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TOP NEWS**Crimea declares independence based on referendum results**

The Autonomous Republic of Crimea has held a referendum in which the peninsula's population voted for joining the Russian Federation.

Read more in [SITUATION IN CRIMEA](#)

European Commission to cut customs tariffs for exports from Ukraine

This decision should be approved by the EU Council and the European Parliament.

Read more in [INTERNATIONAL POLITICAL](#)

Ukrainian tycoon Firtash detained in Vienna

The Ukrainian businessman allegedly has very close ties to Russia's natural gas monopoly Gazprom.

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SITUATION IN CRIMEA**Crimean parliament declares independence**

The Supreme Council of Crimea on 17 March adopted a resolution "On Independence of Crimea".

One day before, on 16 March, Crimea held a local referendum regarding the future of the peninsula, in which 96.77 percent voted in favour of joining the Russian Federation. At the same time, 95.6% of voters in Sevastopol supported Crimea's accession to Russia.

The Ukrainian government called illegitimate the referendum in Crimea and said it would not recognize its results. Justice Minister of Ukraine **Pavlo Petrenko** said that a number of foreign nationals voted in the Crimean referendum, and that people were forced to vote at gunpoint.

Representatives of Western countries also believe that the referendum was illegal.

However, Russian President Vladimir Putin said that holding the referendum on the status of Crimea was consistent with international law and the UN Charter. At the same time, Deputy Speaker of the Russian Duma (parliament) **Sergei Naryshkin** vowed that the lower house of parliament will consider the joining of Crimea to Russia as soon as possible.

Also, on 15 March, Russia imposed veto on the UN Security Council draft resolution recognizing the Crimean referendum illegitimate.

Crimean Tatars boycott referendum - Majlis

More than 95 percent of Crimean Tatars supported the decision to boycott the referendum, the Majlis of the Crimean Tatar People announced, according to BBC Ukrainian Service.

The Crimean Tatars constitute about 12 percent of the peninsula's population.

Ukrainian lawmakers disband Crimean parliament

On 15 March, the Ukrainian parliament passed a resolution terminating the Crimean parliament's powers.

Ukrainian MPs based their decision on the conclusion of the country's constitutional court, which declared that the resolution of the Crimean parliament on holding an all-Crimean referendum violated the constitution.

The presidium of the Crimean parliament called absurd the decision of the Verkhovna Rada (Ukrainian parliament).

Ukraine again urges Russia to withdraw troops from Crimea

Ukraine again urges Russia to withdraw its troops from Crimea and to sit at the negotiating table to resolve the conflict, Ukrainian Prime Minister **Arseniy Yatsenyuk** said, addressing the UN Security Council in New York on 13 March.

We would like to point out that NATO's Supreme Allied Commander Europe, Gen **Philip Breedlove**, said that the alliance had no doubts that Russian military were dispatched to Crimea under the guise of the so-called "Crimean self-defence" units.

The Ukrainian Foreign Ministry said that a mission of the OSCE military observers pointed in its preliminary report to the presence of Russian military personnel at Crimea's entry checkpoints. At the same time, the Swiss ambassador to Ukraine, **Christian Schoenenberger**, noted that the OSCE had yet to agree its position regarding the presence of the Russian military outside its bases in Crimea.

As previously reported, Russia denied the presence of its servicemen outside the Black Sea Fleet's bases in Crimea.

At the same time, Defence Minister **Ihor Tenyukh** said that Russia agreed to a truce in Crimea until 21 March.

Ukrainian authorities fear Russian military might advance beyond Crimean borders

Ukraine cannot launch a military operation in Crimea, since in this case it will not be able to protect the eastern borders of the country, the interim Ukrainian president and the speaker of the Ukrainian parliament, **Oleksandr Turchynov**, said on 12 March.

The acting Ukrainian defence minister, **Ihor Tenyukh**, noted that as of 14 March, there were 22,000 Russian servicemen in Crimea. He stressed that this number of military personnel was sufficient to carry out an offensive operation against the rest of Ukrainian territory.

On 11 March, the Ukrainian defence minister also said that around 220,000 Russian soldiers, 1,800 Russian tanks, and 400 helicopters had been deployed on the north-eastern border of Ukraine.

