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TOP NEWS**Russia sets up Crimean federal district**

Ukraine intends to appeal to international courts against Russia's illegal actions in Crimea.

You can find more details in the section "SITUATION IN CRIMEA".

Ukraine, EU sign political part of association agreement

It is expected that the part of the association agreement dealing with economic ties will be signed after a presidential election in Ukraine.

You can find more details in the section "INTERNATIONAL POLITICAL".

Russia might raise gas price to 500 dollars for Ukraine

Russia's authorities have stated that the Kharkiv agreement, which extended the stationing of the Russian Black Sea Fleet in Crimea in exchange for a gas price discount for Kiev, will be reconsidered.

You can find more details in the section "ENERGY".

SITUATION IN CRIMEA**Crimea, Sevastopol join Russia**

On 18 March, Russian President **Vladimir Putin**, Crimea's self-declared Prime Minister **Serhiy Aksyonov**, the speaker of Crimea's parliament, which had been disbanded by Ukrainian MPs, **Volodymyr Konstantynov**, as well as the "authorized representative of the Sevastopol city", **Oleksiy Chalyy**, signed in the Kremlin an agreement under which "the Republic of Crimea" and the city of Sevastopol joined the Russian Federation as its new subjects.

On 20 March, the Russian State Duma ratified the agreement on accepting Crimea and Sevastopol into the Russian Federation and passed a law on the procedure for their joining. The Russian Federation Council followed suit the next day, 21 March. The documents were signed by Putin on 21 March.

On 21 March, the Russian head of state also signed a decree on the creation of the Crimean federal district with Sevastopol as its administrative centre.

The Russian rouble has become Crimea's official currency.

Russia starts issuing passports to Ukrainian nationals in Crimea

On 19 March, the Russian Federal Migration Service (FMS) started issuing Russian passports to Ukrainian nationals and individuals without citizenship who permanently reside in Crimea, FMS head **Konstantin Romodanovskiy** has said.

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The Ukrainian minister of the cabinet of ministers, **Ostap Semerak**, said that Ukraine would recognize Crimean residents who received Russian passports as its citizens.

Ukrainian parliament adopts declaration on fighting for country's liberation

On 20 March, the Ukrainian parliament adopted a declaration on fighting for the country's liberation.

The document says that the Ukrainian people will never recognize the annexation of an integral part of its territory - the Autonomous Republic of Crimea - by Russia, which violated fundamental norms of international law.

Lawmakers also stressed that Crimea has been and will be a part of Ukraine, and that the Ukrainian people would never and under no conditions stop fighting for Crimea's liberation from occupants.

Interim Ukrainian President **Oleksandr Turchynov** said that the Russian-Crimean agreement had no legal consequences for Ukraine.

For his part, Ukrainian Foreign Minister **Andriy Deshchytsya** said that the Russian actions in Crimea should be labeled as an act of aggression.

The spokesperson for the Ukrainian Foreign Ministry, **Yevhen Perebyynis**, said that Ukraine intended to appeal to international courts against the Russian illegal actions in Crimea.

The Gorshenin Institute's president **Vadym Omelchenko** noted that Ukraine will never accept the illegitimate way in which the Crimean peninsula had been annexed. In his opinion, Ukrainians view the current state of affairs as temporary.

Former Ukrainian Prime Minister **Yuliya Tymoshenko** believes that Russian President **Vladimir Putin** has not succeeded in "getting Ukraine in political terms", therefore he has resorted to military steps. According to Tymoshenko, the annexation of Crimea was prepared by Russia long ago – the Ukrainian politician does not rule out that the Russian Federation will continue to implement such steps. At the same time, the former prime minister suggested creating a crisis centre to respond to Russia's military aggression.

Ukrainian military to remain in Crimea

The Ukrainian military will not withdraw from Crimea, Ukrainian Defence Minister **Ihor Tenyukh** said on 19 March.

At the same time, the mass media started publishing numerous statements by the Ukrainian military in Crimea, saying that the country's leaders did not provide them with any guidelines on how to act further.

In his turn, the interim Ukrainian president, speaker **Oleksandr Turchynov**, denied these reports. He explained that the Defence Ministry and the General Staff had tasked Ukrainian servicemen in Crimea with protecting the country's ships and military bases from attacks.

Earlier, Crimean Prime Minister **Serhiy Aksyonov** said that the Ukrainian troops in Crimea should either switch to the side of the Crimean Republic or tender

resignation. He also declared that Ukraine's military property in the region now belonged to the peninsula.

We would like to point out that the Russian troops continue seizing Ukrainian military facilities in Crimea. For example, on 20 March, it established control over a military unit of the marine corps in Kerch. After this, 200 Ukrainian officers and privates pledged allegiance to Russia, 30 people resigned, and 40 members of the Ukrainian military left for continental Ukraine to continue their service in the Ukrainian army.

The leader of the Crimean Tatar self-styled government Majlis, **Refat Chubarov**, said that there were fighters of Chechen units in Crimea.

