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1. TOP STORIES

Trilateral contact group signs agreement to separate forces in Donbas

The process is expected to start with Zolote, Petrovske and Stanytsya Luhanska

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Ukraine said the Netherlands's position was "unacceptable"

Read more in INTERNATIONAL POLITICAL

Ukraine places 1bn-dollar Eurobonds against US guarantees

The securities mature in five years.

Read more in ECONOMY

2. ARMED CONFLICT IN EASTERN UKRAINE

Trilateral contact group signs framework deal on separation of forces in Donbas

The trilateral contact group on a Donbas settlement, consisting of Ukraine, the OSCE, Russia and representatives of the self-proclaimed Luhansk and Donetsk people's republics, has signed a framework agreement to separate the sides of the conflict which will have to withdraw armoured vehicles and small arms from the line of contact in Donbas.

According to the document, the separation sectors will be set up in three areas - Zolote and Stanytsya Luhanska (Luhansk Region), as well as Petrovske (Donetsk Region) - and will be 2 km wide and 2 km deep.

The forces and troops will be separated provided a full cease-fire verified by the OSCE Special Monitoring Mission holds for seven days in each separation sector. The process of the separation of forces in each sector should not exceed 30 days, including preparations, while the very process of the separation of forces should be monitored by OSCE observers, be held simultaneously and be completed no later than in three days.

According to the Ukrainian president's envoy for a peaceful settlement of the Donbas conflict, deputy parliament speaker **Iryna Herashchenko**, Zolote, Petrovske and Stanytsya Luhanska were chosen as the first three sectors because of their purely humanitarian significance. It should be noted that there are entry checkpoints in the first two areas.

The framework agreement is planned to extend to more sectors to be agreed in the course of further consultations.

According to Ukraine's envoy in the tripartite contact group, Leonid Kuchma,

troops in the antiterrorist operation zone need to be separated in at least 50 sections, not in three.

The militants continue firing on the Ukrainian positions, the press centre of the antiterrorist operation headquarters reported. One civilian and a Ukrainian driver were killed over the past week.

Ukraine has direct evidence of Russia's involvement in Donbas conflict - president

Ukraine has received evidence that Russia has been directly involved in the Donbas conflict, in particular by financing and coordinating terrorist groups, Ukrainian President **Petro Poroshenko** said at the 71st UN General Assembly in New York on 21 September 2016.

The head of state said that 38,000 militants are engaged in warfare in Donbas, the majority of whom are Russian mercenaries. They have around 700 tanks, 1,200 APCs, over a thousand artillery systems and over 300 multiple-launch rocket systems at their disposal, Poroshenko added.

The Ukrainian president explained that Russia supplies the militants with arms, ammunition and troops through an uncontrolled sector of the border.

Read more on Poroshenko's participation in the UN General Assembly in INTERNATIONAL POLITICAL

Russia deploys special units to Yasynuvata area - Ukraine's Defence Ministry

Ukraine's Defence Ministry on 24 September reported that units of the 604th Special Purpose Centre "Vityaz" of Russia's Federal National Guard Troops Service arrived from Balashikha, Moscow Region, to the area near Yasynuvata, Donetsk Region.

The Security Service of Ukraine (SBU) said that from 4,000 to 6,000 Russian servicemen were currently deployed on the occupied territory of Ukraine.

Militants demand "45-for-600" prisoner swap – envoy

The humanitarian subgroup of the tripartite contact group for a settlement of the Donbas conflict has failed to achieve the release of prisoners, but has agreed that OSCE representatives will be allowed to visit them, according to Ukraine's representative in the group, the first deputy speaker of parliament, **Iryna Herashchenko**.

According to Herashchenko, the militants demand that more than 600 of their allies, who were detained for serious crimes, be exchanged for 45 Ukrainian hostages. She said that among these people are those who have nothing to do with the Donbas conflict, specifically people suspected of plotting terrorist attacks in Odesa and Kharkiv.

During the period of the Donbas conflict, 3,082 hostages have been freed from the captivity of the self-proclaimed Donetsk and Luhans people's republics, according to the Security Service of Ukraine (SBU). Among them are 1,484

civilians and 1,598 security officers. Some 111 people remain in captivity, including nine in Russia.

It should be noted that the SBU has established locations of six torture chambers in Donetsk and two in Luhansk.

