

MEDIA INFLUENCE MATRIX: UKRAINE

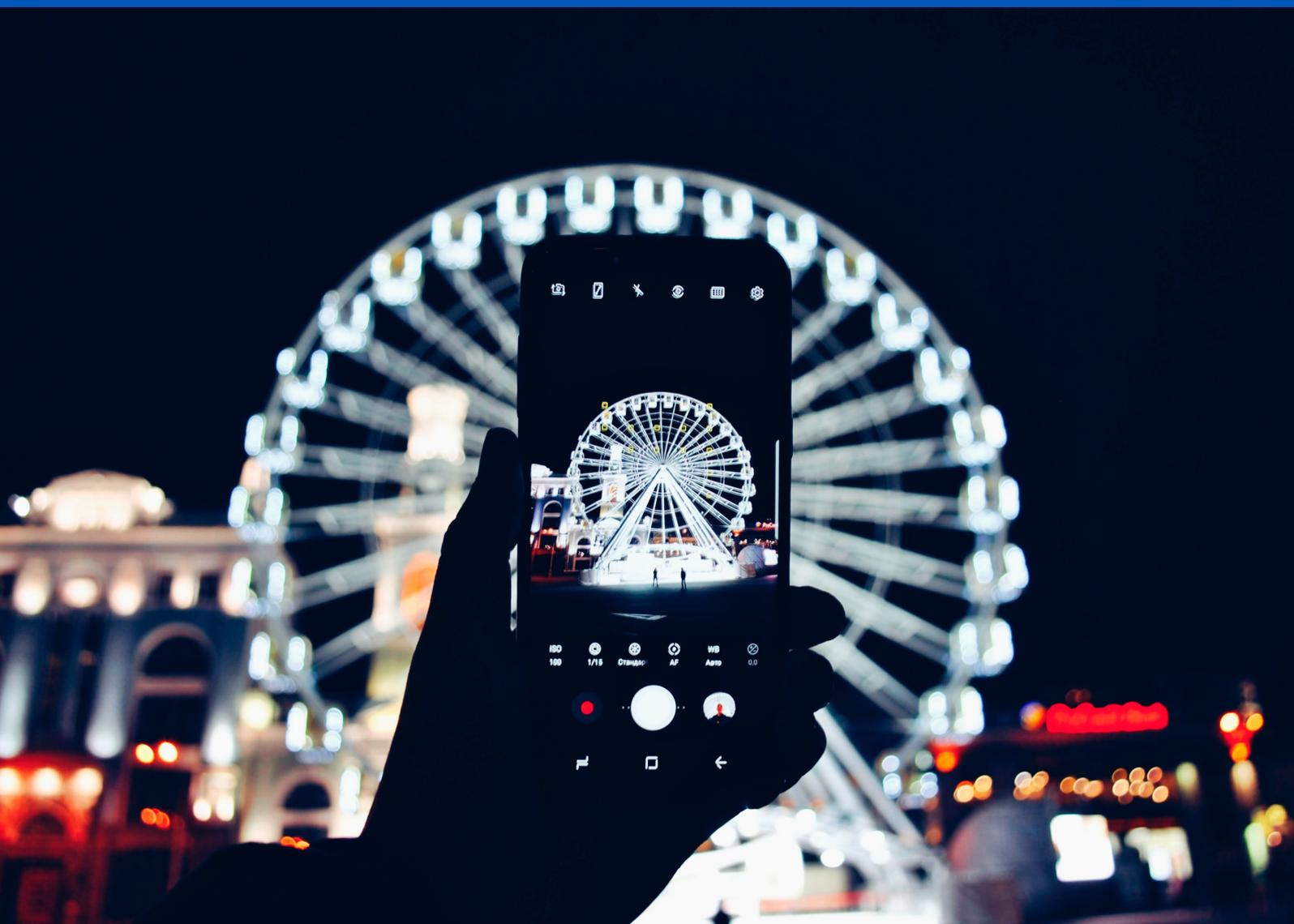
TECHNOLOGY, PUBLIC SPHERE

AND JOURNALISM

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About CMDS

The Center for Media, Data and Society (CMDS) is a research center for the study of media, communication, and information policy and its impact on society and practice. Founded in 2004 as the Center for Media and Communication Studies, CMDS is part of Central European University's (CEU) Democracy Institute and serves as a focal point for an international network of acclaimed scholars, research institutions and activists.

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The Media Influence Matrix Project is run collaboratively by the [Media & Power Research Consortium](#), which consists of local as well as regional and international organizations. The consortium members are academic institutions (universities and research centers), NGOs, journalism networks and private foundations.

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TECHNOLOGY, PUBLIC SPHERE AND JOURNALISM

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KEY TRENDS

Ukraine lags behind EU countries in its technological development despite following the same digital trends. From an optimistic perspective, things could improve soon as the president of Ukraine announced that the country would take a path to digitization from 2021 onwards. In a campaign known as the “State in a smartphone,” the government promises that it will become possible for people in Ukraine to use all the government services online instead of having to cope with an exhausting red tape.

However, one of the barriers to this ambitious plan is the digital divide: some 29% of the country’s citizens do not have internet access, which means that more than 10 million people will not be able to enjoy the benefits promised by the government’s digitization plan. A more worrying issue is the digital gap between urban and rural areas. Only 44% of the people living in villages are connected to the internet. Most of the connected ones are young. Moreover, although internet connection fees are very affordable at US\$ 6.41 a month, compared to developed European countries, Ukraine’s internet speed remains low. Nearly 66% of Ukrainians use the internet via mobile phones.

Generally, the telecom market in Ukraine is competitive with four large companies offering a plethora of telephone, cable and internet services: Kyivstar, Lifecell, Ukrtelecom and Vodafone. One of them, Ukrtelecom, is owned by an oligarch, Rinat Akhmetov, known also for controlling one of the largest media conglomerates in the country, Media Group Ukraine.

As for browsing and searching, Google is the leader, accounting for almost 93% of the market share. Until June 2021 when a new law was adopted, foreign tech giants such as Google, Facebook or Netflix were not regulated. As of

next year though, they are obliged to pay a value-added tax equivalent to 20% of the income from digital services they provide to Ukrainians. This tax is expected to generate some UAH 3bn a year for the state budget, according to the authors of the law. Experts fear that the introduction of such a high tax will increase the prices of digital services for Ukrainian users. In fact, as of 1 December 2021 Google already sent notifications to the subscribers of paid services that it would start charging 20% VAT on digital services for individuals and individual entrepreneurs in Ukraine who are not registered as businesses.

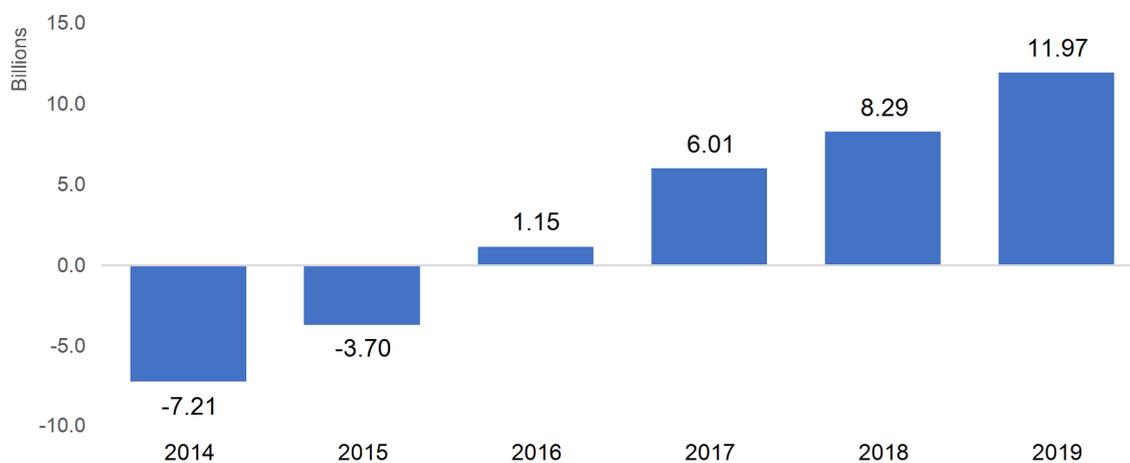
Social media has become increasingly popular in Ukraine over the last few years. In 2020, social media became the most common news source for Ukrainians, according to survey results cited in this report. Almost half of Ukrainians reported using Facebook as a regular news source, followed by YouTube and Telegram. The latter has recently become a dangerous channel of disinformation distribution. And not much can be done about it, it seems. Due to Telegram’s anonymity policies, it is basically impossible to remove the channels that supply fake news on various political and social issues.

As a response to disinformation attacks, some initiatives to tackle the problem have been launched, most of them internationally sponsored. Still, society at large lacks an understanding of how to tell the difference between true and false news.

TECHNOLOGY OVERVIEW

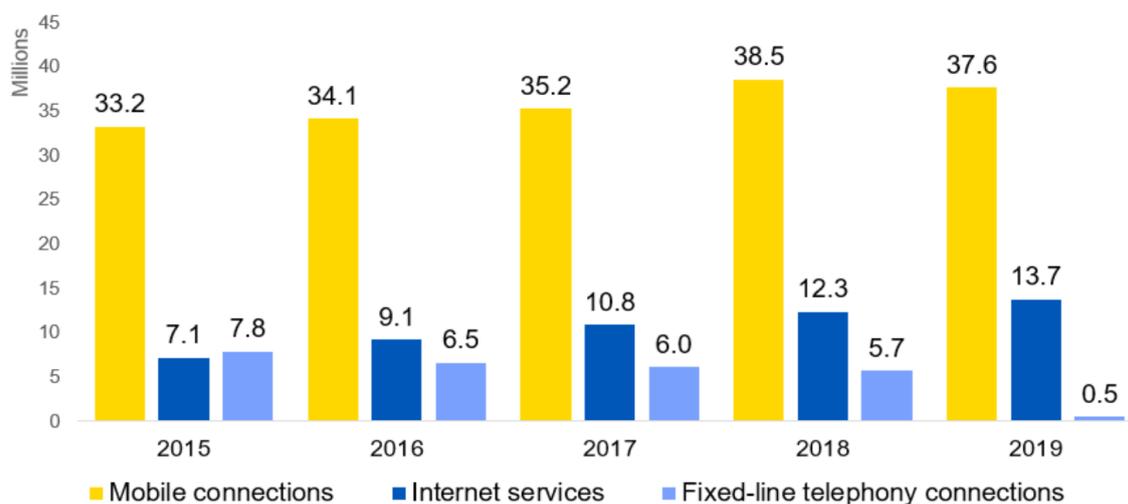
The Ukrainian electronic communications market has rapidly recovered from losses in the last five years, reaching a net profit of almost UAH 12bn (US\$ 509.2m) in 2019. Revenue generated by fixed telephone services continues to decline as mobile communications dominate the market. The internet also plays a big role in revenue generation. Internet services experienced a rapid growth in sales revenue from roughly UAH 7bn (US\$ 304m) in 2015 to almost UAH 14bn (US\$ 584m) in 2019.