Russian troops seize Ukrainian military facilities in Crimea, kidnap officers

Russian troops continue seizing Ukrainian military facilities in Crimea.

On 22 March, Russians kidnapped the commander of the aviation base in Belbek, **Yuriy Mamchur**. It was under his command that the Ukrainian unarmed officers, singing the Ukrainian anthem, faced the armed representatives of the "Crimean self-defence".

On 23 March, the deputy commander of the Ukrainian Navy, **Igor Voronchenko**, and the commander of the military base A4398 (Sevastopol), Capt 2nd rank **V. Demyanenko**, were also kidnapped.

Ukrainian serviceman killed during storming of Simferopol building

On 18 March, a Ukrainian serviceman was shot dead during the storming of a Ukrainian photogrammetric center in Simferopol, the Ukrainian Defence Ministry's press service has reported. It added that two more Ukrainian servicemen had been wounded.

The ministry also stressed that the attackers had been dressed in the uniform of the Russian Armed Forces without insignia and had been armed with automatic weapons and sniper rifles.

Due to the death of the Ukrainian serviceman, the military units of the Ukrainian Armed Forces that are stationed in Crimea were allowed to use weapons.

On 19 March, Crimea's prosecutor **Nataliya Poklonska** said that as a result of the shootout, "one Cossack of a self-defence unit was shot dead and another one wounded, and one serviceman of the military unit was killed and another one wounded".

She added that a criminal case had been launched against unidentified individuals under the article dealing with murder over the incident in Simferopol which had led to the death of the Ukrainian serviceman and the Crimean self-defence troops. Experts of the Crimean prosecutor's office believe that the snipers who used weapons in Crimea and those who had shot people at Kiev's Maydan might be the same, she added.

Ukraine to ask UN to declare Crimea demilitarized zone

On 19 March, the National Security and Defence Council of Ukraine (NSDC) held a

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meeting during which it tasked the Ukrainian cabinet with asking the UN to declare Crimea a demilitarized zone, NSDC secretary **Andriy Parubiy** has said.

On 21 March, following a meeting with UN Secretary-General Ban Ki-moon in Kyiv, the interim Ukrainian president, speaker **Oleksandr Turchynov**, said that the UN intended to declare Crimea a demilitarized zone.

US Under Secretary for Political Affairs Wendy Sherman noted that the USA supported this idea.

Ukrainian constitutional court say declaration of Crimea's independence violates constitution

On 21 March, the Ukrainian Constitutional Court ruled that the resolution of the Crimean parliament "On the declaration of independence of the Autonomous Republic of Crimea and the city of Sevastopol" of 11 March was unconstitutional.

The same day the Venice Commission stressed that the local referendum on the status of Crimea had violated the constitution of Ukraine, as well as basic international principles of the territorial integrity and sovereignty of subjects to international law, the Ukrainian minister added.

Western states slap sanctions on Russian officials over Crimean annexation

The EU, USA, and Canada have imposed visa and financial sanctions on a few dozen Russian and Crimean officials in response to the recent developments in Crimea.

The USA, UK, and France also announced that they had suspended military cooperation with Russia.

Furthermore, US Congress passed a law under which sanctions can be introduced against Russia's main economic sectors. At the same time, US President **Barack Obama** stressed that the USA had no intention to carry out any military operations in Ukraine.

The French head of state, **Francois Hollande**, stated that the EU would not slap economic sanctions on Russia, but that it would continue exerting pressure on Moscow.

We would like to point out that Japan announced that it had taken a number of measures in response to Russia's interference in the Ukrainian situation.

At the same time, Visa and MasterCard suspended servicing cards issued by Rossiya bank.

In its turn, the Russian Foreign Ministry publicized a list of US officials sanctioned by Russia. It did not specify how exactly the US officials would be sanctioned.

Ukrainian Prime Minister **Arseniy Yatsenyuk** believes that after international sanctions are imposed on Russia, it will direct its revenge against Ukraine.

The Gorshenin Institute's president **Vadym Omelchenko** noted that Ukrainians were expecting the West to take serious measures against Russia. According to Omelchenko, certain Ukrainian politicians complained about the duplicity and double standards of the West. "I would not rush to conclusions, and it seems to me that there is consistence

in the steps taken by the USA and the EU, in particular," the expert said.

NATO suspends cooperation with Russia

NATO does not recognize Crimea's joining Russia, NATO Secretary-General **Anders Fogh Rasmussen** has said. He added that NATO had suspended its cooperation with the Russian Federation.

Rasmussen also said that Russia's foreign policy steps made one think that the country was positioning itself not as NATO's partner, but as its opponent.

According to former Prime Minister **Yuliya Tymoshenko**, Ukrainians realize that if Ukraine had become part of the NATO at a certain point, Russian president **Vladimir Putin** "would not have even approached its borders".

