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HEADLINES

UKRAINE TO SIGN AGREEMENT WITH WORLD BANK ON \$560 MLN LOAN FOR ROAD DEVELOPMENT

UKRAINIAN BUSINESSES CALL PARLIAMENT TO ABOLISH ADDITIONAL IMPORT TAX



PARLIAMENT TO CREATE STATE AGENCY FOR EXPORTS SUPPORT

KYIV RAISES OVER UAH 2 BLN INVESTMENT IN 18 MONTHS – KLITSCHKO



EUROPEANS SUGGEST THAT UKRAINE DEVELOP VIA INDUSTRIALIZATION

EBRD TO BUILD UP STAKE IN UKRSIBBANK CAPITAL TO 40%



RADA PASSES BILL ON LIFTING BARRIERS TO DEVELOP INDUSTRIAL PARKS

U.S. INVESTORS GREATLY INTERESTED IN UKRAINE - DTZ



UKRAINE TO SIGN AGREEMENT WITH WORLD BANK ON \$560 MLN LOAN FOR ROAD DEVELOPMENT ON NOV 19

An agreement on providing Ukraine with a \$560 million loan from the International Bank for Reconstruction and Development (IBRD) of the World Bank Group to finance the development of the road sector will be signed on November 19, according to an announcement on the website of the Ukrainian government.

As reported, the World Bank Board of Executive Directors approved the issue of this loan at the beginning of November this year. According to the project, repair works to upgrade about 100 km of the M-03 Kyiv-Kharkiv road on the Poltava-Valky section will be funded.

“Modernization will take place under the standard of first category roads: it will be a highway with four lanes of traffic and a high level of security, including an emergency barrier in the center and, if necessary, barriers on both sides of the road,” reads the document.

The project is to be completed in 2021. As a result of its implementation a travel time between Poltava and Kharkiv will be reduced from 140 minutes to 96 minutes with the expected decrease in the number of accidents from 139 to 85 cases per year.

The loan will also help provide funding for the maintenance and improvement of road safety on about 840 km of the main national transport corridors in the country. ■

KYIV RAISES OVER UAH 2 BLN INVESTMENT IN 18 MONTHS – KLITSCHKO



Over the past 18 months the Kyiv authorities have realized investment projects worth over UAH 2 billion, Kyiv Mayor Vitali Klitschko has said. "In the past 18 months we've raised over UAH 2 billion in investment. This is a small figure by ear, but this is a large figure given the current situation," he said at the opening of the Eastern Europe and Asia Real Estate Forum in Kyiv.

Klitschko called on potential investors to invest funds in Kyiv's property market, as the conditions are perfect given the narrowing market.

"We've made very good steps against corruption and we've destroyed a lot of points of corruption," he said, but he conceded that corruption still exists.

Klitschko said that as a part of the ongoing fight against corruption, the Kyiv authorities have introduced the open management process and made the operation of the budget commission and the formation of the Kyiv's budget public.

"I want to say to each investor: if someone tries to use your business for corruption, I'm open for you 24 hours a day, and thus you can use me as a bodyguard for your business," he said. ■

UKRAINIAN BUSINESSES CALL PARLIAMENT TO ABOLISH ADDITIONAL IMPORT TAX



Industrialists and entrepreneurs support the cancellation of the existing additional tax on most imported goods at the rates of 5% and 10%. Such a move will boost multilateral trade and domestic production, reduce the import of raw materials and components, and will create preconditions for signing more contracts to produce high quality products at affordable prices.

This, in turn, will stimulate the internal market, create new jobs, and increase the population's purchasing capacity. Ukrainian entrepreneurs from the most powerful union of industrialists and entrepreneurs —the Ukrainian League of Industrialists and Entrepreneurs (ULIE) and the Anti-Crisis Council of NGOs —have urged the Ukrainian parliament to revisit the issue as soon as possible and eventually cancel the additional import tax.

They stress that this correlates with agreements reached with the International Monetary Fund and the European Union on abolishing this tax by the end of 2015.

Moreover, the fiscal impact of the tax is no longer relevant due to negative effects caused by higher prices of raw materials, technologies, equipment, and components.

