



# UKRAINE

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## EUROPE SHOULD HELP UKRAINE IMPLEMENT REFORMS – BLAIR

Europe should provide every possible assistance to reforms in Ukraine, British former prime minister Tony Blair has said. Speaking at the 12th annual meeting of Yalta European Strategy (YES), Blair said that Ukraine's problem is its political and economic history, and Europe as a whole needs to understand what is happening in this country. Ukraine is fighting not only for its future but also for the future of Europe, he said.

Europeans should be aware of this and provide Ukraine with as much help as they can, the ex-premier said.

According to him, the most difficult thing in politics is carrying out reforms, but Ukraine needs drastic changes. The Ukrainian government is carrying out reforms in very difficult conditions, and Europe should show solidarity with Ukraine and provide it with every possible assistance, Blair said. ■



## SPF HOPES TO RECEIVE UAH 20-30 BLN FROM 'BIG' PRIVATIZATION

The State Property Fund of Ukraine (SPF) hopes to receive UAH 20-30 billion thanks to 'big' privatization, SPF Head Ihor Bilous said at a press conference in Kyiv. "Budget revenue from big privatization should be at least UAH 20-30 billion. This would be a compensation element of the tax reform," he said.

The press service of the Ukrainian government has reported, referring to Zubko, that Ukraine has offered bko said.

Bilous said that along with the state-owned facilities planned for the privatization which were named earlier, Sumykhimprom and Zaporizhia Titanium and Magnesium Plant could also be put up for sale.

"Sumykhimprom and Zaporizhia Titanium and Magnesium Plant would be included in the privatization [list] if the government does not decide on uniting assets in the titanium sector," he said. He added that the issue of uniting the assets is being actively discussed.

Bilous said that this year, the fund will focus on its preparations for the 'big' privatization. The preparations include the attraction of advisors. He said that negotiations with the European Commission, European Bank for Reconstruction and Development (EBRD), USAID and International Finance Corporation (IFC) on the financing of these advisors have been completed. He said that USAID is ready to provide \$5-7 million as a result.

Along with the preparation of large facilities for privatization, the fund plans to sell smaller companies this year and receive around UAH 1 billion. This mainly concerns combined heat and power plants. "There are buyers for all combined heat and power plants, despite the fact that these are last century facilities... Not one, but five or six investors," Bilous said. ■



## POROSHENKO EXPECTS UKRAINIAN GDP TO GROW IN 2016

Ukrainian President Petro Poroshenko expects the Ukrainian economy to start recovering in 2016.

"I expect that we will be able to show GDP growth in 2016," he said at the 12th Annual Meeting of the Yalta European Strategy (YES) in Kyiv. Poroshenko said that Ukraine has managed to considerably cut inflation, stabilize the financial and banking systems, and has implemented budgetary discipline. "Am I optimistic about the economic situation? I would say "yes!" he said.

Poroshenko said that Ukraine will also improve its investment climate, regardless of any obstacle, thanks to tax reform, although the country requires the support of foreign investors.

According to the government's forecast as of August 2015, under the optimistic scenario, Ukraine's GDP will grow by 2% in 2016 with inflation of 12% (December on December). However, the government's macroeconomic forecast also includes a pessimistic scenario, under which GDP will fall by 0.3% with inflation of 14.7%.

The International Monetary Fund (IMF) and the Ukrainian government in the middle of this year revised its GDP decline forecast downwards – to 9% in 2015 with inflation of 45.8%. The National Bank of Ukraine (NBU) projects that GDP will fall by 9.5%, with inflation of 48%. ■

## EU BACKS FREE TRADE AGREEMENT WITH UKRAINE'S ENTRY INTO EFFECT ON JAN 1, 2016 – FOREIGN MINISTER

The European Union supports the entry into effect of the economic section of the Ukrainian-EU Association Agreement on January 1, 2016, Ukrainian Foreign Minister Pavlo Klimkin said.

"Good talk with @MalmstromEU [EU Commissioner for Trade Cecilia Malmstrom] Pleased that we are on the same page: Ukraine-EU Association Agreement will be fully applicable as of 01.01.2016," Klimkin said via Twitter.

It was reported earlier that Ukrainian Prime Minister Arseniy Yatseniuk had anticipated that Russia would impose an absolute embargo on Ukrainian agricultural exports starting in 2016, as the Ukrainian-EU free trade agreement takes effect. ■

## EU TO PROVIDE EUR 90 MLN TO SUPPORT DECENTRALIZATION PROJECTS IN UKRAINE



The European Union (EU) is ready to provide EUR 90 million for decentralization projects in Ukraine, EU Commissioner for European Neighborhood Policy Johannes Hahn said at a meeting with Deputy Prime Minister and Regional Development, Construction, Housing and Utilities Economy Minister of Ukraine Hennadiy Zubko.