The Gorshenin Institute's experts pointed out that given the threat of Ukraine's closer ties with the EU and NATO, orders of the Russian military and industrial complex from Ukrainian companies might be cancelled, which means that Russia will try to retain access to these companies at any price.

Ukrainian parliament declares Crimean Tatars peninsula's indigenous people

On 20 March, the Ukrainian parliament backed a resolution on guaranteed rights of the Crimean Tatar people as part of Ukraine.

The document stated that Ukraine guaranteed the preservation and development of the ethnic, cultural, linguistic, and religious identity of the Crimean Tatar people as an indigenous people in Ukraine. It also guaranteed Crimean Tatars the protection and the exercise of their inalienable right to self-determination in the sovereign and independent Ukrainian state.

Additionally, the document said that "Ukraine recognizes the Majlis of the Crimean Tatar people, the executive body of the Kurultay of the Crimean Tatar people, as the supreme executive body of the Crimean Tatar people".

As previously reported, the Majlis recognized Ukraine as a sovereign and independent state within its existing borders and resolutely condemned the act of aggression committed by Russia.

We would like to point out that on 17 March law enforcers in Crimea found the body of a Crimean Tatar who had disappeared at the beginning of the month. The body had the signs of torture.

A Crimean Tatar leader **Nedim Khalilov** has said that Crimean Tatar activists intended to re-launch the national liberation movement of the Crimean Tatars, Radio Liberty reports. According to Khalilov, the main goal of such a movement is the restitution of the national statehood of the Crimean Tatar people.

Around 1,300 people leave Crimea for Ukraine after annexation

As of 19 March, 1,288 people have left Crimea for other regions of Ukraine, the Ukrainian minister of the cabinet of ministers, **Ostap Semerak**, has said.

Ukrainian citizens who had fled the Crimean autonomy and Sevastopol after the Russian military's deployment set up a public committee for Crimean refugees, the

LB.ua news and analysis website reported.

Ukrainian Social Policy Minister **Lyudmyla Denysova** said that 25,000 people had expressed desire to leave Crimea.

Crimea gives up Ukrainian pensions

Crimea has turned itself off from the Ukrainian system of electronic payments, thus making the Ukrainian State Treasury unable to pay pensions and social welfare to residents of the peninsula, Ukrainian Social Policy Minister **Lyudmyla Denysova** said on 19 March.

We would like to point out that the Russian authorities have promised Crimean residents to double their pensions.

Ukraine's 278 lawmakers banned from entering Crimea

On 21 March, the presidium of the Crimean parliament adopted a resolution "On the individuals who are conducting anti-Crimean activities and whose presence on the territory of the Crimean republic is undesirable", which included the names of 278 Ukrainian MPs.

The document blacklisted lawmakers who had voted on 15 March to disband the Crimean parliament, representatives of "paramilitary and militia criminal gangs" from Kiev, as well as "individuals who marred themselves with political collaboration" (officials who were appointed to Crimean posts by the Ukrainian authorities - editor).

We would like to point out that the Russian authorities in Crimea declared the former leader of the Majlis of Crimean Tatars and an MP of the Ukrainian opposition party Fatherland, **Mustafa Dzhemilev**, persona non grata on the territory of the peninsula, the EU Crimean Tatar association has reported.

INTERNATIONAL POLITICAL

UKRAINE-CIS

Ukraine recalls ambassador from Russia

Due to the situation in Crimea and the need to discuss its international aspects, Ukraine has recalled its ambassador to Russia, **Volodymyr Yelchenko**, for consultations, the Ukrainian Foreign Ministry's press service said on 17 March 2014.

The next day the Ukrainian Foreign Ministry handed Russia's charge d'affaires ad interim **Andrey Vorobyev** a note of protest against Russia's recognizing the legitimacy of the Republic of Crimea and signing of the agreement on Crimea's incorporation into the Russian Federation.

Foreign Ministry spokesman **Yevhen Perebyynis** said that Russia's actions with regard to Ukraine would have serious consequences for bilateral Ukrainian-Russian relations. He added that this does not mean that Ukraine is considering breaking its diplomatic relations with Russia.

Ukraine tightens entry control on Russian border

On 19 March 2014, the National Security and Defence Council (NSDC) of Ukraine

instructed the Interior Ministry to introduce visas for Russian citizens, NSDC Secretary **Andriy Parubiy** has said. However, Ukrainian Prime Minister **Arseniy Yatsenyuk** objected to this decision.

The head of the Fatherland parliamentary faction, **Serhiy Sobolyev**, said that instead of introducing visas, Ukraine would tighten control on the Russian border.

Russian President **Vladimir Putin** said that Russia would not introduce visas for Ukrainians.

Russia beefs up customs control on Ukrainian border

On 20 March 2014, the Russian Federal Customs Service announced tightening control on the Ukrainian border due to a possible import of banned goods.

A day earlier, Ukrainian mass media reported that the Russian border was closed to Ukrainian goods.

The Ukrainian Customs Service said that the checkpoints on the border with Russia were temporarily functioning in a limited mode on 20 March on the initiative of Russia.

