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STATE-RUN COMPANIES POTENTIALLY MAY GENERATE SOME \$5 BLN OF PROFIT ANNUALLY

State-run companies potentially could generate around \$5 billion of profit a year, Ukraine's Economic Development and Trade Ministry has said. "We believe that the potential is near \$5 billion of profit a year," Senior Advisor to Economic Development and Trade Minister Adomas Audickas said at a press conference. He said that around 2,000 operating companies are owned by the state. These companies posted around \$5 billion of loss in 2014. Their loss in 2015 would be around \$700 million.

"This year the companies might report profit," he said. He said that large companies were not privatized in 2015. Only 117 facilities (not companies) were privatized. Proceeds from privatization amounted to \$6 million. ■

UKRAINE CIVIL SOCIETY, EUROPEAN PARTNERS DEVELOPING CONCEPT OF TRANSFORMATION OF UKRAINE

Business and public organizations of Ukraine, representatives of the clergy, international institutions have developed a draft concept of a large-scale qualitative transformation of the state. It is based on current domestic realities and an analysis of successful experience of positive change in Central and Eastern Europe, namely Poland. The Polish government has confirmed its readiness to help Ukraine make a breakthrough in development and involve EU partners in this process. This issue was discussed at a meeting of the Third National Forum "Transformation of Ukraine."



For several months, a special monitoring group had actively been exploring the experience of Central and Eastern Europe – Poland and other countries – as for the process of transformation. The experts emphasize: in the early 90s, the economy of Ukraine and Poland was almost at the same level. Last year, Ukraine's GDP amounted to \$86 billion, while Poland's was estimated at \$500 billion. However, Ukraine has managed to partly save the industrial, technical, innovative potential. The IT sector has been developing actively – the Ukrainians are the first in Europe in terms of providing IT services.

"It's a paradox that there are possibilities, but there is no development, and it must be tackled as soon as possible," President of the Ukrainian League of Industrialists and Entrepreneurs, Chairman of the Anti-Crisis Council of NGOs Anatoliy Kinakh said.

He stresses that the Ukrainian authorities and society will have to solve pressing issues that are indispensable for an economic breakthrough and tangible improvements. They include the security of doing business, the protection of the rights of owners and investors, the creation of conditions for equal competition, development and implementation of programs for industry, IT, agriculture, and others.

"The system of reform is inefficient in Ukraine, as it hinders the international development of the country's economy," head of the EU Delegation to Ukraine Jan Tombinski said. "Ukraine is now slowly moving in that direction. You have set accession to the EU as a strategic goal, but the question is how to make it the fastest and most efficient way. Our goal is help Ukraine realize its potential. And believe me – the EU is interested in this."

Other representatives of the National Forum also pointed to the sluggish and inconsistent reform in the country. They unanimously stressed that Ukrainian society, the government, businesses should as soon as possible consolidate efforts around a single concept of the country's development and work on it.

Earlier, the Forum's ad hoc monitoring group, which included domestic and international experts, had been examining and evaluating programs, strategies of Ukraine's development and prospects for their successful implementation for several months. Based on this analysis, it elaborated proposals aimed at overcoming the current social and economic crisis in Ukraine and drew up a draft concept of transformation of the country.

Participants in the Forum presented the recommendations to national experts and international partners as for the use of successful experience in Central and Eastern Europe, including Poland, for the effective transformation of the state. In particular, they recommend measures to develop Ukraine's economic potential and improve the quality of its citizens' life.

The Forum stressed the need to develop a national strategy for transformation. It should take into account the current situation and needs of Ukraine, based on the experience of "young" EU countries. It should also foresee the fulfillment of the Copenhagen criteria that are required for EU membership. The strategy will cover such areas as state security, a favorable business climate, the streamlining of the legal system, public finance, social policy, science, education as well.

All initiatives suggest joint efforts of this country's leadership, parliament, active members of civil society and Western partners who take care of Ukraine's future. The Forum and its developments have recently been presented to representatives of the European Parliament and EU delegates in Brussels and Lodz. The plans include the Forum's participation as a strong national public platform in the most prominent international forums. These are namely the European Economic Summit, scheduled for June, and the July Warsaw Summit of NATO.

"For the NATO Summit, the Forum has been preparing its proposals concerning security not only in Ukraine but also in the entire Europe," Anatoliy Kinakh said. ■

SYSTEM OF DECENTRALIZED E-AUCTIONS TO BE SOON LAUNCHED IN UKRAINE



A system of decentralized electronic auctions will be soon launched in Ukraine, the founder of the Innovation and Development Foundation, Georgian MP Giorgi Vashadze has stated.

"This system will be launched in a month or a month and a half. Integration with specific state structures is starting and the software is ready," Vashadze told Interfax-Ukraine before the presentation of the system of decentralized online auctions in public areas at the municipal and central levels in Kyiv.

According to the official, the purpose of the project of electronic auctions is to minimize the possibility of subjective factors in the government structures, make the auctions as transparent as possible and exclude the possibility of manipulation.