The tax was introduced to stabilize the balance of payments of Ukraine and boost budget revenue. However, none of the goals was achieved, and thus there is no reason for keeping the tax.

On the contrary, when manufacturers get access to the required materials and technologies that are critical imports, they can develop production, increase the added value of produce, thus stabilizing prices and being successful in export, being competitive both in Ukraine and abroad. This, in turn, means the development of the economy, an increase in tax revenues to the national budget and, very importantly, the preservation and creation of new jobs.

Obviously, this is a scenario the foreign partners of Ukraine are interested in, as the insolvent market is not what Ukrainian and Western communities would want.

It is worth mentioning that the additional import tax set at 5-10% was introduced earlier this year to make Ukraine's balance of payments more stable. In general, it involves about 100 commodity groups, except for so-called "critical imports," i.e. fuel, some medicines and other products. ■

PARLIAMENT TO CREATE STATE AGENCY FOR EXPORTS SUPPORT

The Ukrainian parliament plans to create a state agency for exports support (export-credit agency). One of the authors of the bill, Viktor Halasiuk (Oleh Liashko's Radical Party) said that the bill will introduce insurance, guarantees and cheapening of exports crediting. The bill is in line with the directives of the European Union and the World Trade Organization, he said.

Deputy Ukrainian Economic Development and Trade Minister and Trade Representative Natalia Mykolska previously said that the concept on the export-credit agency will be drawn up by the end of October. She said that Ukreximbank (Kyiv) will finance export-import transactions, while Export-Credit Agency will insure non-banking risks. After completing the concept, the government would also submit the relevant law on the export-credit agency to the parliament. ■

EUROPEANS SUGGEST THAT UKRAINE DEVELOP VIA INDUSTRIALIZATION



Ukrainian diplomats, government officials and businesspeople can predict the situation on the domestic and European markets after the full-scale launch of a free trade area between Ukraine and the European Union as of January 1, 2016, but so do representatives of the EU. Their reasons are: they are interested in a strong domestic market in Ukraine with a fair level of public purchasing capacity and a developed economic sector. To achieve this, the country should use all the capabilities it has available, namely to restore its industrial capacity.

This opinion was expressed by Head of the Delegation of the European Union to Ukraine, Ambassador Jan Tombinski at a roundtable meeting in Kyiv and it correlates fully with what Ukrainian industrialists have been insisting on for a long period of time.

"The European Union can provide Ukraine with the necessary infrastructure and modern production facilities. Currently, many Western countries have moved their industrial capacities to Asia, namely China or other regions. The proximity of Ukraine to the EU, its status as an active partner will attract European investors, here is a unique chance for your country," Tombinski said.

In his words, although Europeans will only think about successful exports to the Ukrainian market after January 1, 2016, it is important that this market should be capable of paying — with a high level of public prosperity. Thus, the country should utilize all its available resources and develop as an economy.

The European Ambassador in fact repeated the view that has long been circulating in the business environment of Ukraine. In particular, the need for the revival of industry and a modern industry-oriented policy has become one of the priorities stipulated in the anti-crisis program of joint actions of the Ukrainian government and businesses, which was prepared by leading business associations, analysts and community activists in Ukraine. In fact, as of today, this is the only comprehensive economic development plan which has already been submitted to the government and will soon be presented to the European community in Brussels.

Restoration of industrial capacity, manufacturing value-added, high-technology products will guarantee the competitiveness of the economy and exports, according to Ukrainian industrialists. To achieve this, Ukraine should pursue a modern industry-oriented policy, in particular through appropriate government-supported programs. This applies primarily to engineering and car building and the defense industry. Such actions will activate the related industries, which will be able to create jobs for hundreds of thousands of Ukrainians.

"We have got what to offer to the world, of course, provided there is a reasonable state approach to the restoration and development of the industrial sector, support of domestic producers, creation of conditions for long-cycle production," they underline.

