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New Developments In Old Murders

Georgiy Gongadze



The investigation into the Sept. 16, 2000 murder of journalist Georgiy Gongadze is marred by cover-ups and stonewalling. A secret trial of one of the suspects, former police general Oleksiy Pukach, is under way. But many believe the conspiracy goes much higher.



Oleksiy Pukach



Leonid Kuchma



Volodymyr Lytvyn



Yevhen Shcherban



Yulia Tymoshenko

The Nov. 3, 1996 murder of member of parliament Yevhen Shcherban symbolized the gangster-capitalism era that flourished under then-President Leonid Kuchma and then-Prime Minister Pavlo Lazarenko.

Gongadze murder: Will search for guilty end with Pukach?

BY OKSANA GRYTSENKO
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The trial of Oleksiy Pukach, the former police general who remains the highest-ranking official charged in the 2000 kidnapping and murder of journalist Georgiy Gongadze, is coming to an end.

The verdict for Pukach could be announced on Jan. 29 after a trial that has been conducted in secret. The big question, however, is whether the judge decides to end the case with Pukach or whether other former high-ranking officials implicated in the murder, including ex-President Leonid Kuchma and his former chief of staff,

Volodymyr Lytvyn, will continue to be investigated for alleged involvement in ordering the crime.

Valentyna Telychenko, lawyer of Gongadze's widow, Myroslava, fears it's quite probable that the authorities will go no further than Pukach. She would consider such a decision a grave injustice. "The state is → 16

Prosecutors tie Tymoshenko to lawmaker's 1996 murder

BY KATYA GORCHINSKAYA
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Amid rising speculation that she is in ill health and is not being allowed to properly consult with her lawyers, imprisoned ex-Prime Minister Yulia Tymoshenko learned on Jan. 18 that prosecutors suspect her of involvement in the 1996 gangland-style assassina-

tion of Donetsk member of parliament Yevhen Shcherban.

If convicted, Tymoshenko faces life in prison, in addition to the seven years she has been serving since 2011 for signing a gas deal with Russia. Her supporters say the accusations are a continuation of President Viktor Yanukovich's attempts to destroy his nemesis and ensure that she → 17

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Business → 6 - 10, 15

News → 2, 16, 17

Opinion → 4, 5

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Ukrainians say EU nations still too stingy with visas

BY SVITLANA TUCHYNSKA AND YURIY ONYSHKIV
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Recent approval of amendments to the visa-liberalization agreement between the European Union and Ukraine may make it easier for some Ukrainians to travel to the European Union. Yet, many Ukrainians are still experiencing what they describe as unjust treatment when applying for a visa to EU states.

The EU parliament's foreign affairs committee approved on Jan. 22 measures which, if they come into force, would simplify access to the EU for many Ukrainians, including pilgrims, civil society organization representatives, persons seeking medical treatment and long-haul truck drivers, as well as others.

"The agreement is expected to be ratified by the European parliament roughly in March," said Iryna Sushko, head of Ukraine-based Europe Without Barriers, a Ukrainian nongovernmental organization that monitors visa-related issues. The agreement should also be ratified by the Ukrainian parliament.

Sushko said the future of visa-free travel to the EU depends on Ukraine's leaders. Recently introduced legislation on biometric passports ends the first phase of a two-phase road map that sets out requirements for liberalization.

Meanwhile, Ukrainians continue to complain about visa denials for spurious reasons and poor treatment at many EU embassies.

Diana, who has just received her German visa, is still angry and bitter about the process that cost her a lot of money and trouble. "I and three friends applied for visas in December as we planned to go skiing. After filing all documents, including information on our salaries and bank accounts, we got a call from the embassy saying we should do more," says Diana, who refused to reveal her last name, fearing retaliation.

She was told to open a bank account in ProCredit Bank and freeze it until the day she leaves for Germany. "I was told to deposit 650 euros, some of my

friends 600 euros. They gave us no options, just requested it. We opened bank accounts, the freezing of the account cost me and my friends Hr 300 each," Diana complains.

Many others also complain that some EU consulates in Ukraine raise demands beyond legal and reasonable requirements, creating additional hurdles for applicants. "Some embassies do violate the visa agreement with Ukraine and visa code by demanding unnecessary documents. Many embassies avoid issuing long-term visas to eligible candidates with a positive visa history," Sushko says.

She believes that the problem lies in the EU visa code that needs to be clarified.

Meanwhile some Ukrainians such as Irina Petrashova from Kyiv, who frequently traveled to Europe for her holidays, decided to stop. She says she made the decision in 2011 when the Italian Embassy in Kyiv requested that she comes to the embassy after her return home from the trip to make sure she is in Ukraine.

"After all the paperwork and headaches, this was the last straw. I did not go to their embassy out of principle ever since. Now I go on vacation to countries that either have visa-free regimes or issue visas on arrival," she says.

Even those who can prove solid financial backing and who are married to EU citizens can run into problems.

Kamaliya, the singer-actress married to multimillionaire investor and Kyiv Post publisher Mohammad Zahoor, recently got turned down for a 10-year long-term visa to the United Kingdom. Zahoor, a UK citizen, owns a house in London and his wife, born Nataliia Shmarenkova, has traveled to Great Britain 11 times on eight short-term visas for a total of 72 days since 2005.

Yet she got a two-page rejection letter on Jan. 16 from a UK consular officer in Warsaw, Poland, who concluded that she was attempting to circumvent UK immigration laws and hadn't provided sufficient finan-

cial and other proof that her stays in the UK would be limited to two weeks at a time, as she stated on her visa application.

Zahoor says that his wife will reapply. The UK Border Agency said it does not comment on individual cases.

EU Schengen embassies, however, counter by saying the visa rejection rate for Ukrainians has gone down and stood at 3.3 percent in 2011.

According to UK embassy data, as of 2011 the refusal rate for Ukrainian nationals applying for visas to the UK stood at 9 percent. Shushko said "the most difficult situation is with Britain. Their visa procedure is very closed and it is hard to understand what they base their decisions on. They also do not even communicate with us."

Despite the low refusal rate from Schengen states,

several bitter cases have happened in 2012. The German Embassy created the most fuss when it turned down the head of the Ukrainian bureau of Transparency International Oleksiy Khmara, who could not attend the body's meeting in Berlin. It also rejected Ukrainian writer Irena Karpa, who had an invitation to speak at a writer's forum in Germany, and Ukrainian photographer Artur Bondar, who could not attend his own exhibition in Berlin.

In all cases the reason of refusal was "unclear purpose of visit."

Kyiv Post chief editor Brian Bonner contributed to this report. Staff writer Svitlana Tuchyńska can be reached at tuchyńska@kyivpost.com and staff writer Yuriy Onyshkiv can be reached at onyshkiv@kyivpost.com



NEWS ITEM: Ukrainians still complain about the difficulties of getting visas to Western nations, including the United States. Nevertheless, member of parliament Petro Poroshenko and others think that Ukraine will make progress towards a visa-free regime during the Feb. 25 Brussels summit between Ukraine and the European Union.

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Recommended by business

The beginning of the year has set the tone for the next twelve months. An important meeting held on January 18 could not have come at a better time. 30 representatives of the European Business Association – the heads of leading companies operating on the Ukrainian market gave their recommendations to the newly appointed government of Ukraine.

The meeting was a positive start to relations between the business community and the country's government institutions in 2013. In particular, it shed light simultaneously on various strategic issues that had earlier been selected as the priorities of the EBA's committees for 2013.

Senior cabinet officials displayed a genuine interest in collaborating with the European Business Association as a strategic partner. It was decided to share responsibilities in jointly resolving certain problems and particular issues that affect the interests of the business community.

TOMAS Fiala

EBA President,
CEO of Dragon Capital



'What needs to be done to encourage foreign companies operating in Ukraine to invest more, increase production (for both local consumption and exports), and thereby create new jobs, boost revenues and profits and hence pay more in tax? There can only be one answer — reforms, however unpopular they might be. Precisely how we welcomed the government's challenging pension reform steps, we will readily offer our support and assistance in deregulating the business environment, phasing out utility tariff subsidies, and reducing the state budget deficit, to mention just a few areas.'

Together with substantial monetary relaxation and a flexible exchange rate, this will make Ukraine more competitive and attractive as a destination for foreign manufacturers. The reforms I mentioned are in effect the ultimate social policy, as the investments they will help to attract will drive the demand and competition for labor, and that in turn will boost local salaries and living standards.'



Banking sector: troubled loans vs. electronic money growth

Despite there being some positive developments in the realm of bank taxation and improving regulations, there is still much room for improvement within Ukraine's banking sector.

The 30% level of bad and troubled loans (according to IFRS) is one of the main reasons banking sector are still suffering losses and remain exposed to risk. The high rate of doubtful loans in turn is caused by convoluted, time- and cost-consuming court disputes over the return of loans.

The way to improve the situation is to reduce the use of cash, and increase the use of electronic money through:

- Imposing cash payment limits (e.g. the Eurozone has a ban on cash payments greater than €2,000);
- Information campaigns to increase the financial literacy of Ukrainians;
- Greater involvement of the public sector in non-cash payments;
- Easier credit card processing.

Protecting the rights of investors

This could be improved by:

- Securing the proprietary interests of investors, which depends not only on legislative norms and requirements, but also heavily relies on the human factor, fighting corruption and establishing judicial impartiality;
- Expanding e-governance;
- Upgrading the qualifications of judicial system officers;
- Updating the register of court cases;
- Narrowing the scope for judges' immunity from prosecution;
- Amending the Code of Economic Procedure and the Civil Code, bringing them into line with world practice and experience

Health Care — technical barriers to success

Delivering and communicating pharmaceutical businesses' concerns to the prime minister at the top level give a tangible impetus to the industry's development. The EBA Health Care Committee pins its hopes on resolving the most painful issues as soon as possible, as they affect the activity of the entire pharmaceuticals market, including the importing of medicines and medical devices, the conducting of clinical trials, and so on.

We hope the government will give us a helping hand in settling our concerns with problems in import licensing, which is scheduled for introduction on 1 March 2013, the elimination of flaws in GMP certification and CE marking, and the unlocking the potential to conduct clinical trials — all this would be good for Ukraine's health care, and would bolster our country's image as a haven for investment.

Grain & Oilseeds: Today & Tomorrow

While welcoming the steps forward in cooperation taken with the government in 2012, the country's farmers still await stability and predictability with regard to VAT refunds and taxation.

January 2014 will potentially see the application of VAT refunds for grain exporters, which could again cause turbulence, disrupt the activities of the country's farmers, and affect the collection of budget revenues.

Advance payments of profit tax made by grain and oilseed exporters - in sums of up to hundreds of millions of hryvnias — are unavailable for use in covering advance installments of settlement payments.

Three Linchpins for the Dairy Industry

The dairy industry in Ukraine is enjoying a stable flow of investments and favourable regulations, which need only slight amendments — mainly in the sphere of state price controls. Suggestions for further improvements include:

1. Removing state controls over raw milk prices, as the terms of payment should be freely determined by suppliers and buyers;
2. Implementing "Three dairies a day" support — as this large-scale joint project by the profile ministries, parliament and the EBA Dairy Committee will benefit the general public's and children's health, and help promote healthy eating among schoolchildren.
3. Maintaining and nurturing a sound and stable partnership with the government.

Information Technology — a goldmine for the Ukrainian economy

The IT industry is rightly considered one of the most promising and dynamic sectors of country's economy. Recent legislative developments in the field of IT taxation and education have proved to be a step forward in realizing the potential of the sector, but the need for further action is evident.

An important first step would be to set a 5% rate for the single social contribution, and a 5% rate of income tax for IT entrepreneurs, which will considerably ease the tax burden on the software industry.

Second, the IT sector could take the lead if educational reform proceeds apace. Progress in PPP, coupled with the introduction of European educational practices, and close cooperation with top-notch technical universities and ministerial authorities, will not only further promote the IT sector as an attractive workplace, but also encourage new IT specialists to enter the sector's labour market.

Pursuing Ukraine's trade potential

The quality and efficiency of customs operations, along with the smooth and simple customs clearance of goods, is a benchmark of a country's trade potential.

Through close cooperation between the government and business, Ukraine's customs procedures have undergone tangible improvements, and they gained new heights when the new Customs Code came into force. Among the positive amendments and novelties brought by the new Customs Code are: the possibility to declare goods at any customs office, the introduction of e-declarations, a set time (four hours) for the clearance of goods, and so on.

The granting of authoritative Ukrainian and international rankings are proof of the results achieved — World Bank's Logistics Performance Index showed Ukraine's progress in the quality of customs procedures (66th place in 2012 rather than 102nd in 2010).

Further improvements could be made in: customs valuation and customs clarification, as the process of goods' customs value determination is still rather lengthy and leads to unjustified costs for business. The state authorities should also pay additional attention to the number and type of documents needed to pass through customs clearance.

HOW to improve Ukraine's business climate?

Powering Ukraine

Energy sector recommendations

While some progress has been made with the recently enactment of a production sharing agreement law, the energy community awaits further support and amendments, namely:

- Further developments in the realm of production sharing agreements, i.e. proper and timely approval of contracts by the Cabinet of Ministers;
- Facilitated reforms in the sphere of subsoil use prescribed by the Subsoil Code of Ukraine, which will send a strong message to international energy market players and enable them to bring new practices and technologies to Ukraine's energy sector;
- Structural reform of the gas sector according to the obligations Ukraine undertook upon acceding to the Energy Community, in particular, non-discriminatory access to the gas transport system and infrastructure;
- Energy efficiency: investing into thermal modernisation of existing housing, in parallel paying particular attention of energy efficiency in the new construction. The task of the government is to consider the experience of Europe and the CIS, and to offer the most relevant investment model for Ukraine for energy efficiency projects in residential sector.

Complex of reforms that the oil refining industry needs:

1. Protecting the interests of national oil refiners and ironing out inequalities in the structure of Ukraine's oil-products reserve, namely imposing quotas on Euro IV petrol imports, OR imposing special import rates based on accurate financial calculations, OR imposing some additional import levies on imported petrol;
2. Setting up attractive conditions (zero VAT or zero import rate) for companies investing in new technological facilities for oil refinery modernization;
3. Tightening state controls over the oil product trade and licensing, to prevent the sale of counterfeit and low-quality products, smuggling, and so on;
4. Securing the stability and predictability of the legislation that regulates the oil-refining sector for at least 10 years.

Telecommunications Reform — the next step

Establishing technological neutrality at the state level will inevitably secure new inputs of investment in the telecoms sphere. EU and world experience clearly demonstrates that different technologies that offer essentially similar services should be regulated in similar manners, and so establishing the same principle in Ukraine is a matter of importance.

While taking on board global trends, and steady entering into the era of informatisation and new technologies, Ukraine's telecommunications sphere needs a new impetus, as it is still falling behind other countries. Thus telecoms should be among the top priorities and be one of the strategic vectors for state support.

Consumer Electronics — energy marking, legal flaws, and grey imports

There are several barriers hampering the steady development of consumer electronics sector: Ukrainian legislation on energy markings and other technical regulations lag behind EU Directives, which impedes the business activity of international manufacturers of household appliances and their representatives in Ukraine. The main task declared by the EBA Consumer Electronics Committee is to bring national legislation (the Law of Ukraine "On radio frequencies" and the Law "On Telecommunications" among others) in line with EU law.

Fighting grey imports, which accounts for about 10% of the country's overall supplies, is the second major challenge faced by consumer electronics market players. Statistics show that only one in every ten laptops is brought into the country legally.

Cement industry — starting an open dialogue

Industry produces waste — this is inevitable. Poor waste management, such as unregulated landfilling, can cause the near-permanent contamination of air, soil and groundwater. Cement kilns can be used to recover energy from many types of waste, such as tires, lubricants and biomass, as well as from domestic waste.

Using waste-derived fuel reduces the amount of natural gas and coal needed by cement plants, and thus reduces the associated environmental impact of extracting, transporting and burning fossil fuels. The latter is particularly expensive in a country like Ukraine, which is heavily dependant on fuel imports from Russia. National governments in Europe are recognizing that the cement industry can play an important role in efficient waste management. The substitution of fossil fuels with alternatives is a well-developed practice in EU. In many European countries, like Germany, Switzerland, Austria, the Netherlands and the Scandinavian countries, this practice is highly developed, with the substitution of fossil fuels with alternative fuel in cement kilns at well above 50% of the calorific value.

Unfortunately in Ukraine this practice is practically non-existent. Representatives of the Ukrainian cement industry are ready to start an open dialogue with the Ukrainian authorities to suggest the revision of the local legislation in order to promote this type of mutually beneficial sustainable development.

Tobacco industry

Ukraine's entry to the WTO and consequent trade liberalization eased the business conditions for tobacco companies, and expanded the export potential of local manufacturers.

The country's tobacco sector supports and applauds the new excise tax legislation, which guarantees healthy revenues to the state budget, taking into account the fact that the four largest tobacco companies are among the top 10 taxpayers in Ukraine — in 2012 they contributed more than UAH 20 billion to the budget.

Tobacco companies are now urgently calling for state support in preventing illegal imports and manufacturing, so as to retain their products' quality at a high level. The second initiative proposed is to give tobacco companies the right to arrange and finance charity events and campaigns — a right they have been deprived of since September 2012.

Retail

One of the concerns voiced by retail sector representatives at their meeting with Prime Minister Mykola Azarov and the cabinet was the situation with veterinary certification, as today retailers are facing difficulties in obtaining veterinary permits and certificates, the cost of which has increased. Retail businesses, which have brought a large amount of investment into the country, and which represent a dynamic, growing sector, are calling for improvements to be made to veterinary certification rules and procedures.

