



Gorshenin *Weekly*

ISSUE 30 (280) 09/12/2016

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Rebel-held territories accumulate 925m-dollar electricity debts

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1. TOP NEWS

US, Germany, French leaders discuss Ukrainian issue with Russian president

Hollande has announced a new round of the Normandy-format talks

Read more in ARMED CONFLICT IN EASTERN UKRAINE

Russia holds large-scale military drill near Ukraine's border

The military force of Russia's Southern Military District has been increased by 11,200 servicemen.

Read more in INTERNATIONAL POLITICAL

E-declaration system launched in Ukraine

The software was ready for operation as early as August, but the State Special Communications Service refused to certify it due to uncovered deficiencies.

Read more in DOMESTIC POLITICAL

2. ARMED CONFLICT IN EASTERN UKRAINE

Obama, Merkel, Hollande discuss Ukraine issue with Putin at G20 summit

German Chancellor **Angela Merkel** and French President **Francois Hollande** held bilateral meetings with Russian President **Vladimir Putin** on the sidelines of the G20 summit in China on 5 September 2016. They discussed the armed conflict in eastern Ukraine. In Merkel's words, no decisions were taken in the absence of the Ukrainian president.

The same day, US President **Barack Obama** told Putin at a meeting that sanctions against Russia would stay in place until the Minsk agreements are implemented.

The trilateral meeting of the leaders of the USA, Germany and France on the Ukraine issue took place on the sidelines of the G20 summit earlier.

Following the talks in China, Hollande said that the Normandy four leaders would meet in the coming weeks.

On 11 August, the Russian Foreign Ministry said Russia would not take part in the Normandy format talks (Ukraine, Germany, France and Russia). This happened after the Russian occupying authorities detained several Ukrainians in Crimea and accused them of plotting "acts of sabotage" on the order from the Ukrainian Defence Ministry's Main Intelligence Directorate.

Journalists of the news and analysis website LB.ua believe Ukrainian President **Petro Poroshenko** is preparing to significantly change Ukraine's foreign policy. "With the probable lifting/softening of sanctions against Russia in 2017, there

will be no sense or impetus for the Kremlin to implement the Minsk agreements. One could even say that Minsk-2 has six months at most, in fact. Therefore, Kyiv is looking for options of how to work in a new international situation," the website said.

Russia refuses to return Ukraine control over border before elections in Donbas

Kyiv will not be able to restore control over its state border with Russia before local elections are held in Donbas, Russia's permanent representative at the OSCE, **Aleksandr Lukashevich**, said at a meeting of the OSCE Permanent Council on 9 September 2016.

In his words, the Ukrainian parliament can adopt documents required for the implementation of the political clauses of Minsk agreements.

Earlier, Ukrainian President **Petro Poroshenko** said that restoring control over the border in Donetsk and Luhansk regions was a condition to bringing peace to Donbas. With this in mind, at the Normandy Four meeting in Berlin in May, Ukraine put forward a plan, which envisaged deploying OSCE observers on Ukrainian-Russian border. Ukrainian Foreign Minister **Pavlo Klimkin** said back then that without ensuring this control, there was no sense in starting talks on elections in Donbas. However Russia dismissed the idea of an OSCE police mission at the same meeting.

Yet another cease-fire introduced in Donbas

A new cease-fire has been introduced in Donbas since 1 September, thanks to which it has been relatively quiet in most parts of Donetsk and Luhansk regions for the first time since early May. According to the OSCE, the number of fire attacks decreased by 90 percent.

However, Ukrainian forces suffered casualties over the past week: four servicemen were killed and three wounded. In addition, the militants again started to use conventional artillery.

It should be noted that according to Ukrainian President **Petro Poroshenko**, the Russian-terrorist forces in the occupied territories of Donbas comprise more than 38,500 servicemen and 750 pieces of artillery systems.

Sixteen civilians killed in Donbas in August - UN

According to the UN, 16 civilians were killed and 75 were wounded in the armed conflict in Donbas in August 2016. This is the biggest number of casualties in eastern Ukraine since August 2015.