As of now, Ukraine has experienced a 15% decline in production. The development of the industry is hindered by the lack of incentives for the production of goods, and there is a need for better access to loans, as the Central Bank's current refinancing rate is 22%. ■

EBRD TO BUILD UP STAKE IN UKRSIBBANK CAPITAL TO 40%



The European Bank for Reconstruction and Development will build up its stake in UkrSibbank's capital to 40% from 15%, EBRD Senior Adviser for External Affairs Anton Usov told Interfax-Ukraine. "With an increase in UkrSibbank's charter capital by \$130 million, the EBRD's equity stake will grow to 40%," he said.

As reported, UkrSibbank's shareholders at a special meeting on November 16 decided to raise the bank's charter capital by 3.5 times, or UAH 4.466 billion, to UAH 6.239 billion through an additional issue of shares.

The bank plans to carry out a private placement of the additional issue of shares whose face value will be UAH 0.01 each. UkrSibbank was founded in 1990. BNP Paribas S.A. (France) had an 84.9996% stake in UkrSibbank, while the EBRD owned 15% as of the beginning of October 2015. By October, UkrSibbank bank ranked 9th in terms of its assets worth UAH 38.084 billion among 123 Ukrainian-based banks. ■

U.S. INVESTORS GREATLY INTERESTED IN UKRAINE - DTZ



American investors are very interested in Ukrainian markets, while before, most investors were European, Managing Director of DTZ international consulting company in Ukraine (Kyiv) Nick Cotton has said. "Now I see a greater interest from America, the situation with investment is changing," he said during the Real Estate Forum in Eastern Europe and Asia in Kyiv.

Cotton said that in 2004-2008, major investments in Ukraine in general, and in the real estate market in particular, mostly came from Europe.

"That is, Americans like news, and there has been a lot of news about Ukraine. I guess this is our opportunity," he said.

DTZ was founded by Chesshire Gibson in Birmingham (Britain) in 1784. Since December 2011, it has been part of UGL Services, a division of UGL Limited.

The company opened an office in Ukraine in 1994 as the country's first international consulting company. DTZ's office is located in Kyiv (the company's office in Odesa has closed). ■

RADA PASSES BILL ON LIFTING REGULATORY BARRIERS TO DEVELOP INDUSTRIAL PARKS IN UKRAINE



The Verkhovna Rada has passed bill No. 2844 of May 14, 2015 on lifting regulatory barriers to develop industrial parks in the country. "Support of industrial parks is a real tool to attract investment in the real economic sector – into the processing industry where jobs are created and taxes are paid," one of the authors of the bill, Viktor Halasiuk (Oleh Liashko's Radical Party) said.

According to the attached materials to the bill, it is planned to authorize the Economic Development and Trade Ministry of Ukraine to form and implement the policy of creating functioning industrial parks due to the liquidation of the State Agency for Investment and National Projects Management of Ukraine.

The length of time it takes for agreements to be made on the creation of industrial parks to take effect has been specified – from the date of signing the agreement, and the term of looking for the managing company by the initiator of the park creation has been increased from one to two years. Amendments to the Land Code specify the notion of industrial park as an entity which has rights to land parcels as well as other facilities within the industrial park.

Rights to land plots can be transferred to the managing company of the industrial parks and the leaser (the initiator of the park creation) is authorized to sub-lease land parcels to industrial park participants without a preliminary agreement with the owner of the land parcels. The managing company of the industrial parks is exempted from paying rent rates for the use of land parcels in state or municipal ownership for the period of three years from the moment of the signing of the agreement between the initiator and the managing company.

As of October 2014, the list of industrial parks of Ukraine includes eight parks: Svema (Shostka, Sumy region), Solomonove (Uzhgorod district, Zakarpattia region), Riasne-2 Lviv industrial park, Dolyna (Ivano-Frankivsk region), Slavuta (Khmelnitsky region), Kremenchuk (Poltava region), Korosten (Zhytomyr region) and First Ukrainian Industrial Park (Velyka Dymarka, Brovary district in Kyiv region). ■