Waste management

Ukrainian manufacturers of packaging are greatly interested in protecting the environment and managing natural resources, so regulations on the proper management of waste (especially solid waste), are of paramount importance to them.

The creation of an integrated waste management and waste collection system based on worldwide and European practice will help protect the environment. Respective amendments to the Laws of Ukraine "On packaging and packaging waste" are to be discussed with the stakeholders involved.

Editorials

Disastrous path

There's no shortage of unsolved murders in Ukraine. We'd like to know, for instance, who ordered the murder of journalist Georgiy Gongadze in 2000, member of parliament Yevhen Shcherban in 1996 and many others.

Unfortunately, Ukraine's prosecutors and judges lack credibility and prove their incompetence and untrustworthiness time and again.

Currently, the trial of ex-police general Oleksiy Pukach, who is accused of being part of the conspiracy in Gongadze's murder, is believed to be winding down. But the public will never learn if it was a fair trial or not since the proceedings have been conducted in secret. The public will also likely never get an explanation for why, despite evidence implicating them, ex-President Leonid Kuchma and ex-Verkhovna Rada speaker Volodymyr Lytvyn, are also not being tried for the crime.

Yet prosecutors this month brought explosive new accusations against imprisoned ex-Prime Minister Yulia Tymoshenko, with Prosecutor General Viktor Pshonka implicating her in the conspiracy to murder Shcherban on Nov. 3, 1996. Shcherban, a rich and powerful businessman, was gunned down on an airport runway in Donetsk.

Prosecutors claim she paid for the hit by transferring \$2.8 million to an offshore bank account that belonged to former Prime Minister Pavlo Lazarenko, who prosecutors allege was her business patron and lover during those days. Lazarenko remains in detention for immigration reasons in America after serving several years in federal prison on corruption charges.

We'd like to see the facts, and we'd like them to be made public. We'd like Tymoshenko to get a fair and speedy public trial with a jury of her peers deciding her guilt or innocence. But that's never happened in this nation and, until it does, the prevailing view will be that prosecutors are simply stepping up their campaign to destroy Tymoshenko, once and for all, so that she can no longer challenge President Viktor Yanukovich.

Tymoshenko has already spent more than 1.5 years in prison for a trumped-up "abuse of office" charge for signing a gas deal with Russia in 2009 as prime minister — a deal her successor has not been able to undo. Another case against Tymoshenko is pending in Ukraine's courts. She is accused of extortion and causing \$3.239 billion damage to the country through her ex-gas trading company United Energy Systems of Ukraine. Moreover, other allegations against her are still being investigated, bringing the total number of cases to six.

Nobody is buying the prosecutors' claims that they are simply pursuing long-delayed justice. As they pile cases on Tymoshenko, they turn a blind eye to many more contemporary corruption scandals among top officials.

Yanukovich is to blame for this disastrous course. He's dragging the nation down with him.

Bring it on

On the sidelines of this year's World Economic Forum in Davos, Ukrainian billionaire Victor Pinchuk held his roundtable on the ongoing revolution in education spurred by online learning. Watching this event was gratifying and bitter for anyone who has come in contact with Ukraine's education system or its products.

On the one hand, it's wonderful to know that bright, young Ukrainians have an opportunity to study courses designed and taught at top universities of the world.

Pinchuk's event brought together the likes of billionaire and philanthropist Bill Gates, Massachusetts Institute of Technology president L. Rafael Reif and Daphne Koller and Sebastian Thrun, founders of online learning websites, among others.

But listening to these people discuss the challenges that online learning presents to traditional universities is almost like hearing a voice from another planet. In this nation, basic problems have been ignored for years.

Ukraine ranks 8th among 142 countries by the number of students enrolled in higher education. But quantity does not mean quality. Ukraine ranks 55th by quality and various business surveys consistently show that employers are growing unhappier.

Poor education quality may be a problem today, but it's a disaster-in-waiting tomorrow. The nations that want to remain competitive in the global market have no choice but to invest into people and their development. A country's economic performance goes hand-in-hand with the quality of its education.

But we're seeing the opposite. Education Minister Dmytro Tabachnyk is unsuitable. Hated by educators and marred by corruption scandals, he has taken education backwards. Universities have little autonomy over both their finances and curriculum.

Online education may be a breath of fresh air for some gifted youngsters, but it is incapable of making a revolution in the conventional education sector. Perhaps, Pinchuk and other influential figures should work harder to bring it on.



The nation's chief prosecutor, Viktor Pshonka, on Jan. 18 announced that imprisoned ex-Prime Minister Yulia Tymoshenko is suspected of organizing the Nov. 3, 1996 murder of Donetsk member of parliament Yevhen Shcherban. The prosecutor said she acted in conspiracy with former Prime Minister Pavlo Lazarenko, who Pshonka accused of commissioning the crime. Lazarenko, Ukraine's prime minister from 1996-1997, is in America after serving a federal prison term for money laundering. If tried and convicted, Tymoshenko could face life in prison. She is serving a seven year sentence for abuse of office.

Back Story: Another challenging period ahead for Kyiv Post



MICHAEL WILLARD
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As befits a much-practiced worrier, I am concerned about a lot of things: global warming, Bigfoot, who really shot JFK, gun crazies, and where my Atlanta Braves will finish in the National League's Eastern Division each year. I don't worry too much about the Kyiv Post.

We will succeed in a difficult climate, though it seems the mountain we have to climb each year is a little higher, a bit steeper than the previous year.

But if I learned anything last year in my first full year as CEO, it was that this newspaper is bigger than the sum of its parts. It is a revered institution, and as such, it received

widespread community support when that community was nudged ever-so-slightly. It will be nudged again.

Forgive my introspection, but the Kyiv Post is often that one voice crying in the wilderness. It says what people are thinking, but often don't voice. It records what people of conscience do say, and as such, it represents a historical footnote that we were here, and that we tried to make a difference.

Without the Kyiv Post's English-language record (and often times interpretation), the cacophony of dialogue on hundreds of diverse and debatable issues would represent so much fried air. Our leaders' various foibles would go unreported to a global swath of interested, but ill-informed, people.

There is a wide appreciation for the Kyiv Post brand writ large; and, as such, it represents a near sacred obligation to keep on keeping on with incisive reporting of news and features. It is without question the only serious English-language publication of its kind in the country. This → 5

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Letter to the editor

Article about sex tourism guide upsets author

To the editor:

I was surprised and disappointed to see that the Kyiv Post found that the "Bang Ukraine" sex tourism guide worthy of a story (Friday, Jan. 18, 2013). I was surprised because while the newspaper has done a good job of covering the

work of Ukrainian artists and writers, it has not shown much interest in expats' work. I was disappointed in the choice of material: Is a lascivious e-book on the exploitation of Ukrainian women really worthy of note? If so, perhaps I need to add gratuitous sex scenes to my most

recent business book ("60 Seconds To 'Wow'"). Promote the work of an itinerant expat if you will, but please look at the creative output of resident expat writers and artists as well.

Scott H. Lewis
Kyiv

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

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

Verkhovna Rada leads parade of stupid ideas



KATYA GORCHINSKAYA
GORCHINSKAYA@KYIVPOST.COM

I don't know what Ukraine's political elite were fed in their luxurious resorts over the winter holidays, but it must have affected their thinking. The number of stupid ideas and initiatives that has emerged since the end of the traditional mid-winter break is truly stunning.

Here are a couple of my favorites that were made public in the past week.

Oleh Tsariov, a Party of Regions deputy who came to parliament through a majority constituency in Dnepropetrovsk Oblast, filed a draft law on Jan. 22 called "On stimulation of the domestic market of food." The basic idea behind it, according to the author, is to stimulate such a market by forcing all supermarkets and other large retailers to move out of the cities, and allowing them to only operate between 9 a.m. and 8 p.m., Mondays through Saturdays. Working on Sundays will be outlawed, as will shops in the city operating in premises of more than 300 square meters.

The closest grocery store would be five kilometers outside the city limits, so you have to take a good drive to get your carrots – that is, if you are lucky enough to own a car. The rationale, according to the author, is because large retailers are killing small and medium business by making direct deals with consumers to ensure low prices for end consumers. Small businesses, Tsariov argues, cannot compete because their supply chain has a number of intermediaries all taking their cut.

Moreover, the defender of medium and small business suggests his own rules for contracts between retailers and suppliers. He suggests that time of payment should be strictly regulated (45 days), as well as markups (20 percent in 2013, 15 percent as of next year). He offers to limit the presence of any retailer to 10 percent of all trading spaced in a town or village, and says private labels of each retailer cannot exceed 10 percent of supply of a particular product.

Tsariov's new legal initiative would be disastrous for both the retail sector and city residents who would be limited in their ability to shop for food and basic goods. Thankfully, his draft has received extremely critical reviews from both his political rivals and the



Children of Darnytsa orphanage in Kyiv during the festive event, organized on Nov. 19, 2012. Ihor Miroshnychenko, a new lawmaker is now suggesting to tighten control over, and possibly even ban foreign adoptions in Ukraine. (UNIAN)



Ihor Miroshnychenko

Party of Regions, and there already are indications that the author will back out.

Ihor Miroshnychenko, a new lawmaker elected on the Svoboda Party ticket and already infamous for his anti-Jewish statements, is now suggesting to tighten control over, and possibly even ban, foreign adoptions in Ukraine. He said on Jan. 18 that adoptions by foreigners "have turned into a business" that needs to be stopped. He also explained what a "normal family" is: one that has children. It's a real relief that someone at last has been elected to parliament who can decide

for us what a normal family should be.

Oleh Tiahnybok, the leader of Svoboda's minority opposition faction, came out in support of the ban of adoptions. "We're convinced that in the conditions of a deep demographic crisis and after Ukraine survived the horrors of Holodomor (artificial famine), one cannot so easily give out to foreigners one of the main treasures of the nation – its gene pool," Tiahnybok said on Jan. 19.

Who cares about the welfare of children? In fact, who cares that they are living human beings? For Tiahnybok, they are the gene pool that has to be preserved, and it does not matter that those orphans live in conditions bordering on inhumane.

Svoboda's comments on adoptions come just days after Russia banned foreign adoptions through the so-called Dima Yakovlev law, which came into effect on Jan. 1. The law was created in response to the Magnitsky law in America, which introduced sanctions against Russian officials implicated in the death of Sergei Magnitsky, a lawyer and human rights activist, in 2009, and other human rights violators.

Ukraine, on the contrary, has been taking steps to ease foreign adoptions lately, but Svoboda's recent statements have indicated that progress might not be so smooth this year.

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

VOX
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WITH
ELENA PASHKOVSKAYA



Ukraine celebrated its national Unity Day on Jan. 22. Do you think Ukraine is more unified or less now?



Yuriy Taranuha,
Taras

Shevchenko University employee
"Formally, Ukraine is united, but in reality it's not. And

as long as it is ruled by the current president and government, nothing will change. To change something for the good, we should change the government and it should be pro-Ukrainian."



Ihor Psaryk,
physicist

"For now, it's every man for himself. There is a separation between people and the country.

I'm a patriot of Ukraine, but it seems that it won't work. In Soviet Union times, there was a huge industrial country with its values and perspectives. I'm not campaigning for the Soviet Union, but we also need an idea. Ukraine needs a national idea and targets, and maybe then it would be united."



Valentyna Kanarska,
civil servant

"For now, the situation is critical. People became more selfish. It's not the situation

that I would like to see. To change something we should start from ourselves, but government participation is much needed."



Oksana Nadтока,
employee of Taras Shevchenko University

"I think that the situation is obviously bad. We need to

share common values – cultural, historical, and human."



Mariya Iyevgenina,
student

"I think that our nation is quite scattered. When you go to the West, it seems like people are

not very happy to see you. A friend of mine from Dnipropetrovsk had some difficulties attending a university in Lviv. But everything is up to the people. Maybe in some time it will change."

Willard: Newspaper needs revenue to keep staff of top-flight journalists

→4 is not to degrade the several non-newspaper publications out there. The simple fact is that they don't do what we do.

But once again, we have that mountain to climb. It is a perennial challenge which I doubt will fade away with the last clicks of 2013.

We will charge forth the only way I know how – by putting one foot in front of the other while trying to avoid the various doggie puddles along the way, whether they are represented by the boogeyman of devaluation or the haunting psychological impact caused by a fog of economic uncertainty.

With regard to the previous year, the Kyiv Post had a very successful 12 months. We grew revenue by nearly 50 percent and reined in expenses. We had a hugely successful Tiger Conference, published two profitable supplements and developed a popular corporate subscription plan.

For the most part, we jettisoned a Ukrainian-Russian website that was a good product but could never approach paying for itself. We developed a new and more colorful English-language website which continues to be a work in progress. We are aiming toward easy to navigate mobile versions.

Though action-packed, we still lost money in 2012 – but about one-third of the amount we lost the previous year. I am proud of this accomplishment by the

→ Conferences, special sections, online paywalls necessary to supplement print advertising

team, but humbled by how much further we have to go to achieve a minimum break-even goal.

There are dozens upon dozens of publications out there where making money is secondary to political and other non-business objectives. In some cases, being a media mogul is merely another ornament on the wealth tree. In others it is purely about the exercise of power.

The Kyiv Post is owned by Mohammad Zahoor, who seems to have no pretensions to political influence. That's my take after knowing him for 15 years, first as a client and then as boss. He apparently has

no other reason to own the Kyiv Post other than as a community service.

However, no entrepreneur wants to lose money on a business, and to date Zahoor has invested quite a bit and has yet to see a kopek in return. Making a profit is what few news publications do these days. The trend is to shrink paper-size, close up shop or go entirely online, the last of which rarely ensures profitability.

In a recent publisher's forum luncheon – held for business executives monthly by Zahoor – we (actually this column) were gently admonished by a participant not to be so open in writing about the Kyiv Post's financial struggles. It was perceived to be unseemly, kind of like snoring in church.

After thinking about it for a moment, I decided my well-intentioned colleague was dead wrong. The Kyiv Post is the people's newspaper. It might be owned by Zahoor, but thousands of people for nearly 20 years have made an investment in reading time and advertising dollars, and they do have a stake in its survival.

They deserve to know their newspaper will be here tomorrow.

It will.

But we do have another mountain to climb in 2013.

Kyiv Post CEO Michael Willard can be reached at willard@kyivpost.com.

Ukrainian companies ready IPOs despite modest hopes

BY JAKUB PARUSINSKI
PARUSINSKI@KYIVPOST.COM

Cautious optimism is returning to the global investment profession, with "cautious" being the operative word. Stocks, long shunned in favor of more secure instruments, are coming back into favor, opening the door on potential initial public offerings by Ukrainian companies.

Industry experts have pointed to around a dozen potential candidates.

The renewed appetite for risk is notably visible from the rates on U.S. junk bonds, debt issues considered to be below investment grade, which in early January fell to 6 percent on average for the first time ever. With returns on top public bonds – U.S. and German – negative after counting inflation, junk bonds are one option for investors who are seeking a bit more bang for their buck.

The big question is whether this will translate into sustained interest in equity markets, and if so, whether the key markets for Ukraine will be able to benefit.

Looking at Ukraine's main trading platform, the UX, pessimism may be warranted. The index is down close to 10 percent since the beginning of the year, despite the global rises, and liquidity remains low.

This has reportedly driven international investment bank Renaissance Capital to close its Kyiv office. While the company denies this, it would not be the first to succumb or trim down their workforce in light of the local market's poor prospects.

Nonetheless, the Warsaw Stock Exchange – the primary destination for Ukrainian IPOs – is seeing some revival. Driving the moderately bullish mood are ambitious plans by the Polish state to privatize assets worth \$1.6 billion. The biggest of these is the sale of a 100 percent stake in state-owned real estate holding PHN for \$830 million in the first quarter of the year.

And as appetite for risk returns, so does interest in Ukrainian companies. The key issues that will determine their status in 2013, analysts note, are the



Ukrainian President Viktor Yanukovich and his Polish counterpart Bronislaw Komorowski visit the Warsaw Stock Exchange in 2011. (AFP)

expected devaluation of the hryvnia and the outlook for Europe, which has yet to emerge from the stagnation brought on by the ongoing debt crisis.

This view was recently confirmed by Blazej Karwowski, spokesperson for the Warsaw exchange.

"A lot depends on the situation on the world stock markets. There are several projects, several Ukrainian companies are ready and waiting for an improvement in the stock market, from the agrarian and other sectors," he recently told news agency Interfax-Ukraine. "The most important factor is the expected devaluation of the hryvnia. Polish investors are afraid of devaluation."

Warsaw is currently home to 12 publicly traded companies, a figure that could double if markets pick up. Indeed, many Ukrainian companies have long begun the IPO process, which typically lasts from 3 months to a year and involves a wide range of duties from building investor interest to preparing – in the case of the WSE – three years of audited accounts according to international financial reporting standards. Thus, it's best to prepare in advance than scramble later.

That is the case of Galnaftogaz, among others. Asked if previously announced plans are still valid,

the communications head Oleg Dorozhovets said the preparations had long been made but "conditions for an IPO today are unfavorable, due to the general economic situation and the investors perception of Ukraine as being high risks."

Arguably the most enthusiastic of all perspective companies is Unigran, a construction materials producer operating on the Ukrainian and Russian markets.

Unlike most companies that stick to secrecy for as long as possible, Unigran has the required three years of audited results, compiled according to international financial reporting standards, readily available on its website.

