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AGREEMENT ON FTA BETWEEN UKRAINE, EU COMES INTO FORCE

The agreement on a deep and comprehensive free trade area (FTA) between Ukraine and the European Union on January 1, 2016 came into force after a one-year pause the parties took at Russia's request for consultations with the country, which failed.

The document was signed on June 27, 2014 as part of the broader Association Agreement.

According to Ukraine's Ministry of Economic Development and Trade, the FTA eliminates 97% of tariffs on Ukrainian goods and reduces the average tariff on Ukrainian exports from 7.6% to 0.5%. As for the reduction of import duties on European products, Deputy Economic Minister, Trade Representative of Ukraine Natalia Mykolska has recently stated the entry into force of the FTA would not lead to a large inflow of European goods.

"The Ministry of Economic Development and Trade jointly with the National Bank have developed a forecast for the development of the Ukrainian market after the entry into force of the FTA Agreement with the EU. According to our data, there won't be a collapse of the national goods market and a huge influx of European goods," she assured. ■

EU POSITIVELY ASSESSES REFORMS IN UKRAINE - POROSHENKO



Ukraine in 2015 moved forward on the way of reforms, and the positive decision of the European Commission on the visa free regime for Ukrainians and the launch of the EU-Ukraine Deep and Comprehensive Free Trade Area (DCFTA) are evidences of this, Ukrainian President Petro Poroshenko has said.

"Despite fierce counteraction of Kremlin, DCFTA with the EU entered into full force on January 1. Unprecedented migration crisis did not hinder the decision of the European Commission on the completion of the assessment mission on the implementation of the Visa Liberalization Plan of Actions and we obtained the decision on the visa-free regime though several months ago few people believed in that inside and outside the country," Poroshenko said at a first press conference in 2016 in Kyiv.

The positive decision of the European Commission on the visa-free regime "is the indicator of positive assessment of reforms in Ukraine by the EU and the world," he said.

Poroshenko said that reforms in 2015 were launched in various spheres, but not all of them have yielded results yet.

"Nowhere and never did the war lead to thriving of the country. We are now facing military aggression against our country, military actions on our land. It is not just a military aggression. Since January 1, a powerful large-scale economic aggression has been started imposing embargo on a great range of Ukrainian goods," he said.

Commenting on the achievement of Ukrainian authorities in 2015, Poroshenko said that the country "ensured the activity and capability of the international coalition in support of Ukraine."

"A very bright demonstration of this fact was the vote of 177 UN countries electing Ukraine a non-permanent member of the UN Security Council," he said.

"When you come to Yavoriv training center [Lviv region], you will see dozens of flags of our allies. These flags are a symbol of our military-technical cooperation with various countries of the world," the head of state said.

"Last year ended with a decision of all 28 EU members on the prolongation of sanctions against Russia for its continuous aggression against Ukraine and non-fulfillment of the Minsk agreements. I guess you all know that it required certain efforts from our Ukrainian team. Increasing economic crisis of Russia is a price for aggression against Ukraine," Poroshenko said. ■

ECONOMIC MINISTRY UNVEILS NEW IMPORT DUTIES FOR GOODS FROM EU



Ukraine's Ministry of Economic Development and Trade has promulgated new import duty rates for goods from the European Union, which came into effect on January 1, 2016 in connection with the entry into force of the free trade area (FTA) between Ukraine and the EU.

According to the agency, the EU reduced import duty rates for Ukraine to the level of the first year of the FTA in 2014 within autonomous trade preferences, therefore the functioning of the deep and comprehensive free trade area marks the beginning of Ukraine's reducing import duties on goods from the EU.

The ministry also notes that in parallel with the free trade regime, the GSP preferential regime, which Ukraine has been using in exports to the EU for many years, will be valid for another two years.

As reported, the agreement on a deep and comprehensive free trade area between Ukraine and the European Union came into force on January 1, 2016 after a one-year pause the parties took at Russia's request for consultations with the country, which failed. ■

EU TO GRANT EUR 30 MLN TO UKRAINE FOR MODERNIZATION OF INTERNATIONAL CHECKPOINTS – ECONOMY MINISTRY



Ukraine will be granted EUR 30 million of aid from the European Union due to the prolongation of the four cross-border cooperation programs, which were recently signed by the Economic Development and Trade Ministry of Ukraine with the European Commission.

