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TOP-NEWS**Russia continues deploying troops, equipment to Crimea**

The Crimean parliament has decided on the autonomy's joining Russia as "a subject of the Russian Federation". Situation in eastern Ukraine remains unstable.

You can find more details in the sections "SITUATION IN CRIMEA" and "DOMESTIC POLITICAL".

Russia's Gazprom cancels gas discount for Ukraine

The Russian gas monopolist Gazprom has also warned the Ukrainian authorities about the possible suspension of gas deliveries.

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

Ukraine to receive 11bn-euro financial assistance package from EU

The International Monetary Fund is also ready to provide aid to Ukraine.

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

SITUATION IN CRIMEA**Crimean parliament approves joining Russia**

On 6 March, the Crimean parliament passed a resolution on the peninsula's becoming a part of Russia as a "subject of the Russian Federation".

Crimean MPs asked Russian President **Vladimir Putin** and the lower house of the Russian Federal Assembly, the State Duma, to initiate the procedure for Crimea's joining Russia.

Furthermore, Crimean lawmakers decided to reschedule a referendum on status of Crimea from 30 March to 16 March.

The same day, 6 March, the Sevastopol city council voted in favour of Sevastopol's becoming a part of Russia and backed the holding of an all-Crimean referendum on 16 March.

In his turn, Putin held a consultation on the issue of Crimea's joining the Russian Federation behind closed doors with members of the Russian Security Council. So far, no official information has been made available on the outcome of the meeting.

The speaker of the Russian State Duma, **Sergey Naryshkin**, said that the lower house of the Russian parliament would consider the issue of Crimea's joining Russia after a referendum. He added that the State Duma would support the choice of the Crimean population.

Russian Federation Council speaker **Valentina Matviyenko** has said that the upper house will also support the decision of Crimea's inhabitants.

Ukrainian authorities view Crimean parliament's decision on joining Russia and holding a local referendum as illegal.

On 7 March, the interim Ukrainian president, speaker **Oleksandr Turchynov**, suspended the enactment of the Crimean parliament's resolution under which the autonomous republic would become a part of Russia and hold a local referendum on the issue on 16 March.

The interim Ukrainian president pointed out that under the constitution of Ukraine, issues related to the state borders and to changes of Ukrainian territory could be considered only at an all-Ukrainian referendum.

The Security Service of Ukraine launched a pre-trial investigation into the resolution approved by lawmakers of the Crimean parliament to join the Russian Federation.

On 7 March, Kiev's district administrative court revoked the resolution of the Crimean parliament on holding a referendum to determine the status of the peninsula.

On 6 March, the Ukrainian Central Electoral Commission temporarily blocked the access of the Crimean authorities to a database of the state voter registry.

In his turn, the first deputy speaker of the Crimean parliament, **Hryhoriy Ioffe**, stated that the blocking of the state voter registry in Crimea would have no effect on the holding of a referendum. Electoral rolls have been already prepared, he added.

Ukrainian Prime Minister **Arseniy Yatsenyuk** said that the world would not recognize this referendum.

The USA, the EU, as well as the UN Security Council, have already declared that the Crimean referendum is illegitimate.

Crimean Tatars oppose referendum on autonomy status

The self-styled Crimean Tatar government, the Majlis, will not recognize a local referendum on Crimea's exit from Ukraine, which is slated for 16 March, Majlis leader **Refat Chubarov** has said.

Additionally, he urged the international community to dispatch to Crimea a peacekeeping contingent of the UN security forces.

Furthermore, the Crimean Tatars sought help from Turkey, Kazakhstan, and Azerbaijan.

Turkish Prime Minister **Recep Tayyip Erdogan** stressed that Ankara would not leave the Crimean Tatar people in the lurch.

The Gorshenin Institute's president **Vadym Omelchenko** pointed out that the position of the Crimean Tatars was an important factor for the resolution of the conflict in Crimea. "If they decide to organize in Simferopol a peaceful Maydan with around 10,000 participants, which will block the actions of the illegitimate Council of Ministers, it will bring results," the expert noted.

Russia beefs up military contingent in Crimea

Crimea continues to be under the de facto control of the Russian army: armed

servicemen are guarding military units, checkpoints of the Ukrainian State Border Service, and streets.

On 5 March, Russian President **Vladimir Putin** said that the uniformed individuals who had established control over strategic Crimean facilities were representatives of local self-defence units. Russian Defence Minister **Sergey Shoygu** and Russian Foreign Minister **Sergey Lavrov** also denied that a Russian military contingent had been stationed on Ukrainian territory.

In their turn, the Ukrainian authorities sent Russia a letter demanding to "confirm the presence of the military of the Russian Federation's Armed Forces outside the base of the Black Sea Fleet" on the territory of Crimea.

The Foreign Ministry of Ukraine stressed that there were more Russian military in Crimea than provided for in the agreements. According to information at the disposal of the acting Ukrainian defence minister, **Ihor Tenyukh**, as of 7 March, nearly 18,000 Russian troops were present in Crimea. A representative of the Ukrainian State Border Service, Col-Gen **Mykhaylo Koval**, said that 30,000 Russian soldiers were on the ground in Crimea.