In addition, the SBU released video testimony by 11 former hostages who tell about tortures the militants used against them. The freed hostages confirmed that Russian military personnel fight in Donbas and participate in torture of detainees. In particular, they mentioned servicemen of the Pskov division.

Journalist attempts to disrupt release of Ukrainian hostages

Russia Today TV channel journalist **Graham Phillips**, who is a UK citizen, tried to insult Ukrainian citizen **Volodymyr Zhemchuhov** during a prisoner swap in Donbas.

Zhemchuhov, who had his arms amputated and eyes severely damaged, has been held in captivity for almost a year.

In this regard, Ukrainian ambassador to Great Britain **Nataliya Halibarenko** urged UK authorities to take all possible measures in order to put an end to the propaganda activity of the journalist. For her part, British ambassador to Ukraine Judith Gough noted that Ukraine should decide itself what to do with the British citizen in keeping with Ukrainian legislation.

The news and analysis website LB.ua said that Phillips makes provocative reports about the conflict in eastern Ukraine. In his reports, he calls the Ukrainian side "fascists" and "Kyiv junta", which mimics the rhetoric of official Russian media.

In August, the journalist got violent at a German newsroom which published an investigation report about the MH17 plane crash. In September, he tried to provoke Ukrainian servicemen at the Kalanchak checkpoint at the entrance to occupied Crimea.

Another Russian "humanitarian" convoy arrives in Donbas

The 56th Russian "humanitarian convoy" illegally entered the occupied territory of Donbas on 22 September.

The State Border Service of Ukraine noted that the convoy included nine lorries more than it was previously announced.

As was observed, pro-Russian militants step up their attacks on the positions of Ukrainian servicemen after such "humanitarian convoys" arrive in Donbas.

Leader of Ukrainian separatist organisation killed in Russia

The leader of the Kharkiv separatist organization Oplot, **Yevhen Zhylin**, was shot dead in a restaurant in Moscow Region on 19 September.

The Russian business daily Kommersant said that Zhylin could become a victim of

the competitive struggle for the distribution of cash flows coming from sales of Donbas coal in Ukraine and Russia. According to media reports, the Oplot leader was also involved in schemes for the supply of petroleum and diesel fuel to the self-proclaimed Donetsk and Luhansk people's republics organised by tycoon **Serhiy Kurchenko**, ally of ousted Ukrainian President **Viktor Yanukovich**.

A number of criminal proceedings were launched against Zhylin in Ukraine. In particular, the Kharkiv region prosecutor's office charged him with laundering money through dummy companies, while the Security Service of Ukraine suspects him of financing terrorism. The Prosecutor General's Office suspects Zhylin of abduction, robbery, threat of murder and hooliganism during the Euro-Maydan protest in 2014.

One of Oplot leaders, **Oleksandr Zakharchenko**, heads the self-proclaimed Donetsk People's Republic.

Former "premier" reportedly hangs himself in Luhansk "republic"

Hennadiy Tsypkalov, a former "premier" of the self-proclaimed Luhansk people's republic, **Ihor Plotnytsky**, has been found hanged. Tsypkalov was earlier detained by pro-Russian militants over a "coup attempt", the pro-separatist news website Luhansk Information Centre has said.

Plotnytsky's parents died of mushroom poisoning in Russia in early September.

3. CRIMEAN ISSUE

Ukrainian parliament supports establishment of Crimean Tatar Autonomous Republic

Parliament has approved recommendations to the Ukrainian president according to which the constitution of Ukraine should be amended by replacing the Autonomous Republic of Crimea with the Crimean Tatar Autonomous Republic.

The document includes recommendations to the president to prepare and send to parliament the legal amendments which would strip the city of Sevastopol of its special status and recognise Crimean Tatars, Karaims and Krymchaks as indigenous people of Ukraine.

Ukrainian parliament refuses to recognise new composition of Russian State Duma

The Ukrainian parliament has issued a resolution recognising as illegitimate the elections to the Russian State Duma on 18 September 2016 and their results, including its composition, powers, acts and decisions of the State Duma of the seventh convocation.