The news and analysis website LB.ua said there were increasingly more cases when Russian customs officers stopped Ukrainian citizens at Russian airport checkpoints.

Pro-Russian rallies continue in Ukraine

Pro-Russian rallies continue in southern and eastern regions of Ukraine. The secretary of the National Security and Defence Council of Ukraine, **Andriy Parubiy**, has said that foreign extremists had been attempting to seize buildings of regional state administrations in eight regions of Ukraine. According to Parubiy, these actions are aimed at giving ground to Russia to deploy troops in Ukraine.

On 22 March, the Security Service of Ukraine detained the leader of the so-called "Donbass people's militia" **Mykhaylo Chumachenko** in Donetsk who, according to information available to law enforcers, had been planning to declare himself "people's governor".

Crimean Prime Minister **Serhiy Aksyonov** said that the southeast of Ukraine needs Russia's support.

Prime Minister **Arseniy Yatsenyuk** has said that Ukrainian law enforcers have collected evidence that Russian special services were involved in instigating clashes in the east of Ukraine, and that saboteurs were detained.

NATO Secretary-General **Anders Fogh Rasmussen** said that Crimea's annexation was "part of Russia's global strategy" and shared concerns about Russia's possible military invasion in the eastern regions of Ukraine.

On 19 March 2014, the National Security and Defence Council of Ukraine instructed uniformed agencies to complete the deployment of tactical army groups in border regions.

According to the former first deputy head of the General Staff of the Armed Forces of

Ukraine, **Igor Kabanenko**, Russia has been accumulating offensive military hardware and weapons on the territory of the Crimean Peninsula and next to Ukraine's eastern border.

Russia presents "settlement plan for Ukraine"

On 17 March 2014, the Russian Foreign Ministry offered the West its plan for settlement of the situation in Ukraine, which gives the Russian language the status of a second state language, foresees the recognition of the referendum in Crimea, Ukraine's neutral military and political status and an election to the top public offices of Ukraine.

The same day the Ukrainian Foreign Ministry criticized this statement, saying the Kremlin's ultimatums to the Ukrainian state confirm the fact that Russia is guided by the aggressor's logic.

Ukraine claims 16 per cent of Soviet assets

Ukraine is entitled to 16.37 per cent of all Soviet assets and is going to raise the issue of their return, the spokesman for the Ukrainian Foreign Ministry, **Yevhen Perebyynis**, said on 18 March.

In his words, for over 20 years, despite Ukraine's repeat requests, Russia has not provided a clear list of all assets owned by the Soviet Union when it collapsed.

The Russian Foreign Ministry said that Ukraine would have to pay 20bn dollars to initiate the negotiations. It said that Moscow had paid this exact amount to pay off the Ukrainian share of the Soviet state debt as of 1994.

Ukraine to compensate loss from seizure of state property in Crimea at Russia's cost

Ukrainian Prime Minister **Arseniy Yatsenyuk** has said that Kiev intends to appeal in international courts against Russia's actions on the nationalization of Ukrainian state property in Crimea. "We are now holding a very serious discussion on Russia's financial responsibility for the events that happened in Crimea. We are talking not about billions, but hundreds of billions of dollars," he said.

According to the news and analysis website LB.ua, Justice Minister **Pavlo Petrenko** said that Ukraine might compensate the loss at the cost of the Russian Gazprom property located in European countries.

The Russian Foreign Ministry said that any attempts on Russian property by the Ukrainian authorities would be interpreted as a flagrant infringement of international law and that Moscow reserved the right to respond to scale.

Ukraine owes Russia 16bn dollars, Medvedev says

Russian Prime Minister **Dmitriy Medvedev** has said that Ukraine owes Russia 3bn dollars for the loan issued in late 2013 and 2bn dollars for Russian gas.

He also said that the 2010 Kharkiv agreements on a gas discount in exchange for the continued stationing of the Russian Black Sea Fleet must be rescinded and

Ukraine must compensate Russia 11bn dollars for lost profits.

Russia arrests Ukrainian confectionery firm's accounts

A Moscow court, acting on the request of the Russian holding company United Confectioners, has opened a criminal case against the Roshen confectionery corporation's factories in Russia, having arrested 2.8bn roubles (72m dollars) on the company's Russian accounts, Roshen said in a press release on 21 March.

The Economy Ministry and the Foreign Ministry of Ukraine accused Russia of seizing Roshen's facilities in Lipetsk.

Roshen is owned by unaffiliated MP **Petro Poroshenko**, who co-chairs the parliamentary committee for cooperation between the EU and Ukraine.

Ukraine quits CIS

On 19 March 2014, the National Security and Defence Council (NSDC) decided on Ukraine's withdrawal from the CIS (Commonwealth of Independent States), NSDC Secretary **Andriy Parubiy** has said.

On 20 March, Ukraine's permanent representative to the CIS, **Ivan Bunechko**, stepped down as chairman of the CIS council of member states' permanent representatives.