The former advisor to the Russian president, **Andrey Illarionov**, said that the developments in Crimea showed that the Kremlin had started to implement its multistage plan, which had been hatched six years ago. "Crimea is only the beginning. [Ukraine's] east and south are to follow," he noted.

The editor in chief of the LB.ua news and analysis website, **Sonya Koshkina**, stressed that "not a single action on the territory of the peninsula - starting from the absence of identifying signs on the uniforms of invaders to the pressuring of local lawmakers - was accidental".

The Gorshenin Institute vice-president, **Oleksiy Leshchenko**, also pointed out that "one of the Russian objectives right now is to establish support for an active pro-Russian civil protest".

Ousted president urges Putin to send troops to Ukraine

On 3 March, the Russian envoy to the UN, **Vitaliy Churkin**, said during an emergency session of the UN Security Council that as a legitimately elected Ukrainian president, **Viktor Yanukovych** had asked his Russian counterpart Vladimir Putin to use Russian troops for "restoring law and order" in Ukraine.

At the same time, according to the Ukrainian permanent envoy to the UN, **Yuriy Serheyev**, under the Ukrainian constitution, only the country's parliament has the power to decide on allowing the armed forces of foreign countries on the territory of Ukraine. He also stressed that Yanukovych was no longer the president of Ukraine.

On 4 March, Ukrainian MPs passed a resolution on the withdrawal of foreign troops from the country's territory.

In the opinion of the Gorshenin Institute's expert, **Yevhen Kurmashov**, Russian President Putin viewed the ouster of Yanukovych as his personal defeat.

Russian Air Defence Forces participate in large-scale military drills

The Russian Air Defence Forces of the Western Military District (WMD) have started exercises, which united all the district ground troops of this military unit, at the Kapustin Yar range near Astrakhan, the head of the WMD's press service, **Oleg Kochetkov**, was quoted by the Russian news agency ITAR-TASS as saying on 6 March.

Kochetkov added that nearly 3,500 experts of the district Air Defence Forces and over 1,000 items of military and special equipment were involved in the drill.

The Kapustin Yar range is located approximately 450 km from the Ukrainian border.

Earlier, on 26 February, Russian President **Vladimir Putin** tasked the Russian Defence Ministry with carrying out an unannounced comprehensive check of the readiness of the Western and Central military districts and different military units.

On 4 March, Putin announced the successful completion of the exercises and ordered the military to return to the sites of their permanent deployment.

Russia keeps deploying military equipment, setting up refugee centers on western border with Ukraine

Russia has been deploying military equipment to the border areas with Ukraine's Kharkiv, Luhansk, and Donetsk regions, a representative of the Ukrainian Foreign Ministry, **Yevhen Perebyynis**, said on 3 March.

Furthermore, the Rostov Region governor has been setting up centres for registering refugees, which, in the opinion of Perebyynis, might indicate that Russia is planning a further military incursion.

"Crimean self-defence" units attempted to stop UN secretary-general's envoy

On 5 March, armed uniformed individuals in Simferopol, who said that they were members of the "Crimean self-defence" blocked the vehicle of the UN secretary-general's special representative, **Robert Serry**, who had arrived in Crimea on a mission. They told him that they had been ordered to take him back to the airport. Serry refused to comply with the order and went inside a coffee shop, whose door they subsequently blocked.

Several people in uniforms and journalists created a live corridor through which Serry was able to leave the coffee shop.

Additionally, the LB.ua news and analysis website reported that nearly 40 unidentified individuals had kidnapped Col-Gen **Mykhaylo Koval**. He was subsequently released after negotiations.

Over the last few days, the UN Security Council has held four consultations to discuss the Ukrainian issue.

OSCE mission prevented from entering Crimea

Unidentified uniformed men prevented the OSCE military observers from entering the territory of Crimea several times.

As is known, an OSCE military observers mission is staying from 5 to 12 March in Ukraine upon its invitation, comprised of 40 people from 21 countries. The programme of their staying provided for visits to military facilities of Ukraine's Armed Forces and Russian Federation's Black Sea Fleet in Crimea.

US Army ready to support Ukraine

The US Army is ready to support its allies in Europe and assist Ukraine in case of deterioration of the situation in the country. This was reported by the US Chairman of the Joint Chiefs of Staff, General **Martin Dempsey**.

Crimean, Russian officials face American, Canadian sanctions

On 6 March, following an order from US President **Barack Obama**, the US Department of State imposed visa and financial sanctions against the Russian and Crimean officials who are believed to pose a threat to the territorial integrity of Ukraine.

Earlier, the USA also suspended its trade, financial, and military cooperation with Moscow.

US Secretary of State **John Kerry** said that his country and its Western partners will resort to the diplomatic, economic, and international isolation of Russia if the conflict in Crimea continues to escalate.

The Canadian authorities also announced restrictive measures that targeted Moscow and former members of the Ukrainian government. In particular, Ottawa suspended its military cooperation with the Russian Federation, recalled its ambassador from Russia for consultations on the situation in Ukraine, and introduced visa sanctions against a number of Russian public figures.