"Electronic auctions we offer today are based on the Blockchain technology. In fact, Ukraine will become the first country in the world where this technology will be used in e-governance," he said.

According to Vashadze, when using this technology, the state or another entity won't have monopoly rights to the database, while the possibility of data manipulation will be minimized. "The Blockchain technology actually changes the function of the state," Vashadze stressed. ■

UKRAINIAN EXPORTERS SEEK TALKS TO REVISE EU QUOTAS



Ukrainian business jointly with the Federation of Employers of Ukraine wants to ask the Cabinet of Ministers of Ukraine to start negotiations on amendments to the Ukraine-EU Deep and Comprehensive Free Trade Area (DCFTA).

Exporters believe that the Cabinet can and should be an official negotiator with the European Commission in Brussels in matters involving changes to conditions of Ukraine's trade with the EU member countries. Ukrainian business is ready to hand over the address with conclusions and proposals to the new government.

"We have decided to initiate an address to the government and start these talks. We will demand that this become a public directive from the Cabinet," Director General of the Federation of Employers Ruslan Illichev said in Kyiv on Wednesday.

The federation will insist on increasing the quotas for supplies of Ukrainian products to the EU market. The corn flour quotas could be increased by 12 times, the wheat quotas could be doubled, the nine-fold rise could be made for grape juice, the 15-fold rise for sugar. The tomato quotas could be tripled, flour quotas could be doubled. The poultry quotas could be increased by six times and the quotas for apple juice could be eliminated.

"We do not want to take the quotas from European producers. We want the EU during the revision of imports quotas redistributes them in favor of Ukraine: to reduce for some countries and increase for other countries," Illichev said.

The federation has picked out four substantial issues for Ukrainian exporters: the revision of the imports quotas on Ukrainian goods outlined in the DCFTA; the reduction of imports duties on Ukrainian engineering products, particularly, automobile industry and electric equipment; the extension of the Generalised Scheme of Preferences (GSP) and the acceleration of the procedure for bilateral arranging the state veterinary and biosecurity control system. ■

UKRAINIAN BUSINESSES CALL ON DUTCH SOCIETY TO VOTE FOR ASSOCIATION AGREEMENT BETWEEN UKRAINE AND EU



The business community of Ukraine has appealed to the peers and civil society in the Netherlands to support the ratification of the Association Agreement between Ukraine and the EU at a referendum on April 6. An open joint statement was adopted at the Ukrainian Business Forum, which was recently held in Kyiv and presented the consolidated position of the majority of domestic enterprises.

"Ukraine is a European country that shares common history and values with the EU countries. It has already sustained considerable losses in the struggle for the irreversibility of European integration. The main purpose of the Association Agreement between Ukraine and the EU is to establish modern European standards, the rule of law, protection of private property, equal competition," participants in the Forum said.

Co-initiator of the Forum, President of the Ukrainian League of Industrialists and Entrepreneurs, Chairman of the Anti-Crisis Council of NGOs Anatoliy Kinakh said that the introduction of a free trade zone, which is a significant part of the Association Agreement, is aimed at streamlining trade legislation, eliminating most of existing limitations, expanding trade relations between Ukraine and the European Union.

"This allows any EU company to enjoy the same access to the Ukrainian partners and market as, let say, to partners and the markets in Belgium, Italy, Sweden, and Poland. Under the Agreement, Ukraine also undertakes to implement a series of reforms, the fulfillment of which will substantially change the current legislation of Ukraine in the field of trade, environmental standards, social security. These reforms will bring Ukraine closer to EU legislative standards," reads the joint statement by the business community of Ukraine.

Representatives of Ukrainian businesses and the public urged his colleagues from the Netherlands to support Ukraine's European aspirations and in every way possible to encourage the positive results of the referendum on April 6.

As is known, the Parliament of the Netherlands ratified the Association Agreement between Ukraine and the EU on July 7, 2015, after which the document was signed by the King of the country. The initiative to hold the referendum was put forth by members of the public who managed to collect the required number of signatures for it. The Dutch electoral council scheduled an advisory referendum for April 6, 2016.

The Ukrainian business forum brought together about two hundred associations and organizations of industrialists, entrepreneurs, employers, scientists and experts who have consolidated their forces for the sake of overcoming the crisis and the economic growth of the state.

The co-organizers of the Forum include large and influential business and public organizations: the Council of Entrepreneurs under the Cabinet of Ministers of Ukraine, the Ukrainian League of Industrialists and Entrepreneurs, the Anti-Crisis Council of NGOs, the Federation of Employers of Ukraine, the "Ukrainian Business Initiative" Association, the Chamber of Commerce and Industry of Ukraine, the Nova Kraina civic platform, NGO "UA is Me."

The main document of the Forum – a plan of urgent measures to overcome the emergency situation in the economy of Ukraine – is currently being finalized. ■

LKMZ, KHARKIV TRACTOR PLAN RESUME COOPERATION



Lozova Forging - Mechanical Plant (LKMZ, Karkiv region), part of the UPEC industrial group, has resumed supplies of spare parts to Kharkiv Tractor Plant, the press service of the UPEC Group reported on Wednesday.

