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Agriculture, infrastructure, energy sectors are most promising for investment in Ukraine – ICU head



The increase in internal and external investment is the key factor for accelerating the economic growth in Ukraine in coming years, and the most promising sectors for the next two years are agriculture, infrastructure and energy sectors, Managing Partner of ICU Investment Group Makar Paseniuk has said.

Speaking at the Ukrainian Financial Forum organized by ICU in Odesa on September 21 and September 22, he said that capital investment in Q2 2017 grew to 15.4% of GDP from 15.1% in 2016 and 13% in 2015, although they should be at least 20-25% of GDP for the desired economic growth.

Explaining his selection of the sectors, Paseniuk said that in agriculture, infrastructure and energy sectors Ukraine has a global competitive advantage or needs to develop them to ensure the long-term economic stability.

As an example, he took the capacities in power generation and energy supply, estimating the necessary amount of investments to restore their operating lives, which have already been exhausted by 70-80%, at \$15-20 billion.



“Market prices and transparent, unchanging rules will create conditions for the investment in the extraction, transportation and distribution of gas, oil, coal, and electricity, and the development of competition in these sectors will ensure minimum prices for consumers, while bringing Ukraine closer to energy independence,” he said.

Paseniuk also said that the farmland market is the reserve for attracting \$15-20 billion of investments. In his view, the formation of the market could begin with state-owned land.

He added that preference should be given to direct investments than debt financing, and in terms of currency this should be a financial tool nominated in hryvnias.

Completion of cleaning the balance sheets of financial institutions from low-quality assets should increase the activity of the Ukrainian financial sector and its involvement in investment, according to the expert.

Paseniuk said that an important factor for growth of investments is justice, the presence of transparent and unchanging rules of the game.

“Therefore, one of the priorities for all should be judicial reform, which will ensure real protection of property rights and impartiality of decisions made by courts,” he said.

Ukraine could be 40th in doing business rating if country continues deregulation – PM



If the deregulation continues Ukraine could be 40th in the World Bank's Doing Business rating, Ukrainian Prime Minister Volodymyr Groysman has said.

"In the past six months the government had introduced several important deregulation things. We have sent four new bills to parliament. They would allow Ukraine to reach top 40 of Doing Business after their adoption and implementation," the prime minister said at the Smart Business Challenge in Kyiv on Wednesday.

He said that the government understands problems of business, and ways to settle some of them is not in the center of the country, but in the regions.

As reported, according to Doing Business 2017, Ukraine was 80th among 190 countries and according to Doing Business 2016 (revised to meet methods applied this year) the country was 81st among 189 countries.

Ukraine is a country of opportunities for investors

Ukrainian President Petro Poroshenko met with leading U.S. business representatives on September 21 as part of his working visit to the United States, the presidential press service has reported.

He said at the meeting that despite the ongoing Russian aggression, Ukraine had managed not only to stabilize macroeconomic figures, but also to switch to growth.

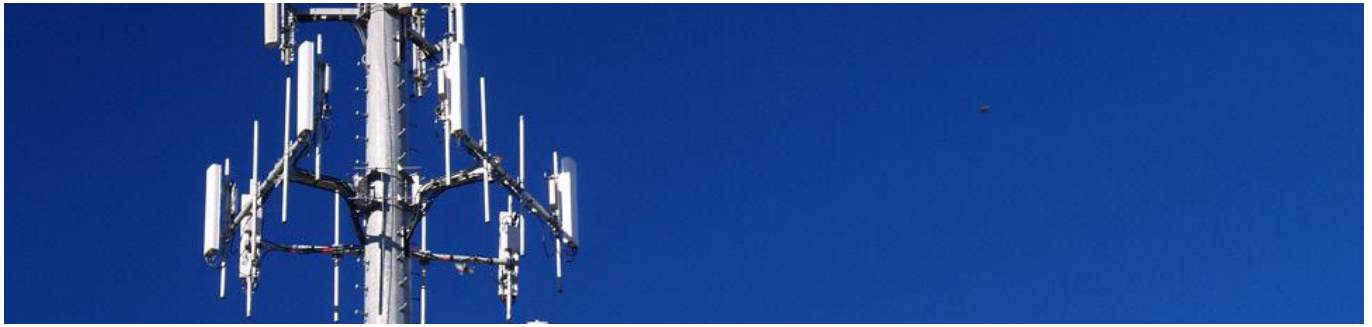
"Ukraine is a country of opportunities for investors," Poroshenko said.

