



Gorshenin *Weekly*

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CONTENT

1. Top news...page 5

2. Domestic political...page 5

Petro Poroshenko elected as the new Ukrainian President (exit poll data)

Vitaliy Klitschko wins Kiev mayoral vote (exit poll data)

Record number of international observers register at presidential election

Poroshenko: Parliamentary election should be held this year

Kuzmin admits finding no evidence of corruption in Tymoshenko's actions

New authorities cut number of officials by 25,000

Acting president changes head of communications regulator

Finance Ministry publishes army expense report

Finance Ministry puts "military bonds" up for sale

Prosecutor-General's Offices probing ex-chiefs of Defence Ministry, General Staff

Government to auction off property of Yanukovych, associates

Prosecutor-General's Office: Yanukovych put pressure on Metropolitan Volodymyr

Acting president asks Constitutional Court to check constitution against Rome Statute

Government cuts business some tax slack

Donetsk regional governor's assets arrested in Cyprus

3. Separatist provocations in Ukraine's Southeast...page 8

UN estimates 127 people died from violence in Ukraine's southeast

Ukrainian national unity roundtable urges Russia to stop meddling in country's domestic affairs

Ukrainian parliament adopts peace memorandum

Ukrainian tycoon urges peace in Donbass, expresses opposition to pro-Russian insurgents

Pro-Russian insurgents in Ukraine's east nationalize regional companies

Pro-Russian insurgent leader in Ukraine's east urges Putin to send in troops

Eastern Ukrainian separatists open consulates in Russia

Ukrainian prosecutor's office prosecutes pro-Russian separatist leaders of setting up terrorist groups

Ukrainian security supremo sees internal conflicts among pro-Russian separatists in country's east

4. Crimean issue...page 12

International rights watchdog concerned over Ukraine's Crimean Tatars

Crimean residents facing physical violence threats after refusal to apply for Russian citizenship

Ukraine's interim president appoints new Crimean envoy

Crimean energy company headed by Russia's Gazprom top manager

Crimean self-defence units seize 2.8m dollars from state-run Ukrainian bank's vault

Crimean authorities impose ban on exports of peninsula's foodstuffs

Crimean ports without work following Russian occupation

Crimea's authorities said to steal gas from Ukraine

Ukrainian fugitive tycoon buys chain of Lukoil gas stations in Crimea

Medvedev visits Crimea

5. International political...page 14

Ukraine-Russia

Putin orders troops withdrawal from training range near Ukrainian border

Russian premier refuses to guarantee integrity of Ukraine

Putin: post-election relations with Ukraine not to normalize quickly

Kiev accuses Russian journalists of terrorism

Russian mass media reportedly use manipulative technologies in TV news on Ukraine

Ukraine-NATO

Tymoshenko offers referendum on NATO

NATO sends specialists to Ukrainian nuclear power plants

Ukraine-UN

UN Security Council supports Ukraine once again

Ukraine-EU

Brussels ready to proceed to second stage of visa liberalization with Ukraine

Ukraine receives first tranche of EU financial assistance

Ukraine-WTO

Ukraine may edit list of WTO tariffs it wants to review

6. Media...page 18

Ukraine to launch news channel similar to CNN and BBC

New public broadcaster to appear in Ukraine

Criminal proceedings launched against pro-Russian daily, its director

VETEK Media's CEO banned from entering Ukraine

7. Human rights...page 19

Ukraine carries out only 5 ECHR decisions over 18 years

8. Economy...page 19

World Bank's board approves 1.5bn-dollar aid to Ukraine

Moody's expects up to 10 percent decline in Ukraine economy

Ukraine ranked 49th in World Competitiveness ranking

Ukraine's public debt shrinks by 7.2bn dollars in first quarter

Industrial production down 6 percent

Ukraine climbs to 9th place in steel producers ranking

Central Bank extends mandatory sales of foreign currency earnings

Dollarization of deposits makes 43.4 percent

Central Bank to reveal bank owners by 1 September

Retail banking network in Ukraine shrinking

Government to issue VAT bonds

9. Energy...page 21

Russia refuses to return to old gas price for Ukraine

Putin wants direct gas supplies to Europe

EU ready to buy gas at Ukrainian-Russian border

Ukraine to make daily reports on Russian gas transit to EU

European Commission to monitor Naftohaz's financial activities

Ukraine increases gas reserves in underground storages to 10bn cu.m.

Slovakia preparing pipeline to pump gas to Ukraine

TOP NEWS**Snap presidential election held in Ukraine**

According to preliminary data, Petro Poroshenko wins polls outright.

See more details in section DOMESTIC POLITICAL.

Medvedev says Russia had not guaranteed territorial integrity of Ukraine

Putin has assured that Russia would respect the choice of Ukrainian people in the election of the head of state.

See more details in section FOREIGN POLICY. Ukraine-Russia.

Terrorists in Donbas kill more Ukrainian military, peaceful citizens

Akhmetov stood against the self-proclaimed Donetsk people's republic.

See more details in section Separatists Provocations in southeastern Ukraine.

DOMESTIC POLITICAL**Petro Poroshenko elected as the new Ukrainian President (exit poll data)**

Presidential election was held on 25 May in Ukraine.

According to the findings of several exit polls conducted in Ukraine, the non-affiliated MP **Petro Poroshenko** got more than 50 percent of votes, which means that the runoff of the election will not be held.

With 80.01 percent of the electronic ballots processed by the Central Electoral Commission, 54 percent of voters supported Poroshenko, while his closest competitor, former prime minister **Yuliya Tymoshenko** got 13.16 percent.

