

# Annual address of President to Verkhovna Rada “On Internal and External Situation of Ukraine in 2016”

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*06 September 2016*

Fellow Ukrainians!

Dear people’s deputies!

Dear Ukrainian Government!

First of all, I would like to congratulate everyone once again on the 25th anniversary of restoration of our state independence. Yes, it is true that the parliament is made up from the ruling faction and the opposition. This is the inviolable and important feature of democracy. But sometimes there are moments when one should forget at least for a second who is right and who is left, liberal or conservative, Ukrainian- or Russian-speaker. Independence Day is the day when you overcome barriers and remember that all of us are Ukrainians at the foremost.

In conditions of lasting aggression of Russia against Ukraine when military threat from the East is the biggest strategic challenge, the issue of national unity and political consolidation is a life-and-death issue. This is the main thing I would like to say today.

We are preparing to mark the centenary of the Ukrainian national revolution. Only in exile, its prominent leaders and participants have realized that the main reason of losing independence had been incurred due to infighting. I am convinced that we must learn historic lessons and that the political struggle will not cross the line when democracy and European values are overshadowed by chaos, anarchy and warlordism.

I would like to repeat once again my words on Independence Day: state independence gave us democracy and freedom, civil dignity and national unity; taught us to defend ourselves and opened the European perspective for our country. Now, we must supplement our spiritual and moral achievements with material achievements and ensure the increase of welfare of every citizen of free Ukraine. This is our main task.

In order to achieve such an ambitious goal, we need three components: peace, security and reforms. Our security depends first and foremost on the Armed Forces of Ukraine and the quality of Ukrainian diplomacy.

I would like to emphasize: we highly appreciate support from our western partners. At the moment, 40 import contracts on the supply of various means of defense are being fulfilled on a total sum of USD 1.5 billion. Our friends gave us armored vehicles, unmanned vehicles, surveillance and communications equipment, counterbattery radar stations etc. A few weeks ago we received a large shipment of night vision devices; another one is on the way.

In general, it is clear that Ukraine must rely on itself in defense – on its army and military-industrial complex.

Everyone can clearly see how the army has changed in two years. Two years ago, we didn’t have one and now we do and it is powerful! Of course it doesn’t have luxurious conditions, but it is motivated morally and financially. Yes, it doesn’t have pickles for a meal, but it is full-fed. Yes, it doesn’t have a Haute couture uniform, but it is dressed and the uniform is

modern. It is armed and prepared for the defense of the state yet not under the latest trend of military-technical fashion.

If the Ukrainian authorities had always paid such attention to the Armed Forces, “green men” wouldn’t have entered Crimea. And there wouldn’t have been Russian troops in Donbas as well. Frankly speaking, dear friends, I was simply shocked when the Prosecutor General’s Office informed me on the scale of selling military equipment and armament for trifling sum. That is why our heroes-volunteers fought back with bare hands in spring 2014. There were no armed vehicles, there were no weapons, airspace was not secure. Now, it is different: They’d better not interfere.

The parade of August 24 was a symbolic report. There were a lot of people’s deputies there, but I really missed all of you, leaders of factions, for the entire Ukrainian nation to see our unity and our pride. In fact, every day and night military actions test our troops to the limit. But our troops hold the line against the aggressor whose resources far exceed all possible kinds of resources we possess. And it cannot do anything.

I would like to outline the nearest plans on modernization of defense and security sector. Of course, all of us have enormous dreams. But there are earthly realities that do not leave much choice between what we want and what we can afford.

Almost 3% of GDP for the defense is a lot compared to barely 1% allocated by governments in mid zero years. But it is too little for a country, which is de-facto in the state of war. However, we cannot afford more unfortunately – military pressure on the budget and social sphere is already critical. That is why the army still needs civil assistance, civil support. The state is grateful to everyone whose private civil initiative strengthens our defense capacity.

I would like to emphasize that we will use the existing resources rationally under transparent control of society and parliament. We will strictly control the expenditures, clearly determine long-term needs of the army and other security structures.

