



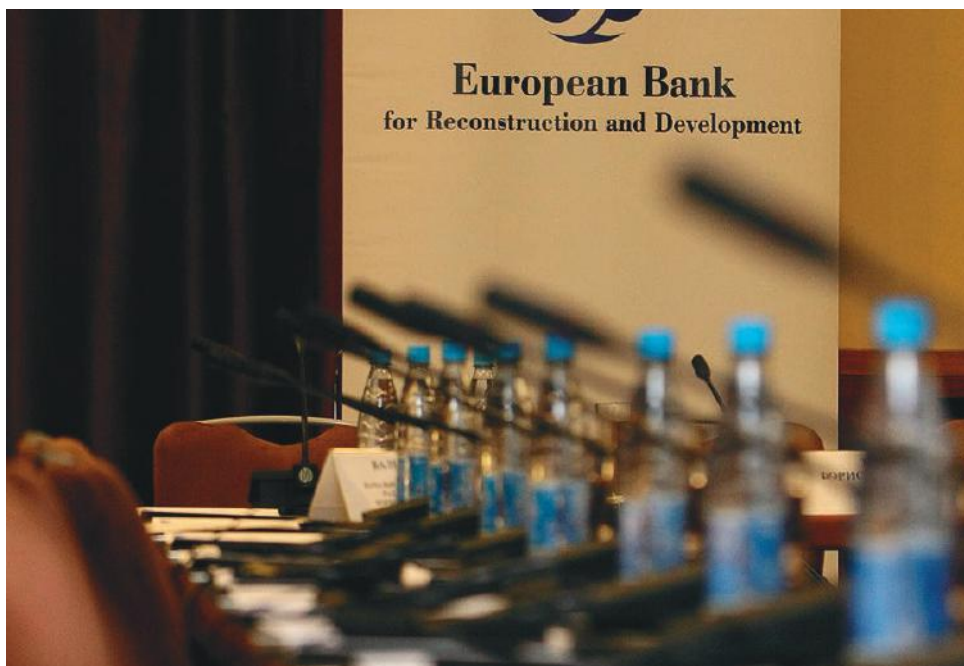
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UKRAINE NEWS AGENCY

# UKRAINE

## OPEN FOR BUSINESS

Biweekly news digest of the Ukrainian League of Industrialists and Entrepreneurs

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WORLD BANK BOARD APPROVES DECISION TO PROVIDE \$560 MLN TO IBRD TO DEVELOP ROADS IN UKRAINE

## UKRAINE MAKING GAINS AS REGIONAL REFORM OUTLOOK BRIGHTENS – EBRD REPORT

Ukraine has made the most progress in cleaning up its banking system and making it more resilient to future shocks among the countries in the region of the European Bank for Reconstruction and Development (EBRD), reads a report posted on the bank's website.

“Despite continuing problems with non-performing loans, there are positive developments among financial sectors as countries have cleaned up their banking systems and made them more resilient to future shocks. Among these countries, Ukraine has made the most progress. Since 2014, the country has seen the closure of over 50 banks with opaque ownership structures, excessive related party lending and weak management and corporate governance,” reads the document. However, according to the bank experts, the banking sector in Ukraine will remain under pressure due to a strong devaluation of the hryvnia and increased credit risks.

“Recapitalization of banks is continuing, and regulatory measures have been taken, including rules on lending to related parties to make the banking sector more stable,” the report states. ■

## GERMANY TO PROVIDE EUR 136 MLN IN LOANS, GRANTS TO UKRAINE IN 2016



Germany will provide EUR 136 million in loans and grants to Ukraine in 2016 to realize over 20 projects.

Economic Development and Trade Minister of Ukraine Aivaras Abromavicius and Head of the Directorate of the Federal Ministry for Economic Cooperation and Development of Germany Andreas Gies signed the corresponding documents in Kyiv.

“The directions of their use is from rather large projects on construction of housing for internally displaced persons (IDPs) to very concrete and specific programs aimed at repairing schools, for example,” Deputy Economic Development and Trade Minister of Ukraine Maksym Nefyodov told reporters after the signing ceremony.

He said that EUR 88 million will be provided as a loan, and EUR 48 million will be provided as technical assistance. The funds will mostly be allocated through KfW development bank.

