

Ukrainian Oligarch Akhmetov Strives to Claw Back Influence in Separatist East

By [The Moscow Times](#)

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Workers of Rinat Akhmetov's Metinvest removing barricades and debris in front of the City Hall in Mariupol on May 14.

MARIUPOL/KIEV, Ukraine — In their overalls and hard hats, the latest additions to the heady mix of security forces in Ukraine are the first tangible sign the rebel east's richest son is entering the fray.

Multi-billionaire Rinat Akhmetov's miners and metalworkers joined police on patrol on Mariupol on Wednesday, cleared barricades of tires and pallets with diggers and heavy loaders and swept the debris from the gutted City Hall, ending the turmoil unleashed by the armed takeover of much of the region.

The city seemed to return to normal; traffic flowed and the men in masks driven out by the Army last weekend stayed away as police teamed up with the unarmed workmen of Metinvest, the most powerful company in the industrialized east.

Though largely symbolic, the scene showed the extent to which the crisis has come to threaten the interests of Ukraine's richest man and the lengths he will go to to protect them.

Akhmetov, whose fortune is estimated by Forbes magazine at \$11.4 billion, has acquired almost feudal status in the industrial hub of Donetsk in the past 20 years — but the separatist rebellions there have altered the dynamics of power.

As pro-Russian rebels declaring independence seized public buildings across the steel and coal belt which is the basis of his colossal fortune, he issued repeated written statements in support of a united Ukraine.

But the media-shy 47-year-old Akhmetov, who has a workforce of 300,000 people on his payroll in the Donbass, has to tread carefully around local sensitivities and has avoided specifically condemning the action of the separatists.

The rebels' 'declaration' of an independent Donetsk region on Monday, however, and their appeal for Russian annexation pose a major threat to Akhmetov's holdings and his fortune.

With no response from Moscow, the prospect of the Donetsk region joining the likes of Moldova's self-proclaimed Transdnestr republic or Georgia's Abkhazia as largely unrecognized statelets, operating in a legal and diplomatic limbo, can hardly sit well with a business empire built on exports.

"No one wants the Donetsk region to become some kind of gray zone unrecognized by the world. That would be very painful for us," said Yury Zinchenko, general director of Mariupol's Ilyich Iron and Steel Works, part of Metinvest, majority-owned by Akhmetov's System Capital Management.

Metinvest supplies more than 100 countries, he said, and export routes could be threatened if decisions about the future of the east were taken outside the law.

"That is clear not just to us, to our group, its leadership and individual companies, but to the workers too," he said. "That's more 300,000 employees and their families — that is a huge army."

It is an army both the pro-Russian rebels and the government in Kiev would be rash to ignore.

// "Passive Neutrality"

Independent analyst Volodymyr Fesenko said Akhmetov has now recognized that his earlier passive tactics did not work in his favor as the rebellion has continued to grip the region.

"He has understood that his tactic of passive neutrality no longer works. He will have to become an active intermediary between separatists and the government," Fesenko said.

Sending unarmed workers from Metinvest, Akhmetov's main metals exports and mining conglomerate, to join patrols with police is not the only sign that the oligarch has decided to take a bolder line to protect the future of his business empire.

Akhmetov, who emerged as head of a private business empire out of violent gang wars in the east in the 1990s after the collapse of the Soviet Union, normally shuns media interviews and public appearances.

But in a new departure for him on Wednesday, the usually camera-shy oligarch made a four-minute video for Ukrainian television channels in which he declared: "I strongly believe that Donbass can be happy only in a united Ukraine."

He threw his weight behind the Kiev government's plan to devolve more powers to the regions to provide greater autonomy and undercut separatist demands which Kiev fears will lead to the breakup of Ukraine.

Soccer-mad, he owns the FC Shakhtar club, with its flying saucer-like stadium and star-studded multinational squad. He made headlines three years ago by buying a \$200-million London apartment.

But in the violent upheaval of the past five months, the overthrow of his ally, Moscow-backed President Viktor Yanukovich, the shooting dead of more than 100 people in Kiev by police, Russia's annexation of Crimea and now separatist rebellions in the east, have made Akhmetov's wealth and status count for less.

In the capital Kiev, well away from his eastern stronghold and the popularity it assures him of, Akhmetov has always had a checkered reputation because of his past support for Yanukovich.

He is a persona non grata on Kiev's Maidan — Independence Square — which was the crucible of the mass action that drove Yanukovich from power and where protesters still hold sway.

Just recently, some spray-painted windows of the Kiev headquarters of System Capital Management, his holding company.

And anyone walking past the Kiev city centre building site of a shopping mall Akhmetov is renovating can still see the shadowy outline of graffiti painted on canvas. One piece of graffiti reads: "Rinat, are you with Ukraine or with the Kremlin?"

He has realized the time to act to re-establish himself is now — before it is too late.

"Akhmetov does not play a key role in the Donbass at the moment. This is really important," said Inna Bohoslovka, a politician who once belonged to Yanukovich's Party of Regions.

"At the beginning he tried to influence events to try to get it under control to strengthen his position, but then he lost all control."

//Key to Fate of Region

Mariupol, a major port with mines and steel works that account for a significant part of the region's industrial output, has changed hands several times over the past two weeks, from the rebels who seized City Hall to the military that cleared them out but immediately withdrew to the city edges.

Metinvest appeared to fill the void Wednesday, clearing the streets to allow traffic to flow and offering to pay for the reconstruction of a police station strafed and burned in an assault by the Army on what it said were pro-Russian militants.

Metinvest said its patrols with police would be expanded to other towns where the company has operations. It has urged the Army to stay out.

Control of Mariupol is key to the fate of the Donetsk region and the ambitions of the separatist gunmen. Thousands of people turned out here on Sunday to cast votes in a referendum on self-rule, many of them saying they sought autonomy but not necessarily divorce from Kiev.

Pro-Russian separatist leaders took that as a mandate the next day to declare Donetsk a sovereign state and, following Crimea, seek accession to Russia, which has yet to respond.

A test of how far Kiev still holds sway here will come on May 25, when it tries to hold a nationwide presidential election and draw a line under months of turmoil. As things stand, the vote will go ahead in Mariupol, with Akhmetov's apparent consent.

Both sides are courting him. "We meet now and again," Denis Pushilin, the self-declared leader of the would-be Donetsk republic, said when asked about his contacts with Akhmetov.

But metal baron Sergei Taruta, the Kiev-appointed governor of the Donetsk region, said Akhmetov was not on the rebels' side: "You can see what role he is playing by what is going on in Mariupol. His workers are fighting against what is happening there."

"We will demonstrate in Mariupol how to hold a fair election," he told a news conference Tuesday.

As his workers stacked tires and swept the streets under a hot sun, Zinchenko said the company and Akhmetov spoke as one.

"We favor a united, whole Ukraine, a strong Ukraine with Donetsk in it. Everyone agrees power needs to be decentralized. But I repeat, that must be within a united state."

One worker, Nikolai, echoed the company line. "Thanks to the Metinvest leadership for bringing out the people, together with the police, in bringing order back to the city," he said, declining to give his second name.

Yet Fesenko wondered if Akhmetov has missed his moment.

"He has become more active. For the first time he has spoken out more concretely in the past few days. But the question is: Is it too late?" the analyst said.

"It will be difficult for him to influence the situation given what has happened in the past two weeks."

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