Not only repaired and modernized, but also modern new military equipment has already been supplied to the troops. Last year, we have made operational about 20 new types of weaponry and military equipment. This year, the Ministry of Defense will accept 20 more. And I would like to remind that we are in the very beginning of military-technical modernization of the Armed Forces of Ukraine. We have an open field for work.

Over 100 private enterprises that produce and supply hundreds of components are involved in cooperation on ensuring the state defense order and the program of import substitution. This is the real scale of state-private partnership in the defense sphere. These are hundreds of enterprises, not one or two.

Unfortunately, dear people’s deputies, the law on special confiscation has become a stumbling block. It is an important source of funding the defense order this year. Dear friends, it is our debt to the country and I once again urge you to vote for the law in the edition that removes all your fears. Make the amendments you see fit, but please adopt this law and ensure funding for the state defense order and other items of defense expenditures.

For the development of new technologies and industrial base, for the production of modern weapons, as well as for receiving additional financial resources, we export goods and services for military purposes to more than 60 countries! Last year, we concluded export contracts for the sum that exceeds USD 1.3 billion. The portfolio of orders of our enterprises in 2016 already exceeds a billion dollars. But I once again emphasize that the MIC enterprises serve

the Ukrainian army first of all. We export new samples of weaponry produced by the MIC enterprises beyond the state defense order, not the weaponry of the Ukrainian army. Export does not weaken national defense.

We do everything in the defense sphere firmly holding a compass the needle of which points at the North Atlantic. Actually, a compass is the key element of NATO emblem. And it directs us to full compatibility with NATO standards, not only in the military sphere.

We have reached the unprecedentedly close level of cooperation with NATO countries. And we will increase, expand and enhance it until the achievement of full membership criteria. Our strategic goal is NATO membership. I insist: this pointer is motionless for us as the North Star in the starry sky.

It is important that in 2.5 years, the number of supporters of Ukraine's accession to NATO has increased significantly and it substantially exceeds the number of opponents today. But the given issue still has significant differences between macro-regions.

We should also be aware that the Alliance has no consensus on Ukraine's membership as well. Yes, formally the door has been open since the Bucharest Summit 2008. But this door is sensory and may close if we come closer too fast. Therefore, every step must be weighed and pre-calculated in order to avoid the repetition of the Membership Action Plan eight years ago. I want to emphasize that the measures we take now are much greater than the Membership Action Plan of 2008.

Dear people's deputies!

It is natural that the community is very interested in how the Armed Forces of Ukraine will be shaped in the future. As Supreme Commander-in-Chief, I implement the course on professionalization of the Ukrainian troops and I have reported to the Ukrainian people on the parade that the Ukrainian army has concluded contracts with 75% of personnel already. This component will continue to increase, and this will require further improvement of structure and salary growth. I emphasize that only this year, 50 thousand volunteers signed up to the Ukrainian Armed Forces. This enabled us to demobilize five waves of mobilization. I am sure that this line will be continued.

Personally, I would prefer neither mobilization nor martial law. I see a very different plan for our country. But will there be a new wave of partial mobilization or, God forbid, full mobilization? The final answer to this question depends on Moscow.

Our border with Russia is the longest in Europe: two thousand kilometers only on land. I emphasize that Russia is constantly increasing its military presence first of all on our border, it is flexing its muscles on the west and south-west strategic directions. The high level of threat of armed aggression remains in the south. And the Russian terrorist troops in Donbas have almost 38.5 thousand people, over 600 tanks and 1250 armored combat vehicles, 750 artillery system units, over 300 multiple launch rocket systems.

Unfortunately, we do not see the desirable progress in the implementation of the Minsk agreements. However, direct offensive by Russian terrorist troops has been stopped. The absence of new waves of mobilization is also a positive consequence of the Minsk agreements. Just as the return of thousands of Ukrainian hostages kept in prisons in the occupied territories and Russia.

In general, due to the enhancement of the defense capacity of the AFU, we feel more secure than a year before. The temperature of conflict is lower than it was in 2014 and 2015.

We will observe the Minsk agreements no matter how hard it may be. This allowed our diplomacy to win the struggle for the continuation of sanctions of the EU, USA, Japan, Australia and other countries in spring and summer. But we have not yielded any principled position of Ukraine.