On 12 March, the mass media reported that Russian infantry fighting vehicles were moving across Belgorod Region and that self-propelled artillery was observed on the streets of Rostov.

In his turn, Russian Foreign Minister **Sergey Lavrov** gave assurances that Russia did not plan to invade the south-eastern part of Ukraine.

The Russian Defence Ministry also reported that military units in Rostov, Belgorod, Tambov, and Kursk regions "are increasing the intensity of field exercises at firing ranges".

On 16 March, Interior Minister **Arsen Avakov** said that the border between Ukraine and Russia was practically closed.

On the same day, 16 March, the media also reported that Ukraine would relocate military equipment and soldiers to the border with Russia.

In addition, **Andriy Parubiy**, Secretary of the National Security and Defense Council, announced that Ukraine's defense forces have disrupted a large-scale operation of Russian separatists (under the code name "The Russian Spring") aimed at invading Ukraine, which was planned for 16 March, weekly Zerkalo Nedeli says.

European Court of Human Rights orders Russia to refrain from war in Ukraine

On 13 March, the European Court of Human Rights considered an urgent statement of the Ukrainian authorities and ruled that Russia should abstain from any military actions against citizens of Ukraine on its territory, Ukrainian Justice Minister **Pavlo Petrenko** has said.

Furthermore, under the court verdict, Russia should withdraw its troops from Ukraine and free occupied military units in Crimea.

Crimean authorities plan to give gas fields to Russia's state-run energy company

The Ukrainian state-run company Chornomornaftohaz, which the current Crimean authorities intend to nationalize, might be privatized at an auction, the Crimean first deputy prime minister, **Rustam Temirgaliyev**, has said.

Chornomornaftohaz extracts hydrocarbons from the Black Sea and the Sea of Azov and delivers natural gas to Crimean consumers. In 2013, the company extracted 1.65bn cu.m. of gas, which represented around 9 percent of the entire gas volume extracted by the state.

The speaker of the Crimean parliament, **Volodymyr Konstantynov**, said that Crimea would transfer the rights to extract oil and gas to Russia's Gazprom.

Gorshenin Institute (@Gorshenin_eng) on Twitter

We would like to point out that according to Crimean self-proclaimed prime minister **Serhiy Aksyonov**, the Crimean authorities also plan to nationalize the Ukrainian fleet in Sevastopol.

Ukrainian parliament asks UK, USA, UN for military aid

On 11 March, the Ukrainian parliament passed a resolution in which it asked the guarantors of Ukraine's security, the UK and the USA, to provide it with military assistance due to Russia's illegitimate actions.

Furthermore, on 13 March, the Ukrainian parliament adopted a resolution in which it sought assistance from the UN.

We would like to point out that the former head of the Crimean Tatar self-styled government Majlis, Ukrainian MP **Mustafa Dzhemilev**, said that the Crimean Tatar people demanded that the UN send its peacekeepers to the peninsula.

NATO not to send troops to Crimea

The head of the Ukrainian mission to NATO, ambassador **Ihor Dolhov**, has pointed out that "Ukraine is not a member of NATO and, therefore, we cannot expect that NATO forces or those from some countries of the alliance will participate in the resolution of the Crimean crisis".

Ukrainian Prime Minister **Arseniy Yatsenyuk** noted that the USA and NATO would only supply the Ukrainian army with technical assistance.

UN human rights official blocked from entering Crimea

On 12 March, the UN assistant secretary-general for human rights, **Ivan Simonovic**, was unable to visit Crimea after the authorities of the Autonomous Republic of Crimea had denied him entry into the peninsula.

The spokesperson for the UN secretary-general, **Stephane Dujarric**, said that the difficult situation on the peninsula, as well as the impossibility of ensuring security for the delegation, had been cited as reasons for turning away Simonovic.

Earlier, Simonovic visited Kiev, Kharkiv, and Lviv.

Ukraine ready to expand Crimea's powers, says premier

The Ukrainian authorities are ready for all-national dialogue to expand the powers of the Autonomous Republic of Crimea, Ukrainian Prime Minister **Arseniy Yatsenyuk** said at a meeting of the UN Security Council in New York on 13 March.