Nefyodov said that the credit rate will depend on each project, but will be seven or eight times lower than commercial rates. He said that the funds will be allocated to both current projects and new ones, including projects to develop democracy, support economic growth and the energy independence of the country, and develop the social sector. Some of the funds will be allocated to operational needs, particularly, for aid if acts of God occur. ■

## UKRAINIAN BUSINESS DEMANDS IMMEDIATE DECISION ON TAX SYSTEM CHANGES



Businesspeople have called on the Ukrainian authorities to introduce tax reform as quickly as possible and support a number of the provisions put forth by the parliamentary committee for tax and customs policy. At the same time, entrepreneurs are concerned that there is no consensus on fundamental changes to the simplified taxation system. Representatives of the business community do not support the preservation of VAT accounts and the deposit system they use, when assets are simply “frozen” and do not work for the real economy. They insist on reducing the burden on the payroll fund, and also raised other issues. These were the subjects discussed at a round table meeting entitled “Prospects for the Development of Small Businesses in the Context of Tax Reform.”

“Dragging out the modernization of taxation causes uncertainty in the formation of a budget, as it has been declared that the state budget for 2016 must be formed on a new tax base. This destroys the remaining investment climate in Ukraine, and businesses are unable to give their economic outlook for 2016, and draw up a high-quality financial plan, develop tactics and strategy on the domestic and foreign markets,” the participants of the round table meeting said in a joint statement.

It was said that the problems of the Ukrainian economy should be solved by improving the business climate rather than by increasing fiscal pressure. And this is the way for searching compensators for budget revenues. Administrative, fiscal methods will have a negative, reverse effect in the sectors where households’ solvency is too low and businesses operate in adverse conditions.

Every effort should be made to keep the simplified taxation system, as it is the main incentive for private entrepreneurs to do own business. Small- and medium-sized businesses as well as self-employment is now a lifeline for people, as Ukraine’s backbone industry is in a plight, which, along with necessary processes of economic modernization and diversification of markets, becomes a cause behind layoffs. It is a small-size business that is able to prop up economic activity, solve the problem of unemployment and supply goods and services on markets. Resisting this at the state level is equal to suicide.

Experts and entrepreneurs stressed the need for a real reduction in taxes and fees, simplification of administration and the introduction of personal responsibility of fiscal officials for inappropriate actions against entrepreneurs. ■

# ULIE, EXPORTERS COUNCIL UNDER FOREIGN MINISTRY TO JOIN HANDS TO BOOST UKRAINIAN EXPORTS

The Ukrainian League of Industrialists and Entrepreneurs (ULIE) has supported a proposal put forward by the Council of Exporters and Investors under the Ministry of Foreign Affairs of Ukraine to coordinate efforts in expanding export opportunities for Ukrainian producers. This was discussed at a bilateral working meeting of the heads of the two organizations in Kyiv. As was noted by Executive Secretary of the Council and Ambassador-at-Large Oleksandr Danyleiko, boosting exports of Ukrainian products is critical for economic growth, and therefore efforts by the government, the public and the business community should be doubled to help national businesses in the most efficient way possible.

He offered wide-range cooperation with the ULIE as a powerful association of industrialists and entrepreneurs that has visible results in promoting national exports and cooperation on a wide range of issues. This includes providing businesses with information about the needs and tenders of foreign partners, conditions of doing business abroad, assistance in concluding contracts as well. Representatives of the Council are also interested in conducting joint activities, using the platform of the actively working Center for Export Support, which was opened under the ULIE.

"We receive much information from our embassies as for business activity of foreign partners but we are not sure if all of it reaches Ukrainian businessmen. We need real guidance per sectors and practical steps. We look forward to your support in this," Oleksandr Danyleiko said.

"The export policy is crucial today because the domestic market is at the stage of "freezing" amid the population's falling solvency. We'll have to work in both directions, as negative trends are seen everywhere: exports have fallen by 35% amid an 18% decline in domestic industrial production," ULIE President Anatoliy Kinakh said.

According to him, exports promotion means addressing a number of domestic problems: the adoption of state programs for industrial development, support of small- and medium-sized businesses, qualitative upgrading of fiscal policy and the creation of a favorable business and investment climate. In addition, the state should work on compliance with the requirements of product quality and technical regulations of the EU, the possibility of diversifying exports from the eastern to western markets or the markets of third countries and so on. These proposals are articulated in a constantly updated anti-crisis program of joint actions of the government and businesses, sent to the country's leaders and key ministries, including the Foreign Ministry.

The ULIE president informed his partners that a memorandum is to be signed in Brussels in early December on cooperation between the ULIE and BUSINESS EUROPE, which is the most powerful European business association, which includes national associations from 40 European countries.

"After this, we could more closely work in particular with those sectoral national associations that are most interesting to Ukrainian producers," Anatoliy Kinakh said.

