



interfax-UKRAINE
UKRAINE NEWS AGENCY

UKRAINE

OPEN FOR BUSINESS

Biweekly news digest of the Ukrainian League of Industrialists and Entrepreneurs

ISSUE 19 | 2 JANUARY 2016



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PARLIAMENT REVOKES ADDITIONAL IMPORT DUTY FROM JAN 1 2016

The Ukrainian parliament has revoked the additional import duty of 5-10% from January 1, 2016 under a proposal of the government. A total of 268 lawmakers supported bill No. 3533 on Thursday.

The parliament authorized the government to introduce the additional import duty for the period of one year in the law of December 28, 2014. The document took effect only on February 25, 2015 after the publication of the cabinet resolution on the completion of consultations with international financial organizations on the introduction of temporary measures to stabilize the country's balance of payment.

The law foresaw the introduction of a 10% duty on finished food, fats, vegetable oil and butter, alcohol and non-alcoholic drinks, tobacco, vinegar, live animals (goods groups 1-24 under the Ukrainian foreign trade code). The 5% duty is imposed on any other goods, apart from vitally important goods, including energy goods and some drugs. The General Council of the World Trade Organization (WTO) on July 29, 2015 confirmed that the additional import duty imposed by Ukraine is in line with the WTO agreements. ■

UKRAINIAN ENTREPRENEURS WORKING TO IMPROVE RESOURCE EFFICIENCY OF PRODUCTION



Ukrainian businessmen and scientists continue to cooperate with foreign partners and international organizations, including the United Nations Industrial Development Organization (UNIDO), to adapt and implement resource-efficient and cleaner production in the country. A number of initiatives are being implemented through a UNIDO project in Ukraine, in which such universities as "KPI" and NP "Kyiv Polytechnics," as well as the Ukrainian League of Industrialists and Entrepreneurs (ULIE) have created a Center for Resource-Efficient and Cleaner Production.

It serves as a platform for conferences and research events, and one of them was the presentation of the results of such activity at enterprises located in Kyiv region.

The conference was aimed at expanding the number of participants in the UNIDO project, attracting new businesses and raising awareness of the public, companies, scientists and other entities that are interested in resource-efficient production. In the two years, the Center has examined 50 companies in four regions of Ukraine (Kyiv, Vinnitsa, Odesa and Zaporizhia), it has prepared more than 40 certified experts in this field. In 2015, the Center's offices have opened in Lviv and Kharkiv regions.

Deputy Head of the Mission at the Austrian Embassy in Kyiv Klaus Iro stressed that improving energy and resource efficiency in the industry is currently a challenge of global character. The agenda of the 2015 United Nations Climate Change Conference in Paris proves this. For Ukraine, the diplomat said, these issues are of particular relevance in view of the fact that the Ukrainian economy has one of the world's highest indicators of energy consumption in production.

This time, six companies located in Kyiv region joined the initiative. Following their comprehensive technical audit, the Centre proposed technical solutions that provide annual savings of natural gas by 4,403 m³, electricity by 128,464 kWh, and a reduction in the use of materials by 94 tonnes and CO₂ emissions by 64 tonnes.

The overall economic impact that can be achieved from the introduction of the proposed solutions is about UAH 2.1 million per year.

"The significant results that have been achieved by the participating enterprises demonstrate the need to spread this experience to other regions and involve new companies in the project. The significant scientific potential of the Ukrainian universities and educational institutions will be conducive to the success of the project in Ukraine," Director of the ULIE's Corporate Security Department Serhiy Hudobin said.

Director of the Center for Resource-Efficient and Cleaner Production Ihor Shylovych says that most of the technical solutions proposed by the Center do not require additional investment, but the effect of their implementation can be a tangible reduction in inefficient resource and energy consumption.

Reference. The Center for Resource-Efficient and Cleaner Production was established in 2013. Its main purpose is to provide services to improve resource and energy efficiency, make production more environmental friendly. It conducts comprehensive engineering and technical assessments of production processes at enterprises. The project is implemented with financial support from the governments of Austria and Switzerland. ■

GAS, COAL, SCRAP METAL ARE LEADERS IN LIST OF STRATEGIC RESOURCES FOR UKRAINIAN ECONOMY – DERZH-ZOVNISHINFORM



The most important industrial sectors for the Ukrainian economy are metal, engineering and light industry, Derzhzovnishinform state enterprise said in a press release based on the study of strategic raw material resources for Ukraine's development until 2020 conducted by Derzhzovnishinform and the Association for Energy Saving and Energy Efficiency.