The voter turnout is estimated at 60.29 percent.

In Luhansk Region, the election was held only in two out of 12 constituencies, and in Donetsk Region - in seven out of 22. At the same time, according to the Ukrainian law, the election is deemed valid despite the number of the constituencies where it was held.

Justice Minister **Pavlo Petrenko** said that there had been no violations that might have impacted the results of the elections.

Director of Political Programmes of the Gorshenin Institute **Yevhen Kurmashov** thinks that the first thing to be done by the new president is to take control over the situation in eastern Ukraine. For that, the expert believes, the head of the state will need to create a war room – a kind of a consultative body that would unite several dozen leading military experts, representatives of special services and diplomats.

Vitaliy Klitschko wins Kiev mayoral vote (exit poll data)

Leader of UDAR party **Vitaliy Klitschko** has become the mayor of Kiev (42.3 percent), the exit poll held by the Savik Shuster Studio says.

Moreover, according to the results of the poll, the majority of Kiev residents (over 40 percent) supported UDAR party in the election of the Kiev city council. Overall, nine parties have been elected to the Kiev city council.

The turnout in the mayor's and Kiev city council elections was 68 percent.

Record number of international observers register at presidential election

The presidential election in Ukraine has become record-breaking for the number of international observers, the head of the Central Electoral Commission, **Mykhaylo Okhendovskyy**, has said.

Overall 3,607 observers were registered on behalf of foreign countries and international organizations.

The OSCE reported that it saw no reasons to deem the presidential election of 25 May as illegitimate.

At the same time, the organization revoked most of its observers from Donetsk Region.

Poroshenko: Parliamentary election should be held this year

Presidential election frontrunner **Petro Poroshenko** thinks that a snap parliamentary election should be held this year.

According to the editor in chief of the news and analysis website LB.ua, **Sonya Koshkina**, the early parliamentary election was a cornerstone for the alliance between Petro Poroshenko and **Vitaliy Klitschko** during the current presidential campaign. By uniting their parties, Solidarity and UDAR respectively, they might form a majority in parliament, Koshkina said.

Kuzmin admits finding no evidence of corruption in Tymoshenko's actions

No evidence of corruption in the actions of former Prime Minister **Yuliya Tymoshenko** has been found, former First Deputy Prosecutor-General **Renat Kuzmin**, dubbed by mass media as the supervisor of all criminal cases against the former prime minister, has said.

He added that he did not have any information that Tymoshenko ever refused to attend court hearings, contrary to the statements of the previous authorities.

New authorities cut number of officials by 25,000

In just two months of its work, the government has laid 25,000 officials off, which is 10 per cent of their entire amount, the Tyzhden magazine has quoted the minister of the Cabinet of Ministers, **Ostap Semerak**, as saying.

Acting president changes head of communications regulator

On 19 May 2014, interim President and speaker **Oleksandr Turchynov** replaced the

management of the National Communications and IT Regulation Commission.

Andriy Semenchenko was put in charge of the commission instead of **Petro Yatsuk** who has chaired it for several years now. Semenchenko chaired the Institute of Senior Management of the National Academy of State Management under the president of Ukraine.

Finance Ministry publishes army expense report

The Finance Ministry has published a report on the use of funds allocated by the Ukrainian parliament out of the reserve fund for military needs in March.

Out of the total amount of 7.1bn hryvnias (617m dollars), 3.7bn hryvnias (408m dollars) was transferred to the Defence Ministry, 2.3bn hryvnias (200m dollars) to the National Guard, and 143.8m hryvnias (12.5m dollars) to the State Border Service.

According to Finance Minister **Oleksandr Shlapak**'s estimates, the Ukrainian army requires 12bn hryvnias (1.04bn dollars).

Finance Ministry puts "military bonds" up for sale

On 21 May 2014, the Finance Ministry started to sell B-series treasury bonds to support the army to the tune of 100m hryvnias (8.7m dollars) through the state-owned bank Oshchadbank.

As of 20 May, individuals and legal entities have transferred 125m hryvnias (10.87m dollars) to the accounts of the Defence Ministry to support the Ukrainian armed forces within the framework of the Support the Ukrainian Army campaign.

Prosecutor-General's Offices probing ex-chiefs of Defence Ministry, General Staff

The Prosecutor-General's Office (PGO) has said that it is now investigating all former defence ministers and ex-chiefs of the General Staff and their impact on the combat ability of the armed forces.

Earlier, the PGO said that in 2010-13, under **Viktor Yanukovych** as president, the combat readiness of the armed forces dropped drastically.

Government to auction off property of Yanukovych, associates

The government has issued a resolution to auction off the property arrested as part of criminal investigations against former high-ranking officials, the head of the presidential administration, **Serhiy Pashynskyy**, said on 20 May 2014.

The Prosecutor-General's Office (PGO) of Ukraine put on a wanted list the former acting prime minister and former governor of the National Bank of Ukraine, **Serhiy Arbuzov**, who is suspected of committing office abuse during the establishment of the Bank Television channel.

Last week it transpired that the PGO suspects former justice ministers **Oleksandr Lavrynovych** and **Olena Lukash**, members of **Mykola Azarov**'s government, of embezzling the budget funds.

Gorshenin Institute (@Gorshenin_eng) on Twitter

According to incumbent Justice Minister **Pavlo Petrenko**, deposed President **Viktor Yanukovych**'s entourage illegally moved around 100bn dollars out of Ukraine.