The note sent to the CIS executive committee in Minsk says that "instead of implementing its tasks of establishing cooperation and settling conflicts in post-Soviet space, the CIS has become a tool of meeting the interests of some of its members".

The head of the Russian Federal Service for Veterinary and Phytosanitary Surveillance, **Sergey Dankvert**, said that Ukraine's withdrawal from the CIS can block the export of Ukrainian cattle products to CIS member states, in particular to the Customs Union of Belarus, Kazakhstan and Russia.

Russia plans bridge, underwater tunnel across Kerch Strait

On 19 March 2014, Russian President **Vladimir Putin** said that his government issued an instruction to develop a feasibility study for the construction of a Kerch bridge. He said that two bridges, one for cars and one for railway, must connect Crimea to Russia.

Russian Transport Minister **Maksim Sokolov** said that his office would consider a combined railway bridge project and a possibility of digging a tunnel under the Kerch Strait.

Talks on Black Sea Grain Pool suspended

The negotiations on the creation of the Black Sea Grain Pool of Kazakhstan, Russia and Ukraine have been suspended because it cannot be established without Ukraine, the president of the Russian Grain Union, **Arkadiy Zlochevskiy**, has been quoted as saying by the ITAR-TASS news agency.

UKRAINE-EU**Ukraine, EU sign political chapters of association agreement**

Ukraine and the EU signed the political chapters of the association agreement in Brussels on 21 March 2014.

On behalf of Ukraine, the document was signed by Prime Minister **Arseniy Yatsenyuk**, on behalf of the EU, by European Council President **Herman Van Rompuy**, European Commission President **Jose Manuel Barroso** and heads of all member states of the EU.

The signed chapters only regulate political interaction, security and fight against terrorism.

Ukraine may sign economic chapters of association agreement with EU after election

Ukraine is ready to sign the economic chapters of the association agreement with the EU, which foresees a free trade area, after the presidential election scheduled for 25 May 2014, Ukrainian Prime Minister **Arseniy Yatsenyuk** has said.

European Commissioner for Enlargement and European Neighbourhood Policy **Stefan Fule** confirmed this information. He said it was important for Ukraine to have a free and transparent presidential election.

The Zerkalo Nedeli weekly quoted its sources as saying that the signing of the economic chapters of the association deal was delayed under pressure from European countries that very closely cooperate with Russia, including Germany and Italy. Another reason for the delay was the deepest crisis in Ukraine whose economy could be ruined by a free trade area with the EU.

Sonya Koshkina, editor in chief of the news and analysis website LB.ua, quoted her sources as saying that the Western partners warned Yatsenyuk that if the election is re-scheduled under any circumstances, this may hang the allocation of donor aid by the USA, the EU and international organizations in the air.

Fule suggests EU should grant membership to Ukraine

The EU may consider expansion due to the situation in Ukraine, European Commissioner for Enlargement and European Neighbourhood Policy **Stefan Fule** has told Die Welt.

Six EU partner states join sanctions against Ukraine's ex-officials

Montenegro, Iceland, Albania, Liechtenstein, Norway and Moldova have decided to join sanctions against Ukrainians accused by the EU of embezzling state funds, High Representative of the EU for Foreign Affairs and Security Policy for the European Union **Catherine Ashton** said on 19 March.

Czech government ready to repatriate ethnic Czechs from Ukraine's Volyn

The Czech government is going to organize the resettlement of a group of Volyn Czechs from Ukraine, the CTK news agency has quoted the speaker of the Czech parliament's lower house, **Jan Hamacek**, as saying.

DOMESTIC POLITICAL**Interim Ukrainian president cancels army reduction**

Interim Ukrainian President and speaker **Oleksandr Turchynov** has cancelled plans to reduce the army and its budget.

On 19 March 2014, Turchynov signed the law on military reserve service. It regulates the legal status of reservists and sets requirements to military reserve service.

Tymoshenko running for president – mass media

Former Prime Minister **Yuliya Tymoshenko** will run for president, she said at the Fatherland faction meeting on 20 March 2014, according the sources of the news and analysis website LB.ua.

Tymoshenko said that she was “not fully supporting” the three opposition teams (Fatherland, UDAR and Svoboda parties, - ed.) who, as she said, were distributing appointments following the party quota principle. “When there is such a chance, specialists should have been invited and a technical government should have been created,” the ex-premier said.

Right Sector becomes political party

The radical Right Sector movement has approved the bylaws in which it declared itself a political party at its congress in Kiev Hotel on 22 March 2014, its representative **Andriy Denysenko** has said.

In his words, the congress nominated **Dmytro Yarosh** to run for president at the election to be held on 25 May.

Denysenko also said that the Right Sector party was established on the basis of the Ukrainian National Assembly party with offices all over Ukraine.

Court rehabilitates Lutsenko

The Kiev Pecherskyy district court has cancelled all court verdicts issued against former Interior Minister **Yuriy Lutsenko**, his lawyer **Ihor Fomin** has said.

