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GROYSMAN GOVERNMENT PROGRAM INCLUDES FOREX LIBERALIZATION, COMMODITY EXCHANGE MARKET

The action program of the new Ukrainian government led by Prime Minister Volodymyr Groysman provides for the gradual liberalization of foreign exchange regulation as part of the financial sector reform. Under the program, this reform also envisages the formation of modern stock exchange infrastructure and conditions for the functioning of commodity exchange market.

In addition, Groysman intends to continue the harmonization of Ukrainian legislation with that of the European Union. The program provides for the adoption of new legislation based on EU standards, in particular that on limited liability companies, and the introduction of a mechanism of corporate agreements.

The program also provides for the simplification and adoption of international accounting standards, transparent privatization of state-owned enterprises, and the introduction of international accounting standards and independent management at state-owned enterprises. In addition, the new cabinet will take care of improving the efficiency of public investment management and the reform of the State Audit Service. ■

UKRAINIAN BUSINESSMEN GARNER SUPPORT OF COMPANIES, INSTITUTIONS FROM EU TO MAXIMIZE FREE TRADE AREA BENEFITS

The Ukrainian League of Industrialists and Entrepreneurs has met with BUSINESSEUROPE, Europe's largest business association, to discuss the most efficient use of all the benefits offered by the free trade area between Ukraine and the European Union.

In particular, they touched upon the issues related to boosting cooperation between Ukrainian representatives and the national unions of industrialists and entrepreneurs that are members of BUSINESSEUROPE, namely partners from France, Germany, the Netherlands, and Italy.



During their meeting, President of the Ukrainian League of Industrialists and Entrepreneurs (ULIE) Anatoliy Kinakh and BUSINESSEUROPE Director General Markus J. Beyrer coordinated efforts to ensure preparations for the European Business Summit (EBS), which will begin in Brussels on June 1. The Ukrainian industrialists and entrepreneurs will for the first time act as co-organizers of this major business event in Europe: a large delegation of Ukrainian businesses will be engaged in the summit's work, and ULIE President Anatoliy Kinakh is scheduled to address one of the EBS panels.

The partners also discussed ways of solving practical tasks that are of interest to Ukrainian businessmen and their European colleagues. They touched upon such issues as the insurance of European investment, which will let Western partners feel more confident on the Ukrainian market, while Ukrainian entrepreneurs will obtain much needed stimuli to grow. In addition, the parties emphasized the need to improve Ukrainian entrepreneurs' access to loans, step up business security and considered proposals to improve cooperation between the Ukrainian business community and the EU's structures.

Innovation, advanced technologies and products of critical import were named among the priority areas of cooperation between Ukrainian and European business organizations.

"It is important that Ukrainian producers work to continue their adaptation to technical regulations and requirements of the EU, and our partners from BUSINESSEUROPE can contribute to this in the best possible way," ULIE President Anatoliy Kinakh said.

As of today, the organizations work under a signed memorandum of cooperation, which provides for the implementation of a number of concrete measures. It must be noted that to maintain an ongoing dialogue with European partners, the ULIE opened a representative office of Ukrainian businesses in the EU in spring 2015.

The partners also reviewed a plan of joint actions for 2016, which provided for the joint monitoring of mutual obligations of Ukraine and the EU under the provisions of the Association Agreement, consulting as well.

Kinakh invited representatives of BUSINESSEUROPE and national associations that are members of this organization, European business leaders to the third Kyiv International Economic Forum, which is to be held in the Ukrainian capital this autumn.

The ULIE President's plans included a meeting with representatives of the European External Action Service (EEAS) on April 14 and discussions of future prospects of the participation of the civil platforms of Ukraine and the EU in events held within the Eastern Partnership framework. Not long ago, a large - scale conference was held at the European Parliament, which was attended by Ukrainian NGOs and business organizations.

The leader of Ukraine's entrepreneurial and industrial community will also meet with representatives of the Cabinet of the EU Commissioner for European Neighborhood Policy and Enlargement Negotiations. They will focus on ways to deepen cooperation, including at the non - governmental level, promote Ukraine's European integration course and establish effective channels of horizontal communication.

