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HEADLINES

EIB READY TO LAUNCH
ADDITIONAL PROJECTS
WITH UKRAINE IN 2016

KYIV REGIONAL
AUTHORITIES TO PRESENT
PROJECT TO BUILD BIG
ORBITAL ROAD AROUND
KYIV



UKRAINE TO EXPAND
COOPERATION WITH GENERAL
ELECTRIC

UKRGZVYDOBUVANNA,
NAFTOGAZ, PHILIP
MORRIS ARE UKRAINE'S
LARGEST TAXPAYERS



E-COMMERCE MARKET IN
UKRAINE COULD EXPAND BY
35% IN HRYVNIAS IN 2016

CABINET APPROVES
ENERGY EFFICIENCY
FUND CONCEPT



GENERAL ELECTRIC SEEKS TO
IMPROVE UKRZALIZNYTSIA'S
EFFICIENCY



EIB READY TO LAUNCH ADDITIONAL PROJECTS WITH UKRAINE IN 2016

The European Investment Bank (EIB) is ready to start additional projects worth some EUR 720 million with Ukraine, Ukrainian Deputy Prime Minister for European and Euro-Atlantic Integration Ivanna Klympush-Tsintsadze has said. “There is an arrangement with the president of the European Investment Bank to start additional projects with Ukraine. They are ready to realize their plans by the end of 2016. We need to stay focused to draw up feasibility studies for the required projects and allow the money to enter this year,” the office of Klympush-Tsintsadze wrote on Facebook page. She said that one of the projects relates to the Education Ministry: energy efficiency of educational institutions (EUR120 million), the second project – construction of Kaniv pumped storage hydroelectric station (EUR400 million) and the third one is upgrade of urban transport (EUR200 million). “A project to electrify railways is being approved,” she said after a visit of the governmental delegation to Brussels. ■



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CABINET TO LAUNCH ONLINE SYSTEM TO MONITOR IMPLEMENTATION OF ITS ACTION PROGRAM

The Cabinet of Ministers intends to launch an online system to monitor the implementation of the government's action program. "We will launch a system, a new online system of monitoring the execution of the government's action program by the ministries, it will be completely accessible to every ministry and this would mean that the internal control system, which has already been developed and will be introduced in the next few days, allows every minister to see the progress of the tasks entrusted to the ministry," Prime Minister Volodymyr Groysman said at a cabinet meeting.

The premier believes that such monitoring will help understand where the problems appear and solve them. Groysman stressed the government's action program is not populist but quite pragmatic. ■

KYIV REGIONAL AUTHORITIES TO PRESENT PROJECT TO BUILD BIG ORBITAL ROAD AROUND KYIV



Kyiv Regional Administration intends to present a project to build a big orbital road around Kyiv to investors by late July 2016, Kyiv region governor Maksym Melnychuk has said.

"One of the largest strategic projects [for Kyiv region] for this year is the bid ring road around Kyiv... I think that by late July Kyiv Regional Administration would have a chance to personally present the project to investors," he said at a meeting with the U.S.-Ukraine Business Council (USUBC) in Kyiv. He said that the length of this road will be around 193 kilometers. Investment could reach some \$2 billion.

"We are discussing it with some countries, for example, with France and China. They are ready to join the project," he said. He said that the condition that the road is left in ownership of Kyiv Regional Administration after its completion is important. This would open opportunities for investors to build hotels, filling stations and other facilities near it.

"The road would not be a toll road. Then we will be able to speak about this project as social project, but with large investment and business opportunities," he said. ■

STATE COMPANIES' PROFIT IN 2016 EXPECTED TO EXCEED UAH 20 BLN

The total profit of state companies in Ukraine in 2016 is expected to exceed UAH 20 billion, First Deputy Minister of Economic Development and Trade of Ukraine Yulia Kovaliv has stated.

"Today we have financial plans for most state-owned enterprises, and we expect that the losses of the companies will reduce significantly. In fact, as for fiscal plans on the top 50 companies – only two companies presented unprofitable fiscal plans. Thus, we expect the aggregate profit of state companies will be more than UAH 20 billion," she said at a briefing.

