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 **УНТЕРФАКС**
INTERFAX UKRAINE

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Cabinet approves communication strategy of European integration for 2018-2021



The Cabinet of Ministers of Ukraine has approved the communication strategy in the field of European integration for 2018-2021. The corresponding decision was made at a government meeting. To monitor and coordinate the implementation of the strategy, a consultative body is being set up – a coordinating council for the implementation of the strategy headed by Deputy Prime Minister for European and Euro-Atlantic Integration Ivanna Klympush-Tsintsadze. The result of the implementation of the strategy should be the conscious support by wide segments of Ukraine's population of European integration as the implementation of reforms in the country that are oriented toward achieving political stability, developing democracy, respect for the rule of law, and increasing support for Ukraine's accession to the EU.

Ukraine should meet four conditions for effective implementation of aa with EU

Head of the Delegation of the European Union to Ukraine Hugues Mingarelli believes that effective coordination of the Association Agreement between Ukraine and the EU requires a strong coordination of ministries, the involvement of the Verkhovna Rada and communication with citizens.

"Our experience tells us that four conditions have to be met for the effective implementation of this agreement. The first condition is that there's a need for a strong coordination of various ministries involved, which means that the deputy prime minister in charge of European integration and the government office in charge of European integration must be given the possibility to coordinate the work of all ministries in this regard," he said at a government meeting on Wednesday, October 25.

Ukraine starts eighth round of talks on fta with Turkey

Ukraine has started the eighth round of negotiations on the signing of the free trade agreement (FTA) with Turkey, Deputy Minister of Economic Development and Trade, Ukraine's trade representative Natalia Mykolska has said on her Facebook page. "During the recent visit of President Erdogan [Turkish President Recep Tayyip Erdogan] to Ukraine special attention was paid to the increase of trade and intensification of the negotiations," she wrote.

As reported, the FTA with Canada took effect on August 1, 2017. Earlier representatives of the government said that the next FTA Ukraine could sign with Israel.

Association of Japanese entrepreneurs in Ukraine mulling investing in Odesa region



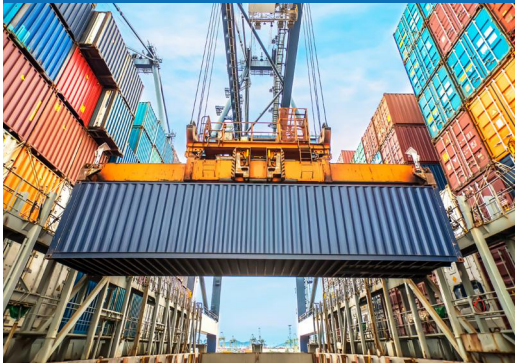
Leading Japanese companies are considering the possibility of implementing investment projects in Odesa region. Relevant issues were discussed during a meeting of Odesa Regional Governor Maksym Stepanov with representatives of the Association of Japanese Companies in Ukraine, the press service of Odesa Regional State Administration reported.



"We feel how dynamically the region develops under your leadership, we believe that there are many investment and production opportunities here. We are reliable and long-term partners if we feel confident and know our investment are secure. We need to study all the risks, and we will prepare relevant questions to put forward for further discussion," the press service quoted General Director of Mitsubishi Corporation in Ukraine Kohei Tagawa as saying.

In turn, Stepanov confirmed their readiness to support investment projects at all levels and to provide all necessary information and assistance to expand mutual relations.