Russia has started preparing to reciprocate the sanctions.

EU postpones sanctions against Russia

The EU intended to impose visa sanctions, freeze assets, and refuse to hold the EU-Russia summit if there was no progress with the resolution of the Crimean situation. This was reported by President of the EU Council **Herman van Rompuy**.

We would like to stress that the foreign ministers of the EU member states decided during a meeting on 6 March to suspend the negotiations on visa issues and on a new agreement with Russia.

The Gorshenin Institute vice-president, **Oleksiy Leshchenko**, pointed out that one could not ignore the fact that 30 percent of gas in the EU was delivered by Russia. It is an extremely serious factor which will influence the EU decision whether to impose sanctions on Russia.

Putin refused to acknowledge guarantees to Ukraine in line with the Budapest memorandum

On 5 March, the parties to the Budapest memorandum, under which the USA, the UK, and Russia had guaranteed Ukraine's security in exchange for its agreement to get rid of its nuclear arsenal in 1994, held a consultation in Paris.

US Secretary of State **John Kerry** said that all the parties "agreed to continue intensive discussions with Russia and Ukraine geared towards overcoming the crisis". At the same time, he added, a representative of the Russian Federation did not attend the meeting.

On 4 March, Russian President **Vladimir Putin** said that the new Ukrainian government was not covered by the terms of the Budapest agreement.

We shall remind you that the G7 countries (the USA, Germany, France, the UK, Italy, Canada, and Japan) suspended their preparation for the Sochi G8 summit and condemned Russia's actions in Ukraine. In their joint statement, the countries said that the actions of Moscow were incompatible with activities of the G8.

The president of the European Council, **Herman Van Rompuy**, said that the EU supported the decision of the G7 member states to suspend the preparation for the G8 summit.

In his turn, a representative of the Russian Foreign Ministry, **Konstantin Dolgov**, urged foreign states to react adequately to "the openly Russophobic and extremist anti-Semitic statements made by a number of the Maydan leaders".

China called to settle the Crimean crisis in a political and diplomatic way

The Crimean crisis should be settled in a political and diplomatic way. This was said by the People's Republic of China President **Xi Jinping** during his conversation with the US President **Barak Obama**.

At the same time, the China's news agency Xinhua published a text expressing support for Russia and stating the failure of the West's strategy in Ukraine.

China's Foreign Minister **Wang Y** said that the China-Russia comprehensive relations for strategic cooperation and partnership will continue.

Ukrainian authorities ready to provide more powers to Crimea, says justice minister

After the Russian military withdraw from the territory of Crimea, the Ukrainian parliament will be ready to work with the Crimean parliament to draw up a new draft constitution to expand the powers of the autonomy, Ukrainian Justice Minister **Pavlo Petrenko** has said.

On 4 March, the Ukrainian parliament set up an ad hoc commission for drawing up a draft law on amending the constitution of Ukraine.

Russian Foreign Minister **Sergey Lavrov** earlier said that Ukraine should implement constitutional reform which would take into account the interests of all the country's regions, including Crimea.

Crimea authorities intend to nationalize all state-run companies

All the state-run companies located on the territory of Crimea will be nationalized, the first deputy prime minister of the self-proclaimed Crimean government, **Rustam Temirgaliyev**, has said.

He added that all the assets belonging to private businesses, including land, real estate, and companies, will undergo a new registration in line with the Russian legislation.

New Crimean leadership reshuffles top posts

On 6 March, the Crimean parliament appointed new ministers of the autonomy, its prosecutor-general, head of the tax services, and head of the State Property Fund.

We also learned that self-proclaimed Crimean Prime Minister **Serhiy Aksyonov** had appointed a new head of the Chornomornaftohaz company, which extracts gas in the Black Sea. The Ukrainian state-run oil and gas company Naftohaz Ukrayiny owns 100 percent of Chornomornaftohaz's shares.

Ukrainian prosecutor's office launches criminal cases against Crimean leaders

On 5 March, the Ukrainian Prosecutor-General's Office opened criminal cases against self-proclaimed Crimean Prime Minister **Serhiy Aksyonov**, Crimean parliamentary speaker **Volodymyr Konstantynov**, as well as against the former Ukrainian navy commander in chief, Rear-Adm **Denys Berezovskyy**, who had sworn allegiance to the new Crimean government. They are suspected of treason.

The Security Service of Ukraine launched a pre-trial investigation as part of these criminal cases.

On the same day, 5 March, a Ukrainian court issued arrest warrants for Aksyonov and Konstantynov.

Furthermore, the Prosecutor-General's Office tasked the special service units in charge of operational and search activities with detaining Berezovskyy.

Ukrainian Justice Ministry blocks access to number of registries in Crimea

The Ukrainian Justice Ministry has blocked access to a number of registries in the Autonomous Republic of Crimea in order to protect information of Ukrainian citizens about real estate, property rights, companies, as well as physical entities, Ukrainian Justice Minister **Pavlo Petrenko** said on 7 March.

The Crimean authorities also reported that Kiev blocked the accounts of the autonomy.