KYIVSTAR PLANS TO LAUNCH TV FOR MOBILE SUBSCRIBERS BY LATE 2015



JSK Kyivstar plans to launch a TV service for mobile subscribers by the end of 2015, Marketing Director Sviatoslav Horban said at the presentation of the TV service in Kyiv. "TV for mobile subscribers is planned for this year. We have a high-quality network and it allows for [launching the service]," he said. On Tuesday, the operator launched the TV service for all broadband Internet access subscribers. ■

CABINET PROPOSES CREATION OF EIGHT TRADE MISSIONS TO PRESIDENT



The Cabinet of Ministers of Ukraine will propose that Ukrainian President Petro Poroshenko should create eight trade missions to promote exports of Ukrainian goods, Ukrainian Prime Minister Arseniy Yatseniuk said at a cabinet meeting. “Under Ukrainian law this is within the competence of the Ukrainian president and I’m sure that the president will support the initiative of the government,” he said. Yatseniuk said that the cabinet will propose that trade missions should be established in the European Union (Brussels), the United States (Washington), China, Egypt, Germany, Poland, Switzerland and Turkey. Yatseniuk said that next week, the government will meet with the largest Ukrainian exporters to discuss the expansion of Ukrainian exports and support for Ukrainian exporters. ■

PHARMACY SALES UP 25% IN MONETARY TERMS, 18% DOWN IN NATURAL TERMS IN TEN MONTHS



Pharmacy sales in Ukraine in January-October 2015 in monetary terms increased by 25% compared to the same period in 2014, to UAH 38.08 billion, while in natural terms sales decreased by 18%, to 1.08 billion packages, Business Credit company has told Interfax-Ukraine.

According to the company’s analysts, retail sales of medicines in January-October 2015 in monetary terms increased by 25%, to UAH 31.167 billion, but declined in real terms by 18%, to nearly 671.961 million packs.

Cosmetics sales by drugstores for the first ten months of 2015 in monetary terms increased by 28%, to UAH 866.026 million, while sales decreased in real terms by 14%, to 22.481 million packs.

In addition, Business Credit noted that the average weighted price of a pharmacy basket in January-October amounted to UAH 165.57, the average weighted price of one package of drugs UAH 295.22, cosmetics – UAH 82.18. ■

KHERSON STATE PLANT PALLADA TO BUILD NEW FLOATING DOCK FOR VESSEL REPAIRS



Kherson State Plant Pallada, part of Ukroboronprom state concern, has built a floating dock at the request of a South African company, the press service of the state concern has said. According to the report, the order that the Kherson plant received will become one of the largest orders at the enterprise. The company told Interfax-Ukraine that under the contract worth \$10 million, the plant will provide a new composite floating dock with a lifting capacity of 8,500 tonnes for civil fleet repairs, including vessels for shelf development.

As part of the order, the plant will build a new dock. “Today the African region operates six docks produced by Kherson State Plant, including two in the Republic of South Africa, and all they had a certain period of operation before supply,” he said.

Kherson State Plant Pallada is the world’s only shipyard specializing in building composite floating docks of the next generation for servicing civilian and military fleet ships. The warranty period of the equipment made is 50 years.

Among the customers of the company are Japan, South Korea, Finland, Bulgaria, Turkey, Algeria, Croatia, France, and South Africa. Kherson State Plant Pallada under the decision of the government of Ukraine has been part of Ukroboronprom state concern since April 2011. ■

NIBULON TO INVEST UAH 450 MLN IN BUILDING TRANSSHIPMENT TERMINAL IN MYKOLAIV REGION



Nibulon agricultural enterprise (Mykolaiv), one of the largest producers and exporters of grains and oilseeds in Ukraine, will invest UAH 450 million in building a transshipment terminal in the village of Buzske (Mykolaiv region). According to a report on the company's website, preparation work has started at the construction site. The newly constructed complex, situated on a plot of 12.5 hectares, will have the following characteristics: a grain storage capacity of 76,000 tonnes, a daily dryer capacity of 4,000 tonnes, and will have a daily shipment capacity on water transport of 12,000 tonnes. Nibulon noted that the network of river transshipment terminals on the Pivdenny Buh River will allow the company to annually carry up to 1 million tonnes of cargo by river and remove up to 50,000 trucks from roads in Mykolaiv region. As reported, Nibulon intends to build an elevator worth \$15 million with a turnover of up to 200,000 tonnes of grain a year near Uman in Cherkasy region. ■