Since the beginning of the conflict, 9,570 people have been killed and 22,210 wounded. Out of the total number, over 2,000 people were civilians.

MP says 115 Ukrainians held captive on occupied territory

According to Ukrainian parliament deputy speaker **Iryna Herashchenko**, 115

Ukrainian citizens have been held captive on occupied territories by pro-Russian militants. Some 498 Ukrainians are considered missing in Donbas.

Bellingcat: Russia awards over 10,000 combat medals in 2014-15

The British investigative team Bellingcat has said in its new analysis that the open-source data suggests that the number of awarded combat medals, compared to the years before 2014, "suddenly and strongly" increased in 2014 and 2015. More than 10,000 medals of four types - For Distinction in Combat, For Military Valour, Suvorov and Zhukov - were awarded in the considered period.

The researchers said that the number of awarded medals saw a sharp increase after active hostilities in Ukraine (the August 2014 invasion, the battles for Donetsk airport and Debaltseve) and then decreased but not completely.

In the researchers' opinion, this fact confirms Russian troops' participation in the war in Donbas.

The Russian Defence Ministry said that the increase in the number of awards in the Russian army in 2014-16 had to do with an increase in military exercises and the Sochi Olympics.

3. CRIMEAN ISSUE

Ukrainian border guards fine 38 ships, which called at occupied Crimea

The State Border Service of Ukraine has said that 38 ships suspected of calling at Crimean ports have been brought to account and fined 240,000 hryvnias (9,000 dollars).

According to the news and analysis website LB.ua, over 30 months since Russia occupied Crimea, Ukrainian law enforcers have detained only four ships which illegally called at Crimean ports. During this period, Crimean ports registered over 600 ships, including 260 foreign merchant ships.

Crimean authorities release Majlis deputy head from psychiatric ward

On 7 September 2016, a "medical commission" in occupied Crimea recognised a deputy head of the Crimean Tatar self-styled government Majlis, **Ilmi Umerov**, mentally sane. Afterwards he was released from the Simferopol psychiatric ward where he had been kept for three weeks.

His relatives said his health condition deteriorated.

Earlier, Ukrainian prosecutors opened proceedings over the fact of illegal placement of Umerov in a psychiatric ward.

The EU said that the forced placement of the Crimean Tatar activist in a psychiatric ward and his subjection to a psychiatric test violate international human rights standards. It called for his immediate release. Amnesty International also demanded that Russia release Umerov.

The Russian Federal Security Service (FSB) opened a criminal case against Umerov on separatism charges. When his case was being heard in court on 11 August, Umerov felt unwell due to hypertension and was admitted to hospital. On 18 August, he was transferred from the cardiology ward of one of Simferopol hospitals to the local psychiatric hospital for a forensic and psychiatric test.

Crimean Tatars not to vote in Russian parliamentary election, activist says

The majority of Crimean Tatars will not vote in the Russian parliamentary election scheduled to be held in Crimea on 18 September, a deputy chairman of the Crimean Tatar self-styled government Majlis, **Ilmi Umerov**, has said.

In his words, holding the election on the occupied territory will result in the total invalidation of the Russian election.

Read more about the Russian parliamentary election in Gorshenin Weekly Russia

Russian court sentences four Crimean Muslims to several years in colony

The North Caucasian district military court in Rostov-on-Don has handed down a verdict on four Crimean Muslims within the framework of the so-called Hizb ut-Tahrir radical group.

Sevastopol resident **Ruslan Zeytullayev**, whom the Russian authorities consider to be the organiser of a cell of Hizb ut-Tahrir banned in Russia, was sentenced to seven years in a standard regime penal colony, while **Ferat Sayfullayev**, **Rustem Vaitov** and **Nuri Primov** will spend five years in a similar facility.

The Ukrainian Foreign Ministry demanded that Russia cancel the verdicts, and called on the international community to continue putting pressure on Moscow to stop human rights violations in occupied Crimea.

