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Germany investing \$10 mln in development of small and medium enterprises in Ukraine



The German Society for Investment and Development (Deutsche Investitions- und Entwicklungsgesellschaft, DEG) will contribute \$10 million to the investment fund for small and medium-sized enterprises in Ukraine, the German Embassy in Ukraine reported.

The Emerging Europe Growth Fund III (EEGF III) will facilitate the access of small and medium-sized businesses in Ukraine to long-term financing, the press service of the German embassy reported.



“Through this participation Germany will strengthen its position as one of the most important countries investing in the Ukrainian economy. Germany’s participation is a signal for other private and institutional investors,” the embassy said.

The diplomatic mission told that the fund invests in export-oriented industries, in particular, in IT, light industry, food industry, as well as enterprises of electronic commerce and health.

The German embassy said that the financed fund primarily focuses on small and medium-sized enterprises that need capital for their own growth and, as experience shows, create a lot of new jobs.

German diplomats added that there are intentions to raise the capital of the Emerging Europe Growth Fund III (EEGF III) to \$150 million.

Ukrainian enterprises post UAH 186.3 bln pretax profit in JAN-JUNE 2017

Enterprises and organizations in Ukraine in January-June 2017 received a pretax profit from ordinary activities in the amount of UAH 186.3 billion, whereas in January-June 2016 they posted a profit of UAH 63 billion, the State Statistics Service has said.

According to its data, in the first half of 2017 enterprises that worked profitably received UAH 270 billion of profit, which is 44.2% more than in the same period in 2016.

At the same time, 67.4% of enterprises worked unprofitably: their losses for the six months of this year amounted to UAH 83.7 billion, which is 32.6% less compared to January-June 2016.

The service said the share of loss-making enterprises in Ukraine in the first half of this year decreased by 3.4 percentage points compared to last year, to 31.2%.



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EBRD mulling opportunities to develop hryvnia-pegged crediting, investment in Ukraine



The European Bank for Reconstruction and Development (EBRD) is mulling opportunities of developing crediting and investing in Ukraine in hryvnias, EBRD Director for Ukraine Sevki Acuner has said.

He said at a press conference in Kyiv on Tuesday that one of the bank's goals is to expand financing in the national currency. The banking system now has much hryvnia liquidity, while crediting remains weak, he said. The role of the EBRD is to provide for the channel for injecting liquidity to the market, he said.

Acuner said that the EBRD is holding negotiations both with banking groups and corporate clients. In addition, it is planned to cooperate with municipal enterprises.

He said that the scale of the bank's transactions in this segment would depend on development of the Ukrainian economy.

The bank has various options for raising hryvnia liquidity – via partners or via the issue of hryvnia-pegged bonds. The bank is preparing for this, but the bank needs the conditions on the market for realizing it, Acuner said.

The EBRD is the largest international financial investor in Ukraine. Since the beginning of the bank's operations in the country in 1993, its total liabilities have reached almost EUR 12.2 billion in 377 projects.

Ukraine needs to raise competitiveness in domestic and foreign markets, develop start-ups



U.S. Ambassador to Ukraine Marie Yovanovitch believes that Ukraine needs to develop competitiveness in the domestic and foreign markets and activate start-ups.

Speaking at the Inaugural Economic Forum "Supporting the Economic Development of Ukraine: Cooperation between Government and the Diaspora," in Kyiv, Yovanovitch said they believe that an important element of enhancing the competitiveness of Ukraine's economy is activating start-ups and increasing competitiveness in the domestic market.

The ambassador believes that now it is important to raise Ukraine's competitiveness on the international market.