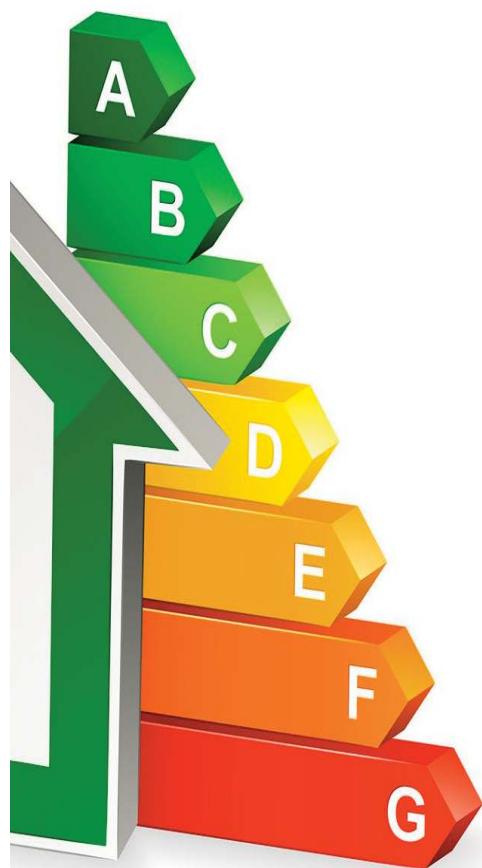
POROSHENKO INVITES JAPAN BUSINESSMEN TO INVEST INTO UKRAINE



President of Ukraine Petro Poroshenko has invited Japanese businessmen to make investments into Ukraine. "One of the aims of my visit is to invite Japanese business to Ukraine. I'm asking you to be more courageous and in full measure use those opportunities, which already exist, in particular due to the reforms and FTA with EU," the president said delivering a speech at the Japanese National Club in Tokyo. According to him, Ukraine may become a new portal for Japanese investments into Europe, namely FTA of Ukraine with EU opens additional opportunities to set cheap production capacities in Ukraine involving highly qualified Ukrainian personnel.

"Japanese business will acquire a unique opportunity to sell almost duty-free goods produced in Ukraine," he said.

REGIONAL DEVELOPMENT MINISTRY: UKRAINE NEEDS \$57 BLN OF INVESTMENT IN ENERGY EFFICIENCY



The total amount of investment required for energy efficiency measures in Ukraine is \$57 billion, according to an analytical report by the Ministry of Regional Development, Construction, Housing and Utilities Services, posted on the ministry's website. According to the ministry, at the extent of investment in the energy efficiency Ukraine could reduce the annual consumption of natural gas for heating from 18.6 billion cubic meters (bcm) to 7.2 bcm.

According to the report, most investment is required for rehabilitation of private houses and multi-apartment buildings – \$28 billion and \$17 billion respectively. Such measures will allow to reduce the annual consumption of natural gas for heating by 4.7 bcm and 2.3 bcm, respectively.

The modernization of the sector of heat generation and heat supply networks will allow to reduce the annual consumption of natural gas by 2.4 bcm, this requires \$6 billion of investment. ■

LITHUANIA INTERESTED IN UKRAINIAN SPECIALISTS AND COMMODITIES



The business associations of Lithuania are ready for closer cooperation with Ukrainian businesses, engaging Ukrainian counterparts to establish cooperation and hold exhibitions. Future events of this kind are to be held in the city of Klaipeda in early summer. The Lithuanian partners are also interested in Ukrainian commodities, primarily in farm produce. These issues were on the agenda of a meeting between delegates of the Ukrainian League of Industrialists and Entrepreneurs (ULIE) and Lithuanian specialized business associations. In particular, the parties agreed that the number of bilateral contacts and practical arrangements had been growing, aided by economic forums and industrial networking events. The ULIE and the Confederation of Lithuanian Industrialists also discussed the course of preparations for the second Lithuanian-Ukrainian Economic Forum, which will be hosted by Kyiv in December during the Lithuanian President's visit to Ukraine.

It must be noted that last year, Vilnius hosted a bilateral forum, which saw a high level of bilateral representation and a series of practical agreements, including an agreement on the training of Ukrainian businessmen. As part of preparations for the new forum, the parties scheduled a meeting of the bilateral Business Council and roundtable talks.

The partners particularly emphasized the possibility of employing technical specialists from Ukraine. However, it will require further measures to liberalize bureaucratic procedures. In the meantime, they offer assistance in the adaptation of new vocational education programs, which were developed in Germany and are now being implemented in Lithuania.

"This question should be brought to the level of the Ukraine-Lithuania Intergovernmental Commission, as this is a step towards strengthening the competitiveness of our specialists and simplifying the modernization of production," First Vice President of the ULIE Serhiy Prokhorov said.