Net profit of the Ukrainian electronic communications market, 2014-2019



Source: State Statistics Service of Ukraine

Sales revenues of the Ukrainian electronic telecommunications market, in UAH m, 2015-2019

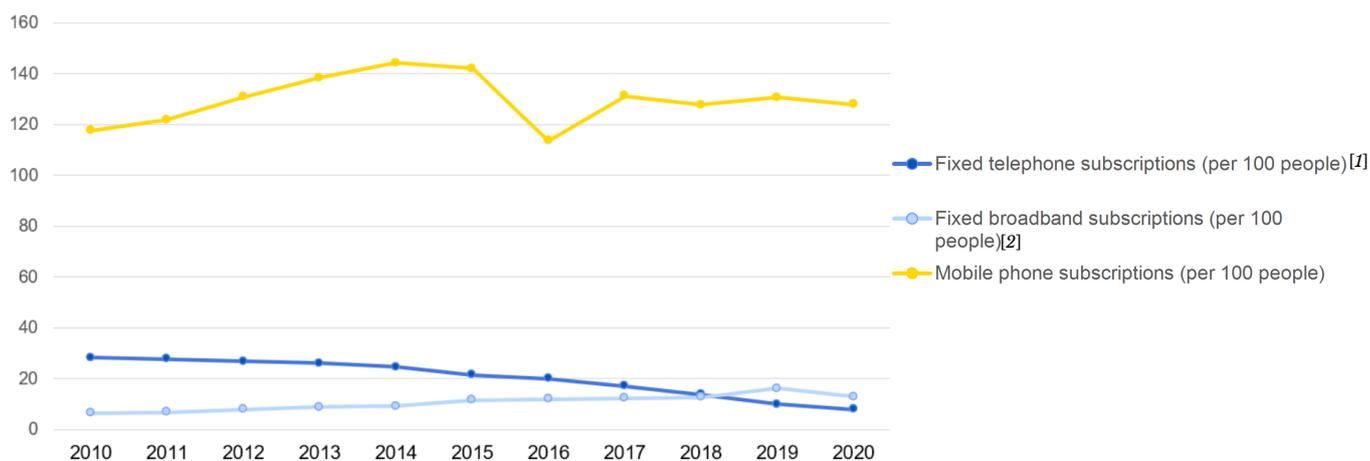


Source: State Statistics Service of Ukraine

In line with European trends, Ukraine is gradually losing landline subscribers. Since 2010, the number of fixed lines has decreased from around 28 to less than 10 per 100 people in 2019, according to the latest data from the International Telecommunication Union (ITU) and the Economist Intelligence Unit. In contrast, mobile communication is gaining more ground. In 2020, the country had 128.0 mobile subscriptions per 100 persons, which means that Ukrainians use more than one SIM card each.

Connected people

Telephone penetration in Ukraine, 2010-2020



Figures for 2020 are estimations by the Economist Intelligence Unit

Source: International Telecommunication Union (ITU), National Statistics Service, The Economist Intelligence Unit

Access to the internet in Ukraine has increased threefold in the past decade. At the end of 2019, some 65% of the Ukrainian households had internet access, up from less than 23% in 2010. In 2020, according to data from the State Statistics Service, 28.7 million Ukrainians reported having used the internet.[3] However, Ukraine lags significantly behind EU countries where the average share of households with internet access reaches up to 90%, according to Eurostat.[4]

At the same time, wireless mobile internet penetration is very low. In 2015, which is the date of the last available data, only 7.5 per 100 inhabitants had wireless mobile broadband subscriptions.

[1] Fixed telephone subscriptions (per 100 people) - Ukraine, The World Bank, available online at <https://data.worldbank.org/indicator/IT.MLT.MAIN.P2?end=2019&locations=UA&start=1992> (accessed on 10 October 2021)

[2] Country ICT Data, ITU, available online at <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx> (accessed on 10 October 2021)

[3] Україна у цифрах 2020, Статистичний Збірник (Ukraine in numbers, Statistical Collection), State Statistics Service of Ukraine, 2020, available online at: http://ukrstat.gov.ua/druk/publicat/kat_u/2021/zb/07/zb_Ukraine%20in%20figures_20u.pdf (accessed on 10 October 2021)

[4] Digital economy and society statistics - households and individuals, Eurostat, 2019, available online at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Digital_economy_and_society_statistics_-_households_and_individuals (accessed on 10 October 2021)

Internet penetration and usage in Ukraine, 2010-2019

| Indicator | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|------|------|------|------|------|------|------|------|
| Internet access (in total % of households) ^[5] | 22.9 | n/a | n/a | n/a | n/a | 50.7 | n/a | n/a | 61.5 | 65.8 |
| Internet users (in % of the population) | 32 | 39 | 50 | 53 | 57 | 58 | 63 | 64 | 63 | 71 |
| Internet subscriptions (per 100 people) | n/a | n/a | n/a | n/a | n/a | 15.7 | 16.2 | 16.5 | 16.9 | 17.4 |
| Share(%) of households reported to have used Internet in the last 12 months | n/a | n/a | n/a | n/a | n/a | 49.1 | n/a | n/a | 62.6 | 70.1 |
| Wireless mobile broadband subscriptions (per 100 inhabitants) | 0.6 | n/a | n/a | 4.4 | 5.4 | 5.4 | 7.5 | n/a | n/a | n/a |
| Fixed broadband Internet subscriptions (per 100 inhabitants) | 6.4 | 6.9 | 8 | 8.8 | 9.3 | 11.8 | 12.2 | 12.5 | 12.2 | 16.1 |
| DSL Internet subscriptions (per 100) | n/a | n/a | n/a | n/a | n/a | 4.2 | 4.6 | 4.2 | 3.9 | 2.7 |

n/a: not available

Sources: World Bank, Factum Group Ukraine, State Statistics Service of Ukraine

The price of fixed-line broadband internet in Ukraine is the cheapest in the world, at US\$ 6.41 a month,^[6] but internet speed is low. In August 2021, the average fixed broadband speed was 73.89 Mbps. In contrast, the global average was 110.24 Mbps. The mobile download speed is even worse, 31.20 Mbps, which is almost half as slow as the global average 56.74Mbps.

Above all, there is a huge disparity in internet access between households in urban and rural areas. While in cities around 76% of inhabitants are connected to the internet, in the countryside the figure is much lower, around 44%, yet a jump compared to the year 2015 when only 27% of rural inhabitants had internet coverage.

In 2021, in an attempt to improve the connectivity in villages, the government of Ukraine decided to allocate UAH 483m (US\$ 18.5m) to cover 3,000 Ukrainian villages with optical networks for the first time.^[7] The primary goal is to connect social infrastructure institutions, such as schools, hospitals or administrative services centers, to broadband internet. Around 1.5 millions Ukrainians are expected to benefit from the initiative.^[8]

Urban-rural disparity

Internet access of households in urban and rural areas in Ukraine (%), 2019



Source: State Statistics Service of Ukraine^[9]

[5] Статистичний Щорічник України (Yearly Statistical Ukrainian Collection), State Statistics Service of Ukraine, 2019, available online at https://ukrstat.org/uk/druk/publicat/kat_u/2020/zb/11/zb_yearbook_2019.pdf (accessed on 10 October 2021)

[6] The price of fixed-line broadband in 211 countries in 2020, cable.co.uk, accessed on 9 October 2021, available at: <https://www.cable.co.uk/broadband/pricing/worldwide-comparison/> (accessed on 10 October 2021).

[7] Кабінет Міністрів затвердив розподіл коштів інтернет-субвенції для 670 громад (The Cabinet of Ministers approved the distribution of Internet subvention funds for 670 communities), Gov.ua, 9 June 2021, available <https://www.kmu.gov.ua/news/kabinet-ministriv-zatverdiv-rozpodil-koshtiv-internet-subvenciyi-dlya-670-gromad> (accessed on 12 November 2021)

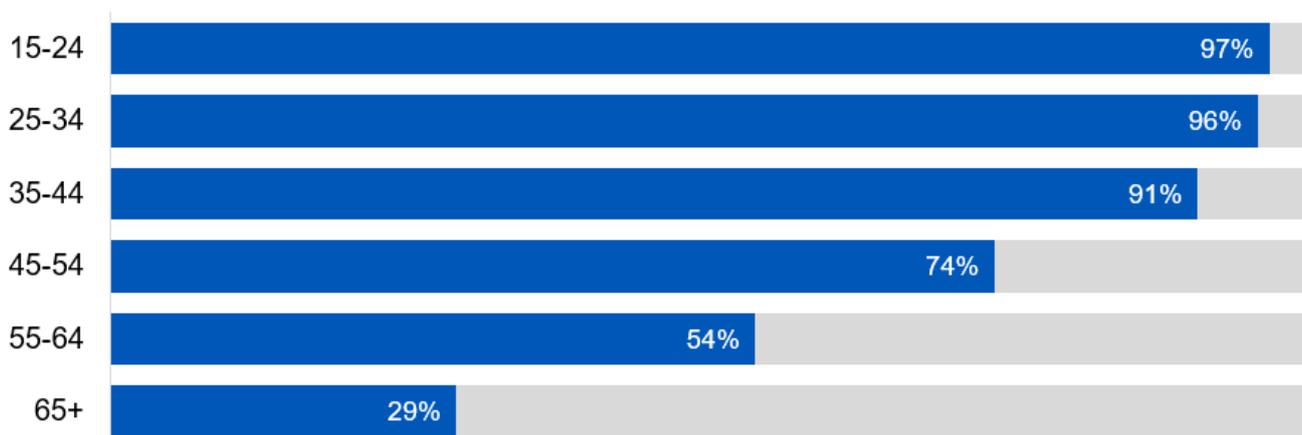
[8] Інтернет-субвенція (Internet-subvention), Ministry of Digital Transformation, available at <https://bb.gov.ua/#rec298218917> (accessed on 12 November 2021).

[9] Статистичний Щорічник України (Yearly Statistical Ukrainian Collection), State Statistics Service of Ukraine, 2019, available online at: https://ukrstat.org/uk/druk/publicat/kat_u/2020/zb/11/zb_yearbook_2019.pdf (accessed on 10 October 2021)

Survey results from the Factum Group in 2019[10] show that youth is the most frequent internet user category, while adults aged 35-44 go online slightly less often. The percentage drops for people in the age category of 45-64, and only 29% of those who are over 65 years old regularly use the internet.

The generation gap

Individuals regularly using the internet (every day or at least once a week) in Ukraine, breakdown by age, 2019



Source: Factum Group

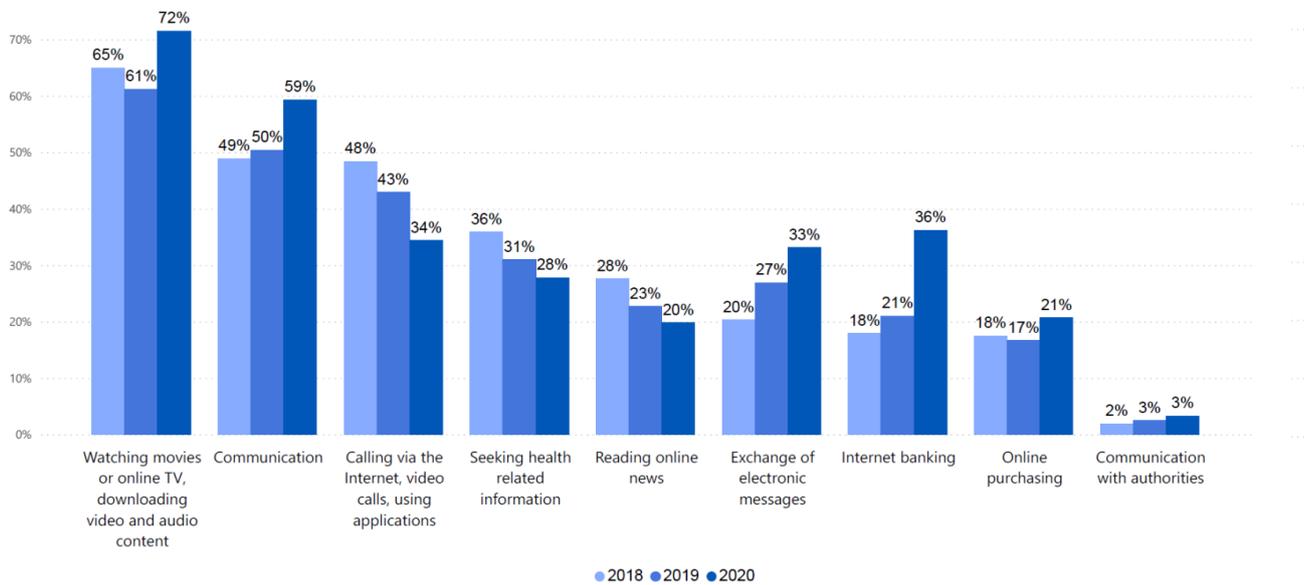
Ukraine follows global internet usage trends. People spend a significant amount of time communicating via various applications, sending and receiving emails, watching or downloading movies, playing online games and reading the news. However, video streaming services like Netflix, Amazon Prime or HBO GO are not popular among Ukrainians. The reason is, partly, the abundance of freely available pirated movies online that are dubbed in Ukrainian and Russian. Also, there is a rapidly growing tendency to use the internet for banking, a change from 8.5% in 2015 to 36.2% in 2020. More people have recently begun to regularly use the internet for purchasing goods. Presumably, this trend has only increased since the beginning of the COVID-19 pandemic and it will continue accelerating.