The document reads that the State Duma includes 450 MPs, of which 225 are elected in single-seat constituencies (four of them were open in Crimea and Sevastopol) and 225 more on party lists in the single federal election

constituency. Thus, 229 MPs were elected on the occupied territory of Crimea and Sevastopol, that is the majority of members of the State Duma constitutional composition.

The Ukraine-controlled prosecutor's office of Crimea has launched criminal proceedings over the holding of the parliamentary elections by Russia on the peninsula.

During the General Debate at the UN General Assembly, Ukrainian President **Petro Poroshenko**, for his part, called on the international community not to recognise the legitimacy of the Russian State Duma elections in occupied Crimea.

A number of countries and international organisations said that they did not recognise the outcome of the Russian State Duma elections in Crimea (the USA, the EU, the UK, Germany, Lithuania, Poland, Turkey, France, Sweden, Estonia, Japan and others).

Russian Guard to deploy brigade in Crimea to protect "important" facilities

The Russian authorities have deployed a brigade of the National Guard in occupied Crimea to protect public order, "important" facilities and the border as well as to ensure Russian officials' safety on the peninsula.

The Russian Guard will protect, the energy bridge from Russia to Crimea, the Sevastopol research reactor, the Artek children's camp.

Earlier, the Russian command formed the 47th division of territorial defence in occupied Crimea. It is tasked with protecting strategically important facilities and fighting "terrorists and saboteurs".

Russia poses threat to air travel over Black Sea – minister

Since the occupation of Crimea, Russia has started to interfere in the international emergency frequencies used in air traffic services provided by Ukraine, which poses a threat to air travel over the Black Sea, Ukrainian Foreign Minister **Pavlo Klimkin** said at a meeting of the UN Security Council.

In addition, he called on the UN Security Council to establish an international tribunal for the MH17 flight crash in Donbas in July 2014.

Russia set to build two new remand centres in Crimea

Two new remand centres will be built in occupied Crimea, in Simferopol and Kerch, the Russian Federal Penitentiary Service has said.

Currently, there is one remand centre in Simferopol.

Crimean resident fined for "extremist" blog post from 2010

The Simferopol Zaliznychnyy district court in Crimea has fined local resident, Ukrainian **Oleksiy Shestakovych** 1,000 roubles (16 dollars) for a blog post he made in 2010 and for an "attempt to hold a rally", the Crimean human rights group has said.

The activist's defence said that Shestakovych's case was politically motivated because he took part in rallies in support of Ukrainian political prisoners held in Russia.

A Ukrainian citizen was earlier detained in Crimea "for setting up a web server in Uzbekistan without a special permit", the Russian news agency TASS has said.

4. INTERNATIONAL POLITICAL

UKRAINE-RUSSIA

Books from Ukrainian Library in Moscow to be sent to Foreign Library

The Moscow government has decided to give the books of the Ukrainian Library to the All-Russian State Library of Foreign Literature named after Margarita Rudomino.

The Ukrainian Foreign Ministry described these plans as a targeted destruction of the only specialised government institution which was established on the initiative of the Ukrainian community and was called to cater to its national cultural, language and information needs.

It was earlier reported that the Ukrainian Library in Moscow was being liquidated, but Russian President **Vladimir Putin** said at the time that it should be preserved, adding that Russians and Ukrainians were "one nation".

The Ukrainian Library in Moscow was searched in October 2015. Its director **Nataliya Sharina** was put on house arrest within the framework of a criminal case opened against her on suspicion of "distribution of banned extremist materials".

Russia refuses to use Ukrainian docking system on space station

A Russian-made rendezvous and docking system (Kurs-MKP) will replace the analogue system Kurs-P, which was designed by the Ukrainian company Elmis, on the International Space Station in two years, according to the Russian Research Institute of Precision Instruments.

UKRAINE-EU

PM not expecting Dutch government to ratify EU-Ukraine association deal

Dutch Prime Minister **Mark Rutte** has suggested that the Dutch government is unlikely to ratify the EU-Ukraine association agreement.

The Dutch parliament issued a resolution demanding that the government formulate its final position on the matter by 1 November 2016.

At the 6 April non-binding referendum, 61 percent of Dutch citizens who went to the polls voted against the EU-Ukraine association agreement. The turnout was 32 percent, only 2 percent above the required minimum.