Moreover, in a difficult dialogue, we have convinced our western allies and partners that any political settlement must be preceded by apparent and undeniable progress in security issues: sustainable ceasefire, withdrawal of Russian troops and equipment from the occupied territories, disarmament of militants and finally, restoration of control over our border.

And the second reading of constitutional changes, the ghost of which has always been present in this hall, hasn't taken place. And it will not happen until proper conditions for this appear. Dear people's deputies, any decision will be exclusively yours. Neither constitutional amendments nor the law on local elections in Donbas and other strategic steps will take place without your participation. Thus, our cooperation is vital.

Russia wants to transform the occupied territories of Donetsk and Luhansk regions into Donbas protectorate and infiltrate it into the composition of Ukraine under its conditions in order to undermine us from inside. We will not allow that.

However, there is another extreme in this issue. The internal one. And we cannot pretend it doesn't exist. Some Ukrainian politicians attack the Normandy format and the Minsk process because they pave a real way to return Donbas and they are the only tool to achieve this goal. And it turns out that not everyone wants that, because they're different, because they will not vote right, they will choose them and not us, they will pull us to the East, and we will pull to the West. Of course nobody says that loud, but wickedness can be easily read between the lines. This philosophy is unacceptable for me and I would like to tell its apologists that it won't be how you want!

Fantasies about peace in exchange for territory are completely illusory. This approach will bring neither peace nor territories. There will be only shame and ever-smoldering conflict.

Struggle for the restoration of Ukraine's territorial integrity within the borders of 1991 was, is and will be the main priority for me. Just as it has been approved during the real referendum, inter alia, by the majority of Donbas and Crimea residents. And there was no other referendum! Putin's statement that the Crimean issue is closed is just nonsense. Although in reality it was actually closed in 1954 and 1991: Crimea was, is and will be Ukrainian. And there will be no other conversation.

It is obvious that there is no military solution to the problem of territorial integrity. First of all, the capacity of our army is purely defensive. Second, the enemy entrenched in the most urbanized and densely populated areas and towns with our compatriots - citizens of Ukraine.

So the only way of settlement and restoration of territorial integrity is the political-diplomatic way based on the defense capabilities of the army.

We must understand that we will not get up one beautiful morning to see that the status-quo of early 2014 in Donbas has been restored. The process of real, not formal restoration of territorial integrity, reintegration of residents of the occupied territories of Donbas into Ukraine, return of the Ukrainian sovereignty to Donbas will be difficult, painful and long.

And only the Minsk process paves the way to the beginning of this process according to our opinion and the opinion of our partners. Thus, we are interested in its continuation, as well as in maintaining the Normandy format more than anyone. And any attacks on it, including those made by the aggressor, will not lead to anything. We shall ensure the winning process of returning Ukrainian sovereignty. In principle, we can exercise in inventing various formats ever so long, but let's not forget: any format makes sense, only if Russia takes part in it and if it is a multilateral format.

Exclusively a multilateral one, since the behavior of Russia on the world's arena, its violations of the international law, the attempts of the Kremlin to ruin the architecture of European and global security, the Kremlin's expansionism is a continental and global challenge, and it can be resolved exclusively on the bilateral basis.

Ukraine needs further considerable international support in its fight against the Russian aggression. And, I may also recognize that it becomes harder and harder due to various objective and subjective factors to provide the same support to our diplomacy.

These days the European Union has been undergoing severe tests, may be, the most complicated for the time it is in existence. The migration crisis, acts of terrorism – they are external attacks against Europe testing its internal strength. This turbulence results in such events as the Eurosceptics' victory at the referendum in the Netherlands, which indeed - and all of us understand this - had only a formal relation to the EU-Ukraine Association Agreement, the UK voting for Brexit.

The forthcoming year's elections in some European countries may bring to power either ultras or at least the political forces inclined to compromises with the Kremlin believing appeasement of the aggressor to be the best policy. Nobody has learnt the lessons of Munich. They are ready to put themselves in Putin's shoes with the same enthusiasm as the Western leaders demonstrated trying to understand Hitler.