[10] Проникнення інтернету в Україні у III кварталі 2019 (Internet penetration in Ukraine in the III quarter 2019, Factum group, 2019, available online at:

https://inau.ua/sites/default/files/file/1910/dani_ustanovchyh_doslidzhen_iii_kvartal_2019_roku.pdf (accessed on 10 October 2021)

What do Ukrainians do online?

Purpose of using the internet in households (%) in Ukraine, 2018-2020

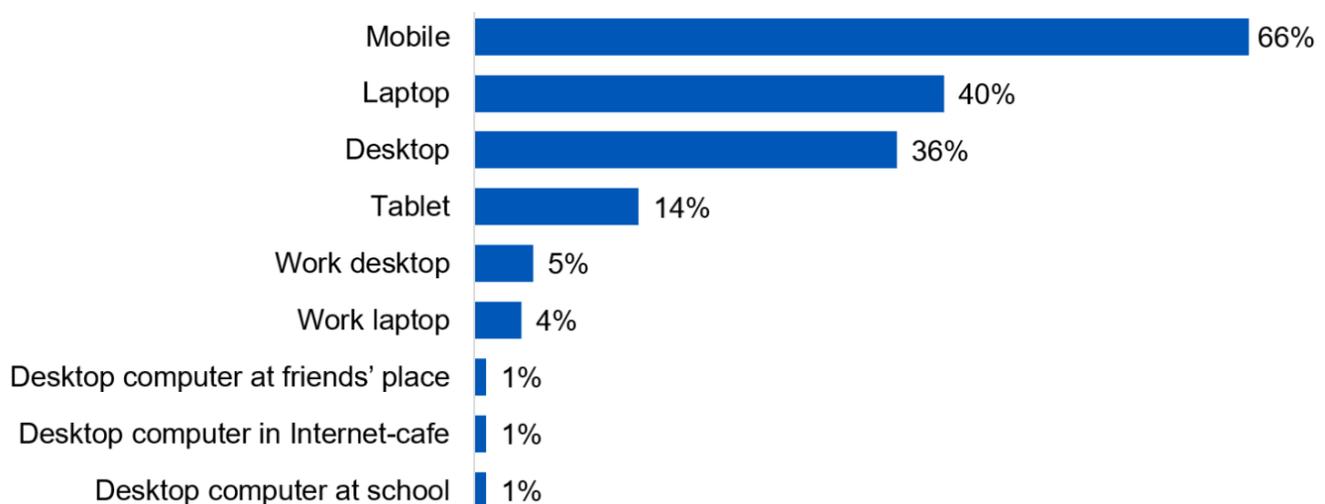


Source: State Statistics Service of Ukraine

Most Ukrainians use mobile devices (66%) to access the internet. Laptops and desktop computers are less popular, 40% and 36%, respectively. The least frequently used devices are tablets. In fact, many Ukrainians do not own laptops or tablets: only 19 per 100 households had a tablet at home in 2018. A tiny proportion of people have reported internet cafes and computers at work as the main source of regular internet usage.

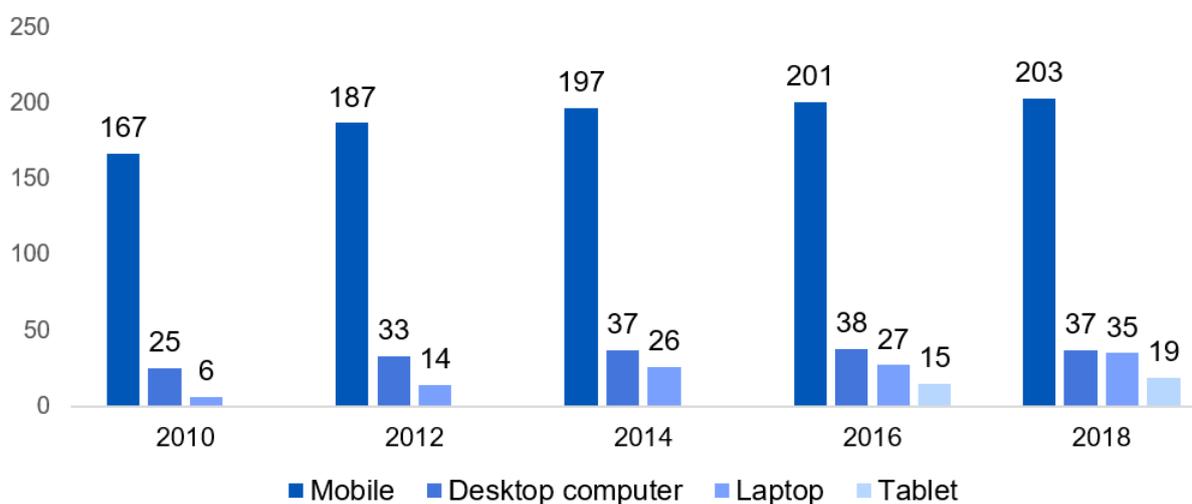
Mobile revolution

Devices to access internet in Ukraine, 2019



Source: State Statistics Service of Ukraine

Availability of electronic devices in Ukraine, figures per 100 households, 2010-2018



Source: State Statistics Service of Ukraine

Google is the top search engine in Ukraine. Throughout the last five years, its popularity rose from over 77.1% to nearly 93%. Russian-based search engine Yandex.ru, having been commonly used in the last decade, rapidly lost its position since 2017, when it was officially blocked in Ukraine as part of the sanctions against Russia. It was also the case for Mail.ru, a less popular Russian-based search engine. Bing, Yahoo! and DuckDuckGo are almost unknown and have very small market shares.

Chrome is the most popular browser in Ukraine with a share of nearly 65% of this market segment. The second place is taken by Opera, which keeps a firm position in the Ukrainian browser market, having had a 13% share throughout the last five years. This is different from other European countries where an average market share of Opera is tiny.

Unearthing data

Search engine market share (%) in Ukraine, 2016-2021*

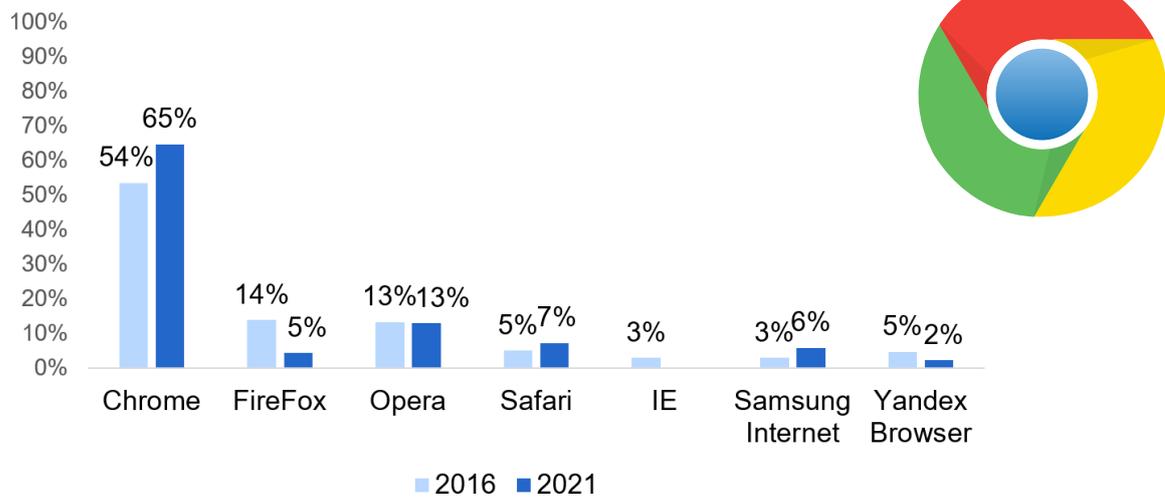
| Search engine | 2016 | 2021 |
|---------------|-------|-------|
| Google | 77.1% | 92.9% |
| Yandex.ru | 16.8% | 5.0% |
| Bing | 1.1% | 0.9% |
| Mail.ru | 3.3% | 0.2% |
| Yahoo! | 1.0% | 0.3% |
| DuckDuckGo | - | 0.6% |



*data for September
Source: StatCounter

The browsing game

Browser market share (%) in Ukraine, 2016-2021*

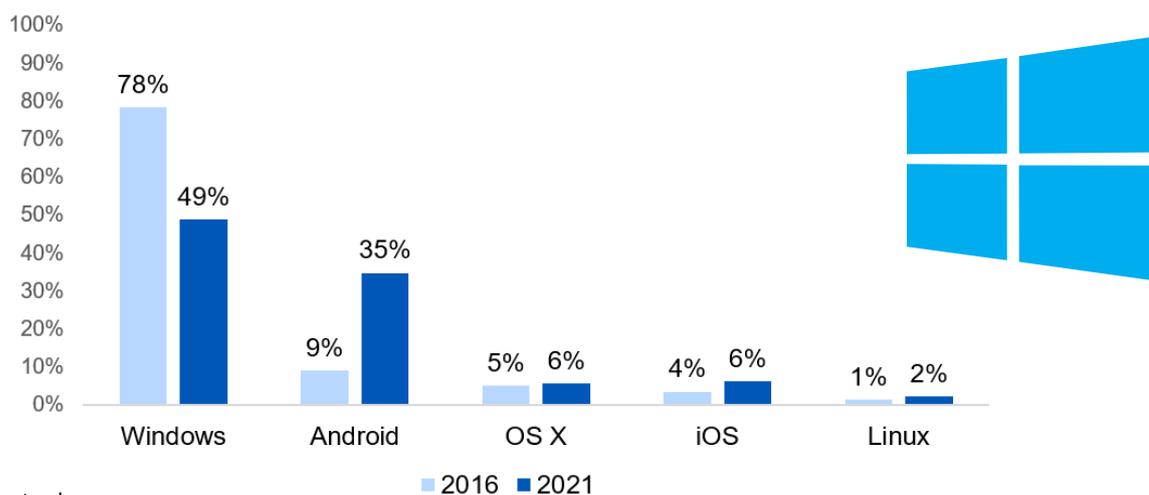


*data for September
Source: StatCounter

Ukrainians mostly use Windows on their devices although the rate of using this operating system has dropped significantly since 2016, when its share exceeded 78%, to 48% in 2021. The Android operating system demonstrates an opposite trend, having reached a 34% share in 2021, compared to only 9% in 2016. Apple's operating system is still much behind Windows and Android mainly because of the high price of Apple products. According to the iPhone Index 2020, developed by Picodi, an average Ukrainian must work for 87 days to buy a new iPhone 12 Pro (US\$ 1,088), compared to 28.3 days in Poland or 9.7 days in Germany.[11]

The OS game

Operating System market share (%) in Ukraine, 2016-2021*



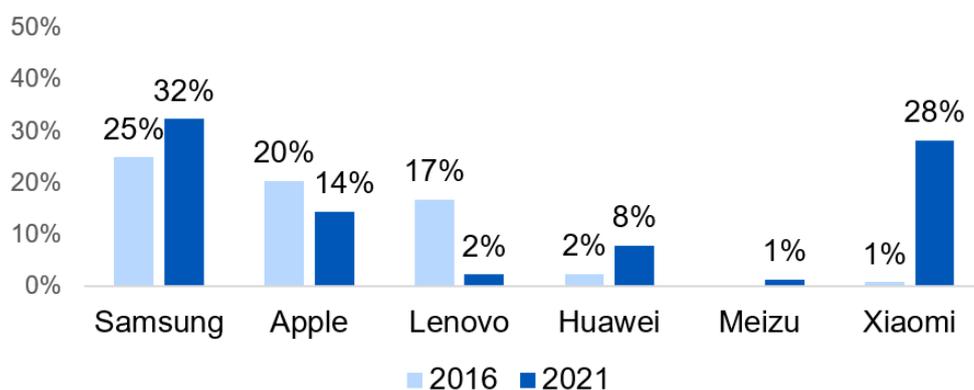
*data for September
Source: StatCounter

[11] iPhone Index 2020: how many days you would have to work to afford iPhone 12 Pro, Picodi, October 15, 2020, available online at <https://www.picodi.com/us/bargain-hunting/iphone-index-2020> (accessed on 10 October 2021)

In the last five years, Chinese Xiaomi has boomed in the Ukrainian smartphone market. A no-name in 2016, Xiaomi saw its market share accounting for almost 30% in 2021. Samsung is the main competitor of Xiaomi, followed by Apple, Lenovo, Huawei, and Meizu.