The Council of Exporters and Investors at the Ministry of Foreign Affairs of Ukraine is a permanent platform that includes more than 60 representatives of sectoral unions and associations, leading Ukrainian enterprises and companies that actually represent the full range of export-oriented industries of Ukraine (primarily metalworking, engineering, chemical, agriculture, and services). It also involves the leaders of the American Chamber of Commerce in Ukraine and the companies that implement large investment projects in Ukraine. ■

**UKRAINE  
HARVESTS 54.3  
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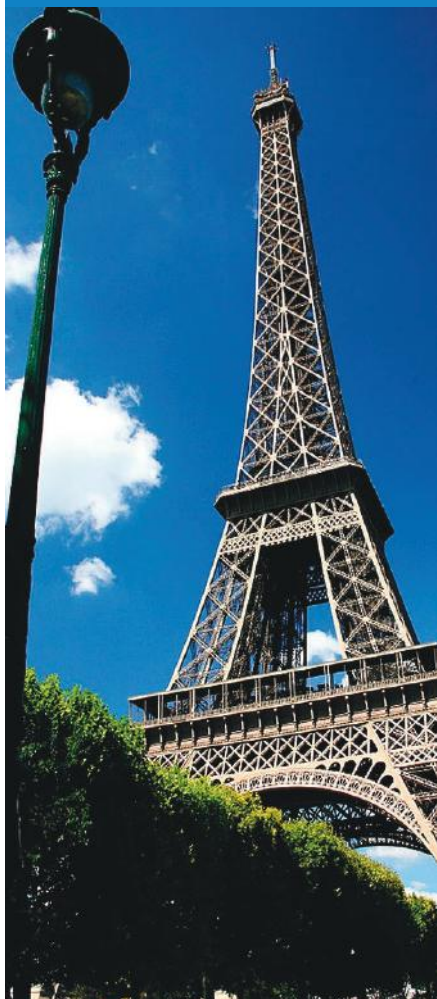
Ukraine threshed grain and leguminous crops on 13.7 million hectares (93% of the projected area) and collected 54.3 million tonnes of grain by October 30. According to the press service of the Agricultural Policy and Food Ministry, the maize yield by this date was 16.5 million tonnes.

The average yield of grain crops in the country currently stands at 39.7 centners per ha against 41 centners per ha in 2014. In addition, agrarians harvested 10.4 million tonnes of sunflower from 4.9 million hectares (98% of the forecast) and 3.4 million tonnes of soybeans from 2 million hectares (92%).

Sugar beets had been harvested from 172,000 ha (72% of the forecast) by October 30 with a yield of 6.9 million tonnes.

As reported, the ministry expects that the grain harvest in Ukraine in 2015 will reach 59.2 million tonnes, while the USDA estimates it at 61.775 million tonnes. ■

## FRENCH-UKRAINIAN BUSINESS FORUM TO BE HELD IN PARIS ON NOV 18



The French-Ukrainian business forum will be held in Paris on November 18, the Ministry of Economic Development and Trade has reported on its website.

The ministry said that on the eve of the forum, Ukrainian Trade Minister of Ukraine Aivaras Abromavicius met with representatives of French companies operating in Ukraine, namely Soufflet, Renault Ukraine, L'Oreal, Arcelor Mittal Steel, BNP Paribas, Danone and Auchan, to discuss the problems that prevent foreign investors from developing business in Ukraine. The meeting was focused on the extension of the moratorium on business inspections, VAT refunds, and resolving the issues of land allocation. ■

## HEALTH MINISTER SIGNS UAH 750 MLN AGREEMENT ON DRUG PROCUREMENT USING BUDGET FUNDS WITH BRITAIN'S CROWN AGENTS



Health Minister of Ukraine Alexander Kvitashvili has signed a UAH 750 million agreement on medicine procurement using budget funds with Britain's Crown Agents international procurement development agency. The agreement was signed in Kyiv on November 6. Under the agreement, the agency will buy medicines under adult and children cancer treatment programs.

"We hope that starting from the procurement cycle of next year all procurement tenders will be passed over to international organizations," Kvitashvili said. Senior Consultant of Crown Agents Christine Jackson then told reporters that the procurement procedure could have actually started on November 6. An announcement will be posted on the websites of the Health Ministry and Crown Agents, inviting all suppliers of cancer treating medicines to take part in the tender. Jackson expressed hope that there will be many offers. She said that bidders are to meet tough conditions foreseen in the agency's procedures. "International criteria will be observed. We believe that medicines that will be bought will meet these criteria," she said. "This is an open process for everyone who will respond to our announcement," she said.