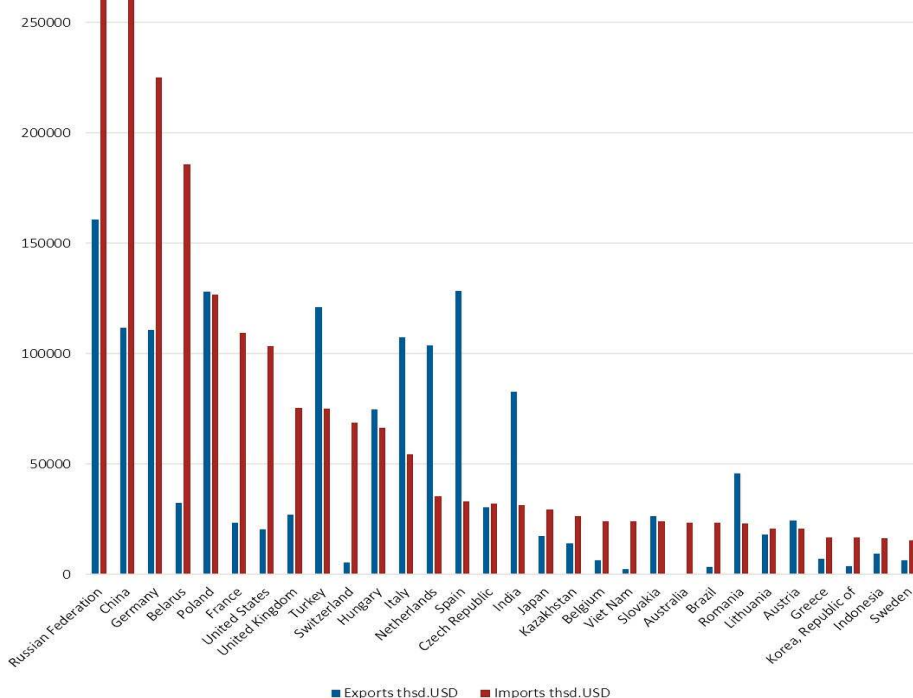
"Under the agreement signed, LKMZ supplies spare parts to load the Kharkiv Tractor Plant's conveyor in full. In March the plant produced and supplied over 90 tractor kits to the Kharkiv Tractor Plant. The Kharkiv plant ordered 20 more kits this month. According to the pessimistic scenario, shipments of tractor kits to the Kharkiv Tractor Plant in 2016 could reach 2,000 dual ratio drive axles and other elements of the gearing system," the press service said, citing LKMZ Director General Vasyly Chernomaz. LKMZ supplied tractor kits to the Kharkiv Tractor Plant before 2013. The Kharkiv plant then decided not to buy Ukrainian kits and selected Chinese kits.

In September 2014, the companies announced the resumption of cooperation. The companies failed to resume substantial cooperation in 2014-2015. ■

TOP-30 COUNTRIES EXPORTERS TO UKRAINE



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Source: State Statistics Services

DUTCH CTP TO INVEST EUR 75-80 MLN IN LVIV INDUSTRIAL PARK



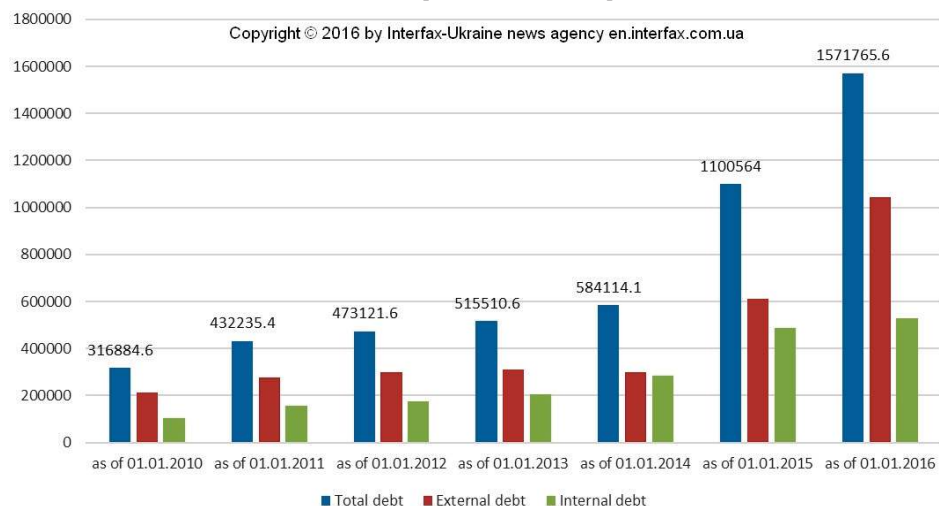
CTP (the Netherlands), a large industrial developer in Central Europe, seeks to invest from EUR 75 million to EUR 80 million in a project on building an industrial park in Lviv, Head of Property Management Department at CTP Stefan de Goeij has said, speaking at the Business Forum Netherlands-Ukraine held in the Hague on Wednesday.