4. INTERNATIONAL POLITICAL

UKRAINE-RUSSIA

Russia holds military drill near Ukrainian border

On 5-10 September, the Russian Armed Forces have held the strategic command-and-staff exercise Caucasus-2016. Some 11,200 servicemen were added to the group of troops of the Russian Armed Forces' Southern Military District, including in Crimea.

According to Ukrainian intelligence, the units of the 1st (Donetsk) and 2nd (Luhansk) Army Corps of the Centre for Territorial Troops (Novocherkassk) of the Russian Armed Forces' Southern Military District (Rostov-on-Don) began their command-and-staff exercises at the same time.

The chief of the Ukrainian Armed Forces' General Staff, **Viktor Muzhenko**, said the country's operative military reserve now includes 85,000 people with combat experience.

Financial Times earlier mentioned Russian President **Vladimir Putin's** "unusually bare-knuckle diplomacy" ahead of the G20 summit, which included ordering combat readiness checks across Russia's southern, western and central military districts. "It extracted a significant prize: meetings with the West's most powerful leaders to discuss Ukraine, without Ukrainian President **Petro Poroshenko** in the room," it added.

Read more in Gorshenin Weekly Russia

Russian ships reportedly aim guns at Ukrainian border guards

On 7 September, Russian combat ships and a military aircraft, violating the norms of international law, performed dangerous manoeuvres, thus preventing the Ukrainian Podillya border guard ship from carrying out legitimate actions in Ukraine's exclusive (maritime) economic zone.

This was reported by Ukraine's State Border Service.

According to the Ukrainian agency, a Su-24 bomber of Russia's Armed Forces flew over the Podillya ship at dangerous altitudes several times.

In addition, the Smetlivyy patrol ship, with its artillery guns aimed at Ukraine's border guard ship, and the Priazovye medium reconnaissance ship performed dangerous manoeuvres in the areas of the illegal activities of the Russia-annexed drilling rigs, thus creating preconditions for navigation incidents, the report said.

Ukraine believes Russia is using its armed forces as a cover-up for its illegal activities in the area of the Holitsynske and Odeske gas deposits.

Kyiv says Russian parliament election on Ukraine's territory impossible

President **Petro Poroshenko** has instructed Foreign Minister **Pavlo Klimkin** to inform Moscow that it cannot hold elections to the Russian parliament on Ukrainian territory.

The decision applies to Russian diplomatic and consular offices on Ukrainian territory.

This decision was due to the inclusion of Crimea in the federal multi-member constituency for the Russian parliamentary elections.

The Ukrainian parliament earlier called on foreign parliaments, parliamentary assemblies and international organisations to abstain from observing the illegal parliamentary elections in Russia-occupied Crimea and not to recognise their results under any circumstances.

The Ukrainian Foreign Ministry, for its part, protested against Russia's intention to hold elections on the temporarily occupied territory of Ukraine, Crimea.

London court schedules hearing on Russia's 3bn-dollar lawsuit against Ukraine

The High Court of Justice in London has scheduled a hearing on Russia's lawsuit against Ukraine over a disputed 3bn-dollar debt for 17-20 January 2017.

Ukraine introduced the moratorium on the payment of all debts to Russia, including 3bn dollars issued to **Mykola Azarov's** government by Russia in 2013.

Ukrainian cabinet broadens sanctions against Russians

On 31 August 2016, the Ukrainian Cabinet of Ministers broadened the list of Russian nationals and companies subject to sanctions. The list will be expanded with 259 individuals and 46 legal entities.

The cabinet also spoke in favour of extending the previous sanctions imposed on 388 individuals and 105 legal entities.

Russia opens another case against Ukrainian military command

The Russian Investigations Committee has opened two new criminal cases on the warfare in Donbas.

The first case has to do with the "genocide of the ethnic group of Russian-speaking individuals" on the territory of the self-proclaimed Donetsk People's Republic in January-August 2016. It targets the Ukrainian military command, including Defence Minister **Stepan Poltorak** and General Staff chief **Viktor Muzhenko**. Russia accuses them of actions, which resulted in the death of nine people and left 110 more wounded.