Prosecutor-General's Office: Yanukovych put pressure on Metropolitan Volodymyr

The Prosecutor-General's Office (PGO) opened a criminal case against deposed President **Viktor Yanukovych**, former Prosecutor-General **Viktor Pshonka** and former Interior Minister **Vitaliy Zakharchenko** on suspicion of making an attempt to topple the leader of the Ukrainian Orthodox Church of the Moscow Patriarchate, Metropolitan **Volodymyr**, the PGO's press service said on 21 May 2014.

According to the PGO, Yanukovych was looking for the church's support at the 2015 presidential election, however Metropolitan Volodymyr insisted on the principle of non-interference into politics.

His secretary, the metropolitan of Pereyaslav-Khmelnytsky and Vyshnevsyky, **Oleksandr**, confirmed that the previous authorities were putting pressure on Volodymyr to remove him from the post.

Yanukovych is also suspected of organizing especially grave crimes (mass murder of people), gross distraight of state property, unconstitutional seizure of state power by changing the constitution, and public calls to seize state power through statements at a news conference in Rostov-on-Don.

Acting president asks Constitutional Court to check constitution against Rome Statute

On 22 May 2014, interim President and speaker **Oleksandr Turchynov** asked the Constitutional Court to check whether the Rome Statute of the International Criminal Court is in line with the constitution. The statute is being introduced to parliament which is expected to confirm its binding force by ratifying it.

Justice Minister **Pavlo Petrenko** said that the ratification of the Rome Statute would speed up investigation into crimes committed by the previous authorities. In his words, this will also facilitate investigation into military crimes committed by Russia in Crimea.

Government cuts business some tax slack

On 21 May 2014, the Cabinet of Ministers approved the bill on a tax compromise offering a pardon to business entities' outstanding tax commitments to the state if they voluntarily agree to pay 15 percent of the due amount during 60 days.

Donetsk regional governor's assets arrested in Cyprus - media

Some Cyprus-based assets of the governor of Donetsk Region, businessman **Serhiy Taruta**, have been arrested following a lawsuit filed by Russia's VTB, Russian Kommersant has reported.

SEPARATIST PROVOCATIONS IN UKRAINE'S SOUTHEAST

UN estimates 127 people died from violence in Ukraine's southeast

As many as 127 people died as a result of violence in Ukraine's southeastern regions in

the past month, *UN* Assistant Secretary-General for Human Rights **Ivan Simonovic** said on 21 May.

He added that the level of crime and the number of violations of social and economic rights in the eastern regions of the country were on the rise, which could trigger a drastic increase in the number of internally displaced people in Ukraine.

The unstable operation of the Ukrainian communication and transport systems, banks, and educational institutions also complicates the situation in the region.

We would like to point out that the number of abductions carried out by pro-Russian terrorists also went up in Donetsk and Luhansk regions. Donetsk separatists captured a Hungarian national on 18 May. He was released on 21 May by a special unit of the Hungarian Counterterrorism Centre with the assistance of the Ukrainian authorities.

Additionally, we learned that on 17 May, the so-called Army of the Southeast detained two Nigerian students in Luhansk Region, accusing them of weapons and drugs possession.

In addition to the mentioned cases, dozens Ukrainian servicemen and terrorists were killed during an antiterrorist operation.

On 24 May, near Slovyansk (Donetsk Region), Italian journalist **Andrea Rocchelli** and his interpreter **Andrey Mironov** were killed, and French photographer **William Roguelon** was wounded. Deputy Prime Minister **Vitaliy Yarema** said that Rocchelli died as result of a mortar fire by members of illegal armed troops.

Ukrainian national unity roundtable urges Russia to stop meddling in country's domestic affairs

On 21 May, the Ukrainian authorities organized the third national unity roundtable with the participation of politicians and civil society representatives in the southern Ukrainian city of Mykolayiv.

They urged the Russian authorities to stop interfering into the Ukrainian domestic affairs. The roundtable participants also stressed that an antiterrorist operation in Ukraine's east would be ended only after pro-Russian insurgents and agents were disarmed.

We shall remind you that national unity roundtables are held in different Ukrainian cities. The first one was organized in Kiev on 14 May and the second one in Kharkiv on 17 May.

Ukrainian parliament adopts peace memorandum

On 20 May, the Ukrainian parliament passed a memorandum on resolving the situation in the country's east.

The document urges all sides of the conflict to stop radical actions and to resume the joint work on protecting, developing, and building a democratic, sovereign, and united Ukraine.

At the same time, Ukrainian MPs undertook a commitment to implement as soon as possible the constitutional reform which would introduce a parliamentary-presidential form of government, combat corruption at all government levels, reform law-enforcement agencies, prosecutor's offices and courts, as well as ensure that regions were provided with needed financial resources.

Furthermore, the Ukrainian parliament committed to strengthening the status of the Russian language, regional languages, and languages of national minorities in the constitution, to adopting a law on local referendums and on amnesty for participants in large-scale protest campaigns in Ukraine under the condition that they vacated occupied buildings and voluntarily laid down arms.

Western countries welcomed the holding of the roundtables on national unity and the adoption of the memorandum.

In its turn, Russia said that the memorandum was a belated step of the Ukrainian authorities to implement the Geneva agreement.

At the same time, the head of the so-called supreme council of the self-proclaimed Donetsk people's republic, **Denys Pushylin**, stated that dialogue with the Ukrainian authorities was "impossible in principle". The most to what the Donetsk people's republic might agree is to exchange hostages and hold negotiations on withdrawing the military from Donetsk Region, he added.