With the football World Cup to be held in Russia in 2018 and various large-scale construction projects in the region, the company president Igor Naumets is bullish about the firm's prospects and is eagerly watching the markets. Unigran has already picked its underwriter, auditor and legal counsel.

"If investors had bought into the company in April (2012), they would have seen returns of 25 percent (by October)," he proudly told the Kyiv Post.

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

Potential 2013 candidates for initial public offerings

	Focused on dairy products, the Agropolis group operates five plants in Central and Western Ukraine. The company saw \$32 million in net income in the first half of 2011, followed by plans to use IPO revenues to boost international business, but has pushed issue plans back since.
	Primarily based in Northern Ukraine with over 57,000 hectares under management. The agribusiness group boasted around \$200 million in net income in 2011, making it one of Ukraine's 10 biggest companies with a three percent share in grain exports.
	A real estate company managing shopping malls in Ukraine, including Sky Mall in Kyiv. Majority owned by Luxembourg-based Retail Real Estate and Dragon Ukrainian Properties Development (the real estate arm of Kyiv-Based investment bank Dragon Capital), the firm earlier announced plans for a 20-25 percent issue for \$150-200 million.
	Operating out of Eastern Ukraine, the crop producer mainly focuses on wheat and sunflower farming, although with rising livestock and dairy business, and manages some 30,000 hectares of land.
	Based in Lviv, the firm focuses on retail sale of fuel and consumer goods via its OKKO network, and wholesale, transport and storage of oil products. With almost \$1.5 billion in 2011 revenues, the company is among the top-200 biggest in Central and Eastern Europe. It previously mentioned plans for a \$200 million IPO, and issued Eurobonds underwritten by Citigroup.
	A national distributor of spare parts, tires and oils, chiefly for locally produced trucks and cars, the company works with retail shops throughout Ukraine. OMEGA reported revenues of Hr 2.8 billion in 2011, and has issued bonds underwritten by PUMB bank.
	The agribusiness group manages 75,000 hectares in Khmelnytsky and Chernivtsy oblasts, mainly focusing on crops, livestock and vegetable growing. It previously announced plans to sell a 10 to 30 percent stake via IPO.
	A construction materials producer mostly focused on Ukraine and Russia, with \$70 million in revenue in 2011, up 50 percent vs. 2010. The company says it could go public as soon as April, with issue size depending on market conditions, and has picked KBC securities as an underwriter, PwC as auditor, and Baker McKenzie as legal counsel.
	A holding active Ukraine with operations in TV, Radio and print media, including Korrespondent and Forbes Ukraine, and magazines in Russia. The company earlier announced it was eyeing an IPO for up to \$200 million. The company saw revenues of \$113 million in 2010.
	The Vinnytsia-based sunflower and rapeseed oil producer previously announced plans in 2011 to hold a \$140-190 million IPO in Warsaw for a 28 to 37 percent stake, hiring Credit Suisse Securities, Concorde Capital, and Poland's BRE Bank to carry out the offer. In nine months ending March 2011 the company saw revenues of \$220 million.

Source: Kyiv Post research

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The Idea Zone

Willard's Thoughts for Better Communications

Tiger Conference Built on Teamwork, Communications and Organization



Scott Lewis, Kateryna Kalendruz, Kateryna Komarova, Oksana Gogol, Michael Willard, Olga Willard, Tetyana Spiridonova

It all started when Willard chairman and Kyiv Post CEO Michael Willard had a 4 a.m. idea that refused to allow another wink of sleep. It ended in the hugely successful Tiger Conference held by the Kyiv Post in cooperation with the East Europe Foundation – a conference that involved Georgian President Mikheil Saakashvili, a collection of important government speakers, a 'Who's Who' of panelists and more than 200 attendees.

The conference held November 26 and 27 was six months in the planning and early on posed the question: "Will the Sleeping Tiger Awaken?" He credits the conference steering committee and the organizational ability of special projects director and Willard assistant, Katya Kalendruz.

"The committee, composed of people from the Kyiv Post, East Europe Foundation, the Willard agency and business, was terrific," Willard said. "We picked people who committed to attending regular meetings and really contributed to the effort." After coming up with this alternative revenue stream for the Kyiv Post, Willard called long-time friend Trond Moe, co-chairman of the East Europe Foundation, with an offer to join forces. "Neither organization had a huge amount of experience in conferences, but we both brought strengths to the table," said Willard.

"The Kyiv Post has a 17-year-old brand and a reputation of fighting for causes that matter," said Willard. "We are seen as the world's window on Ukraine. The EEF has a strong board of directors and a sterling record of helping Ukraine communities as an NGO."

KEY TAKE-AWAYS

- Creativity is about seeing the uncommon in ordinary things. At TsUM, ESTA used a construction fence to reach out to consumers and tell its plans for the iconic store.
- A PR director needs to be at the table when decisions are made.
- Ads that masquerade as news stories don't fool anyone, and make it more difficult to get genuine news coverage.

ESTA Educates With Bright TsUM Fence



In Kyiv, construction fencing is rarely attractive, much less interesting. The shabby green metal or wooden fences surrounding most construction projects solely attract the attention of the capital's graffiti artists.

When ESTA Holding acquired Kyiv's iconic TsUM department store, the public had questions about the company's plans, and concerns that the historic building would be lost as a landmark and as a shopping venue, according to Tatiana Spiridonova, president of Willard Advertising.

ESTA asked Willard Advertising to design a fence that would be attractive and help educate the public. The agency created an attractive and informative graphic that illustrates the changes that the central department store has undergone over the years, putting the new designs into perspective and giving passers-by on busy Khreschatyk Street a glimpse of the remarkable retail transformation underway behind the street-level fence.

5 Reasons Buying Press Wastes Your Money

1. It's a slippery slope. Once you purchase a news story, it is difficult to go back to that publication or broadcast outlet when you have legitimate news and want coverage without payment;
2. Purchased stories lack credibility. A reasonably intelligent person can discern a legitimate, objective story from one that is obviously one-sided;
3. A purchased story is often not news; rather it's a 'positioning statement', slogan and advertising copy. Placed in a news context, they are mere platitudes;
4. Let your PR agency or internal PR people do their jobs and promote a legitimate story to the media. It takes no talent to purchase stories. It should not be a function of PR;
5. Finally, whether in Memphis or Moscow, Kyiv or Krakow, a good story with news value will rise to the top of the stack and be published or broadcast. No editor or journalist wants to miss a good story.

Nota Bene: Willard paid competitive advertising rates for this page in the Kyiv Post. We believe in the value that Kyiv Post advertising delivers and we believe in supporting free press in Ukraine. Watch for more useful tips from The Idea Zone every month.

Olga Willard, Chief Executive Officer

5 Attributes of a Great PR Director

(Advice from Michael Willard's 2001 book 'The Flack')

1. A PR director's effectiveness diminishes the further he or she is from the seat of power. A great PR director is at the table when corporate policy decisions are being made. One will discover that there are many waiting to curry favor with bosses. Offer perspective. Always temper the upside with possible downsides.
2. A PR director must stay cool. Those who don't know the dynamics of news and issues tend to get excited for all the wrong reasons. One first tries to maintain calm.
3. A PR director should maintain a sense of sanity and perspective.
4. A PR director's credibility is in direct proportion to his ability to convince the CEO to take his advice. Make strategic recommendations with confidence borne of experience.
5. PR directors should be seen and heard, but rarely quoted. You work for a CEO or a politician. They are the ones that should be quoted, not the PR director.

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Ukraine's HR outsourcing market lags global trends

BY ANASTASIA FORINA
FORINA@KYIVPOST.COM

The global market for human resources outsourcing could reach \$162 billion by 2015, according to a recent survey made by Global Industry Analysts, an international business strategy and market intelligence firm.

The sector has grown rapidly in recent years with big multinational companies spending billions of dollars worldwide on standardized HR services, innovative staff development and payroll outsourcing.

In Ukraine, the HR outsourcing market is gathering pace mostly thanks to big international companies operating here. However, as the business climate worsens, some of them are reducing their presence or dropping plans to enter the market at all.

"Nowadays, international companies are the main consumers of this kind of service in Ukraine. It's typical for them as they operate legally here in terms of salary payment in particular," says Oleksiy Zvolynsky, senior partner at GP Group, a human resources management agency. His company was one of the first in Ukraine to start offering staff leasing services in 2000. Prior to that in the 1990s, recruitment dominated the market.

According to Zvolynsky, the HR services enjoying the biggest popularity



on the Ukrainian market are: recruitment or finding the best candidate for a given position; headcount optimization, which focuses on increasing the number of employees without exceeding staffing limits while reducing the operating costs of HR functions, and staff development, which includes various business trainings and educational programs.

Microsoft Ukraine IT Company, the representative office of the global software development giant, employs 130 people here and outsources about 20 percent of HR services while the rest is done in-house, said Anna Podgornaya, HR director at the company. "We out-

source some recruitment and staff development services," Podgornaya says.

Aside from the lack of personnel or experience to carry out certain functions, the possibility of bringing down costs is a major driver for outsourcing deals, said Anna Shalina, senior manager for human capital advisory services at global auditor Deloitte.

It is particularly popular for payroll outsourcing, she added, which involves bringing in a third party to handle accounting and administrative work tied to paying wages – a great way to cut costs, particularly for smaller firms.

Moreover, they can be useful for



Anna Shalina of global auditor Deloitte.

companies who have to expand their staff but want to avoid legal hurdles or problems when firing workers later, and thus prefer to hire indirectly.

"We urged companies to use outsourcing services during the crisis period (in 2008 in order to cut expenses)," Shalina says. "It is also helpful for those wanting to maintain confidentiality in paying salaries."

A 2011 survey by auditing and advisory services giant PriceWaterhouseCoopers, in collaboration with ADP, a leading payroll outsourcing provider, has shown that companies running payroll in-house

spend on average 18 percent more on the function than those who outsource the task.

But that doesn't mean the process isn't without its problems.

The potential leak of confidential data is among the main risks, especially when a company is not satisfied with the service provided and breaks a contract, according to Shalina.

Changes to the legal environment also have some HR service providers confused after a new employment law came into force in January. Previously, such companies existed in a legal vacuum but now find themselves subject to unclear regulations. "It's still unclear who and how we will be getting licenses," Zvolynsky says.

He also doesn't feel optimistic about the Ukrainian market of HR outsourcing as some international companies are reducing their presence in Ukraine.

"In Ukraine the (HR outsourcing market) is stagnating now," Zvolynsky says. "International companies have cut their representative offices in Ukraine and new ones are not opening. The interest in it is growing on the part of local companies. But they do not know how to use it and are often paying salaries under the table which makes it impossible to provide such kind of service for them."

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



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Expats to Watch

Denmark's Majgaard rises to heights of IT outsourcing world with Ciklum

BY BRIAN BONNER
BONNER@KYIVPOST.COM

Torben Majgaard has been an expat to watch for several years, at least within Ukraine's world of information technology.

Ciklum, the company that the Danish citizen founded in 2002, has had astounding revenue growth in the past five years. The IT outsourcing company specializing in software development posted revenue of \$101 million in 2012 – nearly 10 times the \$11.5 million as recently as 2007. Majgaard owns 80 percent of Ciklum with Kyiv-based Horizon Capital acquiring the remaining 20 percent last year. The company employs nearly 2,500 people in several countries.

Majgaard's success has vaulted Ciklum among the ranks of other major IT outsourcing companies in the nation, including GlobalLogic, SoftServe, Luxoft and EPAM Systems, whose regional president, Karl Robb, is counted as one of Majgaard's closest friends.

It's an impressive leap for a man who doesn't speak Russian or Ukrainian fluently, and who first came to Russia in the early 1990s before settling on Ukraine in 1998. His interest in computers, which began as a teenager, led him to selling them, he explained during an interview in his 19th floor office with an expansive view of Kyiv's skyline.

"I fell a little bit in love with things over here," Majgaard said of his first impressions of the former Soviet Union. "It was a world you could influence and change, especially for a kid in his early 20s, coming from overregulated Denmark."

But by 2001, Ukraine's legendary corruption and bureaucracy forced him to change course. He was feeling "the pain of moving around physical products where everyone wanted to get a share of your container." He



Torben Majgaard

Age: 42.

Position: Owner/CEO of Ciklum

Citizenship: Denmark.

Years in Ukraine: 15.

Tips for succeeding in Ukraine:

"Don't take 'no' for an answer."

switched from hardware to software sales, making it easier to avoid the authorities. He cashed out of his second-hand computer sales business for \$10,000, which he used to buy a Kyiv apartment.

In 2002, Ciklum was born.

The genius of Ciklum, if it can be described that way, is Majgaard's approach to outsourcing. He also said he knows his Western European customers well and can help them better because of his presence in Ukraine, the source of most of his employees.

"Our customers don't see us as a quick fix. They see us as a long-term partner," he said.

The client sets the employee's salary, with Ciklum adding services to the invoice – such as human resources help, equipment, workspace or legal assistance. "We have a basic package and then you buy extra things on top of that," he said.

If a customer is looking to hire Java programmers, for instance, Ciklum recruits the best and then matches them with the client. "We don't have



Ciklum, with 2,500 employees, occupies several floors of the Horizon Park Business Center on 12 Amosova St. in Kyiv. (Kostyantyn Chernichkin)

people sitting on the bench," he said.

One of the big joys of the last decade is the improved skills of Ukrainian programmers, he said, reflected in average monthly salaries that have risen five times – from \$500 in 2002 to \$2,500 in today's globalized market.

Denis Tafintsev, a partner with Horizon Capital, said the investment firm bought a 20 percent stake in Ciklum because "the company is growing quicker than the IT outsourcing market, which is growing at a healthy 25-30 percent rate annually. We think it's got a unique business model and a strong management team and will continue to grow quicker than the market itself. Torben is a very energetic and exciting entrepreneur."

Majgaard, a married father of two children, is also a venture capitalist

with several other smaller investments. One fast-growing one, with revenues of \$15 million last year, sells applications for mobile phone advertising.

Majgaard, whose company also has operations in Pakistan and Belarus, thinks Ukraine's government should do more to develop its IT industry with tax and other incentives. Instead, he said, Ukrainian authorities are talking about hiking taxes. Most programmers are part of Ukraine's private entrepreneur system and pay only five percent of their income in taxes.

Ukraine, he said, should try to increase the size of its IT workforce, now estimated at 30,000 people in the nation. One way to do that is for industry and government to partner in overhauling outdated curriculum.

"In reality, the schools are of poor

quality," Majgaard said. "The universities are not that good and need to have a closer connection with industry needs."

Having a first-rate IT industry can help Ukraine "to retain brains" and create pride in the nation.

His immediate plans are to keep running Ciklum from Kyiv and to look for new investment opportunities. But he doesn't rule out leaving Ukraine if conditions do not improve.

"In the time I've been doing business here, I really haven't seen things improve a lot, unfortunately," Majgaard said. "I'm also not fantastically optimistic about how things are going to improve in the near future. These things influence my considerations."

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

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2013 New Year's Resolutions — lose weight, quit smoking, outsource payroll

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While most of us have already broken most of our New Year's promises, one which businesses would be well advised to keep is the outsourcing of their payroll.

Downsizing in business is about cutting the fat without touching the muscles, which is why many businesses in Ukraine have started to table the notion of outsourcing their payroll to make savings without infringing on the company's functionality.

New Year's resolutions are notoriously hard to keep, which is why most of us are back to eating our normal diets and picking up our bad habits. But some changes are worth sticking to, especially if the changes mean saving money and improving day-to-day functionality.

Outsourcing for dummies

Everyone in Ukraine knows the quality of water is poor and that you shouldn't drink tap water, but buy bottled water instead. The majority of the offices in Kyiv have coolers with replaceable plastic tanks. So, when employees take the metro to get to work having bottled water in their bags, it is not outsourcing.

But when you hire an external company which installs the cooler in your office and takes care of the tanks replacement, cooler repair and maintenance, this is an example of outsourcing. No more water shortages in the office when the in-house water-chief is on vacation or when some hot summer days make everyone heavy water drinkers.

Similarly to tap water, the quality of Ukrainian payroll legislation is not ideal. Just as one doesn't pay attention to water when it is there, payroll is not given too much attention unless something goes wrong. Outsourcing gives some peace of mind, by letting the professionals deliver water or payroll.

Outsourcing in Ukraine — the ugly duckling?

Ukraine is definitely on the radar when it comes to IT outsourcing destinations, both nearshore and offshore, with a couple of names pretty well known globally in the industry. So Ukrainian IT outsourcing is rather a swan than an ugly duckling, even if the authorities sometimes make the water a little muddy.

BPO (Business Process Outsourcing) face totally different realities. Offshore BPO in Ukraine is virtually non-existent, being limited primarily to payroll outsourcing for Russia, making use of labour costs arbitrage, language and cultural similarities. Onshore (or domestic) BPO is predominantly about subsidiaries of multinational companies wishing to outsource certain non-core functions globally. There is no chance for BPO to take off unless local businesses experience a cognitive shift. The issues of transparency, confidentiality, legal compliance, efficiency, continuity, best practices, cost savings — all those classical advantages of outsourcing — are apparently not topping the agenda of businesses in Ukraine. For some, the pain of going transparent is huge, which stops them from even considering BPO.

However, the interest in BPO from local players is visibly rising. Quite a number of local players even got to the RFP (Request for Proposals) stage. BPO related conferences are not quiet private gatherings for technicians anymore, but rather active platforms for Q&A and networking. 2013 promises to be a turning point in the ugly duckling to swan transition.