Some 154 more Ukrainian goods are exported to Canada



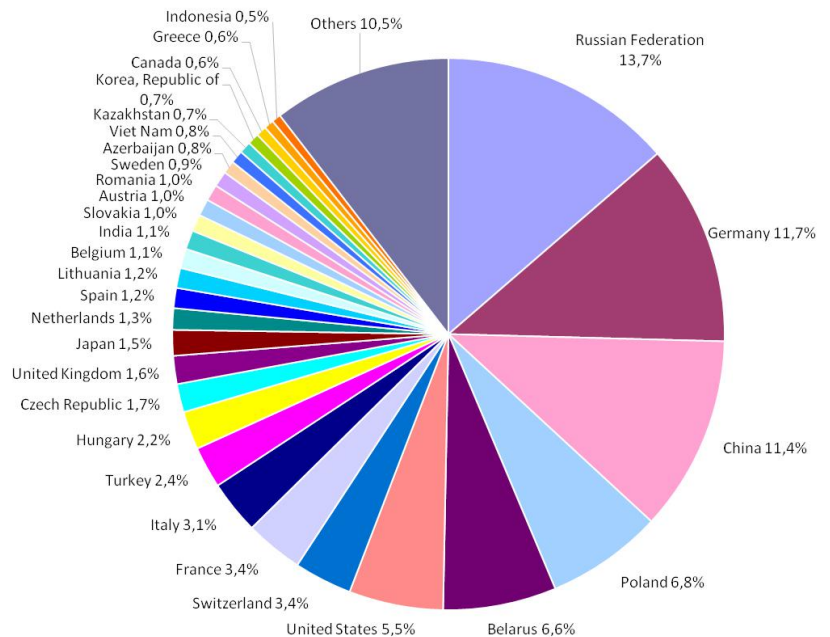
Some 154 new commodity items have been added to the list of exports to Canada, including special vehicles for \$3 million, copper bars and profiles for \$2.9 million and turbojets for \$1 million, Deputy Minister of Economic Development and Trade, Ukraine's trade representative Natalia Mykolska has reported.

"The largest growth was in non-raw materials. The rise concerns such positions as devices on rare crystals, sound electrical equipment, flour, equipment for processing rubber and plastic, equipment using X-rays, printing equipment. As for agricultural products, they include juice, honey, and sunflower oil.

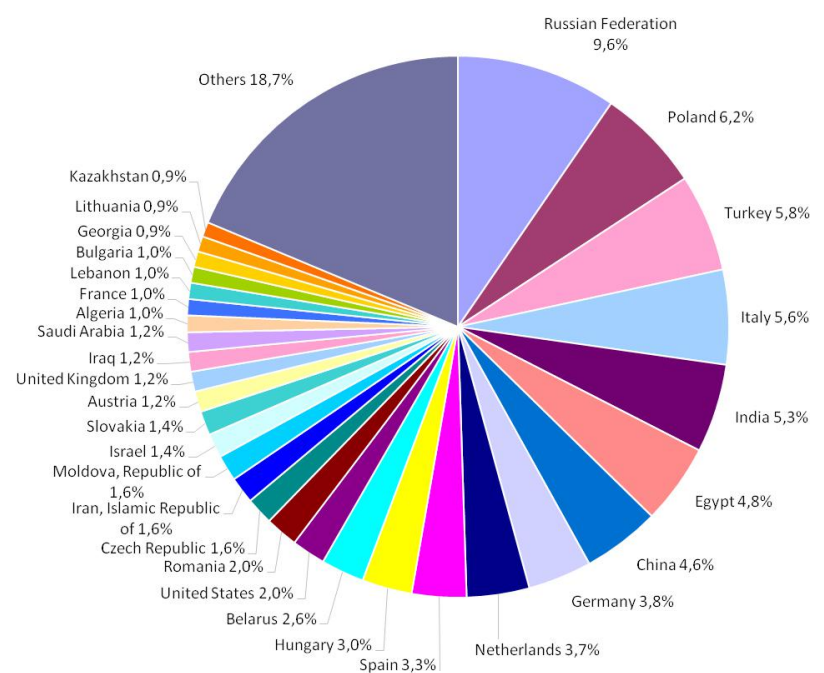
She added in monetary terms the new 154 export positions make up \$10.2 million in total exports. In general, for the eight months exports of goods to Canada increased by 70.9%, or by \$12.9 million compared to January-August 2016, to \$31.2 million.