The second case has to do with a shooting attack on the Ukrainian checkpoint Olenivka in April 2016. The suspect is the commander of the 14th brigade, **Oleksandr Zhakun**. Russia accuses him of using banned tools and methods of warfare, which resulted in the death of four people and left seven more wounded.

According to the Russian Investigations Committee, the overarching criminal case against Ukrainian uniformed agencies was expanded to include 53 criminal cases on individual incidents.

In 2015, the Russian Investigations Committee said its jurisdiction covers Ukraine.

Ukraine summons Russian Black Sea Fleet commander to court

Russian Black Sea Fleet Commander **Aleksandr Vitko** was summoned to appear in Kyiv's Pechersky district court for a hearing scheduled for 26 September 2016.

The Main Military Prosecutor's Office suspects Vitko of encroaching on Ukraine's territorial integrity and inviolability.

Ukrainian deprived of medical help dies in Russian colony

A Ukrainian national, who was deprived of medical help, died in penal colony No 1 of Russia's Adygeya, the Ukrainian regional centre for human rights has said.

The organisation said that the convict was diagnosed with hepatitis and tuberculosis. Before his death, he complained to the European Court of Human Rights.

Antonov may prohibit international flights by Russian AN-124

The management of the Antonov company has said that it may impose a ban on international flights of Russian An-124, if Russia refuses from the designer's services.

Meanwhile, Russia's Industry and Trade Ministry said that they planned to refuse from Antonov's airworthiness support services for its An-124-100 transport aircraft.

Dnipro severs fraternal ties with Russian cities

On 7 September 2016, the Dnipro city council decided to sever fraternal ties with the Russian cities of Krasnoyarsk, Samara and Ulan-Ude.

UKRAINE-EU**European Parliament committee recommends visa-free travel for Ukraine**

The European Parliament Committee on Legal Affairs has backed the draft resolution on cancelling visa requirements for Ukraine and has called on the Committee on Civil Liberties, Justice and Home Affairs (which is responsible for submitting proposals to abolish the visa regime for Ukraine) to approve its position in the first reading based on the European Commission's proposal.

In July, the visa-free travel for Ukraine was approved by the European Parliament's Committee on Foreign Affairs.

It should also be noted that members of the Civil Liberties Committee heard a rapporteur on the Ukrainian question, who recommended that the proposal on including Ukraine on the list of third countries whose nationals are exempt from visa requirements be approved.

Ukraine calls on Polish Sejm not to politicise common history

On 8 September 2016, the Ukrainian parliament issued a resolution in response to the Polish Sejm's decision to recognise the Volyn tragedy as an act of "genocide" against Rzeczpospolita II citizens by Ukrainian nationalists.

Ukrainian MPs described this step as the politicisation of the tragic pages of Ukrainian-Polish history. The resolution says that the anti-Ukrainian steps are being taken when Ukraine is most vulnerable and is in fact in the state of war with the Russian Federation.

During a meeting in Kyiv on 24 August, Ukrainian President **Petro Poroshenko** and his Polish counterpart **Andrzej Duda** signed a joint declaration in which they highlighted the importance of maintaining dialogue between the two countries on historic events. They agreed to try and coordinate the two countries' positions on the Volyn tragedy by December.

UKRAINE-NATO

NATO entry Ukraine's strategic goal - president

NATO entry remains Ukraine's strategic goal, Ukrainian President **Petro Poroshenko** said in his annual address to parliament. *(Read more about the president's state-of-the-nation address in DOMESTIC POLITICAL).*

Earlier, the president said that Ukraine would not raise the issue of joining NATO until all requisite reforms are held.

According to the March survey by Gorshenin Institute, 41.7 percent of Ukrainians would support Ukraine's NATO entry, 35.4 percent would object, while 11.6 percent of respondents did not make up their mind. Others said they would not go to polls.

Ukraine, USA sign agreement on defence cooperation

Ukrainian Defence Minister **Stepan Poltorak** and US Defence Secretary Ash Carter signed the five-year Partner Concept at the UN Support for Peace conference in London on 8 September 2016.

The agreement describes measures to support defence reform in Ukraine and enables bilateral cooperation programmes, transfer of military hardware, technical supply and services, and personnel training.

