Master Klass. 8 p.m. Hr 50 **2**

Movies

Best Autumn Shorts (shorts festival). Zhovten. 9:30 p.m. Hr 40 **1**

Manhattan Short Film Festival (shorts festival). Zhovten. 7 p.m., 9:15 p.m. Hr 25-50 **1**

Farewell, My Queen (drama). Kinopanorama. 12:00 p.m., 1:40 p.m., 3:20 p.m., 5 p.m., 7 p.m., 8:40 p.m. Hr 20-50 **5**

Manhattan Short Film Festival (shorts festival). Kyiv. 4:30 p.m., 6:45 p.m. Hr 25-40 **2**

Looper(action). Ukraine. 10 a.m., 12:30 p.m., 3 p.m., 9:30 p.m. Hr 40-70 **5**

Live music

Red Cardell & Dyadya Vasya. Docker Pub. 10 p.m. Hr 100 **1**

Mad Heads XL & Red Rocks (rock). Docker’s ABC. 10 p.m. Hr 75 **2**

Riffmaster (rock). Art Club 44. 10 p.m. Hr 50 **5**

Clubs

New Season Opening. Mantra. 10 p.m. Free for females, Hr 200 for males **15**

Dating Party. Egoist. 11 p.m. Hr 25 for females, Hr 50 for males **14**

About It (erotic party). Seven Music Club. 11 p.m. Free for females, Hr 50 for males **2**

Feminism Party. Forsage. 11 p.m. Hr 30-50 for females, Hr 40-60 for males **9**

Theaters

I Love! I Love! I Love! (Tbilisi Theater). Molody Theater. 7 p.m. Hr 50-90 **5**

Confession Of A Nun (Women Theater). Palats Ukraina, small stage. 7 p.m. Hr 60-80 **1**

Little Adultery (drama). Ivan Franko Theater. 7 p.m. Hr 15-120 **1**

The Highest Good In The World (drama). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 50-80 **4**

Shows

Kvartal 95 Studio (comedy show). Palats Ukraina. 8 p.m. Hr 100-1500 **1**

Kasta (rap). Green Theater. 7 p.m. Hr 200-350 **2**

Cover Show: Monsters Of Rock. Bingo. Hr 70 **15**

Miscellaneous

Human Body Exhibition. NSC

Olimpiyskyi. Hr 110- 350 **5**

Normandy In Paintings (works of Monet, Renoir, Corot, Gericault). National Art Museum. 10 a.m.-7 p.m. Hr 40, Hr 10 (for children) **15**

Kyiv Music Fest 2012. National Philharmonic of Ukraine. 7 p.m. Free **1**

Chrysanthemum Exhibition. Spivoch Pole. 10 a.m. Hr 20 **15**

Anatoliy Melnyk (art exhibition). National Art Museum. 10 a.m. Hr 40 **15**

Ukrainian Vyshyvanka: Tradition-Style-Freedom. Ivan Honchar Museum. 10 a.m. Hr 3-15 **15**

Book Arsennale (international book festival). Mystetskyi Arsenal. 12:01 p.m. Free **20**

Exhibition Of Exotic Plants. Natural History Museum. 11 a.m. Hr 5-10 **5**

Saturday, October 6

Classical music

Kyiv Music Fest. 23rd International Festival. National Philharmonic. 7 p.m. Free **1**

Organ Music. From Baroque to Modernity. Works of Bach, Honcharenko, Bortnyansky, Kolessa (organ). House of Organ Music. 7:30 p.m. Hr 30-100 **2**

Movies

Best Autumn Shorts (shorts festival). Zhovten. 9:30 p.m. Hr 40 **1**

Manhattan Short Film Festival (shorts festival). Zhovten. 2:15 p.m., 7 p.m., 9:15 Hr 25-50 **1**

Manhattan Short Film Festival (shorts festival). Kyiv. 4:30 p.m., 6:45 p.m. Hr 25-40 **2**

Farewell, My Queen (drama). Kinopanorama. 12 p.m., 4 p.m., 5:40 p.m., 7:20 p.m., 9 p.m. Hr 20-50 **5**

Looper (action). Ukraine. 10 a.m., 12:30 p.m., 3 p.m., 9:30 p.m. Hr 40-70 **5**

Live music

Mad Heads XL & More Huana (cover band). Docker Pub. 10 p.m. Hr 100 **1**

Banderas Blues Band & Tex-Mex Company. Docker’s ABC. 10 p.m. Hr 75 **2**

Mamma Mia (italiano disco, rock). Art Club 44. 10 p.m. Hr 50 **5**

Clubs

Flirt Unlimited Party. Seven Music Club. 11 p.m. Free for females, Hr 70 for males **2**

Pick Up Party. Egoist. 11 p.m. Free for females, Hr 50 for males **14**

Five Point Five Birthday Bash. Xlib. 11 p.m. Hr 150 **25**

Brand New Dance with Angelo

Ferreri (Italy). Forsage. 11 p.m. Hr 40-60 for females, Hr 50-70 for males **9**

Theaters

Spectators Are Not Allowed! (comedy). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 70-120 **4**

He Is My Sister (comedy). Operetta Theater. 7 p.m. Hr 100-600 **9**

Kaydashy (comedy). Molody Theater. 7 p.m. Hr 50-90 **5**

Miscellaneous

Anima (relationships festival). Ukrainian House. 10 a.m. Hr 140-280 **25**

Human Body Exhibition. NSC Olimpiyskyi. Hr 110-350 **5**

Normandy In Paintings (works of Monet, Renoir, Corot, Gericault). National Art Museum. 10 a.m.-7 p.m. Hr 40, Hr 10 (for children) **15**

Kyiv Music Fest 2012. National Philharmonic of Ukraine. 7 p.m. Free **1**

The Arrow Of the Ancient Kyiv (tournament). Kyivska Rus park. 10 a.m. Hr 50-100 **5**

A Day Of the Childhood. Maidan Nezalezhnosti. 1 p.m. Free

Chrysanthemum Exhibition. Spivoch Pole. 10 a.m. Hr 20 **15**

Anatoliy Melnyk (art exhibition). National Art Museum of Ukraine. 10 a.m. Hr 40 **15**

Ukrainian Vyshyvanka: Tradition-Style-Freedom. Ivan Honchar Museum. 10 a.m. Hr 3-15 **15**

Book Arsennale (international book festival). Mystetskyi Arsenal. 12:01 p.m. Free **20**

Exhibition Of Exotic Plants. Natural History Museum. 11 a.m. Hr 5-10 **5**

Sunday, October 7

Classical music

Dedication to the Feast of Intersection of the Holy Virgin. Works of Zubytsky, Astafiev, Ukrainian Folk Songs. National Philharmonic. 7 p.m. Hr 40-80 **1**

Movies

Best Autumn Shorts (shorts festival). Zhovten. 9:30 p.m. Hr 40 **1**

Manhattan Short Film Festival (shorts festival). Zhovten. 2:15 p.m., 7 p.m., 9:15 Hr 25-50 **1**

Manhattan Short Film Festival (shorts festival). Kyiv. 4:30 p.m., 6:45 p.m. Hr 25-40 **2**

Farewell, My Queen (drama). Kinopanorama. 11 a.m., 12:40 p.m., 2:20 p.m., 4 p.m. Hr 20-50 **5**

Looper (action). Ukraine. 10 a.m., 12:30 p.m., 3 p.m., 9:30 p.m. Hr 40-70 **5**

Live music

Segodnya Nochiu & Animals Session (classic rock). Docker Pub. 9 p.m. Fee to be announced **1**

Soyuz 44 (jazz jam session). Art Club 44. 10 p.m. Hr 50 **5**

Turnaround. Route 66. 9 p.m. Free **6**

Clubs

Miss Student Ukraine (beauty contest). Crystal Hall. 8 p.m. Hr 100 **11**

Salsatimbateka. Fiesta. 7 p.m. Hr 20 **15**

Theaters

Joan of Arc. Discount? (Volodymur Zavalnyk Theater-Studio). Palats Ukraina, small stage. 7 p.m. Hr 50-100 **1**

Quartet For Two (premiere). Molody Theater. 7 p.m. Hr 50-90 **5**

Chasing Two Hares (operetta). Operetta Theater. 7 p.m. Hr 80-150 **9**

Schweik (drama). Ivan Franko Theater. 7 p.m. Hr 20-200 **1**

Shows

Omar Rodriguez Lopez Group. Green Theater. 7 p.m. Hr 300-500 **2**

Artur Berkut. Underground Music Hall. 8 p.m. Hr 110-170 **6**

Stigmata. Bingo. 7 p.m. Hr 100-120 **15**

Segodnyanochju. Docker Pub. 9 p.m. Hr 100-200 **1**

Miscellaneous

Skladnosuryadni (literature drama performance). Mystetskyi Arsenal. 9 p.m. Hr 60-200 **25**

Indian Dance. Flamenco. Artist’s House. 6 p.m. Hr 50-200 **5**

Anima (relationships festival). Ukrainian House. 10 a.m. Hr 140-280 **25**

Human Body Exhibition. NSC Olimpiyskyi. Hr 110- 350 **5**

Normandy In Paintings (works of Monet, Renoir, Corot, Gericault). National Art Museum. 10 a.m.-7 p.m. Hr 40, Hr 10 (for children) **15**

The Arrow Of the Ancient Kyiv (tournament).Kyivska Rus park. 10 a.m. Hr 50-100 **5**

Chrysanthemum Exhibition. Spivoch Pole. 10 a.m. Hr 20 **15**

Anatoliy Melnyk (art exhibition). National Art Museum of Ukraine. 10 a.m. Hr 40 **15**

Ukrainian Vyshyvanka: Tradition-Style-Freedom. Ivan Honchar Museum. 10 a.m. Hr 3-15 **15**

Book Arsennale (international book festival). Mystetskyi Arsenal. 12:01 p.m. Free **20**

Exhibition Of Exotic Plants. Natural History Museum. 11 a.m. Hr 5-10 **5**

Monday, October 8

Classical music

Organ Music of Cesar Franck (organ). House of Organ Music. 7:30 p.m. Hr 30-100 **2**

Ensemble Kobza-Original with the Participation of Nina Matviyenko, Enver Izmaylov Playing Ukrainian Folk Songs and Works of Modern Composers. National Philharmonic. 7 p.m. Hr 45-90 **1**

Movies

Manhattan Short Film Festival (shorts festival). Kyiv. 4:30 p.m., 6:45 p.m. Hr 25-40 **2**

Farewell, My Queen (drama). Kinopanorama. 6:30 p.m., 8:10 p.m. Hr 20-50 **5**

American political cartoons

A unique collection featuring political cartoons by David Horsey, a two-time Pulitzer Prize-winning editorial cartoonist, and twin exhibit of historical and contemporary U.S. political cartoons entitled “Join, or Die” and “We, the People” went on display at Mystetsky Arsenal’s Small Gallery on Sept. 25. The main aim of the exhibition is to show the American tradition of using humor to judge political and social processes. In the 19th century, political cartoons flourished and American cartoonists created images, such as Uncle Sam symbolizing the U.S., which quickly gained popularity and are easily recognized by almost everyone today. The exhibition runs through Oct. 7 in Arsenal and then will move to Vernadskiy Library which will host it until Oct.20.