As the ministry said on its Facebook page, this aid will be used for further development and modernization of international road checkpoints Krasnoilsk and Dyakivtsi on the Ukrainian-Romanian border; Rava-Ruska, Ustyluh-Zosin, Krakovets, Schehyni and Yahodyn on the Ukrainian-Polish border; Uzhgorod-Vyshne-Nimetske on the Ukrainian-Slovak border; and also Luzhanka-Berehshuran on the Ukrainian-Hungarian border.

Besides, a waterway checkpoint for canoers Vylok will be built on the border with Hungary.

The ministry said that the portion of the grant was meant for the development of modern IT-infrastructure in border guards and customs departments, to decrease the risk of flooding in cross-border zones, to improve the situation with pollution that had resulted from chemical waste deposits and discharge of waste water in the Lower Danube region, to conduct expert evaluation in order to integrate Ukrainian and Moldovan electrical systems into energy network ENTSO-E.

“Thanks to the signed agreements the EU has prolonged the following Joint Operational Programs of the Cross-Border Cooperation until December 31, 2016: ‘Romania-Ukraine-Moldova, 2007-2013’, ‘Poland-Belarus-Ukraine, 2007-2013’, ‘Hungary - Slovakia - Romania - Ukraine, 2007-2013’, ‘Black Sea Basin, 2007-2013’,” the ministry added. ■

NGOS TO MONITOR EFFICIENCY OF GOVERNMENT PERFORMANCE



The Ukrainian business sector has repeatedly stressed that only systematic, targeted and, most importantly, efficient performance of the executive agencies could be the key to any high-quality transformation. This process should be closely monitored, according to the Anti-Crisis Council of NGOs and its member, the Ukrainian Association for Quality. The Association has recently conducted a professional analysis of the performance of the Ukrainian Ministry for Economic Development and Trade, which is one of the major regulators in the industry and economy in general, and revealed a chain of inefficient operations.

The situation with management of other central executive agencies is similar, the experts claim, and therefore they suggest that the Anti-Crisis Council of NGOs as the largest association of business organizations could analyze the government's performance without limiting itself to individual ministries.

“We have to understand that nobody will do our “home task” instead of us, and the list of the tasks includes the fight against corruption, deregulation of businesses, the introduction of technical regulations and standards in line with European ones, modernization of enterprises, and a reduction in energy consumption in the industry as well. This cannot happen without effective public administration, at least to the degree that is sufficient to make Ukrainian producers and the economy competitive and prosperous,” President of the Ukrainian League of Industrialists and Entrepreneurs and Chairman of the Anti-Crisis Council of NGOs Anatoliy Kinakh said.

“They should examine the efficiency of management systems in the executive branch in general and systems of quality management in particular. For example, performance, operation and services provided by the Economic Development and Trade Ministry, including processing of correspondence and proposals by NGOs and businesses, do not meet modern requirements, existing standards and are of poor quality,” President of the Ukrainian Association for Quality Petro Kalyta said.

It must be noted that the business sector has repeatedly pointed out that only improvement in public administration, consistency of measures to develop the economy, industry, agriculture and other spheres of public life and entrepreneurship will allow the country not only to survive the crisis with dignity, but become a modern and strong economy.

The Ukrainian Association for Quality is ready to share its reports and provide professional consultations. Such examination is made not only to conduct a SWOT analysis of strengths and weaknesses, but also to determine immediate steps to solve the problem. For example, it is proposed that ministries' personnel should undergo additional training with the involvement of external professional organizations and professionals to introduce European quality and excellence models, namely the EFQM Excellence Model, the Common Assessment Framework (CAF), etc., which could be utilized both for work of the executive agencies and for reforms being implemented in the country as well.

The experts advise that the concept of public policy in the field of business excellence of enterprises should be adopted as soon as possible along with measures aimed at closer cooperation between the government, society, businesses, top managers, and corporate personnel. ■

SOME UAH 879.5 MLN TO BE ISSUED FOR BUILDING FOURTH LINE OF KYIV METRO IN 2016 - PROGRAM



The program of the socio-economic development of Kyiv for 2016 provides for the allocation of UAH 879.5 million to Kyiv Metropolitan for building the fourth subway line from Velyka Kiltseva Street to the Troyeschyna residential area.

According to the report published in the Khreschatyk newspaper, the program of socio-economic development foresees the completion of building the fourth line of the Kyiv subway by December 2020, and the total cost of the project is UAH 6.903 billion. At the same time, as of the beginning of January 2016 investment in the project amounted to UAH 48.097 million. In addition, the program foresees funding in the amount of UAH 112.064 million for chemical grouting on some sections of the Kyiv subway lines in 2016.