As reported, the Health Ministry plans to buy medicines through UNICEF to the tune of UAH 800 million. The ministry has already transferred UAH 620 million to UNDP for procurements. In general, the ministry said, international organizations are expected to handle medicine procurements worth UAH 2.197 billion. ■

## WORLD BANK BOARD APPROVES DECISION TO PROVIDE \$560 MLN TO IBRD TO DEVELOP ROADS IN UKRAINE

The board of directors of the World Bank has approved a decision to provide a loan of \$560 million to the International Bank for Reconstruction and Development (IBRD) to finance a project on developing roads in Ukraine, the press service of the Infrastructure Ministry of Ukraine reported on.

"The new loan will secure support for the realization of some measures regarding the improvement of road network management, transport communications, and exploitation of roads and road safety on the Poltava-Kharkiv section of the highway," the ministry said. ■

## UKRAINE, UAE CONFIRM PLANS TO EXPAND AVIATION COOPERATION AT 2015 DUBAI AIRSHOW



Ukraine and the United Arab Emirates (UAE), during the 2015 Dubai Airshow, agreed to continue discussion on their aviation partnership potential in the near future in Kyiv at the governmental level, Deputy Economic Development and Trade Minister of Ukraine Ruslan Korzh has said.

“In the afternoon we had a meeting with a high-ranking official from the UAE government to discuss joint projects. The result is: we’re sending potential projects within one month, then we will accept a delegation in Ukraine and reach a concrete result,” he wrote on his Facebook page on Monday.

“The quotations from our counterpart: “you have phenomenal engineers; they could create, in the truest sense of the word, whatever one likes. However, you cannot organize it in the project that could give a result,” he wrote, adding “Would you be stuck with the shame? I was. And we will change it.”

Korzh said that as a part of the ongoing cooperation with Ukraine’s Emirati partners he also visited the servicing center of public joint-stock company Motor Sich in Sharjah, and another international company which employs over 200 Ukrainian engineers, technicians and pilots.

“The UAE have created a favorable business climate. One can learn a lot here,” he said. Ukraine, represented by its leading designer and manufacturer of aircraft Antonov State Enterprise (Kyiv), is exhibiting an An-178 new transport aircraft with a transport capacity of up to 18 tonnes. An-132 light multipurpose aircraft with a transport capacity of 9.2 tonnes which are being manufacturing under the order of Saudi Arabia, and the An-148/158 regional next generation jet family are also being presented at the exhibition. ■

## UKRAINE INTENDS TO PRIVATIZE ALUMINUM FOIL FACTORY



The State Property Fund of Ukraine (SPF) has included the integrated property complex of state-owned enterprise Aluminum Foil Factory (ZAF, Zaporizhia) in the list of objects subject to class A privatization (small privatization). According to a fund report in the Vidomosti Pryvatyzatsii newspaper, the plant is to be sold at auction. Under current regulations, the agency will have to select an appraiser to estimate the object before its auction.

As reported, the then state Zaporizhia Aluminum Combine (ZAIK) in 1995 attracted a \$76.45 million loan under state guarantees to build a plant producing aluminum foil for food packaging, the equipment for which was supplied by Italy’s Fata. It was assumed that the production capacity will allow production of 36,000 tonnes of packaging a year, including 27,000 tonnes of smooth aluminum foil. During the subsequent privatization of ZAIK the unfinished plant was not included in its charter capital, remaining in state ownership. ■

## CABINET INCLUDES IMF, WORLD BANK, IFC, EBRD, USAID REPRESENTATIVES IN AD HOC GROUP FOR COMPANIES PRIVATIZATION



The Cabinet of Ministers has included representatives of the International Monetary Fund (IMF), the World Bank, the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD) and the U.S. Agency for International Development (USAID) in a working group to prepare recommendations and proposals for the government on the privatization and terms of the sale of state enterprises.

As reported, the Cabinet of Ministers on June 24, 2015 established a working group led by the head of the State Property Fund of Ukraine (SPF) to prepare recommendations for the government on privatization. The government also defined the members of the group: its deputy head is the SPF deputy chairman, the secretary is a fund representative. The group also includes the Deputy Minister of Economic Development and Trade, the Senior Adviser to the Minister of Economic Development and Trade, the Deputy Minister of the Cabinet, the First Deputy Finance Minister, the First Deputy Minister of Energy and Coal Industry, the director of the department for effective state property management at the Secretariat of the Cabinet, and the state commissioner of the Antimonopoly Committee. ■