Ukrainian tycoon urges peace in Donbass, expresses opposition to pro-Russian insurgents

On 19 May, Ukrainian oligarch **Rinat Akhmetov** released a video address in which he subjected the activity of the so-called Donetsk people's republic to harsh criticism. He also urged employees of his companies in Donbass to organize a warning strike in support of peace and to blow factory sirens.

Hundreds of them heeded Akhmetov's call by holding demonstrations.

In their turn, the leaders of the Donetsk people's republic launched a criminal case against Akhmetov over an attempt to overthrow the government and tax evasion.

Pro-Russian insurgents in Ukraine's east nationalize regional companies

The Donetsk people's republic has nationalized regional companies, the head of the so-called supreme council of the self-proclaimed Donetsk people's republic, **Denys Pushylin**, said on 20 May.

We shall remind you that the pro-Russian insurgents had previously offered Ukrainian oligarch **Rinat Akhmetov** to pay taxes from his companies to the budget of their entity, but he had refused.

Pro-Russian insurgent leader in Ukraine's east urges Putin to send in troops

On 22 May, the leader of the self-proclaimed Luhansk people's republic, **Valeriy Bolotov**, signed an "order" declaring martial law and announcing general mobilization.

Furthermore, he asked Russian President **Vladimir Putin** to send peacekeeping troops to the territory of the republic, since the separatists do not have enough personnel to counter the Ukrainian military.

It is to note that the self-proclaimed Donetsk people's republic also introduced the martial law on the territory of Donetsk Region.

Eastern Ukrainian separatists open consulates in Russia

The self-proclaimed Donetsk people's republic has announced on its website that it had opened three consulates in the Russian Federation: in Moscow, St Petersburg, and Rostov-on-Don.

Additionally, the leaders of the Donetsk People's Republic asked the Russian authorities to recognize their entity as an independent republic.

We would like to stress that according to information at the disposal of the Ukrainian National Security and Defence Council secretary, **Andriy Parubiy**, the Russian military are holding training at a military base near Rostov-on-Don for organizing acts of sabotage in eastern Ukraine. There are about 1,000 people on the territory of the military base, who are instructed by Russian officers, he said, adding that it was currently unclear who was in charge of the drills.

As previously reported, Ukraine's ousted President **Viktor Yanukovych** held news conference in Rostov-on-Don after he had fled the country.

Ukrainian prosecutor's office prosecutes pro-Russian separatist leaders of setting up terrorist groups

The Ukrainian Prosecutor-General's Office prosecutes the "people's governor" of the self-proclaimed Luhansk people's republic, **Serhiy Bolotov**, the Luhansk people's republic "interior minister", **Yuriy Ivakin**, as well as the "defence minister" of the Donetsk people's republic, Russian citizen **Igor Girkin** (aka **Strelkov**), of setting up terrorist organizations, the Prosecutor-General's press service has reported.

We shall remind you that the Prosecutor-General's Office had previously declared the Donetsk and Luhansk people's republics as terrorist organizations.

Ukrainian security supremo sees internal conflicts among pro-Russian separatists in country's east

According to information at the disposal of the Ukrainian National Security and Defence Council secretary, **Andriy Parubiy**, different separatist groups in Ukraine's east are experiencing internal conflicts.

In particular, he stressed that there were several separatist groups in the eastern regions. The first one is represented by separatists who live in Donetsk and Luhansk regions. The second one consists of Russian agents who operate under the leadership of Russian citizen **Igor Girkin** (aka **Strelkov**). The third group is comprised of local criminals, who are trying to establish control over some regional cities against the background of the destabilized situation.

Media also report that there are armed Chechen troops in Donbas.

CRIMEAN ISSUE**International rights watchdog concerned over Ukraine's Crimean Tatars**

The international human rights organization Amnesty International has expressed in its statement of 23 May concern with the policies of the Crimean occupational administration regarding Crimean Tatars.

The watchdog pointed out that the pro-Russian Crimean authorities were exerting pressure on the Crimean Tatars to force them to relinquish their Ukrainian citizenship and apply for Russian citizenship. It also pointed out that the Crimean Tatar self-styled government Majlis was facing the risk of being disbanded.

Additionally, Amnesty International stressed that Crimean Tatar activists were frequently detained and subjected to violence by armed groups.

The organization pointed out that one representative of the Crimean Tatar community had been killed, that the Crimean Tatar leader, **Mustafa Dzhemilyev**, had been denied entry into Crimea, while dozens Crimean Tatars were facing criminal punishment for participating in peaceful protest campaigns.

According to information at the disposal of Amnesty International, up to 7,000 Crimean Tatars have already fled the peninsula.

We would like to point out that under an agreement between Dzhemilyev and the European commissioner for enlargement and European neighborhood policy, **Stefan Fule**, one of the Western European countries will host in 2014 an international forum on the rights of the Crimean Tatar people in Crimea.

Crimean residents facing physical violence threats after refusal to apply for Russian citizenship

Crimean residents who refused to apply for Russian citizenship have been "visited" by representatives of the so-called "self-defence" units, who demanded that they leave the peninsula, the head of the Centre for Military and Political Studies, **Dmytro Tymchuk**, has said.

He also stressed that the process of "refusing to adopt Russian citizenship" in Crimea had turned into a mechanism for detecting and persecuting Crimean residents who were not loyal to Moscow. The expert added that the procedure for refusing to adopt Russian citizenship was extremely complicated for those who did not want to become Russian nationals.

Additionally, Tymchuk pointed out that automatically granting Crimean residents Russian citizenship without their agreement was a flagrant violation of international law.

We shall remind you that on 18 March, Ukrainian citizens in Crimea were turned into Russian nationals. Following this, Crimean residents had a month to submit an application for retaining their Ukrainian citizenship.