American political cartoons. Through Oct.20. Small Gallery of Mystetsky Arsenal/Vernadskiy Library. Free Small Gallery of Mystetsky Arsenal, 10 Lavrska St., 12 a.m. – 7 p.m. (closed on Monday, Sunday), <http://artarsenal.in.ua/gallery.html>, 288-5140 Vernadskiy Library, 3 40-richia Zhovtnia Ave., 524-8138, 9:15 a.m. - 5 p.m. (closed on Saturday, Sunday), <http://www.nbu.gov.ua/>



Looper (action). Ukraine. 10 a.m., 2:30 p.m., 9:40 p.m. Hr 40-70 **5**

Live music

Vostochniy Express. Docker’s Pub. 9:30 p.m. Free **1**

Ruki V Briuki (rockabilly). Docker’s ABC. 10 p.m. Free **2**

Kuzma & Virtuozы (Russian punk rock). Divan. 8 p.m. Free **4**

Miscellaneous

Chrysanthemum Exhibition. Spivoch Pole. 10 a.m. Hr 20 **15**

Anatoliy Melnyk (art exhibition). National Art Museum of Ukraine. 10 a.m. Hr 40 **15**

Human Body Exhibition. NSC Olimpiyskyi. Hr 110-350 **5**

Tuesday, October 9

Classical music

Works of Bach (organ). House of Organ Music. 7:30 p.m. Hr 20-80 **2**

National Academic Orchestra of Folk Instruments of Ukraine Playing Bach, Verdi, Pugnani, Skoryk, Stankovych, Shevchenko. National Philharmonic. 7 p.m. Hr 45-90 **1**

Movies

Best Autumn Shorts (shorts festival). Zhovten. 12:40 p.m., 9:30 p.m. Hr 25-40 **1**

Manhattan Short Film Festival (shorts festival). Kyiv. 4:30 p.m., 6:45 p.m. Hr 25-40 **2**

Looper (action). Ukraine. 10 a.m., 12:30, 3 p.m., 9:30 p.m. Hr 40-70 **5**

Live music

Partizanskiye Vytivki (Russian rock). Docker’s Pub. 9:30 p.m. Free **1**

John Lennon Birthday Party. Art Club 44. 10 p.m. Hr 50 **5**

Bebixband. Divan. 8 p.m. Free **4**

Theaters

Woyzeck. Carnival Of Flesh (premiere). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 70-120 **4**

The Luxembourg Garden (fantasy-chanson).Theater on Podil. 7 p.m. Hr 70 **5**

Sylva (operetta). Operetta Theater. 7 p.m. Hr 70-90 **9**

The Pharaohs (comedy-farce). Palats Ukraina. 7 p.m. Hr 70 **1**

Miscellaneous

Chrysanthemum Exhibition. Spivoch Pole. 10 a.m. Hr 20 **15**

Anatoliy Melnyk (art exhibition). National Art Museum of Ukraine. 10 a.m. Hr 40 **15**

Human Body Exhibition. NSC Olimpiyskyi. Hr 110- 350 **5**

Wednesday, October 10

Classical music

Works of Bach, Caccini, Schubert, Luzzi, Puccini, Petrali (organ, piano, violin). House of Organ Music. 7:30 p.m. Hr 20-80 **2**

Oleg Krysa (USA) Playing Beethoven, Brahms, Stankovych, Shostakovich, Ravel, Szymanowski (violin). National Philharmonic. 7 p.m. Hr 45-90 **1**

Movies

Best Autumn Shorts (shorts festival). Zhovten. 12:40 p.m., 9:30 p.m. Hr 25-40 **1**

Manhattan Short Film Festival (shorts festival). Kyiv. 4:30 p.m., 6:45 p.m. Hr 25-40 **2**

Looper (action). Ukraine. 10 a.m., 12:30, 3 p.m., 9:30 p.m. Hr 40-70 **5**

Live music

Rockin’ Wolves (rock). Docker’s Pub. 9:30 p.m. Free **1**

The Magma (pop rock). Docker’s ABC. 10 p.m. Hr 30 **2**

Cadillac Records Jam Session. Art Club 44. 10 p.m. Free **5**

Jazz Wednesday with Bohdan Humeniuk Quartet. Divan. 8 p.m. Free **4**

Theaters

Sentimental Cruise (drama). Ivan Franko Theater. 7 p.m. Hr 15-120 **1**

Mein Kampf, Or Socks In The Pot (comedy). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 50-80 **4**

Uncle Vanya (play by Anton Chekhov). Molody Theater. 7 p.m. Hr 50-90 **5**

Where Do The Kids Come From? (comedy). Palats Ukraina. 7 p.m. Hr 90 **1**

The Monologues Of Vagina (epat-age performance). Kinopanorama. 7 p.m. Hr 60-280 **5**

Miscellaneous

Chrysanthemum Exhibition. Spivoch Pole. 10 a.m. Hr 20 **15**

Anatoliy Melnyk (art exhibition). National Art Museum of Ukraine. 10 a.m. Hr 40 **15**

Human Body Exhibition. NSC Olimpiyskyi. Hr 110- 350 **5**

Thursday, October 11


Classical music

Bow and arrow tournament

The best bowmen from Ukraine, Russia, Belarus, Turkey and Moldova will compete at the Kyivska Rus medieval-themed park in Kyiv region this weekend. Dressed in historical armor, the participants will demonstrate their skills on horseback, and will perform a roundhouse shoot.

Apart from the competition, a collection of faithfully recreated bows used in medieval Rus, Mongolia and England will be shown to visitors and they will also have a chance to learn how to shoot a Japanese bow.

A fireworks display and a special show of fire arrows awaits visitors at the end of the tournament.


The Arrow of the Ancient Kyiv Oct. 6-7. Kyivska Rus Park. 10 a.m. – 8 p.m. Hr 100 , **Kyivska Rus Park, Kopachiv village of Kyiv Oblast, 461-9937, <http://www.parkkyivrus.com>. Marshrutkas (Hr 20) take visitors to the park from Vydubychi metro stop every other hour, 10 a.m. - 4 p.m., on the weekend (every 30 minutes on festival days)**





Courtesy


Oct. 6-7

Theaters

An Old Maid (lyric comedy, starring Inna Churikova). Ivan Franko Theater. 7 p.m. Hr 500-2,200 

The Imaginary Invalid (premiere, comedy). Lesya Ukrainka Theater. 7 p.m. Hr 20-200 


My Dear Pamela (criminal comedy). Molody Theater. 7 p.m. Hr 40-60 


Mr. X (operetta). Operetta Theater. 7 p.m. Hr 80-100 


Shows

Vlad Darwin. Freedom Hall. 7:30 p.m. Hr 100-200 

Miscellaneous


Chrysanthemum Exhibition. Spivochke Pole. 10 a.m. Hr 20 


Anatoliy Melnyk (art exhibition). National Art Museum of Ukraine. 10 a.m. Hr 40 


Human Body Exhibition. NSC Olimpiyskiy. Hr 110- 350 

Friday, October 12


Classical music


Organ Music of Romantic Epoch. Works of Schumann, Liszt, Brahms, Franck, Vidor (organ). House of Organ Music. 7:30 p.m. Hr 30-100 

Classics on Fridays. Works of Vivaldi, Beethoven, Saint-Saens (piano, violoncello). Master Klass. 8 p.m. Hr 40 

Symphony Orchestra of the National Philharmonic of Ukraine Playing Mendelsshon-Bartholdi, Shopin, Poulenc, Rachmaninoff (violin, piano). National Philharmonic. 7 p.m. Hr 20-100 

Movies


Best Autumn Shorts (shorts festival). Zhovten. 12:40 p.m., 9:30 p.m. Hr 25-40 


Looper (action). Ukraine. 10 a.m., 12:30, 3 p.m., 9:30 p.m. Hr 40-70 

Live music


Easy Dizzy & Red Rocks (rock covers). Docker's Pub. 9:30 p.m. Hr 100 


Vasya Club & Chill Out (disco rock). Docker's ABC. 10 p.m. Hr 75 


Oh, Lennon... Art Club 44. 10 p.m. Hr 50 


Vzrosliyi Band (rock). Divan. 8 p.m. Free 

Theaters


An Old Maid (lyric comedy, starring Inna Churikova). Ivan Franko Theater. 7 p.m. Hr 500-2,200 


Sylviya (lyric comedy). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 40-70 

The Men And Eternity (premiere). Molody Theater. 7 p.m. Hr 40-60 

Dead Souls (based on Nikolay Gogol novel). Palats Ukraina. 7 p.m. Hr 70 


Shows

Enter Shikari. Bingo. 7 p.m. Hr 300-400 


Ihor Saruhanov. House of Officers. 7 p.m. Hr 150-750 


Lacuna Coil. NAU Center of Culture and Art. 7 p.m. Hr 250-350 


Mavrin. Underground Music Hall. 8 p.m. Hr 170-200 


Landysh. Bochka. 8 p.m. Hr 90-140 

Miscellaneous

Retro and Exotic Motor Show 2012. AKKO International. 10 a.m. Hr 45 


Chrysanthemum Exhibition. Spivochke Pole. 10 a.m. Hr 20 


Anatoliy Melnyk (art exhibition). National Art Museum. 10 a.m. Hr 40 

Human Body Exhibition. NSC Olimpiyskiy. Hr 110- 350 


Saturday, October 13


Classical music


Premiere. Works of Mozart, Schubert. House of Organ Music. 7:30 p.m. Hr 30-90 

Roads of Love... Works of Poulenc, Obradors, Bixio, Bilash, Poklad, Shamo, Protzenko. National Philharmonic. 7 p.m. Hr 45-90 

Theaters


Lying Naked Truth (comedy). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 50-80 


