



UKRAINE

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UKRAINE'S EXPORTS TO CANADA IN 2017 UP BY 76%, AND IMPORTS BY 93%



Ukrainian Foreign Minister Pavlo Klimkin has said that Ukraine's exports to Canada grew by 76%, and imports from Canada by 93% in 2017.

"This year alone our exports to Canada grew by 76%, and imports from Canada by 93%, almost two-fold from last year," he said at a joint press conference with Canada's Foreign Minister Chrystia Freeland in Kyiv on Thursday.

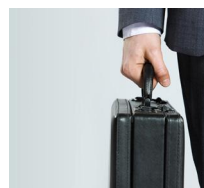
Klimkin noted large potential of growth of mutual trade between the countries.

According to him, the agreement on a free trade area between the countries can be expanded to cover services and investments.

HEADLINES



BUSINESSMAN
KHMELNYTSKY WILL
RE-PROFILE UDP



SPF TO PREPARE BIG
COMPANIES FOR SALE IN
2018



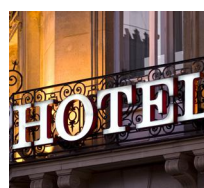
CANADA WILL HELP
IMPLEMENT WORLD
STANDARDS OF STRATEGIC
PLANNING AT UKRAINE'S
CABINET



IKEA MAY OPEN FIRST
OUTLET IN KYIV WITHIN
TWO YEARS



YURIA-PHARM MULLING
SUPPLIES TO BRAZIL



REIKARTZ TO MANAGE
THREE-STAR HOTEL IN
GERMANY

Businessman Khmelnytsky will re-profile UDP



UDP, whose majority shareholder is Vasyl Khmelnytsky, has made a strategic decision to re-profile the group's business with a focus on developing projects in high-tech industries.



"In particular, the company will specialize in the development of new industrial facilities, creation of industrial and innovative parks," the company said.

According to him, Managing Partner of UDP Development Group Valeriy Kodetsky intends to leave the managing post of director general and sell his stake to develop his own business City One Development, which, by agreement of the parties, will continue to participate in the joint ongoing development projects with UDP as a developer and co-investor.

"The decision to focus on the own development business does not mean termination of cooperation. We've achieved agreement that he [Kodetsky] will continue working on the Novopecherski Lypky and Bulvar Fontaniv residential complexes as an independent partner," Khmelnytsky said.

UDP is one of the largest development companies in Ukraine. It has been operating in the market since 2002 and has implemented 11 projects with a total area of 3 million square meters. Among the most famous projects are the development of Kyiv airport, the construction of the Ocean Plaza trade and entertainment center and the RiverStone and Parkove Misto residential complexes in Kyiv.

SPF to prepare United Mining-Chemical company, Electrotyazhmash, President Hotel, Artyomsol, Ukrspyrnt, colamines, seaports for sale in 2018

The State Property Fund of Ukraine has included private joint-stock company President Hotel, public joint-stock company United Mining-Chemical Company, state-owned enterprises (SOE) Electronmash, Electrotyazhmash, Dniprovsky Electric Locomotive Plant, Radiorele plant and Vinnytsia-based Crystal plant to the list of large privatization facilities to be sold in 2018.

According to a decree of the fund dated December 13 and published in the Vidomosti Pryvatyzatsii newspaper on Wednesday, these facilities and SOE Black Sea Navigation, Severodonetsk combined heat and power plant (CHPP), UstDunaivodshliakh will be prepared for privatization by the central office of the fund.

Regional departments of the funds will prepare Agrarian Fund, SOE for processing scrap metal and metal waste Dnipro-VDM, coal company Krasnolymanska, Lysychanskvuhillia and 16 more coalmines and smaller facilities for sale.

SPF Head Vitaliy Trubraov said on his Facebook page that around 200 facilities from various sectors were placed to the list, while more than a half of them are not eligible for privatization in the Ukrainian legislation. This concerns Artyomsol, Ukrspyrnt, Ukrbud, Lviv Jewelry Plant, Metal Powder Plant, Ukrainian Danube Navigation and 13 ports, including the largest ports Yuzhny, Odesa, Chornomorsk and Mariupol.