He also said that the Lithuanians were interested in cooperation with Ukraine's industrial complex and mentioned examples of cooperation between state-run enterprise Kyivpnylad and the Engineering Industries Association of Lithuania (LINPRA), and some local firms through it.

Agricultural companies also showed interest in buying Ukrainian grain. The ULIE was a catalyst for establishing direct contacts for the development of this cooperation. In future, Ukrainian and Lithuanian partners may conclude futures contracts and sign long-term agreements as well.

In addition, Prokhorov introduced the ULIE's partners at the Embassy of Ukraine in Lithuania with the aim of establishing more structured and broad partnership. The Lithuanian side highly assessed prospects for Ukrainian craftsmen's participation in fairs in Klaipeda and Vilnius, and pledged full support for them in future.

What is more, the ULIE's representative and the mayor of Klaipeda held a meeting, where they reached agreement on the possibility of boosting shipments of Ukrainian-made products for exhibitions especially pending a large-scale fair in June. ■

ZEUS CERAMICA'S INVESTMENT IN 2015-2016 WILL REACH UAH 28.5 MLN



PJSC Zeus Ceramica (Sloviansk, Donetsk region), one of the largest producers of ceramic tiles in Ukraine, in May 2016 will start the next stage of modernization of production for a total of UAH 28.5 million. According to the Donetsk Chamber of Commerce and Industry, in 2015 Zeus Ceramica invested UAH 22 million of the indicated amount in modernizing production.

“This investment enabled the company to increase the amount of domestic raw materials used in production of tiles,” reads the report.

According to the report, the remaining sum of investment worth UAH 6.5 million will be used for modernization of equipment that will help the company begin production of large format tiles (450x900mm). Zeus Ceramica plans to bring the first batch of the new tile to the market in June this year.

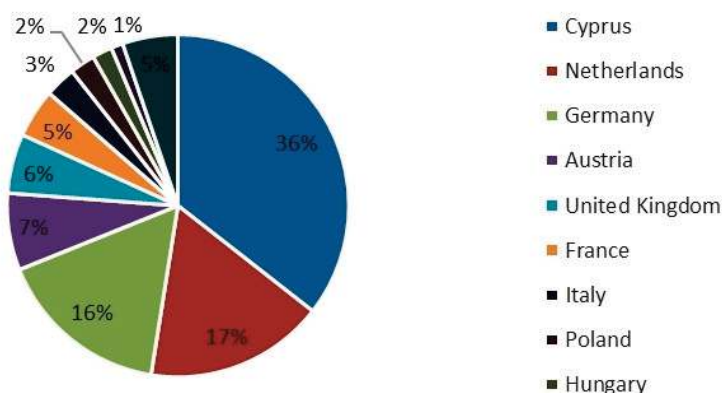
As reported, PJSC Zeus Ceramica in mid-June 2014 was forced to suspend operations in connection with the situation in the region and military operations in the east of Ukraine. At the end of April of the same year company CEO Oleksandr Bohoslavsky reported that the unstable political situation in connection with the events in Sloviansk and in the southeastern region of Ukraine complicated the work of the enterprise, due to which Zeus Ceramica in April 2014 reduced production of ceramic tiles by 30%, as well as experiences difficulties with logistics and is forced to postpone the planned modernization of production with investment of about EUR2 million. ■

FOREIGN DIRECT INVESTMENT (EQUITY CAPITAL) FROM EU COUNTRIES TO UKRAINE

	Foreign direct investment from EU countries to Ukraine, as of 31.12.2015 (mln. USD)	% of the total
From EU countries, total-28	33042,3	100,0
Cyprus	11744,9	35,5
Netherlands	5610,7	17,0
Germany	5414,3	16,4
Austria	2402,4	7,3
United Kingdom	1852,5	5,6
France	1528,1	4,6
Italy	972,4	2,9
Poland	785,9	2,4
Hungary	625,4	1,9
Luxembourg	371,6	1,1
Other countries EU	1734,1	5,3
For information:		
To Ukraine, total	43371,4	x
From EU countries, total-15	19150,4	x

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Foreign direct investment from EU countries to Ukraine as of 31.12.2015 (mln. USD)



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Note. Excluding the temporarily occupied territories of the Autonomous Republic of Crimea, the city of Sevastopol and in a part of the zone where the anti-terroristic operation.
Source: State Statistics Services

GERMANY TO PROVIDE EUR 17 MLN TO CHERNIVTSI TO RENEW DRINKING WATER SYSTEM



The Federal government of Germany via KfW investment bank will provide EUR 17 million to renew drinking water system in Chernivtsi, the Delegation of the European Union (EU) to Ukraine has reported.