In the opinion of the former Ukrainian deputy prime minister, **Oleksandr Vilkul**, the only way to preserve the country's territorial integrity is to decentralize its government. He expressed this opinion during a round table organized by the Gorshenin Institute.

Auto-Maydan activists, journalist disappear in Crimea

Activists of the Auto-Maydan motorist movement, including **Oleksiy Hrytsenko** (son of unaffiliated MP **Anatoliy Hrytsenko**) went missing in Crimea on 13 March.

On 14 March, a group of armed men in Sevastopol detained Oleh Balaban, a cameraman of UkrStream.TV, while he was performing his editorial assignments.

It is to note that journalist **Olena Maksymenko, Oles Kromplyas and Yevhen Rakhno**, as well as Auto-Maydan activists **Shura Ryazantseva and Kateryna Butko**, who had been kidnapped in Crimea on 9 March, have been released.

The Ukrainian news and analysis website Ukrayinska Pravda quoted Rakhno's wife, **Kateryna**, as saying that operatives of the disbanded Crimean riot police unit Berkut had beaten and robbed the abducted mass media employees and activists.

Right Sector threatens to destroy gas pipeline

Leader of right-wing organization Right Sector **Dmytro Yarosh** threatened to destroy the Ukrainian gas and oil pipelines through which Russia supplies gas and oil to the West. He said that in his address to the government and people of Ukraine posted on the Right Sector's website.

At the same time, the Ministry of Internal Affairs reported that the National Guard and Security Service of Ukraine ensure special protection and full control of the Ukrainian gas transmission and distribution system.

As was reported earlier, Yarosh plans to run for president of Ukraine.

MEDIA

Journalists attacked in Crimea

The crew of Al Jazeera TV Channel was attacked in Alushta, Crimea on 16 March, the day of the referendum; the attackers broke the journalists' equipment, according to Head of the Committee of Voters of Ukraine **Oleksandr Chernenko**.

He also said that filming was prohibited at many polling stations.

Ukrainian watchdog urges TV service providers not to broadcast Russian channels

The National Television and Radio Broadcasting Council of Ukraine has set 11 March as a deadline for Ukrainian TV service providers to suspend broadcasts of a number of Russian TV channels.

In her turn, the OSCE representative on freedom of the media, **Dunja Mijatovic**, expressed her concern with this demand. She stressed that banning TV programmes without a legal basis was a form of censorship.

In its turn, Ukraine's National Television and Radio Broadcasting Council asked the heads of Ukrainian TV channels to refrain from airing entertainment programmes and movies which promoted the Russian military.

Work of 90 percent of Ukrainian mass media blocked in Crimea, says international watchdog

The work of 90 percent of the Ukrainian mass media is blocked on the territory of Crimea, a representative of the international organization Reporters Without

Borders, **Oksana Romanyuk**, has told a briefing.

She added that Crimea no longer had a single TV channel broadcasting in Ukrainian.

Private Ukrainian TV channel's crew deported from Abkhazia

A correspondent of the Television News Service (TSN) programme, which is aired by the private Ukrainian TV channel One Plus One, **Natalka Pisnya**, and its cameraman **Serhiy Kiselyov** have been deported from the unrecognized republic of Abkhazia after a questioning that had lasted for a few hours, the TSN press service has reported.

Earlier, the Russian authorities denied TSN correspondent **Anna Boka** entry into Ossetia.

Russia closes Ukrainian edition of its business daily

On 13 March, the newspaper Kommersant Ukraina was closed. Furthermore, its website stopped working.

The director-general of the Russian publishing house, **Pavel Filenkov**, explained that the decision to suspend the publication of the daily was based on economic considerations.

The Ukrainian publication Telekrytyka reported that the decision to close Kommersant Ukraina had been made after a protest of its editorial board against censorship.

INTERNATIONAL POLITICAL

UKRAINE-EU

Ukraine, EU to sign political chapters of association agreement on 21 March – Yatsenyuk

The EU member states are prepared to hold a summit on 21 March to sign the political chapters of the association agreement with Ukraine, Prime Minister **Arseniy Yatsenyuk** has quoted European Council President **Herman Van Rompuy** as saying.