Canadian Ambassador to Ukraine Roman Waschuk noted exports in the new niche segments are growing most significantly, and in some of them the growth reaches 500% to 8,000%.

Main trade partners of Ukraine (import from other countries to Ukraine, THSD.USD)



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



New car Seat cover plant Bader-Aunde Ukraine launched in Lviv region

New car seat cover plant Bader-Aunde was launched on Thursday in Lviv region (Kozhychi, Yavoriv district) during the International Economic Forum, the press service of Lviv Regional Administration has reported. According to the report, the new plant is a joint project of German investors Bader GmbH, which has two leather car seat cover production sites in Lviv region (Kozhychi and Horodok), and Aunde Company.



"The Bader plant sews leather car seat covers at two production sites, and Aunde's core business is textile car seat covers. The new plant is their joint project. Their symbiosis would allow producing combined car seat covers," the press service said.

Investment in the plant has reached UAH 146 million. "Our core business is sewing of car seats for AUDI brand. We plan to produce over 1,000 finished sets for one car a day. Over 3,500 employees are working in Bader, and here 800 jobs will be created. The total investment is EUR 10 million, and German equipment costs over EUR 2 million," the press service said, citing Bader-Aunde Ukraine Andriy Pavlun. He said that in the future the newly created project would expand the brands and produce seats for Daimler (Mercedes-Benz) and Skoda manufacturers.

Lufthansa Group's Airlines want to increase number of flights to Kyiv in 2018



Airlines of Lufthansa Group want to increase the number of flights to Kyiv in the 2018 summer navigation schedule. According to a press release of the group, Lufthansa airline would offer six additional flights a week from Frankfurt to Kyiv from March 25, 2018, and Swiss airline will return to Ukraine and will service four flights a week to Zurich from March 26, 2018.

"Thanks to the increase in the frequency of flights, Lufthansa Group passengers receive more opportunities to combine flights via Frankfurt, Munich, Vienna or Zurich," the press service said.

General Manager of the Lufthansa Group's office in Ukraine, Belarus, Georgia, Azerbaijan, Turkmenistan and Armenia Rene Koinzack said that the increase in the frequency of flights from Kyiv by 25% would allow Ukrainians to have more options for planning holidays and business trips. Additional flights would help foreign guests to easier reach the capital of Ukraine for holidays or business.

Energoatom and Toshiba sign memo on cooperation to modernize Ukrainian NPPS



State-owned enterprise Energoatom and Japan's Toshiba Energy Systems & Solutions Corporation have signed a memorandum of understanding in the nuclear power industry with a view to developing cooperation on upgrading turbo generator equipment at Ukraine's nuclear power plants (NPP). According to the press service, the document on cooperation in the issues of increasing the capacity, efficiency and safety of NPP power units through modernization of turbine equipment was signed by Energoatom President Yuriy Nedashkovsky and Vice President of Toshiba ESSC Goro Yanase in Kyiv on October 25.

"We are confident that the establishment of mutually beneficial relations between our companies will enable Energoatom to achieve modernization of nuclear power plants, increase capacity and stable electricity supplies, and Toshiba to expand its business of supplying nuclear equipment to Ukrainian nuclear power units and contribute to the achievement of Energoatom's goals," the Japanese expert said.

Ukraine, China's CCEC to revise Air Express and other projects

Ukraine hopes to find a compromise regarding the loan issued by China Complete Engineering Corporation (CCEC) for the cheaper implementation of the Air Express project and other projects. A joint group with CCEC has been created, First Deputy Prime Minister, Minister of Economic Development and Trade Stepan Kubiv has said.

"It consists of representatives of ministries and parliament and by the middle of November it will revise this and other Ukraine-China projects, as well as determine top priority tasks and present proposals on their optimal implementation," he wrote on his Facebook page after a meeting with representatives of CCEC in Kyiv.