The EU will support the project via its Neighbourhood Investment Facility (NIF) under the "Programme for Modernisation and Rehabilitation of Municipal Infrastructure" in Ukraine and will provide EUR 3 million.

The first of three installments of the loan totals up to EUR 17 million.

The project will enable the municipality of Chernivtsi to manage its regional water resources in a more efficient, environmentally sound and sustainable way. Moreover, it will improve the living conditions of the local citizens by providing round-the-clock access to a higher quality drinking water. The loan funds measures include the rehabilitation of pumping stations and groundwater intakes in order to increase energy efficiency. Replacing old and leaking pipes in the drinking water distribution system will reduce physical water losses. The total cost of the project is EUR 61.5 million. ■

IFC, SWISS GOVERNMENT ALLOCATE \$3.5 MLN TO IMPROVE UKRAINE'S INVESTMENT CLIMATE



The International Financial Corporation (IFC), a division of the World Bank Group, and the State Secretariat for Economic Affairs of Switzerland (SECO) will allocate \$3.5 million in 2016-2018 to finance an advisory program to help improve the investment climate in Ukraine.

The funding will be \$3.5 million, the project is designed for three years until December of 2018, and its partner is the Swiss government, the World Bank project manager in Ukraine, Eugeniu Osmochescu, said at a press conference in Kyiv.

According to him, the program's partners in Ukraine will be the Economic Development and Trade Ministry and the Agrarian Policy and Food Ministry.

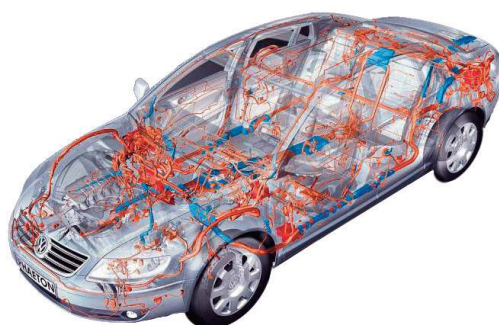
The program is aimed at creating an effective regulatory environment for enterprises, the reduction of costs for the implementation of business activities and providing assistance in opening new markets to Ukrainian agricultural producers.

The new project will focus on improving regulatory procedures such as obtaining permits, licensing and inspection of enterprises in all sectors of economy. It will also help adapt Ukrainian legislation to international requirements.

The program will also help simplify the logistics in ports and river transportation in order to facilitate the development of trade and exports.

This project is based on the results of preliminary work conducted by the IFC in agriculture. ■

GERMAN LEONI AG TO BUILD ANOTHER FACTORY FOR PRODUCTION OF CAR WIRES IN PRYKARPATTIA



German company Leoni AG, which has a plant for production of car cables in Stry (Lviv region), has decided to build another plant in Prykarpattia.

According to a report on the website of Ivano-Frankivsk Regional State Administration, this was discussed during a meeting of Chairman of Ivano-Frankivsk Regional State Administration Oleh Honcharuk with Leoni AG CEO Stefan Schmid.

According to him, the construction of a plant in Kolomyia district is to be completed by July-August 2017. At this stage, the amount of investment will be almost EUR15 million, including EUR6.6 million will be used for building an industrial facility, and EUR8 million for equipment.

The total area of the factory is expected to be 6,300 square meters, the number of employees – 800 people. “In general, in the framework of projects implemented by Leoni AG in the region, almost 7,000 Prykarpattia residents will work at its facilities,” the administration said.

As reported, Leoni Wiring Systems UA has been working in Lviv region since 2003. ■

UKRAINE, CHINA APPROVE SPACE COOPERATION PROGRAM 2016-2020



Ukraine and China have approved a long-term program of cooperation in the space sector for the period of 2016-2020. According to the press service of the State Space Agency of Ukraine, the document was approved at a meeting of the subcommittee on cooperation in the space sector of the Ukrainian-Chinese intergovernmental commission in Kyiv on April 7-8.

The new long-term program of bilateral cooperation provides for the joint implementation of more than 70 projects. Most of them envisage the creation of rocket and space technologies, taking into account China's implementing the Lunar Exploration Program and a mission to study the planets of the solar system, as well as cooperation in the field of creating new materials and Earth remote sensing.