Ukraine's interim president appoints new Crimean envoy

On 22 May, the interim Ukrainian president, parliamentary speaker **Oleksandr**

Turchynov, appointed **Nataliya Popovych** as his new permanent representative in Crimea.

Prior to this, the post had been occupied by **Serhiy Kunitsyn**, who was dismissed as a result of unsatisfactory performance of his office duties.

We would like to point out that as a result of the Crimean occupation by Russia, Turchynov moved the presidential representative office from Simferopol to the southern Ukrainian city of Kherson.

Crimean energy company headed by Russia's Gazprom top manager

The authorities of the self-proclaimed Crimean republic have appointed **Sergey Komissarov** as a new head of the oil and gas company Chornomornaftohaz, which had been seized from Ukraine.

Komissarov had previously served as the director-general of the Russian company Gazprom Mezhregiongaz Krasnodar.

Crimean self-defence units seize 2.8m dollars from state-run Ukrainian bank's vault

The Ukrainian state-owned Oshchadbank (Savings Bank) has reported that representatives of the so-called Crimean self-defence units had seized 32,45m hryvnyas (2,82m dollars) in cash from the bank's vault in the peninsula.

Crimean authorities impose ban on exports of peninsula's foodstuffs

Starting from 26 May, the Crimean authorities will start implementing restrictions on the export of several kinds of foodstuffs, such as meat and dairy products. These measures are geared towards ensuring food security on the peninsula.

The decision to this effect was taken by the so-called ministry of agricultural policy and food of the Crimean republic.

We shall remind you that Russia had earlier banned the export of Ukrainian food products to the peninsula.

Crimean ports without work following Russian occupation

Under the conditions of isolation from the Ukrainian mainland, Crimean ports are underutilized, so the transport ministry of the self-proclaimed Crimean republic plans to develop them exclusively for the peninsula's internal needs, the Crimean transport minister, **Yuriy Shevchenko**, has said.

Crimea's authorities said to steal gas from Ukraine

The self-declared Crimean authorities steal on a daily basis around 50,000 cu.m. of gas from a field on the territory of southern Ukrainian Kherson Region, the head of the Centre for Military and Political Studies, **Dmytro Tymchuk**, has said.

Ukrainian fugitive tycoon buys chain of Lukoil gas stations in Crimea

Ukrainian oligarch **Serhiy Kurchenko**, who has fled Ukraine to Russia and who reportedly belongs to ousted Ukrainian President **Viktor Yanukovich's** entourage, has bought a Crimean chain of gas stations from Russia's Lukoil company, OilNews has reported.

The publication cited a threat of international sanctions as a reason for the gas stations sale by the Russian company.

Earlier, Kurchenko had bought the third largest Crimean chain of gas stations Sovremennik.

Medvedev visits Crimea

On 25 May, Russian Prime Minister **Dmitriy Medvedev** arrived to Crimea with a two-days working visit.

This is already the second trip of the head of the Russian government to the peninsula, on 31 March, he held a visiting meeting of the government in Simferopol.

The Foreign of Ukraine qualified Medvedev's visit to the occupied part of the Ukrainian territory that had not been agreed with the Ukrainian side on election day as a "particular insolence and a deliberate provocation from the Russian part, intending to destabilize the situation in Ukraine".

INTERNATIONAL POLITICAL**UKRAINE-RUSSIA****Putin orders troops withdrawal from training range near Ukrainian border**

On 19 May 2014, Russian President **Vladimir Putin** once again issued an order to Defence Minister **Sergey Shoygu** to bring back the troops taking part in the exercises on the Ukrainian border to the places of their permanent deployment.

The Russian troops were pulled back from the regions bordering on Ukraine on 21 May, the Russian Defence Ministry has said.

The chief of the Russian Armed Forces' General Staff, **Valeriy Gerasimov**, said that the withdrawal of military hardware and servicemen from the areas bordering on Ukraine was expected to be completed by 8 June.

On 25 May, the State Border Service confirmed that Russia started the process of the pullout of its troops from the border with Ukraine, mentioning however that the field military camps were preserved.

On 7 May, Putin said that Russia had withdrawn its troops from the border with Ukraine and they were now stationed where they usually hold exercises. After this, the US authorities released satellite pictures showing the presence of the Russian troops near the Ukrainian border.

Last week, the Ukrainian authorities stressed on illegal incursion of five trucks and

two cars with armed people into Ukraine from Russia, as well as a Russian military helicopter entering the Ukrainian air space.

Russian premier refuses to guarantee integrity of Ukraine

Russian Prime Minister **Dmitriy Medvedev** has said that Russia cannot and is not going to guarantee the territorial integrity of Ukraine because it never undertook such commitments.

He added that Western countries should give a number of guarantees, in particular that they will not interfere in Ukraine's domestic affairs and will not push on the country to join NATO.

He said that by incorporating Crimea, Russia did not violate international commitments, including the Budapest memorandum because it is not applicable to the current situation.

Former Ukrainian President **Leonid Kuchma** recalled that in 1997 he and then Russian President **Boris Yeltsin** signed the agreement on friendship, cooperation and partnership between the Russian Federation and Ukraine, which contains clauses on territorial integrity.

According to Kuchma, Russia with its actions is pushing Ukraine towards NATO.

Putin: post-election relations with Ukraine not to normalize quickly

Russian President **Vladimir Putin** has said that because of the antiterrorist operation in Donbass, one should not expect relations between Kiev and Moscow to normalize quickly. He added that **Viktor Yanukovych** remains Ukraine's legitimate president.