The total capital expenditure of the company in 2016 under the program will stand at UAH 1.017 billion, including UAH 68.019 million from the special fund of the city budget and UAH 949.145 million at the expense of its own and borrowed funds.

According to the report, the program provides for financing in the amount of UAH 156.881 million for Kyivpas-trans. Among the largest projects of the company for 2016 is the reconstruction of tram tracks and stations, as well as procurement of trams. ■

GOVT APPROVES UPDATED ELECTRONIC VAT ADMINISTRATION PROCEDURE



The Cabinet of Ministers of Ukraine has approved the updated procedure for electronic administration of value added tax (VAT).

According to cabinet resolution No. 1177 of December 30, 2015 the updated procedure was approved to meet the amendments to the Tax Code that took effect from January 1, 2016.

The government said that the electronic VAT administration procedure was updated to realize the mechanism for partial payment of VAT by agricultural companies that use the special taxation regime depending on the type of agricultural products they make.

The procedure settles the inclusion of the specific conditions for taxpayers who use cash taxation method into the electronic VAT administration system. As reported, the Ukrainian parliament has approved a compromise on revoking the beneficial VAT taxation regime for farmers via granting the beneficial regime for the period until they transfer to the general taxation system.

In 2016 for the period when milk and meat producers transfer to the general taxation system 80% of VAT will be left for them and 20% will be sent to the budget. Farmers working with grain and industrial crops will send 85% of VAT to the budget, and other farmers – 50%. Since 2017, the VAT beneficial regime for farmers will be revoked. ■

AZERBAIJANI INVESTORS PLAN TO INVEST \$50 MLN IN CRUSHING SOYBEANS, PRODUCING BIOETHANOL IN SUMY REGION – OFFICIAL

Top managers of Sumy Regional Administration have reached an agreement with investors from Azerbaijan on opening a soybean plant with a crushing capacity of 220,000-250,000 tonnes in Romny district and investment of up to \$22 million, Sumy Regional Administration Head Mykola Klochko has said.

"In addition, it is planned to launch the first phase of alternative fuel plant, particularly, bioethanol, on the basis of the former Velyko-Zhovtnevy sugar refinery in Bilopillia district in 2016. Investment in the plant is up to \$30 million," the regional administration reported on its website, citing Klochko.

He said that he is confident about these projects as they have concrete agreements. He said that it is planned to create over 200 jobs at the initial stage of the soybean plant. Other details on investors are not given. ■

FIRST NONCOMMERCIAL IT PROJECT INCUBATOR WITH GOVT SUPPORT LAUNCHED IN UKRAINE



A first noncommercial IT project incubator entitled “1991 Open Data Incubator” was launched in Ukraine with support of the Ukrainian government, the information and communications department of the Cabinet of Ministers of Ukraine has reported.

The government said that the incubator will work with projects based on open public data. “The project is intended to digitize agribusiness, energy, infrastructure projects, public services for citizens and create internal analytical systems in the state, establishing cooperation of IT designers, nongovernmental organizations and analytical centers with authorities,” the department said.

First participants of the incubator will be winners of the hackathon tenders scheduled for February 6. Projects that want to create a startup using open databases for agriculture, energy and infrastructure, projects on designing of electronic public services on the basis of state registers, analytical systems for ministries, regional administration and city halls can take part in the tender. Bids can be submitted from Smart City projects for Ukrainian cities. SocialBoost NGO with support of Western NIS Fund (the U.S.) will manage the incubator. ■

UKROBORONPROM MAY JOIN PROGRAM FOR MODERNIZATION OF POLAND’S PT-91 MAIN BATTLE TANKS

State-run Ukroboronprom Concern is mulling participation in a program for the modernization of PT-91 Twardy main battle tanks (MBT) used by the Armed Forces of Poland.

Prospects for Ukraine-Poland cooperation in the program for PT-91 MBT modernization were discussed during a recent visit of Ukrainian defense industry specialists to Warsaw for talks with Polski Holding Obronny sp. z o.o., or Polish Defense Holding, Ukroboronprom’s press service said.

The sides will continue talks in Ukraine in the middle of January, and now Polish specialists are to visit Lviv armored fighting vehicle plant to familiarize themselves with the production of components of the Ukrainian-made T-72 tank (a Soviet-designed T-72M1 was the prototype of the PT-91 main battle tank), the press service reported with reference to Director of Ukroboronprom’s Kharkov machine-building plant “FED” Oleksandr Paschenko, one of the Ukrainian delegates who visited Poland.