The press service of the Ukrainian government has reported, referring to Zubko, that Ukraine has offered to set up 40 sub-regional groups to support reforms, including the provision of large scale financing to maintain ties with the general public and to provide training. “These groups will provide technical assistance through training of local authorities at all levels. In addition, the teams will also coordinate the training of the newly elected MPs and civil servants regarding their new managing responsibilities,” Zubko said.

The EU funds will also be allocated to enhancing the State Fund of Regional Development, especially taking into account the need for additional investment to establish and enlarge the services of united communities, Zubko said.

“We are interested in creating a network of agencies or offices to train staff in the regions to ensure the elaboration and implementation of regional development projects, including project analysis and management of investment projects,” he said.

“Ukraine relies on the expert assistance of its European partners in the process of amending the Constitution of Ukraine. For us it is also crucial [for there to be] facilitation in the development of a package of laws on decentralization in 22 areas, especially basic laws on self-government, prefects, administrative and territorial structure, land relations, tax and budget laws, social standards, administrative services and local police,” Zubko said. ■

## EC PRESIDENT REAFFIRMS SUPPORT TO VISA REGIME LIBERALIZATION FOR UKRAINE

European Commission (EC) President Jean-Claude Juncker has confirmed his commitment to promoting the liberalization of the EU visa regime with Ukraine, provided all the preconditions are met.

Speaking in the European Parliament on Wednesday, Juncker said he will do his best to facilitate the liberalization of the visa regime with Ukraine, but Kyiv needs to fulfill all the preconditions first. ■

## TWENTY-TWO EU MEMBERS RATIFY UKRAINE-EU AGREEMENT IN FULL – KLIMKIN

Twenty-two member states of the European Union have already completed the ratification of Ukraine-EU Association Agreement, Ukrainian Foreign Minister Pavlo Klimkin has said.

“As of today, 22 EU member states have already ratified [the agreement]... This process has been completed in the legal aspect,” he said during a joint meeting of the Verkhovna Rada Committees for European Integration and Foreign Affairs.

Klimkin said that six EU countries are yet to complete ratification: the Czech Republic, Belgium, Italy, the Netherlands, Greece and Cyprus, adding that the process is ongoing in the latter two countries.

According to Klimkin, the key political parties in Greece have promised Ukraine that the ratification process will be speeded up as soon as the upcoming elections in Greece are held, a position echoed by the Greek Foreign Ministry.

“As for Cyprus, the situation is connected with the parliament’s desire to see our final aspiration and devotion to this affair, to put amendments to the convention on evading double taxation. There is an essential lobby in the Cyprian parliament. Now this issue has been settled,” Klimkin said,

In addition, he said that on September 4-5 there will be an informal meeting of EU foreign ministers to discuss strengthening the influence of the EU in the Eastern Partnership countries. Klimkin said that the foreign ministers will also discuss the strategic vision of the development of EU – Russian relations, as well as the ongoing process of reform in Ukraine. ■





## **PIVDENNY MINING PLANS TO INCREASE INVESTMENT BY ONE THIRD IN 2015 – DIRECTOR**

**P**ivdenny Mining (Kryvy Rih, Dnipropetrovsk region) plans to increase investment in development and maintenance of its production facilities to UAH 922 million in 2015, which is 32% up on 2014, Director General Kostiantyn Fedin said at the press tour at the mining plant on Wednesday.

He said that investment have sharply increased after the arrival of new investors in 2010.

“Since 2010, with the arrival of new shareholders, investment has increased and production has grown,” he said.

Fedin said that if in 2010 around 19.6 million tonnes of iron ore was made a year, not 24.5 million tonnes is made. The iron ore concentrate target for 2015 is 11.2 million tonnes. The top manager said that since 2010, the plant started building the conveyor ore transportation line, and the first phase was launched in 2013 and the second phase – in 2014.

Fedin said that today the plant is working on the verge of profit-making. He said that production cost of one tonne of concentrate is \$20-24, and logistics cost – \$27.30 per tonne. At present, the price of iron ore concentrate at a Chinese port is \$56 per tonne. Pivdenny Mining exports 80-90% of iron ore concentrate, while agglomerate is sold on the domestic market. Pivdenny Mining is one of the main iron ore producers in Ukraine.