Pavlo Boyko, Partner

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HR ADVISER**OUTSOURCING OF PERSONNEL:
TREND ON UKRAINIAN LABOR MARKET**

Starting this topic "Outsourcing" for Ukrainian market in 2007 our Team was in very hard situation because they had no idea about classic models of temporary work in Ukraine. In 2011 we have started first HR Forum with HR experts and tried to underline the problematic question on Ukrainian Labor market — that more than 20% of Companies already use the outsourced workers but have no idea about legislation, operation and efficiency base for it. But in 2012 this topic grows to be a general trend on Ukrainian Labor Market. In Adecco we can recognise it as a tendency — that Ukraine is also ready for a globalisation trend — market specialisation.

Today the Companies feel attraction and necessity of flexibility and security in relations with labor force — two components which are really important for the Ukrainian labor market.

This is the reason of this trend for Companies and of course we can see another side of Labor Market — the future for new generation of workers. Work is global. Work is an intrinsic part of our lives.

Never before have so many people been "at work". And never before have there been so many different types of work, professions, functions, entrepreneurial and flexible working options. This is the time for Ukraine too — to take the globalisation trend in labor force and to give the gulfstream of Professional Staffing to the Agencies — experts in Recruitment, Outsourcing and Human Resources consulting. Let's think together what can be the practical Benefit for each Player of Labour Market.



Anna Zhuravlova
Business Development
Manager, Adecco Ukraine

1 What kind of Personnel Outsourcing already existed in Ukraine?

Historically we can divide the outsourcing lines in Ukraine into four types (each of them depends on the aims Company pursues): outsourcing of services; outstaffing; temporary staffing.

Outsourcing of services — providing Agency personnel to Company for processing and acting functions or services. The terms of such service depend on the project.

Outstaffing — registering or employment of the Company staff by the Agency, chosen by the Company or any other provider. Agency is responsible for payroll accounting and payment, deduction of necessary taxes, personnel administration and compliance with the Labor Code of Ukraine.

Temporary staffing — providing temporary staff (who is registered as Agency employees) for special temporary projects (from 4 hours to 5 years). This service includes all stages of recruitment with subsequent employment as Agency staff for your maximum flexibility. Agency consultants will quickly recruit and provide temporary staff for various business needs.

2 What is the reason for the companies to use Outsourcing of Personnel?

It depends on the Company and also on the level of auditing of their resources. The main reasons depend from the sphere of the company and necessity of temporary workers.

For example:

Time reasons: seasonal work, urgent project, temporary project, trial period for position, restrictions on hiring permanent in-house staff, need to replace temporarily absent staff.

Sphere variations: Logistics (depends on seasonality and campaign); Finance auditing (reporting season); Construction (weather variation); Telecom/IT (new project implementation); FMCG (merchandising campaign); Agro (seasonality, new region penetration); Production (seasonal workers, temporary project workers, etc).

Efficiency reasons:

- focus on core business goals and objectives;
- avoid permanent liabilities with respect to personnel;
- become more flexible in managing staff;
- transfer personnel costs from permanent to variable;
- reduce amount of work in financial and HR departments;
- shift possible risks to service provider.

Also, one of good examples that are still not popular in Ukraine — is use of the temporary worker during the Holiday and Vacation Season for permanent personnel. For Ukraine it is very traditional to have a long time period vacation in summer and New Year time — for this period Companies can take the outsourced temporary worker who can perform duties while the replaced person is on vacation. Is your personnel still in Christmas dreams? Better to give Specialist time to rest and to take a temporary worker meanwhile.

3 What are the benefits for the companies to use Outsourcing of Personnel?

Outsourcing of Personnel is conceived as a service of flexible workforce solution that allows Companies to manage complexity of workforce planning and risks. Company can cover the fluctuation more quickly and efficiency. The project work can be done in agreed terms with minimum labor force costs. How to start your communication with Agency and understand the structure of work for your company?

4 How to start the communication with the Agency and understand the structure of work for your company?

First point: to audit and adjust your current situation — you can do it inside your Company or together with further partner for Outsourcing of Personnel (Agency)

Second point: to understand clearly the efficiency and finance effectiveness for your Company.

Third point: to submit request to the agency to provide Outsourcing of Personnel. Agency should provide your Company a clear mechanism of Model of outsourcing, model of relations with employee and costs structure for the services.

Fourth point: to approve the implementation plan with Agency directly for your Company.

5 What is the Legal base to use Outsourcing of Personnel in Ukraine?

Starting from 1st of January 2013 in Ukraine we have a new Law — Law of Ukraine "On employment of the population" No. 5067 dated July 05, 2012 that gives Ukrainian business understanding of the acting of Outsourcing of Personnel in Ukraine. It is meant to provide the legal structure of three-part cooperation: Agency-Employee-Company. This is a sign for 2013 to be in trend of Ukrainian Labor Market and implement a new possibility of flexibility and efficiency for business.



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Recruitment Outstaffing Temporary Staffing

Legal problems to avoid in outsourcing company business

BY JAKUB PARUSINSKI
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Even in tough economic times, the outsourcing of business services continues to be a booming industry. But not everyone feels comfortable handing over sensitive corporate information, particularly to companies that also provide services to the competition. No need to worry though, experts say, as long as you take the proper precautions.

After a dip in 2008-2009 in the wake of the global financial crisis, outsourcing is robust, whether for tax consulting, advisory services or human resources management. Particularly strong is the financial and accounting outsourcing segment, which grew at 12 percent in 2011, according to research company Everest Group.

The industry is also developing fast in Ukraine after having trailed for several years behind heavyweight outsourcing countries Poland and the Czech Republic. Moreover, the trend is visible both domestically, through the expansion of shared services centers that take over certain corporate duties from local companies, and internationally, as with Nestle setting up a major financial and human resources center in Lviv in 2011.

Yet with Ukraine's notoriously poor business climate and corrupt judiciary, the idea of handing over sensitive information about one's company to a third party can make some uneasy. Indeed, the potential damage can be huge from even accidentally leaking private information or making a mistake in tax filings.

But experts say that, like with any other business transaction, hiring outsourcing service providers can be safe as long as people take the proper precautions.

While corporate espionage and human failings should not be ignored, it is always possible to strengthen legal protections by making sure there is a

non-disclosure agreement as part of the contract signed between the parties, says Valeriy Bondar, head of the global auditing and advisory network HLB's Ukraine office.

Getting the contract right also determines the level of protection, he added, whether this concerns data protection, negligence or intentional mistakes. "Just like with all other services — doctors, painters, cleaners — if they break the contract it is criminal (and you can go to court)," Bondar said.

"Often the liability of the outsourcing company is limited to the amount of professional fees paid for the services which entail such liability, except for the cases if any damage caused by the outsourcing company to the client due to willful or negligent actions of the outsourcing company," explained Anastasiya Surzhko, a lawyer at German consulting firm Roedel & Partner.

As a result, experts explain, it is important to stipulate the precise damages that misconduct or mistakes could entail, experts note. Another option is to take out insurance on the contract — often done by outsourcing companies themselves, which would otherwise be unable to handle the potential liabilities.

"Year by year customers are becoming savvier and more demanding. They want to see utterly detailed description of our services and clear division of responsibilities, which are reflected in the service level agreement," said Daniil Shash, director Intercomp Global Services Ukraine, the local office of an international outsourcing service provider.

Such agreements are increasingly numerous and detailed, he added, and are primarily used by large service providers focused on long-term relationships.

Experts also point to a company's reputation as a key determinant before signing any contracts for the outsourcing of corporate services. Firms with

a solid reputation and a long-time horizon will not be interested in some short-term gains from potential misconduct, HLB's Bondar said, so the company's management has an incentive to make sure everything goes smoothly.

One of the ways this works in international dealings, he elaborated, is that companies operating out of Ukraine will often go through intermediaries in the foreign markets to increase confidence. Thus, Bondar explained, companies using German capital and nationals will grab up all the contracts coming out of Germany, for example, as they will inspire the most trust to manage the outsourcing contracts going to Ukraine.

Companies can also undergo annual audits to ensure compliance with internal codes of conduct and proper regulations, Intercomp's Shash added. "Intercomp's successful passing of this audit confirms the effectiveness of internal controls and the reliability of accounting and payroll services," he said.

Nonetheless, mistakes can happen, as with any other business or project, notes Oksana Voynarovska, partner for labor law at Vasil Kisil and Partners. But it may not be mistakes or ill intentions on behalf of outsourcing service providers that companies have to fear the most.

"The specific nature of our market is that the bigger threat is not from the outsourcing companies ... but from the state organs," she said.

No matter how hard a person works or succeeds in meeting deadlines, Ukraine's complicated tax system and heavy bureaucracy mean that minor mistakes are easy to commit. The other side of the coin, however, is that the fines and sanctions are manageable by Western standards.

"So some companies (that provide business services) decide to pay rather than go to court," Voynarovska said.

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

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Going Out Guide

● – see address in the box below and on the pull-out map.

Comments and tips are welcome. Email the lifestyle team at ls@kyivpost.com

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



Jan. 26-27

Winter fun in Kyivska Rus Park

Another weekend of exciting winter activities awaits visitors of Kyivska Rus Park, a historically themed park outside of Kyiv. Guests will have a chance to learn how to wield a medieval sword, ride a horse, and sing and dance around a fire together with actors of the park dressed as popular medieval characters. A horse theatre will perform an exciting show of breathtaking tricks.

Winter Festivities. Jan. 26-27. Kyivska Rus Park. 1 p.m. Hr 40

Friday, Jan.25

Classical music

Baroque Christmas Night. Works of Handel (organ). House of Organ Music. 7:30 p.m. Hr 30-100

North Express. Academic Symphonic Orchestra of the National Philharmonic Playing Grieg, Nielsen, Sibelius, Gliere (piano). National Philharmonic. 7 p.m. Hr 30-120

Classics on Fridays. Works of Handel, Ravel, Bartok (violin, violoncello). Master Klass. 8 p.m. Hr 50

Movies

Django Unchained (western) Zhovten. 2:30 p.m., 5:30 p.m., 8:30 p.m. Hr 25-35

French Movie Festival. Kyiv. 7:30, 9:40 p.m. Hr 50

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 1:20 p.m. Hr 40-50

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m., 11 p.m. Hr 30-50

Live music

Ot Vinta & Red Rocks (rock covers). Docker Pub. 10 p.m. Hr 75

Mad Heads XL & Whistlin' Dixie. Docker's ABC. 10 p.m. Hr 75

No Comments (disco). Art Club 44. 10 p.m. Hr 50

Clubs

Spirit of London. Forsage. 11 p.m. Hr 30-60 for females, Hr 35-70 for males

Student Party. Manilov. 10 p.m. Hr 30 for females, Hr 50 for males

Snow Rave. Cinema Club. 11 p.m. Hr 50

Glam Punk Party. Ajour. 9 p.m. Free for females, Hr 150 for males after 11 p.m.

Theaters

The Tempest (premiere, based on William Shakespeare's play). Ivan Franko Theater. 7 p.m. Hr 20-200

Dangerous Liaisons (drama). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 50-80

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

Where Do The Kids Come From? (comedy). Palats Ukraina, small

stage. 7 p.m. Hr 90

Miscellaneous

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. – 7 p.m. Hr 110-350

Yuriy Gorbachov (art exhibition). Tseh Art Gallery (14 Dragomyrova St.). 10 a.m. – 8 p.m. Free

Kris Mikalief. Underwtr (multimedia exhibition). Kwartira 57 (37 Nyzhniy Val St.). 2 p.m. – 7 p.m. Free

Art Avia. Avtandil Gurgendize. Modern Art Museum. 11 a.m. – 7 p.m. Hr 5-20

Art As The Joy Of Life. Mykola Pymonenko. National Art Museum of Ukraine. 12:01 p.m.-8 p.m. Hr 20

Art Map Of Ukraine. Slobzhanskiy express. Modern Art Museum. 11 a.m. – 7 p.m. Hr 5-20

Winter. Winter. Winter. Kyiv Natiuna Museum of Russian Art. 11 a.m. – 7 p.m. Hr 5-30

Ukrainian Formula. Landscape Line. Ivan Honchar Museum. 10 a.m. – 5:30 p.m. Hr 15

Saturday, Jan.26

Classical music

Works of Schubert, Liszt, Grieg, Bellman (organ). House of Organ Music. 7:30 p.m. Hr 50-200

Subscription No.8. The Magic Guitar. Works of Bach, Telemann, Duarte, Rodrigo. National Philharmonic. 7 p.m. Hr 20-100

Movies

Django Unchained (western) Zhovten. 2:30 p.m., 5:30 p.m., 8:30 p.m. Hr 25-35

French Movie Festival. Kyiv. 7 p.m., 9 p.m. Hr 50

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 1:20 p.m. Hr 40-50

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m., 11 p.m. Hr 30-50

Live music

Mad Heads XL & Crazy Train. Docker Pub. 10 p.m. Hr 100

Bangladesh Ochestra & Tex-Mex Company. Docker's ABC. 10 p.m. Hr 75

MJ Project (disco). Art Club 44. 10 p.m. Hr 50

Clubs

Sexual Revolution. Bionica. 11 p.m. Hr 30-50 for females, Hr 50-60 for males

Disco Always Was Disco. Saxon. 11 p.m. Hr 25-50 for females, Hr 30-60 for males

Blondes & Brunettes. Egoist. 11 p.m. Hr 25 for females, Hr 50 for males

Red Riding Hood and Wolf (erotic performance). Krasnaya Shapochka. 9 p.m. Females only. Call for the fee

Theaters

Wife Is Wife (comedy). Ivan Franko Theater. 7 p.m. Hr 20-200

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

Fourth Sister (black comedy). Molody Theater. 7 p.m. Hr 50-90

Night Long Love (lyrical comedy). Operetta Theater. 7 p.m. Hr 120-650

Shows

Segodnya Nochyu (Tonight). Tolstoy Restaurant-club. 10 p.m. Hr 180

Miscellaneous

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. – 7 p.m. Hr 110-350

Kris Mikalief. Underwtr (multimedia exhibition). Kwartira 57 (37 Nyzhniy Val St.). 2 p.m. – 7 p.m. Free

Art Avia. Avtandil Gurgendize. Modern Art Museum. 11 a.m. – 7 p.m. Hr 5-20

Art As The Joy Of Life. Mykola Pymonenko. National Art Museum of Ukraine. 11 a.m. – 7 p.m. Hr 20

Art Map Of Ukraine. Slobzhanskiy express. Modern Art Museum. 11 a.m. – 7 p.m. Hr 5-20

Winter. Winter. Winter. Kyiv Natiuna Museum of Russian Art. 11 a.m. – 7 p.m. Hr 5-30

Ukrainian Formula. Landscape Line. Ivan Honchar Museum. 10 a.m. – 5:30 p.m. Hr 15

Sunday, Jan.27

Classical music

Subscription No.6. Violin Music. Works of Mozart, Schumann, Chaousson, Paganini. National Philharmonic. 7 p.m. Hr 20-100

Movies

Django Unchained (western) Zhovten. 2:30 p.m., 5:30 p.m., 8:30 p.m. Hr 25-35

French Movie Festival. Kyiv. 7 p.m., 9 p.m. Hr 50

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 1:20 p.m. Hr 40-50

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m. 11 p.m. Hr 30-50

Live music

Chill Out (disco rock). Docker's ABC. 10 p.m. Free

Soyuz 44 (jazz jam session). Art Club 44. 10 p.m. Free

Clubs

Russian Music Party. Ajour. 9 p.m. Free for females, Hr 100 for males after 11 p.m.