According to the Ministry of Economic Development and Trade, the cumulative loss of the top 100 state-owned enterprises declined from UAH 119 billion in 2014 to UAH 42.6 billion in 2015: the total loss of loss-making enterprises decreased from UAH 124.5 billion to UAH 56.4 billion, while the total profit of profitable enterprises rose to UAH 13.8 billion from UAH 5.5 billion respectively.

Kovaliv also reported this year the credit indebtedness of state enterprises is expected to fall by almost 5%. According to the ministry, the most profitable state-owned enterprises in 2015 were Ukrrenergo, Ukrhydroenergo, Energoatom, Turboatom and the Ukrainian Authority of Sea Ports. ■

RADA ALLOWS AVIATION INDUSTRY SETTING UP JV WITH FOREIGN PARTNERS



The Verkhovna Rada of Ukraine has adopted a law that provides for the possibility of state Ukrainian aircraft enterprises' setting up joint ventures (JVs) with foreign partners. According to the law, the founders and/or members of such joint ventures can be foreign business entities, except for those located or operating in the territory of the state recognized an aggressor or occupant state and/or with respect to which sanctions are applied.

The act also provides for the extension until 2025 of state financial support to the system of sales of domestic aircraft through the mechanism of cheaper loans (partial compensation of interest rates).

It is expected the adoption of the law will allow up to 2020 to bring about UAH 5-10 billion of investment in the industry and increase sales by 20-25%. ■

UKRAINE TO EXPAND COOPERATION WITH GENERAL ELECTRIC



Ukraine's Ministry of Infrastructure intends to expand cooperation with U.S. Corporation General Electric in various technological fields, Minister of Infrastructure Volodymyr Omelyan has said at a briefing in Kyiv.

"We've signed a memorandum with General Electric about testing their locomotive in Ukraine. This is the best design, which is now in the world. We also plan to sign a memorandum on cooperation with General Electric not only in the railway sector but also in aviation and others. This company is known for its electronic solutions, engines. I think we'll hold consultations in this direction," the minister said.

As reported, on July 14 General Electric and PJSC Ukrzaliznytsia signed an agreement under which the U.S. company will pass a locomotive to Ukraine to demonstrate its capabilities on the Ukrainian railway.

The locomotive of American production will arrive in Ukraine in the next two weeks. It will be on display on the Ukrainian railways for 120 days. Ukrainian experts will involve it in domestic rail transportation. ■

UKRGZVYDOBU-VANNIA, NAFTOGAZ, PHILIP MORRIS ARE UKRAINE'S LARGEST TAXPAYERS IN Q1, 2016



P JSC Ukrgazvydobuvannia in the first quarter of 2016 increased tax payments to the consolidated budget of Ukraine by 6.8 times and topped the rating of the largest taxpayers in the country, the State Fiscal Service reported in the Visnyk Rating edition.

According to its data, Naftogaz Ukrainy, the parent company of Ukrgazvydobuvannia, ranked second, despite the reduction in payments by 8%, while PJSC Philip Morris Ukraine ranked third, it increased tax payments by 75%.

These companies are followed by another representative of the tobacco industry – PJSC B.A.T. – Pryluky, which increased tax payments by 2.3 times, Energomarket with a 62% rise in payments ranked fifth.

The top ten largest taxpayers also included PJSC Ukrnafta (increased payments by 4.7 times), tobacco company PJSC JT International Ukraine (28%), Energoatom (247%), PJSC Naftogazvydobuvannia (90%), and PJSC Ukratnafta (two-fold). ■