Moreover, the head of state briefed U.S. business representatives on the measures being taken to improve the conditions for doing business in Ukraine. He noted that according to a survey conducted by the Institutional Investor magazine, Ukraine ranks first among the countries that potential investors plan to visit during the year.

Poroshenko also noted the role of the United States in ensuring Ukraine's energy independence and said that American companies were reliable partners of Ukrainian business and desired investors in Ukraine.

"American business leaders welcomed the tangible progress in the reforms in Ukraine on the road to creating a proper investment climate and fair justice," reads the report.

Ukraine should provide conditions for investment in mobile solutions – MP



Ukraine should focus on building a modern infrastructure of mobile communications networks and provide for investment in this sector, Head of the parliamentary committee for informatization and communications Oleksandr Danchenko has said.

"The challenges Ukraine faces now are first linked to building a large-scale infrastructure and mobile operators' networks. 4G and 5G are very important. The role of the state and private business is important here," he said at the Huawei CA&C Mobile Broadband Forum in Kyiv on Tuesday.

Danchenko said that the state should provide for the required investment climate and the required legislative conditions allowing business, first of all investors in mobile communications, to invest their money and be protected.

"Investors should understand that they would return their money, while Ukrainian users will receive a good service. As for the parliament, our task is to ensure the legislative base," he said.

Economy Ministry registers Lannivsky industrial park in Poltava region

The Ministry of Economic Development and Trade of Ukraine has included Lannivsky Industrial Park (the village of Lanna, Poltava region), which became the 27th park in the list, in the register of industrial parks. The initiator of the park creation was private enterprise Lannivsky Sugar Plant. The park area of 30.7135 hectares consists of land plots owned by the initiator of the park. The declared term of functioning is 49 years.

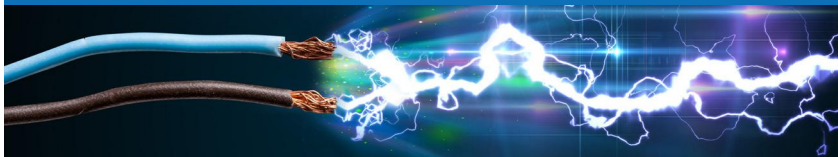
The purpose of the park is activities related to the processing of agricultural raw materials, food industry, agricultural machinery building and maintenance, as well as logistics and storage. About 600 new jobs are expected to be created. All the companies are part of Lannivska agro-industrial group, which, according to information on its website, specializes in growing grain, oilseeds and industrial crops, dairy and cattle farming, gardening, sugar production and sales.

EU proposes five-year program to support Energy Efficiency Fund – Ukrainian official

The European Union has proposed the five-year program to support the Energy Efficiency Fund, Deputy Prime Minister, Minister of Regional Development, Construction, Housing and Utilities Services of Ukraine Hennadiy Zubko said at a meeting with European Commission Vice President in Charge of the Energy Union Maros Sefcovic.

"This assistance will be permanently expanded. This is not non-recurring assistance, but long support both technical and financial by the European Union [EU]," the press service of the deputy prime minister reported. Earlier the EU confirmed its readiness to provide EUR 100 million to the Energy Efficiency Fund. This will allow the fund to start financing concrete energy efficiency projects.