Ukrainian exports to Canada 76% up in JAN-JUNE 2017 – Mykolska



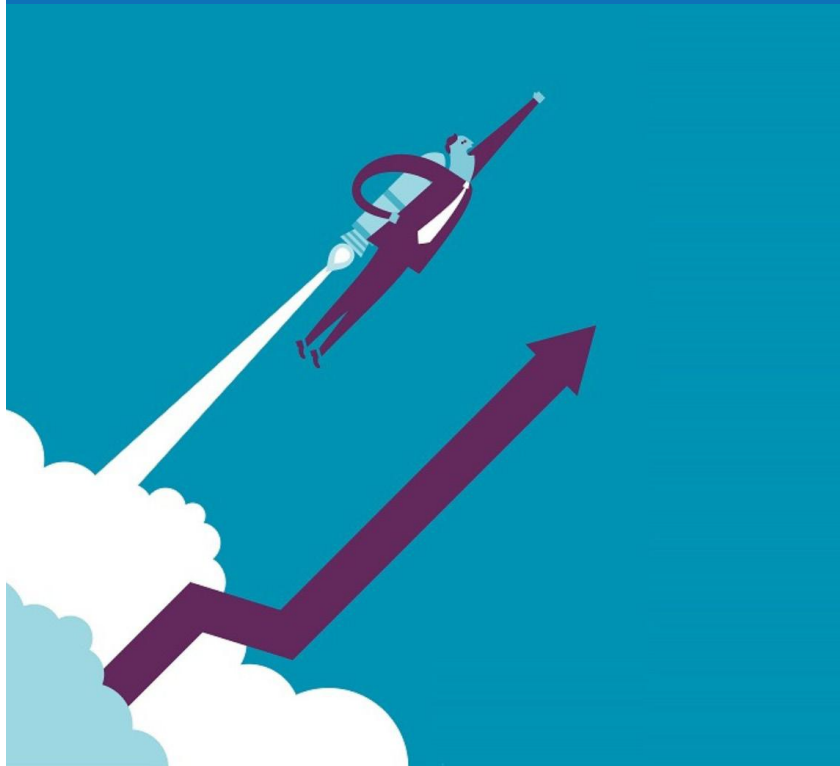
Exports of Ukrainian goods to Canada in the first six months of 2017 amounted to \$22.7 million, which is 76.3% more than for the same period in 2016, Ukrainian Deputy Minister of Economic Development and Trade Natalia Mykolska has said.

"The FTA agreement with Canada had begun influencing our economic relations before it entered into force. In the first six months of 2017 exports of goods to Canada totaled \$22.7 million, which is 76.3% more than for the same period in 2016," she said in an interview with Interfax-Ukraine.

She said for exports to Canada goods must pass certification, which differs from the European one.

The deputy minister drew attention to the fact that imports of Canadian goods to Ukraine is also reviving, particularly in the sphere of pharmaceuticals and seafood, light industry goods: special clothing, garments for cold weather and work clothes.

Ukrainian startup dmarket selling in-virtual game items raises some \$11.5 mln at first ICO phase



The startup of the Ukrainian origin – DMarket blockchain marketplace selling items from virtual games has raised \$11.48 million of investment at the first phase of the Initial Coin Offering (ICO), DMarket has said on its website.

In five days of the ICO – from August 17 through August 21, a total of 34.493 coin tokens were sold (including bonus tokens) for \$11.48 million. It is planned to sell 50 million tokens.

The second token distribution phase of the ICO is scheduled for November 2017. Their cost would grow by 25%.

“We are building DMarket – a global marketplace based on blockchain and smart contracts. It enables one-click sale, exchange or evaluation of every virtual item between all games on any platform,” DMarket said on its website.

The blockchain will ensure 100% security and safety and smart contracts are the bridge on blockchain to connect all game worlds and universes without any third party needed, the designers of DMarket said.

Over 2.2 billion people play games every day on different platforms and devices and just a couple of games with 6% auditory already turn over close to trading in-game items.

Second plant of Germany's Leoni AG will officially open in Kolomyia in late SEPT

Germany's Leoni AG, which has a factory for production of cable networks for cars in Stryi (Lviv region), is planning to officially open the second plant in Ukraine in Kolomyia (Ivano-Frankivsk region) on September 29, plant director Ruslan Grem has told Interfax-Ukraine.

“President of Ukraine Petro Poroshenko is invited to open the plant,” he said.