Night For Two (lyric comedy). Theater in Podil. 7 p.m. Hr 60 


Empty Trash (comedy). Molody Theater. 7 p.m. Hr 40-60 

Last Summer In Chulimsk (drama). Palats Ukraina. 7 p.m. Hr 90 


Live music

Larus & Tex-Mex Company. Docker's Pub. 9:30 p.m. Hr 75 


Tabula Rasa & Mama Mia (italiano disco, rock). Docker's ABC. 10 p.m. Hr 75 


GhurtYoGhurt. Art Club 44. 10 p.m. Hr 50 


Shows

Basta. Stereo Plaza. 8 p.m. Hr 250-1200 


Auktsyon. NAU Center of Culture and Art. 7 p.m. Hr 150-450 


Oleg Mityaev. Zhovtnevy Palats. 7 p.m. Hr 120-1200 


Rozhdestvo (pop band). House of Officers. 7 p.m. Hr 80-550 


Kvartal 95 Studio (comedy show). Freedom Hall. 8 p.m. Hr 800-2500 

Miscellaneous

Retro and Exotic Motor Show 2012. AKKO International. 10 a.m. Hr 45 


Chrysanthemum Exhibition. Spivochke Pole. 10 a.m. Hr 20 

Anatoliy Melnyk (art exhibition). National Art Museum of Ukraine. 10 a.m. Hr 40 

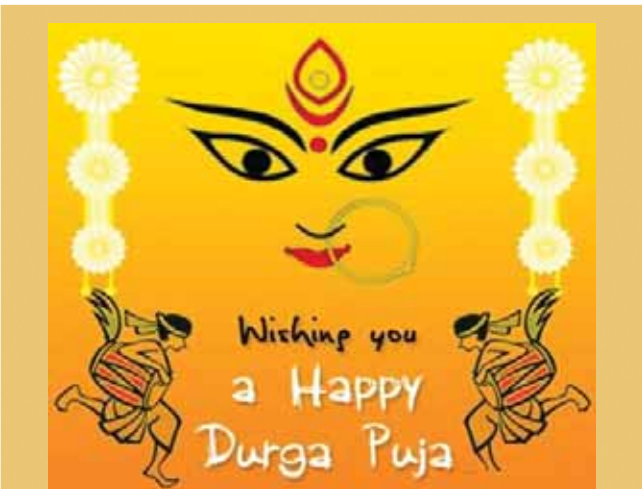
Human Body Exhibition. NSC Olimpiyskiy. Hr 110- 350 

Sunday, October 14

Classical music

In Captivity of Love. On the Occasion of the 20th Anniversary of Establishment of Diplomatic Relations between Ukraine and the Italian Republic. Works of Monteverdi, Cavalli, Stradella, Scarlatti, Vivaldi, Handel. National Philharmonic. 7 p.m. Hr 45-90 

Duel of Tenors and Baritones (USA, Russia, South Korea). National Tchaikovsky Academy of



Durga Puja


Durga Puja is celebrated as Navratri, the festival of nights that lasts for 9 days, with joy all over India, especially in West Bengal in worship of Goddess Durga. Singing, Dancing, Sweets and Gaiety are an integral part of Durga Puja festival. SANSKRITI, the Indian Cultural Centre is happy to celebrate the same, here in Kiev, between the 20th and 24th of October at the VDNKh exhibition center. We will have daily prayers, besides various contest for adults and children, viz: cookery, rangoli, singing & dancing and drawing, talent search for children.


Food offering to the goddess will be later served. We will also have Lotto and Tambola with exciting prizes. ALL ARE WELCOME TO VISIT AND GET THE BLESSINGS OF THE GODDESS. ENTRY IS FREE Keep watching this space for more details or contact us: 044-285-47-20





Music. 7 pm. Free 

Theaters


Too Married Taxi Driver (comedy). Lesya Ukrainka Theater. 7 p.m. Hr 20-200 


Four Reasons To Get Married (comedy). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 70-120 

Pickled Aristocrat (Ukrainian-British fantasy). Molody Theater. 7 p.m. Hr 50-90 

Ball In Savoy (operetta). Operetta Theater. 7 p.m. Hr 80-100 


Live music


Yuri Loza & Karnavalnaya Zhara (rock covers). Docker's Pub. 9 p.m. Free 


Vyacheslav Butusov's Birthday with Larus. Docker's ABC. 10 p.m. Free 


Addresses of venues



Classical Music


 National Philharmonic of Ukraine
2 Volodymyr Uzviz St., 278-1697
filarmonia.com.ua/en


 House of Organ Music
77 Velyka Vasylkivska St., 528-3186
organhall.kiev.ua


 School of Jazz and Pop Art
7-A Chelyabinskaya St., 517-6188

 National Tchaikovsky Academy of Music
1-3/11 Horodetsky St. 279-1242
operna-nmau.kiev.ua

 Movies
 Zhovten
26 Kostyantynivska St., 205-5951
zhovten-kino.kiev.ua


 Kyiv
19 Velyka Vasylkivska St. (former Chervonoarmyska), 234-7381
kievkino.com.ua

 Kinopanorama
19 Shota Rustaveli St., 287-3041
kinopanorama.com.ua

 Outdoor cinema
31 Nyzhniyurkivska St. http://kinokombo.blogspot.com/


 For more schedules visit
kino.ukr.net/cinema/kiev/

Live Music


 Docker Pub
25 Bohatyrskaya St., metro Heroyiv Dnipra, 537-1340
docker.com.ua



 Docker's ABC
15 Khreshchatyk St., 278-1717,
abc.docker.com.ua


 Art Club 44
44B Khreshchatyk St., 279-4137
club44.com.ua


 Divan
2 Bessarabskaya Square, 235-7366
festrestdivan.com.ua

 Bochka
22 Verhnyi Val St. 067-433-0433
bochka.ua


 Route 66
87/30 Zhylyanska St. 584-3865
www.route66.com.ua

 Clubs
 Bionica
128 Borschahovska St., 277-4747
bioniaclub.com.ua

 Seven Music Club
16 Saksahanskoho St. 205-4451
se7en.com.ua


 Party Room
5/3 Velyka Vasylkivska St. (former Chervonoarmyska), 093-815-1468
partyroom.com.ua

 Cinema Club
1 Enthusiastov St., 295-5854

 Saxon Club
4 Trutenko Onufriy St., 257-4070
saxonclub.com.ua


 Dorothy Pub
16/43 Saksahanskoho St., 287-0530
pubdorothy.com.ua


 Sky Bar
5 Velyka Vasylkivska St. (former Chervonoarmyska), 465-8880
skybar.com.ua

 Sullivan Room
8 Prorizna St., 095-455-7724

 Home
2 Perova Blvd., 558-2545,
383-7738
home-club.kiev.ua

 Green Theatre
2 Park Alley
093 5912514
greentheatre.com.ua

 Ajour
3 Leontovicha St., 234-7494
avalon.ua/en


 Xlib Club
12 Frunze St., Thu-Sat 417-2546
myspace.com/xlibclub


 Vodka Bar
Maidan Nezalezhnosti, Globus mall, 2nd line, 371-1102
vodka-bar.com.ua


 TransForce
28B Moskovskiy Ave. 221-8981

 Sharpei
26 Moskovskiy Ave. 390-1712
sharpei.ua

 Theaters
 Ivan Franko Ukrainian Drama Theater
3 Ivana Franka Sqr., 279-5921
ft.org.ua

 Lesya Ukrainka Russian Drama Theater
5 Bohdana Khmelnytskogo St., 234-4223
rusdram.com.ua

 Koleso Theater
8 Andriyivskiy uzviz St., 425-0422
koleso.teatr.kiev.ua

 Drama & Comedy Theatre on the left bank of Dnipro
25 Brovarsky Avenue, 517-8980
drama-comedy.kiev.ua


 Kiev Academic Drama Theater in Podil
4 Kontraktova Pl., 425-5489
Theateronpodol.com


 National Opera Theater of Ukraine
50 Volodymyrska St., 279-1169
opera.com.ua

 House of Actors
7 Yaroslaviv Val St., 235-2081
actorhall.com.ua


 Molody Theater
17 prorizna St., 234-6251
molody.kiev.ua


 Kyiv National Academic Theater of Operetta
53/3 Chervonoarmyska St., 287-6257
kiev-operetta.kiev.ua



 New Theater on Pechersk
5 Nemirovich-Danchenko St., 253-6550
newtheater.kiev.ua


 Kiev Opera and Ballet Theater for Children and Youth
2 Mezhyhirskaya St., 425-4280
musictheater.kiev.ua