European Commission proposes temporary tariff cuts for Ukrainian exports to EU

On 11 March 2014, the European Commission adopted a proposal for temporarily and unilaterally removing customs duties on Ukrainian exports to the EU until November 2014.

It is expected that the deep and comprehensive free trade area agreement between the EU and Ukraine will be signed and provisionally applied before 1 November 2014 in which case the unilateral system of autonomous trade preferences ends.

The European Commission's proposal is to be endorsed by the European Council and the European Parliament.

The Interfax-Ukraine news agency said that if Europe opens its market, Ukrainian

exporters will save about 500m euros on tariff reductions, of which almost 400m euros accrue to the agricultural sector.

On 13 March 2014, the Ukrainian parliament adopted a resolution confirming Ukraine's course for European integration.

EU postpones signing open skies agreement with Ukraine

The signing of the agreement on the single aviation space between Ukraine and the EU, which was planned for 14 March 2014, has been delayed, the press service of the Ukrainian Ministry of Infrastructure has said.

"The decision was taken because the EU had not agreed its internal wording of the definition of territory in the context of Gibraltar," the ministry said.

The agreement allows all EU airlines to make direct flights to Ukraine from any place in Europe, and vice versa with regard to Ukrainian companies. It also lifts any restrictions on the amount of flights between Ukraine and the EU.

UKRAINE-USA

US Congress passes resolution on sanctions for Russian invasion in Crimea

On 11 March 2014, the US House of Representatives passed a resolution supporting sanctions against Russia over its actions against Ukraine.

The Congress's lower chamber also called on the White House to consider expelling Russia from G8.

The resolution is recommendatory.

All EU member states also agreed a draft of sanctions against Russia, including visa restrictions and the freeze of assets of those responsible for the violation of Ukraine's sovereignty, Reuters said.

US Secretary of State **John Kerry** said that the USA and the EU would impose sanctions on Russia if the referendum in Crimea is held.

Russian Foreign Ministry says US financing of Ukraine illegitimate

The allocation of funds to Ukraine is illegal and is outside the framework of US law, the Russian Foreign Ministry's press service has said.

It said that the provision of foreign assistance is prohibited to "the government of any country whose duly elected head of government is deposed by military coup or decree".

Deposed Ukrainian President **Viktor Yanukovych** earlier said that the allocation of US funding to Ukraine was illegal.

In early March, the US House of Representatives passed a bill on loan guarantees to Ukraine worth 1bn dollars. According to Ukrainian Prime Minister **Arseniy Yatsenyuk**, the USA may increase financial aid to Ukraine by another 600m dollars.

Ukraine, USA agree to intensify bilateral relations

Ukrainian Prime Minister **Arseniy Yatsenyuk** made a working visit to the USA on 13-14 March. During the visit, Yatsenyuk met US President **Barack Obama**.

The American president said that Russia's actions towards Ukraine violated international laws and treaties which it signed earlier.

Following the meeting, the press service of the Department of State reported that the USA will help Ukraine in identifying and returning the proceeds from corruptive practices by former officials; provide expert assistance to the Ukrainian Finance Ministry and the National Bank to overcome short-term economic problems; resume work of the Commission on Strategic Partnership with Ukraine, etc.

Also, Yatsenyuk met the leadership of the House of Representatives of the U.S. Congress, the leadership of the International Monetary Fund and the World Bank. In addition, the Ukrainian premier gave a speech at a UN Security Council meeting, which discussed the situation in Ukraine.

UKRAINE-RUSSIA**Russian saboteur detained in Ukraine**

A Russian national who came to Ukraine to form sabotage teams was detained in Donetsk on 10 March 2014, Security Service of Ukraine chief **Valentyn Nalyvaychenko** has said.

On 12 March, a Kiev court ruled on putting him in custody for two months.

On 11 March, Deputy Prime Minister **Vitaliy Yarema** said that Ukrainian law enforcers had detained several Russian special service members in Ukraine.