Government allocates funds for additional payments to servicemen

On 9 March, the Cabinet of Ministers of Ukraine allocated 125.8m hryvnias (13.56m dollars) for the servicemen of the Armed Forces, Interior Ministry's Internal Troops and the State Border Guard Service of Ukraine in Crimea.

Ukrainian Prime Minister **Arseniy Yatsenyuk** said that starting from 1 October, the salary for members of the military will be increased by 50 percent, and by additional 30 percent starting from 1 January 2015.

As previously reported, starting from 26 February, the Russian troops have been trying every day to seize military units of the Ukrainian Armed Forces in Crimea. Certain commanders of the Russian army have been constantly negotiating with the Ukrainian military, forcing them to commit treason.

According to information at the disposal of the Ukrainian Defence Ministry, not a single serviceman, excluding Rear-Adm **Denys Berezovsky**, has violated the loyalty oath to the people of Ukraine.

Poland evacuates its consulate in Crimea

Polish Foreign Ministry has made a decision to evacuate its consulate in Crimea, Polish Foreign Minister **Radoslaw Sikorski** has said.

It is to note that the USA recommended its citizens to postpone their trips to Ukraine.

MEDIA

Militia capture Ukrainian journalist, activists

On 9 March, unidentified men wearing military uniforms stopped two groups of Ukrainian journalists at the entrance to Crimea from the side of Kherson Oblast, including activists of Auto-Maydan, Glavcom website reports. Then, the militants took away journalist **Olena Maxymenko** and activists **Kateryna Butko** and **Oleksandra Ryazantseva** and left in an unknown direction.

Also, Ukrayinska Pravda reports that armed men arrested journalists who were passing Armyansk (a town in the north of Crimea, - ed.). The driver and the journalists he was transporting were taken away in an unknown direction.

Ukrainian journalists violently beaten in Crimea

On 7 March, a group of journalists, which also included women, was violently beaten during the storming of a Ukrainian military unit near Sevastopol, a correspondent of the Ukrainian private TV channel Inter, **Olena Mekhanik**, has reported.

Previously, the mass media repeatedly reported about attacks on journalists by representatives of "Crimean self-defence".

The OSCE representative on freedom of media, **Dunja Mijatovic**, said after visiting Crimea that local groups of the so-called "self-defence" were subjecting journalists in the peninsula to intimidation and persecution.

Ukrainian TV channels cut off from air in Crimea

All Ukrainian TV channels were cut off from analog broadcasting, BBC Ukraine reports.

Furthermore, the Russian TV channel Rossiya 24 is currently broadcast at the frequency of Crimea's largest Chornomorska TV and radio company, whose broadcasting had been disabled earlier.

The National Television and Radio Committee to check Russian TV stations

The Ukrainian National Security and Defence Council (NSDC) asked the National Television and Radio Broadcasting Council of Ukraine to check whether Russian channels comply with Ukrainian laws, the NSDC deputy secretary, **Viktoriya Syumar**, said on 6 March.

She added that the current situation in the Ukrainian media space posed a threat to the country's national security.

On 7 March, the National Television and Radio Broadcasting Council of Ukraine urged TV providers to temporarily refrain from re-broadcasting programmes of the Russian TV channels Vesti, Rossiya 24, ORT, and RTR-Planeta until their programmes meet the requirements of the Ukrainian legislation.

Earlier, one of the Kiev providers excluded three Russian channels from its network.

Ukrainian Forbes to be stripped of license

American Forbes withdraws the license from the Ukrainian version of the magazine. This was said by the publication's representative **Mia Carbonell**, BuzzFeed reports.

As is known, the Ukrainian Forbes belongs to UMH Group of **Serhiy Kurchenko**, reported to be a man close to **Viktor Yanukovych**'s entourage.

INTERNATIONAL POLITICAL**UKRAINE-EU****Ukraine, EU may sign political part of association agreement by 25 May**

The European Union is ready to sign political chapters of the association agreement with Ukraine by the presidential election scheduled for 25 May 2014, European Commission President **Jose Manuel Barroso** said in the wake of the EU summit which discussed the situation in Crimea.

Barroso said that this decision was prompted by the crisis in Crimea: "For the first time in many years, we in Europe feel a real threat to our stability, and even to peace on this continent."

Barroso said that the EU was planning to unilaterally cancel import duties on Ukrainian goods before signing a free trade area agreement.

Ukrainian Prime Minister **Arseniy Yatsenyuk** said that Ukraine was willing to sign the association agreement with the EU as soon as possible.

EU ready to introduce visa-free travel for Ukrainians – Yatsenyuk

Ukrainian Prime Minister **Arseniy Yatsenyuk** has instructed the cabinet to immediately implement an action plan on visa-free travel regulations between the EU and Ukraine.

According to Yatsenyuk, "the EU has clearly stated: we are ready to introduce visa-free travel and it depends on how fast Ukraine implements its action plan."

EU freezes assets of Yanukovych, former officials

On 5 March 2014, the European Union decided to freeze the assets of 18 former Ukrainian officials suspected of embezzling state funds and being involved in human rights violations.