CANADIAN MOBIFY ACQUIRES UKRAINIAN JEAPIE STARTUP



Mobify IT company (Canada), which specializes in the development of mobile apps, has acquired the Ukrainian startup Jeapie. A report by AIN edition on the acquisition was confirmed by GrowthUP Group, one of the investors in the startup. According to fund managing partner Denys Dovhopoly, the transaction has been fully completed and amounts to a “seven-digit figure”.

“Yes, the transaction has been fully completed. The transaction is estimated at a seven-digit figure, other details of the deal are secret,” he said. For GrowthUP+, this is the first deal to get out of the company's portfolio company.

“We now have around 30 companies in the portfolio and at least once a month they get takeover offers,” the expert said. The Ukrainian startup has posted information confirming the deal and about its future plans on its blog. Jeapie, which delivers mobile push notifications, was founded in 2013. Mobify was founded in 2007. Its headquarters are in Vancouver (Canada). ■

ZORYA-MASHPROEKT SUPPLIES MARINE POWER EQUIPMENT TO INDIA



Zorya-Mashproekt (Mykolaiv) has supplied marine power equipment to the Indian Navy. The press service of the enterprise reported that it finished shipping equipment for the main gas turbine unit of a ship under a contract signed in March 2015.

“A batch of gearboxes has been shipped for the customer. Earlier, a batch of engines was delivered under this contract,” the press service said. Zorya-Mashproekt traditionally participates in the newest projects of Indian Navy. India is one of its key partners in supplying marine power plants.

At present, Zorya-Mashproekt is making products for new ships being built in a Mumbai shipyard. The sides are working on the joint design of advanced control systems. Zorya-Mashproekt is a world famous designer and manufacturer of gas turbine equipment, and a monopolist in the CIS market on the development and production of gas turbines for warships. ■

ANTONOV SIGNS MEMOS ON PROMOTIONS OF PRODUCTS TO SAUDI ARABIAN MARKET WITH TAQNIA AERONAUTICS



Antonov State Enterprise and Taqnia Aeronautics on November 12, 2015 signed two memorandums of understanding at the Dubai Airshow 2015 to promote four An-148-100EM medical aircraft, four ISR (intelligence search and rescue) and two Jamming versions of the An-132 aircraft in the Saudi Arabian market.

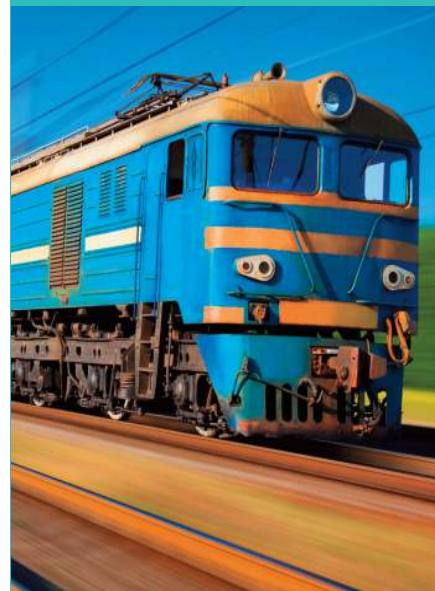
“Cooperation with Saudi Arabia is very important for us. Our experience, which we are gaining together on fitting the AN-132 with Western engines and avionics, should be continued on other modern Antonov aircraft including the An-148, An-158 and An-178 aircraft,” Antonov said in a press release, citing its head Mykhailo Hvozdev. Taqnia Aeronautics President Ali Mohammed Al-Ghamdi said that there is demand for An-132, An-148-100EM and An-178 aircraft in Saudi Arabia.

“Promotion of new versions of the An-132 will assist us in study of the potential customers’ requirements for ISR and Jamming aircraft,” he said. “Also we are starting work with Antonov Company on the composite and metallic materials to develop technical cooperation,” he said.