Ukraine says Dutch position on EU-Ukraine association deal unacceptable

Ukraine has described as unacceptable the position of the Dutch government with regard to the EU-Ukraine association agreement, which the Netherlands may refuse to ratify, Ukrainian Deputy Prime Minister for European and Euro-Atlantic Integration **Ivanna Klympush-Tsyntsadze** has said.

"We believe that we need the Dutch ratification, possibly also mentioning a special position that the Netherlands will not apply bilateral norms of the association agreement which concern only particular countries," she said.

According to a deputy head of the Ukrainian presidential administration, **Kostyantyn Yeliseyev**, Ukraine, the Netherlands and the EU are in active dialogue to find a possible solution to this issue.

He added that the statement made by Dutch Prime Minister **Mark Rutte** was rather tactical and had to do with preparations for the coming parliamentary elections set for 15 March 2017.

EU gives Ukraine 1.3m euros to reform State Border Service

The State Border Service of Ukraine together with EU representatives have started the practical implementation of two-year-long Twinning projects with the budget of 1.3m euros.

The service said that the projects envisaged the introduction of a new technology to track down stolen cars, which means the State Border Service will have access to the databases of the Interior Ministry and Interpol.

UKRAINE-USA**Ukrainian president meets Obama, Biden in New York**

Petro Poroshenko and **Barack Obama**, the presidents of Ukraine and the USA respectively, discussed further steps on implementing the Minsk agreements during a meeting on the sidelines of the UN General Assembly in New York on 21 September 2016.

They also discussed Washington's support for Ukrainian reforms, including 1bn dollars of loan guarantees as financial assistance from Washington (read more in **ECONOMY**).

The same day, Poroshenko held talks with US Vice-President **Joseph Biden**. The latter warned the Ukrainian president that the EU may lift its sanctions on Russia if economic and political reforms in Ukraine slow down. He added that Kyiv should do its best to prevent the Minsk agreements from failing and to avoid being blamed for their disruption.

Following the meeting, Biden said the Ukrainian authorities were prepared to grant Donbas a special status.

While in New York, Poroshenko also met former US President **Bill Clinton** and Democratic Party presidential candidate **Hillary Clinton**.

He also met the NATO secretary-general, the presidents of Argentina, Hungary, Latvia, Slovakia, Turkey and Croatia, the prime ministers of Australia, New Zealand, Japan, and the emir of Qatar.

US House of Representatives approves supply of lethal weapons to Ukraine

The US House of Representatives has passed unanimously H.R. 5094 "Stability and Democracy for Ukraine Act" which allows supply of lethal weapons to Kyiv.

The bill includes prohibitions against United States recognition of the Russian Federation's attempted annexation of Crimea and provides for the maintenance of US sanctions with specific respect to Russian Federation's occupation of Ukraine's peninsula.

The bill says that any relevant sanctions relief for the Russian Federation is contingent on timely, complete and verifiable implementation of Minsk agreements.

It is yet to be approved by the Senate and signed by the US president.

Pentagon chief **Ashton Carter** at a hearing of the Senate Committee on Armed Forces stated that the transfer of US lethal weapons to Ukraine is dependent on Russia's compliance with the Minsk agreements.

In the meantime, Ukrainian President **Petro Poroshenko** said that he would raise the issue of lethal weapons supplies during his further negotiations with Western partners.

UKRAINE-CANADA

Canadian parliament to consider ratification of free trade deal with Ukraine

The Canadian government has sent to parliament the agreement on free trade with Ukraine for ratification.

In 21 session days, the Canadian government will submit bills for implementation.

On 11 July, Ukraine and Canada signed a free trade agreement during Canadian Prime Minister **Justin Trudeau**'s visit to Ukraine.

UKRAINE-UN

UN Security Council demands immediate reform, Ukrainian president says

The UN, in particular its main body, the Security Council, has proven ineffective in settling the Syria conflict, which is a challenge to the existence of the organisation, Ukrainian President **Petro Poroshenko** has said at the UN Security Council meeting on Syria.

Poroshenko stressed that the UN Security Council must introduce a mechanism of suspending the right of veto with regard to countries which are parties to conflicts.

He added that the next UN secretary-general must demand that the Charter of the

United Nations must be implemented rigorously and use all tools available when there is a threat to peace and security.

UKRAINE-NATO

Ukraine applies for NATO Enhanced Opportunities

Ukraine has submitted an official request to join the NATO Enhanced Opportunities Programme for special partners.