Among the officials in question are deposed President **Viktor Yanukovych**, former Prime Minister **Mykola Azarov**, former Interior Minister **Vitaliy Zakharchenko**, former Prosecutor-General **Viktor Pshonka**, former presidential administration head **Andriy Klyuyev** and others.

The European Council's decision took effect on 6 March 2014 and is valid for one year.

A number of European countries already froze the accounts of former Ukrainian officials.

Lithuania has declared Yanukovych and his entourage personae non grata.

UKRAINE-CIS

Putin: Ukrainian situation may affect Customs Union

The Customs Union of Belarus, Kazakhstan and Russia should think about measures to protect their producers due to the difficult economic situation in Ukraine, Russian President **Vladimir Putin** said at a meeting of the Supreme Eurasian Economic Council of heads of state on 5 March.

"We all need to think about what to do to protect our manufacturers and exporters, and work out the parameters of our future interaction with Ukraine," he said.

Russia cuts import of Ukrainian goods by one third

Russia cut the import of Ukrainian goods in January by over one third in comparison with January 2013, down to 698.3m dollars, the ITAR-TASS news agency has quoted the Russian Federal Customs Service as saying.

Russia's exports to Ukraine have remained unchanged at 1.95m dollars. The positive trade balance in Russia's favour in January 2014 equaled 1.25bn dollars against 837m dollars a year earlier.

Russia puts Right Sector leader on international wanted list

On 5 March 2014, the Russian Investigations Committee put the leader of the Ukrainian far-right radical movement Right Sector, **Dmytro Yarosh**, on international wanted list.

Russia has earlier opened a criminal case against Yarosh over calls for terrorist actions using mass media.

The Prosecutor-General's Office of Ukraine said that Yarosh would not be handed over to Russia.

Yarosh earlier posted an address to Chechen militant leader **Doku Umarov** on the Vkontakte social network, asking him to support Ukraine. The Right Sector denied making this statement, saying it was published on its page after it was hacked.

On 7 March, Russia put **Oleksandr Muzychko**, the Right Sector's coordinator in western Ukraine, on international wanted list. He is suspected of killing 20 Russian soldiers in Chechnya in 2000.

Ukrainian prosecutor's office opens criminal case against Russian Black Sea Fleet commander

The Ukrainian Prosecutor-General's Office has launched a criminal case against the commander of the Russian Black Sea Fleet, Vice-Adm **Aleksandr Vitko**. He is suspected of inciting treason and organizing acts of sabotage in Crimea.

We would like to point out that Russia's investigative committee opened criminal cases over the threats which "Ukrainian nationalists" had allegedly issued to the governors of Belgorod, Kursk, Bryansk, and Voronezh regions.

Russian premier orders construction of bridge to Crimea's Kerch

On 3 March 2014, Russian Prime Minister **Dmitriy Medvedev** said that he had signed a decree to set up an affiliate branch of the state-owned company Avtodor to act as customer for the construction of a bridge across the Kerch Strait.

In December 2013, Russia and Ukraine signed an agreement on "joint actions" on the construction of a bridge across the Kerch Strait. However, in late February, Russian Transport Minister **Maksim Sokolov** said that the Russian side suspended several joint projects with Ukraine, including the talks on the construction of a bridge across the Kerch Strait.

The bridge is expected to link Crimea and Russia's Krasnodar Kray. Currently, there is a ground link to Crimea through the Perekop Isthmus.

According to the Russian Transport Ministry, the bridge will cost at least 1.4bn dollars and its construction will take at least 3.5 years.

The Ukrainian Ministry of Economic Development expects the bridge project to take four to five years and cost 1.5-3bn dollars.

UKRAINE-AUSTRALIA

Australian authorities ready to prolong visas for Ukrainians

The Australian authorities have permitted Ukrainian nationals temporarily staying on its territory to apply for visa prolongation until the situation in Ukraine stabilizes, Associated Press reported on 5 March.

On 3 March, Australia cancelled government contacts with Russia over Ukraine.

At the same time, New Zealand stopped free trade talks with Russia.

UKRAINE-NATO

NATO steps up cooperation with Ukraine

NATO called on Russia to withdraw its troops from Crimea and return them to the places of permanent deployment. This was reported by NATO Secretary General **Anders Fogh Rasmussen**.

NATO suspends or limits certain aspects of practical military cooperation with Ukraine, while intensifying partnership with Ukraine, he added.

Ukrainian Prime Minister **Arseniy Yatsenyuk** said that Ukraine was not considering NATO membership.

UKRAINE-COUNCIL OF EUROPE

Council of Europe points out violations by previous authorities during clampdown on protests

On 4 March 2014, Council of Europe Commissioner for Human Rights **Nils Muiznieks** made a report on the violations committed during the mass protests in Ukraine, based on the findings of his visit to Kiev on 4-10 February.

Muiznieks said that the protests in Ukraine were not entirely peaceful. At the same time he accused the authorities of excessive use of force and gross violations of human rights.

Council of Europe demands pullout of Russian troops from Ukraine

The Standing Committee of the Parliamentary Assembly of the Council of Europe has approved a resolution condemning the incursion of Russian troops into Ukraine, a member of the Ukrainian parliamentary delegation and Fatherland MP, **Serhiy Sobolev**, has said.