 Dakh Modern Art Theatre
13B Velyka Vasylkivska St., 529-4062
dax.com.ua


 Art Union Chorny Kvadrat
1-5 Artema St., 353-0843
artkvadrat.com



 Kyiv Small Opera
5 Dehtyarskaya St. 502-3247


 Shows
 Palats Ukraina
13 Velyka Vasylkivska St. 247-2316
npmu.com.ua


 Freedom Hall
134 Frunze St. 468-3232
freedomhall.com.ua


 Stereo Plaza
17 Kikvidze St. 222-8040
stereoplaza.com.ua


 Palats Sportu
1 Sportyvna Square 246-7405

 spalace.com.ua
 Artist's House
1/5 Artema St. 272-0547


 International Exhibition Center
15 Brovarskiy Avenue 538-0827
iec-expo.com.ua


 Lavra Gallery
17 Ivana Mazepy St. 280-0290

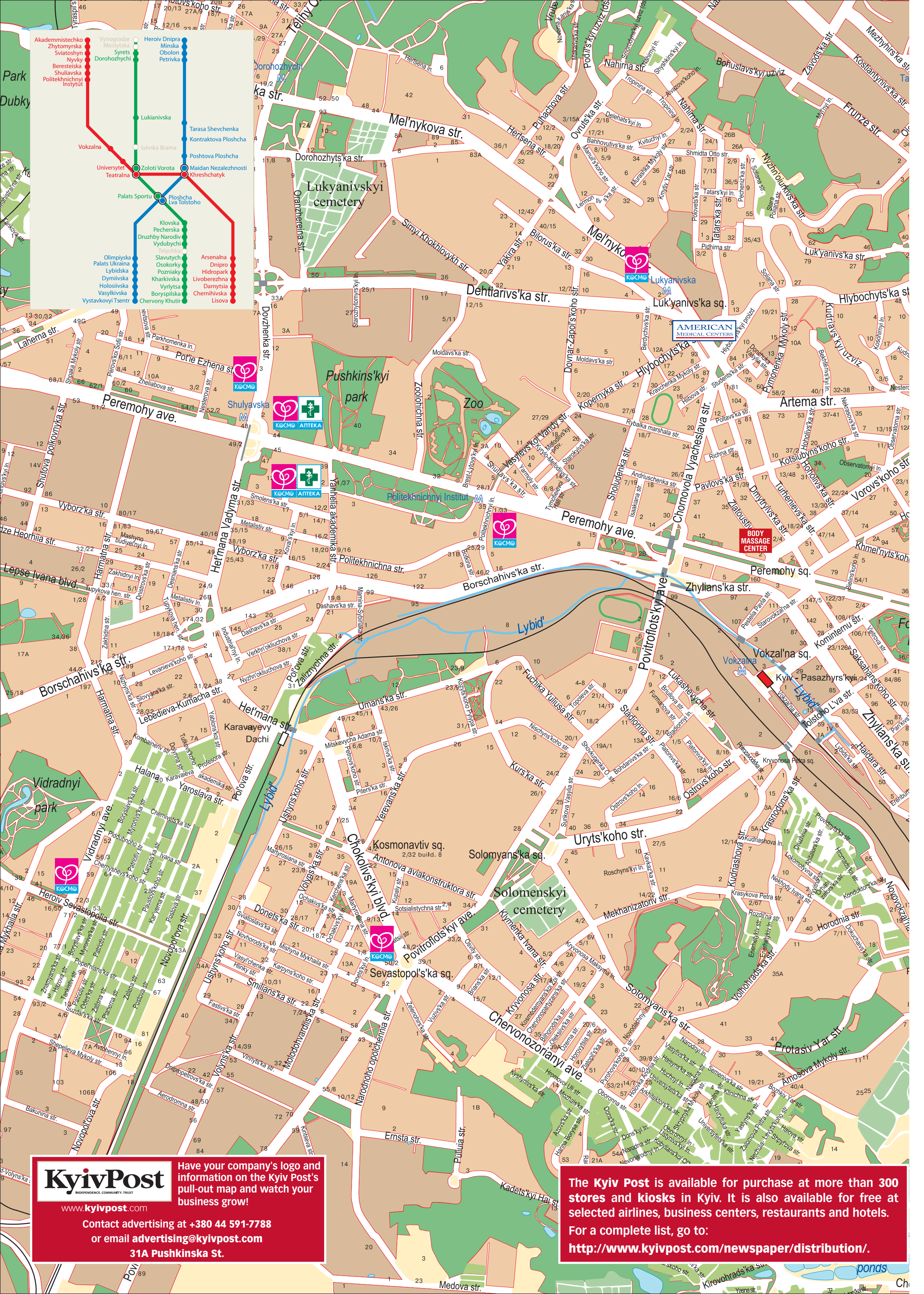
 Underground Music Hall
13B Moskovskiy Avenue 360-9594
underground.co.ua

 Zhovtnevy Palats
1, Instytutskaya St. 279-1582
icca.kiev.ua

 NAU Center of Culture and Arts
1 Kosmonavta Komarova Ave., 406-6835
ckm.nau.edu.ua

 Expocenter of Ukraine
1 Glushkov Ave. 596-9116, 596-9101,
expocenter.com.ua

 Art support fund
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foundart.org.ua



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Lawmakers want to ban talk about homosexuality

BY SVITLANA TUCHYNSKA
TUCHYNSKA@KYIVPOST.COM

When British pop star Elton John came to Kyiv last summer, he pleaded with the nation not to turn against the homosexual community and vote for a law that would've banned the "promotion of homosexuality." But on Oct. 2, 289 lawmakers ignored the openly gay musician in favor of the bill.

The draft law amends several existing laws that make it illegal to talk about homosexuality in public and in media. Also illegal is the import, distribution and broadcast of video, photo and audio products that encourages homosexuality.

Those who do, risk being jailed for five years and fined for up to Hr 5,000 should the law pass a second reading and is signed by the president.

Communist Yevhen Tsarkov who authored the bill, says the law is aimed at protecting children from "homosexual propaganda."

"Children, especially young boys aged 18 and younger whose personality is not formed yet, are being lured in by the gay community. And (their) whole life is ruined and nobody is held responsible for this," said Tsarkov.

Now human rights organizations and Ukraine's gay community are calling on parliament to nix the bill and stop discriminating against the nation's lesbians, gays, bisexuals and transgender people.

"The draft law appears to be the outcome of stereotypical views on



Activists stage an anti-gay protest in Kyiv on May 20 against the first gay pride parade in Ukraine. The gay pride parade but was cancelled after one of the leaders of gay community was attacked. (Kostyantyn Chernichkin)

homosexuality rather than the result of a thorough process aimed at seeking the views of children and ensuring their best interest," said Tetyana Mazur, Executive Director of Amnesty International in Ukraine.

Mazur continued: "If it is to live up to European and international human rights standards, the Ukrainian government must strive to create a society in which diversity is viewed not as a threat, but as a source of enrichment for society as a whole."

The European Union has expressed its "deep disappointment" by the vote and said that it contradicts the Ukraine's international commitments and EU values.

"Such a legislative initiative would further stigmatize the LGBT community,

and put an additional strain on the principle of non-discrimination and the situation of freedom of expression, freedom of

media, freedom of association and freedom of peaceful assembly," says a statement of Peter Stano, spokesperson for European Commissioner for Enlargement and European Neighborhood Policy Stefan Fuele.

Members of the LGBT community point out that the law is so absurd and homophobic, that it constitutes a witch hunt. Travesty diva Monroe, famous for her on-stage performances and blogs, said the police would have to start with Taisia Povaliy, a pop singer who is also a member of the ruling Party of Regions and parliamentary candidate.

"The whole video for her 'Your Crimson Lips' song shows two women splashing in the shower and kissing, thus publicly displaying their lesbian feelings," Monroe wrote on her official Facebook page.

A traditional practice by Ukrainian lawmakers, the bill mirrors the Russian

law on the same topic which, is in force in eight administrative government divisions there since 2006. The Russian law also includes administrative sanctions and fines.

"The motto of this draft law is to taboo the issue of homosexuality," said Svyatoslav Sheremet, leader of the LGBT community in Ukraine.

He says the draft law has nothing to do with protecting children, but is about censorship.

"In developed countries they choose another way – to ensure the informational security of children, they do not eliminate information, but regulate children's access to it," says Sheremet.

To become a law, the draft has to be passed in second reading and then be sent for signing to the president.

Kyiv Post staff writer Svitlana Tuchyńska can be reached at tuchyńska@kyivpost.com

Lawmakers reverse themselves on Oct. 2 to kill criminal libel law

KYIVPOST STAFF

Bowing to international criticism, 349 lawmakers out of 450 in the Verkhovna Rada voted on Oct. 2 to rescind a draconian libel law that would have imprisoned journalists for defamation. The reversal came two weeks after a majority in the same body – 244 lawmakers – voted for the legislation in the first reading.

Even though the law won initial passage from the pro-presidential Party of Regions, President Viktor Yanukovich came out against the law after its passage and urged the measure's sponsor, Party of Regions deputy Vitaliy Zuraskiy, to kill the legislation. Zuraskiy also found support from the Communist Party and members of Speaker Volodymyr Lytvyn's bloc. Zhuravskiy held a 30-second press briefing, during which he thanked journalists and said: "The issue is now off the agenda."

Opposition leader and former parliament speaker Arseniy Yatseniuk called the quick and decisive reversal "a victory of civil society and journalists in particular."

Only a day before the vote, hundreds of journalists went to the doorstep of the Verkhovna Rada committee building on the morning of Oct. 1 to reinforce their opposition to the law that could have imprisoned journalists for up to five years for publishing libelous or broadcasting slanderous stories. News organizations also faced heavy fines and journalists could face addi-

tional bans on working in their profession if a judge decided so.

While journalists were the target, the law would have applied to all citizens.

Journalists said the law would effectively censor free speech and freedom of the press in the nation, since few would be willing to risk the punishment for investigating corruption and other crimes among the nation's elite.

"It will kill journalistic investigations. There will be an opportunity to write only about celebrities and fashion if it is adopted," said Maryna Makushchenko, a reporter from 1+1 TV channel, during the Oct. 1 protest.

Ukrainian journalists protested against the law since its passage on Sept. 18. Black banners went up on many websites against the new libel law, followed by blank or protest-themed front pages by about a dozen of nation's leading newspapers and magazines, including the Kyiv Post.

In the meantime, several international organizations, including free-speech watchdogs Reporters Without Borders and Article 19, condemned the legislation.

Zhuravsky, however, said he will return to the proposal after the Oct. 28 election.

"I stand by my political positions and convictions: for a long time there has been a need in society to increase responsibility for infringement on the honor and dignity of every person, not just a politician," Zhuravsky said in a statement on the Party of Regions website on Sept. 25.

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Election Watch

Oct. 28 parliamentary election



Western Ukraine ready to back all shades of political opposition

BY OKSANA FARYNA
FARYNA@KYIVPOST.COM

LVIV – Svitlana Ishchenko is having her picture taken by a retro cabriolet decorated with a portrait of Vitali Klitschko. She turned 18 this year, which means she will be voting for the first time in the parliamentary election on Oct. 28, and Klitschko is her man of choice.

“Klitschko is a strong man, who I think will bring order to Verkhovna Rada,” she says.

Yaroslav Valko, 82, the owner of the white Volga with a portrait of Klitschko, joined the boxer's UDAR (Ukrainian Democratic Alliance for Reform) Party half a year ago. He explains that the current lot of deputies, including the opposition, is in parliament to look out for themselves. “But Klitschko said he will never work with [the Party of] Regions,” Valko says.

Klitschko, the world boxing champion turned politician, and his UDAR Party, are picking up many disappointed voters in the west. Volodymyr Fesenko, a political expert, says it's no accident: the whole nation is looking for a new political force. And in

Pro-presidential Party of Regions, Communist Party highly unpopular in western Ukraine

What party will you vote for during next the parliament election on Oct. 28?*	Western Ukraine	Nation as a whole
All-Ukrainian Union “Batkiivshchyna” (Arseny Yatsenyuk)	43.2	25.6
Vitaly Klitschko's political party “Udar” (Vitaly Klichko)	15.7	11.5
All-Ukrainian Union “Svoboda” (Oleh Tyahnybok)	12.5	3.8
Party of Regions (Mykola Azarov)	9.1	28.1
Party of Natalia Korolevska “Ukraina – Vpered” (Natalia Korolevska, Andriy Shevchenko)	2.9	4.0
Communists Party of Ukraine (Petro Symonenko)	2.1	8.2
Hard to say	10.3	14.4

*A survey was done by the Democratic Initiatives Foundation and Razumkov Center between Aug. 10 and 15. Sociological services have polled 2009 respondents, aged over 18 in all parts of Ukraine.

the current election, Klitschko's UDAR is hitting many buttons in western Ukraine.