The company said that the memos were signed in the presence of Prince Turki bin Saud Mohammed Al-Saud and the president of KACST (King Abdulaziz City for Science and Technology).

During the exhibition, Antonov’s stand was visited by other official representatives of Saudi Arabia, including Saudi Air Force, Ministry of Defense, Ministry of National Guard, and Medevac delegations. The prince drew attention to the advanced program of development and construction of new light transport An-132 aircraft which is being utilized jointly by Antonov, KACST and Taqnia Aeronautics company with participation of aerospace industry leaders. ■

ECONOMIC MINISTRY ADJUSTS UKRZALIZNYTSIA INVESTMENT PLAN FOR 2016 FROM UAH 20 BLN TO UAH 15 BLN



The capital investment of PJSC Ukrzaliznytsia for 2016 is expected to reach UAH 15 billion.

According to the press service of the Ukrainian Ministry of Economic Development and Trade, the data were announced by Deputy Minister Ruslan Korzh during a round table with industrialists, when he presented a draft program for the development of domestic enterprises.

“The program foresees the capital investment of Ukrzaliznytsia for 2016 at the level of UAH 15 billion, which is several times more than this year. The financial plan of the company is ready and in the near future it will be submitted to the Cabinet for approval,” Korzh said. In early November 2015 Ukrzaliznytsia reported that its investment in 2016 to upgrade tracks, locomotives and wagons will amount to UAH 20 billion.

“Ukrzaliznytsia will be able to earn money, work qualitatively and effectively fulfill state orders. We are working on the financial plan of the company for 2016, which provides for investment in the renewal of tracks, locomotives and cars in the amount of about UAH 20 billion,” Infrastructure Minister Andriy Pyvovarsky earlier said. ■

SUMY NPO TO SUPPLY COMPRESSOR UNITS IN UZBEKISTAN IN 2016



Public joint-stock company Sumy Machine - Building Science and Production Association (Sumy NPO) has signed a contract to produce compressor units for a gas booster station being built at the Sharkiy Berdakh oil and gas field in Uzbekistan, according to a company press release.

Sumy engineers will design and produce three sets of compressor units, including high and low pressure casing, with associated equipment. The contract also includes the delivery of six additional sets of detachable rotor bundles.

"The project is very limited in time. Shipment should be carried out in spring of 2016, after which the company's specialists will fulfill assembly and start-up works of the contractual equipment," sales department head for Central Asia and the CIS countries Oleksandr Shevtsov said.

Sumy NPO has a long history of cooperation with Uzbekistan. In particular, Sumy NPO branded products are successfully operating at booster compressor stations located on the Pamuk, Zevardy, Kokdumalak and Gazly fields, as well as at the Akhangaran, Shakhpakhty, and Navoi thermal power plant compressor stations, and at many other facilities.

Sumy Machine-Building Science and Production Association is one of the biggest producers in Europe of gas re-pumping units and outfitted compressor stations for various uses: centrifugal, vacuum, and chemical pumps, and centrifuges and other equipment for the chemicals gas and oil-refining industries. ■

PIVDENNE DESIGN BUREAU, PIVDENMASH AGREE TO PREPARE FOR GRADUAL CREATION OF UNITED STRUCTURE



Pivdenne design bureau and the Makarov Pivdenney Machine Building Plant (Pivdenmash, both based in Dnipropetrovsk) have started their preparations for the creation of a united structure.

Sources in the rocket and space sector told Interfax-Ukraine that the unification plans are stipulated in the agreement of cooperation on the stable development of Pivdenne design bureau and Pivdenmash.

According to the agreement, it is aimed at overcoming the crisis at Pivdenmash via the gradual unification of the enterprises.

Pivdenne design bureau is actively operating on the international market and has a large portfolio of current and promising contracts, which could additionally load Pivdenmash.

The measures included in the agreement are the joint design of a program on optimization and top-priority modernization of the production and experimental base of Pivdenmash, taking into account the existing infrastructure of Pivdenne design bureau.