The programme provides for deeper cooperation and full adaptation of NATO compliance standards. Its current members are Sweden, Finland and Georgia.

5. DOMESTIC POLITICAL

Government presents 2017 budget draft

The Cabinet of Ministers on 21 September presented a draft budget for 2017 to parliament.

Earlier, the text of the 2017 budget draft was published on the parliament's [website](#).

According to the procedures, after the budget is presented in parliament, it is considered and revised by parliamentary committees.

Revenues of the 2017 budget make 706.3bn hryvnias (27.7bn dollars), while outlays total 775.3bn hryvnias (30.4bn dollars).

Ukrainian parliamentary parties share almost 3m dollars for statutory activities

The National Agency for Prevention of Corruption (NAPC) has distributed 70.82m hryvnias (2.78m dollars) among four parliamentary parties on a pro rata basis. The funds are allocated to the parties for their statutory activities. This is 25 percent of their total annual financing from the state budget.

The **Petro Poroshenko** Bloc-Solidarity was given 24.77m hryvnias (971,000 dollars), People's Front, 25.14m hryvnias (968,000 dollars), Self-Help, 12.46m hryvnias (489,000 dollars), and **Oleh Lyashko**'s Radical Party, 8.45m hryvnias (331,000 dollars).

The NAPC said that Fatherland and the Opposition Bloc would not receive financing because they had not informed the NAPC about their official position with regard to state funding.

It is the first time in Ukraine that political parties get paid from the state budget.

Parliament dismisses 400 judges

The Ukrainian parliament has dismissed 400 judges. Most of them are dismissed based on their resignation statements.

Two weeks ago, parliament sacked 500 judges.

In addition, President **Petro Poroshenko** signed two decrees dismissing three judges for oath violation.

Only seven judges have been dismissed under the vetting law over the past two years, the head of the Justice Ministry's vetting department, **Tetyana Kozachenko**, said during a roundtable at the Gorshenin Institute.

According to surveys conducted by the Gorshenin Institute, Ukrainians show the lowest level of trust in courts as compared to other institutions.

Cabinet suspends food price regulation

The Cabinet of Ministers on 22 September temporarily abolished regulation of food prices under a pilot project. Based on its results, it will be decided whether to cancel, restrict or resume price regulation.

The government's price regulation applies to wheat, rye, wheat and rye flour, buckwheat and sugar.

Cabinet raises limits for operations without cash registers

The Cabinet of Ministers has simplified retail sales of goods by small businesses without payment transactions recorders.

In particular, businesses are allowed to sell goods without cash registers to the tune from 250,000 hryvnias (9,800 dollars) up to 500,000 (19,610 dollars) per year. The amount depends on the form of organisation and operational conditions of business units.

Prior to this, the limits were set from 75,000 hryvnias (2,940 dollars) to 200,000 hryvnias (7,840 dollars) per year.

The government has raised the limits due to the "significant inflationary pressures" in the Ukrainian economy in recent years.

The changes do not apply to business entities that perform retail sales of excise goods, alcoholic beverages and tobacco products.

Parliament passes law on support of Ukrainian cinema

The Ukrainian parliament has passed the draft law on state support of cinematography in Ukraine.

The document stipulates that the government will fully finance debut, documentary, educational, animation and children's films. In production of TV series and films, the government will invest amounts of up to 50 percent of TV series budgets and 80 percent of films budgets.

The new cinema support model expands budget investment in the film industry through larger deductions from lotteries, which will gradually increase from 21

percent in the first year to 30 percent in the fifth year after the law enters into force.

President's deputy chief of staff killed in accident in Kyiv

The deputy head of the Presidential Administration of Ukraine, **Andriy Taranov**, died in an accident as he was riding a jet ski in Kyiv on 18 September.

In the administration, Taranov was responsible for coordinating work of security agencies, particularly in the antiterrorist operation zone.

Prosecutors asking to strip opposition bloc MP of immunity

The Prosecutor-General's Office has announced the intention to file a motion with parliament on stripping MP **Mykola Skoryk** (the Opposition Bloc faction) of parliamentary immunity.