During talks in Warsaw, the Ukrainian side confirmed its readiness to cooperate with Poland’s defense industry in retrofitting the Mikoyan MiG-29 twin-engine fighter jet (NATO reporting name Fulcrum). FED produces and repairs integral hydraulic servo actuators and hydraulic units, and fuel metering equipment for the aviation industry. Its equipment is installed almost in all types of civil and military aircraft in Ukraine and Russia. The company claims its equipment used in more than 60 countries. ■

FERREXPO INCREASES PRODUCTION OF PELLETS BY 5.8% IN 2015



British Ferrexpo Plc, which controls Poltava and Yerystove mining and processing plants (Poltava GOK, YeGOK) in Ukraine, in 2015 increased production of commodity pellets by 5.8% compared to 2014, to 11.662 million tonnes. According to the company, production of pellets using own ore increased by 5.5%, to 11.258 million tonnes, ore from third parties by 14.9%, to 403,150 tonnes.

Ferrexpo said that production of higher-quality pellets with an iron content of 65% (65% Fe) in 2015 grew by 78.6%, to 10.366 million tonnes, or 87% of total production, in particular using own ore by 79.8%, to 9.969 million tonnes, ore from third parties by 53.5%, to 397,190 tonnes. This is the company’s record annual rate of premium pellets production.

Production of pellets with a 62% iron content in 2015 amounted to 1.295 million tonnes (down by 24.8%).

According to the report, in the fourth quarter of 2015 compared to the previous quarter pellets output increased by 4.3%, to 2.984 million tonnes, in particular using own ore by 5.5%, to 2.954 million tonnes. During this period, output of pellets containing 65% Fe rose by 14%, to 2.827 million tonnes, in particular from own ore by 15.6%, to 2.797 million tonnes.

The company notes that the figures for the fourth quarter are record high for the production of high quality pellets containing 65% Fe, while in the third quarter of 2015 the company produced 5.8 million tonnes of these products. ■

YUZHNY PORT SEES 1.8% RISE IN CARGO HANDLING IN 2015, TO RECORD OF 15.1 MLN TONNES



Yuzhny maritime merchandise port (Odesa region), the largest Ukrainian port in terms of cargo handling, saw a 1.8% rise in cargo handling in 2015, to 15.069 million tonnes.

The port said in a press release that this is 100.5% of the target and it is a record figure for the whole history of the enterprise.

“Traditionally, ore is first in terms of handling – 12.623 million tonnes and coal is second with 2.423 million tonnes,” the port said.

Last year 216,477 wagons and 210 vessels were processed at the port. Yuzhny port was founded in 1978. It is located on the Adzhalyk firth and is the deepest harbor in Ukraine. The length of its berths is around 2.6 kilometers. The port has six handling terminals.

Sea terminals in various forms of ownership operate at the port: Pivdenny oil terminal, Transbunker-Yug LLC’s fuel handling terminal, a terminal of Transinvestservice LLC, a grain handling terminal of Borivage LLC, and a tropic oil handling and processing complex of Delta Wilmar CIS LLC. ■

BOSCH OPENS 41 BOSCH AUTO SERVICE STATIONS IN UKRAINE IN 2015 TO REPLACE 42 STATIONS LOST ON UNCONTROLLED TERRITORIES



Bosch (Stuttgart, Germany), one of the leading auto parts producers in the world, opened 41 Bosch Auto Service stations in Ukraine in 2015, and the number of stations in the country reached 218 (taking into account Bosch Diesel Service stations), Director General of Robert Bosch Ltd. (Kyiv) and Vice President of Bosch Termotekhnika GmbH in Baltic and CIS countries (apart from Russia) Vitaliy Bulda has said. “In 2014, we had 219 stations, including 42 stations on the occupied territory of Ukraine. In 2014 we lost 42 stations in Crimea and in eastern Ukraine. They were closed, as we do not supply auto parts to the occupied territory. In 2015, we opened 41 stations in other regions,” he said at a briefing. He said that new stations were opened in Ivano-Frankivsk, Kharkiv, Mariupol.

“Financial flows after the occupation of territories of Ukraine were redistributed: if earlier Zakarpattia region was not popular, today with the development of tourism and infrastructure it has become a promising region. I cannot say that there are failure regions – business is moving, and Bosch Services closed in Luhansk and Simferopol moved to other regions. In addition, the development of roads in the country, even careful, also promotes the appearance of servicing stations on them,” Bulda said.

He did not disclose the number of stations that will be opened this year, although he said that in 2019 it is planned to bring their number to 332.