He added that Russia would respect an outcome of the election.

Russian Prime Minister **Dmitriy Medvedev** said that the situation in Ukraine did not give him confidence that the election would be held properly. He pointed out that an outcome of the election can only be recognized when it attests to the will expressed by the majority of citizens.

He added that this election was a result of the "anticonstitutional change of power". On the other hand, he added, it was a certain way out of the current situation.

Kiev accuses Russian journalists of terrorism

On 18 May 2014, **Oleg Sidyakin** and **Marat Saychenko**, journalists of the Russian news website LifeNews, were detained by Ukrainian servicemen near Kramatorsk, Donetsk Region. According to the Ukrainian Defence Ministry, they were found to carry a man-portable air defence system and video footage implicating them in cooperation with the terrorists.

The deputy secretary of the National Security and Defence Council, **Viktoriya Syumar**, said that the Russian journalists assisted to terrorism by providing information support for the militants. "These 'journalists' accompany terrorist groups and film attacks on

Ukrainian servicemen," she explained.

According to the spokesman for the Ukrainian Foreign Ministry, **Yevhen Perebyynis**, the journalists were directly involved in the torturing and interrogation of captured Ukrainian special troops.

The Russian Foreign Ministry called on the OSCE to immediately make the most of its resources to release the Russian journalists.

In a letter to Ukrainian Interior Minister **Arsen Avakov**, OSCE Representative on Freedom of the Media **Dunja Mijatovic** shared her concerns about this detention. She asked the Ukrainian authorities to release the LifeNews journalists and hold a thorough investigation into the incident. She called on all parties to the conflict in Ukraine to stop intimidating the media and let them do their work.

On 24 May, the journalists were released.

Russian mass media reportedly use manipulative technologies in TV news on Ukraine

The Security Service of Ukraine's (SBU) experts have said that Russian TV channels use the so-called 25th frame effect, which is a manipulative technology banned by international law, the SBU's spokesperson, **Maryna Ostapenko**, has said.

In her words, Russian TV channels use manipulative technologies in their news reports, in particular they tell half-true information about Ukraine, repeatedly show negative information and images, focusing on the scenes of violence in detail.

It is to note that on 25 May, Russia's First Channel TV reported in the news devoted to the early presidential election in Ukraine that the winning candidate in the campaign was the head of the radical party "Right Sector" **Dmytro Yarosh**.

UKRAINE-NATO

Tymoshenko offers referendum on NATO

A former prime minister and presidential candidate, **Yuliya Tymoshenko**, has said that the Ukrainian army is too weak to resist Russia's aggression on its own. Therefore the only solution for Ukraine is to become a NATO member, she concluded.

She suggested to hold an all-Ukrainian referendum on the country's accession to NATO.

Another presidential candidate, MP **Petro Poroshenko**, criticized the idea of holding such a referendum.

According to an opinion poll held by the Razumkov Centre in Ukraine in April, 41.6 percent of the respondents spoke against the country's accession to NATO, 36.7 percent favoured the idea, 15.4 percent found it difficult to answer, and 6.4 percent would not vote at all.

NATO sends specialists to Ukrainian nuclear power plants

At the request of the Ukrainian authorities, NATO has sent a group of civilian specialists to improve security at Ukrainian nuclear power plants, NATO Secretary-General **Anders Fogh Rasmussen** said on 19 May 2014.

The press service of the Ukrainian Cabinet of Ministers said that NATO member states were ready to send advisers to help the Ukrainian Defence Ministry and other offices in their reform in line with modern standards.

UKRAINE-UN**UN Security Council supports Ukraine once again**

The UN Security Council held a closed session to discuss the Ukrainian issue on the initiative of the Ukrainian side in New York on 22 May 2014.

According to a representative of Ukraine's permanent office at the UN, **Yehor Pyvovarov**, Western partners expressed their support for Kiev's efforts aimed at holding a democratic presidential election.

The Ukrainian diplomat also said that Russia's representatives did not make any statements during the session.

On 21 May, the UN Security Council at its closed session on the Ukrainian issue did not support Moscow's initiative to ask Secretary-General **Ban Ki-moon** for an independent investigation into the Odessa tragedy on 2 May.

UKRAINE-EU**Brussels ready to proceed to second stage of visa liberalization with Ukraine**

European Commissioner for Home Affairs **Cecilia Malmstroem** has suggested that the European Commission should proceed to the second stage of visa liberalization with Ukraine, her statement dated 23 May 2014 reads.

Malmstroem has said that the adoption of the laws on document security, asylum, fight against corruption and discrimination, data protection and other was a "significant achievement" of Ukraine on its path to visa-free travel regulations with the EU.

At the second stage, Europe will check how the legal novelties are implemented in practice. Should the resulting conclusions be positive, Ukrainian citizens will not require a visa to travel to the EU.

Ukraine receives first tranche of EU financial assistance

On 20 May 2014, the EU transferred Ukraine 100m euros of the first tranche of its macrofinancial assistance, the European Commission vice-president and commissioner responsible for transport, **Siim Kallas**, has said.

The same day, the Ukrainian parliament ratified a memorandum of understanding between Ukraine and the EU, under which Kiev will receive a 1bn-euro loan.

On 5 March, the European Commission defined a package of financial assistance to Ukraine of at least 11bn euros to be allocated in the course of several years.

UKRAINE-WTO

Ukraine may edit list of WTO tariffs it wants to review

Ukraine is going to hold some negotiations and consultations with WTO member states about the general list of tariff complaints subject to review, which the country put forward in the autumn 2012, the memorandum of understanding between the EU and Ukraine reads.