The leader is the metal sector, as the country is among top ten largest steel smelters in the world.

Engineering is second thanks to the potential of engineering enterprises and light industry is third. Coal and gas are among strategically important exhaustible resources in Ukraine (82% of experts polled).

According to the document, before the hostilities Ukraine was among largest anthracite producers in the world. In January-September 2015 Ukraine produced 23.62 million tonnes of steam coal, which is 40% down year-over-year, and exports fell to almost a zero.

Some 86% of respondents said that among exhaustible resources scrap metal is the main strategic resource. Exports of scrap metal are permanently growing: almost 1.175 million tonnes of scrap metal was exported in January-November 2015, while in 2014 – 1.03 million tonnes was exported. Imports of scrap metals are falling: in 2013 232,700 tonnes was exported, while in January-October 2015 – around 2,000 tonnes. ■

UKRAINE, ISRAEL TO SIGN AGREEMENT ON FREE TRADE AREA IN H1 2016 – POROSHENKO



Ukraine plans to set up a free trade area with Israel, says Ukrainian President Petro Poroshenko. “I am interested in progress on concluding an agreement on a free trade area between Ukraine and Israel,” Poroshenko told journalists following negotiations with Israeli Prime Minister Benjamin Netanyahu in Jerusalem.

The Ukrainian president said trade turnover between the two countries amounts to \$1 billion. “We are interested in increasing it,” he added. Ukraine is interested in Israel’s assistance in carrying out reform and in expanding bilateral economic cooperation, he said.

“Ukraine is interested in Israel’s assistance in pursuing reforms in our country and in boosting economic cooperation between the two countries,” he said.

The conclusion of a free trade area agreement should promote broader economic cooperation, the presidential press service said. Ukraine is especially interested in expanding cooperation in the high technology sector, he added.

The two leaders discussed ways to step up bilateral trade and economic cooperation, particularly in the agrarian, transportation, construction, and other fields and investment cooperation between the two countries. Based on the outcomes of the negotiations, Ukraine and Israel signed a number of bilateral documents, in particular, those concerning cooperation in the scientific-technical, educational, cultural, and infrastructure development fields. The parties also agreed on holding another session of the Ukrainian-Israeli intergovernmental commission on economic cooperation in the first half of 2016. ■

EC TO RECOMMEND THAT EU APPROVE VISA-FREE TRAVEL WITH UKRAINE IN EARLY 2016



The European Commission on Friday approved a positive report on the implementation by Ukraine of the Action Plan on Visa Liberalization (VLAP) with the EU by Ukraine.

“Based on this assessment and the commitments taken, and given the outcome of the continuous monitoring and reporting carried out since the launch of EU-Ukraine Visa Liberalization Dialogue in October 2008, the Commission considers that Ukraine meets all the benchmarks set in respect of the four blocks of the second phase of the VLAP. Taking into account overall relations between the EU and Ukraine, the Commission will present, early 2016, a legislative proposal to amend Regulation (EC) No 539/2001,” reads the report of the European Commission, which is available to Interfax-Ukraine.

Besides, the document describes Kyiv’s progress achieved in document security, including biometrics, integrated border management, migration management and asylum, public order and security, external relations and fundamental rights.

However, Kyiv leadership still committed to ensure that the National Anti-Corruption Bureau and specialized anti-corruption prosecution are fully operational in the first quarter 2016; ensure independence and integrity of the specialized anti-corruption prosecution office; ensure that the National Agency for Corruption Prevention is fully operational in the first quarter 2016 and verification of assets and potential conflicts of interests of public officials in areas and positions most vulnerable to corruption will be launched immediately after; and to adopt legislation on procedures concerning seizure of assets and special confiscation with a view to make the Asset Recovery Office fully effective.

Kyiv is also obliged to ensure in the state budget for 2016 and onwards the necessary financial resources for the well-functioning anti-corruption institutional framework, including the National Anti-Corruption Bureau.

According to the procedure, European Commission must submit a recommendation to European Council and European Parliament to take a decision over establishment of the visa free regime for the citizens of Ukraine. ■

KYIV WILL USE UAH 988.3 MLN FOR UPGRADING, UAH 189.2 MLN FOR HOUSING FACILITIES OVERHAULS IN 2016



The budget of Kyiv and the program of socio-economic development for 2016 within the program “The upgrading of cities, towns and villages” foresee funds in the amount of UAH 988.312 million, of which UAH 612.56 million at the expense of the general fund, another UAH 375.751 million from the special fund of the national budget.