Bulda said that in 2015, a trend of opening Bosch Auto Services by companies that earlier worked with one group of cars, for example, VW, was first recorded in 2015. Bosch allows servicing a wide range of cars and supplies equipment.

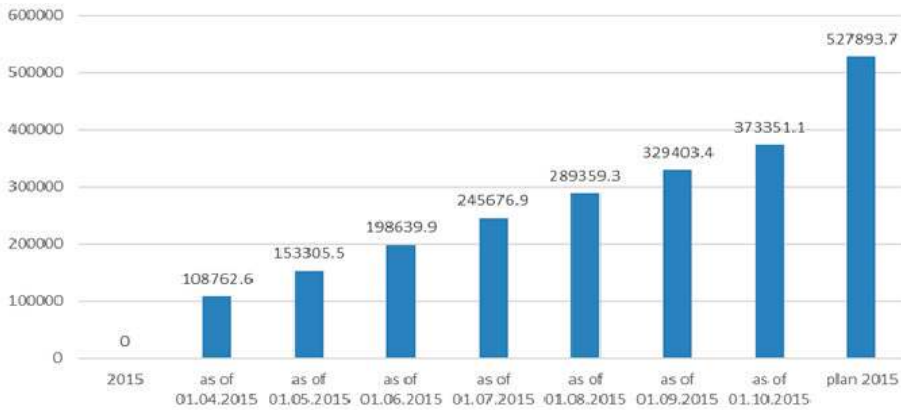
“We supply auto parts, provide technical documents, train and supply equipment. I think that it is hard to resist to this combination,” he said.

Bulda said that the auto part market reacts to the situation on the Ukrainian automobile market that more than halved last year.

Bosch began developing the project Bosch Service in Ukraine in January 2002, in late 2001 it signed an agreement with the European Bank for Reconstruction and Development (EBRD) on the issue of \$12.35 million for lending participants of the created franchise network of service stations.

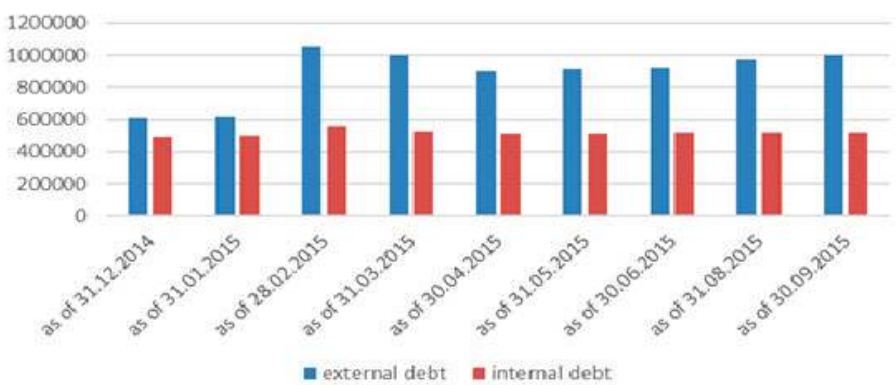
In summer 2007, the EBRD decided to provide Bosch Ukraine with another loan of EUR 6 million. Bulda said that at present the company does not attract funds from the EBRD to open new stations. Bosch Auto Service provides maintenance, diagnostics and repair of cars and minibuses, Bosch Diesel Service specializes in maintenance and repair of all traditional components of diesel injection systems. ■