He believes that the constructive dialog helps to settle existing problematic issues and find a mutually beneficial solution that would suit passengers and would be more efficient from the point of its implementation.

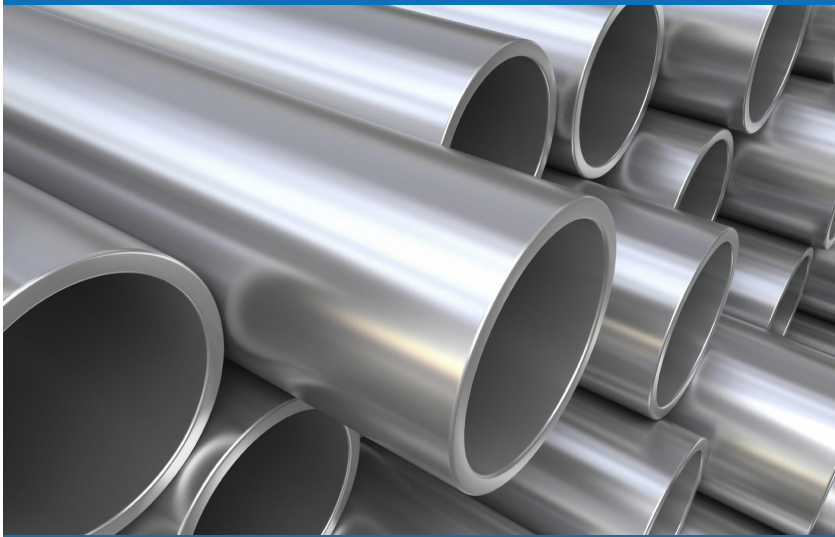
Kubiv said that a high-speed train is required to be launched between Kyiv and the Boryspil airport, although the project should be economically viable.

"For example, a tram train, as this is more beneficial alternative to the Air Express project initiated in 2011," Kubiv said.

As reported, Ukraine has the unrealized national project "Air Express" of railway passenger communication between Kyiv and Boryspil International Airport, construction of other infrastructure objects in Kyiv region, which is aimed at ensuring the development of transport infrastructure, strengthening the competitive positions of Ukrainian air carriers, increasing the investment and tourist attractiveness of the country.

To implement it, in 2011, a \$372.3 million government secured credit agreement was signed with the Export-Import Bank of China. The CCEC was designated as the general contractor for performing turnkey construction works.

Ukraine increases pipe output by 26%



The major pipe enterprises of Ukraine in January-September 2017 increased production of pipes by 25.9% compared to the same period last year, to 783,800 tonnes, including in September they manufactured 92,100 tonnes. The Ukrtruboprom association told Interfax-Ukraine its enterprises in January-September 2017 increased pipe production by 30.4%, to 520,000 tonnes, in September making 60,800 tonnes.

Khartsyzsk Pipe Plant (Donetsk region, in January-September 2017 made 3,400 tonnes of pipes (it was idle in September), whereas in January-September of 2016 it made 11,500 tonnes.

Pipe production at Interpipe Nyzhniodniprovsky Pipe Rolling Plant in the period rose by 68.4% compared to January-September 2016, to 190,800 tonnes (21,800 tonnes in September), Interpipe Novomoskovsk Pipe Plant decreased output by 12.5%, to 72,100 tonnes (7,800 tonnes in September), while Interpipe Niko Tube raised production by 39.9%, to 218,800 tonnes (26,600 tonnes in September).

Dnipropetrovsk Pipe decreased pipe production by 15.7%, to 15,000 tonnes, making 1,300 tonnes in September. Production at Centravis grew by 6.2%, being 13,700 tonnes of stainless pipes (1,600 tonnes in September).

Trubostal saw a 9.5% rise in pipe production, to 2,300 tonnes (300 tonnes in September) and Nikopol Steel Pipe Plant YUTIST saw a 62.5% rise, to 3,900 tonnes (400 tonnes in September).