The removal of immunity is linked to an investigation of mass disorders outside the Odesa Regional State Administration during the Euro-Maydan protests in 2013-14. Skoryk, who held the post of Odesa regional governor at that time, is suspected of being involved in organising the disorders.

At the same time, the Odesa court ruled to take into custody the head of the Opposition Bloc party's branch in the city, **Oleksandr Orlov**, for a period of two months with the option to be released on a bail of 8.6m hryvnyas (337,200 dollars). The prosecutor's office also suspects him of organising mass disorders in 2014, when Orlov was the deputy governor of Odesa Region.

Prosecutors identify Odesa snipers

Prosecutor-General **Yuriy Lutsenko** has said that investigators have identified two people who were shooting from the roof of the Trade Unions House in Odesa during disorders in May 2014. According to Lutsenko, one of them was killed, while the other will face trial.

Anti-corruption bureau points out irregularities in MP's flat purchase

MP **Serhiy Leshchenko** of the Petro Poroshenko Block committed two administrative offences related to corruption when he was buying a flat, the director of the National Anti-Corruption Bureau of Ukraine (NABU), **Artem Sytnyk**, has said following a check of the MP's purchase funding sources.

The first violation concerns Leshchenko's agreement with the owner of the news website *Ukrayinska Pravda*, **Olena Prytula**, whereby he allegedly received an interest-free loan of 3.77m hryvnyas (148,000 dollars).

The second violation is that the MP in his declarations failed to mention that his mother, who owned bank deposits worth 77,000 dollars, was registered at his flat.

The check results will be passed to the National Agency for Prevention of Corruption.

Earlier, a scandal sparked around the purchase by Leshchenko of a 192-square-metre flat in central Kyiv for 7.5m hryvnias (294,000 dollars).

Justice council member suspected of accepting 500,000-dollar bribe

The Prosecutor-General's Office (PGO) on 21 September said that a member of the Supreme Council of Justice, **Pavlo Hrechkiivskyy**, was detained as he attempted to receive 500,000 dollars from a representative of a business entity for influencing a ruling by a first-instance court. His property was arrested.

Previously, the law enforcers detained an intermediary, who was Hrechkiivskyy's accomplice and received the first part of the bribe of 150,000 dollars.

On 22 September, the Kyiv Pecherskyy district court ruled to release Hrechkiivskyy on a bail of 3.85m hryvnias (151,000 dollars) as a measure of restraint. Thus, the court turned down the prosecutor's office motion to arrest the suspect.

The Supreme Council of Justice said that Hrechkiivskyy submitted a vacation statement.

Court arrests Zaporizhzhya plant director

The Kyiv Solomyanskyy district court has arrested for two months the director of Zaporizhzhya Titanium and Magnesium Plant (ZTMP), **Volodymyr Sivak**, with the option to be released on a bail of 6m hryvnias (235,290 dollars).

Earlier, it was reported that Sivak was detained by detectives of the National Anti-Corruption Bureau of Ukraine (NABU) under the investigation into the misappropriation of 492m hryvnias (19,290 dollars).

ZTMP's controlling stake (51 percent) is owned by the State Property Fund of Ukraine, while the remaining 49 percent is owned by the Cypriot company Tolexis Trading Limited (part of businessman **Dmytro Firtash's** Group DF). In April 2015, the state-owned stake of 51 percent in the company was transferred to the state-run Joint Mining and Chemical Company for management.

ZTMP is the sole producer of titanium sponge in Europe. The plant's design capacity is 20,000 tonnes a year.

Interpol removes ex-health minister from wanted list

Interpol removed the former deputy prime minister and former health minister, **Raisa Bohatryyova**, from the wanted list on 12 August. Interpol's secretariat-general said that Ukraine applied an inappropriate legal procedure against the former official.

Previously, the EU refused to renew sanctions against Bohatryyova.

At the same time, Ukraine's Prosecutor-General's Office appealed to the court to obtain permission to launch a special pre-trial investigation against the former minister because she deliberately avoids appearing in court.

Bohatyryova is suspected of embezzling more than 340m hryvnias (13.33m dollars) of public funds.

Two police patrol officers killed in Dnipro

An on-duty police officer was shot dead near a bus station in Dnipro on 25 September. His female partner died in hospital from injuries.