Ukraine should stick to catalogue of measures by JULY 2022 to join ENTSO-E



The deadline for implementing a catalog of measures to join the European Network of Transmission System Operators (ENTSO-E) by Ukraine is July 2022, according to a presentation of Ukrenergo Head Vsevolod Kovalchuk at a roundtable in the Verkhovna Rada held on September 22.

According to the document, then Ukraine is to work in the isolated mode (detached from Russia). Eventually ENTSO-E is obliged to discuss the integration of its operation with the Ukrainian power grid.

Ukrenergo said that the integration with ENTSO-E would considerably strengthen stability of the Ukrainian power grid and minimize dependence on coal supplies to the country's power plants. The general technological level of exploitation of the power grid and security of supplies would expand thanks to tough requirements for the preparation for the integration.

Ukrenergo predicts that the integration would allow boosting annual volumes of trade with electricity with European countries from current 4-5 billion kWh to 18-20 billion kWh. This is linked to the more effective use of existing production facilities, in particular, nuclear power plants.

The integration would also bring European rules of protecting consumers' rights and improve the quality of services.

The company said that consumers would be able to freely choose the best supplier for themselves, including foreign ones, in the conditions of the new market model.

"The free commercial exchange of electricity, its exports and imports on the transparent market conditions between Ukraine and Europe is the best tool for preventing monopoly, forming the fair price of electricity and related services on the domestic market," Kovalchuk said.

He proposed that the key tasks for the integration at the parliamentary level are set, a coordination center at the Cabinet of Ministers is created and a meeting of the National Security and Defense Council (NSDC) on the issue is held to coordinate the processes linked to Ukraine's joining ENTSO-E.

Ukrenergo, Belenergo approve provision of emergency assistance

National energy company Ukrenergo, Belenergo and republic unitary enterprise ODU (Belarus) have signed contracts on provision of mutual emergency assistance in the parallel operation mode for Ukrainian and Belarusian power grids. The press service of Ukrenergo reported that the contracts were signed last week when a Belarusian delegation visited Kyiv.

According to the Ukrainian legislation, the contracts will enter into force after the National Commission for Energy, Housing and Utilities Services Regulation (NCER) approves them.

Ukrenergo operates trunk and interstate power grids, as well as performs the centralized dispatching of the united energy system in the country. The company is a state-owned enterprise. It is subordinate to the Ministry of Energy and Coal Industry.