He said that the area of the industrial park in Lviv could be 94,000 square meters. The company is looking to local companies to the implementation of the project.

The industrial park will be located on a land parcel of 29 ha. Local authorities leased this land parcel to the company. The park will be a complex of industrial, warehouse and office premises for rental.

Goeij said that auto part manufacturers will be the key clients of the industrial park. They have expressed interest in the project, which would create at least 2,000 new jobs. He said that the park will be the first project for the company in Ukraine. ■

STATE AND STAGE GUARANTEED DEBT OF UKRAINE FROM 2010 TILL 2015 (MLN UAH)



	Total debt			External debt			Internal debt		
as of 01.01.2010	316884,6			211751,7			105132,9		
as of 01.01.2011	432235,4	+115350,8	+36,4%	276745,6	+30,7%		155489,8	+47,9%	
as of 01.01.2012	473121,6	+40886,2	+9,5%	299413,9	+8,2%		173707,7	+11,7%	
as of 01.01.2013	515510,6	+42388,9	+9,0%	308999,8	+3,2%		206510,7	+18,9%	
as of 01.01.2014	584114,1	+68603,5	+13,3%	300025,4	-2,9%		284088,7	+37,6%	
as of 01.01.2015	1100564,0	+516449,9	+88,4%	611697,1	+103,9%		488866,9	+72,1%	
as of 01.01.2016	1571765,6	+471201,7	+42,8%	1042305,1	+70,4%		529460,6	+8,3%	

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Source: The Ministry of Finance

ENERGY SAVING, CONSTRUCTION PROJECTS TO BE OF TOP PRIORITY FOR REGIONAL SUBVENTIONS IN 2016



Projects in the sphere of construction, energy efficiency and road reconstruction will be of top priority for providing subventions from the national budget for regional development projects.

The press service of Ukraine's Finance Ministry reported that the relevant resolution was passed at a cabinet meeting on Wednesday.

The subventions will be primarily sent to realize construction completion projects, reconstruction of educational and medical institutions. The funds will be also provided for municipal road construction, reconstruction and overhaul projects.

According to the resolution, projects in the area of energy efficiency and energy saving will also be of top priority.

Total subsidies for local budgets to develop the regions are approved at UAH 1.94 billion in the law on the 2016 national budget.

SEVERODONETSK IMPULSE RESEARCH CENTER SEEKS TO EXPORT GOODS TO EUROPE BY MID-2016



Severodonetsk - based Impulse research center (Luhansk region) seeks to certify its automatic equipment for railways in Europe by the middle of 2016, Head of the supervisory board Volodymyr Yeliseyev said in Severodonetsk. "We're certifying our products in European test laboratories to have a chance to supply them to their markets... By the middle of this year we will obtain a certificate for railways and later for other products," he said.

Yeliseyev said that the enterprise also intends to certify its own laboratory. The issue has been postponed due to a lack of working capital.

Impulse produces teleautomatic and automatic equipment for railways.

Yeliseyev said the enterprise is preparing some new solutions for railways. He said that this is interesting not only for Ukrzaliznytsia, but also for private companies with their own railway infrastructure, for example quarries and ports. ■

DHL UKRAINE REPORTS 10% NET PROFIT RISE IN 2015



Private joint-stock company DHL International Ukraine (Kyiv) tentatively reported a 10% rise in net profit in 2015, to UAH 10.711 million.

The company said in an announcement of the general meeting of its shareholders scheduled for April 26 in the Netherlands its assets as of January 31, 2015 reached UAH 93.87 million. This was 13.2% up year-over-year.

Total bills receivable over the period increased by 7.4%, to UAH 48.368 million, undistributed profit – by 23%, to UAH 52.648 million, net worth – by 18.7%, to UAH 62.346 million and charter capital remained unchanged at UAH 9.698 million. Current liabilities increased by 3.7% in 2015, to UAH 31.524 million and the company did not have non-current liabilities. The number of employees decreased by 20%, from 380 to 305.

DHL has been operating in Ukraine since 1991, its core business is express delivery and logistics. DHL-Ukraine is part of DHL Group (Germany). ■

FERREXPO ENTERS TOP THREE WORLD'S LARGEST PRODUCERS AND EXPORTERS OF PELLETS IN 2015



British-based Ferrexpo Plc, which controls Poltava and Yerystove processing plants in Ukraine (Poltava GOK and YeGOK), in 2015 ranked third among the world's largest producers and exporters of pellets for blast furnaces, reaching a volume of production and exports of 11.7 million tonnes.