“He has a minimum of negative background,” the expert says. “He is a relatively clean figure. He has not worked with authorities or the ruling party. He has not disappointed voters like many opposition leaders have.”

The latest poll by the Democratic Initiative Foundation showed that

UDAR was supported by almost 16 percent of voters in western Ukraine. The area includes Lviv, Ivano-Frankivsk, Ternopil, Volyn, Pivne, Khmelnytsk, Chernivtsi and Zakarpattia Oblasts.

Klitschko's party is the second most popular party here, trailing behind the United Opposition, which in August had the support of 43 percent of voters in the region. Svoboda, the ultra-nationalist party, was third with 12.5 percent of support.

Fesenko says that unification of the opposition under two leaders, Yulia Tymoshenko and Arseniy Yatseniuk, did not go down well with voters in western Ukraine.

“I will vote for Svoboda. Let it finally get to the parliament,” said Hryhory Lyach, a 79-year-old resident of Lviv. “Previously I voted for Viktor Yushchenko's [Nasha Ukraina], but Yushchenko let us down and now the entire Ukraine is suffering because of him.”

This disappointment in western Ukraine runs high for all parties. When the opposition, including its leader Yatseniuk, had a rally in Lviv earlier this month, only around 2,000 people came to watch him – an amazingly small number for this region, which has traditionally been extremely engaged in politics.

In the 2007 parliamentary election, 62 percent of people in western Ukraine came to vote, compared to the national average of 58, according to the Central Election Commission data.

The ruling Party of Regions will fare poorly – with just 9 percent support, compared to 28 percent overall in the nation, according to the same DIF poll. The party is banking on its traditional voters in the more heavily populated east, and has little outdoor advertising in the west. In downtown Lviv, for example, there are no billboards of the Party of Regions.

But the opposition is not having it easy, either – albeit for a different reason. Andriy Pyshniy, a prominent member of the United Opposition, said his rallies in Ternopil were obstructed by the authorities.

Natalya Korolevska and her Forward-Ukraine! Party are trying to capture regional voters by portraying themselves as opposition. Her billboards and tents are omnipresent, but her popularity is still very low. As usual, the

Hot races in western Ukraine

BY OKSANA FARYNA AND YURIY ONYSHKIV
FARYNA@KYIVPOST.COM AND ONYSHKIV@KYIVPOST.COM

Western Ukraine has its share of hot district races:

- a mini-oligarch running against an investigative journalist;
- an influential family that wants to represent all districts in Zakarpattia Oblast; and
- charismatic and controversial Svoboda Party leaders preparing to sweep voters off their feet.

In Lviv's district 117, the toughest rivals are Ihor Vasiunyk, a brother of former deputy prime minister Ivan Vasiunyk, who is nominated by Batkiivshchyna, and Taras Stetskiy, a charismatic opposition lawmaker who nominated himself.

According to the poll conducted by Sociological Group Rating in September, Vasiunyk has a big lead over Stetskiy.

In Lviv's neighboring district 118, a former convict, self-nominated candidate Bohdan Dubnevych, is competing with Svoboda's hot-tempered deputy head of party Yuriy Mykhalyshyn. In Svoboda, known for its radical right-wing positions, Mykhalyshyn belongs to the radical wing. His victory would make the Verkhovna Rada a lot more exciting, if nothing else. Currently, Mykhalyshyn is ahead of Dubnevych, according to a poll released by Svoboda.

In yet another Lviv neighboring districts, 116, another ultra right-wing politician from Svoboda, Iryna Farion, is a serious contender. Farion became famous in early 2010, when a video of her visiting kindergarten shocked Ukraine. She told a group of small children to go back to Russia because their names sounded too Russian to her.

A frequent participant of scandal-nurturing national TV shows, Farion is now leading with 29.8 percent of voter support in her constituency, more than twice the rating her closest rival has, according to a recent report on galinfo.com.ua website.

In district 120 of Lviv Oblast, Tetyana Chornovil, a former investigative journalist and Batkiivshchyna nominee, is competing with Yaroslav Dubnevych, brother of formerly convicted Bohdan Dubnevych, who is running in district 118. The Dubnevych brothers are local mini-oligarchs whose business exclusively supplies spare parts to the Ukrainian railway.

Chornovil, on the other hand, is famous for her journalistic investigations, including ones involving Mezhyhirya, the luxury estate of President Viktor Yanukovich, and the life of Rodion Kireyev, the young judge of Pecherskiy district court in Kyiv who convicted ex-Prime Minister Yulia Tymoshenko.

Zakarpattia Oblast has been highlighted for the fact that four relatives are running in four neighboring districts there, BBC Ukraine website reports. They also happen to belong to a rich and well-connected family of Viktor Baloha, Ukraine's emergency minister and former chief of staff for President Viktor Yushchenko.

Baloha is running in constituency 69 in Mukachevo. His brothers Ivan, head of the Zakarpattia Oblast Council, and Pavlo, deputy of that council, are running in districts 73 in Vynohradov and 71 in Khust, respectively.

Their cousin Vasyl Petyovka, a lawmaker of Our Ukraine – People's Self-Defense faction, is competing for a seat in parliament in district 72.

All of them have ties with the United Center Party founded by Viktor Baloha, and with the local business empire Barva which owns real estate, land and other resources in the region. Baloha brothers are running in four out of six districts in the Oblast, while people close to their party are running in the other two districts, BBC Ukraine reports.

Kyiv Post staff writer Oksana Faryna can be reached at faryna@kyivpost.com

Communist Party is not doing well in the region, either.

Only 10 percent of voters in western Ukraine are still undecided, compared to 18 percent in the east. But the really big battle is expected to take place in the single-mandate districts, where a range of famous and charismatic personalities are competing. They include deputy head of Svoboda Party Yuriy Mykhalyshyn, local businessman Yaroslav Dubnevych against investigative journalist Tetiana Chornovil, and Viktor Baloha, the former top official in Yushchenko's administration, running in Zakarpattia along with several members of his family.

Pre-election charity is blossoming. Candidates are actively repairing schools and hospitals, giving presents to voters and supporting local festivals. But do-good activity is just a part of the campaign. There is plenty of dirt, too.

In Lviv, an unidentified man poured brilliant green over Chornovil, a former journalist and candidate in district 170, when she was coming out of her

flat on Sept. 13. She blamed political rivals for it.

In Lviv Oblast district 123, independent candidate Taras Batenko secured support of local priests, www.varianty.net website reports. During his meetings in Zolochiv and Mykolayiv in September, priests from the Ukrainian Greek Catholic Church, Ukrainian Orthodox Church of Kyiv Patriarchate and Ukrainian Autocephalous Orthodox Church endorsed him, despite the fact that it's a direct violation of law.

In Ostroh, Rivne Oblast, archbishop of Ukrainian Orthodox Church of Moscow Patriarchate was videotaped endorsing Anatoly Yukhymenko, a candidate from the Party of Regions.

Generally, about 70 violations were registered in western Ukraine, or 10 percent out of all violations reported in the country, according to Maidan Monitoring, which maps violations online.

Kyiv Post staff writer Oksana Faryna can be reached at faryna@kyivpost.com.

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Three hot district races

District 65: Lytvyn faces light challenge in Zhytomyr

→1 Lytvyn's People's Party is part of the pro-government majority along with the pro-presidential Party of Regions and Communist Party. But the political grouping has lost popularity and chose not to run in the proportional race.

Lytvyn's chosen majority constituency covers the town of Novograd-Volynskiy and four districts in Zhytomyr Oblast. They all have received unprecedented subsidies from the national budget this year, courtesy of Lytvyn – Hr 95 million came as a result of the budgeting process and amendments made to the budget in April.

Leading online newspaper Ukrainska Pravda also conducted an investigation earlier this year, which showed that Lytvyn made at least 17 business trips to his constituency between July 2011 and May 2012 on the taxpayers' bill, a fact that Verkhovna Rada staff confirmed in a written statement to the paper.

On these trips, Lytvyn met with teachers and medical workers and doled out little gifts like bicycles for local medical workers, according to media reports.

District 24: Pinchuk's man takes on Party of Regions

→1 run in this constituency but was told by the Party of Regions that they will nominate a different candidate, Anatoliy Krupskiy, who currently serves as first deputy mayor.

Nevertheless, Bezbakh decided to run as an independent candidate despite being a member of the Party of Regions. Another Bezbakh, with the first name of Ivan, is also running as an independent candidate. Such candidates are called "clones" and are often used to confuse voters when a strong candidate is running in a constituency.

Pinchuk, on the other hand, is throwing his weight behind Yakiv Bezbakh, who is the plant's deputy head of the board in charge of social responsibility.

At a rally to support his candidate last month, Pinchuk told voters he wants "this constituency to be ours; now we have a chance to have our



Three interesting contests in the 225 single-mandate districts will take place in Kyiv, Dnipropetrovsk and Zhytomyr Oblast. Voters will elect 225 lawmakers from districts and choose the other half by voting for parties.

man." He also said he gave one condition to Yakiv in early summer: "I only have one request, and you can consider it my condition: you have to slim down

by at least 10 kilograms because first of all, you need to be liked by female voters. Secondly, you have to be full of energy and have good health."

Perhaps, to sweeten the pill, Pinchuk said he will vote for the Party of Regions on the proportional ballot.

"If you want to go to the opposition, then quit...or sell your business, and join the opposition. But if you stay in business, you have to cooperate with the incumbents. That's why I say this very seriously: I will be voting for the Party of Regions, and will call on you to do the same," he said.

Some reports suggested that workers at Nyzhnyodniprovskiy pipe plant are being pressured to vote for their manager. Oleksiy Lazko, coordinator of For A Fair Election movement, said recently that his organization's hotline is receiving phone calls reporting threats of dismissal for a failure to vote for Yakiv Bezbakh. Neither Bezbakh nor Pinchuk have commented on the accusation -so far.

District 215: Svoboda challenges ally of ex-Kyiv mayor

→1 trict in her official capacity chasing each and every photo opportunity, including the Sept. 1 back to school day or medical workers' day. She is also generously handing out food packages and promotional materials bearing her name and photographs. This violation was well documented on social networks and news websites, which featured photos with the food packages.