UK to train 5,000 Ukrainian troops to NATO standards

In 2017, the UK will train 5,000 Ukrainian troops to NATO standards, British Secretary of State for Defence Michael Fallon said at a meeting with Ukrainian Defence Minister **Stepan Poltorak** in London on 8 September 2016.

British instructors have trained 2,500 Ukrainian servicemen by now.

Two retired generals from USA, UK to mentor Ukrainian defence minister

US Defence Secretary Ash Carter has appointed retired Gen **John Abizaid** as a special adviser to Ukrainian Defence Minister **Stepan Poltorak**.

British Secretary of State for Defence **Michael Fallon** also appointed former Commander Land Forces Gen **Nick Parker** as an adviser to Poltorak.

The advisers will help Ukraine to speed up and broaden defence reform.

UKRAINE-WORLD**New ambassadors arrive in Ukraine**

On 8 September 2016, Ukrainian President **Petro Poroshenko** has accepted credentials from EU ambassador **Hugues Mingarelli**, German ambassador **Ernst Reichel**, Italian ambassador **Davide de Cecilia**, Estonian ambassador **Gerta Antsu**, Togo ambassador **Kwami Christophe Dikenou**, Mongolian ambassador **Nemekh Bataa** and Jamaican ambassador **Margaret Jobson**. The latter three are non-resident ambassadors.

On 6 September, the head of the Ukrainian Foreign Ministry's apparatus, **Vadym Prystayko**, also accepted credentials from new Norwegian ambassador **Ole Terje Horpestad** and Belarusian ambassador **Ihar Sokal**.

Four more ambassadors presented their credentials to the Ukrainian president on 29 August. These were US ambassador **Marie Jovanovic**, Romanian ambassador **Cristian-Leon Turcanu**, Brazilian ambassador **Oswaldo Biato Júnior** and Egyptian ambassador **Hossam Eldeen M. Aly**.

5. DOMESTIC POLITICAL**E-declarations launched in Ukraine**

The electronic declaration system has finally been put into service in Ukraine on 1 September.

This software was operational as early as 15 August, but the State Service for Special Communications and Information Protection refused to certify the system because of a number of flaws detected in it. As a result, the system was up only for two days and was taken down for further development, which caused sharp criticism from the EU.

During a roundtable at Gorshenin Institute, MP **Vadym Kryvenko** of the People's Front party said that a grant of 1.4m dollars was allocated for the e-declaration system, but in fact the developer, Miranda company, was paid only 97,000 dollars.

Parliament opens fifth session

The Ukrainian parliament of the 8th convocation opened its fifth session on 6 September.

The first days of work in parliament showed that MPs are ready for constructive work, MP **Boryslav Rosenblat** of the Petro Poroshenko Bloc said during a roundtable at the Gorshenin Institute. However, he did not rule out that there might be heated debates in the session hall when MPs will be considering the draft budget.

According to forecasts by the chief editor of the news and analysis website LB.ua, **Sonya Koshkina**, MPs in the new political season will be focused mainly on judicial reform, the 2017 budget, the fate of the coalition and other topics. (*Read more in the article entitled "Take-off or landing?" on LB.ua.*)

President makes annual address to parliament

President **Petro Poroshenko** made his annual state-of-the-nation address focused on domestic and foreign issues at the first sitting of the Ukrainian parliament.

Poroshenko said that the Ukrainian side is interested in continuing the Normandy-format negotiations more than any other country. He added that any format is useful only when it involves Russia and when it is a multilateral process.

At the same time, the president called for additional "sectoral" sanctions against Russia.

Poroshenko promised that there will be no second reading of the constitutional amendments concerning decentralization until "there are preconditions for that".

Speaking about the financing of defence orders, the president urged MPs to pass the law on special confiscation.

Among other things, the president said that "the real manhunt for corrupt officials has begun".

New presidential administration head appointed

President **Petro Poroshenko** has appointed **Ihor Raynin** as the new head of the presidential administration.