Europe still speaks in one voice, but there are countries speaking with a strong Russian accent. The authorities of the day in our partner countries are under strong pressure of the opposition prone to a compromise with Moscow. The opposition, in its turn, relies on the requirements of the business circles and social groups believing they are the victims of the alleged curtailment of their countries' cooperation with Russia.

One can easily see Russia has been applying the non-military hybrid war methods – known from the Ukraine's case – in the EU countries. The Kremlin does not hide they have been using the European democratic values to ruin the West.

I'm sure Europe will overcome all the challenges strategically. However, on the tactics level, all of us should understand, how much complicated the tasks for our Ukrainian diplomacy become, in what unfavorable conditions they should ensure a single European position as concerns the sanctions and other forms of pressure on the Russian Federation.

During the meeting of ambassadors late in August, everyone was provided both general and individual guidelines. Including, those to be applied if the developments in some countries follow the scenario which is not the best for us.

The main thing is to facilitate strengthening of the international coalition in support of Ukraine and to prevent lifting of the sanctions from the RF until the territorial integrity of Ukraine is restored completely. Facilitating the strengthening of Ukraine's defensive capacity by intensifying cooperation in military technology and defense spheres, transfer of military

technologies, provision of lethal weapons to us, at least in the case of a full-scale Russia's invasion, which we, of course, do not rule out, and to which we should be ready firmly any time.

We should put efforts to keep the issue of Crimea, its militarization and human rights abuses in the peninsula high on the international agenda seeking expansion of the relevant package of sanctions as the United States of America, our partner, did last week.

The Russia's infringements of the human rights on the occupied territories, including those of Crimean Tartars, demand the application of additional sectoral sanctions. I think a modernized analogue of Jackson-Vanik amendment wouldn't go amiss.

The diplomats are set the objective to be more active in engaging international partners to the process of liberating our political prisoners kept in Russia and the annexed Ukrainian Crimea, the hostages kept in the occupied area of Donbas.

The EU's final decision on visas would become yet another proof that Europe, being one of Ukraine's key partners, has recognized our progress in the implementation of the domestic reforms. You know that yesterday one more step was made at the Committee of the European Parliament.

The anti-corruption reform is the toughest one. A widespread and deep-seated network of powerful corruption relations has been, from the very beginning, and unfortunately still remains a weighty component of the political, economic and social systems. Moreover, not only formal, but also informal institutes suffer from it, petty corruption is an unalienable feature of Ukrainians' life style. First of all, we should demonstrate to our society that the attack on corruption started from the top — then we would have a moral right to tackle it at every level.

Problems with the start of e-declaration system are of pure technical nature. My political will as the President to launch this system remains and will remain unchanged. This system creates a new reality strengthening society's capability to watchdog my and yours assets, incomes, expenditures, and lifestyles. Villas, car fleets, money of all "people's servants" should come out of the shadow to the light, this is what the people have been long waiting for. I see no big thing in this — I have been living in the conditions of transparency for many years.

We had to spend some time for building a relevant infrastructure. Finally, the National Anti-Corruption Bureau and the Specialized Anti-Corruption Prosecutor's Office started their operations. I underscore that it is too early to draw any conclusion, the social expectations are very high and I hope they will be met. All of you can see this by the specific cases launched against... our law enforcement bodies including the General Prosecutor's Office, by the names they are interested in, by the entities they are rooting against, they ignore personal taboos and closed spheres.

However, I am categorically against dividing law enforcement bodies into the new ones and the old ones. I would like to emphasize all of them share in the common cause, and we can strike at the corruption only by a single front, not by different columns.

Positive changes in prosecution are obvious. One hundred working days of the new Prosecutor General clearly demonstrate that. And it is not about quantitative indicators, although the prosecutor's office has initiated over 100 notable proceedings, more than one per day. It is about the contours of qualitative positive changes the implementation of which

involved, inter alia, foreign experts. The prosecutor's office is transforming into the European body that monitors the legality and does not serve the interests of political or business circles. A large-scale purification of the Security Service from traitors, corrupt officials and people with low professional and moral qualities has been carried out. Over the past two years, this figure might be heard for the first time, more than two thousand officials of the Security Service have been dismissed. They have been substituted by young patriotic officers. Absolute majority of them have practical experience in hostilities in eastern Ukraine.