He added that signatures were being collected under the initiative to suspend the mandate of the Russian delegation to the Council of Europe.

According to Sobolev, "the Standing Committee of the [Parliamentary Assembly of the] Council of Europe supported the incumbent Ukrainian authorities, having recognized them as fully legitimate, and approved of all efforts of the Ukrainian authorities to stabilize the situation using diplomatic means as soon as possible."

DOMESTIC POLITICAL

Interpol receives request for Yanukovych's arrest

On 5 March, Interpol has received an official "Red Alert" request from Ukraine for the detention of deposed President **Viktor Yanukovych**, its press service has said.

Interpol is now assessing the request to determine whether it conformed with the law-enforcement agency's constitution and rules.

The Prosecutor-General's Office of Ukraine opened four types of criminal proceedings against Yanukovich: the organization of mass murder of people; abuse of office; the toppling of the constitutional order in 2010; and calls to topple the constitutional order which he made at a recent news conference in Rostov-on-Don.

The Security Service of Ukraine (SBU) asked the Federal Security Service of Russia for assistance in handing wanted Yanukovich over to Ukrainian investigative bodies.

Pro-Russian protests continuing in Eastern Ukraine

Pro-Russian activists attempted to occupy the building of the Luhansk regional state administration on 9 March.

One of the protesters' demands is holding a referendum on region's joining Russia on 16 March.

Also, large pro-Russian rallies continue in Donetsk. The Donetsk regional council announced a referendum on the region's incorporation into the Russian Federation. The Donetsk city council also call a referendum on the region's destiny.

Vadym Omelchenko, president of the Gorshenin Institute, said that the idea of Ukraine's split was artificial. "Economy will get back to work and the issue of federalization will die on its own," the expert said.

Security service detains self-proclaimed Donetsk governor

On 6 March 2014, the Security Service of Ukraine (SBU) detained the so-called "people's governor" of Donetsk Region, **Pavlo Hubaryev**. Earlier, a court ruled on a two-month custody for Hubaryev.

The SBU opened criminal proceedings against Hubaryev who is suspected of making calls for infringement on Ukraine's territorial integrity. The Interior Ministry of Ukraine opened criminal proceedings against him over the seizure of the regional state administration.

Hubaryev is the head of the pro-Russian movement People's Militia of Donbass. Pro-Russian protestors elected him the governor of Donetsk Region.

State Border Service of Ukraine operating in high security mode

Since the beginning of March, 3,500 people have been prevented from entering Ukraine via its eastern border, including 16 journalists. This was reported on 9 March by the first deputy head of the State Border Service **Pavlo Shysholin**.

According to Shysholin, the main efforts of the border guards are focused on preventing foreigners involved in extremist activities from entering the territory of Ukraine.

Additionally, the State Border Service reported about the start of a special operation on the border with Moldova's breakaway Dniester region to prevent provocateurs from entering Ukraine.

At the same time, the agency provided strick border control on the entrance to Crimea.

There are reports that "self-defence" representatives in Crimea search all people entering the peninsula.

Turchynov not to sign cancellation of controversial language law

Interim President and speaker **Oleksandr Turchynov** has said that he will not sign the parliament decision cancelling the controversial law on the principles of state language policy adopted on 3 July 2012.

Cabinet splits Ministry of revenues and Levies into tax and customs services

On 1 March 2014, the Cabinet of Ministers at its sitting split the Ministry of Revenues and Levies into the State Tax Service and the State Customs Service. The new agencies will report to the Finance Ministry.

The two agencies were merged into one ministry under then President **Viktor Yanukovych** in late December 2012.

Acting head of Ukrainian presidential administration appointed

Interim President and speaker **Oleksandr Turchynov** has appointed Fatherland MP **Serhiy Pashynskyy** as acting head of the presidential administration.

Interim president appoints several uniformed agency heads

On 7 March 2014, speaker **Oleksandr Turchynov** appointed **Hennadiy Kuznetsov** as head of the Security Service of Ukraine's Alfa special squad, which is the centre for special counterterrorism operations.

On 3 March, Turchynov appointed **Valeriy Kondratyuk** as head of the Security Service of Ukraine's counterintelligence and Yuriy Pavlov as head of the Defence Ministry's intelligence.

Turchynov also appointed **Serhiy Hayduk** as Ukrainian Navy commander.

Interim president replaces head of Kiev city state administration

On 7 March 2014, interim President and speaker **Oleksandr Turchynov** dismissed **Volodymyr Makeyenko** as chairman of the Kiev city state administration.

Makeyenko was appointed to this post by then President **Viktor Yanukovych** on 25 January 2014.

Fatherland MP **Volodymyr Bondarenko** was appointed the new head of the Kiev city state administration.

Acting president dismisses ex-prosecutor from National Security and Defense Council

On 5 March 2014, acting President and speaker **Oleksandr Turchynov** dismissed **Renat Kuzmin** as deputy secretary of the National Security and Defense Council.

Investigative journalist to oversee anti-corruption policy

On 5 March 2014, Prime Minister **Arseniy Yatsenyuk** signed a decree to appoint journalist **Tetyana Chornovol** as government representative for anti-corruption policy.