From April to November 2014, Raynin served as the first deputy governor of Kharkiv Region and was appointed the region's governor in February 2015. Between his appointments in Kharkiv, Raynin worked as the deputy head of the Presidential Administration for a couple of months.

The previous head of the Presidential Administration, **Borys Lozhkin**, took up the position of chairman of the National Investment Council.

President dismisses Kyiv region governor after bribe scandal

President Petro Poroshenko has dismissed the head of the Kyiv Regional State Administration, **Maksym Melnychuk**, after his deputy **Ihor Lyubko** was arrested on suspicion of accepting a bribe.

It should also be noted that the president accepted the resignation of Zhytomyr Region governor **Serhiy Mashkovskyy**.

Inter TV channel's studio burnt in arson attack

On 4 September, some 20 people broke into the office of the Inter TV channel's Podrobnosti (Details) news programme and set the studio on fire.

Inter said that the arson attack was an act of vandalism and the encroachment

on democracy and freedom in Ukraine, and called on the authorities to conduct an unbiased investigation into the incident and bring those responsible to justice.

Western politicians and international organizations condemned the arson attack and called on official Kiev to ensure a prompt investigation into all the circumstances of the incident.

For his part, President **Petro Poroshenko** instructed Prosecutor-General **Yuriy Lutsenko** to take the investigation into the incident with the Inter TV channel under his personal control.

Attacks against Inter occurred before. This year there were two such attacks (2 June and 25 February). The events took place near the channel's main office.

Inter is owned by businessman **Dmytro Firtash** and MP **Serhiy Lyovochkin** of the Opposition Bloc party.

Panamanian court remands Ukrainian ex-official to 40 days in prison

A Panamanian court has arrested a former head of the State Agency for Investment and National Project Management, **Vladyslav Kaskiv**, for 40 days, the Ukrainian Prosecutor-General's Office has said.

Kaskiv, for his part, requested political asylum in Panama.

Ukraine suspects Kaskiv of property theft and office abuse with grave implications.

Parliament approves embattled judge's arrest

The Ukrainian parliament has given its consent to the detention and arrest of a judge of Kyiv's Dniprovskyy district court, **Mykola Chaus**.

According to the Specialized Anti-Corruption Prosecutor's Office, Chaus fled to Russia-occupied Crimea.

On 9 August, the National Anti-Corruption Bureau of Ukraine detained the judge while he was accepting a bribe of 150,000 dollars.

Prosecutor's office launches probe in absentia against ex-defence minister

The Main Military Prosecutor's Office has launched a special pre-trial investigation against former Ukrainian Defence Minister **Mykhaylo Yezhel** after he failed to appear for questioning.

The ex-official is suspected of the illegal sale of two Tu-95MS heavy strategic bombers to business entities in Russia, which caused losses to the state exceeding 24m hryvnias (906,000 dollars).

Yezhel headed the Defence Ministry from March 2010 to February 2012. After that, he worked as an aide to former president **Viktor Yanukovych**. In 2013-15, he served as Ukraine's ambassador to Belarus.

Currently Yezhel resides in Belarus.

Parliament passes prisoner welfare bill

The Ukrainian parliament has adopted a draft law on the humanization of the procedure and conditions for execution of punishment. In particular, it introduces responsibility, including criminal sanctions, for disclosure of confidential medical information by prison doctors; prohibits forced feeding without a court's permission, even if the doctor fears that the convict may die.

In addition, parliament passed a bill expanding the list of incentives that can be applied to convicted persons. Specifically, it includes the possibility for convicts to be relocated to facilities with better confinement conditions or to visit their homes (for prisoners held at minimum and medium security facilities).

MPs also voted for a bill that defines the rules for Internet use in prisons. The same document lifts restrictions on the prisoners' right to spend money on food, clothes, linen and other essentials.

Another bill passed by parliament obliges the Justice Ministry to keep convicts in prisons near their places of residence or places of residence of their relatives.

Parliament also approved bills that simplify access to justice for convicts and detained persons.

6. ECONOMY

IMF to consider tranche to Ukraine on 14 September

The IMF Board of Directors will consider granting another tranche to Ukraine under the Extended Fund Facility programme on 14 September, according to the board's updated agenda.