Lutsenko said that he was going to run for Kiev mayor.

Case opened against judge in Tymoshenko's, Lutsenko's trials

On 20 March 2014, the Supreme Qualification Commission of Ukrainian Judges opened a disciplinary case against **Oksana Tsarevych**, a judge of the Kiev Pecherskyy district court.

Tsarevych was a member of the judicial panel in the first case of former Interior Minister **Yuriy Lutsenko** and an investigating judge in the murder case of former MP **Yevhen Shcherban**, in which the charges were pressed against former Prime Minister **Yuliya Tymoshenko**.

Constitutional Court elects chairman

The Constitutional Court elected judge **Yuriy Baulin** as its chairman during a secret vote on 18 March 2014.

Prosecutor-General's Office identifies snipers in Kiev protests

The Prosecutor-General's Office of Ukraine has identified nearly all snipers who shot and killed Maydan activists on 20 February 2014, Prosecutor-General **Oleh Makhnitskyy** has said.

He said all identified snipers are Ukrainians.

First Deputy Prosecutor-General **Mykola Holomsha** dismissed reports that the then opposition was involved in hiring the snipers.

UIA ex-manager to head State Aviation Service

Denys Antonyuk, a former top manager of Ukraine International Airlines (UIA), was appointed as chairman of the State Aviation Service on 17 March.

According to the Kommersant Ukraina business daily, UIA is controlled by businessman **Ihor Kolomoyskyy**, who is now the head of the Dnipropetrovsk regional state administration.

MEDIA**National TV channel chief assaulted, forced to resign by Freedom party MPs**

A group of the far-right Freedom party lawmakers on 18 March stormed into the office of Director-General of the National Television Company of Ukraine **Oleksandr Panteleymonov** and forced him to sign a letter of resignation.

The MPs accused him and the First National Channel of broadcasting a rally in Moscow's Red Square celebrating Crimea's joining Russia, as well as airing false news during the protests on Maydan (Independence Square in Kiev).

As can be seen from a video circulating on the internet, MP **Ihor Miroshnychenko** pushed Panteleymonov and called him names.

Head of the Freedom party **Oleh Tyahnybok** and Prime Minister **Arseniy Yatsenyuk** condemned the actions of the politicians. Former Prime Minister **Yuliya Tymoshenko** said that what MPs did was an act of vandalism.

OSCE Representative on Freedom of the Media **Dunja Mijatovic** expressed particular concern over the fact that the attack was committed by the members of the parliamentary committee on freedom of speech and information.

On his part, Miroshnychenko said that he and his fellow party members only "emotionally" and "perhaps, in the incorrect form" forced the TV channel chief to write a resignation statement.

Prosecutor-General **Oleh Makhnitskyy** announced the opening of criminal proceedings into the incident. It should be noted that Makhnitskyy was appointed

to the position on the quota of the Freedom party.

On 17 March, a group of individuals in the same way forced to resign the director of the Chernihiv regional state broadcasting company, **Arkadiy Bilibayev**.

Parliament appoints new head of state TV and radio committee

The Ukrainian parliament on 17 March appointed Head of the National Union of Journalists **Oleh Nalyvayko** as chairman of the State Committee for Television and Radio Broadcasting.

ECONOMY

Ukraine's economy again shows contraction

The index of production in core industries in January 2014 decreased by 2.5 percent, after growing by 6.2 percent in December 2013, according to the National Bank of Ukraine.

At the same time, according to the State Statistics Service, industrial production in February 2014 increased by 0.3 percent compared with the previous month, while in January 2014 industrial output declined by 16 percent against December 2013.

According to Prime Minister **Arseniy Yatsenyuk**, 2014 will be a year of stabilization for the Ukrainian economy, 2015 will bring recovery.

On 17 March, parliament allocated 6.9bn hryvnias (690m dollars) for raising Ukraine's defence capabilities and decided to reduce expenditures on 30 budget programmes.

Gross external debt exceeds 142bn dollars

The gross external debt of Ukraine (including government and corporate liabilities) in 2013 increased from 135.1bn dollars to 142.5bn dollars, according to the National Bank.

IMF mission to stay in Ukraine until 25 March

The mission of the International Monetary Fund has extended its work in Ukraine until 25 March, mission head **Nikolay Gueorguiev** announced on 20 March.

According to Gueorguiev, the mission made a progress in negotiations with the Ukrainian leadership regarding the economic policy.

European Commission approves additional 1bn-euro aid to Ukraine

The European Commission has approved the provision of 1bn euros in financial aid in addition to the 610m euros allocated in 2010, Vice President of the European Commission **Olli Rehn** said on 19 March.

According to Rehn, the first tranche of 100m euros will be available immediately after Ukraine reaches an agreement on new loans with the IMF, 500m euros will

be provided shortly after the first tranche, and 1bn euros will be granted by the end of this year.

The financial aid package for Ukraine should be approved by the European Parliament.