STATE BUDGET REVENUES



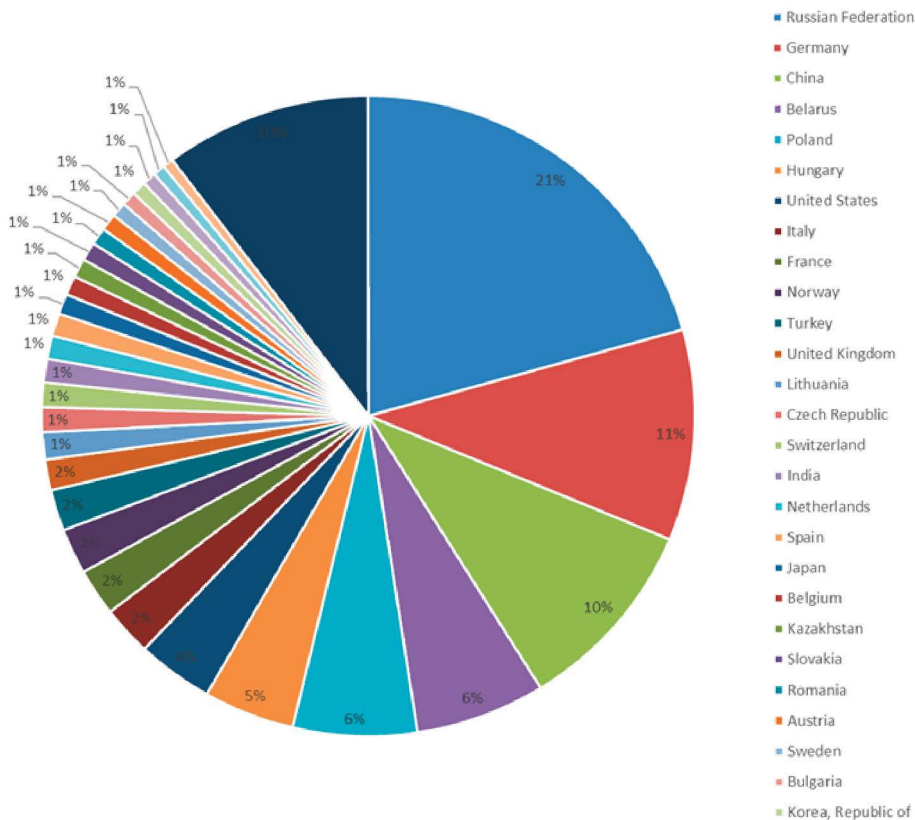
Source: State Statistics Services

STATE DEBT OF UKRAINE IN 2015 (MLN UAH)



Source: The Ministry of Finance

EXPORT TO UKRAINE THSD. USD



Source: State Statistics Services

GOVT PROPOSES PRIVATIZING OR REORGANIZING STATE LAND BANK



The Cabinet of Ministers of Ukraine has proposed that the parliament puts into effect the reorganization or privatization of the State Land Bank via the State Property Fund of Ukraine.

Bill No. 3733 was registered in the parliament on December 28, 2015.

According to an explanatory note to the document, now the State Land Bank is being liquidated, but the alternative to this is its reorganization of privatization to sell the state-owned shares to potential investors. This would allow returning funds to the national budget that were used to form the bank's charter capital and attracting additional investment to the Ukrainian agricultural sector.

As reported, the parliament on June 17, 2014 permitted to liquidate the State Land Bank.

The State Land Bank was created to realize new mechanisms of agricultural crediting and provide farmers with affordable funds. The previous Cabinet of Ministers of Ukraine sent UAH 120 million in the charter capital of the bank, and amendments to the Land Code are to be adopted to put land plots in the bank's charter capital.

It was planned that the bank will manage farmland in state ownership and will fulfill functions on the realization of state credit programs, first of all, for small and medium-sized business in rural areas. ■

NBU FACILITATES OPENING OF ACCOUNTS BY BANKS, BRINGS INTERBANK TRANSFER RULES IN LINE WITH CENTRALIZATION OF NBU'S FUNCTIONS



The National Bank of Ukraine (NBU) has brought the interbank funds transfer rules in Ukraine in the national currency in compliance with new requirements of Ukrainian law and changes in the structure of the regulator in relation to the centralization of its functions and reformation of territorial departments, the central bank said on its website.

NBU resolution No. 994 on approval of changes to the interbank funds transfer rules in Ukraine in the national currency dated December 30, 2015 took effect on January 5, 2016.

The resolution relaxed the procedure for opening correspondent accounts by banks at the NBU, as from now on the NBU can receive information about banks in the electronic form via the website of the central executive-branch agency in the area of registration of companies and individuals.

The resolution sets the procedure for writing off refinancing debts of banks to the NBU from correspondent accounts of debtor-banks opened at other Ukrainian banks.

The document also removes the requirements to keep correspondent accounts of bank by the NBU's chief department in Kyiv city and region and the requirements for functioning automated jobs of the NBU's territorial departments. ■

CARGO TRANSPORTATION, JANUARY-NOVEMBER 2015

	Freight turnover		Freight shipped	
	mln.tkm	in % to January-November 2014	mln.t	in % to January-November 2014
Total shipment	289498,8	93,5	546,8	88,3
of which, by				
railway trains	177766,1	92,1	318,7	89,2
motor vehicles	31277,1	90,3	133,9	80,5
water	5008,6	99,0	6,0	107,8
pipelines	75260,8	98,0	88,1	97,5
aircraft	186,2	86,1	0,1	85,2

VOLUME OF CONSTRUCTION WORKS ACCOMPLISHED BY TYP OF CONSTRUCTION OUTPUT BY REGION JANUARY-NOVEMBER 2015 (MLN.UAN)