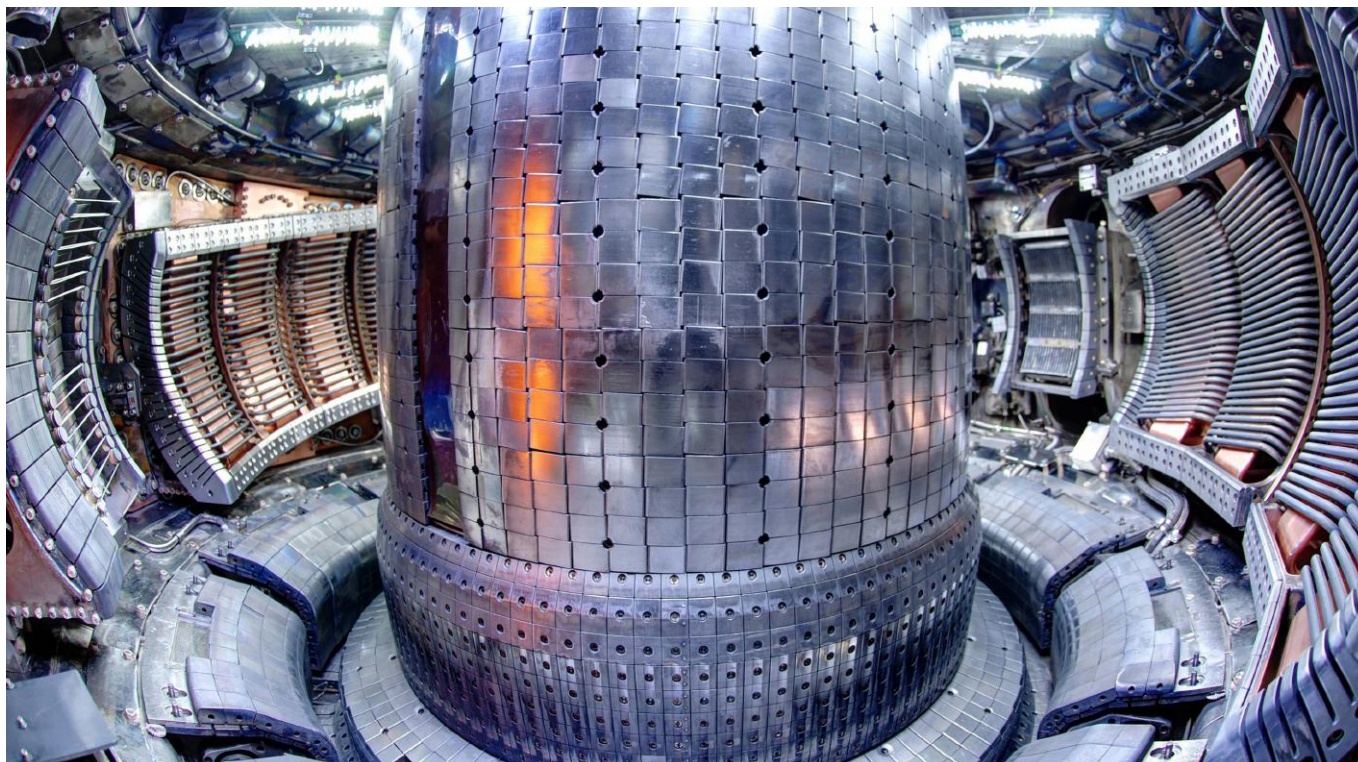
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Westinghouse to supply monitoring systems for four reactors of Energoatom



Westinghouse Electric Company has signed a contract with National Nuclear Generating Company Energoatom to deliver monitoring instrumentation systems for four reactors of Zaporizhia nuclear power plant (NPP), the company's press service has reported.



"The project is part of the Complex Consolidated Safety Upgrade Program of nuclear power plants in Ukraine performed under loan agreements with the European Bank for Reconstruction and Development (EBRD) and Euroatom," the company said in a report.

Westinghouse said that Westinghouse will provide accident and post-accident monitoring systems and hydrogen concentration monitoring systems to reactors 3, 4, 5 and 6 of Zaporizhia NPP.

The project will start immediately, beginning with delivery of reactor 4 at the beginning of 2018 and ending with delivery of reactor 6 at the end of 2019. The final acceptance of the last delivered system is planned for the beginning of 2021.

Canada's TIU to invest EUR 94 mln in building five solar plants in Ukraine

TIU (Canada) plans to invest EUR94 million in the construction of five solar power plants in Ukraine, the company's press service has reported.

The company plans in autumn this year to complete the construction of the first station worth EUR14 million with a capacity of 10.5 MW in the territory of Nikopol Ferroalloys Plant. In spring 2018 TIU will begin the construction of four more facilities – three in Mykolaiv region and one in Kherson region.

As reported, TIU is owned by the Canadian investment company Refraction Asset Management (RAM).