Also, the European Investment Bank announced its intention to provide Ukraine with loans totalling 3bn euros over the next two years.

Japan to allocate 1bn-dollar aid for Ukraine

Prime Minister of Japan **Shinzo Abe** said his country intends to grant Ukraine nearly 1bn dollars in financial assistance to stabilize the economy, according to Japanese broadcaster NHK.

IFC to boost investment in Ukraine

The International Finance Corporation (IFC) plans to increase funding for investment projects in Ukraine, according to the press office of the National Bank of Ukraine.

As of 18 March, the IFC's total portfolio of investment in Ukraine amounted to over 1bn dollars, of which 40 percent was directed into the agricultural sector and infrastructure.

Merchandise trade deficit up 12 percent

The merchandise trade deficit of Ukraine in January 2014 amounted to 142.8m dollars, which is 11.91 percent more than in January 2013, according to the State Statistics Service.

In January 2014, the merchandise trade deficit with Russia, Ukraine's largest trade partner, was 716.73m dollars, a 22.3-percent increase against January 2013.

Dollar rate on interbank market grows to UAH/USD 11

The US dollar exchange rate on the interbank foreign exchange market on 21 March reached UAH/USD 11, while the euro exchange rate exceeded UAH/EUR 15.

Ukrainian banks suffering losses

Commercial banks in February 2014 showed an overall loss of 3.45bn hryvnyas (345m dollars), according to the National Bank of Ukraine.

As was reported, over the last two months, Ukrainian banks have seen a rapid outflow of deposits on the background of the aggravation of the political and economic situation in the country.

Among the most troubled banks was Bank Forum of MP **Vadim Novinskiy** (a former Russian citizen). According to the Deposit Guarantee Fund, as of 1 March the bank accumulated a loss of 6.03bn hryvnyas (603m dollars).

Previously, the Deposit Guarantee Fund introduced temporary administration in five Ukrainian banks, including Bank Forum, due to financial insolvency.

Oshchadbank appoints new board chairman

State-owned Savings Bank (Oshchadbank) has appointed MP **Andriy Pyshnyy** of the Fatherland party as chairman of the board, according to the MP's press office.

Svitlana Voytsekhovska has been appointed as head of the supervisory board.

Oshchadbank is the second largest bank in Ukraine after Privatbank.

Ukrainian tycoon released on bail on Austria

Ukrainian businessman **Dmytro Firtash** on 21 March was released on a 125m-euro bail, according to the press service of Group DF (owned by the businessman).

Earlier, **Christina Salzborn**, a spokeswoman for the Vienna court, said that Firtash's 125m-euro bail was frozen on suspicion of money laundering.

Firtash said his arrest was politically motivated, news agency Ukrinform said.

Swiss prosecutors search Akhmetov's office

The prosecutor's office of Switzerland has searched the Geneva office of DTEK Trading, a company belonging to Ukrainian businessman **Rinat Akhmetov**. The information has been confirmed by the company.

Publication SonntagsZeitung notes that the search was carried out on 27 February as part of the investigation into activity of a coal trading company named MakoTrading SA, which is owned by **Oleksandr Yanukovych**, the eldest son of former Ukrainian President **Viktor Yanukovych**.

Government confirms China's claims on grain contract

The Agricultural Policy Ministry has confirmed the existence of claims from China with regards to the execution of the contract on supply of grain, minister **Ihor Shvayka** said, according to the Ukrainian news agency UNIAN.

In 2012, the State Food and Grain Corporation entered into agreement with the Export-Import Bank of China that the Ukrainian company will receive a loan of 3bn dollars to be spent on purchase of grain for delivery to China. The corporation received the first tranche of 1.5bn dollars in early 2013. The second half of the loan (1.5bn dollars), according to the contract, should be used by the Ukrainian side to buy Chinese goods.

Agricultural Policy Ministry officials searched by police

The Interior Ministry and the Prosecutor-General's Office have performed a number of searches as part of a criminal investigation into embezzlement of budget funds by the Agricultural Policy Ministry, Interior Minister **Arsen Avakov** said on 21 March.

According to Avakov, law-enforcement officers seized 286,000 dollars and 659,000 hryvnias (65,900 dollars) from ex-minister **Mykola Prysyazhnyuk** and 1.72m

dollars and 1.26m hryvnyas (126,000 dollars) from First Deputy Head of the State Veterinary Service **Vadym Simonov**.

Crimea owes 1.66bn dollars to Ukrainian banks

Ukrainian banks as of 1 February 2014 provided loans to borrowers in Crimea to the tune of 16.6bn hryvnyas (1.66bn dollars), which accounts for 1.8 percent of their total loan portfolio, according to the press service of the Independent Association of Ukrainian Banks.

ENERGY

Police detain head of Naftohaz

The Interior Ministry has detained head of state-run energy company Naftohaz Ukrayiny Yevhen Bakulin, Interior Minister **Arsen Avakov** announced on 21 March.