In the autumn 2012, Ukraine notified the WTO that it was going to review potential tariffs on the import of goods under 371 commodity positions. The USA and the EU criticized Ukraine's decision, saying that the change of the tariffs will absolutely destroy the balance of international trade and result in numerous trade disputes.

MEDIA

Ukraine to launch news channel similar to CNN and BBC

The Ukrainian authorities have announced plans to create a news and analysis TV channel to counteract the media war being waged against Ukraine in the international arena, the head of the presidential administration, **Serhiy Pashynskyy**, has said.

According to **Viktoriya Syumar**, deputy secretary of the National Security and Defence Council, such foreign broadcasting should be conducted by the government and should cover countries in the CIS, Europe, the United States, as well as Crimea as a temporarily occupied territory.

New public broadcaster to appear in Ukraine

The Ukrainian authorities are planning to create a new public television station based on BTB (Banking Television) and UTR (Ukrainian Television and Radio Broadcasting), Deputy Secretary of the National Security and Defence Council **Viktoriya Syumar** has said.

Earlier, on 13 May, interim President and parliament speaker **Oleksandr Turchynov** signed into law a bill on public television and radio broadcasting.

Criminal proceedings launched against pro-Russian daily, its director

The Ministry of Revenues and Levies is investigating a criminal case against Vesti Mass Media company and its director **Ihor Huzhva**.

The case has been opened in connection with alleged tax evasion and money laundering.

As part of the investigation, the police have blocked accounts of the company and its director. According to website Telekritika.ua, this money came from the companies directly related to businessman **Serhiy Kurchenko**, who is known to have close ties with the family of ex-President **Viktor Yanukovich**.

During the search at the company's office, the ministry's investigators seized 2.5m hryvnyas (217,000 dollars) in cash.

Huzhva said that pressure is put on his company.

A number of experts link newspaper "Vesti" with Russian capital.

VETEK Media's CEO banned from entering Ukraine

CEO of VETEK Media and chairman of the board of directors of UMH Media Holding, **Yuriy Rovenskiy**, who is a Russian citizen, has been barred from entering Ukraine, according to UMH's press service.

UMH is owned by VETEK Group belonging to businessman **Serhiy Kurchenko**.

We would like to point out that according to information at the disposal of the Ukrainian Interior Ministry, over the past five years, Kurchenko's VETEK group of companies had imported to Ukraine without proper customs registration or the payment of taxes and duties around 5m tonnes of oil products, whose estimated value is 36bn hryvnyas (3.13bn dollars).

The Security Service of Ukraine froze Kurchenko's bank accounts and assets.

HUMAN RIGHTS

Ukraine carries out only 5 ECHR decisions over 18 years

Ukraine has fully satisfied only five out of 962 rulings made by the European Court of Human Rights (ECHR) since 1997, according to court official **Fredrik Sundberg**.

He noted that currently about 11,000 claims from Ukrainian citizens are awaiting consideration by the European Court. According to Sundberg, the majority of the claims concerns failure to execute rulings delivered by Ukrainian courts.

Also, Special Adviser of the Council of Europe's Secretary General **Jeroen Schokkenbroek** noted that even after this year's Euro-Maydan protests, some politicians continue to interfere with work of the judiciary system.

Last year Ukraine ranked third by the number of claims filed to the ECHR.

ECONOMY

World Bank's board approves 1.5bn-dollar aid to Ukraine

The World Bank on 22 May approved three new projects for Ukraine for a total value

of 1.48bn dollars. The approved package is part of the bank's overall assistance to Ukraine in the amount of 3.5bn dollars to be provided by the end of 2014.

This new financing will be reinforced by technical assistance and policy dialogue to help drive forward the essential structural and macroeconomic reforms.

Moody's expects up to 10 percent decline in Ukraine economy

As estimated by rating agency Moody's Investors Service, Ukraine's GDP will decline by 5-10 percent in 2014, while formation of new problem loans will accelerate and non-performing loans will double to close to 30 percent of gross loans.

The outlook for Ukraine's banking system remains negative. Ukrainian banks' liquidity will continue to be adversely affected by deposit-based funding vulnerabilities demonstrated by a 15-percent outflow of retail deposits in January-April 2014 amid ongoing political unrest. In addition, Moody's expects Ukrainian banks' access to wholesale funding to remain sharply curtailed given the lack of investor appetite and possible retrenchment by Western European parent banks in the face of heightened uncertainty in Ukraine.

According to estimates by the Economic Development Ministry, Ukraine's GDP in 2015 may grow by 3.5 percent (the optimistic scenario). Under the baseline scenario, GDP will grow by 1.7 percent.

Ukraine ranked 49th in World Competitiveness ranking

Ukraine has been placed 49th out of 60 countries in the annual World Competitiveness Ranking conducted by the International Institute for Management Development.

Ukraine's public debt shrinks by 7.2bn dollars in first quarter

According to the Finance Ministry, Ukraine's total public and publicly guaranteed debt as of 1 April was 65.89bn dollars, which is 9.87 percent less than at the beginning of this year.

Industrial production down 6 percent

Industrial production in April 2014 fell by 6 percent compared with April 2013, according to the State Statistics Service.

Ukraine climbs to 9th place in steel producers ranking

Ukrainian steelmakers in April 2014 cut steel production by 4.5 percent compared with April last year, to 2.63m tonnes, still climbing from the 10th to the 9th place in the ranking of world steel producers.

Central Bank extends mandatory sales of foreign currency earnings

The National Bank by its decision of 12 May extended for another three months (until 20 August) the obligation of resident legal entities to sell 50 percent of foreign currency proceeds from export sales of goods. The other 50 percent of foreign currency revenues remain at the disposal of companies.