Euro Hits. Manilov. 10 p.m. Free

Paradise Sunday. Krasnaya Shapochka. 9 p.m. Call for the fee

Theaters

Month In Countryside (comedy). Koleso Theater. 7 p.m. Hr 70

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

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

The Gypsy Baron (premiere). Operetta Theater. 7 p.m. Hr 80-150

Shows

Nogu Svelo. Docker Pub. 9 p.m. Hr 350-3,000

Miscellaneous

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. – 7 p.m. Hr 110-350

Kris Mikalief. Underwtr (multimedia exhibition). Kwartira 57 (37 Nyzhniy Val St.). 2 p.m. – 7 p.m. Free

Art Avia. Avtandil Gurgendize. Modern Art Museum. 11 a.m. – 7 p.m. Hr 5-20

Art As The Joy Of Life. Mykola Pymonenko. National Art Museum of Ukraine. 10 a.m. – 6 p.m. Hr 20

Art Map Of Ukraine. Slobzhanskiy express. Modern Art Museum. 11 a.m. – 7 p.m. Hr 5-20

Winter. Winter. Winter. Kyiv Natiuna Museum of Russian Art. 11 a.m. – 7 p.m. Hr 5-30

Ukrainian Formula. Landscape Line. Ivan Honchar Museum. 10 a.m. – 5:30 p.m. Hr 15

Monday, Jan.28

Classical music

Baroque Christmas Night. Works of Bach (organ, oboe, harpsichord). House of Organ Music. 7:30 p.m. Hr 20-80

Movies

Django Unchained (western) Zhovten. 2:30 p.m., 5:30 p.m., 8:30 p.m. Hr 25-35

French Movie Festival. Kyiv. 7 p.m., 9 p.m. Hr 50

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 1:20 p.m. Hr 40-50

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m., 11 p.m. Hr 30-50

Live music

Animals Session (classic rock). Docker Pub. 9:30 p.m. Free

Karnavalnaya Zhara. Docker's ABC. 10 p.m. Free

Rock Funk Fest. Art Club 44. 10 p.m. Free

Divan Jazz Band. Divan. 8 p.m. Free

Theaters

The Imaginary Invalid (premiere, 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

Miscellaneous

Ukrainian Formula. Landscape Line. Ivan Honchar Museum. 10 a.m. – 5:30 p.m. Hr 15

Tuesday, Jan.29

Classical music

Kyiv-Brass Chamber Ensemble Playing Bach, Mozart, Scheidt, Arban, Bilousov. House of Organ Music. 7:30 p.m. Hr 20-80

Jazz Concert. Jazz Orchestra of Kyiv Children Arts Academy Playing Presley, Ellington, Weiss. National Philharmonic. 7 p.m. Hr 40-80

Movies

Django Unchained (western) Zhovten. 2:30 p.m., 5:30 p.m., 8:30 p.m. Hr 25-35

French Movie Festival. Kyiv. 7 p.m., 9 p.m. Hr 50

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 1:20 p.m. Hr 40-50

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m., 11 p.m. Hr 30-50

Live music

Tres Deseos (latino party). Docker Pub. 9:30 p.m. Free

Animals Session (classic rock). Docker's ABC. 10 p.m. Hr 20

Anna Kuksa & Vlad Karashchuk (jazz funk). Art Club 44. 10 p.m. Free

The Rabbit in the Hat, Megapolis Witches & TGDM. Divan. 8 p.m. Free

Theaters

Senior Of High Society (comedy). Lesya Ukrainka Theater. 7 p.m. Hr 100-500

Hymn Of The Democratic Youth (premiere). Ivan Franko Theater. 7 p.m. Hr 15-150

Opiskin, Foma (premiere). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 70-120

Athens Nights (comedy). Molody Theater. 7 p.m. Hr 50-90

Ladie's Night (comedy/show). Operetta Theater. 7 p.m. Hr 80-350

Shows

Blues Brothers. Crystal Hall. 8 p.m. Hr 200-600

Miscellaneous

Art Avia. Avtandil Gurgendize. Modern Art Museum. 11 a.m. – 7 p.m. Hr 5-20

Art Map Of Ukraine. Slobzhanskiy Express. Modern Art Museum. 11 a.m. – 7 p.m. Hr 5-20

Winter. Winter. Winter. Kyiv National Museum of Russian Art. 11 a.m. – 7 p.m. Hr 5-30

Wednesday, Jan.30

Classical music

Organ Duo Night. Works of Bach, Mozart, Handel, Tchaikovsky (organ). House of Organ Music. 7:30 p.m. Hr 30-100

National Symphony Orchestra of Ukraine Playing Wagner, Stojowski, Sibelius (piano). National Philharmonic. 7 p.m. Hr 45-90

Movies

Django Unchained (western) Zhovten. 2:30 p.m., 5:30 p.m., 8:30 p.m. Hr 25-35

French Movie Festival. Kyiv. 7 p.m., 9 p.m. Hr 50

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 1:20 p.m. Hr 40-50

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m., 11 p.m. Hr 30-50

Live music

Rockin' Wolves. Docker Pub. 9:30 p.m. Free

The Magma (pop rock). Docker's ABC. 10 p.m. Hr 30

Taburetka Rock Festival. Art Club 44. 10 p.m. Hr 50

Jazz Wednesday with Gadzzilla Project. Divan. 8 p.m. Free

Theaters

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

Moskowiada (based on Yuriy Andruhovych novel). Molody Theater. 7 p.m. Hr 50-90

Ladie's Night (comedy/show). Operetta Theater. 7 p.m. Hr 80-350

Shows

Dmytro Hvorostovsky. Palats Ukraina. 7 p.m. Hr 250-1,950



Jan. 25

Coen brothers movie night for one night only

Three movies by well-known American filmmakers Joen and Ethan Coen will be screened throughout the night on Jan.25 in Kinopanorama cinema. Barton Fink, the movie that scooped three awards at Cannes film festival in 1991, O, Brother, Where ART Thou (2000) which won the brothers their second Oscar nomination for screenwriting and The Big Lebowski (1998) will be featured in English. For more information go to <http://www.facebook.com/events/456588247735229/> or call 050-577-02-02

Coen Brothers Movie night. Jan.25. Kinopanorama. 11 p.m. Hr 70, 50 (if bought in advance).

Blues Brothers concert

Arguably the best Ukrainian rock-jazz band Blues Brothers will give a concert in Kyiv's Crystal Hall on Jan.29 to celebrate its 20th anniversary.



Jan. 29 courtesy

Miscellaneous

Art Avia. Avtandil Gurgenzidze. Modern Art Museum. 11 a.m. - 7 p.m. Hr 5-20

Art As The Joy Of Life. Mykola Pymonenko. National Art Museum of Ukraine. 10 a.m. - 6 p.m. Hr 20

Art Map Of Ukraine. Slobozhanskiy Express. Modern Art Museum. 11 a.m. - 7 p.m. Hr 5-20

Winter. Winter. Winter. Kyiv Natsiona Museum of Russian Art. 11 a.m. - 7 p.m. Hr 5-30

Ukrainian Formula. Landscape Line. Ivan Honchar Museum. 10 a.m. - 5:30 p.m. Hr 15

Thursday, Jan.31

Classical music

Works of Chopin, Hillman, Reger, Arensky (organ). House of Organ Music. 7:30 p.m. Hr 20-80

Pages From The Best Programs. Kyiv Chamber Orchestra Playing Handel. National Philharmonic. 7 p.m. Hr 20-100

Movies

Layer Cake (thriller). Kinopanorama. 7 p.m. Hr 40

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m., 11 p.m. Hr 30-50

The Titfield Thunderbolt (comedy). Master Class 7 p.m. Hr 40

Live music

Dyadya Vasya. Docker Pub. 9:30 p.m. Free

Rock Four (rock covers). Docker's ABC. 10 p.m. Hr 30

Fight Music Fest. Art Club 44. 10 p.m. Hr 30

Aircraft, Fever 103 & Blablarism. Divan. 8 p.m. Hr 30

Theaters

Romeo And Juliet (drama). Ivan Franko Theater. 7 p.m. Hr 15-120

Until Mother Did Not Come (comedy). Molody Theater. 7 p.m. Hr 50-90

The Merry Widow (operetta). Operetta Theater. 7 p.m. Hr 70-90

La Bonne Anna, Or How To Save the Family (comedy). Palats Ukraina. 7 p.m. Hr 70-90

Shows

Ex.ua Social Party. Crystal Hall. 8 p.m. Hr 100-250

Miscellaneous

Art Avia. Avtandil Gurgenzidze. Modern Art Museum. 11 a.m. - 7 p.m. Hr 5-20

Art As The Joy Of Life. Mykola Pymonenko. National Art Museum of Ukraine. 10 a.m. - 6 p.m. Hr 20

Art Map Of Ukraine. Slobozhanskiy Express. Modern Art Museum. 11 a.m. - 7 p.m. Hr 5-20

Ukrainian Formula. Landscape Line. Ivan Honchar Museum. 10 a.m. - 5:30 p.m. Hr 15

Friday, Feb.1

Classical music

Subscription No.10. Symphonic Dimension. Symphony Orchestra of the National Philharmonic of Ukraine Playing Brahms. National Philharmonic. 7 p.m. Hr 45-130

Movies

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m. Hr 30-50

Live music

Larus & Whistlin' Dixie (country rock). Docker Pub. 10 p.m. Hr 75

Animals Session (classic rock). Docker's ABC. 10 p.m. Hr 75

No Comments (cover band). Art Club 44. 10 p.m. Hr 50

Fontaliza (rock). Divan. 8 p.m. Free

Theaters

Cross Paths (tragic farce). Ivan Franko Theater. 7 p.m. Hr 15-150

Napoleon and Corsican (comedy). Lesya Ukrainka Theater. 7 p.m. Hr 15-120

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

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

Shows

Freedom-Jazz. We Can Boogie. Tolstoy Restaurant-club. 10 p.m. Hr 200-2,000

Miscellaneous

VIP Cocktail with Alain Delon. Fairmont Grand Hotel (1 Naberezhno-Khreshchatska St.). Hr 1,700

Art Avia. Avtandil Gurgenzidze. Modern Art Museum. 11 a.m. - 7 p.m. Hr 5-20

Art As The Joy Of Life. Mykola Pymonenko. National Art Museum of Ukraine. 12:01 p.m. - 8 p.m. Hr 20

Art Map Of Ukraine. Slobozhanskiy express. Modern Art Museum. 11 a.m. - 7 p.m. Hr 5-20

Art Map Of Ukraine. Slobozhanskiy Express. Modern Art Museum. 11 a.m. - 7 p.m. Hr 5-20

Winter. Winter. Winter. Kyiv Natsiona Museum of Russian Art. 11 a.m. - 7 p.m. Hr 5-30

Ukrainian Formula. Landscape Line. Ivan Honchar Museum. 10 a.m. - 5:30 p.m. Hr 15

Saturday, Feb.2

Classical music

Piano Music Night. Works of Schuman, Scriabin. National Philharmonic. 7 p.m. Hr 20-100

Movies

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m., 11 p.m. Hr 30-50

Live music

Motorola & More Huana (best world hits). Docker Pub. 10 p.m. Hr 75

GoodLife & Red Rocks (U2 tribute, rock covers). Docker's ABC. 10 p.m. Hr 75

Wake Up! (disco). Art Club 44. 10 p.m. Hr 50

Addis Abeba (reggae). Divan. 7 p.m. Hr 70-90

Theaters

Family Dinner (comedy). Lesya Ukrainka Theater. 7 p.m. Hr 20-200

Anna Karenina (drama). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 40-70

The Dove (tragic comedy). Molody Theater. 7 p.m. Hr 50-90

My Fair Lady (musical based on George Bernard Shaw's Pygmalion). Operetta Theater. 7 p.m. Hr 50-100

Shows

Yellowcard. Bingo. 7 p.m. Hr 250-500

Ideology 10. Stereo Plaza. 10 p.m. Hr 169-199

Nastya Markova. Sade Tribute. Tolstoy Restaurant-club. 10 p.m. Hr 100

Miscellaneous

Art As The Joy Of Life. Mykola Pymonenko. National Art Museum of Ukraine. 11 a.m. - 7 p.m. Hr 20

Art Map Of Ukraine. Slobozhanskiy Express. Modern Art Museum. 11 a.m. - 7 p.m. Hr 5-20

Winter. Winter. Winter. Kyiv Natsiona Museum of Russian Art. 11 a.m. - 7 p.m. Hr 5-30

Ukrainian Formula. Landscape Line. Ivan Honchar Museum. 10 a.m. - 5:30 p.m. Hr 15

Sunday, Feb.3

Classical music

Vocal Music Night. Works of Lyatoshynsky, Protsenko. National Philharmonic. 7 p.m. Hr 45-90

Movies

Russian Disco (comedy). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 5 p.m., 7 p.m., 9 p.m., 11 p.m. Hr 30-50

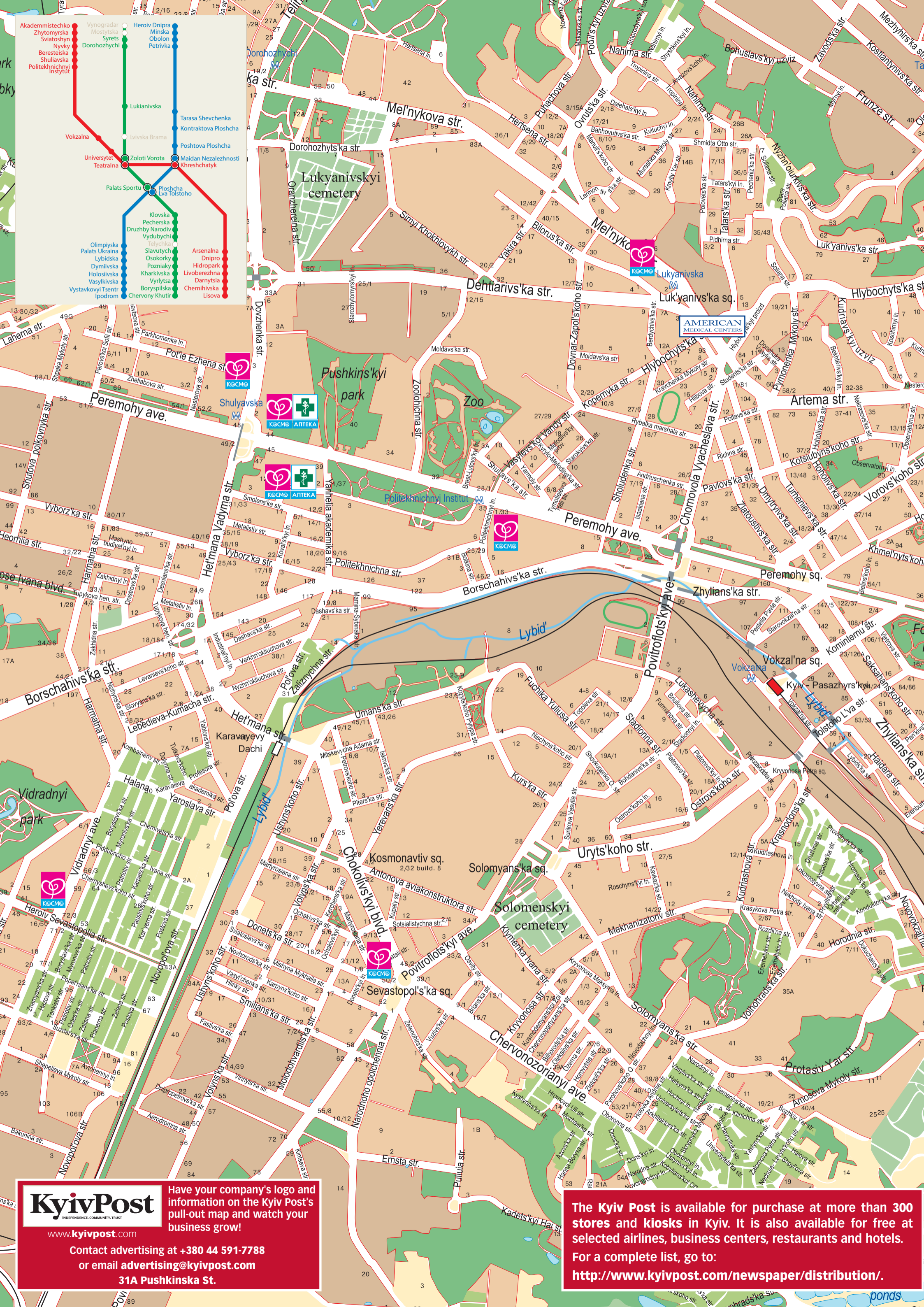
Addresses of venues

- Classical Music: National Philharmonic of Ukraine, 2 Volodymyr Uzviz St., 278-1697. House of Organ Music, 77 Velyka Vasylkivska St., 528-3186. School of Jazz and Pop Art, 7-A Chelyabinsk St., 517-6188.

- primeclub.in.ua: Crystal Hall, 1 Dneprovsky Spusk, 288-5069. Arena Entertainment, 2A, Basseynaya St., 492-0000. Mantra, 4 Basseynaya St., 504-2555.

- Lavra Gallery, 17 Ivana Mazepy St., 280-0290. Undergroud Music Hall, 13B Moskovsky Avenue, 360-9594. Kyiv National Academic Theater of Operetta, 53/3 Chervonoarmyiska St., 287-6257.

- of Art, 10 Heroiv Stalingrada St., 410-9310, 419-8777. National University of Physical Training and Sports, 1 Fizkultury str., 287-5452. NSC Olimpiyskyi St. Velyka Vasylkivska 55, 0800-50-5750.



Legend:

- Streets:**
 - Blue: Tarasa Shevchenka, Kontraktova Ploshcha, Poshtova Ploshcha, Maidan Nezalezhnosti, Khreshchatyk
 - Green: Palats Sportu, Ploshcha Lva Tolstoho, Klovska, Pecherska, Druzhy Narodiv, Vydubychi, Telychka, Slavutych, Osokorky, Pozniaky, Kharkivska, Vyrlytsa, Boryspilska, Chervonyi Khutir
 - Red: Arsenalna, Dnipro, Hidropark, Livoberezhna, Darnytsia, Chernivska, Lisova
- Landmarks:**
 - Green: Akademistechko, Zhytomyrska, Sviatoslyn, Nyvky, Beresteiska, Shuliavska, Politekhnychnyi Instytut
 - Blue: Vynogradar, Mostytska, Syrets, Dorohozhychi, Lukyanivska, Livvska Brama
 - Red: Vokzalna, Universitet, Teatralna, Zoloti Vorota

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Experts: Kolomoisky soars despite bankrupt airlines

BY SVITLANA TUCHYNSKA
TUCHYNSKA@KYIVPOST.COM

AeroSvit may never get back the nearly 80 routes it once flew and subsequently dropped following bankruptcy proceedings launched in December.

While the airline is going through financial turmoil amid protests by its disgruntled employees, competitors have applied for the abandoned routes. However, experts say the air transport market is merely undergoing a reshuffling among the same players.

Wizz Air, the low-cost Hungarian carrier in Ukraine, has applied for 18 newly vacant routes, including highly lucrative ones to Tel Aviv, Istanbul, Dubai, Moscow and St. Petersburg. Akosh Bush, head of Wizz Air Ukraine, says he expects the State Aviation Service to reach a decision in coming weeks.

"Because of the bankruptcy of AeroSvit, there is a possibility that the Ukrainian market will be further monopolizing, which would not benefit consumers... Ukrainian passengers had to put up with high prices and frequent cancellations of flights of some Ukrainian companies. And the threat of the creation of a monopoly, which exists now, can lead to further price increases," Bush said during a news conference on Jan. 22.