The plant will also specialize in production of cable networks for the leading auto brands, in particular for BMW cars. The volume of investments in the plant is EUR16 million.

The director of the plant said the first stage of production will be opened in autumn, while in future it is planned to open four lines increasing in the number of workers and the production area.

“The total area of the enterprise in Stryi, for example, is 64,000 square meters, while that in Kolomyia will amount to 35,000 square meters. Now the plant in Stryi employs more than 7,500 people, in Kolomyia it is planned to employ 1,000 people at the first stage, about 5,000 by 2020,” he said.

Leoni, founded in 1917, is the world's leader in the field of electrical wiring systems and cable technologies. The company employs more than 82,000 people in 31 countries. In 2016 the company's sales exceeded EUR4.4 billion.

Kyiv authorities looking for investor to reformat Bessarabsky market – ESTA Holding CEO

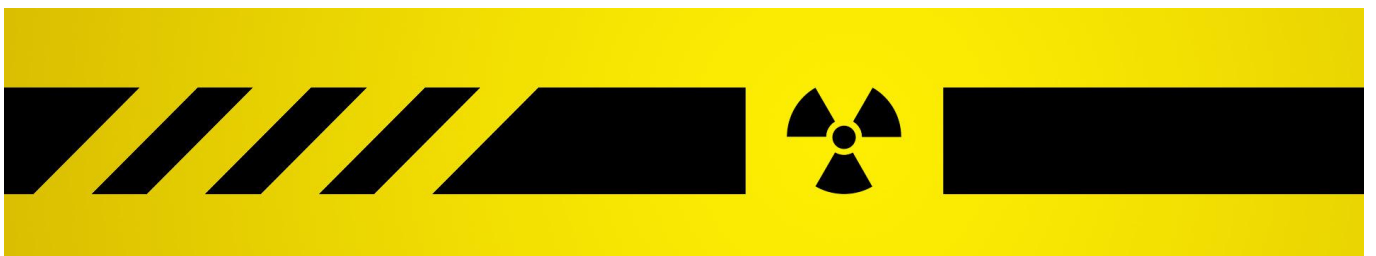


Kyiv authorities are looking for an investor for the Bessarabsky market to reformat it in line with the modern retail format, CEO of ESTA Holding Maksym Hromadtsov has told Interfax-Ukraine.

"I hope that the Bessarabsky market would be transformed from the most expensive market without any distinguishing features into a normal format of the right European market, as, for example, the San Migel market in Madrid or Camden Market in London. I know for sure that Kyiv Mayor Vitali Klitschko has a vision. We have discussed this. The authorities are still looking for an investor," he said.

He said that with losing the status of the main shopping street of the country by Khreschatyk Street the share of clothes retailers in it shrank to around 20% of all retail space, and bank departments, cafes and restaurants occupied the rest of the premises in the street. Visiting of the street by local residents in weekends has decreased.

Ukraine buys nuclear fuel for \$213 mln in six months of 2017



Ukraine in January-June this year purchased nuclear fuel for a total of \$212.808 million.

According to the State Statistics Service, during this period Ukrainian nuclear power plants purchased Russian fuel for \$130.076 million, Swedish products worth \$82.732 million.

Thus, the share of purchases of nuclear fuel by Ukraine in January-May 2017 from TVEL (Russia) in monetary terms amounted to 61.12%, Westinghouse (Sweden) some 38.88%.

Earlier President and CEO of Westinghouse Electric Company Jose Emeterio Gutierrez in an interview with Interfax-Ukraine reported that the company in 2017 would increase the supply of nuclear fuel to Energoatom to six batches. It is planned that the six batches will be delivered until 2020.

Energoatom President Yuriy Nedashkovsky, in turn, confirmed the company's intention in 2017 to buy six shipments of Westinghouse nuclear fuel.

UDP to build 300 MW power plants on renewable sources in next five years

UDP Group plans to build power plants on renewable sources with a capacity of up to 300 MW in the next five years, UTP Renewables Managing Partner Serhiy Yevtushenko has said in an interview with Interfax-Ukraine.