The suspect in the murder is a former fighter of the Tornado special-purpose patrol police battalion, **Oleksandr Puhachov**. He was wounded in the stomach by one of the officers and sought medical help at a local hospital.

Major business executive shot dead near Kyiv

Pavlo Zmozhnyy, director of Caparol Ukraine, was shot dead while jogging in the village of Krushynka, Kyiv Region, on 20 September.

Interior Minister **Arsen Avakov** said that investigators consider contract murder as the main version of the crime. He noted that there was evidence linking the murder to the victim's professional activity.

Nationalist organisation head released from prison

The leader of the Civil Corps Azov-Crimea NGO, **Stanislav Krasnov**, has been released from the Lukyanivske remand prison as the period of his detention in custody has expired.

Krasnov is suspected of terrorism and high treason. According to the Security Service of Ukraine, he was recruited by Russia and planned to organise explosions near government agencies.

Since 22 March, Krasnov has been under arrest in pursuance of the ruling by the Shevchenkivsky district court of Kyiv.

6. ECONOMY

Ukraine draws 1bn dollars against US guarantees

Ukraine has placed 1bn-dollar Eurobonds against US guarantees at a record low rate of 1.471 percent. The Eurobonds were issued for five years.

Ukraine already placed five-year Eurobonds of 1bn dollars against US guarantees at 1.844 percent two years ago and at 1.847 percent a year ago.

It was expected that Ukraine will receive an additional (third) tranche of 1bn dollars in the autumn of 2015. However, the USA tied its disbursement to the implementation of reforms in Ukraine, including anti-corruption reforms, as well as with the IMF's decision to continue its credit programme.

IMF mission to visit Ukraine in autumn

Ukrainian President **Petro Poroshenko** during his visit to the United States held talks with IMF Managing Director **Christine Lagarde**.

During the meeting, the sides agreed that the IMF mission will pay its next visit to Ukraine in the coming autumn.

Parliament approves drawing 400m euros for agriculture projects

The Ukrainian parliament has ratified an agreement with the European Investment Bank on drawing a loan of 400m euros for 12 years with a four-year grace period. The loan is aimed at supporting the agricultural sector.

The funds will be spent on cultivation of grain and oilseed crops, as well as modernization of fisheries and aquaculture.

The European Investment Bank will provide credit funds in tranches of at least 10m euros each.

Statistics service revises upward economy growth estimate

Ukraine's GDP in the second quarter of 2016 will grow by 1.4 percent compared to the same period in 2015, not 1.3 percent as previously expected, the State Statistics Service has reported.

At the same time, the growth estimate against the first quarter of 2016 remained unchanged at 0.6 percent.

Industrial production grows 3.4 percent in August

Industrial production in Ukraine in August 2016 increased by 3.4 percent compared to the same month of 2015, according to the State Statistics Service. Industrial output declined by 0.2 percent in July and by 3.4 percent in June.

However, the service noted that adjusted for the effect of calendar days, industrial production in August 2016 rose by 1.5 percent against August 2015, and increased by 0.9 percent in July.

Over the first eight months in 2016, industrial production growth accelerated to 2 percent from 1.7 percent in the first seven months.

Government orders to supply gas to Odesa plant

The Cabinet of Ministers has obliged the state-run energy company Naftohaz Ukrayiny to ensure uninterrupted natural gas supplies to the Odesa Portside Plant.

Prime Minister **Volodymyr Hroysman** said that such a decision will make it possible to launch the enterprise into operation from 1 October and thus unblock its privatization.

The State Property Fund suggests that the starting price of Odesa Portside Plant be reduced by about 50 percent of the price at which the company was put up for sale at the last auction (to 220-260m dollars).

7. ENERGY

Naftohaz transferred under government control

The Cabinet of Ministers has transferred control of the state-run energy company Naftohaz Ukrayiny from the Economic Development Ministry to the government.

According to Prime Minister **Volodymyr Hroysman**, this decision will accelerate the company's reform, which provides for the separation of gas transit, storage and production operations.

Earlier the Economic Development Ministry amended Naftohaz's charter and took out Ukrtransgaz, operator of the unified gas transport system, from its control. However, the decision was suspended as it caused a great stir.

Parliament passes law on independent energy regulator

The Ukrainian parliament on 22 September passed a draft law on an independent regulator in the field of energy and public utilities.