Bloodshed on Maydan provoked by third force – Interior Ministry

Interior Minister **Arsen Avakov** has said that the bloodshed in Kiev was provoked by a "non-Ukrainian third force".

The head of the parliamentary commission for investigating the illegal actions of law-enforcement bodies during the pro-EU, anti-government protests known as Euro-Maydan, Fatherland MP **Hennadiy Moskal**, said that both the activists and police officers were shot at by the snipers of the Interior Ministry and the Security Service of Ukraine, the Zerkalo Nedeli weekly has said. He also said that the order to use firearms on Maydan was issued by former Interior Minister **Vitaliy Zakharchenko**. **Viktor Yanukovych**, on his part, authorized a violent dispersal of the protest, the MP added.

ECONOMY

EU ready to give Ukraine 11bn euros

The European Commission has decided to provide 11bn euros to Ukraine as financial aid, European Commission President **Jose Manuel Barroso** said on 5 March.

The EU summit endorsed the European Commission's decision on 6 March.

It is expected that 1.6bn euros of the bailout package will be provided in the form of loans, 1.4bn euros will be allocated as grants from the EU. In addition, Kiev will receive another 3bn euros from the European Investment Bank (EIB) and 5bn euros from the European Bank for Reconstruction and Development (EBRD).

The EBRD has confirmed the intention to invest at least 5bn euros in Ukraine until 2020 as part of the international financial assistance programme.

Also, the Ukrainian parliament on 4 March ratified a memorandum with the EU on granting Ukraine a loan of 610m euros.

US to give Ukraine 1bn-dollar loan

US President **Barack Obama** on 3 March made an appeal to the Congress to provide an aid package to Ukraine.

The US House of Representatives on 6 March approved a bill on providing Kiev with government loan guarantees worth 1bn dollars.

It is expected that the Senate will consider the bill in the coming days.

IMF ready to help Ukraine

The International Monetary Fund (IMF) is ready to provide assistance to Ukraine and to support the Ukrainian government's economic programme in order to facilitate the country's advance on the path of economic growth and prosperity, news agency UNIAN quoted a statement by Director of the IMF European Department **Reza Moghadam**.

As was announced earlier, the IMF mission is working in Kiev from 4 to 14 March. Particularly, the mission is assessing the current economic situation in Ukraine and holding consultations on economic reforms in the country.

Russian President **Vladimir Putin** said that the West has asked Russia not to give Ukraine a loan within the promised 15bn dollars package. According to Putin, at the request of the West, the assistance will be provided through the IMF, so that Ukraine could undertake necessary reforms.

Earlier, the Ukrainian government asked the IMF to resume the dialogue on providing a new loan to Ukraine. Ukrainian Prime Minister **Arseniy Yatsenyuk** said that the government will fulfill all the conditions of the IMF, including those concerning the utilities tariff policy.

Ukraine to repay 9bn dollars in government debts by year's end

Ukraine in January-February repaid 1bn dollars of public debt obligations and will repay another 9bn dollars by the end of the year, according to **Halyna Pakhachuk**, a representative of the Finance Ministry.

The International Monetary Fund is Ukraine's main creditor; the Ukrainian government owes the fund 3.5bn dollars, including 2.9bn dollars to be repaid in 2014.

Finance Minister **Oleksandr Shlapak** said that Ukraine does not rule out holding negotiations on restructuring its external public debt.

International reserves drop by 2bn dollars

The foreign exchange reserves of the National Bank on 1 March 2014 totaled 15.46bn dollars, which is by 13.2 percent or 2.34bn dollars below the reserves recorded as of 1 February, according to the regulator's website.

Budget revenues fall by 240m dollars in January-February

The general and special funds of the state budget of Ukraine in January-February 2014 received 52.2bn hryvnias (5.49bn dollars), a decrease of 4.2 percent or 2.29bn hryvnias (241m dollars) against the same period of the previous year, according to the website of the State Treasury Service of Ukraine.

Earlier, the State Property Fund of Ukraine suspended privatization auctions on stock exchanges.

Treasury account balance drops to 378m dollars in February

The balance on the single account of Ukraine's State Treasury Service at the end of February was 3.59bn hryvnias (378m dollars), which is 23.96 percent less than at the end of January, according to the treasury's press service.

Inflation accelerates in February

The inflation rate in Ukraine in February was 0.6 percent, which is the highest level recorded since May 2011, according to the State Statistics Service.

Core deflation in Ukraine in February 2014 was 0.2 percent compared to January 2014.

Government cuts budget spending

The Cabinet of Ministers has decided to suspend funding for more than 40 government programmes and 80 state projects that require budget financing of about 48bn hryvnias (5.05bn dollars), as reported by Finance Minister **Oleksandr Shlapak**.

Furthermore, the Finance Ministry instructed regional authorities to reduce their budget costs by 1 percent and simultaneously increase revenues by 2 percent.

In addition, the government plans to revise the budget by the end of March. According to Prime Minister **Arseniy Yatsenyuk**, the government is considering budget slashing and reducing the revenue part by up to 80bn hryvnias (8.42bn dollars).