## AZOVMAH TO ENTER MIDDLE EASTERN, AFRICAN MARKETS



**A**zovmash, the leader in the Ukrainian heavy engineering market, has signed a dealership agreement with the Turkish company Vitas Velioglu Insaat ve Ticaret on the purchase and sale of railcar and heavy machinery goods manufactured by PJSC Azovzahal-mash in Middle Eastern and African markets

According to a company press release, the agreement was signed during the visit of a delegation headed by the chairman of the Turkish company to the enterprise. According to the press release, during the visit the first contract on the supply of wagons produced by Azovzahal-mash in 2016-2017 was signed. The volume of the contract and its other parameters has not been disclosed. "The signing of this contract is the first step towards the restoration of the enterprise. We'll have to certify wagons, update technical documentation, and work to promote the products in non-traditional markets. Entering the markets of the Middle East and Africa is a real possibility and alternative to the market of the Customs Union, we've done major preparatory work for this," the press service said, citing President of Azovmashinvest Holding Taras Polischuk.

Azovmash (Azovmashinvest Holding) is one of the largest machine building complexes in Ukraine. ■

## OFFICIAL INTERNATIONAL RESERVES OF UKRAINE, 2015 (MLN USD)

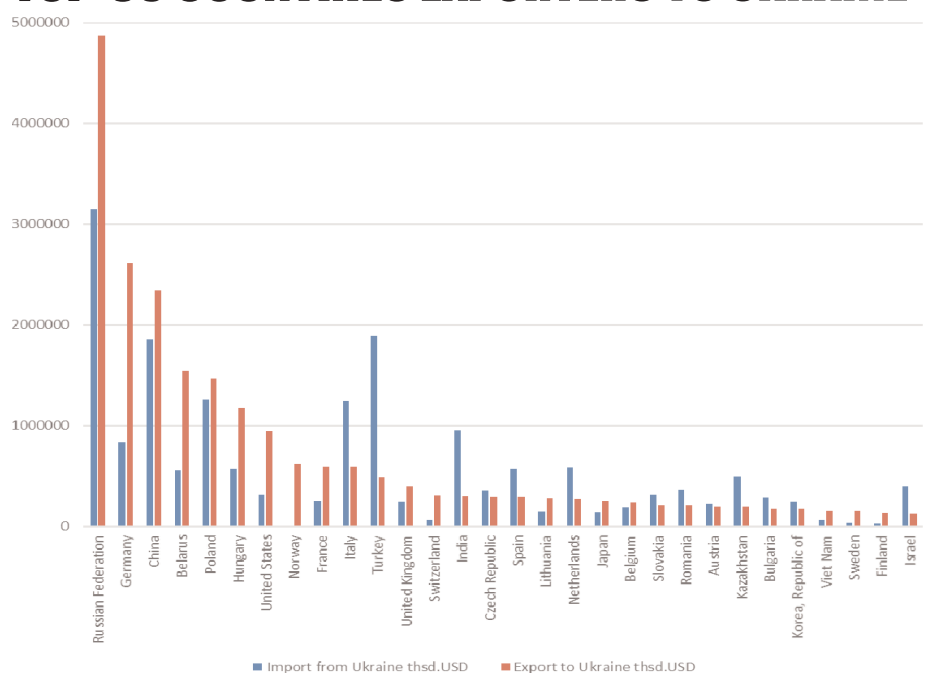
as of 31.12.2014	7533,3	-2432.8	-24.41%
as of 31.01.2015	6419,7	-1113.7	-14.78%
as of 28.02.2015	5625,3	-794.4	-12.37%
as of 31.03.2015	9969,9	+4344.6	+77.23%
as of 30.04.2015	9631,0	-338.9	-3.40%
as of 31.05.2015	9918,1	+287.1	+2.98%
as of 30.06.2015	10263,7	+345.6	+3.48%
as of 31.07.2015	10375,4	+111.7	+1.09%
as of 31.08.2015	12616,7	+2241.3	+21.60%