CEO of the State Space Agency of Ukraine Liubomyr Sabadosh and from China – Deputy Head of the China National Space Administration Wu Yanhua co-chaired the subcommittee.

According to the agreement of the parties, the next meeting of the subcommittee on cooperation in the space sector of the Ukrainian-Chinese intergovernmental commission is to be held in China in the first half of 2017. ■

GEOS TO INVEST EUR 10 MLN IN BUILDING RESIDENTIAL COMPLEX IN BUDAPEST



Kiyiv-based GEOS construction company (Geos Construction LLC) seeks to realize a project on construction of a residential complex in the historic part of Budapest (Hungary) in 2018.

The company told Interfax-Ukraine that the cost of the project is EUR 10 million. The ERKEL Residences nine-storey complex will be built in Ferencvaros district of Budapest. The company said that gross area of premises will be around 9,000 square meters, including over 5,000 square meters of residential area. It will have 71 apartments.

The apartments will be offers with internal decoration, furniture and household appliances. A three-level underground parking area will be built. The company said that the completion of construction is scheduled for Q2 2018.

GEOS plans in 2016 to implement the project of constructing an apartment building in the Roscoe Village district in Chicago (the United States). The house will be located on a land plot of about 290 square meters, while the area of the planned building will be 465 square meters. Geos Construction LLC was founded in 2008. It builds residential and non-residential buildings and facilities. ■

UKRAINE'S LARGEST INNOVATION CENTER IHUB WILL OPEN IN KYIV IN JULY



Ukraine's largest center of innovations and entrepreneurship of the iHub international network will open at 10 Khreschatyk Street in Kyiv in early July, the press service of Kyiv City State Administration has said.

"It will be the largest center of innovations, the object in which hundreds of young entrepreneurs will be daily trained," reads a press release citing the board chairman of the Seed Forum international fund in Ukraine, the operator of iHub centers, Dmytro Podolev.

According to him, investment in the opening of a new center of innovations and entrepreneurship will be from UAH 10 million to UAH 15 million. The object with an area of 1,600 square meters will provide 200 jobs. The new iHub center will include eight open and 12 semi-enclosed conference halls, two event rooms, office space in the format of "open space," four recreation areas, as well as a gym and showers. In addition, an area for parking bicycles will be foreseen.

The iHub project is developed with the support of the Norwegian Ministry of Foreign Affairs. The project operator is the Seed Forum international network of non-profit support foundations and investment development. ■

POLISH GROCLIN TO FOCUS ON PRODUCTION AT ITS PLANTS IN UKRAINE



The Groclin manufacturer of automobile seat covers and upholstery for car seats to reduce costs intends to focus on production at its two plants in Ukraine (Zakarpattia and Ivano-Frankivsk regions), taking into account a cheaper labor force, according to Polskie Radio (Polish Radio).

"Groclin is convinced that wages are too high in Poland. It is more profitable to manufacture upholstery in Ukraine, where wages are less than half," reads the report. In this regard, the company plans in 2016 to reduce production at Polish factories in Grodzisk Wielkopolski by 65% and the main plants for the company in 2017 will become those in Uzhgorod and Dolyna (Ivano-Frankivsk region). "In 2017 some 60% of produce will be sold in Ukraine," reads the report citing Groclin Board Chairman Andre Gerstner.

Polish Groclin Group specializes in the production of automobile seats and seat covers. It has five production facilities in Poland, Ukraine and Germany. The staff totals 1,630 people. Most of the customers are the leading carmakers, including VW, Volvo, Renault, BMW, Ford and Opel. ■

ZORYA-MASHPROEKT SIGNS NEW CONTRACTS TO SUPPLY POWER EQUIPMENT FOR INDIAN NAVY SHIPS



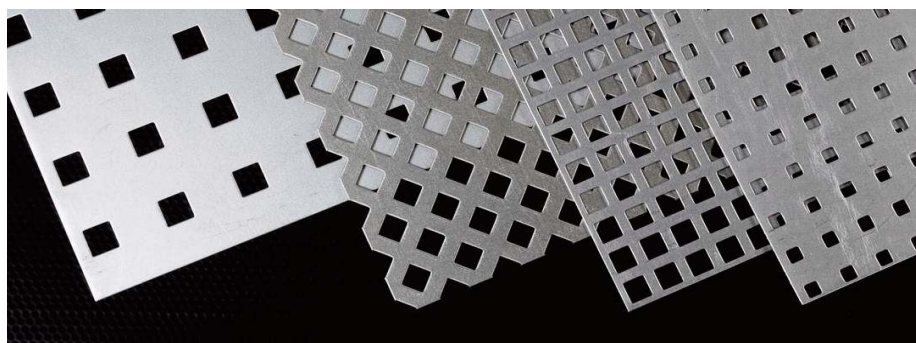
Zorya - Mashproekt (Mykolaiv) is extending military and technical cooperation with India.