	Construction works accomplished, total	buildings	out of		civil engineering's
			including residential	non-residential	
Ukraine	46990,3	23498,3	12019,4	11478,9	23492,0
Vinnitsya	1284,8	859,1	443,7	415,4	425,7
Volyn	898,5	541,9	267,6	274,3	356,6
Dnipropetrovsk	4868,8	1444,2	276,9	1167,3	3424,6
Donetsk ²	1966,2	368,3	50,6	317,7	1597,9
Zhytomyr	445,3	227,7	38,7	189,0	217,6
Zakarpattia	502,8	188,5	42,4	146,1	314,3
Zaporizhzhya	1286,8	599,4	81,6	517,8	687,4
Ivano-Frankivsk	1076,2	578,2	290,8	287,4	498,0
Kyiv	2233,6	1229,5	565,2	664,3	1004,1
Kirovohrad	514,9	270,7	28,8	241,9	244,2
Luhansk ²	426,6	139,8	24,3	115,5	286,8
Lviv	2804,7	1682,8	841,5	841,3	1121,9
Mikolayiv	1205,5	496,5	106,7	389,8	709,0
Odesa	3590,4	1577,8	1146,8	431,0	2012,6
Poltava	3606,6	800,4	304,6	495,8	2806,2
Rivne	1078,2	387,0	78,6	308,4	691,2
Sumy	735,0	503,1	269,5	233,6	231,9
Ternopil	782,7	562,0	433,2	128,8	220,7
Kharkiv	4147,3	1313,5	696,6	616,9	2833,8
Kherson	414,7	264,9	72,6	192,3	149,8
Khmelnytskyi	1038,0	713,7	358,6	355,1	324,3
Cherkasy	688,6	484,5	341,5	143,0	204,1
Chernivtsi	747,8	406,1	307,8	98,3	341,7
Chernihiv	464,6	345,6	217,7	127,9	119,0
City of Kyiv	10181,7	7513,1	4733,1	2780,0	2668,6

UKRAINE EXPECTS THAT TURKMENISTAN CONFIRMS VICTORY OF KCBW IN TENDER TO SUPPLY 750 WAGONS – OFFICIAL

Ukraine is waiting for the confirmation of victory of Kriukov Car Building Works (KCBW, Poltava region) in a tender to supply 750 wagons from Turkmenistan. "We're waiting for the confirmation of victory in the tender," Deputy Prime Minister, Regional Development, Construction, Housing and Utilities Economy Minister of Ukraine Hennadiy Zubko said at a briefing in Kyiv on Wednesday.

He said that at present, the Turkmen expert commission has finished all steps at KCBW required for the tender documents.

The press service of KCBW neither confirmed nor denied the information that the company won the tender.

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. ■

AVTOKRAZ SHIPS SEVEN CHASSIS TRUCKS TO AFRICA



Public joint-stock company AvtoKRAZ (Kremenchuk, Poltava region), the only Ukrainian producer of heavy trucks, shipped a batch of KrAZ-6322 6x6 chassis with single tires to the customer in Africa.

The company said in a press release that all the vehicles have right-hand steering. AvtoKRAZ Spokesperson Dina Stehantseva told Interfax-Ukraine that seven chassis were sent to the customer. In compliance with customer's requirements they are provided with Deutz engine rated at 272hp and A/C unit. The vehicles customized to meet customer's requirements differ from mass-produced versions: they feature chassis with low-mounted towing device, bent spring beam, wide tropicalized tires and other things.

The KrAZ-6322 chassis cabs will be provided with special equipment.

On the New Year's Eve KrAZ workers have added a new vehicle to KrAZ lineup, the KrAZ-7233C4 8x4 four-axle cabover dump truck.

The KrAZ-7233C4 dump truck is used for carrying bulk cargoes having specific weight of up to 2 tonnes per cubic meter in road and industrial construction and mining activity.

This cabover truck is provided with powerful engine meeting Euro-5 emission standard, 20 cubic meters half-round dump body with rear tailgate. Load carrying capacity of this giant is up to 26 tonnes, curb weight – 15.5 tonnes and gross weight – 41.5 tonnes.

“The new four-axle dump truck is on a par with its foreign counterparts in terms of performance. Adding this model to its lineup KrAZ hopes to substitute imported vehicles with efficient national ones,” the press service said.