All law enforcement bodies are being transformed. Patrol police has already deserved people's trust and it must preserve it. We have finally started to create the Ukrainian police from the former Soviet militia. Reaction of leadership to the unfortunate incidents of recent weeks was and should be immediate and adequate. These incidents should in no way affect the process of reforming the Ministry of the Interior or question its accuracy.

In summary, what do we have now? Raid against corrupt officials organized by the Prosecutor General's Office, National Anti-Corruption Bureau, Security Service and Ministry of the Interior is moving with unprecedentedly large scale. Such a great number of senior officials has never been detained or placed under investigation.

Probably, I would be more convincing citing posts, officials and crimes charged. Its volume may have replaced the whole text of the address. But I do not have any lists either ex post or for the future. Please, do not make a racket about political repressions. We should better realize new realities: true hunt for corrupt officials has been started; any sinner has a chance to get into this snare.

And if everything is exactly as I say, there are questions. Why does the Ukrainian society not see this progress? Because insufficient time has passed for people to believe that it is not a PR campaign, but a serious systemic work. Second, as people say, it resembles sport fishing: "caught, showed, released". The key word here is "imprisoned". Probably, our law enforcement agencies can report to the public only having court sentences.

Thus, judicial reform must complete the entire system of struggle against corruption. Its implementation may take several years but this meticulous work must result into a new judicial system – fair, independent and just.

First of all, formation of the new Supreme Court of Ukraine from scratch is about to begin on a competitive basis. I invite those judges who meet high professional and ethical standards, requirements of anti-corruption legislation and want to honestly and faithfully perform their duties to take part in the competition. I have the same request to experienced lawyers.

Already this month, I will submit urgent draft laws "On the Supreme Council of Justice" and "On the Constitutional Court of Ukraine" for your consideration. I count on your support, dear people's deputies.

Dear friends!

There are countries in the world where corrupt officials are executed, but even there people still take bribes, sometimes on a grand scale. All this should convince us of the need not to reduce the fight against corruption only to punitive methods absolutely necessary under the impressive scale of this phenomenon in Ukraine. Preventive measures that gradually remove the layers of soil, which is the most fertile for corruption, are equally necessary and even more efficient.

We can cite a few examples of the effectiveness of this approach from our practice. The most striking example is the e-procurement system with a really symbolic name “ProZorro”. It has grown from a successful experiment into an efficient anti-corruption instrument mandatory for all budget procurements and purchases of public companies. It has already saved billions of public money.

Deregulation also reduces contacts between government officials and businessmen. That is why we consider it not only as a way to stimulate business and economic growth, but also as an efficient anti-corruption agent. Over the past two years, we have reduced the number of permits by more than 40% - from one hundred forty-three to eighty-four. We have reduced the number of business activities subject to licensing by 46%. We have eliminated compulsory registration of foreign investments and simplified registration of medicines. Some drugs produced and registered in the European Union and the United States do not require registration at all.

Massive deregulation has been carried out in agriculture - agribusiness has saved seven billion hryvnias per year only on certification procedures!

Up to half of the total regulation in Ukraine is written out at the level of laws. Thus, efficient deregulation is impossible without an efficient work of the Parliament. Currently 39 deregulatory bills have been registered, of which only 8 have been adopted in first reading. To realize this plan we need seventy successful votings. We also need to adopt 5 laws weekly for six months.

If somebody thinks that deregulation does not apply to him, he is mistaken. Business difficulties affect every Ukrainian, because the final consumer pays for everything.

We must eliminate, literally sweep away all obstacles – tax, customs, administrative-bureaucratic, mental – those hindering business, discouraging investors, hampering initiative and job creation.

Without any desire to take away the bread of the Government, I will note that against the backdrop of the achieved macro-economic stabilization and restoration of economic growth, the Cabinet of Ministers must switch from the policy of survival to the strategy of development, from the macro-financial recovery to the economic growth, from the policy of tightening belts to the household budget stabilization and gradual increase of Ukrainians’ revenues. And I see that the Government adheres to these guidelines.