"We intend to build up to 300 MW in the next five years... We start with the project [the construction of a solar power station] in Kyiv region. We have already completed the construction of a 6 MW plant in Brovary district, formalized the documents," he said.

The expert said in the next two years UDP Renewables will focus on photovoltaics, and in future will also consider the construction of wind farms and stations on biomass.

According to Yevtushenko, his company already has a developed portfolio of 120 MW projects.

He noted investment in the construction of 1 MW of installed capacity of a solar power plant by the company is estimated at EUR1 million.

U.S. GESS interested in Kherson CHPP



Representatives of GESS Ukraine, the Ukrainian division of U.S. Green Energy Sustainable Solution – GESS International – have shown their interest in Kherson combined heat and power plant (CHPP), Deputy Head of the State Property Fund of Ukraine (SPF) Yuriy Nikitin has said after a meeting with them.

The parties discussed the conditions of the sale, the prices and possibility of restructuring debts of the plant. The plant's debt has reached almost \$4 million.

"After three failures [to sell the plant] in the previous years we want to put the CHPP up to sale... The announcement of the tender is preliminarily scheduled for October 2017," Nikitin said.

He said that the fund has drawn up the conditions of the sale. A government working group is to discuss them and then the Cabinet of Ministers is to approve them.

He said that the fund would do its best to conduct transparent privatization of the plant and the fund is ready to consider any acceptable offers, in particular, the involvement of Kherson CHPP in a project to develop alternative energy.

"The company wants to make a privatization project. No project participant, including the CHPP and consumers, should lose, on the contrary, they should earn," the SPF said, citing a representative of GESS Ukraine Shaun Edward Lee.

He said that the company has three business projects in Kherson region.

Nikitin also told Interfax-Ukraine that there is an interest to Mykolaiv CHPP. The auction to sell the plant was failure this week, but there were two preliminary bids. However, the deposit guarantee was not confirmed.

He said that Kryvy Rih and Severodonetsk CHPPs are being prepared for sale.

"There is Odesa CHPP, but we have bankruptcy there," Nikitin said.

Energy ministry seeks to review plan of first phase of Ukraine's energy strategy until 2035 by late 2017



Ukraine's Energy and Coal Industry Ministry will review the plan for the first phase of the implementation Ukraine's Energy Strategy until 2035, for the period until 2020, by late 2017, Deputy Energy and Coal Industry Ministry Natalia Boiko has said.



"The road map for the first phase will be finalized by the end of this year. We have many proposals," she told reporters after a government meeting on.

Boiko said that the strategy will be implemented in three stages – until 2020, until 2025 and until 2035.

The document approved by the government does not require the approval of the Verkhovna Rada, she said. "We had a discussion. There are strategies approved by the Verkhovna Rada... We made a political decision that the government takes responsibility, and today's decision is enough," Boiko said, adding that this is the first energy strategy of the country approved by the government after the Revolution of Dignity.

As reported, the Cabinet of Ministers of Ukraine on Friday approved the Energy Strategy of Ukraine until 2035 with the condition of a three-day revision of this document.