It should also be noted that the Finance Ministry expects to receive 1bn dollars against US-guarantees until the end of September.

Ukraine's international reserves reach 14.1bn dollars

As of 1 September, the international reserves of Ukraine totalled 14.1bn dollars (in equivalent), according to the National Bank. The reserves have been growing for the fifth consecutive month, although only a minor increase was recorded in August (growth by some 20m dollars).

The growth in the reserves was achieved through a placement of domestic government loan bonds.

Ukraine's economy shows 0.7-percent growth in January-July

Ukraine's GDP grew by 0.7 percent over the first seven months of the current year, the Economic Development Ministry has reported.

However, the ministry noted that there was a decline in the rate of industrial production growth in January-July. Specifically, the industrial production index was 2 percent in January-June and dropped to 1.7 percent in the January-July period.

Deflation accelerates to 0.3 percent in August

In August 2016, consumer prices in Ukraine decreased by 0.3 percent compared to July 2016, according to the State Statistics Service.

This indicator has been decreasing for the third month in a row. This occurred due to a lower consumer price base and decline in prices of raw foodstuffs.

Annual inflation (against August 2015) accelerated to 8.4 percent (from 7.9 percent recorded a month earlier). Over the first eight months of this year, consumer prices in Ukraine rose by 4.5 percent.

Ukraine boosts sugar exports by 17 percent since year start

Ukrainian producers exported 122,000 tonnes of sugar in January-August, which is 17 percent more than over the same period of 2015, according to the Ukrtsukor association. Their revenue totalled 60.1m dollars.

The largest sugar supplies were made to Kazakhstan (18.45 percent), Romania (17.18 percent) and Georgia (14.73 percent).

Currency sales by households exceed purchases in August

Net sales (the amount by which sales exceed purchases) of foreign currency by Ukrainian households in June totalled 131.9m dollars, the National Bank has reported.

Banks sold cash currency to households to the tune of 105m dollars and bought 236.9m dollars, which is 2.5 times less than net currency sales recorded over the previous month.

The trend of currency sales exceeding purchases has been observed for 19 consecutive months.

President calls for introduction of land market

President **Petro Poroshenko** has called on MPs to pass laws required for the introduction of an agricultural land market and the right to sell and purchase land plots.

It should be recalled that the moratorium on sales of farmland in Ukraine is in effect until 2017.

According to the news and analysis website LB.ua, former Agrarian Policy Ministry **Oleksiy Pavlenko** in the spring 2016 announced a pilot project for sales of agricultural land. After the ministry's leadership was replaced, no further information on the project was provided.

Court blocks Odesa portside plant's accounts

The commercial court of Odesa Region has blocked all of the accounts of the Odesa Portside Plant on a lawsuit filed by Ukrhaz Group, which demands that a debt of 100.6m hryvnyas (3.8m dollars), a fine of 4m hryvnyas (151,000 dollars) and a penalty of 1.7m hryvnyas (64,000 dollars) be recovered from the Odesa plant.

The plaintiff said that the defendant had failed to fulfil its financial obligations under a gas sales agreement of 31 May.

It should be recalled that the auction for the sale of the Odesa Portside Plant scheduled for 18 July failed, as no participation bids were filed by potential investors. The starting price of the company's shares held by the government (99.6 percent) was established by the appraiser at 13.18bn hryvnyas (494m dollars).

After that, the government approved changes proposed by the State Property Fund in the methodology used to value facilities subject to privatization. These changes will make it possible to reduce the starting price of the Odesa plant.

EBRD allocates 37m dollars for grain terminal

The Board of Directors of the European Bank for Reconstruction and Development has approved a loan of 37m dollars (in addition to a similar loan from the International Finance Corporation) that will be used to build a grain terminal in the Pivdenny port (Odesa Region) with the maximum annual capacity of 5m tonnes of grain.

Banks' debts to regulator drop by 940m dollars

Debts of commercial banks to the National Bank of Ukraine on the principal amount of refinancing loans declined by 25bn hryvnyas (940m dollars) in January-August 2016.