According to the press service of Kyiv City Council, of the total funding for the program UAH 435.954 million will be allocated for the repairs of the road network and facilities, another UAH 122.54 million for the overhauls of the road infrastructure.

In addition, the city authorities intend to spend UAH 251.319 million on the improvement and maintenance in a proper condition of green spaces in the city and the urban areas next year, states the report.

According to the city council, a total of UAH 120.038 million of the capital budget will be used for the maintenance and operation of external illumination networks, as well as their repairs and the purchase of the relevant equipment, UAH 58.204 million for the maintenance and operation of pump-room complexes, urban cemeteries and the repair of landslide protection waterworks. ■

UKRAINIAN BUSINESSES WILL COOPERATE WITH SWEDISH EXPERTS TO ADDRESS PROBLEM OF EMPLOYMENT OF GRADUATES



The business community of Ukraine supports the initiative of Sweden's Folkuniversitetet, located in the city of Uppsala, to implement international projects related to employment and professional training of future specialists in Ukraine. In the long-term outlook, such measures are expected to double the level of employment. The Swedish side is willing to give a comprehensive assessment of interaction between educational institutions and employers, and the Ukrainian League of Industrialists and Entrepreneurs (ULIE) can help with this initiative as the most powerful association of the Ukrainian business community and industry. The main thing here is how to adapt the Ukrainian educational sector to the standards used by the European Union, especially on the eve of opening of markets in January next year, and further closer integration with the EU.

The Swedes managed to reform this sector 20 years ago, after joining the European Union. These processes are the biggest impetus to change in countries. In addition to the adaptation to Western standards, which will facilitate the exchange of specialists, recognition of academic diplomas, etc., Ukraine must modernize mechanisms of employment of graduates.

"Ukraine in fact lacks policy and strategy for encouraging the employment potential, which has a direct connection with vocational training. At the same time, properly trained specialists are a decisive factor of economic competitiveness. These issues can be resolved only through dialogue between the government, businesses and the public, with the involvement of our international partners," the ULIE's representatives said.

The projects proposed to Ukraine have already been successfully tested in many countries, according to Director of the Department for International Cooperation at the University Ali Rashidi. They aim to create a certain synergy between the education and business spheres, i.e. between supply and demand. "If a graduate is not employed, the whole process of education was ineffective" – this is the slogan our Western partners live up to.

This model provides for a clear definition of companies' demand for various specialists and engagement of their representatives in the educational process. Ali Rashidi claims such measures were conducive to an increase in employment in Sweden from 45% to 95%.

"When Ukraine joins the EU, you'll have to adapt your educational sector to the EU standards – and there are many of them, namely qualifications, the quality of education and others. So now it's time to assess the quality of education in Ukraine and start its upgrading," the Swedish expert said.

Having received funding from its government, the University plans to launch such a pilot project in the Ukrainian city of Vinnytsia, and later it will be extended to other regions in Ukraine. The University counts on the ULIE's support, having secured such support from the Ukrainian Education Ministry beforehand.

The parties agreed to work actively in that direction, and the ULIE has pledged to help with direct contacts, involvement of SMEs as the most flexible and suitable participant in this project. ■

OVER UAH 230 MLN TO BE SPENT ON BUILDING SUBWAY IN KHARKIV IN 2016 – CITY COUNCIL

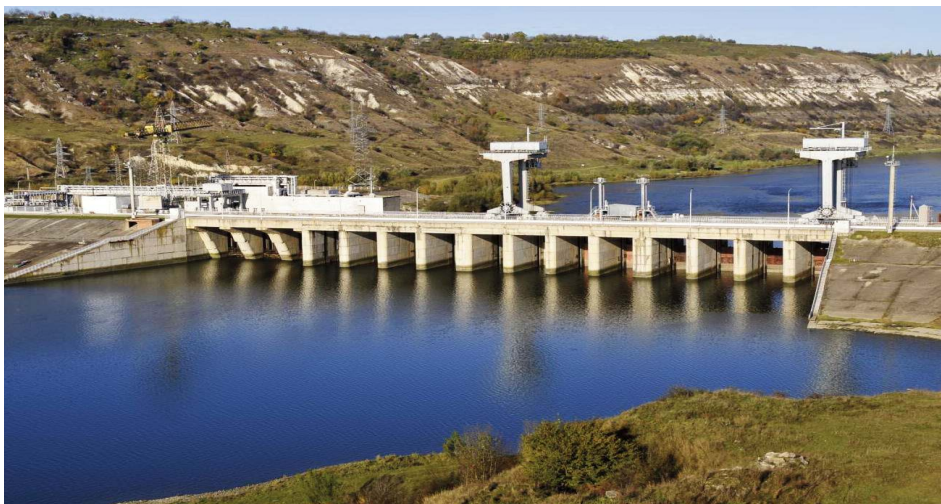


Kharkiv City Council at a session on December 23 approved the cost estimates for the program of the construction and development of the Kharkiv underground at the expense of the city budget for 2016.