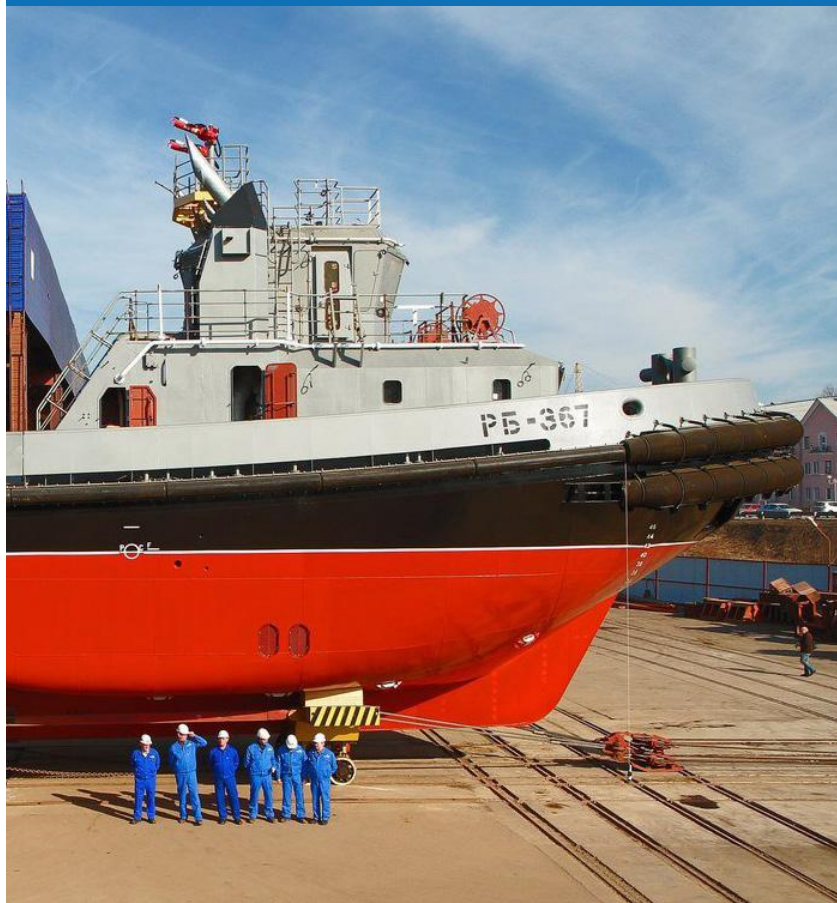
Govt approves bill introducing European standards for construction materials in Ukraine

The Cabinet of Ministers of Ukraine has approved a bill on the main requirements to structures and the conditions for the marketing of construction products.

The decision was made at a government meeting on Friday. Ukrainian Prime Minister Volodymyr Groysman read the document among those passed without discussion.

The bill sets the key requirements to structures and the construction materials technical approbation rules for marketing them, as well as to the entities that take part in the technical approbation and declaration in the construction sphere. The bill introduces a rule for determining the essential characteristics.

Pallada plant designing environment friendly tow boat



Specialists of the Pallada Kherson state-owned plant as part of the resumption of freight transportation by river have initiated the designing of a ferroconcrete environment friendly tow boat with a carrying capacity of 1,000 tonnes, the top managers of the enterprise have told Interfax-Ukraine.

The tow boat will be able to transport mineral and construction freight, agricultural products, heavy and other freight.

"Shipbuilding concrete based on sulfate resistant ordinary portland cement will be used for the hull of the boat. The Pallada plant has been using this material for building floating composite docks operated in many countries," the plant said.

"When ferroconcrete facilities are built and used no expensive protective paint-and-lacquer coating is used, and the Pallada-made tow boats will be environment friendly," the plant said.

Pallada Kherson state-owned plant is currently the world's only shipyard that specializes in building next generation composite floating docks for maintenance of civil and naval ships. The warranty period of the equipment it makes is 50 years. Among the company's customers are Japan, South Korea, Finland, Bulgaria, Turkey, Algeria, Croatia, France, and South Africa.

Pilot product to relax biosecurity control for fruit, vegetables could be launched in Odesa region

Ukraine's Service for Food Safety and Consumer Protection jointly with Odesa Regional Administration, Odesa customs office and business representatives initiate the launch of a pilot project to relax biosecurity control for fruit and vegetables.

"After long discussions in Odesa a model that provides for the balance of interests of the state and importers has been found. The proposed changes mean that fruit and vegetable samples will be selected once for the first batch of food supplied under a contract if the next batches are shipped under the same contract, by one sender or the supplier from the same country for the same buyer," acting Head of the State Fiscal Service of Ukraine Myroslav Prodan wrote on his Facebook page.

According to the proposal, vegetable (potatoes, tomatoes and carrots), fruit, berries, citrus fruit and other fresh fruit will be checked under the relaxed rules.