Prominent mobile makers

*Mobile devices used to connect to the internet in Ukraine, 2016-2021**



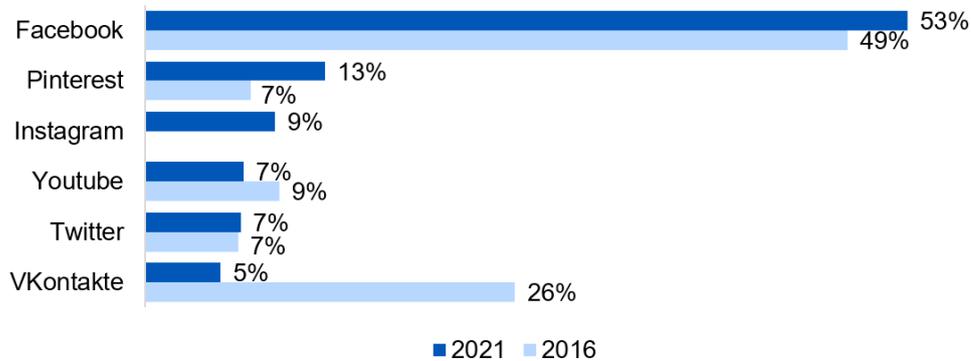
*data for September
Source: StatCounter

Facebook is the most popular social media in Ukraine, with slightly over 50% market share. It is followed by Pinterest (12.6%) and Instagram (9.1%). Telegram is another highly popular social media and messenger service in Ukraine. However, there is no data on its market share. According to Telegram's analytics service (TGStat), which provides information about the subscribers and audience of Telegram channels, the most popular account on Telegram is Coronavirus info, with 517,000 subscribers, followed by Ukraina Seychas (Russian for "Ukraine now") with 506,000, and Muzyka Trendy (meaning "music trends" in Ukrainian). While the latter provides free access to songs, the two former ones are news channels. According to a 2019 study published by TGStat,[12] youth aged 18-24 accounts for half of all Telegram users. While many use it for reading daily news updates, 65% also use group chats and bots (43%). The myriad of Telegram bots offers users solutions for different purposes varying from creating their own sticker design to buying railway tickets.

[12] Исследование: портрет украинской аудитории Telegram (Study on the portrait of Ukrainian Telegram audience), available online at <https://vc.ru/marketing/58987-issledovanie-portret-ukrainskoy-auditorii-telegram> (accessed on 10 October 2021)

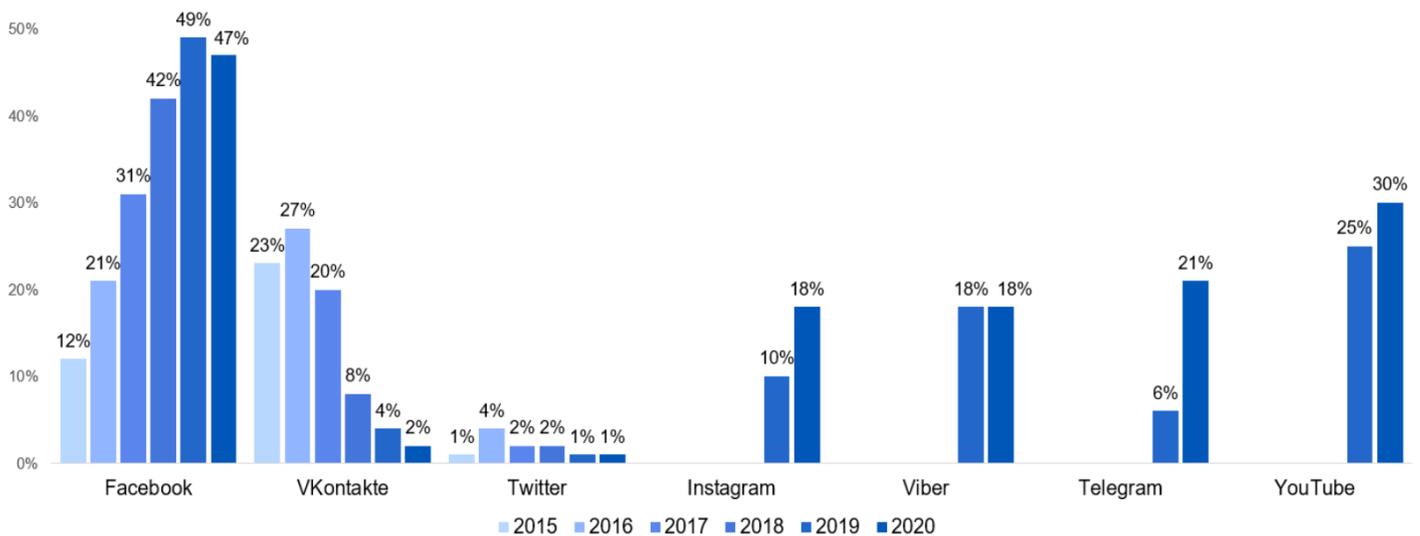
Socializing online

*Social media market share (%) in Ukraine, 2016-2021**



*data for September
Source: StatCounter

Share of individuals using social media webpages as the regular news source in Ukraine, 2015-2020



Source: USAID-Internews survey in 2020

ROLE OF TECHNOLOGY IN MEDIA AND JOURNALISM

Overview and Profiles of Key Players

Key players in the Ukrainian internet and mobile market, breakdown by services

| Company | Email service | Messaging and VoIP | Mobile ecosystems | Search | Social network | Video and photo | Cloud service |
|-----------|---------------|--------------------|-------------------|--------|----------------|-----------------|---------------|
| Apple | | ✓ | ✓ | | | | ✓ |
| Facebook | ✓ | ✓ | | | ✓ | ✓ | |
| Google | ✓ | | ✓ | ✓ | | ✓ | ✓ |
| Microsoft | | ✓ | ✓ | ✓ | | | ✓ |
| Samsung | | ✓ | ✓ | | | | ✓ |
| Xiaomi | | ✓ | ✓ | | | | ✓ |

Source: CMDS

Internet companies

Facebook

Facebook is the most popular social media platform in Ukraine having reached 16 million users in January 2021, according to PlusOne, a Ukrainian communication agency.[14] Facebook does not have an official office in Ukraine and does not declare any revenues from its operations in Ukraine.



Its popularity is owed to a rapid decline in the user base of Russian social media website VKontakte, which was the result of the ban of VKontakte in Ukraine as part of the sanctions imposed by the government in Kyiv against Russia in 2017. VKontakte was accused of stealing private user data and transferring it to Russian security services as well as spreading disinformation. In 2016, 27% of those who use social media networks as a source of news reported receiving it on VKontakte, and 21% on Facebook, according to the USAID-Internews Media Consumption survey in 2020.

Google

Google opened its first Kyiv office for commercial activities in 2006. In January 2020, Google opened its first R&D office in Ukraine with around 30 employees working on cloud development



solutions. According to the latest State Fiscal Service data, Google became the 24th largest tax payer in Ukraine, ranked between a retail company, Epicentr K (UAH 2.8bn), and a coal company, DTEK PAVLOHRADCOAL PRJSC (UAH 2.5bn). Information on

the exact amount of taxes paid by Google for this period is unavailable.

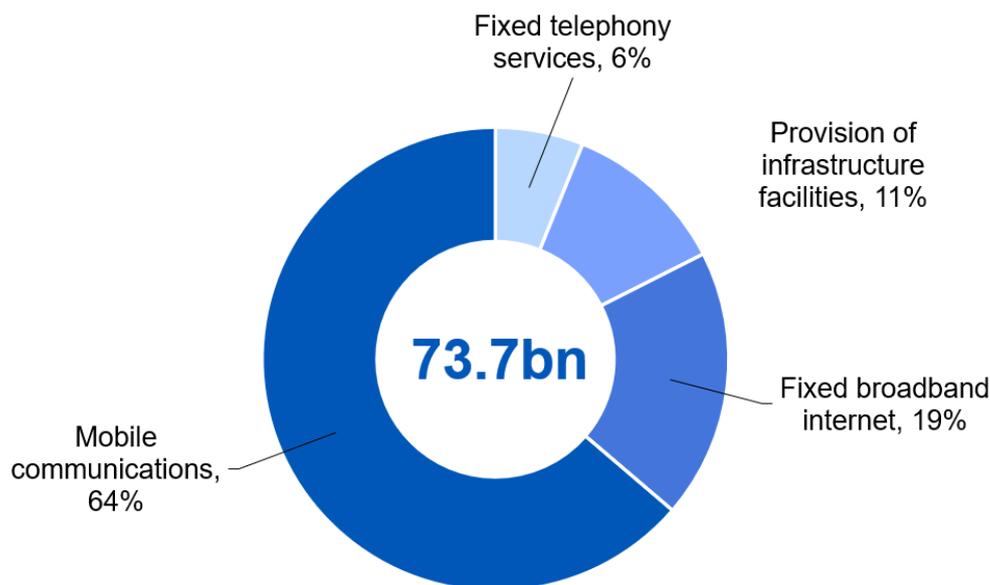
[14] Based on Facebook Ads Manager data, Donetsk and Luhansk oblasts included

Telecommunications

The total revenues of Ukraine's telecommunications market in 2020 amounted to UAH 73.7bn, according to the National Commission for State Regulation of Communications and Informatization (NCCIR).[15]

The largest increase in revenues of the telecommunications industry continues to be provided by mobile communications, a total of UAH 46.9bn (63.7%), followed by fixed broadband internet with UAH 13.8bn (18.8%).[16] Meanwhile, in the market of fixed telephony services in recent years there has been a downward trend in the number of subscribers and revenues. In 2020, revenues from the provision of fixed telephony services amounted to UAH 4.5bn, and their share in total revenues from the provision of telecommunications services amounted to 6.1%, which is 0.8 p.p. less than last year. Also, a total of UAH 8.3bn was generated from services for the provision of infrastructure facilities, accounting for 11.4% of the total.