Despite owning a fortune estimat-

ed by Focus magazine at \$890.8 million in 2011 along with her husband, Hereha's handouts contain generic brand sugar, canned fish, flower and rice, a fact noticed and mocked by Internet commentators. The fortune declared by Hereha last year is much more modest though – she reported Hr 7 million in income, as well as shares worth Hr 18.9 million in various companies. By contrast,

Svoboda's Illenko made just over Hr 32,000 last year, according to his declaration.

Hereha was a close associate of former Kyiv Mayor Leonid Chernovetsky and served in the city council for two terms, heading its committee on business, food and services. She stood by the disgraced mayor even after he failed to show up to work for months. In January she told Zerkalo Nedeli news-

paper that Chernovetsky is actively running the city from Israel. "We're in constant communication," she said. "The absence of a mayor does not affect the work of the Kyiv City Council."

Chernovetsky resigned in July, but it's still unclear when the mayoral election will take place. Meanwhile, the city is run by an administrator, presidential appointee Oleksandr Popov, and Hereha.

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Leaders refuse international demands

→1 Yanukovich said amid repeated calls for more than a year by European and U.S. officials to free Tymoshenko and other jailed opposition politicians ahead of an Oct. 28 parliamentary election.

That same day, Deputy General Prosecutor Rinat Kuzmin wrote an open letter to the U.S. Congress, blasting a Senate resolution that urges the U.S. State Department to consider sanctions against Ukrainian leaders if Tymoshenko and other political prisoners are not freed.

In the letter, Kuzmin denied that Tymoshenko is a political prisoner and said that he has evidence she may be guilty of the 1996 murder of a Donetsk lawmaker and three other people. The prosecutor complained that U.S. authorities have stymied his investigation.

Yet in recent days, the Cabinet of Ministers appointed by Yanukovich submitted a draft law that, if passed by parliament, appears designed to keep Tymoshenko — imprisoned since last year — behind bars, perhaps for the duration of her current seven-year sentence.

The legislation would grant amnesty, releasing 1,500 non-violent convicts from prison. While it does not mention Tymoshenko and jailed ally, former Interior Minister Yuriy Lutsenko by name, it proposes banning amnesty for government officials that are jailed on abuse of office charges.

The government has done just about the opposite of what the Parliamentary Assembly of the Council of Europe recommends. It made a statement, calling on nations to reassess cases of alleged political prisoners by applying five criteria, including whether a person is detained in a discriminatory manner or whether the proceedings are unfair and connected to the political motives of the authorities.

On Sept. 22, the U.S. Senate unanimously adopted a resolution calling on Ukraine to release Tymoshenko and other political prisoners. The resolution also encouraged the U.S. State Department to introduce sanctions such as visa restrictions against Ukrainian officials involved in criminal prosecutions that the West considers to be politically motivated.

Assistant U.S. Secretary for Public Affairs Mike Hammer reinforced the message on Oct. 4 by saying that the U.S. priorities in Ukraine remain the same: free and fair parliamentary elections and the release of Tymoshenko, according to an Interfax Ukraine report.

Ukrainian officials have so far displayed no signs of listening. They dismissed the non-binding U.S. Senate resolution as having no consequence. They even questioned the propriety of its approval. "It's difficult to seriously take into account the document approved last night according to a procedure, which with all the diplomatic restraint can be called questionable — at the very least," Ukraine's Foreign Ministry said in a statement.

U.S. Senator Richard Durbin, co-author of the resolution, disagreed. The Illinois Democrat said the resolution was adopted by an open vote in the Senate. "This is a standard procedure used for the consideration of the issues on which there is a coordinated, unambiguous view of the majority. All the rules and procedures in this case were observed," Durbin said in his

statement.

Kuzmin told Congress, however, that Tymoshenko's allies "misled the Senate, giving specially-selected, one-sided information, which was based on the emotions, not facts. The second party was deprived of the opportunity to give their arguments. Not having accurate and reliable information is difficult to distinguish truth from falsehood."

Kuzmin offered to correct the mistake by appearing in Congress, presenting documents and telling the news media "the truth."

He went on to describe the pending criminal case against Tymoshenko, suggesting that she was guilty of murder of four people, including member of parliament Yevhen Shcherban, a leading businessman from Donetsk, in November 1996.

In his letter, Kuzmin said he requested the help of the U.S. State Department to interrogate former Prime Minister Pavlo Lazarenko, who allegedly expressed his willingness to testify in the case. "However, we have not received a response," Kuzmin said in his letter.

Lazarenko is scheduled to be

released from a federal prison in California later this year, after serving 14 years in prison or under house arrest for money laundering. The charges for which he was convicted stem from his corruption-filled tenure as Ukraine's prime minister from 1996-97.

Kuzmin's indignant letter said he was appealing as "a citizen of Ukraine, a doctor of law, professor [of] the National Academy of Public Prosecutor of Ukraine, Deputy Prosecutor General of Ukraine, a father of two children [and a] Christian."

Tymoshenko's allies rebuffed his statement, saying Kuzmin is unprofessional. Hryhoriy Nemyria, a former deputy prime minister and Tymoshenko's close ally, said Kuzmin acts as prosecutor, judge and jury.

"A prosecutor bears a responsibility to do justice, even to the person being prosecuted. It is the height of irresponsibility, and cynicism, to go around the world condemning a person when you are in such a role," Nemyria said.

Kyiv Post editor Katya Gorchinskaya can be reached at gorchinskaya@kyivpost.com.

Aslund: Stuck in Soviet past, Ukraine's universities rank low

→4 tions with proper governance in the form of boards of trustees. Then education, research policy, appointments, and finance could be decentralized to the universities. Instead, the old detailed, centralized Soviet financing system persists. Not surprisingly, none of Ukraine's 501 institutions of higher learning qualifies among the 500 top universities in the world ranked on the Shanghai University list.

International integration is vital for the development of education. Fortunately, the Ministry of Education promotes foreign studies on a massive scale, claiming that 18,000-20,000 students go abroad for studies each year. This is the best part of the Ukrainian education policy.

Ukraine should do its utmost also to attract good foreign partners and support private institutions, but the state dominates and suffocates the education sector. International education

ventures can praise themselves lucky, if they are not being closed down by the Ukrainian bureaucracy, and the state offers them no assistance. Kazakhstan, by contrast, has established an elite state university in cooperation with 10 outstanding foreign universities. Even Russia has made such an attempt with its Skolkovo Business School together with Massachusetts Institute of Technology.

For years, President Leonid Kuchma was committed to the so-called Bologna process of the European unification of university degrees, but one of Tabachnik's first decisions as minister was to take Ukraine out of this process. As a consequence, a Ph.D. who has graduated from a major Western university is not recognized as competent to teach at any substandard Ukrainian institute. This is a reliable method for preserving incompetence. Ironically, Tabachnik has sovietized the Ukrainian

education system, while Russia has pursued Europeanization, adopting and accepting foreign degrees.

The required qualifications of a rector of a Ukrainian university are Ukrainian citizenship, a Soviet-style degree of doctor of science and teaching experience at a Ukrainian university for a decade. A person with such qualifications can hardly contribute to the major renewal that is needed. For the time being, Ukrainians with ambitions of doctorates can only be advised to study abroad.

Contrary to popular perceptions, the Ukrainian education system is well-financed. Public expenditures on education amounted to 73 percent of gross domestic product in 2009, more than in most European countries, but much of the funds are being wasted on real estate and overstaffing.

Because of low birth rates and emigration the number of school children

in Ukraine has fallen by 40 percent from 7.1 million in 1991 to 4.3 million at present. The real estate and staff of the education system should be trimmed accordingly.

Yet, during these two decades the number of schools has declined by only 9 percent, which means that an increasing share of the education budget goes to the maintenance of redundant real estate. Tabachnik boasts that he has only closed 300 schools, while Tymoshenko closed 650 in two years. Instead, he should prepare to close the excess of 6,800 schools. Superfluous real estate should be sold off and the funds used for the improvement of education.

The lingering Soviet budget norms force schools to maintain large unnecessary bureaucratic staff. Presumably, half of them would be laid off in a decentralized budget system. There are too many teachers as well. In the last two decades, the number of

school teachers has remained almost constant at just over half a million. As a consequence, the student-to-teacher ratio has fallen from a reasonable 13:3 in 1991 to 8:4, which is uneconomically low. The number of teachers could be reduced by 40 percent. The most qualified teachers should be retained, and their salaries could rise by 80 percent. In that way, Latvia economized very successfully during the financial crisis.

After these elementary steps, much else needs to be done. State financing should be tied to students rather than institutions; good international textbooks need to be translated and adopted; computerization should advance; syllabuses always need evolution; and resources should be concentrated to the best institutions.

Anders Aslund is a senior fellow at the Peterson Institute for International Economics in Washington, D.C.

Horsey: Western PR experts hired to take rough edges off today's authoritarian rulers

→5 and Castro's combat fatigues are out of fashion. Today, it is all business. Today, Stalin would be wearing Hugo Boss or Brooks Brothers, his mustache would be shaved off and he, like Yanukovich, would look like any CEO flying business class.

The pogrom and the putsch have given way to PR. Yanukovich has hired lobbyists and public relations teams to help him project a progressive image while he quietly squeezes the press and re-jiggers election laws to guarantee his party permanent rule.

An example of this is the Podesta Group's \$200,000 contract with an entity called the European Centre for a Modern Ukraine. Podesta Group is an American lobbying firm run by Bill Clinton's former chief of staff, John Podesta. And the European Centre

for a Modern Ukraine? That just happens to be an operation controlled by Yanukovich, according to *Ukrainska Pravda*.

When he is in Washington or Paris or London or Berlin, Yanukovich talks as if he is a champion of a free press, as he knows he needs to if he wants to be welcomed into the club of prosperous democracies. But a libel and defamation law favored by his party in parliament would threaten journalists with prison terms, fines and ruined careers.

The good news is that protests in the Ukrainian media and diplomatic pressure from the United States and Europe have gotten Yanukovich to put the defamation law on ice. The not so good reality is that, like a cancer in temporary remission, the legislation could easily come back after parliamentary elections

are over at the end of October.

In recent days, Ukraine's independent media outlets put black banners across their websites and blank spaces on their front pages to dramatize what passage of the defamation law would mean. That helped publicize the issue at an awkward time for Yanukovich. He was in New York last week for the United Nations General Session, eager to cozy up to Europeans and Americans and hoping to take home a photo of himself smiling alongside Barack and Michelle Obama.

Yanukovich made it known he was the one who stopped the defamation bill and said members of his party must not have understood what they were voting for when they passed it on first reading. Perhaps, but, if his pals in parliament did not understand the

contents of the legislation, they surely understood that it had the president's approval. And American leaders — especially President Obama, who chose to pose with the grinning Ukrainian strong man at the UN — should understand what kind of person they are dealing with.