According to an Interfax-Ukraine correspondent, the document provides for allocating UAH 232.475 million for this purpose, of which UAH 475,000 from the general fund and UAH 232 million from the special fund.

Funds from the general fund will be used for the financial support of the Kharkiv Directorate of Subway Construction, and the principal amount of the special fund (UAH 230 million) is intended for the construction of a section of the third line from the Oleksiivska station to the Prospect Peremohy station. In addition, UAH 500,000 will be spent on building the Oleksiivske depot with a connection branch to the third metro line, UAH 1.5 million for the construction of the third line from the Vaschenko Metrobudivelnkyiv station to the station Odeska. ■

DNISTROVSKA HYDROELECTRIC PUMPED STORAGE PLANT LAUNCHES THIRD 324 MW UNIT



Dnistrovska hydroelectric pumped storage power plant (Novodnistrovsk, Chernivtsi region) on December 21, 2015 launched the third unit, the last unit of the first construction phase that consists of three units with a capacity of 324 MW each in generating mode and 421 MW in pumping mode, the Energy and Coal Industry Ministry of Ukraine reported on its website. “Unit three of Dnistrovska hydroelectric pumped storage power plant was launched in synchronous capacitor mode,” the ministry said.

Dnistrovska hydroelectric pumped storage power plant is being built in Chernivtsi region on the Dniester River. The design capacity of the first phase (three hydraulic units) in generating mode is 972 MW, and in pump mode – 1,263 MW.

The first and second hydroelectric units of Dnistrovska hydroelectric pumped storage power plant have been put in operation.

The ministry said that the operation of one unit allows saving 69 million cubic meters of gas and 367,900 tonnes of coal every year. ■

OTP BANK INCREASES CHARTER CAPITAL BY 69%



OTP Bank (Kyiv) has increased its charter capital by UAH 2.518 billion or 68.6%, to UAH 6.186 billion, the press service of the financial institution has reported. “OTP Bank has finished the additional capitalization process by UAH 2.518 billion thanks to the conversion of the subordinated debt received from the parent company and thanks to other loans received from the parent company. Thus, after agreeing the documents by the National Bank of Ukraine (NBU) the charter capital of OTP Bank will be UAH 6.186 billion,” the bank said.

The bank said that under the capitalization program in Q1 2015 the bank increased its capital by around UAH 1.2 billion via conversion of the subordinated debt and the issue of shares and bonuses authorized by the shareholder. In Q2 2015 the bank paid the subordinated loan of \$65 million to international institutions and the charter capital of the Ukrainian subsidiary was increased again.

OTP Bank was founded in 1998. Its sole shareholder is Hungary's OTP Bank Plc. OTP Bank is part of OPT banking group, which also includes OTP Factoring Ukraine LLC, AMC OTP Capital, OTP Leasing LLC, and OTP Credit LLC. OTP Bank ranked 13th among 123 banks operating in the country on October 1, 2015 by total assets (UAH 23.055 billion), according to the NBU. ■

KCBW TO PRODUCE HOPPER CARS FOR GRAIN CARRIAGE



The interdepartmental commission has permitted PJSC Kriukov Car Building Works (KCBW, Poltava region) to start the mass production of hopper wagons for grain transportation in the amount of 2,000 units, the press service of the plant has said. According to its data, the decision was made at a commission meeting on December 15.

“The car has successfully passed comprehensive tests conducted by experts of the Ukrainian Research Institute of Wagon Building. On the results of the tests, the interdepartmental commission decided to allow PJSC KCBW to produce 19-7053 model hopper cars based on 18-7033 bogies in the amount of 2,000 units and increase the output of 18-7033 bogies to 6,000 units,” reads a statement.

Earlier the interdepartmental commission permitted the plant to manufacture upgraded bogies in the amount of 2,000 units.