Up until these events, billionaire Ihor Kolomoisky had all but monopolized Ukrainian air travel, his combined assets giving him control of more than 60 percent of the market. According to Forbes Ukraine, billionaire Viktor Pinchuk also has a 24.99 percent of stake in AeroSvit.

With AeroSvit on the way out, Ukraine International Airlines remains the country's dominant carrier. Kommersant newspaper reported on Jan. 17 that Kolomoisky had acquired a 75 percent stake in Ukraine International Airlines at the end of 2012, which the airline denies.

Israeli citizen Aron Mayberg is the official co-owner of UIA, but he has also denied that Kolomoisky has an interest in the airline. However, aviation experts insist that Kolomoisky now controls UIA.

"By the end of November, new UIA flights started to appear in booking systems that were duplicating some AeroSvit flights. The process of slow movement of AeroSvit's routes and flights has been going on since then," says Oleksandr Mironenko, aviation expert and founder of avianews.com.

Before the change, UIA and AeroSvit avoided stepping on each other's toes, preferring to target different destinations. But now, Mironenko adds, the booking system carries UIA flights from Kyiv to Moscow, Tel Aviv, Warsaw, Prague, Stockholm, Copenhagen, and Vilnius — destinations that once belonged to AeroSvit.

"It is strange that while some airlines apply for these flights another one is already selling tickets," says Mironenko.

Windrose, Kolomoisky's charter airline, has also stopped servicing AeroSvit's flights and has instead been servicing several UIA flights, Mironenko adds.

"A coincidence?" he asks rhetorically. Andriy Guck, a lawyer and aviation expert, says he is not surprised that UIA denies Kolomoisky's stake in the company: "They will never acknowledge it because the company has to preserve its reputation, which is definitely not going to benefit from this



AeroSvit goes through more turmoil as hundreds of its employees protest outside the president's administration in Kyiv on Jan. 22. (Ukrafoto)

name," Guck says.

Kolomoisky has a history of failed aviation companies with Aerosvit partners Donbassaero and Dniproavia among the latest on the list. Donbassaero on Jan. 10 filed for bankruptcy, according to Interfax-Ukraine news agency. Dniproavia has suspended its flights, according to UNIAN news agency.

In May, Kolomoisky's three low-cost Scandinavian airlines, Cimber Sterling in Denmark and Skyways and City Airline in Sweden, filed for bankruptcy, shortly after they were bought by the Ukrainian billionaire.

The Kyiv Post was unable to reach

Kolomoisky for comment. He is known for not being very open to the public and has not given an interview for several years.

As for the troubled AeroSvit, the Kyiv Oblast commercial court commenced bankruptcy proceedings in December, stating that, as of Dec. 27, the airline had a debt of \$533 million to its creditors. According to its balance sheet as of Sept. 30, the total assets of AeroSvit stood at \$183 million.

The airline's main creditor is Ukrtatnafta, another company reportedly controlled by Kolomoisky, which supplied the airline with fuel. It was

revealed in the commercial court hearing on Jan. 23 that AeroSvit owes it more than \$125 million.

This means, says Guck, that the owner wants to restructure, not liquidate the company, and is managing the process.

"The plan probably involves the reshuffling of actives so that the company would stop losing money. Probably AeroSvit will continue to operate those few (six) routes that it is running now, and other routes will be spread among UIA, Wizz Air and (Russia's low-cost airline) Utair. Thus it was logical to assume that Kolomoisky

is interested in controlling one of these companies," says Guck.

But the restructuring process will be anything but easy.

AeroSvit left hundreds of Ukrainian passengers stranded at airports around the world over the winter holidays. This month, hundreds of AeroSvit employees protested outside the president's administration in Kyiv on Jan. 22, complaining about salaries going unpaid since October and coming layoffs.

"This is the problem of the president. Does he need 2,000 qualified people on the street, registering as unemployed and receiving full benefits? I don't think so," said Veniamin Tymoshenko, a union leader and AeroSvit flight attendant.

The protesters demanded that bankruptcy proceedings stop and a criminal case be opened for intentional bankruptcy fraud.

"We work on these flights and we see that almost all the time the aircrafts are full of passengers. The tickets are not cheap. Also, Kolomoisky owns the fuel supplier company and leases aircrafts from his own leasing companies. How, given all this, can the company be in such a massive debt?" Tymoshenko said as hundreds of his colleagues shouted, "Give us back our sky!"

AeroSvit urged its employees to "stop using ultimatum" and has transferred some money which the employees say was not nearly enough to cover the salary debt.

The six remaining AeroSvit routes to run through the end of January include flights to Bangkok, New York and Beijing and domestic flights between Kyiv, Ivano-Frankivsk and Dnipropetrovsk.

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Swissport says it is under 'hostile corporate raider attack'

BY MARK RACHKEVYCH
RACHKEVYCH@KYIVPOST.COM

Global airport cargo handler Swissport International Limited is accusing its local Ukrainian business partner, Ukraine International Airlines and its owner Aron Mayberg of "conducting a so-called hostile corporate raider attack."

If Swissport is ousted, it stands to lose at least \$8 million in assets in Ukraine over a legal spat with UIA in the commercial courts, which initiated a minority-rights case in June.

UIA's head of communications, Yevhenia Satska, said the airline will refrain from comments as long as the case is ongoing.

UIA, which has a 30 percent stake in Swissport Ukraine, a local joint-venture in which Swissport International is 70 percent shareholder, says its minority rights were violated and is seeking to buy out the majority stake for \$433,000 and inherit some \$8 million worth of assets in Ukraine.

Two lower courts so far have ruled in favor of UIA, and an appellate court is scheduled to hear the case on Jan. 30. The appellate hearing has been postponed twice: on Dec. 12 and Jan. 16.

In a letter that the Kyiv Post obtained, addressed to the International Air Transport Association dated Nov. 5, signed by Swissport Executive Vice President Global Cargo John Batten



A global airport service provider, Swissport could lose some \$8 million of its Ukrainian assets if it loses a commercial court case to its local Ukrainian partner, Ukraine International Airlines. (Courtesy)

and Johannes Spindler, executive vice president general counsel and general secretary, Swissport stated that the joint venture in Ukraine with UIA had seen positive development since 2006, when it was formed.

Swissport's communications department, as well as Batten failed to respond to Kyiv Post requests for comment, as did the IATA.

According to industry news, since forming the joint-venture Swissport had invested millions of dollars to expand into Kharkiv and Kyiv's Zhyliany Airport, including the purchase of \$1.5 million in new equip-

ment and technology.

Companies like Swissport make sure airports run smoothly by handling passenger transfers at airports and ensure luggage and cargo go with them, among other services they provide. Swissport's arrival to Boryspil has been linked to a significant decline in lost and stolen luggage.

But things went sour, alleged the letter, when Israeli citizen Aron Mayberg became UIA's owner in 2011.

Little is known about Mayberg, but he was the founder of AeroSvit in the 1990s, a Ukrainian airline that recently declared bankruptcy. He

was Aerosvit's director general until December 2008.

"However, over the recent past, since UIA's takeover by Mr. Mayberg last year (2011), Mr. Mayberg and UIA have been conducting a so-called 'hostile corporate raider attack' against Swissport International and Swissport Ukraine, by alleging a (baseless) violation of his/their minority rights, in an attempt to force SPI to forfeit its shares in Swissport Ukraine," reads the letter.

When Mayberg took over UIA, the airline terminated its handling contract with Swissport Ukraine, in which it has a 30 percent stake. UIA instead chose Aerohandling, an airport handler once owned by Mayberg, in a tender for which Swissport had also bid.

Mark Skinner, senior vice president general handling EMEA for Swissport told U.K.-based The Loadstar: "We hope that the Ukrainian legal system will deliver justice, even though this has not been the case so far."

According to UIA's latest public account published following the first half of 2012, the airline had an operational loss of \$17 million. Accounts payable increased by 4.7 percent to \$50 million, and debts to banks by 53 percent to \$38.75 million.

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

Ukraine, Shell sign \$10 billion shale gas deal at Davos forum

(Reuters KYIV/DAVOS) - Ukraine took its first major step away from dependency on Russian gas imports on Jan. 24 when it signed a \$10 billion shale gas deal with Royal Dutch Shell.

The 50-year production sharing agreement, signed on the sidelines of the World Economic Forum in Davos, marks the biggest contract yet to tap shale gas in Europe and the largest foreign investment in the former Soviet republic.

Disputes between Kyiv and Moscow seriously disrupted Russian gas flows via Ukraine in 2006 and 2009, with European Union members Bulgaria and Slovakia left without energy in the depths of winter.

They remain at odds over the terms of a 2009 Russian supply deal brokered by former Prime Minister Yulia Tymoshenko, for which she is serving a jail sentence.

President Viktor Yanukovich presided over the signing between Shell's Chief Executive Peter Voser and new Fuel Minister Eduard Stavitsky. "We have witnessed a great event today. I believe we have become almost relatives," Yanukovich told Voser.

Ukraine chose Shell last May as a partner to develop the Yuzivska field in the east of the country and regional councils there approved the production-sharing deal last week, removing the last hurdle to signature.

Ukraine is said to have Europe's third-largest shale gas reserves at 42 trillion cubic feet (1.2 trillion cubic meters), according to the U.S. Energy Information Administration.

Poland too is looking to tap shale to reduce its Russian gas imports, though a massive downward revision in its estimated reserves and a decision by U.S. major ExxonMobil to halt exploration have dashed initial hopes for Europe's most ambitious shale exponent.

Production in Ukraine is several years off and will depend on results from 15 test wells.

The Yuzivska field could be producing 20 billion cubic meters of gas in 2018, Stavitsky said on Thursday.

"According to Shell's optimistic sce-

nario about 20 billion cubic meters could be extracted annually; according to the pessimistic one, at the very least 7-8 billion," Stavitsky, quoted by Interfax, said in Davos.

If the top forecast were fulfilled, "this will completely solve the problem of the (gas) shortfall in Ukraine," he said, referring to the huge amounts of gas Ukraine has to import from Russia to meet its domestic needs. Ukraine, he said, "might even go into surplus."

Ukrainian officials said earlier this month that Shell saw investment under the deal of at least \$10 billion "under the most likely scenario" and possibly as much as \$50 billion.

Shell, which has projects worth many billions of dollars in Russia, did not comment on the figures and was less outspoken about Ukraine's dependence on Russian gas.

"We are very pleased with this big step," Voser said at the signing ceremony. Shell will operate the projects and hold a 50 percent stake in them. Rights and responsibilities of investors will be specified in a different agreement at a later stage.

The Yuzivska deal could revive efforts to develop unconventional shale gas reserves in Europe which lag far behind the United States where shale gas and shale oil development is transforming the energy sector.

Much could depend on the outcome of a second shale gas project in Ukraine at Olesska, where the government has signalled it expects a tougher fight to secure local approval because of environmental concerns.

The government chose Chevron to develop the Olesska field in the western Lviv and Ivano-Frankivsk regions bordering the EU. Ukraine has also chosen an ExxonMobil-led consortium to explore for offshore gas in the Black Sea and is seeking foreign partners to help it build a liquefied natural gas terminal.

Under the 10-year deal signed in 2009 by the preceding government, Ukraine currently pays about \$430 per 1,000 cubic metres for Russian gas.



A poster depicting member of parliament Volodymyr Lytvyn is set on fire during a vigil to commemorate the 12th anniversary of the murder of journalist Georgiy Gongadze, who disappeared in Kyiv on Sept. 16, 2012. (UNIAN)

Lawyer fears that Kuchma, Lytvyn will escape justice

→1 doing everything to stop with Pukach and not pursue those who ordered the murder," Telychenko said.

Gongadze, the opposition journalist and founder of the Ukrainska Pravda news website, disappeared on Sept. 16, 2000. Months later, his beheaded body was found in a forest outside of Kyiv.

In late November 2000, the tapes of Kuchma's former bodyguard, Major Mykola Melnychenko, were exposed in the Ukrainian parliament by ex-Speaker Oleksandr Moroz. The hundreds of hours of recordings purportedly implicate Kuchma and other top officials in the Gongadze case and numerous other crimes, exposing a gangster-like misrule of the nation. The authenticity of the tapes, however, has always been disputed and Kuchma and others have denied wrongdoing.

However, most independent assessments accuse Kuchma of stonewalling investigations into Gongadze and the tapes. Viktor Yushchenko, who succeeded Kuchma as president in 2005, vowed to bring those responsible for Gongadze's murder to trial. That same year, ex-Interior Minister Yuriy Kravchenko died of two gunshot wounds to the head. Authorities called it a suicide. But he died the same day he was to give testimony in the Gongadze case. He was the immediate supervisor of Pukach who, along with three other police officers, were implicated in actually carrying out the murder.

The other three former police officers were convicted of assisting Pukach in the abduction and murder of Gongadze. They were sentenced to 12 and 13 years of imprisonment in 2008.

It wasn't until 2009, however, that Pukach was arrested in a village in Zhytomyr Oblast where he had been hiding for several years. Authorities say he confessed to strangling and beheading Gongadze on orders from Kravchenko.

The prosecution has demanded life imprisonment for Pukach. Telychenko agrees that Pukach deserves such a sentence, but that's not what she wants to hear on Jan. 29. She believes the court should return the Pukach case to



Valentyna Telychenko

pre-trial investigation and incriminate him in a contract murder, which will allow authorities to pursue charges against everyone involved in the crime.

"Pukach personally had no complaints about Gongadze," she said. "He says he was carrying out instructions of Kravchenko, Kuchma and Lytvyn (then head of the presidential administration) and other top officials, which means he was acting by someone's order and not by his own initiative."

Telychenko added that she was surprised that the court didn't call either Kuchma nor Lytvyn as a witness for the trial even though Pukach identified them as being involved.

Telychenko claims Pukach told the court the following: "I don't recognize the previous arrangement between me and my subordinates. Instead I declare that there was an arrangement between Kuchma, Kravchenko, Lytvyn and me."

President Viktor Yanukovich promised in 2011 to "do everything" to complete the investigation of the Gongadze case and punish all who were guilty of the crime.

In March 2011, the prosecutor general opened a criminal probe into Kuchma over Gongadze murder. But in December 2011, the court ruled that it didn't see any evidence that Kuchma was involved in the crime. The court also decided that Melnychenko's tapes

can't be evidence in the case as they were obtained illegally. Telychenko calls this court decision itself illegal.

Hryhory Omelchenko, a former lawmaker who headed a parliamentary commission investigating the Gongadze murder, agrees with her, saying his commission had evidence about involvement of the top officials in the murder as far back as 2004. "The commission came to the conclusion that Kuchma and Lytvyn were accomplices of the crime," Omelchenko said. "Lytvyn was the instigator and Kuchma gave this order to general Kravchenko."

Omelchenko believes the government has never had the will to fully investigate Gongadze case, saying the prosecution's decision to open the case against Kuchma was probably sparked by sharp criticism in Europe, whose officials have for years demanded that all accomplices to the crime be brought to justice.

But Hryhory Demydenko, the lawyer for Pukach, said in an interview with Segodnya daily newspaper that his client killed the journalist "by accident" and did it after a "misunderstanding" of Kravchenko's order. "Nobody proved any evidence of intent. There are no motives. There is no contract killing," Demydenko said. He, however, believes there is a high probability that the court will on Jan. 29 send the Pukach case back for additional investigation, instead of handing down the sentence.

Telychenko said if the court sentences Pukach without incriminating him in a contract murder she will bring the case to European Court of Human Rights, basing her complaint on the unwillingness of the state to find the guilty. She believes the criminal probe against the former president must be reopened.

"The cancellation by the court of a criminal case against Kuchma was a violation of Myroslava Gongadze's right to a fair trial, envisaged by Article 6 of The European Convention on Human Rights," she said.

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

Coming in the February 8 edition
of the Kyiv Post

World in Ukraine: Poland

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Prosecutors claim break in 1996 Shcherban murder

→ **1** can never become his political rival again.

In a video released by the General Prosecutor's Office on Jan. 20, a thin and shaky-looking Tymoshenko signs a paper presented by an unnamed representative of the penitentiary system. It listed three articles of the criminal code that she is suspected of violating.

The authorities' latest gambit involving Tymoshenko has a lot of implications for Ukraine, most of them bad. The charges would be greeted less skeptically if Ukraine had a credible judicial system. Instead, it has one of the world's most corrupt judiciaries.

The initial reaction in the Western world seems to be that the murder charges amount to more political persecution of Tymoshenko.

Unless prosecutors can convince the world otherwise, Ukraine's leaders are likely to face more isolation in the West. The chances of signing an associated agreement with the European Union this year could be reduced and talks could be frozen with the International Monetary Fund over billions of dollars in additional credit that the nation needs.

The charges are also likely to fuel a movement in the West for sanctions targeted against officials who are involved in the alleged political persecution and human rights violations.

In any case, the first reaction of the diplomatic community in Kyiv was one of shock and disbelief that Ukraine's authorities decided to proceed with an old case despite numerous warnings to Yanukovich of the dire consequences for continuing what many in the West see as the hounding of Tymoshenko.

Serving papers

Nevertheless, on the morning of Jan. 18, representatives of the General Prosecutor's Office made the first attempt to serve a notice to Tymoshenko in the hospital in Kharkiv where she is being treated. The hospital's chief doctor prevented them from proceeding with any formalities because of his patient's poor health, said Hryhorii Nemyria, a prominent member of the opposition and Tymoshenko's long-time ally.