Pivdenny Mining is under control of Metinvest and Lanebrook Ltd. (a majority shareholder of Evraz Group), which acquired 50% of shares in Pivdenny Mining in 2007 from Privat Group (Dnipropetrovsk). ■

## **BUSINESSMAN KHMELNYTSKY SETS UP K.FUND TO SUPPORT PROJECTS IN ECONOMY, EDUCATION**

**U**krainian businessman Vasyl Khmelnytsky has set up a private fund – K.Fund (‘K’ stands for ‘the key’) – to merge his initiatives in the economy and education, according to a press release issued by the fund.

“I will support projects in the spheres of education and economy that could facilitate the development of favorable conditions and added value of the country and its people. This initiative is public, and not political. Human capital is Ukraine’s main asset and potential. The country needs people with new knowledge and skills that are able to implement modern projects. Our task is to give young people the keys to open new horizons and find a way to their dreams,” the businessman said.

The size of K.Fund has not been disclosed.

The businessman also stressed that the world changes very fast and the classical system of education lags behind these changes. Therefore, K.Fund is oriented towards the model of sustainable education – today people have to learn all the time throughout their lives. Regarding the economy, K.Fund will assist in implementing projects aimed at forming the so-called knowledge-driven economy in Ukraine – the introduction of new technologies, investment, and the creation of well-paid jobs.

Today, the businessman supports projects of the Osvitoria public association – a secondary school, Novopecherska School in Kyiv, the iLearn online platform for students of boarding schools and children from needy families, a master’s level program in public administration at the National University of “Kyiv-Mohyla Academy,” and Ukraine’s first inter-corporate IT university BIONIC University.

Khmelnytsky’s Library project will be launched in the next few months to publish modern literature in Ukrainian on three main topics – education, economy, and entrepreneurship.

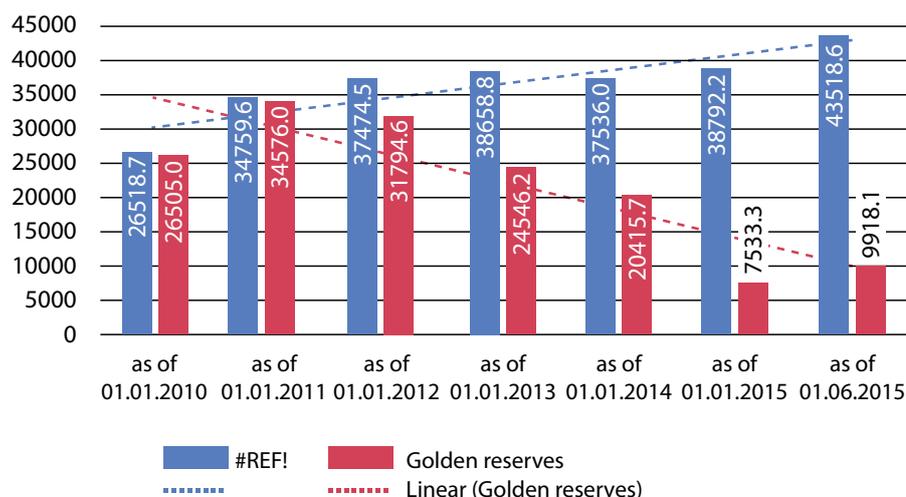
Vasyl Khmelnytsky invests in the development of various businesses in Ukraine with a focus on cooperation and co-management. Almost every project has its own configuration of shareholders and management.

Today, the entrepreneur’s core activity is real estate development business. He is a majority shareholder in UDP company, which implements large-scale infrastructure projects, including Kyiv International Airport, Ocean Plaza shopping mall, residential complexes Novopecherski Lypky, Boulevard of Fountains, RiverStone, and Parkove Misto. Khmelnytsky also invests in BIOFARMA (pharmaceuticals production), StarMedia (production of films and TV programs), RTM (national advertising operator). He is also a minority shareholder in Bank Khreschatyk. The entrepreneur’s plans include the creation of hi-tech industrial facilities, the development of innovation parks, and attraction of foreign investment and technologies in Ukraine. ■



## DYNAMICS OF EXTERNAL STATE DEBTA AND FOREIGN RESERVES OF UKRAINE FROM 2010 TO 2015 (MNL USD)

External state Debt				Golden reserves			Golden reserves to state debt ration
as of 01.01.2010	26518,7			26505			99.9%
as of 01.01.2011	34759,6	+8240.9	+31.1%	34576	+8071.0	+30.5%	99.5%
as of 01.01.2012	37474,5	+2714.9	+7.8%	31794,6	-2781.4	-8.0%	84.8%
as of 01.01.2013	38658,8	+1184.3	+3.2%	24546,2	-7248.4	-22.8%	63.5%
as of 01.01.2014	37536	-1122.8	-2.9%	20415,7	-4130.5	-16.8%	54.4%
as of 01.01.2015	38792,2	+1256.2	+3.3%	7533,3	-12882.4	-63.1%	19.4%
as of 01.06.2015	43518,6	+4726.4	+12.2%	9918,1	+2384.8	+31.7%	22.8%