Source: The Ministry of Finance



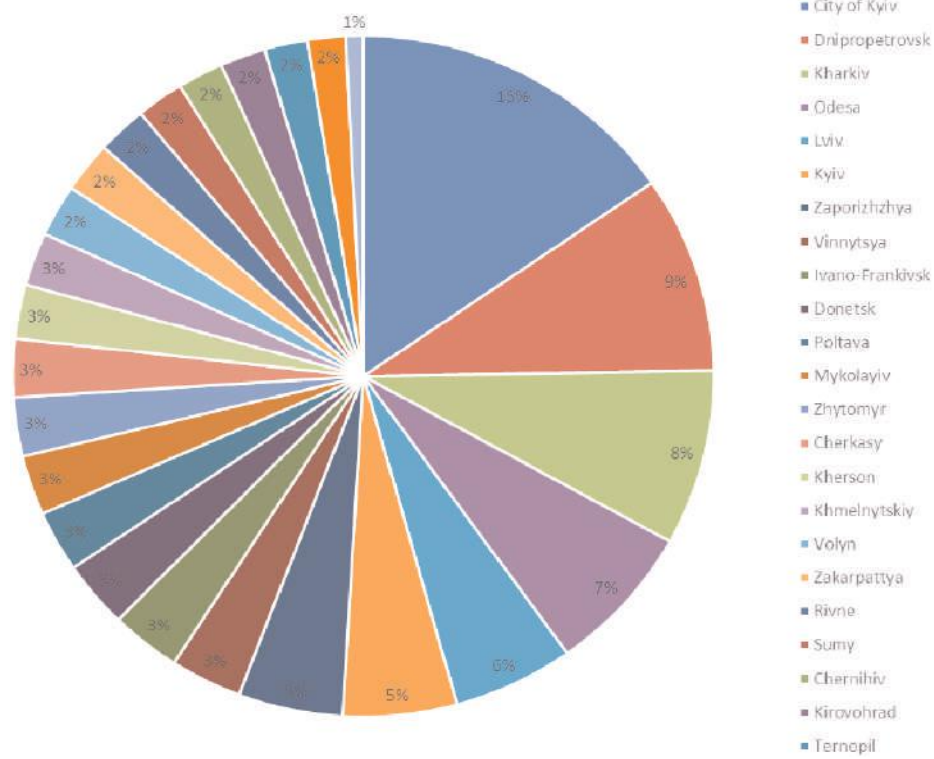
## TOP-30 COUNTRIES EXPORTERS TO UKRAINE



1. Excluding the temporarily occupied territories of the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation zone.

Source: State Statistics Services

# TURNOVER OF RETAIL TRADE IN JANUARY-SEPTEMBER 2015, MLN. UAH



1. Excluding the temporarily occupied territories, the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation zone.  
 2. Data can be precised.  
 Source: State Statistics Services

## KYIV, WASHINGTON DEVELOP ROADMAP TO ATTRACT INVESTMENT

Ukrainian Prime Minister Arseniy Yatseniuk and U.S. Secretary of Commerce Penny Pritzker after talks on October 26 made a statement, which, in particular, concerns the development of a roadmap for taking steps aimed at attracting private capital.

“As a result of our consultations, both sides developed a roadmap featuring several short-term, actionable steps that will further increase business confidence and attract private capital. Both sides underscored the urgency of such steps and the importance of actions by both Ukrainian government officials and the Verkhovna Rada to deepen the said reforms,” reads a joint statement by the officials.

“With the support of the United States, Ukraine will intensify anti-corruption efforts through reforms in the Prosecutor General’s Office and implementation of judicial reform, improve tax administration to ensure a level playing field for all companies, reduce gas royalty rates to encourage investment by world class firms, continue deregulation and eliminate unnecessary licensing and permitting, approve and implement anti-piracy legislation to support intellectual property rights, fully execute an e-procurement system and complete accession to the World Trade Organization’s Government Procurement Agreement,” reads the document.

“Ukraine also underscored its commitment to move forward on putting in place agricultural standards that will attract investment; development and implementation of a thoughtful and transparent privatization plan that provides genuine opportunities for international investors; and civil service reform,” according to the posting. ■

## OVER 6 HA OF LAND TO BE ALLOCATED TO BUILDING WIND PLANTS IN KHERSON REGION



Four land plots with a total area of 6.12 hectares in Kherson region will be leased for building and operating wind power plants. According to the State Service for Geodesy, Cartography and Cadastre, the decision was approved by the directorate of the service in Kherson region.

According to the report, after formalizing all the necessary documents, the landholder will be Windkraft Tavria (Skadovsk, Kherson region), which is engaged in the construction of alternative energy objects.

“Land will be allocated from the state reserve of farmland outside settlements. At the same time, it is planned to change the purpose of the land. It will allow for building a new strategic facility in Kherson region and provide additional revenues to local budgets,” reads the report.

According to the unified state register of legal entities and individual entrepreneurs, Windkraft Tavria LLC was registered in 2014 and is engaged in electricity generation and distribution. ■

## DUTCH OZONE INVESTMENT, GERMAN KARL GROUP PLAN TO INVEST \$10 MLN IN AMBER PRODUCTION PROJECTS



The cost of a pilot project of the German Society for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ) on the establishment in 2014–2017 of two municipal energy agencies in Ukraine amounts to EUR3 million, director of the project “The establishment of energy agencies in Ukraine” Robert Kuenne has reported.