According to the minister, Bakulin was detained as part of an investigation into actions (three episodes) of a criminal group, which caused damage to the state in the amount of 4bn dollars.

Also, the police raided the offices of Naftohaz.

Furthermore, Avakov reported that the Interior Ministry and Prosecutor-General's Office searched the premises and offices belonging to former Energy Minister **Eduard Stavytskyy**, where they found 42 kg of gold and several millions of US dollars.

According to media reports, the search was conducted as part of an investigation into large-scale misappropriation and embezzlement through abuse of office, as well as money laundering.

Russian gas price can reach 500 dollars in April

Prime Minister **Arseniy Yatsenyuk** does not rule out that the price of Russian natural gas for Ukraine starting from 1 April will be 500 dollars per 1,000 cu.m. The head of government noted that Ukraine cannot refuse from buying natural gas from the Russian Federation at this price "because over the last few years, nothing has been done in terms of diversification of energy supplies."

He also added that the price of natural gas from the EU for Ukraine will be 150 dollars lower than Russia's price.

Earlier, **Dmitriy Peskov**, spokesman of the Russian president, said that the so-called Kharkiv agreements, according to which Kiev received a gas discount of 100 dollars in exchange for extending the stationing of the Black Sea Fleet in Ukraine for 25 years, will be reviewed.

Ukraine to repay debts to Gazprom with IMF's money

Ukraine's natural gas debts to Russian Gazprom make 1.4bn dollars for 2013 and 296.3m dollars for February 2014, Energy Minister **Yuriy Prodan** said on 19 March, according to the Ukrainian news agency UNIAN.

The minister noted that Kiev is going to pay for Russian gas with the money it expects to receive from the International Monetary Fund.

Prodan previously said that Ukraine plans to fully pay off its gas debts to Russia after it implements a plan of reforms.

Ukraine cuts gas imports by third

In January 2014 natural gas imports in Ukraine decreased by 34.9 percent compared to January 2013, to 663.44m dollars, according to the State Statistics Service.

According to Energy Minister **Yuriy Prodan**, in 2014 Ukraine will import up to 29bn cu.m. of natural gas.

Ukraine, Slovakia to sign gas supply agreement in April – EU commissioner

Ukraine and Slovakia will sign an agreement on reverse supplies of natural gas to Ukraine by the end of April, while supplies will begin before the end of this year, EU Commissioner for Energy **Gunther Oettinger** said on 19 March.

According to Oettinger, Ukraine will receive up to 10bn cu.m. of gas annually.

Crimean authorities to put up Chornomornaftohaz for sale

The Crimean parliament on 17 March declared the peninsula's coastal shelf property of the republic. It also appropriated the facilities of the energy company Chornomornaftohaz (a subsidiary of Naftohaz Ukrayiny) and Feodosiya Petroleum Products Company.

On 20 March, Deputy Prime Minister of Crimea Rustam Temirgaliyev said that Chornomornaftohaz will be sold by the Crimean authorities through auction. He noted that both Russian and international companies will be able to participate in the auction. However, he said the interest in the company so far was shown only by Russia's Gazprom.

Ukrainian Energy Minister **Yuriy Prodan** said that Ukraine will go to international courts in order to return Chornomornaftohaz.

Chornomornaftohaz is specialized in developing the shelf of the Black and Azov Seas. The company also produces hydrocarbons in the fields located in Crimea, operates the Hlebivske underground gas storage and main gas pipelines on the peninsula.

In 2013, Chornomornaftohaz produced 1.65bn cu.m. of gas, which is 40.6 percent more than in 2012. The company's total reserves are 66bn cu.m. of gas and 22m tonnes of crude oil.

According to news and analysis website LB.ua, the company's value, excluding subsurface resources, makes up to 1bn dollars. According to Ukrainian law, 100 percent of the company's shares are managed by Naftohaz Ukrayiny.

Naftohaz demands 1.2bn dollars from Chornomornaftohaz

State-run energy company Naftohaz Ukrayiny in court demands that its subsidiary Chornomornaftohaz pay off the loans amounting to 11.61bn hryvnyas (1.16bn dollars) that were provided to the Crimean company during 2009-12, the Ukrainian news agency UNIAN reported.

Deputy Prime Minister of Crimea **Rustam Temirgaliyev** said that the Crimean authorities do not recognize the debt of Chornomornaftohaz to Naftohaz Ukrayiny.

Shell withdraws from talks on gas production in Black Sea shelf

In January, Shell withdrew from the negotiations concerning the production sharing agreement for the Skifskyy deposit in the deep shelf of the Black Sea, according to the company's press service.

Shell noted that their decision does not affect the company's other projects, including those in Eastern Ukraine.

Gas-supplying companies to eliminate intermediaries, reduce costs

The National Commission for Energy Regulation has ordered Ukraine's regional natural gas supplying companies to eliminate intermediaries from the procurement process and to reduce their expenditures, according to the agency's press service.

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