Mandatory sales of foreign currency earnings were introduced in Ukraine in November 2012 as a measure to reduce tensions in the foreign exchange market.

Dollarization of deposits makes 43.4 percent

The level of deposits dollarization in the first quarter of 2014 reached 43.4 percent, according to the National Bank.

The share of dollar-denominated loans amounted to 41.8 percent.

Central Bank to reveal bank owners by 1 September

Information about the ultimate owners of all commercial banks should be published on the website of the National Bank before 1 September 2014. The Ukrainian side has assumed the respective obligation under the memorandum with the EU on macro-financial assistance.

Retail banking network in Ukraine shrinking

The retail network of banks in Ukraine in January-April contracted by 6.3 percent or nearly 1,200 branches to 18,200 sales points.

Government to issue VAT bonds

The cabinet on 21 May adopted a resolution on issuing domestic government loan bonds to reimburse value added tax (VAT).

The face value of the bonds will be 1,000 hryvnyas (89 dollars); maturity is five years.

ENERGY**Russia refuses to return to old gas price for Ukraine**

Russia is not ready to discuss changing the base price of natural gas in the contract with Ukraine and can consider only providing a discount. The statement was made by Russian Energy Minister **Aleksander Novak** after a two-side meeting with European Commissioner for Energy **Gunther Oettinger**.

He also noted that returning to the price that existed prior to 1 April (268.5 dollars) is out of the question.

Oettinger said that Moscow should not use the price of gas as a political weapon against Ukraine.

Prime Minister **Arseniy Yatsenyuk** said that Ukraine in late May intends to file a lawsuit to the Stockholm arbitration to settle the gas price dispute with Gazprom.

Putin wants direct gas supplies to Europe

Russian President **Vladimir Putin** said that the situation in Ukraine confirms that Russia needs to establish direct natural gas supplies to Europe bypassing transit countries.

Prime Minister **Arseniy Yatsenyuk** believes that Russia is provoking a gas crisis in order to discredit Ukraine as a transit country and justify the construction of the South Stream pipeline.

Andriy Kobolev, head of the state-run energy company Naftohaz Ukrayiny, has expressed confidence that many European buyers of Russian gas are becoming increasingly aware that if Gazprom gets the green light from the European Commission to build the South Stream and obtains wider access to the OPAL pipeline, they will face the risk of finding themselves in Ukraine's current situation.

European Commission President **Jose Manuel Barroso** in his letter to President **Vladimir Putin** noted that Moscow should not stop supplying gas to Kiev while the EU, Russia and Ukraine are still conducting talks.

EU ready to buy gas at Ukrainian-Russian border

The European Commission considers it possible to change the delivery point for Russian natural gas from the border between Ukraine and the European Union to the Ukrainian-Russian border, according to **Sabine Berger**, a spokesperson of the EU Commissioner for Energy.

Earlier, Prime Minister of Ukraine **Arseniy Yatsenyuk** suggested that Europe buy natural gas on the Ukrainian-Russian border and sign new contracts with Russia's Gazprom.

As reported by news agency UNIAN, presently the entire volume of Russian gas supplied to European consumers through Ukraine is sold by Gazprom's subsidiary at the western border of Ukraine. The cost of transporting gas through Ukraine is covered by Gazprom. Therefore, in particular, Ukraine cannot agree with Slovakia on launching the so-called "big reverse" which will actually reduce to zero Ukraine's gas dependence on Russia.

Ukraine to make daily reports on Russian gas transit to EU

State-run company Ukrtranshaz has started making daily disclosures of volumes of Russian gas pumped through the Ukrainian gas transport system to Western Europe.

Provision of such information is another step to meet the requirements of the second and third energy packages for introducing standardized European procedures for gas transport operators.

In May, state-run company Naftohaz Ukrayiny joined the GSE Transparency Platform (AGSI+) used by European storage operators.

One hundred percent in Ukrtranshaz belongs to Naftohaz.

European Commission President **Jose Manuel Barroso** in a letter to Russian President **Vladimir Putin** confirmed the EU's readiness to provide information on the volume of

gas that crosses the western border of Ukraine and the EU. However, he demanded that Ukraine and Russia provide information on the volume of gas that crosses the Russian-Ukrainian border and is transported through the Ukrainian territory.

European Commission to monitor Naftohaz's financial activities

The European Commission under its macro-financial aid package to Ukraine worth 1bn euros will perform quarterly monitoring of financial activities of state-run energy company Naftohaz Ukrayiny, according to the memorandum of understanding between the EU and Ukraine.

State company Ukravtodor and the State Mortgage Institution will also be monitored by the EU.

Ukraine increases gas reserves in underground storages to 10bn cu.m.

Natural gas reserves in Ukrainian underground storage facilities have increased by 8.1 percent to 10.03bn cu.m., according to the GSE Transparency Platform (AGSI+) used by European storage operators.

Slovakia preparing pipeline to pump gas to Ukraine

Slovakia is preparing a pipeline to start reversed gas supplies to Ukraine, Slovakia's Foreign Minister **Miroslav Lajcak** said on 19 May, following a meeting with Russian Foreign Minister **Sergey Lavrov** in Moscow, according to news agency UNIAN.

On his part, Lavrov said that Slovakia's actions do not contradict the agreements reached with Russia.

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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Our contact information:

18b Mala Zhytomyrska st.,
Kiev 01001, Ukraine
+38 044 230 4962
+38 044 230 4966 f



For more information please visit our website
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