“In general, this project, which will last four years from 2014 to 2017, is worth EUR3 million,” he told reporters during the eleventh international congress “Institutional and technical aspects of reforming housing and utilities services 2015” in Kyiv.

The expert noted that GIZ does not provide funds for projects, but provides technical assistance, consulting and informational support to project teams.

According to him, within the project such first Odesa Municipal Energy Agency created by GIZ in cooperation with the local authorities in Odesa began work in April 2015.

Today GIZ keeps the plan to open the second municipal energy agency in Donetsk region after the Ukrainian government resumes control over the region, he added. ■

## UKRAINE EXPORTS ELECTRICITY FOR \$126 MLN, IMPORTS FOR \$77 MLN IN TEN MONTHS



Ukraine in January–October 2015 exported electricity worth \$125.689 million, in particular in October for \$9.298 million.

According to the State Fiscal Service, Hungary in the ten months this year was supplied electricity worth \$121.797 million, Poland for \$1.672 million, Slovakia for \$1.115 million, other countries for \$1.105 million.

In January–October 2014 Ukraine exported electricity worth \$433.559 million, in particular to Hungary for \$194.308 million, Belarus for \$161.211 million, Moldova for \$47.397 million, other countries (Poland, Slovakia and Romania) for \$40.643 million.

In addition, in January–October 2015 Ukraine imported electricity worth \$76.981 million, in particular, imports from Russia cost \$76.974 million, from Moldova \$7,000. In October 2015 Ukraine imported Russian electricity for \$4.279 million. ■

## TRIPADVISOR TOURISTS' ONLINE RESOURCE PLANS TO EXPAND ACTIVITIES TO ALL OF UKRAINE – PUBLIC OFFICIAL

The Economic Development and Trade Ministry of Ukraine has held its first talks with the largest global tourists' online resource TripAdvisor on the expansion of its operation to cover the entirety of Ukraine, Advisor to the Economic Development and Trade Minister of Ukraine Ivan Liptuha has said. “Today, we held the first talks on expansion of partnership to all of Ukraine in the London office of TripAdvisor,” he wrote on his Facebook page.

Liptuha said that three years ago, the Tourism of Odesa association signed an agreement with TripAdvisor for an unbiased appraisal of hotels and restaurants in Odesa, with the association also receiving analytical materials. Every year, on September 27, the city and the association issues awards to the top ten hotels, restaurants and attractions under the TripAdvisor rating, he said. Liptuha said that expansion of the partnership with TripAdvisor to cover all of Ukraine would mean that statistics and analysis of online resources would be used to ensure unbiased ratings on the basis of the real feedbacks of guests.

Additionally, it is planned to launch the Ukrainian language version of [www.tripadvisor.ua](http://www.tripadvisor.ua) and integrate its tools with the national tourist portal, he said. Liptuha noted that the expansion of cooperation will include seminars for hoteliers and restaurateurs on optimizing their sales, increasing feedback, and to award the best hotels, restaurants and attractions under the TripAdvisor rating. ■



# BUSINESS COMMUNITY AND AUTHORITIES DEVELOP BAILOUT PLAN FOR UKRAINIAN ECONOMY



Organizations of industrialists, entrepreneurs, employers of Ukraine, scientific institutions, civil society activists, who have formed the Anti-Crisis Council of NGOs, are ready to introduce their fundamental document – the anti-crisis program of joint actions of the government and businesses – to the European community. It will be presented to participants in an international conference entitled "The European Parliament is the Civil Society of Ukraine" in Brussels in early December.

A year ago, business organizations and associations, having realized the depth of the social crisis in the country, decided to combine their efforts to implement effective anti-crisis measures for industrial development and create a favorable business and investment climate. The said program covers all areas of social and economic development in the country, its cooperation with international partners, demands of society, existing resources and competitive advantages. The program is a public document and is being constantly updated simultaneously with developments of the situation and in line with new proposals that come from the business community.

The entrepreneurial community is convinced that the most important task today is to pursue a modern industrial policy. Nowadays Ukraine has seen signs of de-industrialization, when large factories and even entire industries, such as the titan of the aerospace industry, Pivdenmash, and transport engineering enterprises, are on the verge of closure. For example, the State Rail Transport Administration, also known as Ukrzaliznytsia, is facing the following problem: 92% of its locomotives and 83% of its passenger cars are old. At the same time, the domestic transport engineering sector has posted a decline in production at about 80%. Isn't that time to launch large-scale state-supported programs for the modernization of railway rolling stock, support unique, skilled personnel, strengthen the positions of the domestic market and to gradually enter new markets?