According to a press release from the company, the top five world leaders in terms of production and exports of pellets for blast furnaces include such vendors as Vale (Brazil, Oman) with the production of 23.9 million tonnes of pellets in the same period, LKAB (Sweden) with 13.7 million tonnes, Ferrexpo with 11.7 million tonnes, Metalloinvest (the Russian Federation) with 7.4 million tonnes and Cliffs (the United States) with 7.1 million tonnes.

It is noted that Ferrexpo expects an increase in the demand for pellets for blast furnaces in the long term due to the increased demand on the part of metallurgical enterprises for high-quality products. This will provide for the reduction of emissions of harmful substances into the environment and improve the quality of finished products.

As reported in a company annual report, in 2015 pellet production increased by 6%, to 11.7 million tonnes (in 2014 the figure stood at 11.08 million tonnes). ■

ANTONOV TO PRESENT NEW AN-132, AN-178 TRANSPORT AIRCRAFT AT DEFEXPO-2016 IN INDIA



State Enterprise Antonov (Kyiv) at the ninth International Defense Exhibition DefExpo-2016 to be held in Goa (India) on March 28-31 will present the projects of new promising transport aircraft An-132 with a load-carrying capacity of 9.2 tonnes and an An-178 with a capacity of up to 18 tonnes, according to the press service of the company.

According to the report, the promising projects of Antonov could become the basis for a further development of fruitful cooperation between Ukraine and India in the aircraft industry.

The program of a new multi-purpose An-132 aircraft is realized in cooperation with partners from the Kingdom of Saudi Arabia with the participation of the leading companies in the global aviation industry. "Indian businesses are invited to take part in the creation of this aircraft, while the ministries and departments of the country to become its customers," the press service said. ■

UKRAINE IN 2016 COULD INCREASE STEEL SMELTING BY 15% – FEDERATION OF METALLURGISTS



Ukrainian steel companies in 2016 could increase steel smelting by 15% compared to 2015, to 26.5 million tonnes if the ongoing production pace is kept. “We see growth by some 15% in the first two months of the year and 22 days of March. If the trend retains, we will produce 26.5 million tonnes of steel this year,” Head of Ukraine’s Federation of Metallurgists Serhiy Bilenky said at a roundtable held in the profile parliamentary committee on Tuesday. Representatives of metal companies said that a shortage of scrap metal could entail the decrease in steel smelting. They urged the government, particularly, the Economic Development and Trade Ministry, to use a statesmanlike approach to the provision of Ukrainian metal producers with scrap metal and not to stimulate its exports. The Metallurgprom association (Dnipropetrovsk) told Interfax-Ukraine that a stable trend of boosting steel production has been seen in the past months. “Daily production in January was more than in December. In February it was more than in January and in March smelting increased more,” Metallurgprom said. ■

AVTOKRAZ BUYS CRIMPERS FROM FINNISH D-HYDRO TO REPLACE DETERIORATED EQUIPMENT



Public joint-stock company AvtoKrAZ (Kremenchuk, Poltava region), the only Ukrainian producer of heavy trucks, has acquired YL-20S workshop crimpers from Finland’s D-Hydro to replace nine deteriorated presses at the company. The deal is part of the upgrade of the tool fleet with the purpose of improving the quality of products. The company’s press service reported on Monday that the new equipment would enable the company to stop paying for the services of a third-party. “With the acute shortage of working capital and the austerity measures introduced at the plant due to the financial crisis, it was hard for the plant to allocate these small funds to acquire the crimpers – around UAH 200,000. Thanks to this equipment the plant will improve the quality of high and low pressure tools,” the company spokesman said. It will take from one and a half or two years to pay back the loan used to buy the equipment. AvtoKrAZ makes 33 basic vehicle models, and more than 260 modifications and trim levels for civilian and military vehicles. ■

UKRAINE INCREASES ELECTRICITY EXPORTS BY 42.2% IN TWO MONTHS OF 2016



Ukraine in January - February 2016 increased electricity exports by 42.2% compared to the same period in 2015, to 708.637 million kWh, a source in the Ministry of Energy and Coal Industry has told Interfax-Ukraine.

Electricity supplies from the Burshtyn TPP energy island in the direction of Hungary, Slovakia and Romania for the two months increased by 7% compared to January-February 2015, to 531.213 million kWh. Electricity supplies to Poland amounted to 174.831 million kWh, while in January-February 2015 they were not carried out.

In January-February 2016 Moldova was supplied 2.593 million kWh of power, Belarus was not supplied electricity.

Ukrainian electricity was not exported to Russia in January-February 2015 and January-February 2016. At the same time, in February 2016 exports of Ukrainian electricity amounted to 363.033 million kWh, which is 61.5% up year-on-year.

As reported, Ukraine in January-February 2016 exported electricity worth \$29.49 million, in particular in February for \$15.425 million. Hungary for the two months was supplied electricity worth \$26.224 million, Poland for \$3.083 million, Moldova for \$180,000, other countries for \$3,000. ■

KYIV TO SPEND OVER UAH 25 BLN ON TRANSPORT INFRASTRUCTURE MODERNIZATION UNTIL 2019



Kyiv plans to upgrade transport infrastructure in 2016-2018, spending about UAH 25.6 billion on this purpose.