Our forced militarization is a driver of our economic growth. Short-term effects from it should be converted into multiplicative ones that will have an impact not only on the defense industry, but also on the development of production of dual purpose and the raw material supply of the defense industry. It is about synergistic effect of the production of modern armament and military equipment, as well as "peaceful" use of innovations, whose original purpose was military.

I have once again seen the way it is combined on the Day of Knowledge during my visit to the NTUU "Igor Sikorsky KPI" where inventors work for the defense within the innovation and production association and immediately offer the results of their startups for conversion. By the way, I will not adopt the budget for the following year, which abolishes scholarships and public funding of Masters’ education.

In early July, I had a meeting with leaders of successful Ukrainian startups, representatives of venture funds. For today, Ukrainian business has created a modern innovative economic

sector focused on the global market and important in terms of macroeconomics. According to the results of 2015, IT sphere has become the third sphere in Ukraine in terms of exports and reached the mark of USD 2.5 billion, which forms 3% of Ukrainian GDP. Over two thousand startups have been registered in the country and they demonstrate rapid growth – up to 100% per year. Last year's investments reached USD 132 million, almost half of them were provided by foreigners. Ten Ukrainian IT companies have been included in the list of top 100 outsourcing companies of the world. We have a huge human resources potential: Europe's fastest growing number of IT professionals, over 90 thousand today and the expected increase up to 200 thousand the following year. It is good that our higher education flexibly responds to the given request of the labor market. I would like to remind that the huge global high-tech giants were born in garages and student dormitories. Our task is to maximally support the IT sector.

Meanwhile, the AIC remains a major source of foreign exchange earnings of the country. The share of the agricultural sector in the overall commodity structure of exports has reached the highest value in 25 years. The leading role of the agricultural sector in the context of building an innovative economy is perhaps somewhat controversial. However, it is extremely important, as long as the process of increasing high-tech "muscles" by the agricultural complex continues.

Lack of a right to freely buy and sell agricultural lands surely restrains investments into the agricultural sector, infringes peasants' rights, as well understates rent payments taking last coins out from their pockets. This is an axiom.

However, I am also aware of the public opinion concerning this issue, and positions of a majority of the parliamentary factions.

I respect it.

However, how to solve this dilemma belongs to your competence, dear members of the Parliament: whether to stick head in the sand and to change nothing or, at last, to establish the land market including all possible safeguards against any negative consequences.

We have to look for new markets for the Ukrainian products so intensively, as for the investments into Ukraine.

Apart from the military invasion, Russia commits an economic aggression against our state. At the beginning of this decade almost one third of the Ukrainian export went to the Russian market. Kremlins' attack had started yet before the Maidan, as the introduction of a number of restrictions led to decline in Ukraine's export to Russia by 15% in 2013. In 2015, comparing with 2014, our export to Russia decreased by half, so far we have not hit the bottom and the decline is still ongoing – and in the mid-year we have minus 34%. Russia's share in the Ukrainian export is now 9% showing further downturn trend.

All those, who would like to speculate with the phrase "as we have the war, someone raises money from the trade with Russia", shall be interested in a final data: over the last years the volume of our export to Russia dropped by five times. Probably, they thought that they would bring Ukraine to the knees, and unemployment and poverty would sharply increase. However, this has not happened and will not happen.

We are looking for new markets and find them. Probably, it is good in strategic terms that we reduced so drastically our dependency on the Russian market, where political blackmailing and imperial pressure are running show instead of the economic laws. However, we have to

understand that aggressive closure of the market by Russia has become an economic shock for Ukraine. According to some calculations, it cost minimum 15 billion dollars. We have lost dozens if not hundreds of thousands of the working places, and this economic aggression is one of the key reasons of a sheer fall of the living standards.

Why did Russia do that?

First, it started this policy to break up the signing of the Association Agreement with the European Union. Then it defined goals that are more ambitious. Economic goal – to stifle us, hit finances, and bring down our defense capacities. And political goal – to heighten tensions within the society, to heat up dissatisfaction with the authorities and protest sentiments by deepening social crisis. They are dreaming very much about early elections to remove so-called Kyiv regime so hated by them. Unfortunately, there are some people within the Ukrainian politicum, which are ready to perform this scenario, there are also those who let use them blindfold, as well those about whom they say “Father, forgive them, for they don't know what they are doing”.