Kriukov plant, which is the CIS’s sole manufacturer of both passenger carriages and freight wagons, manufactures freight wagons (open wagons, tankers, hopper wagons, and high-sided wagons), as well as passenger carriages, bogies for freight wagons, wheel pairs, and spare parts for subway carriages, escalators, containers, and road equipment. Its products are exported to over 20 countries. ■

CENTRAVIS ENTERS U.S. BOILER MARKET



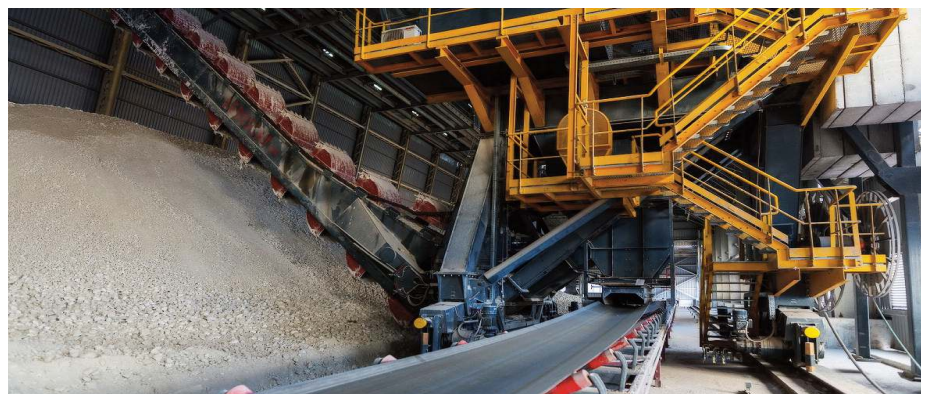
PJSC Centravis Production Ukraine, part of Centravis Ltd. Holding, has received conditional approval from Southern Company for the supply of stainless steel tubes for manufacturing elements under pressure. According to the company, it plans in the near future to deliver a batch of TR304N and TR347N grade steel pipes for the projects of the customer, and afterwards full endorsement will be obtained from Southern Company.

“Southern Company is one of the largest players in the conventional boiler market in North America, a kind of Exxon for this segment. Their requirements are high enough and certification is also important for other potential customers. Getting approval from this company, we’ll receive a unique chance to enter and gain a foothold in this new industry for us in North America,” Director of Centravis Sales America Waldemar Scheiermann said.

Southern Company is a U.S. power company headquartered in Atlanta, Georgia. The company is the largest ultimate consumer of boiler tubes in the south and the southeast of the United States.

Centravis Production Ukraine is the CIS’ only enterprise specializing in the production of seamless stainless steel pipes and the leading exporter in the segment. It sells 10% of the produce in the domestic market, 90% are exported. The key export destinations are the EU, Russia, and the United States. ■

CEMENT PRODUCTION IN UKRAINE 12.5% UP IN NOV – STATISTICS



Cement production in Ukraine in November 2015 increased by 12.5% compared to November 2014, to 650,000 tonnes, while the output growth in October 2015 from October 2014 was 0.3%.

According to the State Statistics Service, these figures are given excluding the temporarily occupied territory of Crimea and Sevastopol, and part of the ATO zone in the east of Ukraine. Data on Donetsk and Luhansk regions could be clarified.

According to the report, the production of these goods in November 2015 from October 2015 decreased by 23.5%, while the reduction in October 2015 from September 2015 was 5.5%, while the growth in September 2015 from August 2015 was 0.6%.

Cement production in January-November 2015 as a whole decreased by 3.6% compared to January-November 2014, to 8.009 million tonnes. ■

UKRAINE INCREASES STEEL OUTPUT BY 3.1% IN NOV, REMAINS TENTH IN WORLDSTEEL RANKING



Ukrainian metallurgical enterprises in November 2015 increased steel production by 3.1% compared to November 2014, to 1.884 million tonnes, remaining tenth in the ranking of the 66 world's major manufacturers of these products, compiled by the World Steel Association (Worldsteel).

A fall in steel production in November was recorded in most of the top ten countries, except for Ukraine.

The top ten steel makers in November are as follows: China (63.320 million tonnes, a drop of 1.6%), Japan (8.745 million tonnes, a drop of 4.7%), India (7.140 million tonnes, a drop of 0.2%), the United States (6.089 million tonnes, a drop of 15.6%), South Korea (5.890 million tonnes, a drop of 0.5%), Russia (5.715 million tonnes, a drop of 3.1%), Germany (3.482 million tonnes, a drop of 3.1%), Turkey (2.599 million tonnes, a drop of 7.2%), Brazil (2.548 million tonnes, a drop of 4.4%), and Ukraine (1.884 million tonnes, an increase of 3.1%).

In general, in November this year the 66 countries produced 126.826 million tonnes of steel, which is 4.1% lower than in November 2014.