According to the plant's press service, during the ninth International Defense Exhibition DEFEXPO 2016, held in South Goa (India) on March 28-31, Zorya-Mashproekt and the Ministry of Defense of India signed two new contracts for the supply of energy equipment for Indian Navy ships.

"The parties have achieved agreement on the launch of a vast program of engine overhauls under the existing contracts. The first batch of equipment from the Indian Navy will come to the plant in the second quarter of 2016," the press service said, adding that the work on the new contracts will allow to increase load on the plant's production capacity.

At present India is the leading partner of Zorya-Mashproekt in the field of military-technical cooperation. The parties have been cooperating for more than 20 years: the company supplies equipment to India on a number of projects, both for equipping new ships of the Indian Navy and in the framework of servicing the existing fleet, reads the report. ■

KHARKIV FRUNZE PLANT ENTERS AUSTRIAN MARKET



Frunze Plant (Kharkiv), the leading Ukrainian manufacturer of fencing systems, first entered the Austrian market after shipping a batch of punched screens for Austria's Fa Biokorn. The company said in a press release on Friday that the punched screens are of innovative design made jointly with Kharkiv National Technical University of Agriculture.

The screens are made for screening buckwheat. The holes are epicycloidal instead of triangular. The solution helps increasing screening efficiency by 40%. The press service said that Frunze Plant is the world's only producer of these punched screens.

Fa Biokorn bought a test batch and the contract could be signed after the tests. Frunze Plant, founded in 1885, produces screens for agriculture machinery, flooring grills, netting and fencing systems for the construction industry, elements of urban environment (waste baskets, benches), storage racks and others. ■

ARTERIUM CORPORATION LAUNCHES PRODUCTION LINE FOR INFUSION SOLUTIONS



Arterium Corporation (Kyiv) has launched a production line for infusion solutions at the facilities of PJSC Galychpharm (Lviv). The corporation told Interfax-Ukraine that this is the first infusion line opened by the corporation. Galychpharm received a license to produce infusions in December 2015, while in March 2016 it produced the first batch of solutions.

Earlier infusions under the Arterium brand were manufactured on a contract basis.

"With the new line for production of infusion solutions Arterium will strengthen its market position in the hospital segment, the segment of antibacterial drugs, and plans to occupy a significant market share in the infusion medicines market in Ukraine," the corporation said. As reported, the shareholders of PJSC Galychpharm at a general meeting on February 23, 2016 decided to place 7.093 million shares worth UAH 63.833 million. ■

ELVORTI GROUP OFFICIALLY LAUNCHES METALIT FOUNDRY



Elvorti Group (Kirovohrad), an agricultural machinery manufacturer, has officially presented a new foundry – private joint-stock company Metalit. The company said that the new company was created on the basis of a foundry shop of public joint-stock company Chervona Zirka, a large agricultural machinery manufacturer in Ukraine. Investment in the foundry reached UAH 120 million.

Metalit produces cast section weighing from 500 grams to 55 kilograms from cast iron using automated equipment made by Danish Disa. The production capacity is 2.5 tonnes per hour. The equipment is unique in Ukraine.

Some UAH 108 million was investment into equipment, particularly, Germany's Otto Junker induction melting furnace with a production capacity of 5 tonnes per hour, Italy's Fomet automated pouring control device and Disa casting line with a production capacity of 100-120 cast sections a year and the Disa Core device. Metalit can supply products for various engineering, hydraulic systems, machine building and railway transport.

"Companies that cooperate with Metalit have managed to increase the quality of their products, while Hydrosila stopped importing casting sections from Turkey," the press service said. The foundry has a next generation filter system designed under European standards by Germany's FLSmidth. ■

ARTYOMSOL SEES 47.3% RISE IN SALT EXPORTS TO EUROPE IN Q1 2016



State-run enterprise Artyomsol saw a 47.3% salt exports increase in January-March 2016 year-over-year. The company said that this allowed the company to almost double its share of European exports, to 13.7%. Despite warm winter, the company reported a 4.5-fold rise in supplies to Hungary, to 27,900 tonnes, while supplies to Slovakia and the Czech Republic totaled 11,600 tonnes.