AvtoKRAZ makes 33 basic vehicle models, and more than 260 modifications and trim levels for civilian and military vehicles. ■

AGRARIAN FUND COULD START SUPPLYING PRODUCTS TO KUWAIT

Kuwait's Al Maousherji Group and public joint-stock company Agrarian Fund would discuss the possibility for Ukrainian products to enter the Kuwaiti market, in particular, flour and fodder wheat.

The Agricultural Policy and Food Ministry reported on its website that the agreement was reached at a meeting of representatives of the international cooperation department of Agrarian Fund and Al Maousherji Group Board Chairman Salah Maousherji on December 31, 2015.

The sides expressed their interest in stirring up cooperation in the agrarian and investment areas.

Agrarian Fund was founded by a government decree in spring 2013. Its charter capital is UAH 5 billion.

Al Maousherji Group is a group which among other things is involved in investment in agricultural property segment. It is also engaged in restaurant business, paper and package production, investment in property and management, publishing business in Kuwait and the Middle East. ■

TEN UKRAINIAN COMPANIES PERMITTED TO SUPPLY DAIRY PRODUCTS TO EU FROM JAN 10



The Agricultural Policy and Food Ministry of Ukraine has informed that ten companies received permits to supply dairy products to the European Union (EU).

“The European Commission published the decision on the inclusion of our milk and dairy companies into the official list of authorized exporters to the EU. The permit will take effect on January 10, 2016,” Deputy Agricultural Policy and Food Minister for European Integration Vladyslava Rutytska wrote on her Facebook page.

The permits were issued to Lustdorf, Molochniy Dim, Yahotyn Butter Factory, Lactalis-Mykoliav, Hadiachsyr, private enterprise Ros – branch of Romny Dairy Factory, Zolotonosha Butter Factory, private enterprise Prometey Consulting Firm – branch of Mena Cheese, Lviv cold store complex and Zhytomyr Butter Factory. ■

AGRICULTURE MINISTRY PREDICTS GROWTH OF FIELDS WITH SPRING CROPS BY 10.3% IN 2016



The European Union (EU) jointly with the European Bank for Reconstruction and Development (EBRD) would provide a \$5 million loan to a privately owned diversified agricultural producer Kischenzi LLC (Cherkasy region).

The EBRD said in a press release on Wednesday that the funds are provided under the EU-EBRD Deep and Comprehensive Free Trade Area (DCFTA) small and medium sized businesses (SME) Direct Support Facility.

The loan will be covered by a first loss guarantee from the EU grant under the above the facility. The proceeds of the loan will be used to upgrade its fleet of combine harvesters and to acquire supplementary agricultural equipment like cultivators.

“The project will help Kischenzi strengthen its export potential and implement modern state-of-the-art farming techniques and standards thus creating a successful benchmark for the industry in Ukraine,” the bank said.

The Facility being implemented by the EBRD and the EU supports increase of SMEs’ competitiveness, ease their access to finance, helps them with new trade opportunities and compliance with new food safety, technical and quality standards, as well as with environmental protection measures.

Kischenzi LLC operates a variety of businesses ranging from grains and vegetables growing to dairy and pig farming. Around 60% of its output is successfully exported to the European Union and other markets. ■

AGRICULTURE MINISTRY PREDICTS GROWTH OF FIELDS WITH SPRING CROPS BY 10.3% IN 2016

Fields with spring grain and leguminous crops in 2016 could grow by 10.3%, to 7.547 million hectares, the press service of the Agricultural Policy and Food Ministry of Ukraine has told Interfax-Ukraine.

Fields with corn could grow by 9.6%, to 4.536 million hectares, sorghum – by almost two times, to 98,700 hectares, rice – by 6%, to 12,400 hectares, millet – by 19%, to 126,500 hectares, and buckwheat fields could narrow by 11.8%, to 116,600 hectares. The ministry also predicts that fields with sugar beets grow by 5%, to 250,500 hectares, soybeans – by 0.8%, to 2.164 million hectares and sunflower seeds – by 1.7%, to 5.048 million hectares.

The ministry said that Ukraine reduced fields with winter crops for 2016 harvest by 10.5%, to 7.06 million hectares, and fields with winter rapeseeds were decreased by 2.6%, to 645,800 hectares.

According to the State Statistics Service, areas sown with agricultural crops in Ukraine (excluding the temporarily occupied territory of Crimea and the Anti-Terrorist Operation zone) for the 2015 harvest have dropped by 1.9% compared to 2014, to 26.7 million hectares. The total area sown grain and leguminous crops this year amounted to nearly 14.7 million hectares, which is 0.5% less than last year. ■

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