DTEK Naftogaz starts drilling new well on semyrenkivske field



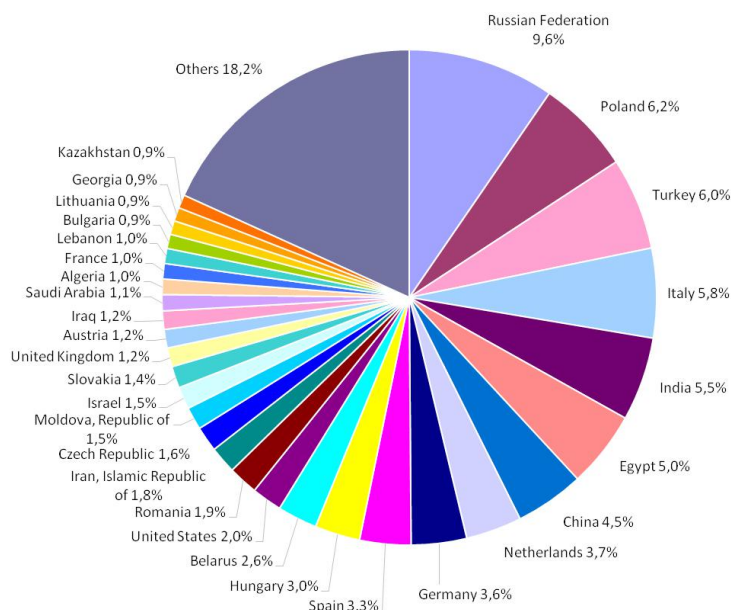
DTEK Naftogaz on Monday started drilling well No. 25 in the Semyrenkivske gas condensate field seeking to reach the depth of 5,714 meters, the press service of the company has reported.

The press service said that Belorusneft is involved in drilling. The company won a tender to drill four wells in this field. Italy's Drillmec 1500HP drilling rig made in 2014 and other equipment will be used for drilling.

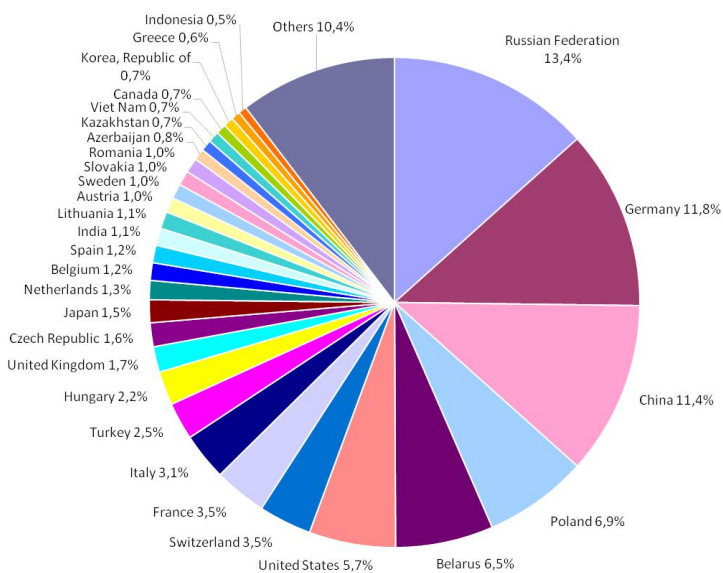
DTEK Naftogaz attracted one of the leaders of the international service market – Schlumberger – to drill a tilting section of the well.

“Less than two months have passed since the conclusion of the contract until full mobilization with the installation of the rig. We are ready to start drilling operations using modern equipment and technologies. We are confident that our cooperation with Belarusian partners will be a successful example for the entire industry and will provide the new contribution to the energy independence of the country,” DTEK Naftogaz CEO Ihor Schurov said.

Main trade partners of Ukraine (export from Ukraine to other countries)



Main trade partners of Ukraine (import from other countries to Ukraine)



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Bila Tserkva plant Tribo and Belarusian Belaz open jv in Belarus to make brake pads

Joint venture BelTribo LLC (Belarus) for production of brake pads and linings for road transport, the founders of which are Bila Tserkva Tribo plant (Kyiv region) and one of BelAZ Holding's enterprises (Belarus), was launched on September 22 and will become the only producer of these goods in Belarus.