In January-November 2015 the top ten steel makers included China (738.380 million tonnes, a drop of 2.2%), Japan (96.564 million tonnes, a drop of 5%), India (82.092 million tonnes, an increase of 2.8%), the United States (73.138 million tonnes, a drop of 9.7%), Russia (65.164 million tonnes, a drop of 0.2%), South Korea (63.833 million tonnes, a drop of 2.9%), Germany (36.208 million tonnes, at the level of 11 months of 2014), Brazil (30.784 million tonnes, a drop of 1.9%), Turkey (28.808 million tonnes, a drop of 8%), and Ukraine (21.033 million tonnes, a drop of 16.8%). ■

TURBOATOM TO UPGRADE POWER UNIT AT ZMIYIVSKA TPP FOR USING UKRAINIAN COAL OF ALL GRADES

PJSC Turboatom (Kharkiv) will participate in the modernization of one of the largest thermal power stations in Ukraine – Zmiyivska TPP (Kharkiv region) so that it could transfer to the use of Ukrainian coal of all grades to remove energy dependence on deficient anthracite coal.

“Because of the complicated situation in the fuel and energy market of Ukraine, Kharkiv region selected the transition of power units, using anthracite coal, to Ukrainian coal of all grades, as the main anti-crisis measure for the energy sector rehabilitation,” Head of Kharkiv Regional State Administration Ihor Rainin said in an interview.

For this purpose, the Energoprogress and Kotloturboprom design bureaus drafted a plan for the re-equipment of coal power blocks at Zmiyivska TPP using the equipment of Kharkiv plants, in particular, Turboatom.

Turboatom, Ukraine's largest producer of turbine equipment, in January-September 2015 saw a net profit of UAH 1.288 billion, which is 56.5% more than in the same period in 2014, its net income rose by 35%, to UAH 2.077 billion. ■

UKRAINE TO SUPPLY 30 NEW TRANSPORT AN-178 AIRCRAFT TO SAUDI ARABIA'S AIR FORCE



Ukraine plans to supply 30 new multipurpose An-178 aircraft with a carrying capacity of 18 tonnes to the Air Force of Saudi Arabia. The cooperation plans are outlined in a memorandum signed by Antonov State Enterprise (Kyiv) and Taqnia Aeronautics (Saudi Arabia) on December 17, 2015 in Kyiv, the press service of the state enterprise reported.

Retired Major General Ali Mohammed Al-Ghamdi, Chief Executive Officer of Taqnia Aeronautics company, said after the signing of the document that Saudi Arabia considers the signing of the memorandum as an important step in developing cooperation.

He said that Saudi Arabia selected An-178 aircraft, taking into account the characteristics of the new Ukrainian transport aircraft.

“The important advantages of An-178 compared to other aircraft of this type are its price and low exploitation expenses,” he said. “We will conduct a joint marketing policy to promote An-178 to the Middle Eastern region markets and plan joint production of these aircraft,” he said.

Antonov Vice President Oleksandr Kotsiuba said that Ukraine considers plans to cooperate with Air Force of Saudi Arabia in the An-178 program as the confirmation of mutual desire to establish strategic partnership between Ukraine and Saudi Arabia in the aircraft building sector. ■

CANADA'S BOMBARDIER STILL STUDYING POSSIBILITY OF OPERATING IN UKRAINE



Canada's Bombardier engineering company continues studying the possibility of operating in Ukraine, Infrastructure Minister of Ukraine Andriy Pyvovarsky has told reporters. "A fundamental decision to invest in Ukraine was made in offices of large western engineering companies," he said.

Asked if Siemens is planning to enter Ukraine, the minister said that the negotiations are underway. First Deputy Minister Volodymyr Shulmeister said that representatives of Bombardier visited Zaporizhia Electric Locomotive Repair Plant.

Pyvovarsky also said that the process of creating a JV between Skoda and Zaporizhia Electric Locomotive Repair Plant has been suspended.

As reported, in September 2015, Pyvovarsky said that the Infrastructure Ministry is holding negotiations with Bombardier on potential possibility of starting production of locomotives in Ukraine. Bombardier manufactures planes, trains and trams. Its key divisions are Bombardier Transportation and Bombardier Aerospace. ■

HYUNDAI CORPORATION INTERESTED IN CREATING JV IN LVIV REGION



Hyundai Corporation is mulling the possibility of creating a joint Ukrainian-South Korean venture in Lviv region, the press service of the Lviv Regional Administration has reported. The press service said that the issue was discussed at a meeting of Lviv Regional Administration Head Oleh Syniutka with a representative of Hyundai Corporation.