Tymoshenko is suffering from spinal hernia, a painful back condition, and is undergoing treatment. Her health recently deteriorated, partially due to a hunger strike which she staged last year to protest what she alleged was an unfair Oct. 28 parliamentary election. Serhiy Vlasenko, Tymoshenko's lawyer, said on Jan. 18 that her health was so bad that he "thought she was dead" when he found her in the shower room on the same day. He said she could not



Riot police stand guard as a woman holds a portrait of imprisoned former Ukrainian prime minister Yulia Tymoshenko with the words "Guiltless!" at a protest rally in front of President Viktor Yanukovich's offices in Kyiv on Jan. 21. (AFP)

recognize him for two minutes.

She has had limited contact with her defenders, including her daughter. The State Penitentiary Service released statements on Jan. 21 and 22, saying that Tymoshenko is refusing to see them.

→ **Many skeptical of Pshonka allegations**

From a video recorded by the prosecutors on Jan. 18, Tymoshenko's health problems are evident. She is looking pale and frail, but is sitting up and talking to the person who came to serve her a notice that she is a murder suspect. "Why are you doing it without a defender?" Tymoshenko is heard asking. The other person does not answer her question, but hands her a paper and asks her to sign a slip.

According to the new criminal procedural code, informing a suspect about their status is no longer qualified as a part of an investigation, and therefore can be done without a defender. "It's sad to say so, but the law enforcers did not violate her right [for defense]," said one Kyiv lawyer.

Such a notice is served once the preliminary investigation is over. Now, the prosecutors will start an official trial investigation, and will ask Tymoshenko

to take part in it, which she has the right to refuse, according to the new code. After that, an indictment will be served and Tymoshenko and her defenders will be allowed to study all of the materials in the case. After this, the case will be ready to go to court.

Representatives of the General Prosecutor's Office have gone out of their way in recent days to explain that the case is not political. Pshonka, the nation's chief prosecutor, talked to the press on Jan. 18 and called in a dozen ambassadors on Jan. 20 to explain the case and procedure.

Many representatives of the diplomatic community who talked to the Kyiv Post said that the Western government are unlikely to go into the details of the case because the charges are regarded as persecution of a political opponent.

The Jan. 20 meeting between ambassadors and the prosecutor was mostly interpreted as "preventative" before a meeting of diplomats with member of parliament Arseniy Yatseniuk, who co-chairs United Opposition Batkivshchyna along with Tymoshenko, as well as Nemyria and Vlasenko, scheduled a day later.

Yatseniuk said that the opposition will initiate a parliamentary hearing on Jan. 30 to dismiss Pshonka and a number of other top officials. "I can only add that if there is a more idiotic case than the gas case, they have cooked it up," Yatseniuk told the Kyiv Post.

Seventeen-year-old case

Tymoshenko's third case combines new allegations of commissioning a murder with old charges of corruption and abuse of power related to her busi-

ness activities in the 1990s, when she was known to the world as "the Gas Princess" because she was a prominent and privileged trader of natural gas.

Central in this case is Shcherban, a prominent businessman and parliament member from Donetsk, who was gunned down by masked men who stormed the airport runway in Donetsk on Nov. 3, 1996 as the victim left the plane. His wife and two plane crew members also died, while a customs inspector was wounded in this shooting that is often described by the Western media as "Mafia-style."

In his statement to the media, Pshonka said that investigators found that Tymoshenko and Shcherban had "a conflict of business interests," which was related to the supply of natural gas and its price. At the time, Tymoshenko headed United Energy Systems of Ukraine (UESU), a gas trading company whose operations covered a third of Ukraine's territory.

Pshonka said Tymoshenko and former Prime Minister Pavlo Lazarenko had a "joint criminal intention," and agreed that Lazarenko was to find the murderers, while Tymoshenko was to pay for the murder. He claims Tymoshenko paid \$2329 million off her accounts, while Lazarenko paid another half a million in cash.

The business activity of Tymoshenko's company UESU is a matter of a second criminal case, which is yet to go on trial. In that case, Tymoshenko is accused of causing financial damage to the country by shifting the company's debt to the budget under a guarantee signed by Lazarenko. A Kyiv city court ruled recently that Ukraine had to pay

UESU's debt to the Russian Federation, and Hr 15 million has been paid so far.

The criminal case that tied Shcherban's murder to Lazarenko was started in 2000. Lazarenko featured as the main suspect who commissioned the murder. In 2003, Vadym Blotskiikh, one of the three gunmen who took part in the murder, was jailed for life. Two of his accomplices, as well as many of the key witnesses in the case, have since died under mysterious circumstances.

Until then, Tymoshenko's name only came up once in the case, according to the Ukrainian media. Petro Kirichenko, a top aide to Lazarenko, told a court in San Francisco in 2001 that some of the money used to pay for the murder came from Tymoshenko's companies.

Mustafa Nayem, a prominent journalist who investigated the case, posted a comment on his Twitter, saying that only \$14 million of an estimated \$80 to \$90 million which was on the account at the time of the transfer, came from Tymoshenko's companies, though.

How case was handled

"There was no Tymoshenko in this case until a year ago," says Vlasenko, her lawyer. Ukraine's prosecutors started talking about Tymoshenko's involvement in the Shcherban murder case after her jailing in 2011 for allegedly abusing her role as prime minister in reaching the 2009 gas deal with Russia.

Various members of the opposition fear that Tymoshenko's third case was pulled out now because of the government's fear of the rulings expected from the European Court on Human Rights. The first court ruling is expected to be favorable to Tymoshenko, and the new accusations were rolled out against her as a preemptive measure, Yatseniuk said on Jan. 18.

But prosecutors maintain the case is genuine.

Renat Kuzmin, first deputy prosecutor general, even wrote letters to the U.S. Senate and to President Barack Obama last year, complaining that U.S. authorities are stalling his investigation by not allowing him to question Lazarenko, a key witness in the case, in the U.S. jail, where he served a sentence for money laundering until November. Kirichenko, the other key witness, also lives in the United States. It was Kuzmin's trip to the U.S. in July last year to talk to Kirichenko that cost him a five-year tourist visa, which was revoked in November.

Many domestic and foreign observers then said that Kuzmin is trying to cook up a case against Tymoshenko where there is none, and that the only way to prove her guilt would be to get Lazarenko's own testimony, which would implicate himself as well.

Vlasenko, Tymoshenko's lawyer, said that the case has no substance and is aimed at destroying Tymoshenko. "Yanukovich, ahead of the presidential election, does not need Tymoshenko alive," he said.

But Pshonka denied allegations any political motive.

"There is no political subtext, there are just the materials of investigation and the arguments of the defense, after studying which the court will take a corresponding decision in the case," his press service quoted him as saying to Western diplomats.

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



In this video image, imprisoned former Prime Minister Yulia Tymoshenko (R) speaks to a representative of the Prosecutor General's Office in the Kharkiv-based Central Clinical Hospital, where she is undergoing treatment.



Yulia Tymoshenko is in the background in this 1997 photograph with then-Prime Minister Pavlo Lazarenko, her former mentor. (UNIAN)



Lifestyle Focus on
pets coming Feb. 1

Concierges strive to 'achieve impossible'



Food Critic

WITH ELENA PASHKOVSKAYA
PASHKOVSKAYA@KYIVPOST.COM

Druzi Cafe for friendly gatherings

There's never a boring moment on Andriivskiy Uzviz, Ukraine's historic pedestrian walkway that connects the upper part of Kyiv with the Podil neighborhood near the Dnipro River.

The street is filled with souvenirs, musicians, museums and cafes.

But the courtyards also have their worthy secrets. Going up, on the right side of the street, look for a sign with a bicycle on it and go through the arch to find Druzi Cafe.

It's located on the first floor of the Dream House hostel and looks like a big, welcoming living room. Originally planned as a hangout for foreigners, due to the proximity of the hostel, its guests represent a diverse mixture.

The interiors seem to be decorated by a haphazard collection of objects brought together by random people, but somehow everything comes together anyway. Wooden furniture, bicycles, old fashioned record players and a decorative fireplace all come together to produce a harmonious and cozy atmosphere – as if made by friends for friends.

The Russian- and English-language menu is fairly broad and varied, mixing various kinds of cuisine.

Starting at 8 a.m. those living at the hostel and early guests can order breakfasts, light – cereals with milk, toast with butter and cheese, tea – or heavy – scrambled eggs with sausages, french fries, toast with butter, sauce and tea/coffee/juice.

Visiting Druzi after work, I decided to try their chicken sandwich (Hr 29) and my friend ordered a margarita pizza (Hr 55). Food was elegantly served on wooden plates.

I really enjoyed my sandwich, which had plenty of green salad, cheese and sauce, but the pizza was a disappointment. Out of season, the tomatoes were unconvincing, and there was too much oregano seasoning. Yet it could've also had more spices.

Besides food and standard drinks, Druzi serves homemade lemonade, tinctures and chasers. Classic lemonade (Hr 9 for 250 ml) is not too sour and refreshing. A tincture with bourbon and orange (Hr 35 for 50 ml) is a great way to warm up and stimulate your appetite.

As its name would suggest, Druzi (Friends) is a really nice place to meet friends, and has quite a few board games for just such occasions. Those who require more activity can play foosball. Larger parties, however, should make reservations in advance.

Like almost all cafes in central Kyiv, Druzi has WiFi, and can be a nice place to get some work done outside the office. When it gets warmer, there will also be a summer terrace and a place to rent bicycles.

Druzi Cafe
Time: 8 a.m. – 12 p.m.
2D Andriivsky Uzviz
Tel. 044 580 2469
druzicafe.com.ua



Andrey Obertas, 26, a concierge at Kyiv's five-star Intercontinental Hotel, helps a guest on Jan. 17. Kostyantyn Chernichkin

BY MARK RACHKEVYCH
RACHKEVYCH@KYIVPOST.COM

Need a helicopter in 30 minutes to fly to Lviv? Airport pickup on a carriage pulled by three white horses? Same-day tickets to the opera? A pair of shoes repaired quickly before a meeting?

These are just some of the high-maintenance guest requests that Kyiv's concierges carry out on any given day. We're talking, of course, about the top-notch service professionals working at luxury hotels, not the guards of residential buildings, who snoop

on passersby and provide face control to entrants, common in post-Soviet countries.

"We're expected to achieve the impossible dealing with any request a guest may have, no matter how strange, relying on an extensive list of contacts with local merchants and service providers," said Vladimir Shorobura, chief concierge of Fairmont Grant Hotel in Kyiv.

This includes, for instance, assisting children with their homework assignments. In one case, the son of a wealthy Kazakh needed to write an essay about

Kyiv for school. So his father flew him to the capital's Opera Hotel, and asked for the concierge staff to rent him a Maybach and hire a top-notch tour guide.

Instead, the "son chose the most expensive way to be absent from his (live) history lesson" by staying in his luxurious room for six hours playing games on a Sony Playstation, said Opera Hotel manager Benoit Kuborn.

There seems no end to what concierges will do to make guests happy, taking their dogs out for walks or delaying flights.

Fairmont's Shorobura, 33, recalled chasing an owner's dog for two hours around the city center after being asked to walk it, or using all his powers to delay a VIP guest's flight for 30 minutes who was running late.

"You don't know what task or challenge to expect...I make a joke on it: Only your imagination can be your limitation," said Shorobura.

The later it is, the stranger the request, suggested Olena Pnyovska, Radisson Blu's public relations and marketing manager.

At 1 a.m. a 40-year-old Russian → 21

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A student of Boyko Beauty School tries her hand at evening style make-up and image creation for a model during a master-class session on Nov. 19. (Kostyantyn Chernichkin)



Boyko Beauty School students practice their facial makeup skills during a master class with the owner and the school's chief tutor, Tatiana Boyko (bottom picture, right). (Kostyantyn Chernichkin)

Beauty schools try to improve on natural gifts

BY DARYNA SHEVCHENKO
SHEVCHENKO@KYIVPOST.COM

The beauty of Ukrainian women is already famous worldwide, but some think there is still room for improvement.

Over the last five years various beauty schools have mushroomed in Ukraine's biggest cities, covering topics that range from makeup master classes and hairdressing to clothing design and personal style courses. Though far from cheap, many of these schools are pretty crowded.

"Our school is four years old and already has more than 800 graduates," says Olga Pishchuk of First Kyiv Fashion School. The school provides training in nine beauty areas for both men and women.

"Of course 90 percent of our stu-

dents are women, but there are also men, who study rhetoric, performing arts and painting," Pishchuk says. Students are usually aged 20 to 40 years, she adds, but with many exceptions. "Sometimes people over 50 come to the school to finally realize their old dreams. The younger ones mostly come to get started in their professional growth," Pishchuk

Beauty school students strive to achieve looks like these.



explained. Just like First Kyiv Fashion School, most of Ukraine's beauty schools operate two-tiered programs. Basic courses are usually shorter and self-oriented, while advanced courses gravitate towards professional development. But the beauty teachers and their students insist that such trainings are useful

in any case, no matter their purpose.

"Success usually depends on beauty, especially for a woman," says Tetyana Boyko, a makeup artist and the owner of Boyko beauty school. "People are simply more eager to talk to beautiful women," she explains.

A course in hobby visage training at Boyko's school costs 300 euros for five classes, but she says it's worth attending. Boyko started her career a decade ago with a visage course and says she never regretted the decision.

"I've been drawing since I was five, but never wanted to be an artist," Boyko recalls. "I didn't come to visage right away, but then I finally understood that this is mine." Later Boyko wrote three books on visage theory and after years of practice started her own schools. She now boasts several hundred graduates.

Many are following Boyko's path into the profession, even if they aren't convinced about the benefits. This group includes make-up artist Anastasia Gorbatenko, 24, who says: "I'd been attending visage courses for half a year, paying 300 euros per month, but I don't think I've learned anything new during this time and for this money."

Gorbatenko explained her interest in visage art goes back a long time, starting with self-education online. She says that watching podcasts on the internet was enough to learn the profession, though she still needed a diploma and that's why she signed up for the trainings.

"No one makes you become a pro-

fessional. It is more about being beautiful," Boyko says. "I think many women don't put on any make-up just because they don't know what it can get them," she smiles.

And that's as true as it gets. "I just wanted to know how to highlight my best sides," says Yulia Demchenko, 26, an accountant.

She advises against overdoing it with full makeup, which can make women look unprofessional. "I think that's what we were taught during the trainings and what Ukrainian women need (the most) - to know how to expose the best of what they have," she explained.

While the profession of visage artist is not as popular in Ukraine as it is in Europe, those in the business say current trends are very optimistic. "Our ladies are very attentive to their appearance and very talented," Gorbatenko says. "You can show a girl how to do a right thing twice and the third time you meet her you will see her wearing almost professional makeup," she says.

Boyko Beauty School
10 Bohdana Khmelnytskogo St.
221-9498
096 497-2199
boyko-school.com.ua
First Ukrainian Fashion School
25/40 Ivana Franko St., office 22
098-075-5455
063-295-6430
066-838-5738
www.modamaster.com.ua



Through Jan.31

French movie evenings

Modern French cinematography fans are in for a real treat.

Starting from Jan.24 a collection of the top five award-winning French movies released in 2012 will be screened in Cinema Kyiv: Populaire, Ouf, Le Paradis des Betes, Le Bruit des Glacons, and Le Grand Soir.

All the movies will be screened in French with Ukrainian subtitles. Apart from Kyiv, the festival will also take place in other big Ukrainian cities.

For a detailed movie listing schedule visit <http://www.kievkino.com.ua>

French movie evenings. Cinema Kyiv. 9 p.m. Hr 50

courtesy



Ukrainians mark Unity and Liberty Day by holding a 30-meter national flag across the Paton Bridge over the Dnipro River on Jan 22. (Kostyantyn Chernichkin)



Unity and Liberty Day

One of the organizers of the human chain, Vadym Vasylichuk, stands under waving national flags. (Kostyantyn Chernichkin)

→ The nation marked the 94th anniversary of the unification of eastern and western Ukraine on Jan 22 in Kyiv. Ukrainians formed a human chain on the Paton Bridge over the Dnipro River to symbolize the historic event. Similar commemorations took place in Lutsk, Odesa and Simferopol. Officials, including President Viktor Yanukovich and Prime Minister Mykola Azarov, honored Unity and Liberty Day (Day of Sobornist and Svoboda) by placing flowers at the monuments to heroes of nationalism, Taras Shevchenko (1814-1861) and Mykhailo Hrushevsky (1866-1934) in Kyiv. (Story by Olena Goncharova)



In this Jan. 22, 1990 photo, people form a human chain on the streets of Lviv to honor Unity Day. (Ukrinform)



From left, opposition leaders Vitali Klitschko, Arseniy Yatseniuk and Oleh Tiahnybok take part in a ceremony on Jan. 22. (UNIAN)



Ukraine's four presidents since its 1991 independence gather on Jan. 22 to celebrate the nation's Unity Day. From left, ex-President Viktor Yushchenko, ex-President Leonid Kuchma, current President Viktor Yanukovich and ex-President Leonid Kravchuk. The event celebrating the 94th anniversary of the unification of eastern and western Ukraine in 1919 took place in Palats Ukraina in Kyiv. (AFP)

A young couple share an intimate moment together on the Paton Bridge over the Dnipro River. (Kostyantyn Chernichkin)



A giddy woman shows her pride with the national flag colors painted on her cheeks during the festivities. (Kostyantyn Chernichkin)

Pavlo Gudimov talks about life away from Okean Elzy

BY OLGA RUDENKO
RUDENKO@KYIVPOST.COM

While some find it hard to choose a single occupation among all the options, others simply combine several into one. In rare cases, this multitasking ability brings success. One such gifted and lucky person is 39-year-old Kyivan Pavlo Gudimov, an interior and landscape designer, musician, art collector and art show curator.