"Agree that you do not launch a plant every day. The plant that you sketched, dreamed of, doubted the correct choice ... but built it. In two years we will produce goods for \$5 million. I am sure that our partnership with BelAZ (the turnover of \$1 billion) will be successful. Belarus – industry lives here, there are talks about import substitution, new jobs!" Tribo plant owner Kostiantyn Yefymenko wrote on his Facebook page.

According to information on the website of the Molodechno regional executive committee (Belarus), BelTribo LLC was registered in October 2013. Its founders from the Belarusian side were OJSC Starodorozhsky Mechanical Plant, belonging to BelAZ Holding, with a 26% stake in the charter capital and Bila Tserkva Tribo plant with a 74% stake.

As of September 15, 2017 investments in the creation of BelTribo LLC amounted to \$1.8 million.

Arcelormittal Kryvyi Rih spends UAH 141 mln on purchase of five Belaz trucks to increase ore extraction



PJSC ArcelorMittal Kryvyi Rih (Dnipropetrovsk region) has spent UAH 141.3 million on the purchase of five new BelAZ trucks with a carrying capacity of 130 tonnes.

According to a company press release, in addition to the delivery of the trucks, the contract includes the supply of spare parts for them and maintenance.

Automotive equipment for the mining department was purchased as part of the enterprise's modernization program. New heavy-duty trucks will ensure delivery of ore from the second and third quarries.

According to ArcelorMittal Kryvyi Rih CEO Paramjit Kahlon, the company has ambitious plans to reach the extraction of 28-29 million tonnes of overburden, 10 million tonnes of iron ore concentrate per year.

According to him, the plant plans in 2017 to additionally purchase heavy-duty dump trucks for both ArcelorMittal Kryvyi Rih and the combine in Kazakhstan.

"Modern equipment and introduction of advanced technologies increase the competitiveness of ArcelorMittal Kryvyi Rih, strengthen leadership positions in the mining and metallurgical industry of Ukraine," the company director stressed.

Lybid project should be completed despite all difficulties



Head of the State Space Agency of Ukraine Pavlo Dehtiarenko has held a working meeting at Ukrkosmos State Enterprise to discuss the situation with the implementation as part of international cooperation of the project on the creation of a national satellite communications system and the launch of the first Ukrainian telecommunications satellite Lybid, the agency's press service has reported.

Dehtiarenko said that the Lybid project "should be implemented despite all difficulties."

He also familiarized himself with Ukrkosmos infrastructure, paying special attention to the Lybid flight control center.

During his visit to the state enterprise, Dehtiarenko also examined the new promising areas of the enterprise's work, including the project on the creation of a technological platform for regional TV broadcasting Kraina TV, as well as a DTH platform based on the deep modernization of the enterprise's teleport equipment, the press service said.

As reported, a contract for the construction of a national telecommunications satellite Lybid was signed by the SSAU and Canada's MacDonald Dettwiler and Associates (MDA) in December 2009. The MDA is the head contractor under this project. The Lybid is based on the Express-1000NT platform, developed by Russia's Reshetnev ISS.

The Canadian export agency EDS provided a \$254.6 million loan under the Ukrainian government guarantees to finance the project in the summer of 2009. Initially it was planned to put the Ukrainian satellite into orbit in 2012, later it was postponed to 2013 and then to April 2014.

Astarta to invest \$80 mln in development until 2020

Investments in the development of the livestock and crop growing sector of Astarta agricultural holding could reach \$80 million by the end of 2020, Zeljko Erceg, the operations director of the holding, has told journalists in Poltava region.

"About \$80 million for the next three years is our plan for investment in the agricultural industry: it's livestock and crop production. There are different projects from irrigation, changes in technology in crop production, construction of elevators and new livestock complexes and our plans that are now at the stage of intensive studying: this is milk processing," he said.