Source: The Ministry of Finance



## GOVT TO FINANCE CONSTRUCTION OF NEW RUNWAY AT ODESA AIRPORT IN 2016 – MINISTER

The Cabinet of Ministers of Ukraine would find funds to build a new runway at Odesa airport in 2016, Infrastructure Minister of Ukraine Andriy Pyvovarsky has told Interfax-Ukraine. “Taking into account the top-priorities for the region, the budget would find funds to finance this project,” he said, asked about the start of construction of the runway in 2016.

He said that the cost of the project could considerably differ from the initially announced sum (UAH 1.6 billion) and it would vary within \$80-200 million. He said that several alternative projects to create the runway at Odesa airport are being discussed – from reconstruction of the old runway to construction of new one.

The minister said that it is impossible to finish construction of the runway in 2016, and it is likely that it would be finished in 2017. ■



## AVTOKRAZ RESUMES TRUCK SUPPLIES TO LONG-TERM PARTNERS IN GEORGIA, MOLDOVA

Public joint-stock company AvtoKrAZ (Kremenchuk, Poltava region), the only Ukrainian producer of heavy trucks, has signed contracts to supply trucks with its long-term partners in Georgia and Moldova, the company’s press service has reported.

AvtoKrAZ spokesperson Dina Stehantseva told Interfax-Ukraine can now announce a resumption of supplies after a long break: the last supplies to Moldova were in 2008 and to Georgia – in 2012.

According to the press release, special purpose KrAZ trucks with KrAZ 63221 6×6 chassis will be produced for the customer in Georgia.

An ATZ-11 tanker will be installed on the chassis for shipping light fuel, and a chassis with double-tire wheels will have equipment for transporting various products.

The two types of the trucks will have Euro 3 Ford engines, an MFZ-430 engine clutch, and a Fast Gear unit. “We only recently started installing Ford engines to mass-production trucks, and buyers have showed their interest to these trucks and we’ve started receiving orders on them,” Stehantseva said, adding that the company hopes that the Georgian partner could order more trucks in the future.

The plant would produce dump trucks KrAZ-65055 (6×4) with a capacity of 12 cubic meters for the customer from Moldova. The trucks will be used to ship stone. AvtoKrAZ makes 33 basic vehicle models, and more than 260 modifications and trim levels for civilian and military vehicles. ■

## POLAND'S PGNIG ENERGY COMPANY SHOWS INTEREST IN SUMY NPO PRODUCTS

A delegation of the largest state-owned oil and gas company in Poland PGNiG has visited public joint-stock company Sumy Machine-Building Science and Production Association (Sumy NPO) to study the technical and industrial manufacturing capabilities of the association to ensure that the Sumy engineers meet their high standards.

The association said in a press release on Wednesday that the delegation visited the association as part of active negotiations to attract the Ukrainian company to the implementation of projects in Poland.

Head of Bureau of Sales Division Oleksandr Tatarinov said that the primary task for Sumy NPO is closer cooperation with PGNiG, which is one of the largest Polish potential customers of products that the company produces.

"As a result, they showed their interest in Sumy NPO, and this visit is a kind of turning point: if our guests are satisfied by what they've seen, we will get a real chance to become partners. In particular, the company is now competing for orders to produce reciprocating compressors for PGNiG, and we hope that this visit will help the potential partners to make their choice," the press service of the Sumy company said, citing Tatarinov.

The press service said, citing Deputy Director for Operations of PGNiG Andrzej Raychek, that he is pleasantly surprised with the fact that the association has a complete production cycle, from manufacturing castings to tests of equipment in conditions close to real use. The company even has its own design bureau and a team of installers who are able to commission any facility. According to the report, next week, the delegation of specialists of the enterprise headed by General Director Oleksiy Tsybmal will go to Warsaw where they will take part in one of the key oil and gas exhibition forum in Europe – the Nafta-Gaz-Chemia 2015 exhibition. ■

## FINANCE MINISTRY EXPECTS UAH 91 BLN OF REVENUE TO BE SENT TO GENERAL FUND OF LOCAL BUDGETS IN 2015

The Finance Ministry of Ukraine expects that the general fund of local budgets would receive UAH 91 billion of revenue.

"According to the expert estimates, the projected revenue to the general fund of local budgets in 2015 would total UAH 91 billion, which is UAH 17.4 billion more than the figure approved by local authorities for the whole year," the ministry said in a presentation posted on its website.