If 21st century dictators are all going to look like smiling businessmen and all have their messages smoothed and sold by American and European PR firms, it means the United States will need a lot more than a robust military to defend democracy and human rights. We will need a smart and effective diplomatic corps. Luckily, despite the efforts of shortsighted budget cutters in Congress who think 2 percent is too large a share of the federal budget to devote to our entire foreign policy

effort, American diplomats are on the job.

Like U.S. embassies around the world, the embassy here in Kyiv takes an active role in supporting pro-democracy groups, independent media and cultural programs that promote an open, just society.

Americans have learned to honor the men and women in the military who put themselves in harm's way. It would be good to also give full credit to the men and women in our diplomatic corps who fight little battles for freedom every day. As we know from the murder of U.S. diplomats in Libya last month, their work is not lacking in danger.

In confrontations with tomorrow's smooth-talking tyrants in sleek business suits, American diplomats will be more necessary than Navy Seals.

The Kyiv Post sponsors a US presidential debate at the Golden Gate Pub in Kyiv on Oct. 10. See details on page 17.



Ukrainian hockey making comeback



A forward for Donetsk's Donbass team scores in this file 2011 photograph, helping his team beat Latvia's Metallurgs 6-2 in the semifinals of the Continental Cup. (UNIAN)

BY DENIS RAFALSKY
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Ice hockey is making a comeback in Ukraine.

A popular sport in Soviet days that suffered in the 1990s due to lack of state support and profits, the quality of Ukrainian hockey teams and games has noticeably improved in recent years, thanks to the financial backing of the nation's oligarchs.

It's still far from NHL standards, but an increasingly competitive field and financial disputes across the Atlantic mean fans can get a glimpse of players from the world's top league this year.

A salary dispute between NHL team owners and players has indefinitely frozen the league's operation. As a result, NHL professionals Ruslan

Fedotenko, Anton Babchuk and Alexei Ponikarovsky have signed on to play for Ukraine's best team, Donetsk-based Donbass.

If you want to see them play live, however, you will have to make the trip east to Donetsk. The Donbass team has this season stepped up to play in the Russian-dominated Continental Hockey League, a.k.a. KHL.

Those that make the trip may get a chance to see NHL superstars in action, the likes of Evgeni Malkin, Ilya Kovalchuk and Alexander Ovechkin. All three are sitting out the NHL lock-out in Russia by playing for local teams competing in the KHL, which also has boasts clubs from the Czech Republic, Slovakia and Latvia.

Donbass has ruled Ukrainian hockey ever since multi-millionaire Deputy

Prime Minister Boris Kolesnikov started financing it. The hockey-crazed politician launched a satellite hockey channel last year that carries most local and many foreign hockey games. The annual budget for Kolesnikov's Donbass team alone stands at \$25 million.

Kolesnikov is a close friend and associate of Ukraine's richest man, Rinat Akhmetov, who heavily finances soccer in Ukraine.

Asked by the Kyiv Post why he pours so much into hockey, Kolesnikov said: "I have loved hockey since my childhood, from the first game [I saw when the] Soviet hockey team was one of the best in the world."

"Is hockey a business for me?" Kolesnikov asked rhetorically breaking into laughter. "Not yet [in Ukraine.]

There are no profitable clubs in Ukraine yet," but we are setting up a "foundation."

If you can't make it all the way east to Donetsk to see Ukraine's best team in action, you can get a feel for Ukrainian ice hockey in Kyiv by seeing local teams duke it out in Ukraine's Professional Hockey League, also known as the PHL. They are not backed by as much financial muscle as Kolesnikov pours into Donbass, but the games are entertaining.

"There is a real serious struggle for every puck, every square meter of skating rink," said Yuriy Zagorodny, CEO of Ukraine's Professional Hockey League, also known as the PHL.

Reno Domenico, an American residing in Ukraine who has attended Ukrainian hockey games, adds: →20

World Traveler



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Seals, beavers and whales near Russia's Solovetsky Islands

SOLOVETSKY ISLANDS, RUSSIA

Traveling to northern Russia became an extraordinary journey from the moment that I and my friends approached the train from St. Petersburg to Murmansk. Our attendant, an attractive brunette in her early 20s, became suspicious of our railway tickets purchased in Ukraine.

Unlike in Russia, Ukraine-bought tickets do not have a passenger's name written on it. Therefore, we were delayed while our tickets, passports, faces and clothes were inspected thoroughly. Finally, we were let in, but the young woman wasn't willing to give up easily.

As soon as the train took off and headed north, the attendant knocked on our doors and said that the trainmaster requests that we give our mobile phone numbers. It was not a flirtatious request. When I and my friends demanded an explanation, the answer was unbelievable. The attendant said her boss would call later to assess "quality of the service."

Soon, however, the likely reason became clear. As it turned out, the rest of the passengers in our railway car were marines going to one of the military bases near Murmansk, hence the train personnel's apprehension of strangers.

Yet it wasn't long before the ice between us and the rest of the passengers and personnel melted. The young train attendant, who turned out to be an intern, would tell us that working at the railway has been her childhood dream, since she always wanted to travel all over Russia. Meanwhile, the marines would jokingly salute me, as I was wearing the blue and white striped t-shirt resembling their uniform.

The amicable atmosphere made our journey pass swiftly. We were almost sorry to get off the train in Kem, a small station on the White Sea. From there, a ship named Metel (Blizzard) would take us to the Solovetsky Islands.

Getting to the village of Solovetsky, Solovki's administrative center, is an experience by itself. The archipelago has six large and around 100 islands in the White Sea. It is famous for its 15th century monastery, as well as the 20th century prison camp located on the monastery premises. A two-hour journey on amazingly white-tinted waters left no doubts about its name.

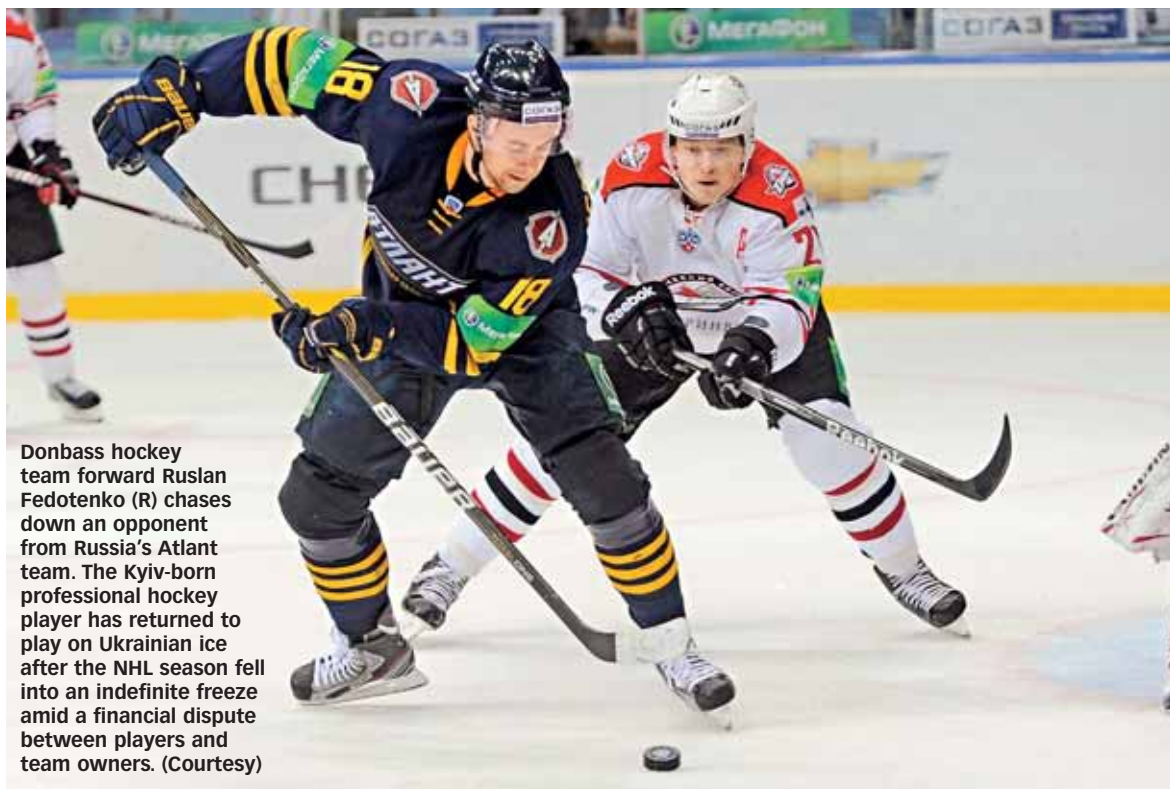
Even though the Blizzard carrying 80 or so passengers was nearly packed, it felt strangely at peace. The seals swimming by our ship looked genuinely surprised →21

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Donbass hockey team forward Ruslan Fedotenko (R) chases down an opponent from Russia's Atlant team. The Kyiv-born professional hockey player has returned to play on Ukrainian ice after the NHL season fell into an indefinite freeze amid a financial dispute between players and team owners. (Courtesy)

Ice hockey blooms again in Ukraine

→ **19** "Ukrainian hockey is good. Right now it's better than the NHL, because the NHL is not playing."

PHL games commenced on Sept. 11 and last through April. Kyiv has three teams playing in the league.

Sokil Kyiv, a legend from Soviet days, claims to be financially backed by steel tycoon Serhiy Taruta. Kyiv's Berkut team says politician-lawmaker David Zhvania is its financial backer.

Both teams are scheduled to clash on Oct. 8 and Oct. 10 at Kyiv's Palats Sportu arena.

If you get a chance to attend these games held at the Ukrainian capital's main hockey and basketball venue, take it. For lack of financial backing, most games in Kyiv are played at smaller arenas far from downtown. Many games are held at the Terminal shopping center-water park located just outside of Kyiv, in Brovary.

Kyiv's third team, Kompanon-Naftogaz, is backed by state gas and oil company Naftogaz. Sources said its patron is Yuriy Boyko, who used to head Naftogaz and currently serves as energy minister; and is reportedly an avid hockey player. The team plays out of the ATEK rink near Svyatoshyn metro station.

Kharkiv mayor-businessman Mykhailo



Boris Kolesnikov (L), Ukraine's deputy prime minister and a major ice hockey fan, attends a game with Anatoly Brezvin (R), president of the Ukrainian Hockey Federation. (Mikhailo Chernichkin)

Dobkin has reportedly started financing Kharkiv's Dynamo. Reportedly financed by businessman Ihor Churkin, Lviv's Levy team has likewise demonstrated itself to be competitive.