The bill provides that the current composition of the national regulatory commission will be dismissed within 18 months (three, two and two members will be dismissed every six months). New members of the commission will be chosen by a selection board.

The adoption of the bill unblocked the allocation by the EU of 600m euros in macro-financial assistance to Ukraine. Ambassadors of the G7 countries and the EBRD also stressed the importance of the law.

World Bank to give Ukraine 500m-dollar loan for gas purchase

The World Bank is working on an agreement to provide a 500m-dollar loan to Ukraine for the purchase of natural gas for the upcoming heating season, according to **Satu Kahkonen**, World Bank Country Director for Belarus, Moldova and Ukraine.

It is expected that Ukraine will receive another 300m dollars from the EBRD under the agreement on a three-year revolving credit facility signed in 2015.

Hearings of Naftohaz-Gazprom dispute begin in Stockholm

The Arbitration Institute of the Stockholm Chamber of Commerce on 25 September began oral hearings in the dispute concerning the gas sales contract between Ukraine's state-run energy company Naftohaz Ukrayiny and Russia's Gazprom company. The hearings will last until 10 October.

Supreme Court dismisses Gazprom's appeal against 3.4bn-dollar fine

The Supreme Court of Ukraine has refused to accept an appeal of Russia's Gazprom company against the fine of 86bn hryvnyas (3.37bn dollars) imposed by the Antimonopoly Committee of Ukraine.

Gazprom demanded that the Supreme Court cancel the ruling of the Economic Court of Kyiv. By its ruling, the Economic Court returned without consideration the motion of the Russian company, in which it demanded that the antimonopoly committee's decision be cancelled.

During the case hearing, Gazprom pointed out that the antimonopoly committee allegedly does not have powers to consider the matter and that it should be considered by the Arbitration Institute of the Stockholm Chamber of Commerce (Sweden).

Government expects gas price of 246 dollars

In the 2017 budget draft, the Cabinet of Ministers forecasts the price of natural gas at 6,690 hryvnyas per 1,000 cu.m.

At the average annual exchange rate of 27.2 UAH/USD, as projected by the same budget draft, the price makes 246 dollars per 1,000 cu.m.

Ukraine imports 3.4bn cu.m. of gas over seven months

Ukraine in January-July imported 3.4bn cu.m. of natural gas worth a total of 668.2m dollars, the State Statistics Service has reported.

The largest suppliers were Germany (710.1m cu.m. worth 138.1m dollars), Switzerland (620.7m cu.m. worth 124.4m dollars) and France (510m cu.m. worth 99m dollars).

Ukraine did not import gas from Russia in 2016.

Ukraine cuts gas consumption by 11 percent over eight months

Ukraine in January-August reduced natural gas consumption by 11 percent compared to the same period in 2015, to 19.42bn cu.m., according to the Energy Ministry. In particular, industrial enterprises consumed 5.86bn cu.m. (-21 percent), households and budget-funded organisations used 7.51bn cu.m. (-7.8 percent), heating companies consumed 4.03bn cu.m. (-7 percent), while production and processing losses were 2.02bn cu.m. (+5.1 percent).

Naftohaz raises gas price for industrial consumers

The state-run energy company Naftohaz Ukrayiny increases the minimum gas price for industrial consumers by 5.1 percent to 6,340 hryvnyas (249 dollars) per 1,000 cu.m. starting from 1 October.

Tycoon's firm obliged to pay 25m dollars to Ukrnafta

The Economic Court of Kharkiv Region has obliged the Harant-UTN company of businessman **Ihor Kolomoyskyy** to pay 648.66m hryvnyas (25.44m dollars) to the Ukrnafta company.

Court again arrests Burisma's wells

The Kyiv Pecherskyy district court has again arrested 20 wells of the Esko-Pivnich company and 12 wells of the First Gas and Oil Company, which are part of the gas producing holding company Burisma belonging to ex-Environment Minister **Mykola Zlochevskyy**.

The arrests were carried out upon a motion of **Dmytro Sus**, head of the economic crime investigation department of the Prosecutor-General's Office.

The Prosecutor-General's Office says that Burisma executives in 2013-14 evaded taxes to the tune of 180m hryvnyas (7.1m dollars).

The court arrested all the aforementioned wells in July, but then these decisions were appealed and the arrests were lifted.

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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