Canada will help implement world standards of strategic planning at Ukraine's Cabinet



State Secretary of the Cabinet of Ministers of Ukraine Volodymyr Bondarenko has signed a joint action plan with the Canadian partners for implementing the best practices of strategic planning in the Ukrainian government based on results-based management principles.

"Canada will provide experts to the Secretariat of the Cabinet of Ministers, who will assist in the development of strategic planning instruments and analysis of state policies and will train Ukrainian specialists. This will allow the government to plan state policy more effectively and coordinate the implementation of strategic plans in a comprehensive manner using key performance indicators," the press service of the Ukrainian government said.

In addition, the parties during a meeting of Cabinet Minister Oleksandr Sayenko and Canadian Foreign Minister Chrystia Freeland in Kyiv discussed the progress of reforms in Ukraine and cooperation next year.

"One of the areas of active cooperation is public administration reform. The joint action plan, we've signed, foresees, in particular, cooperation to enhance the capability of the Ukrainian government and public institutions, the implementation of a methodology for analyzing public policies, gender impact, developing a reform monitoring system, and providing international expertise. It also provides for measures for training and exchange of experience for specialists on the reform issues," Sayenko said.

Ukraine announces tender for 4G IN 1800 MHZ bands range



The National Commission for State Regulation of Communications and Information Technology has officially published an announcement about a tender to sell radio frequency licenses to introduce radio technology "International Mobile Telecommunications IMT" (4G, LTE, or Long Term Evolution) in the radio frequency bands 1710-1785 MHz, 1805-1880 MHz.

The tender will begin on February 26, 2018, the commission said in the announcement on its website.

To bid for each lot, the head of a company or an authorized person should notify the commission by the deadline indicated in the announcement about plans to participate and submit other documents related to the bid.

The commission accepts the notice of intention to take part in the tender and other documents of the tender offer on working days from 09:00 on December 26, 2017 until 16:45 on January 26, 2018.

The tender is conducted consistently on six lots in the following order of radio frequency bands in all regions of Ukraine: lot No. 1 with 1710-1725/1805-1820 MHz, lot No. 2 with 1725-1750/1820-1845 MHz, lot No. 3 with 1750-1770/1845-1865 MHz, lot No. 4 with 1770-1775/1865-1870 MHz, lot No. 5 with 1780-1785/1875-1880 MHz, and lot No. 6 with 775-1780/1870-1875 MHz.

The minimum payment for each lot (without taking into account the cost of conversion of the radio frequency resources of Ukraine) is as follows: UAH 795 million for lot No. 1, UAH 1.325 billion for lot No. 2, UAH 1.060 billion for lot No. 3, UAH 265 million for lot No. 4, UAH 265 million for lot No. 5, and UAH 265 million for lot No. 6.

The cost of conversion is UAH 940.259 million.

The validity of licenses is 15 years.

EVO predicts growth of E-COMMERCE MARKET BY 20% IN 2018

The EVO Group predicts that the upward trend on the e-commerce market for goods and services would retain in 2018 and the market would grow by 30%, to UAH 65 billion.

"The trends in the development of the consumer e-commerce market are: service, security, the secondary market of things, as well as self-employment and logistics. In the business segment, these drivers will also include: a single platform of business opportunities and digital business processes," EVO Group's Development Director Denys Horovy said at a press conference on December 15.

He said that EVO forecasts for the current year were justified with great accuracy: by the end of the year the company estimated the volume of the e-commerce market at UAH 50 billion, which is in line with the forecasts.

"In 2017, Ukrainians purchased 68% more goods on marketplaces of the EVO group (Prom.ua, Bigl.ua, Crafta.ua, Kabanchik.ua) compared to last year, to the amount of UAH 14.2 billion. The receipt grew insignificantly – by 4% and now stands at UAH 962," Horovy said.

He said that the number of orders on the group's marketplaces for the year increased by 61%, to 14.8 million.

In 2017, Ukrainians mainly bought shoes, clothes, accessories, electronics and equipment, goods for home and garden, cosmetics and perfumes, as well as goods in the gifts category on the marketplaces.