E-COMMERCE MARKET IN UKRAINE COULD EXPAND BY 35% IN HRYVNIAS IN 2016



The e-commerce market in Ukraine in 2016 could grow by 35% in hryvnias and by 10-15% in the U.S. dollars, according to a forecast of the Ukrainian Direct Marketing Association. “The e-commerce market would show growth of around 35% in 2016. First since the start of the hryvnia devaluation growth in the U.S. dollars is expected. It would not be so large – some 10-15%,” the association told Interfax-Ukraine. The association said that the most optimistic forecasts are from representatives of the fashion segment. “In H1 2016 the segment growth could exceed 40%, and this would give chances for key players to return to 2013 figures in the U.S. dollars. The electronics and household appliances segment are not so optimistic in their forecasts and anticipate growth of up to 10% in hryvnias, the association said. The association said that the total e-commerce market volume in Ukraine in 2015 was \$1.1 billion (B2C sales of only new goods). The e-commerce market in hryvnias grew by 32%, and in the U.S. dollars it fell by 31% compared to \$1.6 billion in 2014. The association also said that according to a study of Factum Group, in 2015 the share of Internet users was 58% of the country’s population. 17% of Internet users (around 3.7 million people) bought goods in online shops. Last year consumers were more active in buying goods using mobile devices. 26% of users did shopping using tablet PCs or smartphones. “The number of users who buy goods on foreign website grew in 2015. According to MasterCard, the largest number of goods was bought on alieexpress.com, and 47% of Ukrainian buyers made orders on the Chinese marketplace,” the association said. Factum Group Ukraine is an integral part of the well renowned international research network Factum Group. Factum Group offers a complete, extensive and innovative service for research users looking for high expertise in their day to day challenges and the complexities of the fast developing CEE market. ■

RAIFFEISEN BANK AVAL SEES ALMOST UAH 1.5 BLN OF PROFIT IN H1 2016

Profit of Raiffeisen Bank Aval (Kyiv) totaled UAH 1.456 billion in January-June 2016, while its loss stood at UAH 1.04 billion in H1 2015, the bank has said in a quarterly report. The bank said that its profit in Q2 2016 amounted to UAH 772.9 million (a rise of 13.1% compared to Q1 2016). Total assets grew by 4% in H1 2016, to UAH 53.289 billion, including a decline of almost 1.8% in credits and debts if clients, being UAH 24.825 billion. Total liabilities grew by 1.3% compared to early 2016, to UAH 45.566 billion. Charter capital did not change, being UAH 6.155 billion, while net worth grew by 23.2% compared to the beginning of 2016, amounting to UAH 7.723 billion. Raiffeisen bank Aval was founded in 1992. The bank ranked fifth among 109 operating banks as of April 1, 2016, in terms of assets worth UAH 52.583 billion, according to the National Bank of Ukraine. ■

PRESIDENTIAL ADMINISTRATION HEAD LOZHKIN SAYS TIME TO ATTRACT MORE FOREIGN INVESTMENT



It’s time for Ukraine to attract more foreign investment, head of the Ukrainian Presidential Administration Borys Lozhkin said after meeting with chiefs of one of the largest business conglomerates of Oman’s Sultan – Suhail Bahwan Group (SBG). “Now it is the time to intensify efforts to attract foreign investments. We have what to offer for international capital in various areas of economy, and we need to fulfill our potential. We need to create conditions for investors, ones which they are accustomed to working around the globe – distinct, clear, safe [conditions]. And I am ready to coordinate the work in this direction,” he said. “We have discussed which sectors of Ukrainian economy could be interesting for SBG in terms of strategic investments,” he added. SBG holding with a multibillion turnover is a large player on a global market of nitrogen fertilizers, which owns assets in areas of energy and power, infrastructure and building, transport and medical services, and others. In his words, volumes of foreign investments are continuing to grow in 2016, but the pace is insufficient. Ukrainian economy, as before, desperately needs participation of foreign investors. “This is one of the key factors of its growth. That’s what I was saying on behalf of the president in meetings with investors in London, Washington, Baku, Kyiv,” he said. ■

CABINET APPROVES ENERGY EFFICIENCY FUND CONCEPT



The Cabinet of Ministers at a meeting on June 13 endorsed the concept of the Energy Efficiency Fund to be created.

“Setting up the Energy Efficiency Fund will allow making very simple things, first of all, improve the efficiency of energy consumption. We [in the country] have about 100,000 multi-apartment buildings, 7.5 million private households. We don’t need to do pilot projects but broad scale implementation, effectively, in every town, in every settlement. Today energy efficiency concerns the whole country,” Deputy Prime Minister, Minister of Regional Development, Construction, Housing and Utilities Services Hennadiy Zubko said.

Zubko said donors from the European Union and the German government are close to confirming their participation in co-financing the fund from next year.