"We're actively strengthening our positions on the Eastern European markets. This is an interesting market with solvent demand. It is convenient from point of logistics. Exports to the EU helps us to compensate Russia's limitations of Ukrainian salt imports," the company said, citing acting Director general Volodymyr Dolia. The 7% decrease in shipments in Ukraine is linked to a fall in demand by road maintenance services.

State-run enterprise Artyomsol seeks to increase supplies of its products to the EU countries by 15% in 2016, to 425,300 tonnes and open logistics centers in Ukraine and the EU. "We plan to open logistic centers in Ukraine and the EU. This would help to resolve the problem of delivering cargos from producers to consumers in the shortest terms. It would bring our products closer to end consumers, increase the company's profit thanks to avoiding intermediaries," the enterprise said on its website.

A pilot project could be realized in Kyiv in the near term. Artyomsol specialists in March 2016 visited warehouses and industrial premises for placing a logistics center to handle, store and distribute salt on the territories adjacent to the ports of the Danube River in Galati (Romania) and Ruse (Bulgaria).

A representative office in the EU allows the company to take part in European salt procurement tenders. Artyomsol shipped 367,800 tonnes of salt to the EU in 2015. Artyomsol is the largest enterprise engaged in the production and sale of salt (NaCl) in Central and Eastern Europe.

Artyomsol is the largest enterprise engaged in the production and sale of salt (NaCl) in Central and Eastern Europe. ■

U.S. HONEYWELL WILL SUPPLY AVIONICS FOR NEW MULTIPURPOSE ANTONOV PLANE

U.S. Honeywell International Inc. will ensure the supply of avionics for a new multipurpose An-132D aircraft with a load capacity of 9.2 tonnes built by Antonov state enterprise (Kyiv) in the framework of a contract with Saudi Arabia signed in April 2015.

The press service of the plant told Interfax-Ukraine that the supply of Primus Epic 2.0 avionics for the new transport aircraft would be provided under a contract recently signed by Antonov and Honeywell. The start of equipment deliveries is scheduled for April 2016.

As reported, state enterprise Antonov has completed the large scale assembly of a new multipurpose An-132D aircraft. The plant expects the supply of PW150A engines for the airplane by Pratt & Whitney Canada in April. A cooperation agreement with the Canadian company under the An-132 program was signed in October 2015. The prototype of a new An-132 is to be completed by the end of 2016. After performing a series of test flights, the aircraft will be presented to potential customers in Saudi Arabia. ■

ALLSEEDS TO INVEST \$7.5 MLN IN EXPANSION OF ELEVATOR CAPACITY BEFORE OCT 2016



The Allseeds Group seeks to expand the capacity of its elevator by 50%, to 120,000 tonnes, investing \$7.5 million in it before October 2016. The company said in a press release that the elements of the elevator will be shipped by the traditional partner of Allseeds – Jiangsu Muyang Group. A contract worth \$1.5 million has been signed with the Chinese company.

“The expansion of the company’s elevators and warehouses jointly with building an additional transportation line will cost \$7.5 million. This would help to considerably increase the speed of crop acceptance, cut time for processing trucks and railway cars,” Allseeds Director General Volodymyr Slabovsky said.

Allseeds Group in July 2015 launched a first line of the oil crushing plant at Yuzhny port in Odesa region with a capacity of 2,400 tonnes of oilseeds a day. Allseeds by 2021 will expand the capacity of its plant at Yuzhny port to 10,000 tonnes of oilseeds per day through the construction of second and third production lines at the plant. ■

GOVERNMENT PERMITS INDIVIDUALS TO HAVE COMPENSATIONS UNDER AGRICULTURE CREDITING PROGRAM



Ukraine’s Cabinet of Ministers has expanded a list of borrowers who have the right to receive an agro-industrial credit rate compensated, allowing individuals to receive compensations.

According to cabinet resolution No. 267 of April 6, the amendments are made to the procedure for using funds from the national budget to support measures in the agro-industrial via cheapening credits.