The representative of Hyundai Corporation in Kyiv, Ilya Jeong, said that the company has been working on the Ukrainian market and plans to expand its presence, not only in the railway infrastructure area, but in other areas.

"Our goal is to develop projects in Ukraine and conquer new markets of the Central and Eastern Europe. The company wants to develop, and it is important to find a good partner. We plan to create a joint venture. Lviv region is very attractive for us, and we're discussing the possibility of placing the industrial base here. We would like to see the programs for investors," the press service said, citing Jeong.

He said that a meeting with the head of one of the enterprises in the region which Hyundai Corporation is mulling as a potential partner was held. Syniutka said that the advantages of the region are its location, infrastructure, safety and stable political situation. He said that the region helps to realize investment projects and there will not be problems with selection of skilled specialists. ■

SELF-ADMINISTRATION OF CLINICS COULD BECOME CATALYST FOR DEVELOPMENT OF INBOUND MEDICAL TOURISM IN UKRAINE – EXPERTS

The self-administration of clinics could become a catalyst for the development of inbound medical tourism in Ukraine, but to start the process it is needed to get support from lawmakers and the readiness of hospitals and physicians, experts that announced the creation of the Inbound Medical Tourism Club in Ukraine – inUkraine – have stated.

"Ukraine is a competitive country in the field of medical tourism, we want to make it a long-term project but not a one-time campaign," the president of the inUkraine club, the director of JK Consulting Group, Yulia Khomych, said at a press conference at Interfax-Ukraine.

"Inbound medical tourism could be a stimulus for the development of the health care system. Foreign patients are the resource that will provide our clinics and resorts with the opportunity not only to survive but also develop and provide a high level of services," Vice President of the Association of Physicians in Medical Tourism Inna Daschenko said.

She also stressed that for the development of inbound medical tourism it is necessary to conduct work with foreign experts, as well as provide them with information tours in Ukrainian health care institutions. ■

CABINET FORESEES UAH 3.4 BLN FOR SPACE SECTOR IN 2016 – DRAFT NATIONAL BUDGET



The Ukrainian government has proposed that in 2016 some UAH 3.39 billion is provided in the national budget to finance the space sector, and around 30% of the funds are sent to the special fund to finance defense programs.

According to the draft 2016 national budget posted on the parliament's website, UAH 2.47 billion (74%) of the funds will be financed from the general fund of the national budget.

Some UAH 223.6 million is planned to provide for financing of the works under state targeted programs and state orders in the space sector, including the general state targeted research space program, which is 4.5 times more than in 2015 (UAH 49.4 million).

A total of UAH 110.6 million will be sent for testing spacecraft, including UAH 107.64 million from the general fund. UAH 269.4 million from the general fund is foreseen for disposal of solid rocket fuel of SS-24 at Pavlohrad chemical plant (Dnipropetrovsk region).

Some UAH 1.85 billion from the general fund or 55.9% of total financing will be sent to fulfill liabilities on credits raised to realize the Cyclone 4 and National Satellite Communications System projects.

The draft document foresees that UAH 925.8 million (27.2% of total financing) will be provided from the special fund to implement state targeted programs on reformation and development of defense and industrial complex, designing and introduction of new technologies, boosting the industrial capacity of the sector facilities to produce defense products. ■

UKRAINE EXPORTS 20 MLN TONNES OF GRAIN AS OF DEC 22 – MINISTRY

Ukraine as of December 22 had exported 20 million tonnes of grain, which is 18% up year-over-year. According to the website of the Agricultural Policy and Food Ministry, referring to Deputy Minister Vladyslava Rutytska, a total of 61 million tonnes of grain crops had been harvested as of December 18, 2015.

“This would allow not only saturating the domestic market, but also improving the last year indicator and export over 36 million tonnes,” she said.

As reported, the ministry expects grain exports in the 2015/2016 marketing year (July-June) at the level of 36.8 million tonnes. The harvest in 2015 is estimated at 61 million tonnes.

Grain exports from Ukraine in 2014/2015 agricultural year tentatively totaled 34.6 million tonnes, including corn in the amount of 18.837 million tonnes. Some 11.234 million tonnes of wheat, 4.46 million tonnes of barley and 280,000 tonnes of other grains were supplied to foreign markets. ■



CARDBOARD MILL SEES 54.4% RISE IN PRODUCTION IN JAN- NOV



Kyivsky cardboard paper mill (Obukhiv, Kyiv region), a leader in Ukraine's pulp and paper industry in terms of production and sales, produced goods worth UAH 3.457 billion in January-November 2015, 54.4% up on the figure for January-November 2014.