Mariupol Illich steel works, which is not a member of the association, saw a 76.2% rise in pipe production in January-September 2017, to 116,500 tonnes (14,900 tonnes in September) and production at Kominmet grew by 6.6%, to 147,300 tonnes (16,400 tonnes).

Interpipe to set up JV with large French pipe company Vallourec

Interpipe international vertically integrated pipe and wheel company intends to establish a joint venture with the leading manufacturer of seamless pipes in Europe, Vallourec (France).

According to a report, Interpipe sent relevant documents to obtain permission from the German antitrust authorities.

In addition, the website of the German regulatory authorities reported that the request for obtaining permits from Interpipe and Vallourec was registered on October 4 this year.

The press service of Interpipe confirmed the intention to create a joint venture of two companies.

"We confirm the filing of an appeal to the antitrust authority of Germany within the framework of cooperation between the companies. It is premature to talk about specifics. We do not comment on the procedure of consideration until it is completed," the Interpipe press service said. Interpipe is one of the world's ten largest manufacturers of seamless pipes, the third largest manufacturer of solid-rolled railway wheels in the world.

Ukraine plans to resume building two power units of Khmelnytsky NPP in 2021

Ukraine plans in 2021 to resume the construction of the third and fourth power units of Khmelnytsky nuclear power plant (NPP), Prime Minister Volodymyr Groysman has said during an hour of questions to the government in parliament.



"I think we will probably be able to start the completion of the two blocks you are talking about from 2021. This is our plan, we are seriously and systematically working on it and will do everything to make nuclear power safe and capacities enough not only to provide ourselves with power but also export electricity, which will make the economy of our country more stable and developed," he said.

Groysman noted the intention to realize the project of the Ukraine-EU energy bridge worth EUR243.5 million, which provides for the delivery of power from power unit No. 2 of Khmelnytsky NPP to the EU energy system.

As reported, the Energy Strategy of Ukraine until 2035 stipulates that nuclear power plants must provide 50% of the country's electricity generation by 2035, the share of renewable sources should rise to 12.8%, the large hydropower sector to 6.7%. The remaining volumes will be produced by thermal power plants.

Ukrenergo repeatedly announces tender to build Akvilon substation



National energy company Ukrenergo has announced a tender to build the Akvilon 330 kV substation with diversions of Kakhovska-Ostrovska, Kakhovska-Dzhankoi and Kakhovska-Titan power lines in Kherson region.

The company said in the ProZorro e-procurement system that the expected cost of construction is up to UAH 608.333 million (VAT not included), and the tender security is UAH 3.65 million.

The construction is to be completed by December 20, 2019.

Bids can be submitted until November 13, 2017. The auction is to be held on December 19, 2017. Earlier, in summer, Ukrenergo annulled the similar tender seeking to revise the technical requirements for construction and assembly works and register ownership rights to land parcels where the substation will be built.

SPF plans to sell Odesa Port-Side Plant, Centrenergo, Grain Corporation and Turboatom in 2018

The State Property Fund of Ukraine (SPF) plans in 2018 to sell Odesa Port-Side Chemical Plant, Centrenergo, Turboatom, six regional power supply companies, the Agrarian Fund, the State Food and Grain Corporation of Ukraine, acting SPF head Vitaliy Trubarov has stated.

"The fund expects the transfer of the Agrarian Fund and the State Food and Grain Corporation of Ukraine. As for Turboatom, we are now working with the Cabinet to determine the size of the stake which will be put up for sale," he said at a meeting of the American Chamber of Commerce.

Trubarov informed that an inventory has already been completed at Odesa Port-Side Chemical Plant, while the starting price of the enterprise will be determined in November.

"In November we will get the starting price, and in December this year, if all participants in the process meet the deadlines, we'll manage to start accepting applications from potential investors so that we could start the sale itself in spring 2018," the SPF head said.