The sides agreed to cooperate on the creation of pilot production at Pivdenne design bureau and realize pilot programs for new samples of rockets and spacecraft using Pivdenmash's facilities. The sides will agree to the transfer of Pivdenmash's facilities that are not on the balance sheet of Pivdenne design bureau or under the leasing conditions. ■

AUSTRIAN GLD INVEST GROUP WILL FOCUS ON AGRICULTURAL INVESTMENT IN UKRAINE

GLD Invest Group development company (Austria) is planning to focus on investing in agriculture in Ukraine instead of investing in real estate, according to managing partner of the company Lehr Clemens.

"We are interested in the agricultural business in Ukraine and the best of what is in Ukraine - agricultural land," he said at the Eastern Europe and Asia Real Estate Forum in Kyiv.

According to him, GLD Invest Group remains somewhat interested in the real estate market. Until 2008, together with its financial partners, it has invested about \$100 million in Ukraine.

"But the trouble is that external investors are more interested in the agricultural market, since it is export-oriented, unlike real estate," the expert said.

He noted that foreign exchange fluctuations and the subsequent decline in rent rates for commercial premises in Ukraine had a significant influence on the investors' choice in favoring other markets instead of real estate.

"Right now the rate is UAH 25 per \$1, and it was UAH 8/\$1. I do not know what the rate will be in a year or two. It is difficult to count," Clemens said.

GLD Invest Group is an Austrian real estate development company headquartered in Kilb. It designs, builds and leases commercial real estate in Central and Eastern Europe.

Its representative offices are located in Vienna, Budapest (Hungary) and Kyiv. ■

UKRAINE STEEL OUTPUT INCREASES BY 6.4% IN OCT, RETURNS TO TOP TEN IN WORLDSTEEL RANKING



Ukrainian metallurgical enterprises in October 2015 saw steel production rise by 6.4% compared with October 2014, to 2.055 million tonnes, and the country climbed from 11th to 10th in the ranking of the 66 countries that are the world's major manufacturers of steel, compiled by the World Steel Association (Worldsteel). Steel production in October fell in the most of the top ten states, except for India, Germany, Turkey and Ukraine.

The top ten steel producing countries in October were China (66.124 million tonnes, a fall of 3.1%), Japan (9.003 million tonnes, a drop of 3.8%), India (7.5 million tonnes, a rise of 4.9%), the United States (6.739 million tonnes, a drop of 8.8%), South Korea (5.83 million tonnes, a fall of 5.6%), Russia (5.678 million tonnes, a decline of 2.4%), Germany (3.638 rise of 2%), and Ukraine (2.055 million tonnes, a rise of 6.4%).

In October 2015, the 66 countries produced 133.64 million tonnes of steel, which is 3.1% less than in October 2014.

In January- October 2015, the top ten steel producing countries were China (675.104 million tonnes, a fall of 2.2%), Japan (87.815 million tonnes, a drop of 5.1%), India (75.075 million tonnes, growth of 3.3%), the United States (67.243 million tonnes, a drop of 8.8%), Russia (59.307 million tonnes, a decline of 0.2%), South Korea (57.672 million tonnes, a drop of 3.6%), Germany (36.208 million tonnes, a rise of 0.3%), Brazil (28.236 million tonnes, a decline of 1.3%), Turkey (26.554 million tonnes, a drop of 6.9%), and Ukraine (19.148 million tonnes, a drop of 18.3%).

In general, during the first ten months of 2015, the 66 countries manufactured 1.346 billion tonnes of steel, which is 2.5% less than in the same period in 2014. ■

SMG TO BUILD OIL GARBAGE DISPOSAL VESSEL FOR YUZHNY PORT IN ODESA REGION FOR UAH 100 MLN

Kherson Shipyard, part of the Smart Maritime Group (SMG), will build an oil garbage disposal vessel under the order of the Yuzhny branch of the Sea Port Authority of Ukraine (authority of the Yuzhny seaport, Odesa region).

The press service of SMG reported that the contract to build the ship, worth UAH 99.6 million, was signed in Kherson on November 24.

"Earlier, the shipyard won a tender of the Yuzhny branch of the Sea Port Authority. The offer of SMG was declared the best both in the cost and the terms," the press service said.