His life story can make one jealous. A co-founder and former member of *Okean Elzy* (Elza's Ocean), one of Ukraine's most popular rock bands, he also boasts a rather successful solo music career. As if that's not enough, he owns a design studio and two art galleries.

Wearing glasses and a grey v-neck sweater, Gudimov looks more like a retired hipster than a former rock star as he sits on the bench in a small exhibition hall at his non-profit Ya Gallery in Kyiv. But wait until he starts speaking of rock music, his Jimmy Hendrix anthology, and how he first heard Ukrainian rock in the early 1990s.

Of his two main interests – art and music – art came to him first. The one and only exhibition of his art work took place in his parents' apartment in Lviv, when Gudimov was just four years old. Impressed by Pablo Picasso's works, he drew a bunch of cubist pictures. His grandfather, also Pavlo Gudimov,



Lviv native Pavlo Gudimov made a name for himself as the guitarist for popular rock group Okean Elzy, but his love for paintings spurred him to open art galleries, and embark on an interior design career. (Courtesy)

hung the drawings out on the handle of a mop, on the window cornice and on top of the cupboard, so the family could see the show.

"That meant a lot to me, these gestures of my grandfather. He had a strong influence on me," Gudimov says.

His first guitar was also borrowed from his grandfather. Gudimov started playing at the age of 17, and blames that late age for not reaching the heights of mastery. He remembers well how impressed he was when he first heard Jimmy Hendrix play. The concert was broadcast on radio.

"I froze and stood there until the end of the concert. And then they announced it was Hendrix playing. He wasn't playing guitar, he was a guitar himself," he says excitedly.

Inspired by Russian and Ukrainian rock music, Gudimov and his three friends founded a band named Klan Tishiny (clan of Silence) in 1991. In three years, the group disbanded, and its former members founded Okean Elzy, which became extremely popular in the late 1990s. However, Gudimov refers to success as a "horrible, destructive word."

Okean Elzy brought Gudimov his

first big money. It was in 2001 when Pepsi chose the band for a new advertising campaign. Gudimov remembers he got about \$20,000 from that contract and bought an apartment in Kyiv's Podil neighborhood. He says that mattered a lot to him as he was raised in a family of modest means.

Gudimov's years as a guitarist for Okean Elzy were filled with exhausting tours. But his love for art and design, supplemented with a degree in architecture, was a sleeping tiger waiting for its moment. The time came in 2005 when Gudimov left Okean Elzy.

"I'm Libra by Zodiac. My scales are balancing, and at that time the art and design outbalanced music," Gudimov explains.

He also says that he had become disenchanted then with modern rock music, especially its commercial side. That didn't stop him from trying out his own band, named Gudimov. It was successful in its first year or so, but later its founder switched focus to designing. He still plays jam sessions with friends twice a week or so.

Now, about six years after leaving the rock scene, Gudimov makes a living by running a design studio called Ya Design. He does several interior design projects a year by himself. According to him, the cost is \$50-60 per square meter.

He also does some landscaping projects, planning private gardens. Kyiv,

Gudimov says, needs to improve its landscape design. "I think that Kyiv is green by coincidence, not as a result of some efforts to make it so. If I could, I would fill the whole Maidan Nezalezhnosti with trees, like in a jungle," he says.

When he started his studio, the interior design field in Ukraine was a disaster, he said, and "something needed to be done about it." Now Gudimov emphasizes ascetic design and says he despises decorations.

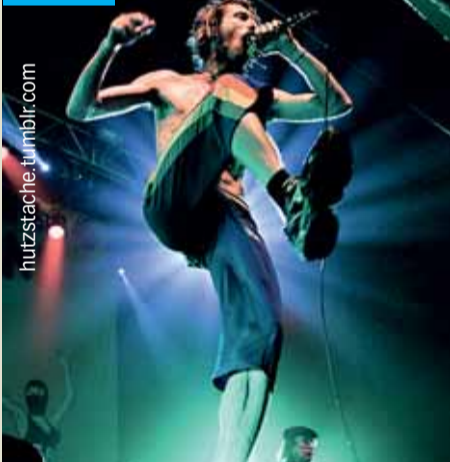
His earnings are enough to support his living and his non-profit Ya Gallery. A small gallery on 49B Khoryva St. in Kyiv and another one in Dnipropetrovsk display contemporary Ukrainian art. While the one in Dnipropetrovsk is sponsored by a local businessman, the Kyiv gallery costs Gudimov about Hr 30,000-35,000 per month. In its nearly six years of existence, about 70 Ukrainian artists have exhibited their works in it. Gudimov selects artists and art works for shows on his own.

He also has a large collection of contemporary art and runs a publishing house called Artbook. Gudimov seems very confident in himself.

"If I wanted to become an oligarch, I think I would become one, but I never wanted," he says. "I'm achieving things."

Kyiv Post staff writer Olga Rudenko can be reached at rudenko@kyivpost.com.

Jan. 26



Wild night with DJ Hutz & DJ Derbastler

These two DJs will take Kyiv clubbers by storm on Jan. 26. Eugene Hutz, a Ukrainian-born singer and the leader of the famous gypsy-punk band Gogol Bordello, will work with another Ukrainian, Ivan Moskalenko, better known as DJ Derbastler at Kyiv's Crystal Hall. The duo has been successfully touring Europe since 2002 featuring their joint project called Musical Stunt Men. Critics say their music is an explosive mixture of gypsy punk, reggae sprinkled with Balkan, Latin American and Gypsy motives.

DJ Hutz & DJ Derbastler. Jan. 26. Crystal Hall (1 Dniprovsky spusk). Hr 70-200

Jostiband Orchestra to play for charity

A concert by the Jostiband Orchestra from Netherlands will take place in Kyiv's Zhovtnevy Palats (October Palace) on Jan. 29 to support people with down syndrome in Ukraine. A group of 35 musicians from a 170-member orchestra is set to perform. Founded in 1966 as a music club of Johannes Stichting, the orchestra is now the world's largest band of mentally disabled musicians. Money raised during the event will go to finance early development and educational programs for people with down syndrome in Ukraine.

To book a ticket call (044) 592-2992

Jostiband Orchestra. Jan. 29. Zhovtnevy Palats (1 Instytutska st.). 7 p.m. Hr 30



Concierges always ready

→ **18** customer promised to check-in at the Radisson if the hotel would find a landing spot for his helicopter, which it did in 30 minutes, said Pnyovska. A 40-year-old Ukrainian guest asked for a private jet booked at 3 a.m., which was promptly arranged for in 20 minutes. And a Kazakh lady at 5 a.m. needed her suede shoes urgently repaired in time for a speech she was supposed to give that morning.

It would seem anything could be reasonably obtained for a price. Radisson's Pnyovska remembers one Russian guest buying a tie he liked off the receptionist at the hotel desk.

And Intercontinental Hotel concierge Andrey Obertas said guests often ask whether they could buy the pillows and bed sheets because of their comfort.

Yet Obertas, 26, said usually there are reasonable explanations behind

strange requests. And the most unusual requests come from regular customers, he said.

"I once had a woman request a private jet because her dad had a heart attack so she immediately had to fly to Munich," said Obertas.

Still, he said, "you've got to be prepared – we have a database, you have to be in the know – because we provide concierge service at a five-star hotel."

Like when the manager of England's Manchester United football team asked for 30 kilograms of ice 15 minutes before leaving to the stadium to play against Dynamo Kyiv, recalled Opera's Kuborn who made sure the ice was put on the bus.

Never to be underestimated, concierges also are expected to have romantic logistics as part of their magical repertoire.

Intercontinental's Obertas recalled

arranging every detail of a wedding proposal on New Year's Eve: dinner reservations near Independence Square, rose petals on the bed and a trail that leads to a room with a panoramic view of Kyiv, and a large bouquet of flowers on the table.

In another romantic episode, according to Opera's Kuborn, an American guest asked for a troika of horses to collect him and his fiancé at Boryspil and take them to the hotel under police escort while observing all the "transportation rules."

"We never say 'No,'" said Shorobura. "We always try to give some solutions as the hotel's and concierge's reputation is vital in this profession."

And to make that happen, it's about providing a "personal touch," added Intercontinental's Obertas.

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



Exhibition of ice sculptures

Two young ladies pause to examine ice sculptures on display in Lviv on Jan. 23. Meanwhile, Kyiv was in the past week hit by exceptional bouts of freezing rain, turning sidewalks into ice rinks and causing record incidents of trauma. (AFP)



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Interested candidates should apply to Brian Bonner, chief editor, at bonner@kyivpost.com or call 044-591-3344.

FHI 360 is seeking a Finance and Administration Manager



Position Description: The Finance and Administration Manager, based in Kyiv, Ukraine, will work on the Improving HIV/AIDS Services for MARPs in Ukraine program.

This position is responsible for both accounting and finance for the MARPs Project, and ensures compliance with the contractual requirements of FHI 360 and USAID funding.

The Finance and Administration Manager will be responsible for interpreting and applying funding regulations to ensure that all FHI 360 policies and procedures and USG procurement and contracting requirements are met.

Minimum Requirements:

- University degree in Accounting, Finance and Business Administration or its equivalent, with at least 7 years relevant experience; or CPA, ACA, ICAN or recognized equivalent, with at least 5 years experience.
- Experience with USAID/PEPFAR projects and with sub-grants preferred.
- Knowledge of basic accounting including General Ledger and automated accounting systems with the use of database spreadsheets; computer proficiency, particularly in Excel.
- Experience in developing, interpreting and executing company policies and procedures.
- Familiarity with foreign currency exchange in an international organization.
- Skills in interpreting financial information and analyzing financial reports.
- Sensitivity to cultural diversity and understanding of the political and ethical issues surrounding MARPs and HIV/AIDS in assigned areas.
- Accounting and financial management for NGO and community-level projects, with increased responsibility desired.
- Well developed written and oral communication skills in English.

To apply, please send your cover letter and CV to amehrotra@fhi360.org no later than Friday, February 22nd, 2013. Applications will be reviewed on an as received basis, therefore, please apply early.

FHI 360 is seeking a Technical Advisor, HIV/AIDS Services



Position Description: The Technical Advisor, based in Kyiv, Ukraine, will be responsible for the overall field-based technical and programmatic leadership and quality implementation of the HIV/AIDS technical component of the USAID-funded project entitled Improved HIV/AIDS Services among Most-at-Risk Populations (MARPs). The Project will build sustainable capacity of Ukrainian organizations, public and civil society, to improve the quality of HIV/AIDS services for MARPs via technical assistance and capacity development.

Minimum Requirements:

- Master degree in health, social sciences, business, or public administration plus 8+ years (10+ years preferred) progressive experience in managing and implementing national, HIV projects in developing or middle income countries.
- Experience with USAID/PEPFAR projects preferred.
- Demonstrated experience designing and implementing HIV/AIDS prevention, care and treatment activities, with a focus on MARPs including sex workers, injecting and other drug users, men who have sex with men, prison populations and at risk youth and adolescents.
- Substantial experience in at least 5 of the following technical areas: syringe programs; substitution therapy; counseling and testing; Positive Prevention; social and behavior change communications; gender; the use of epidemiology and data in program design, implementation, monitoring, and evaluation.
- Strong management and leadership experience with proven experience leading a diverse team of professionals.
- Written and spoken proficiency in Russian and English required; Proficiency in Ukrainian highly desired.
- Experienced and established reputation in the field of HIV/AIDS services.
- Experience working on in Ukraine and/ or Eastern Europe/Central Asia preferred.

To view a full job description and apply, please visit the FHI 360 website – www.FHI360.org and click on the "Working with Us" tab. Applications will be reviewed on an as received basis, therefore, please apply early.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is a federal enterprise is seeking a qualified professionals to fill the following positions for EU-funded project "Support to Ukraine's Regional Development Policy":

- PROJECT COORDINATOR-OFFICE MANAGER
- ADMINISTRATIVE AND EVENTS COORDINATOR
- TRANSLATOR-INTERPRETER
- FINANCE MANAGER

Please visit web pages:

- <http://hh.ua/vacancy/7223711>
- <http://hh.ua/vacancy/7223718>
- <http://hh.ua/vacancy/7223727>
- <http://hh.ua/vacancy/7223731>
- <http://rabota.ua/company1061827/vacancy5081044>
- <http://rabota.ua/company1061827/vacancy5081043> for more details.

Candidates are asked to submit resumes and cover letters with salary expectation to: violetta.kalynovska@giz.de indicating the position title in the subject line by February 4, 2013. Only successful candidates will be contacted.

A company is seeking for a full or part time candidate for the position of

OFFICE MANAGER/ ACCOUNTANT

Requirements:

- Fluent English, Ukrainian and Russian
- Good communication and organizational skills
- Good computer skills (Microsoft Word, Excel, Outlook)
- Undergraduate / Graduate
- Accounting background is preferable
- Prior working experience is preferable

Send your resume to: logistics822@gmail.com
The deadline is January 30, 2013.



COUNCIL OF EUROPE / CONSEIL DE L'EUROPE

The Council of Europe Office in Kyiv

invites applications from suitably qualified persons for two positions of

PROJECT OFFICER

• **Project Officer** for the EU/CoE Joint Programme 'Reinforcing the fight against ill-treatment and impunity'

• **Project Officer** for the EU/CoE Joint Programme "Strengthening lawyers' capacity for domestic application of the European Convention on Human Rights and the Revised European Social Charter"

Applications must be made using the Council of Europe on-line application system. For further information and applications, please consult: <http://www.coe-recruitment.com> 'external offices - local recruitment'.



Communications Associate

for the

World Bank Office in Ukraine

The World Bank Office for Ukraine, Belarus and Moldova is seeking a Communications Associate to participate in the design and implementation of effective communications and outreach strategies from the particular angle of highlighting the results of the World Bank work in three countries, in order to raise awareness and understanding about, and improve the image of, the World Bank.

The successful candidate should have journalistic experience and excellent skills in producing written and video materials for target audiences as well as excellent written communication skills and good knowledge of social, political and development issues in Ukraine, Belarus and Moldova.

The closing date for receipt of applications is February 14, 2013.

Qualified candidates may apply on-line at <http://www.worldbank.org/jobs> and choose vacancy # 130161. Please note that you will need to register online before submitting your application and only short-listed candidates will be contacted.

This is a two-year term position with a possibility of extension. Questions may be directed to Ms. Natalia Ohorodnik at nohorodnik@worldbank.org.

Senior Technical Advisor, MIS

MSH seeks a Senior Technical Advisor for MIS with its Center for Pharmaceutical Management Program SIAPS (Systems for Improved Access to Pharmaceuticals and Services) in Kyiv, Ukraine.

Qualifications:

- Degree in Computer Science, MIS or closely related field or equivalent work experience required.
- At least seven (7) years' progressively responsible experience in an independent MIS position with advanced MIS operations management and/or computational responsibilities.
- At least ten (10) years' experience in developing training materials and the delivery of training sessions.
- At least seven (7) years' of managing/supervising development and implementation of systems.
- At least seven (7) years of experience in overseeing the entire product development lifecycle.
- At least three (3) years' experience in working with web-based solutions and web based tools.
- At least three (3) years' experience in working with database systems like Oracle, SQL, MySQL.
- At least five (5) years of experience managing project across multiple stakeholders.
- Fluency in spoken and written English and Ukrainian.



Project Director

MSH seeks a Project Director with its Center for Pharmaceutical Management Program SIAPS (Systems for Improved Access to Pharmaceuticals and Services) in Kyiv, Ukraine.

Qualifications:

- Advanced degree in a health-related field required; physician or pharmacist qualification preferred.
- Ten plus (10+) years of progressively responsible experience in senior level position(s) in international public health is required.
- Experience with public health programs supported by bilateral agencies, such as USAID, and international agencies, such as WHO and World Bank, preferred.
- Demonstrated ability to build and maintain relationships with senior-level colleagues, particularly interacting productively, proactively, and comfortably with government agencies, NGOs, USAID.
- Excellent writing and presentation skills in English and Ukrainian and/or Russian are required.

Senior Technical Advisor — Supply Chain Management

MSH seeks a Senior Technical Advisor for Supply Chain Management with its Center for Pharmaceutical Management Program SIAPS (Systems for Improved Access to Pharmaceuticals and Services) in Kyiv, Ukraine.

Qualifications:

- Advanced degree in supply chain management, pharmacy, medicine, logistics, business management or related field with background in public health.
- At least seven (7) years progressively responsible experience in supply chain management/logistics at the policy level with advanced knowledge of logistics techniques and applications including quantification tools.
- Knowledge of international commodity procurement systems and procedures.
- Strong project management and communication skills required.
- Previous Excellent written and oral communication skills.
- Fluency in spoken and written English and Ukrainian; knowledge of Russian is helpful.
- Excellent interpersonal skills and demonstrated ability to interact professionally with culturally and linguistically diverse staff, clients and consultants, sound judgment and communication skills.
- Demonstrated computer skills in Microsoft Office Suite applications.
- Experience working with USAID-funded programs highly desirable. Willingness and ability to travel within Ukraine as needed.

Interested applicants should submit applications at <https://jobs-msh.icims.com/> (full vacancy description is available here) no later than February 25, 2013. You may also email cv and cover letter in English to blim@msh.org. Only shortlisted applicants will be contacted.

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