Russia opens case against Ukrainian Freedom party leader

On 14 March 2014, the Russian Investigations Committee for the North Caucasus Federal District opened a criminal case against the head of the Ukrainian far-right Freedom party, **Oleh Tyahnybok**, and other activists (**Andriy Tyahnybok** (brother), **Ihor Mazur**, **Dmytro Korchynskyy**, **Dmytro Yarosh** and other), which it considers to be members of the Ukrainian National Assembly-Ukrainian People's Self-Defence (UNA-UNSO) and founders of a permanent armed formation.

According to the Russian committee, UNA-UNSO, led by terrorists **Shamil Basayev** and **Khattab**, was engaged in actions against the 76th Pskov airborne division in the Republic of Chechnya in 1994-95.

Ukraine's Right Sector leader arrested in absentia in Russia

On 12 March 2014, a Moscow court authorized the arrest in absentia of Ukraine's Right Sector leader **Dmytro Yarosh** over his calls for terrorism with the use of mass media.

A court in Yessentuki arrested in absentia the Right Sector's coordinator in

Western Ukraine, **Oleksandr Muzychko**, also known as Sasha Bilyy (Sasha the White), suspected of torture and murder of Russian servicemen in Chechnya.

Criminal cases were opened against them in Russia earlier.

Russia opens case against Prosecutor-General's Office of Ukraine

The Russian Investigations Committee has opened a criminal case against officials of the Prosecutor-General's Office of Ukraine, the Russian committee's press service has said.

This was the Russian committee's reaction to the opening of a criminal case against the Russian Black Sea Fleet commander, Rear-Adm **Aleksandr Vitko**, by the Ukrainian Prosecutor-General's Office.

Russian investigators believe that the opening of the criminal case against Vitko is aimed at destabilizing the situation in Crimea.

The Prosecutor-General's Office of Ukraine warned the Russian Investigations Committee against interfering in Ukraine's internal affairs.

DOMESTIC POLITICAL

Pro-Russian activists attack rally pro-Ukraine in Donetsk

On 13 March 2014, pro-Russian activists initiated a bloody scuffle at the Donetsk rally for united Ukraine. As a result, a member of the Freedom party died of stab wounds, 17 more were admitted to hospital.

Interior Minister **Arsen Avakov** said that the organizers and instigators of the mass fight were detained. He also said that police had identified the murderer.

The Russian Interior Ministry said that peaceful demonstrators against the Ukrainian authorities were "attacked by far-right radical groups".

The Ukrainian Foreign Ministry dismissed the Russian statement as cynical and irresponsible.

Pro-Russian activists seized the buildings of the Prosecutor's Office and the Office of the Security Service of Ukraine in Donetsk Region, and also broke into the office of Donetsk Region Governor **Serhiy Taruta**.

Various rallies in support of joining Russia as well as those for the preservation of the territorial integrity of Ukraine continue in regional centers of eastern Ukraine.

Two die in armed conflict in Kharkiv

Pro-Russian activists stormed the offices of Patriot of Ukraine, Prosvita and Right Sector-East in Kharkiv in early hours of 15 March. According to media reports, stun grenades and petrol bombs were used in the clashes. Firearms, including automatic ones, were also reported to be used.

Interior Minister **Arsen Avakov** said that two people died, several more were injured, including a police officer.

On 15 March, the press service of the Interior Ministry reported that 32 members of the Right Sector and six pro-Russian activists were detained in connection with the shooting in Kharkiv.

Kharkiv regional governor **Ihor Baluta** described the incident as a well-planned provocation by pro-Russian chauvinists.

The next day, 16 March, the pro-Russian protesters seized the offices of several organizations, particularly Prosvita, Patriot of Ukraine, and Right Sector-East. They burnt the documents and symbols of the Right Sector, thereby setting the entire building on fire.

Yanukovych says early presidential election illegitimate

Deposed Ukrainian President **Viktor Yanukovych** has described the Ukrainian presidential election scheduled for 25 May as illegitimate because he considers himself the incumbent president.

Ukrainian mass media reported that representatives of the Fatherland party were supportive of postponing the presidential election due to the situation in Crimea. However, faction leader **Serhiy Sobolyev** denied this.