The oil garbage disposal vessel can also be used as a ship handling tug and can be used to fight fires on vessels and at ports. The Ice 2 class will allow the vessel to operate in the winter, the press service said.

"We believe that this contract is one more chance to show the high level of qualification of our shipbuilders... I'm sure that we would not quit on the contractors," SMG CEO Vasyl Fedin said.

Smart Maritime Group is the largest shipbuilding holding of Ukraine. It was founded in 2009 to manage marine assets of Smart-Holding of businessmen Vadim Novinsky. It includes Chornomorsky Shipbuilding Yard (Mykolaiv) and Kherson Shipyard. ■

SANOFI IN UKRAINE COULD RETURN TO REALIZATION OF PRODUCTION LOCALIZATION INVESTMENT PROJECTS IN 2016



Sanofi international pharmaceutical company could return to the realization of production localization investment projects in 2016, Sanofi CEO for Ukraine and Belarus Jean-Paul Scheuer has said. "Ukraine will become more attractive for investors. In particular, we started investing in the country and the production of four our medicines was localized. Despite the fact that in the past 18 months we slightly suspended the projects, we plan to return to them. We hope that in 2016," he said in an interview with Interfax-Ukraine. Sanofi focuses on solutions for diabetes, human vaccines, innovative drugs, consumer health care, emerging markets, animal health, and is also engaged in the development and implementation of advanced technologies for the treatment of life-threatening diseases. ■

INVESTMENT IN KYIV REAL ESTATE UNDER FIRST REALTY GROUP DEALS 31.4% UP IN OCT 2015



Investment in residential real estate in Kyiv under the transactions of Blagovist and Park Lane real estate agencies, part of First Realty Group (all based in Kyiv), in October 2015 increased by 31.4% compared to September, to \$28,406 million. Blagovist said, with reference to its CEO Halyna Melnykova, that this data includes the calculation of the cost of a transaction in the national currency at the average exchange rate to U.S. dollars on the day of the transaction.

“In October we observed high activity in the market, which according to our forecasts will be relevant by the end of the year. It is worth noting a tendency to the increase in the interest of buyers to more expensive objects worth \$100,000-\$250,000,” reads the report.

According to the report, in the total number of transactions by First Realty Group in October 2015 the share of deals with objects worth up to \$50,000 was 23%. The highest demand was recorded for mainly renovated one-room apartments and two-room unrenovated apartments in Desniansky, Dniprovsky and Pechersky districts of the capital, as well as old out-of-town houses with an area of 100-150 square meters in the nearest suburbs of Kyiv.

According to Blagovist, the most low-cost object sold in October 2015 was a one-room apartment in good condition with an area of 36.5 square meters located in Symyrenko Street in Sviatoshynsky district in Kyiv which was purchased for \$26,000.

According to the report, the share of transactions in the price range of \$50,000-\$100,000 in the total number of transactions by First Realty Group in October 2015 was 65% – mainly two- and three-room apartments in Holosiyevsky, Darnytsky, Pechersky, as well as Shevchenkivsky and Solomiansky districts. ■

FREEDOM FARM INTERNATIONAL TO INVEST UAH 38 MLN IN MODERNIZATION OF IRRIGATION AREA



PJSC Freedom Farm International (Kherson) will start a pilot project on the complete modernization of one of its irrigation areas at the end of the year with an estimated total value of UAH 38 million.

Company CFO Dmytro Cherniak said in an interview with the Business edition that the project includes the replacement of obsolete Frigate irrigation machines with modern Bauer electric irrigation machines and an upgraded pumping station.

According to Cherniak, in the past three years Freedom Farm International has spent UAH 15.5 million on the repair and modernization of the company's irrigation system, in particular, UAH 7.8 million in 2015.

He also said that according to preliminary calculations, in 2015 the share of costs for electricity and water for irrigation in direct production costs will reach 37.9%. Other operating costs associated with irrigation will be about UAH 50 per 1 ha. PJSC Freedom Farm International was registered in 2004. It specializes in the cultivation of grains and leguminous crops and oilseeds. ■

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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