Additionally, the compensation in 2015 was provided if the sum of credit rates and the bank fee linked to the credit did not exceed 30% per annum, in 2016 it will be provided if the sum of credit rates does not exceed NBU refinancing rate multiplied by 3 percentage points at the moment of the signing of the agreement. This would allow not amending the procedure in the future due to fluctuations of NBU rates.

The resolution is in effect in 2016. ■

IFC TO LEND \$95 MLN FOR KERNEL TO REPLENISH WORKING CAPITAL



The World Group’s International Finance Corporation (IFC) is to lend \$95 million to Kernel Holding S.A. and its subsidiaries for financing their working capital. The Board of Directors will decide on the loan on May 10, IFC said in an announcement on its website.

“IFC loan will support a leading grain trader, crusher and a primary agricultural producer with significant linkages to the economy of rural areas. Kernel employs over 14,500 people on a full time basis, including 8,690 in its farming division. Through its wide origination network Kernel annually procures in excess of 2 million tons of sunflower seeds and more than 3 million tons of grains from about 5,000 farmers. In 3 years, the company plans to increase its procurement volumes by 30%, which would expand its reach to 6,500 farmers,” the announcement reads.

IFC’s financing will be channeled throughout the agri supply chain (farmers, SMEs) and will also inject additional liquidity into the Ukrainian agri sector, which currently experiences working capital shortages.

Kernel is a vertically integrated company which has been operating in the Ukrainian agribusiness sector since 1994. The group produces sugar and sunflower oil, distributes bottled oil under the brand names Schedry Dar, Stozhar and Chumak Zolota, exports oil and grain, and provides elevator storage services for grain and oilseeds. ■

MILK ALLIANCE SUPPLIES FIRST BATCH OF DAIRY PRODUCTS TO EU



Milk Alliance was first among dairy companies in Ukraine that fulfilled the order of a Bulgarian partner for the supply of dairy products. “The order is of a test nature in order to study the demand and taste preferences of consumers. The products will be available in special stores focused on the population from the CIS countries. The first store, which will sell the products under the brands of the Milk Alliance group is located in the city of Varna,” chairman of the company supervisory council Serhiy Vovchenko told Interfax-Ukraine.

According to him, the customer is Ukrainian Trade House Nadiya (Bulgaria).

The first export batch to Bulgaria includes hard cheese under the Pyriatyn and Slaviya brands, drinking milk under the Yahotynske trademark, drinking milk for children “Yahotynske for Children,” and Zlatokrai butter. ■

PARLIAMENT SIMPLIFIES FAMILY FARM REGISTRATION

The Verkhovna Rada of Ukraine has adopted the law on amendments to some laws of Ukraine on the promotion, creation and operation of family farms. The document provides a simplified procedure for the transformation of personal peasant farms into family farms, simplifies registration and organization of their business activities, as well as the procedures for obtaining permits.

The document foresees amendments and additions to the law on farms and personal peasant farms in order to create legal, economic and social preconditions for the transformation of personal peasant farms into family farms, obviating the need to receive the status of legal entity or individual entrepreneur. The measure ensures the full participation family farms in the agricultural market and strengthens the social protection of members of such farms, stimulating the creation on their basis of a viable system of agricultural service cooperatives and the integrated development of small farms in rural areas. ■

RISOIL LAUNCHES FIRST PHASE OF GRAIN TERMINAL AT ILLICHIVSK PORT

Risoil S.A. has launched a first phase of a grain terminal belonged to Risoil Terminal JV LLC at the Illichivsk maritime transport port (Odesa region). “Building a modern complex for grain handling is a large step in developing the region’s infrastructure. These are new jobs and a good example for attracting investors,” the press service of the Agricultural Policy and Food Ministry reported, citing Minister Oleksiy Pavlenko.

The terminal includes a warehouse with a storage capacity of 30,000 tonnes of grain. Around 120 trucks a day can be unloaded at the warehouse. The annual pass-through capacity of the warehouse will be 700,000 tonnes of grain.

The silo complex has 13 silos with a storage capacity of 85,000 tonnes of grain. Nine more silos with a total capacity of 125,000 tonnes will be built with the railway station for unloading up to 220 wagons a day.

“The truck unloading station with four lanes for trucks is being built. This would allow unloading 400 trucks a day,” the minister said. Risoil S.A. was founded in Switzerland in 2000. The company offers the following services: logistics of vegetable oils, bulk and general cargoes in the ports of the Black Sea; manufacturing and distribution of vegetable oils; storage of grains and oilseeds in containers and storage and processing of agricultural products. ■

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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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