In total, there are seven teams in Ukraine's league. Zagorodny said annual budgets start at a minimum of \$700,000, but amassing even such small sums through sponsorships and donations is a major problem.

In Soviet days, teams were subsidized by the various state ministries and agencies, such as the army or

police. They drew huge crowds of fans. Today, the teams play at stadiums that seat from several hundred to several thousand fans.

Donbass' Druzhba Donetsk stadium is one of the biggest actively used ice hockey rinks, with 4,000 seats. Kolesnikov has talked of building a much bigger stadium for his Donbass team.

Kyiv's Palats Sportu, when used for ice hockey, can seat 7,000. But most cash-strapped teams are not, for now, willing to pay the high fees for renting the facility in the hopes that one day they will sell enough tickets to fans.

Help could be on the way.

On Oct. 2, Ukraine's government announced that it would boost budget financing for hockey by nearly 36 percent, to some \$450 million. Spent in coming years, the funds will be used to reconstruct existing stadiums, training centers and build new ones.

Kyiv Post staff writer Denis Rafalsky can be reached at rafalsky@kyivpost.com.



Oct. 6

Baysangurov vs Konecny

The long-awaited fight between World Boxing Organization light middle-weight champion Zaurbek Baysangurov of Russia and WBO interim champion Lukas Konecny of the Czech Republic is finally scheduled for Oct. 6 in Kyiv's Palats Sportu.

"This bout will be very exciting. Lukas is an experienced boxer, he had more fights. But Zaur is a unique one. His fights are always spectacular," International Boxing Federation world heavyweight champion Volodymyr Klitschko told journalists recently, whose company is promoting the fight.

However, the fight's spectators might be more exciting than the bout itself. Chechen president Ramzan Kadyrov and his security entourage may be present at the game to cheer for Zaurbek Baysangurov who is of Chechen heritage.

The fight will be broadcast on Inter Channel at 11 p.m.

Baysangurov vs Konecny. Oct. 6. Palats Sportu. 11 p.m. Hr 100-1000 Palats Sportu, 1 Sportyvna Square, 246-7405, www.spalace.com.ua

Oct. 8 & Oct. 10 games in Kyiv between Sokil and Berkut at Palats Sportu
Ticket Prices: between Hr 20-150.

Tickets can be purchased at the stadium, Sportyvna Ploshcha 1 (044-360-7755), or through online ticket offices, such as: <http://ua.kassir.com/kyiv/db/text/200305711.html> (Russian language only)

You can find a schedule of the Donbass team's games and buy tickets on the English language version of its website at: <http://hcdonbass.com/?lang=en>

A Russian-language schedule of all PHL games, without locations, can be found on this site: <http://phl-ua.com.ua/championat/kalendar>

For additional information in Russian and Ukrainian, see www.bighockey.ua, the website for Boris Kolesnikov's Hockey television channel.

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KyivPost

World Traveler: A trip to far reaches of northern Russia

→ **19** to see the ship and its passengers and kept giving us human-like glances until the passing Blizzard disappeared from view.

Reaching the main island was striking. The main monastery complex looked impressively ascetic, a welcome change from modern Orthodox churches, which overwhelm with gold and glittery details. The monastery of Solovki looked like the real thing, from the outside and inside, with white walls, icons and modesty.

This great impression lent extra credibility to the map of the islands purchased in the monastery store. After studying the map on the first night, we decided to walk to the main island's westernmost cape – where the bay sheltering white whales was located. As the map promised, a road – albeit marked as a dotted line, suggesting its inferior quality – would take us straight there, after approximately seven kilometers of hiking along the coastline.

What was meant to be an easy hike turned into perhaps one of the toughest walks ever. After the first two smooth kilometers, the dotted line road turned into a wet dirt trail, then transformed itself into a swampy area heavily populated by beavers, and finally became a deep and smelly bog, consisting of decomposing sea weeds.

Before hitting the swamps and beavers, a local resident picking mushrooms warned us not to go any further. "We don't use this road – it's very bad," the middle-aged, grey-haired guy said. "After all, it's not the season for the white whales." Some of us turned back. I forged on with the others, clutching on to the map, in hopes that after the bad swampy stretches, the good road will miraculously reappear.

Alas, it didn't. Miraculously, we made it to the bay after nearly three hours of struggle – cold, wet and stinky. Perhaps our strength came from by constantly eating blueberries that grow plentifully in the surrounding forest. Or perhaps the monastery map possessed some magic qualities.

What was certain is that the white whales in the bay no longer mattered. As our mushroom-picking friend told

A typical landscape of Solovki. (Olexii Shevchenko)



The main building of Solovki Monastery combines the qualities of an Orthodox church and a medieval defense fortress. (Olexii Shevchenko)

us on the way back: "You'll now definitely have something to remember."

On the way back to Kem, we took much larger ship named Vasilii Kosyakov, named after a relatively obscure Russian architect.

Its captain, an unhappy looking, skinny man in his 40s, had his face all covered with fresh bruises and wounds

covered with brilliant green. As the ship departed from the islands, he tried wearing dark eyeglasses to look less frightening to the tourists, but once in the open sea he removed them, as if taking full charge of the vessel.

The Solovki Archipelago was left behind, almost begging to be revisited, as its enormous territory covered with

churches, lakes, forests, swamps and the remains of a Soviet labor camp is simply too much for a few days' stay.

It is our return plans that were interrupted by the ship's virtuoso mooring by our hapless captain.

Kyiv Post staff writer Vlad Lavrov can be reached at lavrov@kyivpost.com.

Getting there

Train #54 from Kyiv to St. Petersburg departs daily at 10:35 a.m., arriving at 10:46 a.m. next day. First-class ticket costs Hr 2,103 (\$263). Train #22 from St Petersburg to Murmansk departs at 17:20 a.m. and arrives to Kem at 9 a.m. First class ticket costs Hr 1,344 (\$168).

Note: a change of train terminals is required in St Petersburg.

A sea route from Kem (Rabochestrovsk port) to Solovki costs operates in June-September. One-way ticket costs 800 rubles (\$25).

Alternately, a round-trip Aerosvit flight to St. Petersburg costs \$439. A NordAvia flight from St. Petersburg to Solovki via Archangelsk costs \$770.

Staying There

Some of the hotels in Solovki are closed off-season. For more details see: solovki.info



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Ukraine to See a Record Number of Foreign Universities in October

Getting a foreign education is no longer the preserve of the wealthy — it's a vital necessity to everyone. Ukrainians' dreams of success and multi-digit salaries are catered to by educational agencies that promote study abroad and offer advice on how to gain entry to a top-ranking university. The best way to gain publicity is through special events. On October 13-14, Kyiv's Hyatt Regency hotel is to host "Higher Education Abroad," the largest such event in Ukraine, which is being organized and sponsored by DEC education, the leading agency of Eastern Europe. Natalia Tarchenko, the company's director, talks about the key features of this upcoming event.

What should we expect to see at the fair? How many participants will be there?

This year we invited to Ukraine representatives from more than 100 universities and educational institutions from 20 countries. We pride ourselves on the fair being the largest event of its kind. You'll get an opportunity there to obtain the most comprehensive information about admissions, study, scholarships, accommodation etc. directly from the representative of a university or study centre. Apart from undergraduate and postgraduate programs, there will be presentations of language courses, international exams preparation programs, scholarships and, more importantly, Foundation, Pre-Masters and other university pathway programs.

What countries will be represented at the event?

As is now traditional, the most represented country will be the UK (more than 50 universities and study centres), which is universally known for its high quality (as well as the high price) of its education. For the first time, the fair will feature some universities from Sweden and Austria. Also participating will be more than 15 universities from Canada and Italy. As for the United States, it will mostly be represented by large educational businesses — INTO, Kaplan and Study Group. Finally, students will be able to see some participants from less expensive study destinations — Poland, Hungary, Turkey, Lithuania and Estonia.



Natalia Tarchenko
DEC director

Are there any top-rated universities amongst the participants of the fair?

We invited not only the most prestigious and top-ranking universities, but also those that were the almae matres of some international celebrities and top officials of some countries. Among them, in particular, are University College London, the University of St. Andrews, Queen Mary University of London, the University of Exeter (all from the UK); Istituto Marangoni and Università Cattolica del Sacro Cuore (Italy); Corvinus University of Budapest (Hungary) and many others. Generally speaking, the level of participants at this fair is much, much higher than those of a similar kind.

What kind of program has your agency prepared for the visitors? Are there other interesting things planned, apart from presentations by foreign universities?



"Higher Education Abroad" is the largest fair of its kind, giving every visitor ample opportunities to learn about education in different countries.

Representatives of more than 100 educational institutions from 20 countries have announced that they are coming to Kyiv on 13th and 14th of October.

Admittance to the event is free of charge, after registration at the organizer's Web site www.dec-edu.com

This year we have significantly more to offer to our guests. As usual, they will be able to meet and speak with foreign representatives and DEC education professionals. But, over and above that, we've prepared some exclusive features — professional workshops and master-classes on career advice and specialization, theme seminars, scholarships and presentations — to name a few.

Can you tell us more about the seminars and master-classes?

These are one of our special features. The seminars are mostly for "beginners" — people who wish to study abroad, but do not know where to start. School-leavers, first year students and their parents may attend seminars to learn the peculiarities of studying abroad, get general information on pathway programs, and listen to universities' and countries' presentations etc. They will always be able to get more details directly from university representatives and our employees. As for the master-classes — they are undoubtedly a unique feature. Some of Ukraine's leading HR-professionals and counselors will share their wisdom and ideas about how to set one's career priorities, create a winning CV, do well in a job interview and so on.

We believe everyone will benefit from the event schedule: there are study opportunities, individual consultations, insights on the best-paid professions, and on specialization routes — the information will be abundant!

And what about scholarships, which are undoubtedly the most topical issue for every student?

A lot of participants will present scholarships (often exclusive ones) and register candidates among the visitors. These come with a variety of conditions, ranging from a partial discount to full tuition waivers for undergraduate and even graduate programs. Scholarships are granted not only by universities, but by language and study centres (in the form of special discounts). Among those giving such discounts are the London School of Business and Finance (the UK), Domus Academy (Italy), Malmö University (Sweden), Thompson Rivers University (Canada) and many others — up to 20 educational institutions. When you come to the fair, you'll be able to learn all the details, register at the participant's stand, and even win preferences during future evaluations.

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