According to the minister, the successful work of the fund will allow saving 1.5 billion cubic meters of gas annually, ensuring the creation of 75,000 new jobs with the involvement of small and medium-sized businesses in the thermal modernization market, conducting energy efficiency measures and energy audits in the residential sector, as well as will help annually save about UAH 5 billion of national budget funds intended for payment of subsidies for housing and utilities services. ■

UKRAINE, EIB AGREE ON NEW INFRASTRUCTURE AND ENERGY EFFICIENCY PROJECTS



Ukraine counts on new projects with the European Investment Bank (EIB) in infrastructure and energy efficiency, Ukrainian Finance Minister Oleksandr Danyliuk reported after a meeting with EIB Vice-President Laszlo Baranyay.

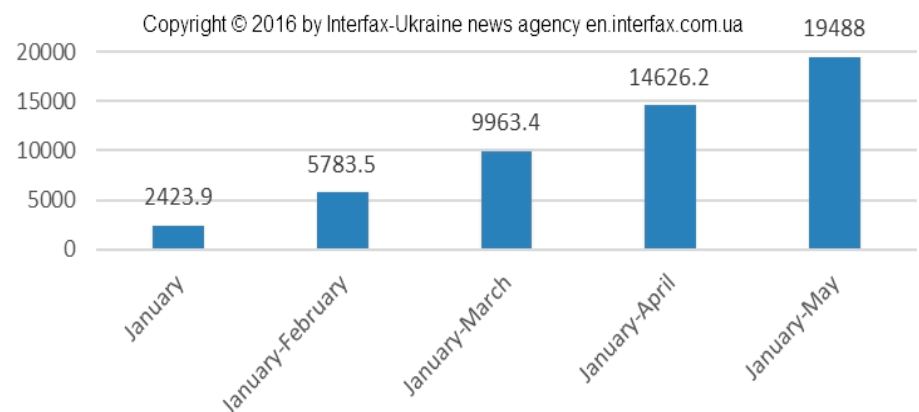
“We have agreed about the continued support of Ukraine by the EIB, in particular in new projects in the field of infrastructure and energy, which means new roads and winterized schools,”. According to him, during the meeting they also discussed the current state of the implementation of ongoing projects.

According to the information on the EIB website, three projects for Ukraine are currently waiting for approval by the EIB board. These are a EUR 150 million project with Ukrzaliznytsia for the railway modernization, a EUR 400 million project with Ukrhydroenergo on Kaniv pumped storage hydro station and a EUR 200 million project for the development of local transport to 20 cities.

This week, the Ukrainian government has approved the concept of Energy Efficiency Fund, which is planned to be launched in 2017 with the support of international financial institutions.

EIB Senior Corporate Banker Jean-Jacques Soulacroup reported earlier the European Investment Bank (EIB) intends to invest about EUR 800 million in projects in Ukraine in 2016, while in future mulls the annual funding of up to EUR 1 billion for the country. Last year, the EIB provided loans worth EUR 1.2 billion to Ukraine. ■

VOLUME OF CONSTRUCTION WORKS ACCOMPLISHED BY REGION IN 2016 (MLN.UAH)



Excluding the temporarily occupied territories the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation zone. Data can be corrected. Source: State Statistics Services

CEMENT PRODUCTION 10.5% UP IN UKRAINE IN JAN-MAY – UKRCEMENT



Cement production in Ukraine in January-May 2016 increased by 10.5% year-over-year, to 3.19 million tonnes, CEO of Ukrcement cement producers' association Roman Skilsky has said in an interview with Interfax-Ukraine.

“Taking into account growth the sector showed in the five months of this year – if it is a real trend reflecting the stir up in the construction sector, by the end of the year the cement sector could produce more than 9 million tonnes of cement,” he said.

Cement production in Ukraine would grow by 10% in 2016 compared to 2015, taking into account the seasonal specific of the sector under the condition that the sector will operate well, Skilsky said.

He said that in January-March 2016 exports of Ukrainian cement reached 62,700 tonnes. This is 71% up year-over-year. The share of exports of total cement production in the first quarter of 2016 (1.529 million) was 4.1%.

Skilsky said that these exports figures do not reflect the potential of the Ukrainian cement sector. They are linked to the introduction of various restrictions by key exports markets.