However, my friends, I believe that we, the Ukrainian society, will withstand this pressure. I believe in the Ukrainian society, in the Ukrainian people.

Our key alternative to the Russian market is the EU's one. Deep and comprehensive free trade area with the EU has started to function since 1 January. In the first mid-year our export to the European Union increased almost by 7%, and the EU's share in the total export of goods reached 39.2%. Structural changes are taking place in the geography of our foreign trade. We are opening eastern markets. I found a lot of irony in the social networks about my August visit to the Southern Asia. In the meantime, in the course of the first six months our export to Indonesia was growing the fastest. Just imagine, it increased by seven times. And today this country with 250 million of population makes demand for the products of the Ukrainian agricultural sector, machine building. As well, extremely important agreements were reached during the visit.

It is understandable that this growth with Indonesia started from basic level; however, the potential is evident. Every new market and every additional percent of export mean new working places; this is revenue to the Ukrainian budget, as well strengthened national currency. And this is a part of my job.

Please apologize me for the emotions, however, I have to say that. Drop in the living standards, poverty, financial hardship of a majority of the Ukrainians and a high social price of the Russian aggression weigh heavily on my heart. On the one hand, I do not know any examples in history about a country that had a prosperous economy while armed hostilities were taking place on its territory. We did our best to avoid the default, to ensure macroeconomic stability and to keep minimal level of the social protection. At the same time, we had to introduce unpopular and tough reforms, first concerning tariffs, within the framework of cooperation with the international financial organizations. I understand everyone who was hurt with this step. However, believe me, if we had not introduced them it would have been even worse, we would have had economic and social collapse.

Dear Members of the Parliament, you are probably closer to the people than representatives of other branches of power, and you are the first whom the people are appealing to with a cry from the heart. No matter how critical sometimes are your speeches in this assembly, TV shows or during the meetings with the voters, I understand your motives. We together,

however each in their own way, feel our responsibility before the Ukrainian people for the peace and well-being, for fulfilling urgent tasks to increase the living standards and tackle the poverty. I as the President and the Government also, I do believe in that, are ready to cooperate with the Parliament.

However, I strongly warn you against simple solutions. It is very easy to make all Ukrainians millionaires, and we all remember that times when the money costed less than the printing paper. To make people wealthy is much harder task.

Beginning of the GDP growth creates economic preconditions for the stop of drop in the living standards and the start of its restoration. One has to support the Government's initiatives in that direction, to hear the Parliament, including the parliamentary opposition, to react on the civil society's suggestions.

We also have political preconditions. At the beginning of the year we got experience, so important for the parliamentary presidential democracy, how to overcome the parliamentary governmental crisis – we created the coalition and appointed the new Government. Furthermore, one has to learn to be easy-going about situational voting in the Parliament, when presidential or governmental initiatives are supported by different opposition factions or non-affiliated groups. It is not a tragedy. It is rather a positive picture when decisions, which are important for the country, sometimes rest upon the support of even constitutional majority. Now it is a little bit less than three years before the next presidential elections and a little bit more than three years before the scheduled parliamentary elections.

This finally provides us with an opportunity to compete in who is best in doing and not in who is best in promising. We will of course continue our course towards decentralization, expansion of powers and financial capacities of local authorities, and the draft budget 2017 will prove this. By the way, the government expects Verkhovna Rada to adopt at least ten laws that will strengthen decentralization. I recently came back from Mariupol and was very pleased that the budget for development of Mariupol and other cities increased by 3-6 times in comparison with 2013. This is real decentralization!

Dear People's Deputies!

External threat has accelerated the shaping of modern Ukrainian political nation on the basis of the civil patriotism. All polls demonstrate fundamental changes that took place in the social consciousness. The issues of unity, integrity, unitarity is not even under discussion: only positive data. People are proud of their Ukrainian citizenship, state symbols, respect and honor Ukrainian language. The Euro-Atlantic vector, the EU and NATO predominate in geopolitical preferences of majority of Ukrainians.