As reported, revenue of the general fund of local budgets in January-June 2015 totaled UAH 44.6 billion, which is UAH 12.2 billion or 37.7% more year-over-year. Revenue from individuals' income tax grew by 16.2%, to UAH 23.6 billion, from land fee – by 25.9%, to UAH 6.6 billion. The annual targets for these indicators were fulfilled by 54.3% and 57.4% respectively.

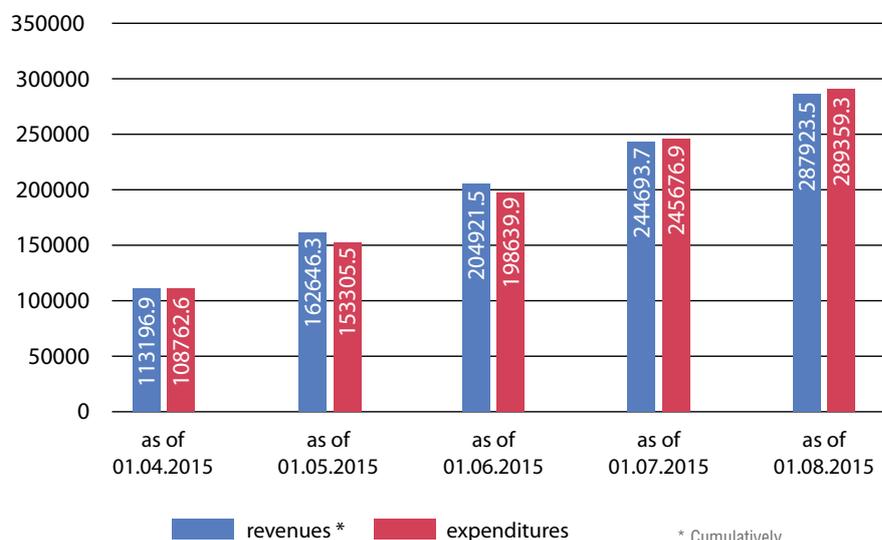
The new additional 5% excise duty brought UAH 3.2 billion to local budgets, property tax – UAH 274.7 million with the annual target of UAH 226.2 million. ■

### STATE BUDGET REVENUES IN 2015 (MLN UAH)

2015	revenues *		
	as of 01.04.2015	113196,9	
as of 01.05.2015	162646,3	Apr	49449,4
as of 01.06.2015	204921,5	May	42275,2
as of 01.07.2015	244693,7	June	39772,3
as of 01.08.2015	287923,5	July	43229,8
Plan 2015	475939,2	execution	60.5%

### STATE BUDGET EXPENDITURES IN 2015 (MLN UAH)

2015	expenditures *		
	as of 01.04.2015	108762,6	
as of 01.05.2015	153305,5	Apr	44542,9
as of 01.06.2015	198639,9	May	45334,4
as of 01.07.2015	245676,9	June	47037,0
as of 01.08.2015	289359,3	July	43682,4
Plan 2015	527893,7	execution	54.8%



\* Cumulatively  
Source: The Ministry of Finance

## UKRAINE THRESHES 37.5 MLN TONNES OF GRAIN BY SEPT 9

Grains and leguminous crops in Ukraine as of September 8 had been threshed on 10.4 million hectares, or 71% of the forecast, and the country had harvested 37.5 million tonnes of grains with the average yield being 35.9 centners per ha, the Ministry of Agricultural Policy and Food has said.

According to the ministry, corn has been threshed on 43,000 hectares, its harvest amounted to 177,000 tonnes with the average yield being 40.9 centners per ha. Buckwheat was threshed on 89,000 hectares, or 67% of the area, 107,000 tonnes have been harvested with the average yield being 12.1 centners per ha. Millet was threshed on 90,000 hectares, or 84% of the area, 181,000 tonnes have been harvested with the average yield being 20.1 centners per ha.

Soybeans were threshed on 266,000 hectares, or 12% of the forecast, 461,000 tonnes have been harvested with the average yield being 17.3 centners per ha. Sunflower was threshed on 648,000 hectares, or 13% of the forecast, 1.2 million tonnes have been harvested with the average yield being 19.2 centners per ha.

The largest grain harvest was recorded in Odesa (3.1 million tonnes), Kharkiv (2.9 million tonnes), Dnipropetrovsk (2.8 million tonnes), Zaporizhia (2.6 million tonnes), Mykolaiv (2.5 million tonnes), Kherson (2.4 million tonnes), and Vinnytsia regions (2.3 million tonnes). ■



## UKRAINE INCREASES EXPORTS OF PORK BY 5.2 TIMES, POULTRY BY 1% IN EIGHT MONTHS

Ukraine in January-August 2015 exported 19,540 tonnes of pork, which is 5.2 times more than in the same period in 2014.