Upgrades are contained in the action plan for 2016-2018 on implementing the strategy of Kyiv's development until 2025, which is stipulated in order No. 100 of Kyiv City State Administration, dated February 26, 201.

As part of the document, the modernization of transport infrastructure in Kyiv belongs to the strategic objectives of improving the comfort of living and provides 13 points mentioned in the indicative financial realization plan.

Some UAH 3.867 billion has been allocated for the construction of the Podilsko-Vyhurivska subway line until 2019, UAH 1.308 billion for the purchase of subway carriages, UAH 4.177 billion for the capital construction and modernization of the Kyiv metro, UAH 6.323 billion for the construction and reconstruction of the street and road network, and UAH 1.37 billion for the modernization of street lighting systems.

In addition, the development of parking space will require UAH 1.024 billion, the development of Kyiv International Airport some UAH 263.1 million, city computerization some UAH 732.3 million, the construction of transport interchange nodes with terminals some UAH 605.4 million, building trolleybus lines UAH 216.8 million, the reconstruction and construction of tram lines UAH 2.653 billion, purchase of tram cars, trolleybuses, buses, electric buses and special vehicles UAH 3.075 billion. ■

INDIA CONSIDERS UKRAINE AS IMPORTANT PARTNER IN CENTRAL EUROPE – AMBASSADOR



India considers Ukraine as an important partner in Central Europe and is ready to develop new fields of a mutually fruitful cooperation, Ambassador Extraordinary and Plenipotentiary of India to Ukraine Manoj Kumar Bharti has said at a press conference at Interfax-Ukraine.

“India considers Ukraine as an important partner in Central Europe. Ukraine has a lot to offer to India. India already has a substantial cooperation in the defense sector of Ukraine. India is the largest export destination for sunflower oil from Ukraine. However, there are a few new potential areas of expanded cooperation between our two countries,” he said.

The ambassador, in particular, noted the prospects for a mutually beneficial cooperation in the field of construction, development of infrastructure projects, agriculture, automotive industry, medicine, in-bound tourism and education in Ukraine.

In addition, Bharti stressed the importance of cooperation in the field of pharmaceuticals.

“Almost any important and lifesaving drug that Ukraine buys, it can save huge amount of money by importing from India. I understand that if Ukraine imports \$100 worth of such drugs from India, it is saving at least \$200 because these drugs will cost minimum \$300 if imported from European or other sources. Indian pharmaceutical products are known worldwide for their high quality and reasonable price,” the official stressed.

“Before these products get registration in Ukraine, your GMP inspection visit the manufacturing units in India. The products are tested by Ukrainian laboratories,” he added. According to Bharti, currently Ukrainian companies can participate in the development of projects, in particular, those carried out within the framework of the Make in India state program or a project to develop 100 smart cities by 2030.

“If Ukrainian companies are involved in housing project in South America, they should also consider the immense potential that exists in India. I was at Electrontrans in Lviv a week ago and I encouraged them to take part in the 100 smart city project,” the ambassador said.

Bharti also noted there is a significant demand for leguminous crops in India.

“There are new products which have great potential of export from Ukraine to India. India imports huge amount of beans. Last year 500,000 tonnes of one kind of bean was imported from Canada. There are at least 13 kinds of beans that Indians use extensively. Farmers in Ukraine should look at the possibility of exporting beans to India,” he stated. The ambassador also said that nearly 6,100 Indian students are currently studying in Ukraine.

“If the current system of admission through agents and recruiting agencies is changed so that Indian students can apply on-line and get admission smoothly without going through the agents and middlemen, I believe more than 20,000 Indian students may like to study in the excellent education and research facilities in Ukraine,” he said. ■

BAYER CROP PRODUCTS SALES STEADY IN UKRAINE AT \$100 MLN LEVEL IN 2015



The Bayer international chemical and pharmaceutical concern sold \$100 million more in crop planting sector goods last year than in 2014.

“Bayer’s total sales in Ukraine last year exceeded EUR 283 million. Sales of goods in the crop planting sphere – EUR 100 million,” Head of Bayer Crop Science in Northern Black Sea Countries Andreas Loechel told reporters on Monday.

He said that sales of crop goods did not change in the U.S. dollar equivalent, but they posted an 18% increase in hryvnias due to local currency devaluation.

Bayer, the International Finance Corporation (IFC) and Raiffeisen Bank Aval on March 14 announced the start of a new partner financing program. The program helps agricultural companies and farmers by providing low-cost harvest planning and financing.

The financing term has been adapted to the crop cycle (up to nine months). Payments can be completely settled after selling the summer harvest.