IKEA may open first outlet in Kyiv within two years



Swedish-based chain IKEA is mulling over entering the Ukrainian market and may open its first outlet in Kyiv in the next two years, the company said in an official statement.

At the moment, IKEA is looking for the most acceptable business model that would allow the implementation of plans in Kyiv within the next one or two years. A decision on further steps will be taken based on the results of market research and preferences of Ukrainian consumers, the document says.

IKEA South East Europe, which is part of the IKEA Group (Ingka Holding B.V.), could be engaged in the development of the chain in Ukraine. The company is engaged in retail business of IKEA in Croatia, Serbia, Romania, and Slovenia.

Aventures capital invests over \$3.5 mln in Ukrainian companies

Aventures Capital, investing in innovative companies at initial phases, in the past 18 months (as of mid-December 2017) invested over \$3.5 million in seven Ukrainian companies.

Managing partner of AVentures Andriy Kolodiuk told reporters on Thursday that average receipt of the fund starts from \$500,000, and investment in companies during their expansion – up to \$1.5 million.

Kolodiuk said that in 12 months the fund invested \$500,000 each in Spinbackup and Bookimed (initial investment), around \$500,000 in Teamfusion, invested its part in Petcube, the total volume of the round was \$10 million (additional financing).



“Three more deals for \$500,000-\$1.5 million remain secret, including with two companies at the growth phase with over 100 employees. These are conditions of our contrast with them regarding confidentiality of some information,” Kolodiuk said.

He said that in most projects the fund was a first investor. The fund also helped actively attract financing from other investment funds (in particular, for Petcube AVentures helped to raise \$8 million in 2017).

Kolodiuk said that the fund plans to close two or three more new deals in 2018 (in H1 2018), and active negotiations are being held with a dozen companies.

Yuria-Pharm mulling supplies of antitubercular agents to Brazil



Yuria-Pharm pharmaceutical company is mulling the possibility of supplying antitubercular agents to Brazil, Director General of YURiA-PHARM LLC Dmytro Derkach has said.

Currently the company is waiting for the results of the inspection of its production sites conducted by the National Agency for Sanitary Supervision of Brazil (Agencia Nacional de Vigilancia Sanitaria, ANVISA), he said at a press conference at Interfax-Ukraine.

"Today Brazil is interested in products made by Yuria-Pharm, in particular these are antitubercular agents," Derkach said.

The company seeks to continue work on the introduction of new medicine production and the implementation of the strategy to enter international markets in 2018.

"Today, our products are present in over 25 countries. Our work is being done in 50 countries," he said.

According to Business Credit company, in January-November 2017, Yuria-Pharm was in the top three leaders in pharmacy sales in kind and it is a dynamic leader in the high price cluster.

Yuria-Pharm is a member of the Association of Manufacturers of Medications of Ukraine.

Indar plans to build new API production workshop by mid-2019

Insulin producer Indar plans to build a new workshop to produce active pharmaceutical ingredients (API) by the middle of 2019, Indar Board Chairperson Liubov Vyshnevskaya said at a press conference at Interfax-Ukraine on Thursday.

"We have switched to the design stage of construction of a new workshop for production of API. By the middle of 2019 we will complete this issue and will have new capacities with a significant increase in production of API, as well as production of our own three analogues of insulin," she said.

Vyshnevskaya said that at present, the scientific division of the company has completed development of three strains of insulin analogues.

Commenting on the results of the company's work in 2017, she said that Indar brought two sugar-reducing drugs to the market in tablets, began delivering its drugs to Mozambique and Cote d'Ivoire, and also won 100% of insulin shipments to Moldova and Tajikistan.

Indar was created under a resolution of the Cabinet of Ministers in 1997 under the aegis of Kyiv meat processing plant. The producer is on the list of state-owned companies of strategic importance for the economy and security of the state. Indar is a member of the Association of Manufacturers of Medications of Ukraine.

Borschahivsky Chemical Plant wins UNDP tender on oncohematology due to well-balanced price offer

PJSC Borschahivsky Chemical and Pharmaceutical Plant has won a tender organized by the United Nations Development Program (UNDP) for the supply of drugs under the program of pediatric oncology and oncohematology due to the balanced price offer.