According to customs statistics made public by the State Fiscal Service of Ukraine, in monetary terms exports of these products for the eight months totaled \$41 million. Pork imports for the period amounted to 2,867 tonnes against 21,300 tonnes a year earlier. In monetary terms, the figure amounted to \$6.54 million.

Exports of poultry and offal rose by 1%, to 105,365 tonnes. Poultry exports amounted to almost \$147.073 million. Imports amounted to 32,790 tonnes, worth \$21.617 million, which is 2% more than in January-August 2014 when the figure was 32,160 tonnes, worth \$33 million. ■

## BANKS ISSUE LOANS WORTH UAH 428.8 MLN UNDER STATE ENERGY SAVING PROGRAM – ENERGY EFFICIENCY AGENCY

Banks participating in the state program of partial compensation for the cost of loans for thermal modernization and measures to improve energy efficiency in the residential sector in Ukraine have since the beginning of its implementation last year, and as of September 7, 2015, issued 25,434 loans totaling UAH 428.8 million.

According to the State Agency on Energy Efficiency and Energy Saving of Ukraine, during the period from September 1 to September 7 banks had issued loans for UAH 39.3 million.

As reported, with reference to the energy efficiency agency, as of August 31, 2015 the banks participating in the program had provided 23,107 loans totaling UAH 389.5 million.

According to the agency, by the middle of August 2015 the members of the state program were in particular state-controlled Oschadbank, Ukreximbank and Ukrgasbank, which issued loans at 25% per annum. ■



## INVESTMENT IN SECONDARY REAL ESTATE WILL COME TO \$10-20 MLN IN H2, 2015 – DTZ

The total volume of investment transactions in the secondary real estate market in Ukraine in the second half of the year could potentially amount to about \$10-20 million, DTZ consulting company has reported in a survey for the first half of 2015. “It is difficult to predict the actual semi-annual rate due to the current instability in Ukraine and uncertainty regarding the further development of the country,” the company said.

The company indicates that the rate of return from investment in real estate in Kyiv from June 2014 to June 2015 had not changed and will be stable by the end of the year.

According to DTZ, at the end of the first half of 2015 net yield rates for office and commercial premises in the capital were at a level of 13.5%, for logistics facilities at 15%. In general, during this period, total investment in the secondary real estate market amounted to \$40 million.

“During the first six months of 2015 the most active sellers of real estate in Ukraine were commercial banks, which confiscated real estate from borrowers unable to pay debts. The banks offered the discounts of 10% to 30% of the book value of assets put up for sale,” reads the report. ■



## ANTONOV ENTERPRISE STARTS PRODUCING FIRST PILOT MULTIPURPOSE AN-132 FOR SAUDI ARABIA

Antonov State Enterprise (Kyiv) has started manufacturing the first sample of its new multipurpose An-132 aircraft with a cargo capacity 9.2 tonnes under a contract signed with Saudi Arabia. Antonov State Enterprise Acting President Mykhailo Hvozdev told reporters that the test aircraft of the new An-132 aircraft is being manufactured under the contract signed in April with Saudi Arabian KACST.

He said that at present, the company has finished the detailed design of the aircraft and has started manufacturing it. “The first An-132 sample will be handed to the customer in late 2016,” he said.

Hvozdev said that the An-132 will have western engines, in particular, PW150A engines of Canada’s Pratt&Whitney, as well as aviation electronics and other equipment.

According to preliminary assessments, the internal need of the Saudi Arabian customer and its armed forces for the An-132 aircraft and its modifications is estimated at around 80 aircraft, he said. ■

## EU TO PROVIDE EUR 55 MLN OF DONOR AID TO UKRAINE TO SUPPORT SME

The European Union would provide EUR 55 million of donor aid to support small and medium enterprises (SME).

The Economic Development and Trade Ministry of Ukraine said on its website that the agreement was signed by Economic Development and Trade Minister of Ukraine Aivaras Abromavicius and Director of IPA Strategy of Directorate General for Enlargement of the European Commission Gerhard Schumann-Hitzler.

The EU is to provide the funds under the programme EU Support to Ukraine to Re-launch the Economy (EU SURE). The funds will be used in 15 regions of Ukraine to create Business Support Centers, where SME will get consultations on the legal and market issues of doing business in Ukraine and abroad.

First, the centers would help starting business in agricultural, energy efficiency, ecology projects, the improvement of the quality of public services, infrastructure, and innovation technologies. Deputy Economic Development and Trade Minister Yulia Klymenko said that one of the tasks of the Business Support Centers is to make the way of businessmen to Europe easier.