Astarta in 2016 began a comprehensive reorganization of the management system at dairy farms to improve the efficiency and profitability of production. According to the expert, Dovzhenko farm has launched a center for preparation and distribution of feed for cattle (a feed center) in the village of Shyshaky (Poltava region). It is designed to provide feed for 10,000 animals. Its capacity is 300 tonnes of feed mix per day.

DuPont Pioneer launches sunflower seed production line in Poltava region



DuPont Pioneer, one of the largest seeds producers in the world, has launched a sunflower seed production line in the village of Stasy (Poltava region).

The company said in a press release that investment in the launch of the line totaled \$5 million. Total investment in the seed complex is over \$55 million.

"I am proud that DuPont Pioneer continues investing in the facility, despite challenges Ukraine faces now. This would help us to boost sunflower production and complete the ambitious task to expand our presence on the Ukrainian market," Head of the Agricultural Unit of DowDuPont in Central and Eastern Europe Ihor Teslenko said.

As reported, the line's capacity is 200,000 sunflower seeds. After its launch, the plant's total capacity will be more than 700,000 seeds (corn and sunflower together).

DuPont Pioneer sells its seeds in more than 90 countries.

The company opened its representative office in Kyiv in 1998 and began work on testing new hybrids of corn and sunflower. In 2001, Pioneer Nasinnia Ukraine LLC was registered, and on August 27, 2010 the company officially announced the opening of its research and development center in Kyiv region.

Milkiland's cheese factory permitted to export dairy products to EU

Akhtyrka cheese factory (Sumy region), part of Milkiland Group, the dairy group with assets in Ukraine, Russia and Poland, has been permitted to export dairy products to the European Union (EU), the State Service for Food Safety and Consumer Protection has reported. According to a posting on its website, at present, 287 Ukrainian enterprises are permitted to export its products to the EU, including 107 food producers, in particular, poultry, fish, honey, eggs, milk and dairy products companies.

Some 180 nonfood producers can export products of animal origin like feathers, skins, fodder, nonfood sub products, pedigree materials and other nonfood products of animal origin.

Govt seeks to conduct common pecuniary appraisal of farmland in 2018

The government intends to conduct the common pecuniary appraisal of farmland in 2018.

This is outlined in the bill on the national budget of Ukraine for 2018 drawn up by the government.

According to the document, pecuniary appraisal of farmland across the country would allow assessing the land bank and provide for additional payments to local budgets thanks to the sale of rights to state-owned and municipal land parcels. According to the draft budget, in 2019-2018, some UAH 10.5 billion of land rental will be sent to local budgets.

The pecuniary appraisal of farmland will be conducted using budget funds.

Chinese market opened for exports of Ukrainian sunflower cake, beet pulp



Ukraine's Agricultural Policy and Food Ministry and the General Administration of Quality Supervision, Inspection and Quarantine of China (AQSIQ) have signed protocols of sanitary and biosafety requirements for exports of sunflower cake and beet pulp from Ukraine to China.

"The Chinese market is open for exports of Ukrainian sunflower cake and beet pulp. We are thankful to representatives of AQSIQ for active cooperation with us in expanding the range of goods for exports of Ukrainian agricultural products to the Chinese market," the ministry said in a press release on Friday, citing Deputy Minister for European Integration Olha Trofimtseva.

She said that this year, thanks to active cooperation between the two countries, Ukrainian producers obtained the right to export frozen beef to the Chinese market (the final approval of the veterinary certificate is expected in the near future).

In addition, nine Ukrainian enterprises producing dairy goods were permitted to export their goods to the Chinese market this year. A total of 27 Ukrainian dairy producers supply their goods to this market.

The resumption of exports of poultry products to China and speeding up the approval for launching exports of Ukrainian cherries, blueberry, apples and soybean cake were discussed at the meeting.

The ministry said that in January-July 2017, Ukraine exported products for \$524.5 million to China (mainly grain, sunflower oil, flour, confectionary and dairy products) and imported food for \$63.7 million from China (fish and canned fish, coffee, tea and other food).

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