Bayer has been operating in Ukraine since 1992 and focuses on health care, agriculture, and high-tech materials. It is a large supplier of plant protection agents (pesticides, herbicides and fungicides). ■

DR.REDDY’S GLOBAL PHARMACEUTICAL COMPANY OPTIMISTIC ABOUT UKRAINIAN MARKET

India’s Dr.Reddy’s integrated international pharmaceutical company is still optimistic about the Ukrainian pharmaceutical market. The company continues developing its Ukrainian business, Dr.Reddy’s Executive Vice President M.V. Ramana has said. “Ukraine is a key market that Dr.Reddy’s is focusing on,” he told Interfax-Ukraine.

Commenting on the company’s operation in Ukraine in 2015, Ramana said that the economic turmoil has had a direct impact on the company’s business. General slow on the Ukrainian pharmaceutical market and a decline in buying power have made a serious gap in the company’s efficiency.

He said that hryvnia devaluation had the worst aftermath for the business. “Nevertheless, despite the worsening of the situation with national currency devaluation, Dr.Reddy’s is among few global companies operating in Ukraine that tried to ensure the affordability of its products. This is the key goal of our company,” he said.

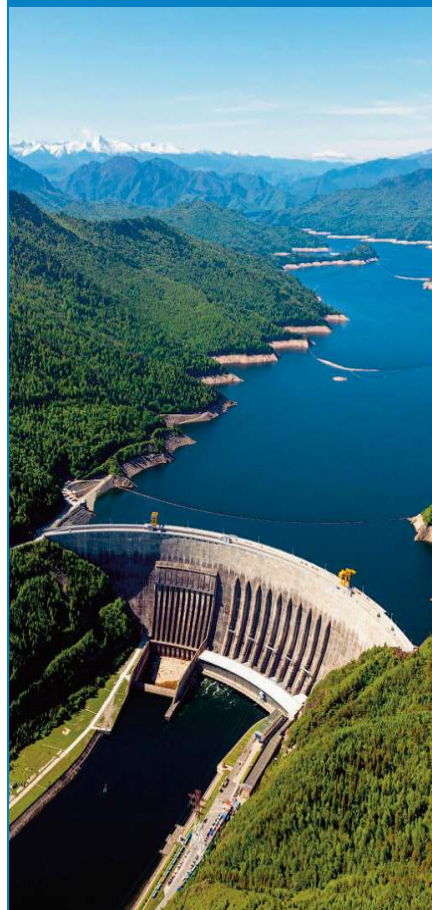
Ramana said that Dr.Reddy’s was one of few companies that continued their operation in eastern Ukraine, in Donetsk and Luhansk regions, at the beginning of the conflict in May-June 2014. Dr.Reddy’s team in the region continued providing for the needs of patients and healthcare centers.

Being optimistic about the Ukrainian pharmaceutical market, Dr.Reddy’s will continue investing funds in innovation and affordable medicines and will focus its attention to business growth, he said.

Ramana said that the potential of the Ukrainian market is still large, and the current crisis is a temporary regress that could last from 18 to 24 months.

Ramana said that Dr.Reddy’s now is ninth among top 10 leading foreign companies operating in Ukraine. He said that Dr.Reddy’s will continue enlarging its presence in Ukraine, bringing innovation products of great demand to the Ukrainian market. ■

UKRAINE TO SIGN CREDIT AGREEMENTS WITH EIB, WORLD BANK TO BUILD KANIV POWER PLANT BY DEC



Ukraine intends by December 1, 2016 to sign a credit agreement with the European Investment Bank (EIB) and World Bank to build the Kaniv hydroelectric pumped storage power plant.

According to the government’s action plan for 2016, the relevant legislative measures are to be approved by December 1.

Total cost of the project is assessed at EUR 1.283 billion. The capacity of Kaniv hydroelectric pumped storage power plant will be 1 GW in generating operations, its construction will take six and a half years, and the pay-back period is about ten and a half years.

Public joint-stock company Ukrhydroenergo seeks to borrow 70% of funds for the project from international banks – EIB, World Bank, the European Bank for Reconstruction and Development (EBRD) and Deutsche Bank. ■

SOUFFLET GROUP SEEKS TO EXPORT 500,000 TONNES OF GRAIN FROM UKRAINE IN 2015/16 AGRI-YEAR



Grain exports from Ukraine by France's Soufflet Group could be 500,000 tonnes in the 2015/16 agricultural year (July-June).

"We will export 500,000 tonnes of grain this year as in the previous years. Since the beginning of the year we have shipped around 300,000-400,000 tonnes of grain," Director of New World Grain Ukraine, part of Soufflet Group, Mykola Horbachev said at the Adam Smith Conferences' 7th annual Ukrainian Agribusiness Forum.

He said that Soufflet Group has three elevators in Ukraine with a storage capacity of 160,000 tonnes. Horbachev added that his company is insisting on the elimination of grain storage standards. "Various buyers want to buy grain of the different quality in different countries. We are working in Ukraine sticking to standards we have. Ukraine should be oriented to buyers," he told reporters.