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Agriculture ministry and Kyivstar will develop digital platform for farmers



Ukrainian Berry Guild LLC, a member of the Agrospring 2011 berry cooperative, seeks to launch a first phase of the berry farm in Makariv district of Kyiv region, which construction is to finish by the end of this year.



“The sum of investment in the farm is around UAH 30 million. The core business is sale of sprouts and planting stock of key berries: strawberries, cranberries, blackberries and blueberries,” the owner of the company Vadym Skorokhod told Interfax-Ukraine.

He said that the construction of the farm was started in March 2017.

The company is holding talks with U.S. and European selection companies and receiving a license to sell high-quality berry planting stock of foreign selection.

“Our five-year plan is to expand the fields and build an in-vitro laboratory,” he said.

Dutch investment fund Safedam buys 23.76% of shares in Volodymyr-Volynska poultry farm

Dutch investment fund Safedam has become a shareholder in private joint-stock company Volodymyr-Volynska poultry farm (Volyn region, the Kurka Cheboturka trademark), acquiring 23.76% shares in the farm.

“Transparent business processes, prospects of development, high production standards and the quality of the products of Volodymyr-Volynska poultry farm were well appraised in Europe. As a result, a deal with private investment fund Safedam has been finalized. The discussion on the possibility of joining the company as an investor was started two years ago,” the Ukrainian company said in a press release.

Volodymyr-Volynska poultry farm is among top three leaders in the poultry sector with 6% share of the domestic market and turnover of UAH 1.6 billion (the target for 2017).

Head of the supervisory board and shareholder in the farm, the founder and CEO of OpenMind Group, Oleksiy Kovalenko said that cooperation of the company with representatives of the Dutch company started a long time ago. “The deal would allow us to use various financial tools that would cheapen the value of raised funds. Our poultry farm is becoming a Ukrainian-Dutch enterprise,” he said.

The farm buys equipment from Dutch Stork company. The farm will buy Dutch chickens to breed them in Ukraine.

“A new product would appear on the Ukrainian market. It is being created not only with the help of European technologies, but also taking into account European values in the quality of life and healthy food,” the company said.

Ukraine sees 28% rise in agricultural products exports in H1 2017



Exports of Ukrainian agricultural products grew by 28% in January-June 2017 year-over-year, to \$8.7 billion.

According to a press release of the Agricultural Policy and Food Ministry of Ukraine, in H1 2017 exports of all types of agricultural products rose.

Animals and animal products for \$492.5 million were supplied to foreign markets (55% up compared with H1 2016), crops for \$4.3 billion (24.5%), including grain crops for \$3.3 billion (22.7%), fats and oil for \$2.5 billion (27%) and finished food for \$1.4 billion (33.6%).

Agricultural products for \$1.97 billion were imported to Ukraine in H1 2017, and this was 12% more than a year ago.

Animals and animal products for \$311.7 million were supplied to the Ukrainian market (1.3% up compared with H1 2016), fats and oil for \$119.8 million (6.6% up) and finished food for \$798.1 million (2% up), crops for \$742.1 million (a decline of 0.7% year-over-year), including grain crops for \$113.2 million (decline of 2.5%).

In general, in H1 2017 the surplus of foreign trade with agricultural products of \$6.7 billion was recorded. The share of exports of agricultural products of total Ukrainian exports over the period was 42.1%, the ministry said.

Kyiv International Economic Forum – KIEF – is a new major international conference focused on the future of economic development. Held annually in Kyiv, it is not just an event about or for Ukraine, but an innovative forum that covers the global agenda. KIEF has been envisioned to become a leading discussion platform at an intersection of civilizations based in the capital of the biggest country in Europe.

This year Kyiv International Economic Forum supported by the Prime Minister will take place on October 5 – 6.

Forum Organizing Committee:

info@forumkyiv.org or +38 (044) 496 30 36

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Maksim Urakin is a project director of the Biweekly news digest of KIEF.

urakin@interfax.kiev.ua or +38(044) 270 65 74

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