The total revenues of Ukraine's telecommunications market in 2020, UAH



Source: National Commission for State Regulation of Communications and Informatization

[15] Звіт про роботу Національної комісії, що здійснює державне регулювання у сфері зв'язку та інформатизації населення за 2020 рік (Report of the National Commission for State Regulation of Communications and Informatization in 2020) available online at https://nkrzi.gov.ua/images/upload/142/9626/Zvit_NKRZI_za_2020.pdf (accessed on 10 October 2021)

[16] Загальні доходи ринку телекому у 2020 році склали майже 74 млрд гривень - НКРЗІ (Total revenues of the telecom market constituted almost UAH 74bln in 2020), Mind.ua, 31 march 2021, available online at <https://mind.ua/news/20224123-zagalni-dohodi-rinku-telekomu-u-2020-roci-sklali-majzhe-74-mlrd-griven-nkrzi> (accessed on 10 October 2021)

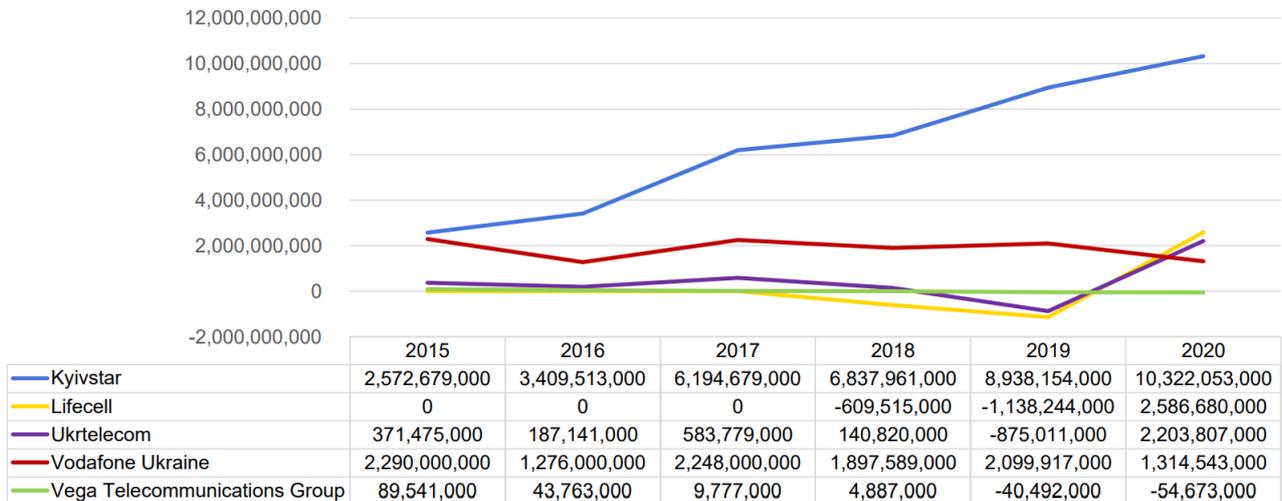
The telecom giants

| Company | Ownership | Country of ownership | Number of employees | Number of subscribers |
|-------------------------------|-------------------------|----------------------|---------------------|--|
| Kyivstar | VEON | Netherlands | 4 thousand | 26 million (mobile connection), 1 million (fixed broadband Internet) |
| Lifecell | Turkcell | Turkey | 1 thousand | 8 million |
| Ukrtelecom | SCM ltd (100% Akhmetov) | Ukraine | 21 thousand | 4 million (fixed line telephony), 1.3 million (internet)* |
| Vodafone Ukraine | NEQSOL Holding | Azerbaijan | 3,5 thousand | 19 million (mobile) |
| Vega Telecommunications Group | Vodafone Ukraine | Ukraine | 740 | 420,000 (fixed line telephony), 150,000 (internet) |

*in 2018

Source: CMDS based on consolidated financial statements and sustainability reports published on the companies' websites

Net profit of prominent telecommunication operators and internet providers in Ukraine, in UAH, 2015-2020



Source: CMDS based on consolidated financial statements and sustainability reports published on the companies' websites



Kyivstar, the largest mobile network operator by revenue in Ukraine, ranks 21st in the top 100 largest privately owned companies in Ukraine and is one of the country's 10 most profitable companies.[17] Since 1994, when the company was established, it has been very innovative and ahead of other telcos. For example, in 1998 it was the first telco in Ukraine to launch an SMS service.[18] Today Kyivstar regularly engages in charity and developmental projects. In

[17] Київстар (Kyivstar profile), Forbes, 2021, available at <https://forbes.ua/profile/kiivstar-244> (accessed on 12 November 2021)

2020, along with the Ministry of Digital Transformation of Ukraine, Kyivstar started a joint project on digital literacy focused on Ukraine's population.[19]

Lifecell became profitable for the first time in its history in 2020 with net earnings worth some UAH 2.59bn (US\$ 98.8m). It seems that the Covid-19 pandemic helped Lifecell to get a second wind. Due to the pandemic, Lifecell also introduced a series of policies aimed to make the lives of its subscribers easier. For example, it decided not to charge for calls to the phone numbers of the Ministry of Health, Center for Public Health and the Ministry of Foreign Affairs. In addition, it started providing 20 GB of

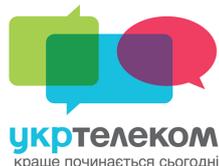


internet data and 1,500 minutes for calls to landline and mobile numbers in Ukraine for medical workers free of charge.[20]



Until 2019, Vodafone Ukraine, the second largest mobile operator in Ukraine, belonged to Russian telecom MTS (Mobile TeleSystems). It was sold that year to Azerbaijani NEQSOL, an oil and gas holding, for US\$ 734m. NEQSOL is believed to have close ties with the ruling family of the Azerbaijani president Ilham Aliyev.[21] In 2020, Vodafone Ukraine had the highest mobile network speed among the key Ukrainian telecoms, according to Ookla, the company behind Speedtest, a service for determining the mobile internet connection speed. Currently, Vodafone is ranked 2nd after Kyivstar.

Ukrtelecom is the largest fixed-line telephone operator in the Ukrainian market and also the provider of mobile services and broadband internet access. It has around 4 million fixed-line



telephony subscribers and 1.35 million internet subscribers. Until 2011, around 90% of the company's shares belonged to the government. It later sold them to Ukrainian-registered ESU, a cellular network builder and subsidiary of EPIC Invest, an Austrian-based investment company, which bought a 92.79 percent stake for US\$ 1.3bn.[22]

In 2013, a company run by businessman Rinat Akhmetov, SCM, bought from the EPIC group the full stake in the Cypriot company UA Telecominvest Limited, which owned all the shares of ESU. The deal amounted to US\$ 860m. At the time of purchase, the price was not disclosed.

In addition to Ukrtelecom, Rinat Akhmetov's SCM Holding owned another large telco, Vega until recently, but sold it in 2021 to Vodafone Ukraine reportedly for US\$ 15m.

[20]Люба Балашова, "Вперше в історії. lifecell став прибутковим за підсумками року" (For the first time in history. lifecell became profitable by the end of the year), Biz.nv.ua, 22 February 2021, available at <https://biz.nv.ua/ukr/tech/lifecell-vpershezakinchiv-rik-z-pributkom-novini-ukrajini-50143364.html> (accessed on 12 November 2021)

[21] Світлана Угніва, Ольга Духніч, Катерина Шаповал, "Велика переадресація. \$734 млн — кому і навіщо продають Vodafone Україна" (Large redirect. US\$ 734 million - to whom and why Vodafone Ukraine is sold), Biz.nv.ua, 1 December 2019, available at <https://biz.nv.ua/ukr/markets/bolshaya-pereadresaciya-50056425.html> (accessed on 12 November 2021)

[22] Austria's EPIC buys Ukraine's Ukrtelecom, Reuters, 11 March 2011, available online at <https://www.reuters.com/article/ukrtelecom-epic-privatisation/austrias-epic-buys-ukraines-ukrtelecom-idUSLDE72A0IH20110311> (accessed on 10 October 2021)

Technology Companies and Government

A key priority on the telecom agenda of the Ukrainian government appears to be the liberalization of the sector and its adjustment to European standards. In particular, the Ukrainian government has been working on two main issues: implementing and updating the legal framework for electronic and digital communications,[23] [24] and developing an up-to-date interactive map of broadband coverage.[25]

An important step forward towards the liberalization of the telecommunications sector was taken with the adoption of the Law On Electronic Communication[26] by the Ukrainian Parliament (Verkhovna Rada) on 30 September 2020. The Law is scheduled to come into force on 1 January 2022.

It took Ukrainian authorities more than 15 years to draft the legislation on digital communication. The previous legislation, which had been adopted before the social media era, [27] became outdated and did not address at all the current needs and trends of the market or the European integration endeavors of Ukraine.[28]

A major provision introduced by the Law On Electronic Communication is the principle of technological neutrality. Mobile operators are thus not obliged anymore to install special equipment to allow operative or investigative activities by the authorities as the previous law, the Law On Telecommunications of 2003, stipulated.[29] Moreover, according to the newly adopted law, telecom operators will be allowed to share their rights to use the radiofrequency spectrum. So far, they have not been entitled to do so independently.

The most significant issue resolved by the new law is the abolishment of obligatory licensing, a requirement that proved to be a major impediment for companies to entering the Ukrainian telecom market.[30] Under the newly adopted law, activities in the field of telecommunications are no longer subject to licensing. Instead, the law establishes a notification requirement for the companies about the launch of their activities. Yet, mobile operators must still be licensed to use the radio frequencies they are allocated by the authorities.[31]

[23] On 17 January 2018 the Cabinet of Ministers of Ukraine adopted the Concept of digital economy and society development and action plan for its implementation for years 2018 – 2020; on 30 January 2019 - Action Plan for the implementation of eServices development concept for years 2019 - 2020..

[24] Digital agenda Ukraine 2020, available online at https://issuu.com/mineconomdev/docs/digital_agenda_ukraine-v2__1_ (accessed on 21 June 2021)

[25] Broadband access is key to digital transformation of Ukraine, available online at <https://eufordigital.eu/uk/broadband-access-is-key-to-digital-transformation-of-ukraine/> (accessed on 21 June 2021)

[26] Law of Ukraine On Electronic Communications, available online at <https://zakon.rada.gov.ua/laws/show/1089-20#Text> (accessed on 21 June 2021)

[27] Ukraine: privacy implications of the E-Communications law, available online at: <https://sk.ua/publications/ukraine-privacy-implications-of-the-e-communications-law/> (accessed on 21 June 2021)

[28] The basic law in communications field is approved, available online at <https://thedigital.gov.ua/news/ukhvaleniy-bazoviy-zakon-galuzi-telekomunikatsiy> (accessed on 21 June 2021)

[29] Law of Ukraine 'On Telecommunications', available online at: <https://zakon.rada.gov.ua/laws/show/1280-15> (accessed on 21 June 2021)

[30] Licences in the sphere of communication are abolished, available online at https://jurliga.ligazakon.net/news/189406_skasovano-ltsenz-u-sfer-telekomunkatsy (accessed on 21 June 2021)

[31] Freedom on the Net 2020, available online at: https://freedomhouse.org/country/ukraine/freedom-net/2020#footnote8_m243xd0 (accessed on 21 June 2021)

The process of digitization in Ukraine has caused numerous controversies. On the one hand, effective e-governance[32] is considered by many people a strong impetus for the development of the digital society in Ukraine. On the other hand, others see digitization as a threat, an increase of the overall control by the state over the Ukrainian society, which is especially problematic in an environment like Ukraine that lacks a culture of respect for personal data.[33]

The Covid-19 pandemic has further amplified these fears. With the introduction of a series of Covid-19-related restrictive measures, in April 2020, the Ministry of Digital Transformation of Ukraine used data from Kyivstar, Lifecell and Vodafone to create a map[34] monitoring the compliance with the quarantine measures by individuals who returned to Ukraine from abroad after 17 March 2020.[35] According to the Ukrainian Constitution, such measures can be employed only upon the introduction of martial law or the state of emergency in the country. That was not actually the case in Ukraine.

When it comes to technological advances on the Ukrainian communications market, the country lags behind many other nations. “Ukraine is about 15 years behind the rest of Europe in terms of high-speed wireless data networks,”[36] being the last country in Europe and the Caucasus to introduce the network enabler of faster wireless data.