According to the UkrPapir association, in January-November 2015, the mill decreased its production of corrugated cardboard packaging by 2.1%, to 180.3 million square meters. The mill decreased its production of cardboard by 1.5%, to 186,700 tonnes, including a rise of 8% in production of commodity cardboard, to 113,600 tonnes and a decline of 13.2% in production of box cardboard, to 73,160 tonnes.

Production of base paper (for sanitary products) decreased by 12.2%, to 64,850 tonnes, while production of toilet paper fell by 14%, to 362.2 million rolls.

In January-November cardboard packaging production in Ukraine fell by 15.4%, to 684.5 million square meters, and cardboard and paper output dropped by almost 10.2%, to 729,400 tonnes. Kyivsky cardboard paper mill is one of the largest cardboard and paper producers in Europe. It mainly produces goods from wastepaper. Its capacity for processing wastepaper exceeds 850 tonnes a day. The mill exports its products to CIS states and other countries. ■

TERRA FOOD OPENS DAIRY FACTORY IN TURKEY



Terra Food group of companies, one of the largest Ukrainian industrial and commercial holdings, has opened the first factory in the industrial park of the city of Karaman in Turkey, the adviser, the partner of Talent Advisors company, Roman Bondar, wrote on his Facebook page.

“We officially inform that Terra Food in a group of the leading experts of the dairy market and investors is really involved in the project of launching a dairy plant in Turkey,” the company told Interfax-Ukraine.

The company in Turkey plans to produce milk powder, cream, butter and dairy snacks. However, Terra Food did not comment on investment in the project. “Now we can announce that Terra Food invests the most valuable things in the project it has – the experience of creating and developing dairy enterprises in Ukraine,” it said. The company added that an official statement will be done closer to February 2016 after all formalities are completed.

Terra Food, founded in 1999, is one of Ukraine’s largest industrial and commercial holdings, which includes three business directions – dairy, meat and agribusiness. ■

ALLSEEDS TO PROCESS 500,000 TONNES OF SUNFLOWER SEEDS IN 2015/2016 MY

Allseeds Group intends in the 2015/2016 marketing year (MY, September-August) to process 500,000 tonnes of sunflower seeds at a new plant in Odesa region. “We want this year to process about 500,000 tonnes of sunflower seeds. Unfortunately, the original plan was higher, but during the launch phase we had problems with the husk granulator,” company CEO Viacheslav Petryshe said in an interview with Interfax-Ukraine.

According to him, the company receives seeds with a different oil content, therefore it decided to introduce the basic oil content when accepting seeds at the plant at the level of 44%.

Petryshe said he sees no prospects for the growth of purchasing prices for sunflower. According to him, with the yield being 12 million tonnes the price of sunflower seeds has fallen to UAH 9,200-9,500 per tonne from UAH 11,000 per tonne.

Allseeds in 2016 will start to actively design the second stage of the oil extraction complex for 2,400 tonnes of seeds per day, and afterwards the third phase. ■

EBRD APPROVES PROVISION OF \$20 MLN LOAN TO UKRAINIAN AGRARIAN INVESTMENT



The European Bank for Reconstruction and Development (EBRD) has provided a \$20 million working facility to Ukrainian Agrarian Investments (UAI) to replenish working capital under the bank’s EUR 150 million Ukrainian Corporate Support Facility designed to support existing EBRD clients in the country.

The bank said that the board made the decision on December 9, 2015. The loan would allow the existing client of the bank to have enough working capital for processing 195,000 hectares in the 2016/2017 seasons, the bank said, pointing at the liquidity crisis at Ukrainian companies.

UAI unites over 70 farms located in northern and western Ukraine and it has been cooperating with the EBRD since 2010. Last year the bank provided a \$13 million working facility to the company. The EBRD is the largest international financial investor in Ukraine. As of September 1, 2015, the bank had a total cumulative commitment of EUR 11 billion in 346 projects in the country. ■

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.

The Ukrainian League of Industrialists and Entrepreneurs
Representative Office in the EU:
168 Avenue de Cortenbergh, 3rd floor, B-1000 Brussels, Belgium
T/F: +32 (0) 2 736 72 13
uspp.ua/en

The Ukrainian League of Industrialists and Entrepreneurs
Head Office:
34 Khreshchtyk Street, Kyiv 01001, Ukraine
Tel: +380 (44) 278 30 69
Fax: +380 (44) 226 31 52
uspp.ua

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Maksim Urakin is a project director of the Biweekly news digest of the Ukrainian League of Industrialists and Entrepreneurs