At the same time, the cabinet has announced a massive reduction in staff in ministries and agencies, introducing restrictions on administrative costs of social funds, and sales of residencies of former officials and cars provided by the government.

National Bank not to intervene on the foreign exchange market

The National Bank (NBU) has decided to refrain from foreign exchange market interventions in order to find the balanced exchange rate around which the market will be concentrated, NBU spokeswoman **Olena Shcherbakova** announced on 6 March.

According to the National Bank, the volume of interventions aimed at supporting

the hryvnya exchange rate in February was 1.72bn dollars. A significant part of the NBU's foreign currency sales was directed at supporting state-run energy company Naftohaz Ukrayiny in making payments for imported natural gas.

Currency purchase by households up by 19 percent

Net purchase (demand in excess of supply) of cash currency by Ukraine's population in February 2014 amounted to 782.5m dollars, which is 18.8 percent more than in January 2014, according to the National Bank.

Banks lose 10 percent of deposits

The outflow of deposits from the Ukrainian banking system over the last week of January and in February totaled about 10 percent, as reported by the National Bank.

At the same time, Ukrainian banks are trying to stop the outflow of deposits by increasing deposit rates.

Ukrainian companies owe 10bn dollars to Russian banks – media

The total debt of Ukrainian companies to seven Russian banks at the beginning of this year amounted to 9.7bn dollars, according to Russian newspaper Kommersant, which referred to the banks' financial statements.

ENERGY

Gazprom threatens to cut gas supply to Ukraine

The debt accumulated by the Ukrainian national oil and gas company Naftohaz Ukrayiny for the supply of Russian gas in 2013 and 2014 has reached 1.89bn dollars, the head of the Russian gas holding, **Aleksey Miller**, said on 7 March.

He stressed that the Ukrainian company did not pay for the gas supplied in February.

In Miller's words, Russia will stop gas supplies if Ukraine fails to pay off the debt.

Gazprom cancels gas discount for Ukraine

Russia's Gazprom is cancelling any preferences for gas supply to Ukraine as of April 2014, its management committee chairman **Aleksey Miller** said on 4 March 2014.

According to Miller, Ukraine has failed to deliver on its commitments undertaken under the contract addendum on gas discount.

Energy Minister **Yuriy Prodan** said that the Russian gas price will increase in the second quarter 2014 from 268.5 to 368.5 dollars per 1,000 cu.m.

Naftohaz pays Gazprom for January supply of gas

The Ukrainian national oil and gas company Naftohaz Ukrayiny has paid Russia's Gazprom for the gas it supplied in January 2014, Naftohaz's press service said on 6 March 2014.

Ukraine may receive 15bn cu.m. of gas through reverse supply from Europe

Ukraine may receive 15bn cu.m. of gas through reverse supply from Europe, two thirds of which will become possible after an agreement with Slovakia is reached, while the remaining 5bn cu.m. will be provided by the German RWE company, Ukrainian Energy Minister **Yuriy Prodan** said on 5 March 2014.

He added that the contract with RWE on 5bn cu.m. of gas had been signed.

On 4 March, European Commissioner for Energy **Guenther Oettinger** said that the Slovak government gave its consent to supply gas to Ukraine in the reverse mode. He added that the EU was prepared to help Ukraine to pay off the debts for Russian gas and reform its energy sector.

White House Special Assistant to the President **Josh Earnest** also said that the USA was helping Ukraine to cut its dependence on resources supply from Russia.

Ukraine has 9.2bn cu.m. of gas in storage facilities

By 3 March 2014, Ukraine has stocked up 9.2bn cu.m. of gas in its storage facilities, Energy Minister **Yuriy Prodan** has said.

New heads of Ukrainian gas, energy companies appointed

On 6 March 2014, the Ukrainian national oil and gas company Naftohaz Ukrayiny appointed **Valeriy Yasyuk** as new board chairman of Ukrtransgaz, which operates the Ukrainian gas transport system.

Before becoming a board member of Naftohaz Ukrayiny in May 2013, he was the board chairman of Chornomornaftohaz.

As reported on 8 March, Prime Minister **Arseniy Yatsenyuk** instructed the minister of the Cabinet of Ministers, **Ostap Semerak**, to ask the prosecutor-general to check Yasyuk against abuse of office during the purchase of foreign drilling platforms (oil rigs) by Chornomornaftohaz.

Yasyuk has been suspended for the period of investigation.

On 5 March, the government appointed Yuriy Nedashkovskyy as new president of the national atomic energy generating company Enerhoatom.

Mass media describe Yasyuk and Nedashkovskyy as people close to unaffiliated MP **Davyd Zhvaniya** and Fatherland MP **Mykola Martynenko**.

Serhiy Kostyuk was appointed as head of the Ukrhazdobycha company, Ukraine's biggest company for the extraction and processing of natural gas and gas condensate.

State-owned mines up losses by 12 per cent

According to the Energy Ministry, state-owned coal mines increased their loss on sale of output in January-February, excluding state subsidies, by 12 percent, up to 2.574bn hryvnyas compared to 2.298bn hryvnyas in January-February 2013.

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