Commercial director of the plant Yevhen Sova told Interfax-Ukraine the production of sterile antibiotics, including the direction of oncohematology, is one of the core business of the plant.

"When forming the price offer, we take into account a number of factors: from the price of substances we buy abroad from the same suppliers with which the major international producers work to the cost of manufacturing the drug, including energy costs," he said. He stressed the company had opportunities, in particular due to the modern production process, "to offer a price that was lower than that of other participants."

Sova noted that the plant can compete on an equal basis, in particular with foreign companies, due to reasonable costs for production of medicines.

"This is also possible due to the strict global requirements the plant follows in accordance with the Good Manufacturing Practice (GMP), energy management standards (ISO 50001) and a number of others," he said.

Corum completes large project for building mine shafts in Vietnam



Corum Shakhtspetsbud, part of Corum Group, has completed the reinforcement of the main shaft of the Nui Beo mine of Vinacomin Coal Corporation (Vietnam), finishing the largest Corum project for building vertical mine shafts, implemented from scratch, the press service of the company has said.

"The complexity of the project and its successful implementation allow Corum Shakhtspetsbud to stand side by side with the companies that have many years of experience in the mine industry," the company believes.

The project envisaged the implementation of work on the mining and reinforcement of two vertical shafts – the main and auxiliary shafts – six meters in diameter and 417 and 389 meters in depth respectively.

"Based on specific operating conditions, the service life of the mine shaft and the construction budget, we have chosen the most reliable and technological design with the development of our own installation technology," Director of Corum Shakhtspetsbud Oleksiy Zhytnyk said.

Corum Group unites the engineering assets of System Capital Management (SCM) financial and industrial group belonging to Rinat Akhmetov. The company is one of the largest manufacturers of equipment and suppliers of integrated solutions in the field of mining.

Arcelormittal Kryvyi Rih to annually invest \$250 mln in production upgrading until 2025



PJSC ArcelorMittal Kryvyi Rih (Dnipropetrovsk region) intends to annually invest \$250 million in production renewal until 2025, company CEO Paramjit Kahlon has said at a conference with suppliers in Kyiv.

"Investments in Ukraine are planned at the level of \$250 million every year until 2025," the top manager said.

In addition, the metallurgical combine in Kazakhstan plans in 2018 to send \$350 million of investments in mines and other projects.

Kahlon noted that 18 new BelAZ trucks were purchased to increase open ore extraction at ArcelorMittal Kryvyi Rih. Attention is also paid to upgrading the fleet of excavators and other mining equipment, including crushers, in order to increase the capacity of ore-dressing plants, mills and increase production of iron ore concentrate. The option of building a separate line is being considered, which will make it possible to produce not 10 million tonnes of concentrate as at the present time, but 15-17 million tonnes, enriching ore extracted by an open method.

There is a separate program to upgrade ore mining in mines.

Interpipe in middle east delivers products mainly to UAE, Turkey, Egypt and Saudi Arabia

Interpipe international vertically integrated pipe and wheel company has been present in the markets of the Middle East for more than 10 years, mainly in the United Arab Emirates, Turkey, Egypt, and Saudi Arabia.

"The company has developed strong partner relations in the region with the customers both in the oil and gas sector and in the construction industry. During this time 58.5% of deliveries were made to oil and gas projects, most of which we shipped to the UAE (25%), Turkey (18%) and Egypt (13%). The share of supplies for the construction segment was 41%. The largest volume was shipped to the markets of the UAE, Turkey and Saudi Arabia with 30%, 22% and 19% respectively," the commercial director for pipe sales to the markets of the Middle East, Africa and Asia at Interpipe, Andriy Burtsev, said.

At the same time, it is noted that over the ten-year period of Interpipe's presence in the Middle East, the company supplied more than one million tonnes of pipe products for oil and gas and construction industries.

Director General of Offshore Engineering and Marketing Ltd Nazih Al-Sayed, in turn, noted Interpipe has been a reliable partner for more than 15 years.