The delay in introducing new technologies, in particular the 3G communication technology, has been a consequence of the government’s interference with the market, especially the government’s attempts to grant a single 3G license to the former state monopolist operator of fixed lines, Ukrtelecom. The decision was a hidden strategy to boost the value of the company ahead of then planned privatization, according to experts. Moreover, the frequencies required for 3G were previously under the jurisdiction of the Ministry of Defense, which lacked appropriate funding to upgrade its networks or switch to new frequencies.

Only at the beginning of 2015, when the largest mobile operators in Ukraine, Vodafone Ukraine (former MTS), Kyivstar and Lifecell, successfully bid for 3G licenses, did it become possible to launch the new technologies at a nationwide scale.[37]

The launch of 4G internet, the most recent major development in the telecommunications industry in Ukraine, took place in late 2018. Most other European countries had introduced this technology almost five years earlier. In 2019, the Ukrainian government signed an agreement with the country’s four leading mobile network operators, Vodafone, Lifecell, Kyivstar and Intertelecom, to ensure maximum coverage of the country’s territory (of some 90 %) by 4G

[32] E-service development, available online at <https://www.kmu.gov.ua/en/reformi/efektivne-vryaduvannya/rozvitok-elektronnih-poslug> (accessed on 21 June 2021).

[33] Ukrainian media landscape, KAS Policy Paper 30, available online at <https://www.kas.de/documents/270026/8703904/ENG+KAS+PP+30+Ukrainische+Medienlandschaft-2019.pdf/f84e2f58-79ef-3828-b92c-89dbe2160551?version=1.0&t=1586332596497&fbclid=IwAR0E52yWWVdqGHv0mSfakHdlTs7CNhclY41ML9QsqUF-NQjr0DDay6Uiuwo> (accessed on 21 June 2021)

[34] The Ministry of Digital transformation uses big data for fight against pandemic, available online at <https://thedigital.gov.ua/news/mintsifra-vikoristovue-big-data-dlya-borotbi-z-pandemieyu> (accessed on 21 June 2021)

[35] Special digital dashboard introduced to track Ukrainians on quarantine, Unian.info, 15 May 2020, available online at <https://www.unian.info/society/special-digital-dashboard-introduced-to-track-ukrainians-on-quarantine-10998149.html> (accessed on 21 June 2021)

[36] Denis Krasnykov, “How Ukraine’s 3G is changing telephone use,” Kyiv Post, 22 October 2015, available online at <https://www.kyivpost.com/article/content/ukraines-it-edge/how-ukraines-3g-is-changing-telephone-use-400411.html> (accessed on 21 June 2021)

[37] Denis Krasnykov, “How Ukraine’s 3G is changing telephone use,” cit.

mobile communication and “high-quality high-speed Internet by 2022.”[38] Finally, in 2021, the Ukrainian government approved the plan for 5G migration.[39] Given the tortuous experience with the 4G auctions in 2018, not too many enterprises are willing to invest in new technologies at the moment.

Although some 5G-related commercial progress has occurred, the telecommunication sector in Ukraine is currently focused on the development of 4G and the expansion of internet services in rural areas.

Technology Companies and the Media

Content Distribution

In Ukraine there is no centralized state management for the backbone connection to the global internet. Thus, Internet Service Providers (ISPs) can independently set their policies and regulate their channels.[40] But although the government does not centralize its control over internet infrastructure, authorities periodically restrict connectivity by blocking websites suspected of malicious activities, among those being popular Russian-owned social media and communication platforms.[41]

In January 2020, following a court decision, the National Commission for the State Regulation of Communications and Informatization (NCCIR) ordered ISPs in Ukraine to block 59 websites (eight of those being news aggregators) allegedly involved in illegal activities.[42] In May 2020, the President of Ukraine Volodymyr Zelenskyy extended sanctions against a list of Russian-owned web platforms and websites carrying Russian propaganda. They included VKontakte (VK), Odnoklassniki (OK) and Mail.ru, as well as Russia-affiliated companies like Dr.Web, Kaspersky, and Yandex.[43]

On 3 February 2021, three television channels allegedly owned by the Russian President’s closest ally in Ukraine, Viktor Medvedchuk, were shut down.[44] President Zelenskyy justified the move invoking “national security” and the need to “fight against the danger of Russian aggression in

[38] Government signs a memorandum that will ensure 4G coverage of 90% of Ukraine’s territory, available online at <https://www.kmu.gov.ua/en/news/uryad-pidpisav-memorandum-shcho-zabezpechit-pokrittya-4g-na-90-teritoriyi-ukrayini> (accessed on 21 June 2021)

[39] Ukraine - Telecoms, Mobile and broadband - Statistics and Analyses. Ukraine’s government approves plan for 5G migration in 2021, available online at https://www.budde.com.au/Research/Ukraine-Telecoms-Mobile-and-Broadband-Statistics-and-Analyses?utm_source=GNW (accessed on 21 June 2021)

[40] Eastern Threat, available online at https://project.liga.net/projects/eastern_threat/ (accessed on 21 June 2021)

[41] Ukrainian and Russian media, GitHub, and LiveJournal: Ukraine has blocked over 400 websites Ukrainian and Russian media, GitHub, and LiveJournal: Ukraine has blocked over 400 sites, pg News, 21 February 2021, available online at <https://en.thepage.ua/news/426-sites-were-blocked-in-ukraine-the-list> (accessed on 21 June 2021)

[42] “В Україні заблокують 59 сайтів, з них вісім новинних (СПИСОК)” (In Ukraine 59 websites will be blocked, including 8 news channels - the list), available online at <https://detector.media/rinok/article/174680/2020-02-12-v-ukraini-zablokuyut-59-saytiv-z-nykh-visim-novynnykh-spysok/> (accessed on 21 June 2021)

[43] Directive of the President № 184/2020, available online at <https://www.president.gov.ua/documents/1842020-33629> (accessed on 21 June 2021)

[44] Ukraine’s President Zelensky blocks three pro-Russian channels linked with Medvedchuk, Kharkiv Human Rights Protection Group, available online at <http://khpg.org/en/1608808794> (accessed on 21 June 2021); Ukraine: pro-Russian TV channels closed down, Center for eastern studies, available online at <https://www.osw.waw.pl/en/publikacje/analyses/2021-02-03/ukraine-pro-russian-tv-channels-closed-down> (accessed on 21 June 2021)

the information arena.”[45] In turn, Medvedchuk accused the Ukrainian President of witch-hunting and seeking to silence inconvenient voices. Journalists of the closed television channels (112 Ukraine, NewsOne, and ZIK) created a new television outlet, Pershyi Nezalezhnyi. At the order of the Deputy Head of the Security Service of Ukraine and without a court decision, the broadcasting of Pershyi Nezalezhnyi was stopped one hour after the broadcast began.

In September 2021, authorities launched the process of revoking the license of NASH TV.[46] NASH (meaning “our” in Ukrainian) is controlled by Yevhen Murayev, the leader of the pro-Russian NASHI (Ours) political party. Though the channel invites guests of various diverse opinions, very often the messages voiced on its programs are highly similar to the rhetoric of the banned channels of Viktor Medvedchuk, posing, in the opinion of the Ukrainian authorities, a threat to Ukraine's national security.[47]

The telecom and internet markets still have to face and adjust to the challenges resulting from the annexation of Crimea and the hostilities still taking place in the eastern regions. Some particularly worrying trends include the practice of persecution for online views regarded as separatist, or for allegedly illegal activities that can undermine national security,[48] as well as the introduction of problematic government policies,[49] or two much-criticized bills[50] developed by the authorities to expand their power to block websites, remove content and influence the information landscape.

The Ukrainian government sometimes also seeks the removal of content by referring it to third parties. In 2019, Facebook did not receive any content removal requests from the Ukrainian government, but that was an exception and an improvement compared to previous years.[51] Twitter received a single request regarding 22 accounts in 2019, but the company did not act on it.[52] The same year, Google received 77 requests from the Ukrainian government regarding 937 items. These requests related to defamation (65), threats to national security (3), copyright violations (4), hate speech (3), fraud (1), and business complaints (1). Google ultimately removed

[45] Analysis: Ukraine bans Kremlin linked TV channels, Atlantic Council, 5 February 2021, available online at <https://www.atlanticcouncil.org/blogs/ukrainealert/analysis-ukraine-bans-kremlin-linked-tv-channels/> (accessed on 21 June 2021)

[46] The National Board on TV and Radio Broadcasting will initiate a lawsuit to annul the license for the TV channel “NASH”. Interfax Ukraine, 19 August 2021, available online at <https://interfax.com.ua/news/telecom/762738.html> (accessed on 22 August 2021)

[47] Oleg Petراسиuk, “Protesters rally outside NASH TV network, demanding its closure,” Kyiv Post, 5 February 2021, available online at <https://www.kyivpost.com/multimedia/photo/a-rally-demanding-the-closure-of-the-nash-our-tv-channel> (accessed on 3 November 2021)

[48] Freedom on the Net 2020, available online at https://freedomhouse.org/country/ukraine/freedom-net/2020#footnote1_jdmupj0 (accessed on 21 June 2021)

[49] Майя Яровая, “В Украине узаконили кибервойска” (In Ukraine legalised cyberroops), Ain, 21 May 2014, available online at <https://ain.ua/2014/05/21/v-ukraine-oficialno-poyavilis-kibervojska-poka-skoree-kiberotryad/> (accessed on 21 June 2021); see also Cyberwars. Computer Emergency Response Team of Ukraine, available online at <https://cert.gov.ua/> (accessed on 21 June 2021)

[50] Ukraine’s Ministry of Culture takes on disinformation with controversial bill, Hromadske International, 23 January 2020, available online at <https://en.hromadske.ua/posts/ukraines-culture-ministry-takes-on-disinformation-with-controversial-bill> (accessed on 21 June 2021); see also Ukraine wants to fight disinformation introducing de-facto censorship, Open Internet for Democracy, available online at <https://openinternet.global/news/ukraine-wants-fight-disinformation-introducing-de-facto-censorship> (accessed on 21 June 2021)

[51] Facebook, Transparency Center, Content Restrictions Based on Local Law, available online at <https://transparency.fb.com/data/content-restrictions/country/UA/?from=https%3A%2F%2Ftransparency.facebook.com%2Fcontent-restrictions%2Fcountry%2FUA%2Fjul-dec-2019> (accessed on 21 June 2021)

[52] Transparency, Ukraine, available online at <https://transparency.twitter.com/en/reports/countries/ua.html> (accessed on 21 June 2021)

only 109 of the requested items.[53]

The social network landscape in Ukraine actively reacts to the political situation in the country and changes accordingly. With VKontakte and Odnoklassniki in the doldrums, the US social networks Facebook and Instagram have been becoming more popular. In September 2021, a Kantar TNS CMeter study identified Google.com, YouTube.com, Facebook.com, Wikipedia.org, and Rozetka.com.ua as the most popular websites among Ukrainians.[54] The three leading websites have kept their positions for a long time. The popularity of Instagram.com grows during the summer season. It ranked 7th on the popularity list in June 2021.

The most popular news portals included 24tv.ua (19th place), Bbc.com (20th position) and Glavcom.ua (22nd place). Pravda.com.ua has also preserved its popularity.



24tv.ua, originally called News Channel 24 has been broadcasting continuously in Ukraine since 2006. It is the part of the Lux Television and Radio Company, a media conglomerate in Ukraine controlled by Kateryna Kit-Sadova,[55] the wife of Lviv Mayor Andriy Sadovyi. The channel covers politics, the economy, sports and celebrities.



The Ukrainian service of Bbc.com has been in operation since 1992. It conveys the latest political, social, economical and sport news relevant to Ukraine and the world.