The war has removed from the agenda many issues related to foreign and adverse to Ukrainian interests symbols, traditions and cultural codes. In the framework of the law on decommunization more than one thousand and two hundred idols of Lenin were demounted. 26 regions and 987 of localities lost their communist names that tied their citizens by invisible mental thread to the former empire. The law has restored justice in relation to those, who dedicated his life to fight for independence and unity of Ukrainian state. The state has restored the historical truth in the question of national memory. Now, we, all together have possibility and have to re-triple our work for the future of Ukraine.

I think, all understand that we will not observe indifferently the interference of another state into our church affairs, its attempts to use in its own interests the feelings of the part of Ukrainian orthodox.

Dear People's Deputies, I would like to thank you for the address of the Verkhovna Rada of Ukraine to Ecumenical Patriarch Bartholomew as a Primate of our Mother church concerning issuing Tomos of Autocephaly to the Orthodox Church in Ukraine. Such step was and remains necessary, taking into account the tradition according to which the position of the secular power in such issues is important for Ecumenical Patriarch. We took into account this tradition, and, I hope, His All-holiness heard us.

The polls that demonstrate that more and more orthodox Ukrainians would like to have, as it is in most of the orthodox countries, the only one local Ukrainian autocephalous church, were also taken into account.

At the same time, I would like to assure you that autocephaly does not mean appearance of state church. Nothing will be changed in the constitutional principles of interaction between the state and religious organizations and no one will limit the freedom of conscience. Each Ukrainian has and will have the right to believe in God in his own way and go to his church.

I also thank you, dear People's Deputies, for the Law, that provides increase in share of Ukrainian songs on the radio. In my address to the representatives of Ukrainian diaspora at the meeting two weeks ago I sent "greetings" to the owners and top-managers of some TV channels, that hold unacceptably low share of content in Ukrainian language. I hope that television industry's reaction to this will come sooner than you adopt relevant law. In such a sensitive field conscious self-regulation is always better than constraint by the law, taking into account that we by no means infringe the right of the TV channels and radio stations to broadcast in Russian and other languages in order to satisfy the needs of the Ukrainian citizens.

Unity of the country and consolidation of Ukrainians as a modern political nation is my key priority. The status of Ukrainian language as the only one state language will be filled with real meaning and with respect to national minorities. As the events of recent two years have demonstrated, they stand firmly on the positions of Ukrainian national patriotism. The state has to appreciate that.

Dear Ukrainians!

Dear People's Deputies!

My foreign advisors, authors of successful reforms in their countries, are saying that there are more systematic changes in Ukraine that have been established and are undergoing in the course of last two years than before in 23 years. Perhaps, from the height of historical process they can see better. Perhaps, they do not feel obvious painfulness of the process of transformations as much as we do.

To reform in terms of hybrid war, in terms when one part of the territory is annexed and another is occupied is very complicated task. But we are moving forward.

The analyses of experience of Georgia, Poland, Slovakia and Singapore demonstrate that the first cogent results from reforms were achieved in three-six years after their launch.

We do not have that much time. I share your dissatisfaction with the tempo. I understand how much it does not comply with expectations of the society.

Obviously, there is a need to accelerate systematic modernization in all spheres. I am confident, that historically and strategically we are on a right way. But I do see risk when political destabilization might crush first shoots of social-economic revival suffered by the whole nation, which were paid with such a high price. Exactly on internal shake bets external enemy.

Most of the problems ahead us have appeared not yesterday and not the day before yesterday. They are the consequence of many illusions and mistakes that accompanied the whole period of independence. Today, this legacy makes itself felt, becoming complex historical challenge for the Ukrainian statehood. At the same time, the time of crises has opened to us few opportunities and perspectives that will allow Ukraine worthily meet this challenge. The Ukrainian people realized themselves as a nation. The state firmly stands on democratic principles of power. The vector of foreign policy cooperation and integration has been decided for good.

There are still a lot of difficulties ahead, but trials and victories, gained by enormous efforts and blood of the best sons and daughters of our nation in all times, does not give us another choice but only victory, only frontward!

I am confident that everything will be alright.

Thank you. And, Glory to Ukraine!

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*Source:* <http://www.president.gov.ua/en/news/shorichne-poslannya-prezidenta-do-verhovnoyi-radi-pro-vnutri-38077>