Ukraine wants to create hub for Ukrainian agricultural exporters in Malta



Ukrainian Prime Minister Volodymyr Groysman has said that Ukraine is interested in creating a hub for Ukrainian exporters of agricultural products in Malta with access to the North African and Mediterranean markets. "I am pleased to welcome President of Malta Marie-Louise Coleiro Preca for the first time in Ukraine, for the first time on a state visit in the history of our diplomatic relations. Ukraine and Malta have visibly stepped up cooperation recently, and it was during Malta's presidency of the EU that the most important decisions were made for us – the introduction of a visa-free regime and the completion of the ratification of the Association Agreement with the EU," Groysman wrote on his Facebook page.

"There is an interest to create a hub in Malta for Ukrainian agricultural exporters, with subsequent access to the markets of North Africa and the Mediterranean," he added.

Groysman expressed confidence in fruitful cooperation and "maximum strengthening of mutual trade and investment relations" between the two countries.

Delta Wilmar CIS, Grain Agro Invest want to invest \$150 mln each in expansion of facilities in Odesa Region



Investment of Delta Wilmar CIS and Grain Agro Invest in projects on construction of oilseeds refineries, a grain terminal and transshipment facilities in Odesa region could reach \$300 million.

"Investors from Singapore and the United States will build two new oilseed refineries, a grain terminal and transshipment facilities in Lymansky district of Odesa region. Total investment in the projects will be around \$300 million. Over 500 new jobs will be created," Advisor to the head of Odesa Regional Administration Kostiantyn Chyzhyk told Interfax-Ukraine. He said that the trilateral memorandum was signed on October 10 by Head of Odesa Regional Administration Maskym Stepanov, Director of Delta Wilmar CIS Andriy Romanov and Director of Grain Agro Invest Serhiy Tormos.

According to the arrangements between the regional administration and foreign investors, two investment projects worth \$150 million each will be started.

Delta Wilmar CIS will expand its production facilities and will build a new oilseed refinery with a total annual capacity of over 600,000 tonnes and a berth to transship oil and cake with an annual capacity of up to 3 million tonnes.

The company with U.S. investment Grain Agro Invest will build a grain storage and transshipment complex and an oilseed refinery. The annual capacity of the new berth will be up to 3 million tonnes. Some 300 new jobs will be created.

Posco Daewoo Interested in building grain complex at Chornomorsk port

South Korean Posco Daewoo Corporation has expressed its interest in building a grain complex at the Chornomorsk seaport (Odesa region), the press service of the Ukrainian Sea Port Authority. A delegation of Posco Daewoo visited the Chornomorsk port on October 23, 2017.



"The Korean delegation was especially interested in the possibility of developing a second terminal using berths Nos. 7, 8 and 9. Representatives of Posco Daewoo Corporation are interested in cooperation and consider this territory as promising for the construction of a complex for transshipment of grain cargo and processed products," the authority said.

The authority recalled that the development program of the Chornomorsk seaport provides for the development of the facilities of the second terminal. Currently, the Ministry of Infrastructure of Ukraine is looking for a potential investor.

Construction of Cargill and MV Cargo grain terminal will be completed in spring 2018



The construction of a grain terminal of Cargill and MV Cargo with a capacity of 5 million tonnes of grain a year in Yuzhny port, whose cost is estimated at \$150 million, has reached the middle and will be fully completed in spring 2018, MV Cargo has told Interfax-Ukraine.

The company noted both stages of work are half completed: dredging at the future berth, which is carried out by China's CHEC Corporation on the order of the Ukrainian Sea Ports Authority, and the construction of the ground part.

According to CHEC, it is ahead of schedule by more than 25%: some 2 million cubic meters of soil has been pulled out and now grab dredgers are working the in water area, which pull out an average of 20,000 cubic meters per day from the bottom. MV Cargo said two covered warehouses with a capacity of 80,000 tonnes and 14 silos with a total capacity of 210,000 tonnes are currently being built on a site of 28 hectares.

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.

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