“If SME want to produce, trade and buy in the EU with profits, they are to use the advantages of DCFTA – the free trade zone between Ukraine and the EU. Center consultants would help them to do this,” she said.

The ministry said that the similar initiative that includes aid to Ukraine in developing SME are plans to the EU to provide EUR 40 million to finance the loan guarantee fund. Banks would receive an additional incentive to credit SMEs. The authors of the programme expect that with the effect of the financial tool of 7-8% SME would be able to receive loans of EUR 300 million. The EU aid would be sent to facilitate Ukraine’s participation in EU programmes Horizon 2020 and COSME (the EU programme for the Competitiveness of SMEs). ■



## POROSHENKO ENACTS NSDC DECISION TO PROTECT UKRAINE'S AVIATION INTERESTS

Ukrainian President Petro Poroshenko has enacted a resolution by the National Security and Defense Council (NSDC), dated July 20, 2015, titled "On the measures to protect Ukraine's national aviation interests." A decree to that effect, dated September 4, has been posted on the website of the head of state. The document is effective from the day of publication. Control over the enforcement of the resolution has been vested with the NSDC secretary.

Under the NSDC resolution, the Cabinet is to urgently approve a plan of preparations for the introduction of Ukraine's joint aviation space with the European Union and its member states, in particular, by adapting Ukraine's air transportation laws to those of the EU.

The government also has one month to reorganize the State Aviation Service, to optimize state regulation of the use of the country's airspace, to improve the functions of regulating air navigation services and organizing airspace, and the functions of certifying aviation businesses and aviation infrastructure; and to oversee (monitor) the civil aviation industry. In addition, the government is to consider increasing the number of state inspectors and improve pay conditions for them and for the persons authorized to conduct relevant inspections on the basis of audits carried out by the International Civil Aviation Organization.

The Cabinet also has two months to approve plans of measures to develop Ukrainian civil aviation before 2020, in particular, by developing domestic and international flights based on projected figures for passenger and cargo traffic; launching new flight routes; optimizing aviation schools and aviation medical centers with the aim of improving the quality of their services and raising the level of aviation safety; and by turning Boryspil International Airport into an international airline hub through measures such as simplifying border checks for Ukrainian nationals arriving in the country and for foreign passengers on transit flights. ■



## KHARKIV AVIATION PLANT COULD SIGN CONTRACTS WITH KAZAKHSTAN, CHINA – OFFICIAL

Kharkiv State Aircraft Manufacturing Company (KSAMC) could sign contracts on supplying aircraft to Kazakhstan and China, Head of Kharkiv Regional Administration Ihor Rainin has said.

"We, jointly with Ukroboronprom and the Cabinet of Ministers are holding negotiations [on loading KSAMC with orders]. They are at the final stage. We plan that the contracts would be [signed] with Kazakhstan and China," he said at a briefing during the "Innovation. Investment. Kharkiv Initiatives" international forum.

As reported, on June 16, 2015, the Ukrainian government transferred Kharkiv State Aircraft Manufacturing Company and 410 Civil Aviation Plant from Antonov state enterprise to the management of Ukroboronprom state concern.

Kharkiv State Aircraft Manufacturing Company is one of the leading enterprises in Ukraine's aviation industry, and is the manufacturer of the multipurpose An-74 and short-haul An-140 aircraft. ■



## TURBOATOM FINISHES TURBINE FOR AKSU TPP IN KAZAKHSTAN

Public joint-stock company Turboatom (Kharkiv), Ukraine's largest producer of turbine equipment, has finished production of energy equipment for unit five of Aksu thermal power plant (TPP) in Kazakhstan, Turboatom said on its website. The company said that in August the turbine was completed and transferred for shipment. In July, the enterprise tested the regulating system and transferred it for shipment. Previously, specialists of the plant provided the control assemblage of cylinders of turbine K-325-23.5 with rotors to the customer.

As reported, under the contract signed in July 2012, Turboatom is to replace unit K-300-240 with the next generation K-325-23.5 turbine at unit five of Aksu TPP. After modernization, the turbine capacity will increase by 25 MW, efficiency will be increased, the life-span of the unit and the whole power plant will be extended, and the environmental performance of TPP will be improved.

Turboatom is the sole producer of turbine equipment in Ukraine for hydro, heat and nuclear electricity stations. Turboatom specializes in manufacturing turbines for thermal and nuclear power plants, hydraulic turbines for hydroelectric power plants and pumped storage power plants, gas turbines for thermal power plants, steam and gas equipment, and other power equipment. ■

## UKRAINE USES 90% OF QUOTA ON DUTY-FREE SUGAR EXPORTS TO EU – MINISTRY

Since early 2015, Ukraine has supplied 18,000 tonnes of sugar under the duty-free quota provided by the European Union (EU), which has a total of 20,070 tonnes.