Ukraine to demand Yanukovych's extradition after Interpol completes technicalities

Ukraine is waiting for the completion of certain procedures on the inclusion of deposed President **Viktor Yanukovych** into the Interpol database, after which it will demand its extradition from Russia, Interior Minister **Arsen Avakov** has said.

Ukrainian Prosecutor-General **Oleh Makhnitsky** said that Ukraine had prepared all documents required for the deposed president's extradition.

On 6 March 2014, Ukraine sent an official inquiry to Interpol for a Red Notice to detain Yanukovych.

Prosecutor accuses deposed president of separatism

On 11 March 2014, deposed President **Viktor Yanukovych** said that Ukrainian army soldiers and officers should not follow criminal orders from the new "illegitimate" Ukrainian authorities.

The Prosecutor-General's Office of Ukraine described Yanukovych's statement as an act of provocation aimed at supporting separatist sentiments and fuelling ethnic hatred in Crimea and the southeast of Ukraine.

Ukraine sets up National Guard

On 13 March 2014, parliament passed a bill setting up the National Guard, a military formation with law-enforcement functions.

The National Guard will protect public order and suppress riots in case of a state of emergency, restore order in case of international and interethnic conflicts; unblock or cut short illegal actions in case of a seizure of important government facilities or locations; restore constitutional order during attempts to seize government power or change the constitutional order.

During special periods or in case of the introduction of martial law, the National Guard will join efforts to ensure territorial defence.

Its personnel will consist of servicemen and workers, totalling up to 60,000 people.

The military, political and administrative command of the National Guard will be carried out by the interior minister. The commander of the National Guard will be appointed by parliament following the president's nomination.

Ukraine had the National Guard from 1991 to 2000.

Court outlaws Berkut riot police

On 12 March 2014, the Kiev district administrative court upheld a lawsuit filed by MP **Anatoliy Hrytsenko** and Euro-Maydan activist and singer **Ruslana Lyzhychko** by invalidating the legal framework in which the Interior Ministry's Berkut riot police existed.

On 26 February, Interior Minister **Arsen Avakov** signed an instruction to disband Berkut.

Berkut took part in clampdowns on Euro-Maydan.

Parliament appoints four Constitutional Court judges

On 13 March 2014, parliament appointed **Mykola Melnyk**, **Serhiy Sas**, **Ihor Slidenko** and **Stanyslav Shevchuk** as judges of the Constitutional Court under its quota.

Cabinet appoints heads of tax, customs services

On 12 March 2014, the Cabinet of Ministers appointed **Ihor Bilous** as head of the State Tax Service. Bilous earlier worked for investment companies.

The same day, the cabinet appointed **Vitaliy Naumenko** as head of the customs service. Previously, he was in charge of customs and international trade at the Ukrainian office of KPMG and co-chaired the customs committee of the US Chamber of Commerce.

New head of Ukroboronprom appointed

On 14 March 2014, interim President and speaker **Oleksandr Turchynov** appointed UDAR MP **Serhiy Averchenko** as head of the state-owned concern

Ukroboronprom, uniting Ukrainian companies of the defence and industrial sector.

Prosecutor-General's Office orders detention of Klyuyev, Aksyonov

The Prosecutor-General's Office has instructed responsible special units to detain a former head of the presidential administration, **Andriy Klyuyev**, and self-proclaimed Crimean Prime Minister **Serhiy Aksyonov**, acting Prosecutor-General **Oleh Makhnitskyy** said on 13 March.

Around 40 former officials from deposed President **Viktor Yanukovych's** entourage have been put on a wanted list by 9 March, Interior Minister **Arsen Avakov** said in an interview with the news and analysis website LB.ua.

Prosecution summons Dobkin, Kernes for questioning

Former Kharkiv regional governor **Mykhaylo Dobkin** was detained at the Prosecutor-General's Office on 10 March 2014, where he came for a questioning. He is suspected of making calls to change Ukraine's territorial integrity.

On 11 March, a Kiev court ruled on putting Dobkin in custody.

Rinat Akhmetov, Ukraine's richest man, said that he is ready to provide any required bail and to personally stand surety for Dobkin.

The former governor is planning to run for president.

On 13 March, the Prosecutor-General's Office summoned Kharkiv mayor **Hennadiy Kernes** as a suspect. He is suspected of committing office abuse connected to the abduction and beating of people opposed to **Viktor Yanukovych's** government.