The anti-crisis program of joint actions of the government and businesses features the creation of favorable conditions for small- and medium-sized businesses, which are key to economic stability. Industrialists demand resumption of issuing loans to the real economy at affordable rates, reduction in the administrative and fiscal burden on businesses, and the quick adoption of high-quality tax reform. They also insist on the rapid search for new markets to sell Ukrainian products and lifting of restrictions on imports and exports.

Separate sections are devoted to preparation for successful entry to the EU market as of January 1, 2016, which requires the development and launch of programs for adaptation of technical regulations and standards of Ukraine to EU requirements.

The anti-crisis program stresses that every effort must be made to combat corruption. Every corrupt official should be made liable – regardless of status, position, political affiliation, as all are equal before the law. At the same time, the public and the business community should facilitate the rejection of corruption. The anti-crisis program of joint actions of the government and businesses calls on the authorities to a productive partnership with the business community.

Only by joining hands it is possible to overcome the crisis and achieve sustainable economic development, the industrialists and entrepreneurs emphasize. ■

## DENMARK WILL CREATE INVESTMENT FUND TO SUPPORT SMALL, MEDIUM BUSINESSES IN UKRAINE – KLIMKIN



Denmark will create an investment fund to support small and medium businesses in Ukraine, Ukrainian Minister of Foreign Affairs Pavlo Klimkin has stated.

"We had very good talks with [Minister of Foreign Affairs of Denmark] Kristian Jensen. There will be created a Danish investment fund to support small and medium businesses in Ukraine," Klimkin wrote on his Twitter page.

As reported, Minister of Foreign Affairs of Denmark Kristian Jensen during talks with Ukrainian Minister of Foreign Affairs Pavlo Klimkin admitted the possibility of increasing investment in Ukraine and technical assistance for Ukrainian reforms. ■

## UKRAINIAN METALWORK PRODUCERS TO OCCUPY NICHE, BE IN DEMAND ON EU MARKET, FIRSTLY POLAND – EXPERT

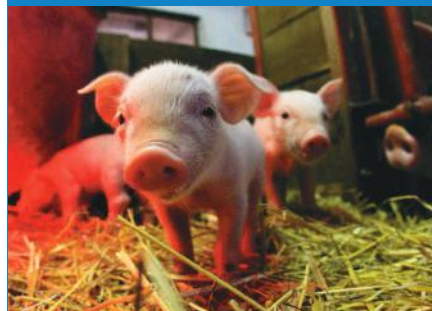


The development of exports will take a long time but Ukrainian metalwork producers will soon occupy a niche and will be in demand on the European market, first of all in Poland, and they will also be able to successfully realize projects in developing regions in the post-Soviet space, Director General of Ukrstalkonstruksiya and Board Chairman of the Ukrainian Steelwork Construction Center Volodymyr Nosov has said.

He said that the price of Ukrainian rolled metal is currently close to European prices, and taking into account the specifics of production processes at Ukrainian enterprises, Ukrainian metalwork products do not have an absolute price advantage in Europe.

“It is very important that Ukrainian metal roll suppliers feel interested in growth in the production of produce with higher added value, and increase domestic metal roll consumption. Today we see this interest, and we hope that with the joint efforts of the steelwork construction sector participants, Ukrainian metalwork [products] will become more competitive in the West,” he said in an interview with the Ukrainian Steelwork Construction Center, which has been posted on its website. Nosov said that most Ukrainian metalwork producers are less efficient than their European counterparts. Ukraine has small production volumes and it is inappropriate to invest in the optimization of organization of production processes. “In other words, Ukrainian producers have the potential to reduce the production cost of metalwork [products],” he said, adding that it is strategically important for Ukrainian metalwork producers to develop exports, even if they make losses during the initial stages. ■

## UKRAINE INCREASES EXPORTS OF PORK BY 3.8 TIMES, POULTRY EXPORTS 4% DOWN IN TEN MONTHS



Ukraine in January-October 2015 exported 23,795 tonnes of pork, which is 3.8 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 during the first ten months of the year was \$49 million.

Pork imports amounted to 3,442 tonnes against 28,500 tonnes a year earlier. In monetary terms imports for the ten months 2015 totaled \$7.631 million. Exports of poultry and by-products decreased by 4%, to 136,902 tonnes. Poultry exports amounted to \$193.324 million. At the same time, imports amounted to 47,312 tonnes (\$30.616 million), which is 0.47% higher than in January-October 2014, which amounted to 47,090 tonnes worth \$45.7 million. ■

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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