Agricultural Policy and Food Minister of Ukraine Oleksiy Pavlenko wrote on his Facebook page that ending sugar stocks as of early 2015/16 agricultural year (September–August) have been estimated at 500,000 tonnes. It is expected that 1.2-1.3 million tonnes of sugar will be produced, which will fully satisfy domestic demand.

As reported, according to Ukrtsukor association, sugar production in 2014/15 agri-year grew by 75%, to 2.1 million tonnes, while the domestic market fell to 1.6 million tonnes due to the reduction of sugar supplies to Crimea, Donetsk and Luhansk regions.

Ukrtsukor Director General Mykola Yarchuk said that in 2015/16 agri-year a total of 35-36 sugar refineries would work in Ukraine. UkrAgroConsult consulting agency predicts that sugar production will drop to 1.3-1.4 million tonnes in the new agricultural year. ■



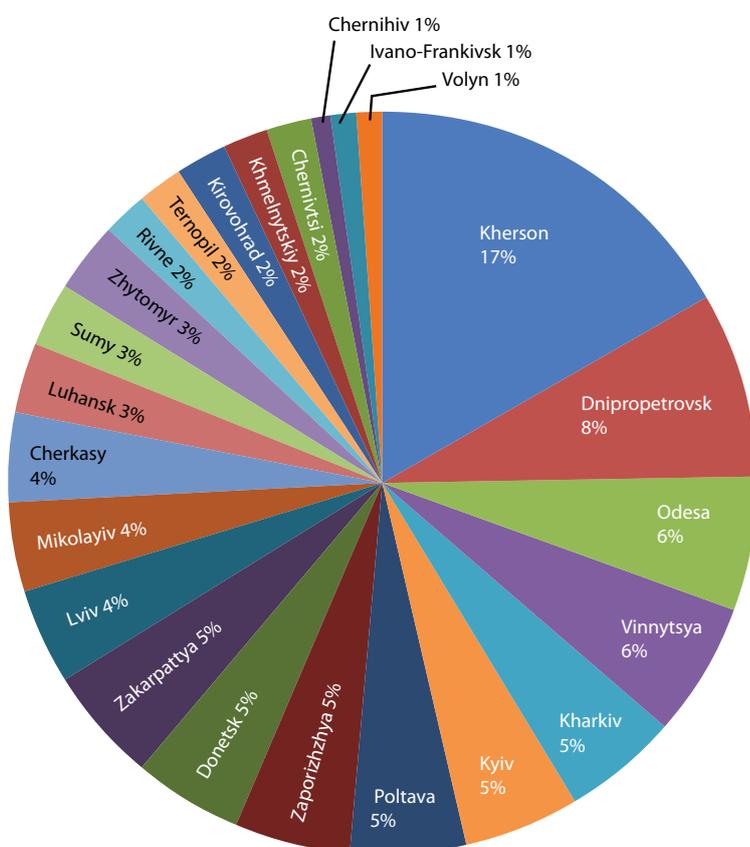
## KHERSON SHIPYARD FINISHES BUILDING FIRST TUG FOR PANAMA'S KIRGAN HOLDING

Public joint-stock company Kherson Shipyard, part of Smart Maritime Group (SMG), has finished building a ALTAIR tug of the T2440 Project under the order of Kirgan Holding S.A. (Panama).

The press service of SMG reported that the new vessel was launched at the enterprise. The tug was built under a contract to build two T2440 Project tugs which was signed in November 2014 between SMG and Kirgan Holding S.A.

“At present, the second AN-TARES tug is being built,” the company said. Kherson Shipyard and Chornomorsky Shipbuilding Yard (Mykolaiv) are part of SMG, the shipbuilding holding founded in 2009 to manage the maritime assets of Smart-holding. ■

Vegetables grown in the open thsd. of tons



<sup>1</sup> Excluding the temporarily occupied territories of the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation zone.  
<sup>2</sup> Data can be corrected.

The Ukrainian League of Industrialists and Entrepreneurs (ULIE) is the largest union of business associations and individual enterprises in Ukraine with its members ranging from vertically integrated corporations to small and medium enterprises (SMEs). For already more than 20 years the League's key mission is to promote and protect interests of the Ukrainian business within Ukraine and beyond. With its central offices in Kyiv, ULIE manages 28 regional subsidiaries, 73 branches, 22 representative offices and 34 commissions on key sectors of the economy. The League is also a signatory to 155 international agreements on cooperation and has representative offices in 21 countries, including Representative Office in the EU in Brussels.

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