Glavcom.ua is an information agency founded by the limited liability company Ukrainian Media Systems.[56]

Global shifts in information consumption formats boosted the role of messenger apps Viber, Telegram and WhatsApp. In 2019, the Chinese service for short video distribution, TikTok, joined the competition in this segment. In Ukraine, Telegram gained popularity after the blocking of the Russian social networks VKontakte and Odnoklassniki. Still, it is hard to estimate the influence and coverage of Telegram in the Ukrainian market. While on Facebook one can find out from the central office or regional office how much Ukrainian businesses spend on online advertising every year, Telegram does not provide such data. “The entire ecosystem of commercial placements in Telegram is constructed on the basis of private agreements between channel owners (administrators) and advertisers.”[57]

[53] Government requests to remove content, Transparency Report Ukraine, available online at <https://transparencyreport.google.com/government-removals/by-country/UA?hl=en> (accessed on 21 June 2021)

[54] Rating of popular sites for September 2021, Kantar, available online at <https://tns-ua.com/news/rejting-populyarnih-saytiv-za-veresen-2021> (accessed on 8 November 2021)

[55] News TV-Channel ‘24’, Media Ownership Monitor Ukraine, available online at <https://ukraine.mom-rsf.org/en/media/detail/outlet/news-tv-channel-24/> (accessed on 3 November 2021)

[56] See more about Ukrainian Media Systems at <https://www.ua-region.com.ua/ru/36677393> (accessed on 20 November 2021).

[57] Мирослав Лискович, “Telegram канали в Україні: стоять копійки, вплив – величезний” (Telegram channels in Ukraine cost peanuts but influence is immense), Ukrinform, 6 July 2020, available online at <https://www.ukrinform.ru/rubric-society/3057639-telegram-kanaly-v-ukraine-stoat-kopejki-vlianie-ogromnoe.html> (accessed on 21 June 2021)

Sociological surveys show that Ukrainians consider online media and social networks their main source of news. Online and social media are increasingly beating television in popularity and reach,[58] which is, in fact, a global trend.

Of all social media, Facebook has become a key communication channel in Ukraine, both in its business and political sectors.[59] Facebook's total user number in Ukraine reached a healthy 15.6 million in April 2019,[60] prompting the company to appoint a Policy Manager for Ukraine in the summer of the same year. Working from the firm's Warsaw office, her main tasks are to communicate with the Ukrainian government, the private sector and civil society.[61]

The three top pages on Facebook with the largest audience include RBC Ukraine with its 1.7m followers, News of Ukraine with 1.3m followers, and TSN with 1.2m followers.



RBC Ukraine is a Ukrainian information agency covering financial, economic and political news. Established in 2006 as part of Russian media holding RBC (RosBusinessConsulting), RBC Ukraine has since 2010 been independent without links to the Russian holding. The main platforms hosted by the portal include the information analytical website RBC Ukraine, the online edition of Worldnewsage.com (former Utro.ua) and the entertainment website Styler covering culture, society, fashion, health, cars and technology. News pieces published by RBC Ukraine and Interfax Ukraine are the most often quoted news items by media sources in Ukraine. [62] RBC Ukraine is also one of the companies with the highest level of compliance with professional standards, according to a report issued in Q1 2021.[63]



News of Ukraine is an independent news portal that monitors developments in Ukraine and the world on a daily basis.



TSN is a daily news program broadcast on the 1+1 TV channel. Its most popular program is its primetime edition at 7:30 pm. TSN is one of the most popular news sources on the Ukrainian internet.

[58] Online and Social Media Overtake TV in Popularity in Ukraine - a new USAID Internews Media Consumption Survey Says, available online at <https://internews.in.ua/news/online-and-social-media-overtake-tv-in-popularity-in-ukraine-a-new-usaid-internews-media-consumption-survey-says/> (accessed on 17 July 2021); 2019 USAID - Internews Annual Media Consumption Survey, available online at https://drive.google.com/file/d/1cRPOx_T5g4OWpG9BeYxPZu4k6x7cIv71/view (accessed on 17 July 2021); see also In Mind <https://ask.inmind.ua/>

[59] Facebook in Ukraine, available online at https://plusone.com.ua/fb/en/facebook_in_ukraine.pdf (accessed on 21 June 2021)

[60] Maria Kriuchok, "The Distorted Reality of the Ukrainian Facebook", VoxUkraine, 30 July 2019, available online at <https://voxukraine.org/en/the-distorted-reality-of-ukrainian-facebook/> (accessed on 21 June 2021)

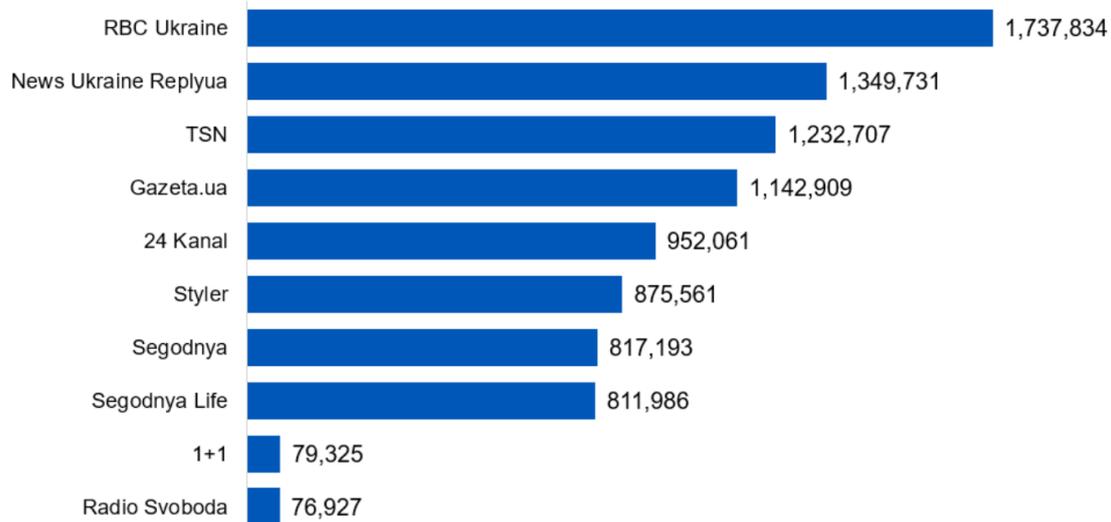
[61] Владислава Шевченко, "Facebook призначив першого працівника з питань суспільної політики щодо України" (Facebook appointed first professional on the issues of social politics in Ukraine), Na chasi, 4 June 2019, available online at <https://nachasi.com/society/2019/06/04/facebook-ukraine-manager/> (accessed on 21 June 2021)

[62] Nazar Moshniaga, "Потоки інформації в павутині. Мережевий аналіз ЗМІ" (Infostream on the Web. Web Analysis of Mass Media), Vox Ukraine, 23 September 2020, available online at <https://voxukraine.org/potoki-informatsiyi-v-pavutini-merezhevij-analiz-zmi> (accessed on 3 November 2021)

[63] ЗВІТ З МОНІТОРИНГУ ДОТРИМАННЯ ПРОФЕСІЙНИХ СТАНДАРТІВ В ОНЛАЙН-МЕДІА. ПЕРША ХВИЛЯ МОНІТОРИНГУ У 2021 РОЦІ (Report of monitoring the adherence to professional standards in online media. 1st wave of monitoring in 2021), available online at <https://imi.org.ua/monitorings/zvit-z-monitoryngu-dotrymannya-profstandativ-v-onlajn-media-persha-hvylya-monitoryngu-u-2021-rotsi-i38386> (accessed on 3rd November 2021)

In the likes

Most liked Ukrainian media pages on Facebook



Source: Socialbakers

The most popular media on YouTube include Channel Ukraina, Novy Kanal ("New Channel"), STB and 1+1, which are all privately owned by the media holdings belonging to a group of wealthy Ukrainian tycoons.

The Ukrainian national television channel Ukraina, part of the media holding Media Group Ukraine, belongs to the company System Capital Management (SCM), which is owned by the richest person in Ukraine, Rinat Akhmetov. In April 2021, SCM invested a record-high US\$ 307m to Media Group Ukraine to produce television content.[64] Ukraina, the most viewed channel in Ukraine during the last three years, airs shows, news, movies and soap operas of its own production. In April 2020, the channel covered 95% of all the households in Ukraine.

Novy Kanal, STB and ICTV are part of StarLightMedia, a broadcasting group established by another Ukrainian tycoon, Victor Pinchuk. TV Channel 1+1 is owned by 1+1 Media Group associated with Ukrainian oligarch Ihor Kolomoyskiy.

[64] Рінат Ахметов інвестує у свій медіахолдинг понад \$300 млн. Це найбільша інвестиція в українське медіа за сім років (Rinat Akhmetov invests more than \$ 300 million in his media holding. This is the largest investment in Ukrainian media in seven years), Forbes, 23 June 2021, available at <https://forbes.ua/news/rinat-akhmetov-investiruet-v-svoy-mediakholding-bolshe-15-mlrd-grn-23062021-1894> (accessed on 12 November 2021)

The motion picture

Most watched YouTube media channels

| Outlet | Number of subscribers |
|-------------------------------------|-----------------------|
| Channel Ukraina | 2,490,000 |
| New Channel | 3,040,000 |
| TV Channel STB | 2,420,000 |
| TV Channel 1+1 | 1,620,000 |
| NLO TV | 1,070,000 |
| TV Channel ICTV | 1,150,000 |
| 112 Ukraine | 560,000 |
| TV Channel Inter (Inter TV Channel) | 853,000 |
| TV Channel TET | 1,020,000 |
| NewsOne | 443,000 |

Source: Socialbakers

Twitter is not very popular in Ukraine. Compared to the most popular Ukrainian YouTube channel, which reaches millions, the 882,000 or so followers of the leading media outlet on the Ukrainian Twitterverse is hardly impressive.

Ranking of the most popular media on Twitter in Ukraine

| Outlet | Number of subscribers | Number of followers |
|------------------------------------|-----------------------|---------------------|
| Hromadske (@Hromadske UA) | 668 | 882,404 |
| Ukrainska Pravda (@ukrpravda_news) | 258 | 86,076 |
| Radio Svoboda (@radiosvoboda) | 785 | 442,190 |
| BBC News Ukraine (@BBC_ua) | 539 | 357,299 |
| Korrespondent.net (@korrespondent) | 790 | 334,730 |
| Liga.net (@LIGA net) | 357 | 318,397 |
| Golos Ameryky (@GolosAmeriki) | 497 | 192,216 |
| Kyiv Post (@Kyiv Post) | 1,524 | 176,392 |
| LB.ua (@lb_ua) | 234 | 159,855 |
| Golos Ameryky (@chastime) | 3,984 | 154,324 |

Source: Socialbakers

Ownership and Financial Relations

According to experts, about 75% of Ukrainian media belong to oligarchs and politicians.[65] The country's four dominant media conglomerates are StarLightMedia, owned by Viktor and Olena Pinchuk; 1+1 Media of Ihor Kolomoysky; Inter Media Group, co-owned by Dmytro Firtash, Valeriy Khoroshkovsky and Serhiy Liovochkin; and Media Group Ukraine, founded and owned by Rinat Akhmetov. These media magnates are business people with influence in Ukrainian

[65] Ukrainian Media Landscape, KAS Policy Paper 30, cit.