He said that grain storage is not regulated under standards in the EU. When grain arrives to elevators grain owners could mix different types of grain to form a batch for exports. The Soufflet Group is one of the largest malt producers in the world. ■

ASTARTA EXPORTS 50,000 TONNES OF CORN TO CHINA, TO SUPPLY 65,000 TONNES MORE BY LATE 2015/16 AGRI-YEAR



Astarta agro - industrial holding has shipped a batch of corn of around 50,000 tonnes to China, the holding reported. Astarta would sell 65,000 tonnes of corn more by the end of the current 2015/16 agricultural year to China. Soy oil made at Globyno processing plant is of great demand in China. Since early 2015/16 agri-year almost all soy oil was exported to China.

Astarta is a vertically integrated agro-industrial holding, uniting six regional divisions in Poltava, Vinnytsia, Khmelnytsky, Ternopil, Zhytomyr, and Kharkiv regions. They include nine sugar factories, agricultural farms with a land bank of about 245,000 hectares and dairy farms. Last year, the holding commissioned a plant for processing soybeans in Poltava region (Globyno processing plant). ■

INTERCHEM PRESENTS COMPANY AT BIGGEST PHARMACEUTICAL EXHIBITION IN EASTERN AFRICA

Interchem double liability company (Odesa) took part in the largest pharmaceutical exhibition in Eastern Africa in Kenya, Interchem Head Anatoliy Reder has said in an interview with Interfax-Ukraine.

"I've managed to have a fruitful talk with top managers of Kenya's registration service. These are skilled specialists interested in Ukraine manufacturers' entrance to the local pharmaceutical market. Considering Ukraine as a part of Europe they hope that the product that we will be able to supply will be of high quality. It will meet European requirements, but it would be cheaper than European alternative products," Reder said.

He said that the African pharmaceutical market is complicated due to types of distribution, and the Kenyan market is rather weak.

"Tentatively it is annually estimated at some \$250 million. The number of the population is comparable with Ukraine. Some \$450 million of donor funds is spent on fighting malaria and HIV. The products sold in Kenya have small margins. This means that business is intricate. Some 95% of importers on the Kenyan market are from India. They always are heading to super low prices and unsophisticated products. The market is developing, and shares similar trends with our market," he said.

He said that after the exhibition Interchem decided to study the issue of entering the African pharmaceutical market.

Interchem double liability company is one of the leading Ukrainian manufacturers of medicine and pharmaceutical substances. It has a full production cycle from the design and synthesis of new biologically active molecules, and the industrial production of pharmaceutical substances, to the production of medicines and sales of products to end consumers. ■

SEA PORT AUTHORITY SIGNS AGREEMENT WITH CARGILL ON INVESTMENT PROJECT AT YUZHNY PORT



Ukrainian Sea Port Authority and M.V. Cargo have signed an agreement on the realization of two partnership projects on building a grain terminal at the Yuzhny seaport.

The authority said in a press release that Sea Port Authority Director Andriy Amelin and M.V. Cargo Head Oleksandr Prymak signed the document. Director General of Cargill AT LLC Martin Schuldt, Director General of TIS LLC Andriy Stavnitser, Head of the Yuzhny port's administration Maksym Shyrokov and Grain and Oilseeds Business Head at Cargill Europe Andreas Rickmers and Vice President of Cargill International Rodger Janson also took part in the signing ceremony.

M.V. Cargo acts as a developer and undertakes liabilities to build a marine grain handling terminal and berth 25 at the Yuzhny port. A capacity of the first phase of the terminal will be up to 5 million tonnes. The capacity will be increased by two or four million tonnes during the second project phase.

Sea Port Authority will help to create the navigable operating area of berth 25 and the navigable canal leading to berth 25. Sixteen meters deep dredging work will be carried out.

The approximate cost of investment in building the grain terminal is \$104 million. Dredging work will cost some \$50. The funds will be provided by Sea Port Authority. Profile ministries are agreeing the project feasibility study. Prymak said that budgets of all levels will obtain over UAH 300 million of taxes a year after the completion of the project. Around 350 jobs will be created. Building of M.V. Cargo grain terminal will finish before September 1, 2018.

Sea Port Authority is responsible for completing dredging works before February 1, 2018.

AGROPRODSERVICE TO BUILD SOYBEAN WORKSHOP



Agroprodservice Corporation (Ternopil region) will build a soybean workshop with a crushing capacity of 40,000 tonnes, the company has reported on its website. The workshop will produce soybean cake and unrefined oil. Now the corporation has facilities that can produce 1,400 tonnes of soybean cake every month.

"The decision to expand soybean crushing is linked to the realization of the strategic cattle breeding development plan, as soybean cake use in cattle feeding considerably cuts the cash cost. Soybean oil is actively used to make high-calorie fodder mixes at own plant," the corporation said.

The corporation's marketing services have started studying exports opportunities and soybean oil markets.

Agroprodservice will expand soybean planted areas and buy it from farmers. Agroprodservice Corporation was created in 1999. As a diversified enterprise, it operates in 50 settlements in seven districts of Ternopil and Ivano-Frankivsk regions. The company cultivates 37,000 hectares of land.

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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