Currently, banks' debts to the regulator total 74.35bn hryvnyas (2.81bn dollars). The current level of debt corresponds to the level seen in early 2014.

Antitrust agency approves Ukrsotsbank purchase

The Antimonopoly Committee of Ukraine has allowed the Luxembourg-based company ABH Holdings S.A., which indirectly owns Alfa-Bank, to buy 100 percent of shares in Ukrsotsbank.

ABH buys Ukrsotsbank from Italy's UniCredit Group. In exchange, UniCredit receives a 9.9-percent share in ABH Holdings.

Alfa-Group, which includes ABH Holdings, is one of the largest financial and industrial groups in Russia.

7. ENERGY**Ukraine set to pump 17bn cu.m. of gas into underground facilities**

The Cabinet of Ministers on 31 August decided to pump 17bn cu.m. of natural gas into

underground storage facilities before the heating season, fearing a cold winter.

According to First Deputy Prime Minister and Economic Development Minister **Stepan Kubiv**, Ukraine has enough money to purchase such gas volumes.

Earlier, it was planned that Ukraine would start the 2016-17 heating season with 14bn cu.m. of gas in underground storage facilities.

During a roundtable at Gorshenin Institute, MP **Lev Pidlisetskyy** of the Self-Help party said that Ukraine's Energy Ministry plans to purchase additional 3bn cu.m. of gas from Russia.

It should be noted that as of 4 September, the volume of gas in Ukrainian underground storage facilities totalled 12.7bn cu.m.

Rebel-held territories accumulate 925m-dollar electricity debts

The debts of the Donbas territories not controlled by the Ukrainian authorities for supplied electricity have reached 24bn hryvnyas (925m dollars), according to the state-run Ukrenerho company. At the same time, 90 percent of the debt is owed by Luhansk Region.

Ukraine imports 10m tonnes of coal over eight months

Ukraine in January-August imported 10.2m tonnes of coal to the tune of 902.2m dollars, including August supplies worth 104.3m dollars, according to the State Fiscal Service.

The largest suppliers were the Russian Federation, which supplied coal to the amount of 594.9m hryvnyas (132.7m dollars), Australia (49.5m dollars) and other countries (125.2m dollars).

At the same time, Ukraine exported 379,500 tonnes of coal worth 31.6m dollars over the eight months.

Russia ceases diesel fuel supplies to Ukraine - media

The Russian Federal Service for Technical and Export Control has cancelled the majority of previously issued permits for exports of diesel fuel to Ukraine, which caused the termination of supplies on 9 September, Ukrainian media have reported.

The share of Russian diesel fuel supplies on the Ukrainian market made 32 percent of total imports (42,500 tonnes) in the first half of 2016.

Ukrainian nuclear plants cut electricity output by 10.5 percent

Ukrainian nuclear power plants in January-August reduced electricity production by 10.5 percent compared to the same period in 2015, to 51.4bn kWh, according to the state-run Enerhoatom company.

At the same time, electricity production by Ukraine's nuclear plants decreased by 11.3 percent in August.

Court suspends Naftohaz's first deputy head

The Kyiv Court of Appeals has ruled to suspend **Serhiy Pereloma** from the post of first deputy board chairman of the state-run energy company Naftohaz Ukrayiny.

Earlier, Pereloma was suspended from the post of chairman of the supervisory board of the Odesa Portside Plant.

Pereloma is suspected of embezzling funds of the Odesa Portside Plant.

Court prohibits freezing Ukrnafta's licenses

The Kyiv District Administrative Court has upheld the motion filed by the Ukrnafta company and has forbidden the State Geology and Subsoil Service to suspend special permits issued to the company due to its tax arrears.

On 1 September, the State Geology and Subsoil Service suspended three special permits issued to Ukrnafta due to the company's tax and fee arrears owed to the state.

Founded in July 2010, Gorshenin Weekly is a weekly digest of expert analysis covering the most important political, social and economic events in Ukraine. It is the key source of information about opinion polls carried out by the Gorshenin Institute as well as the best professional commentaries on recent developments.

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