The same day a Kiev court placed Kernes under house arrest.

On 14 March, the Security Service of Ukraine said that a criminal case was opened over the calls to change the territorial integrity of Ukraine in Kharkiv.

The same day, police detained Poltava mayor **Oleksandr Mamay** on suspicion of beating protesters outside the mayor's office.

Security Service of Ukraine detains self-proclaimed Luhansk regional governor

On 13 March 2014, the Security Service of Ukraine (SBU) detained the leader of the pro-Russian radical organization Luhansk Guard, **Oleksandr Kharytonov**.

The SBU said that a criminal case was opened against Kharytonov over the seizure of power and organization of mass riots.

Earlier, police detained Luhansk regional councillor **Arsen Klinchayev**, who is considered to be an organizer of the seizure of the Luhansk regional state administration building by pro-Russian activists.

Sobolyev temporarily in charge of Fatherland parliamentary faction

The parliamentary faction Fatherland has elected MP **Serhiy Sobolyev** as its temporary chairman.

Previously, the faction was headed by **Arseniy Yatsenyuk** who became prime minister.

ECONOMY**Ukrainian tycoon arrested in Vienna on FBI warrant**

Ukrainian businessman **Dmytro Firtash** on 12 March was taken into custody by the organized-crime unit of the Austrian police on a warrant issued by the US Federal Bureau of Investigation. The FBI suspects Firtash of corruption and organizing a criminal group in the United States.

On 14 March, the Vienna court released Firtash on a 125m-euro bail for the time of preparation for his extradition to the United States. However, he filed a complaint against the decision.

As media reported, the Ukrainian businessman was arrested as part of the investigation into his investment project in India.

Firtash is among the richest people in Ukraine. His group Ostchem made almost half of Russian gas supplies to Ukraine in 2013.

According to the Espresso.tv, Ukrainian businessman financed the self-proclaimed Prime Minister of Crimea **Serhiy Aksyonov**.

As was reported on 15 March, the corruption combat agency of Tajikistan filed a claim in court demanding invalidation of the agreement on creating Tajikazot, in which 75 percent of shares is owned by Firtash's company.

Odessa oil refinery transferred to Russian bank for debts

The Odessa oil refinery has been transferred into ownership of Russia's VTB Bank as collateral for the loan which was taken by **Serhiy Kurchenko**'s VETEK group to acquire the company from Russian Lukoil, according to Odessa regional governor **Volodymyr Nemyrovskyy**.

He said that the company's debt to the bank was 300m dollars.

Kurchenko allegedly has close ties to the family of former Ukrainian President **Viktor Yanukovich**.

Earlier, Interior Minister **Arsen Avakov** said that about 60 tonnes of petroleum products worth 70m dollars were arrested in Odessa. These products belonged to one of Kurchenko's companies. The minister also announced that 11 criminal cases were launched against the firms controlled by Kurchenko.

IMF to decide on loan to Ukraine by end of March

The mission of the International Monetary Fund (IMF) that has been working in Kiev since 4 March has made a good progress in assessing the situation in Ukraine, according to a statement by IMF Managing Director **Christine Lagarde**.

As she noted, the IMF mission will be working with the Ukrainian authorities on a programme of economic reforms until 21 March. Lagarde said that the IMF is eager to help the people of Ukraine.

IMF Director of Communications Gerry Rice said that the willingness of Ukraine's authorities to carry out reforms is a key factor for allocation of a credit line.

Earlier, Prime Minister **Arseniy Yatsenyuk** said he was ready to carry out some tough reforms in the country.

Economy Minister **Pavlo Sheremeta** said that Ukraine plans to negotiate with the IMF on a new loan programme by the end of March. He also added that the Finance Ministry is expecting to receive the first tranche from the IMF not earlier than April. At the same time, according to the minister, before the IMF allocates the loan, the Ukrainian parliament should make a decision on slashing the budget.