Ukrainian Sawmills open first woodworking plant in Rivne region



Ukrainian Sawmills, a company with Swedish investment, on December 21 opened a first woodworking plant in Kostopil (Rivne region) to produce pine sawn timber for production of furniture, joinery and construction materials, the press service of Rivne Regional Administration has reported.

“We are launching the plant in Kostopil and finish the initial phase of our investment project. Ukrainian Sawmills is a high-tech production facility with a capacity of 300,000 cubic meters of products meeting European quality standards. We invested about EUR 25 million in this project and created 150 jobs in Kostopil,” the press service said, citing Swedish co-founder of the company Johan Dunbäck.

The plant was opened by Ukrainian Deputy Prime Minister and Minister for Regional Development, Construction, Housing and Utility Services Hennadiy Zubko, his Deputy Lev Partskhaladze and Head of Rivne Regional Administration Oleksiy Muliarenko.

According to the press release, the implementation of the project became possible after the introduction of a moratorium on the export of unprocessed wood in the country, which was a decisive factor for investors.

Etalon Corporation invests about \$2 mln in development in 2017

Etalon Corporation, one of the leading Ukrainian manufacturers of vehicles, invested about \$2 million of own funds in the development of production in 2017 and plans to invest at least the same amount in 2018, Etalon President Volodymyr Butko told Interfax-Ukraine.



“Some \$2 million at the current forex rate has been invested this year. The target figure was somewhat higher - we planned to start building a paint shop at Chernihiv plant and launch a trolleybus assembly line,” Butko said.

At the same time, he said, the paint shop is at the stage of blueprints and work to the launch of the trolleybus assembly line just started in December.

“We have decided that regardless of our bidding in tenders, we need an assembly line, a warehouse for 20-30 trolleybuses for prompt participation in tenders,” Butko said.

This year, the corporation has sold five trolleybuses to Chernihiv “at almost dumping prices,” which the corporation won’t be able to afford in future, he said.

“Compared to last year, our investment was \$1 million less, because the re-launched car factory in Chernihiv [it was standing idle in 2016] required an injection of working capital, the purchase of many components. Therefore, we’ve failed to implement the investment plan by 100%, however, all projects are ongoing, and we are just entering the 2018 year at a slightly different pace,” he said.

Arcelormittal Kryvyi Rih seeking logistics company to deliver metal to ports, iron ore to Europe



PJSC ArcelorMittal Kryvyi Rih (Dnipropetrovsk region) is experiencing significant difficulties in transporting 5 million tonnes of steel products from the enterprise to the Black Sea ports of Ukraine and delivering 2.5-3 million tonnes of iron ore concentrate to consumers in Eastern Europe, company CEO Paramjit Kahlon has stated.

"One of the biggest problems at the moment is logistics," the top manager stated at a conference with suppliers in Kyiv. According to him, the reason for this situation is a shortage of wagons of Ukrzaliznytsia, as well as private companies. At the same time, he noted that 3,000 wagons with locomotives are required to ship 5 million tonnes of steel products to the Black Sea ports – Mykolaiv and Yuzhny, as well as iron ore deliveries to Europe.

"We invite logistics companies to cooperate," the top manager said, without specifying whether ArcelorMittal Kryvyi Rih plans to create its own logistics division at the enterprise.

ArcelorMittal owns the largest mining and metallurgical plant in Ukraine, ArcelorMittal Kryvyi Rih, and a number of small companies, in particular, PJSC ArcelorMittal Berislav.

Reikartz to manage three-star hotel in Germany



Reikartz Hotel Management (Kyiv), the managing company of the national hotel chain Reikartz Hotel Group, has signed a management agreement on the second hotel in Germany, the three-star Gastager (Inzell, Bavaria).

"The hotel's infrastructure consists of 39 rooms, a restaurant, an indoor swimming pool with a mountain panorama, a room for skis, a parking lot and an underground parking facility," the company said on its official website.

According to Reikartz, the three-star boutique hotel Gastager was opened in 1950. From now on, it will work under the Reikartz Gastager Inzell brand.

Christmas greetings from OPEN4BUSINESS!



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Let this joyful holiday season be filled with peace, happiness, positive events and good news!

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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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