[41] У Криму вісім провайдерів повністю блокують 30 українських інформаційних сайтів – правозахисники (In Crimea, eight providers are completely blocking 30 Ukrainian information sites - human rights activists), Detector, 29 June 2020, available online at <https://detector.media/infospace/article/178344/2020-06-29-u-krimu-visim-provaiderv-povnistyu-blokuyut-30-ukrainskikh-informatsiynikh-saitiv-pravozakhisniki/> (accessed on 9 December 2020).

politics. They have other businesses and assets in a myriad of industries. (See more in *Funding Journalism chapter in Ukraine: Media Influence Matrix*)

The concentration of such a high level of power in the hands of four media moguls enables them to "play dirty." Earlier in 2021, they all joined forces to put pressure on a large Ukrainian internet and cable TV provider, Lanet, to pay them a 30% higher price for the re-transmission of their television content to avoid the termination of their contracts.[66] Lanet refused the demands and, as a result, stopped distributing the content of a total of 30 popular channels, losing some 20% of its subscribers and up to UAH 50m (US\$ 1.9m) in revenue. Lanet plans to sue the media groups to recoup these losses.[67]

In the mobile sector, there is no state monopoly. The three main players in the Ukrainian mobile services market, Kyivstar, Vodafone and Lifecell, are all privately owned with a significant share of foreign capital.[68]

An important development in the tech market was the introduction of the so-called "Google tax" in 2021.[69] On 3 June 2021, the Ukrainian parliament adopted a bill that introduced this tax, which directly affects large non-resident companies that provide electronic and digital services in Ukraine. Under the previous legal regime, any supply of electronic services by non-resident companies, such as access to cloud services or supply of audio and visual materials, was not subject to the Ukrainian 20% VAT. Starting on 1 January 2022, such companies as Google, Netflix or Facebook are obliged to register as a VAT payer in Ukraine and pay the tax if the volume of electronic services supplies exceeds UAH 1m (US\$ 36,660) in 2021. Such a policy was believed to increase the cost of digital services for the users.[70] Indeed, as of 1 December 2021 Google already sent notifications to the subscribers of paid services that it would start charging 20% VAT on digital services for individuals and individual entrepreneurs in Ukraine who are not registered as businesses.[71]

[66] «Ланет» про конфлікт із медіагрупами: Вони висунули нам ультиматум і хочуть підвищити ціни на 30% (Lanet on conflict with media groups: They have issued us an ultimatum and want to raise prices by 30%), Detector Media, 18 March 2021, available online at <https://detector.media/rinok/article/186082/2021-03-18-lanet-pro-konflikt-iz-mediagrupamy-vony-vysunuly-nam-ulytmatum-i-khochut-pidvyschyty-tsiny-na-30/> (accessed on 12 November 2021)

[67] Катерина Шаповал, "Справа принципу. Віктор Мазур побудував третього за величиною кабельного провайдера. Навіщо він руйнує свій бізнес у війні з найбільшими медіагрупами (A matter of principle. Victor Mazur built the third largest cable provider. Why he is destroying his business in the war with the biggest media groups), Forbes, 2 September 2021, available online at <https://forbes.ua/company/sprava-printsipu-viktor-mazur-pobuduvav-tretogo-za-velichinoyu-kabelnogo-provaydera-navishcho-vin-ruynue-sviy-biznes-u-viyni-z-naybilshimi-mediagrupami-02092021-2352> (accessed on 12 November 2021)

[68] Competitive, vibrant, and partly free: Key facts about Ukraine's telecom industry, Ukraine World, 20 May 2020, available online at <https://ukraineworld.org/articles/ukraine-explained/key-facts-about-ukraines-telecom-industry> (accessed on 21 June 2021)

[69] Law of Ukraine "On Amending the Tax Code of Ukraine to Abolish Taxation of Income of Non-Residents Derived from Production and/or Distribution of Commercials and Improvement of VAT Taxation of Electronic Services Supplied by Non-Residents to Individuals" No.1525-IX dated 3 June 2021, available at https://ips.ligazakon.net/document/view/t211525?utm_source=biz.ligazakon.net&utm_medium=news&utm_content=bizpress01&_ga=2.100718209.1695232902.1636818831-859123157.1636225643 (accessed on 17 July 2021)

[70] "VAT on electronic services supplied by non-residents: changes to expect," Sayenko Kharenko, 1 July 2021, available online at <https://sk.ua/news/vat-on-electronic-services-supplied-by-non-residents-changes-to-expect/> (accessed on 17 July 2021)

[71] Google сповістила українських користувачів про здорожчання платних сервісів — до ціни додадуть 20% ПДВ (Google has notified Ukrainian users about the rise in price of paid services - 20% VAT will be added to the price), itc.ua, 1 December 2021, available online at <https://itc.ua/news/google-spovistiv-ukrayinskih-koristuvachiv-pro-zdorozhchannya-platnih-servisiv-doczini-dodadut-20-pdv/> (accessed on 3 December 2021)

The Business of Misinformation

Proliferation of misinformation in Ukraine's online information landscape is a burning issue.[72] The Covid-19 pandemic has also contributed to the spread of disinformation and misinformation in the country.[73]

Social media as well as some news websites have become effective tools to disseminate fake news and manipulate audiences, which has given rise to a wave of paid commenters and trolls in Ukraine's online public sphere. These activities are usually conducted through networks of automated social media accounts, or bots. Little is known about the operation of these firms, and their actual impact on public debate and opinion. Their activities grow during elections or political campaigns.[74]

In 2019, Facebook removed a massive amount of Ukrainian fake accounts for coordinated misinformation.[75] Many of these accounts were related to the Ukrainian PR company Pragmatico, which worked for various political clients and celebrities in Ukraine. The users were redirected mostly to misinformation websites Znaj.ua and Politeka posing as news sources.

Similarly, anonymous channels on Telegram's Ukrainian segment have been in operation for several years. Since March-April 2019, many more have appeared. Joker, Dark Knight, Legitimate and other such misleading content providers are among the top Telegram channels with audiences exceeding 100,000 subscribers. In July 2020, Texty.org.ua, an independent analytics agency, published a report, according to which members of the Ukrainian Parliament regularly read Telegram channels and are presumably influenced by their favorite Telegram channels' news in political decision making.[76] In February 2021, the Security Service of Ukraine investigated whether Telegram channels such as Legitimate, which MPs identified among their top five favorite channels, and a dozen of other highly popular ones, promoted the interests of Russian Special Forces to destabilize Ukrainian society by spreading disinformation and panic.[77]

There are two major features that the Telegram channels have in common: they provide news about politics (insider information, rumors and so-called "incriminating evidence"), and they act

[72]Freedom on the Net 2020, cit.

[73] Микола Оліярник, "Опасные связи: Украина слишком завязла в рунете" (Dangerous ties: Ukraine is too much deep in the runet, HB Business, 29 February 2016, available online at <https://biz.nv.ua/publications/opasnye-svjazi-ukraina-slishkom-pogrjazla-v-runete-100577.html> (accessed on 17 July 2021); Liubov Bagatska, "Facebook Fact-Checkers: Ukraine Targeted By 'Unprecedented' Coronavirus 'Infodemic'," Current Time, 20 April 2020, available online at <https://en.currenttime.tv/a/30566502.html> (accessed on 17 July 2021); "The most widespread fakes about coronavirus," 20 March 2020, Axid.net, available online at https://zaxid.net/statti_tag50974/ (accessed on 17 July 2021)

[74]Ukrainian Media Landscape, KAS Policy Paper 30, cit.

[75] Ukrainian Media Landscape, KAS Policy paper 30, cit.; "Facebook знешкодив в Україні 'фабрику тролів'" (Facebook revealed the 'plant of trolls' in Ukraine), Pravda Ukraine, 17 September 2019, available online at <https://www.pravda.com.ua/news/2019/09/17/7226525/> (accessed on 21 June 2021)

[76] ЛЮБОВ ВЕЛИЧКО, "'Телега' для Слуги. Як Телеграм-канали, що ймовірно ведуться з Росії, впливають на роботу Ради" ("Telega" for the Servants. How Telegram channels, presumably from Russia, affect the work of the Parliament), Texty.org.ua, 13 July 2020, available at <https://texty.org.ua/articles/101438/tyelyeha-dlya-sluhy-yak-telehram-kanaly-sho-jmovirno-vedutsya-z-rosiyi-vplyvayut-na-robotu-rady/> (accessed on 12 November 2021)

[77] "СБУ викрила агентурну мережу спецслужб РФ, яка дестабілізувала ситуацію в Україні через Telegram-канали" (SBU exposed the intelligence network of the Russian special services, which destabilized the situation in Ukraine through Telegram channels), Ssu.gov.ua, 1 February 2021, available online at <https://ssu.gov.ua/novyny/sbu-vykryla-ahenturnu-merezhu-spetssluzhb-rf-yaka-destabilizuvala-sytuatsiiu-v-ukraini-cherez-telegramkanaly> (accessed on 12 November 2021)

under cover of anonymity.[78] For example, the Legitimate channel often sympathizes with the authorities whereas the Dark Knight, on the contrary, harshly mocks the representatives of the presidency (it periodically leaks intra-factional documents, correspondence, etc.).[79] Although the Telegram channels are not part of professional media, they have an enormous influence on public sentiments.[80]

As a response to misinformation, several initiatives to counteract its proliferation have been launched in Ukraine in recent years. StopFake, a platform created to debunk disinformation, regularly identifies examples of Russian-language “fake news” mischaracterizing the Ukrainian government’s policies and smearing both the European Union and the United States. StopFake, and a fellow fact-checking group, VoxCheck, joined Facebook’s third-party fact-checking program in Ukraine in March 2020.[81]

Several other groups work to identify content manipulation. In July 2019, the NGO Internews-Ukraine launched TrollessUA, a project aimed to identify suspicious accounts on Facebook and flag them for the company to inspect.[82] Meanwhile, a web browser extension and a Telegram bot called Feykogryz was created to identify disinformation and misinformation, propaganda, and jeansa (a special term invented by media experts in Ukraine to describe paid-for PR materials).[83]

State-run news agency Ukrinform also announced plans to release a special application, Defake, which will automatically highlight key words that suggest the possible presence of fake news in a text.[84]

A major problem in the Ukrainian media is related to ethics as journalists do not always follow professional standards. When journalists legitimize the information picked up on social networks and publish news from Facebook and Telegram without verifying their authenticity, they help turn social media into powerful instruments of manipulation and fake news distribution. Moreover, with a growing number of media sources, it becomes more difficult to verify and analyze the sheer amount of information and distinguish between real and false information under time pressures.

As a result, the level of public trust in the Ukrainian media remains low. Data from the Kyiv International Sociology Institute (KISI) show a decrease in the level of trust in the media almost to the level of trust in the Police and Security Service of Ukraine (SBU). That is a significant decline as just five years ago the trust in the media was among the highest, media being one of the five most trusted institutions in Ukraine.[85]

[78] On the other side of the screen: An analysis of media consumption and disinformation in the Ukraine’s information environment, Detector Media, 18 May 2021, available online at

<https://detector.media/infospace/article/188115/2021-05-18-on-the-other-side-of-the-screen-an-analysis-of-media-consumption-and-disinformation-in-the-ukraines-information-environment/> (accessed on 21 June 2021)

[79] ЛЮБОВ ВЕЛИЧКО, “‘Телега’ для Слуги...,” cit.

[80] Мирослав Лискович, “Telegram каналы в Украине...,” cit.

[81] Liubov Bagatska, “Facebook Fact-Checkers...,” cit.

[82] Make your Facebook clean: Project Trollessua, 19 July 2019, available online at <https://internews.ua/opportunity/trolless?fbclid=IwARIZpyjBvTZnrTXDrVoX3TSBBjFN5VRcb6-Gj-IIVdNdKo5jrdX6LPRjIA> (accessed on 17 July 2021)

[83] FakeGryz, available online at <https://fgz.texty.org/> (accessed on 17 July 2021)

[84] “Ukrinform chief names three stages of promoting fake news in social media,” Ukrinform, available online at <https://www.ukrinform.net/rubric-society/2831384-media-forum-in-warsaw-ukrinform-chief-names-three-stages-of-promoting-fake-news-in-social-media.html> (accessed on 17 July 2021)

[85] Ukrainian Media 2019 Landscape KAS Policy Paper 30, cit.



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