World Bank to allocate 3bn dollars for Ukrainian reforms

The World Bank is ready to give Ukraine a loan of up to 3bn dollars in 2014 to carry out reforms and infrastructure projects, the World Bank's press service said on 10 March. The assistance will be provided in addition to the current investment programme and provision of guarantees. The volume of the current programme is estimated at 3.7bn dollars.

As reported, the European Union also promised a financial aid to Ukraine in the amount of 11bn euros. At the same time, European Commission President **Jose Manuel Barroso** said that the EU will give Ukraine 1bn euros after 19 March. Previously, the EU gave Kiev 600m dollars.

In addition, financial assistance to Ukraine was offered by the United States (1bn dollars), Canada (220m dollars) and the Czech Republic (2.5m euros).

Ukraine pays 229m dollars on domestic loan bonds

The Finance Ministry on 12 March transferred 2.18bn hryvnias (229m dollars) for repayment and servicing of government domestic loan bonds, according to the ministry's press service.

According to the ministry's forecasts, the current domestic and foreign loans will be repaid in 26 years by 2040.

VAT refund debt reaches 1.78bn dollars

The government obligations on refunding value added tax (VAT) to taxpayers have grown to about 17bn hryvnias (1.78bn dollars), while overpayment of corporate income tax has totalled 19bn hryvnias (2bn dollars), Finance Minister **Oleksandr Shlapak** said on 12 March.

The minister also confirmed that the government did not reimburse VAT for February. According to Shlapak, the government will continue refunding VAT after reviewing the list of applicants for such refunds.

Ukraine increases money supply and monetary base

Money supply in February grew by 4.4 percent compared with the previous month to 933.5bn hryvnias (98.26bn dollars), while the monetary base increased by 4.7 percent to 308.6bn hryvnias (32.48bn dollars), according to the National Bank of Ukraine.

Wage arrears up 14 percent

Wage arrears in Ukraine in February rose by 14 percent to 919m hryvnias (96.74m dollars) as of 1 March, according to Minister of Social Policy **Lyudmyla Denysova**.

ENERGY**Ukraine partially pays for February deliveries of Russian gas**

The Ukrainian state-run oil and gas company Naftohaz Ukrayiny has paid Russia 80m dollars for gas consumed in February 2014, Ukrainian Energy Minister **Yuriy Prodan** said on 12 March.

As previously reported, in February Russia's Gazprom supplied Ukraine with gas worth 440m dollars.

Russia's Gazprom not to move Ukraine to advance payments

Russia's Gazprom does not intend to transfer Ukraine to advance payments in order to ensure uninterrupted gas supplies to Europe, Gazprom CEO **Aleksey Miller** said on 14 March.

We would like to point out that according to Ukrainian Energy Minister **Yuriy Prodan**, Ukraine intends to buy 27bn-30bn cu.m. of Russian gas in 2014. When asked whether the country would be fined for purchasing a smaller amount of gas than was contracted, he said no.

Russian gas transit via Ukraine down 9 percent

In January-February 2014, the transit of Russian gas to European countries through the territory of Ukraine decreased by 9 percent to 12.2bn cu.m. in

comparison with the same period in 2013, the press service of the Ukrainian state-run company Ukrtranshaz has reported.

Ukrainian gas reserves down to 7.5bn cu.m.

From 20 February to 9 March, the reserves of natural gas in underground storage facilities of the Ukrainian state-run company Ukrtranshaz had been reduced to 7.5bn cu.m., the company's press service has reported.

Ukraine might sell state-run energy company

The Ukrainian authorities might sell the country's biggest state-run oil and gas company Naftohaz Ukrayiny but retain its gas transport system, Ukrainian Economy Minister **Pavlo Sheremeta** has said.

We would like to stress that according to the Naftohaz Ukrayiny financial report, in comparison with 2012, the company's net loss in 2013 rose by 14 percent to 12.52bn hryvnyas (1.32bn dollars). At the same time, its 2013 net income shrank by 22 percent to 74.61bn hryvnyas (7.85bn dollars).

Ukrainian state-run mines banned from selling coal to intermediaries

On 11 March, the Ukrainian Energy and Coal Industry Ministry ordered mines and the state-run company Vuhillya Ukrayiny (Coal of Ukraine) to sell processed coal at market prices directly to energy generating companies, without intermediaries.

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