“The trend could have been upward if not for two things happened. First, Moldova introduced quotas for several types of industrial products, including cement, from May 13. Last year we exported around 140,000 tonnes of cement to this country. Now the quota is 500 tonnes, or nothing. Secondly, Belarus early suspended the certificates for batch production of Ukrainian cement [for three years] and introduce certification of cement batches,” he said.

“As a result, we expect that exports to Belarus and Moldova would considerably fall. These were the largest exports markets for Ukraine. Taking into account imports of clinker from Russia, we would see the negative impact on the entire exports-imports balance of Ukraine by the end of the year for 2532 commodity group (various types of cement and clinker),” he said.

Skilsky said that the sector intends to focus on development thanks to the domestic market, at least, until Ukrainian producers will have a chance to export to European countries.

Ukrcement unites Dyckerhoff Cement Ukraine, Heidelbergcement Ukraine, Ivano-Frankivskcement, Eurocement-Ukraine, Podilsky Cement, Mykolaivcement and Cement LLC (part of CRH Group). ■

FINANCE MINISTRY STARTS INTERNAL REFORM WITH SUPPORT OF PWC



The Ukrainian Finance Ministry next week will start internal reform with support of PricewaterhouseCoopers (PwC). The reform aims at improving business processes in the ministry.

“The project will be fully financed by international donors and it does not require budget funds spending,” the ministry said last week after a meeting of Ukrainian Finance Minister Oleksandr Danyliuk, his deputy Yevhen Kapustin and representatives of PwC.

The ministry said that the reform implies optimization of internal processes, improvement of internal communications, introduction of a project approach, increase of responsibility of employees and introduction of technological changes.

“The improvement of the ministry’s work would considerably increase the level and quality of work. We want that the Finance Ministry as a driver of reforms continue changing inside to become an example for other ministries,” Danyliuk said. ■

HP TECH VENTURES BECOMES UVCA MEMBER

HP Tech Ventures created in May 2016 by HP Inc, the world leader in personal computers, as well as, consumer and commercial printing, has become a member of the Ukrainian Venture Capital and Private Equity Association (UVCA).

The association said in a press release that HP Tech Ventures invests globally in early-stage companies where HP can provide strategic value: 3D Printing, IoT, Immersive (VR, AR, and HCI), and Smart Machines (Robotics and AI).

“We hope that due to our cooperation it will find interesting startups to invest exactly in Ukraine — especially now there is a wide range of projects: over 2,500 startups in our country, and the number is growing,” UVCA Executive Director Olha Afanasieva said.

A representative of HP Tech Ventures Vitaliy Holomb said that the fund expects great things from Ukraine’s massive pool of engineering talent.

“We expect great things from Ukraine’s massive pool of engineering talent and are doing our part to help foster innovation while providing a bridge to Silicon Valley,” he said.

Ukrainian companies have attracted more foreign investors last year without losing interest at the local market. About half of the deals (48%) in 2015 (according to UVCA Private Equity and Venture Capital Overview) have been closed with the participation of international funds.

“This fact demonstrates interest of international partners in Ukraine, and shows the recognition of Ukrainian startups on the global market,” the association said.

UVCA was founded in August 2014. The initiators of the association were Andriy Kolodiuk and Merilo. Today 1,200 investment companies, institutional investors and market players, including Horizon Capital, KM Core, AVentures, Intel Capital, SCM, Vostok Ventures, Capital Times, the Warsaw Stock Exchange and other international investors, are association members. The World Bank and the European Bank for Reconstruction and Development (EBRD) are partners of the association. ■

METINVEST SEES 6.2% RISE IN REVENUE IN MAY ON APRIL, POSITIVE EBITDA



Metinvest B.V. (the Netherlands), the parent company of Metinvest international vertically integrated mining and metal group, saw \$203 million in earnings before interest, tax, depreciation and amortization (EBITDA), while in the previous month the figure was \$139 million.

According to a preliminary unaudited report published last week under international financial

Total revenue consisted of revenue of the metal division of \$425 million and the mining division of \$199 million, internal sales of minus \$91 million. Revenue in May reached \$533 million.

Total debt in May grew by \$86 million compared to April, to \$2.937 billion. Cash decreased by \$4 million, to \$163 million. ■

ZAPORIZHVOHNETRYV BOARD AGREES TO SIGN CONTRACT WITH MINMETALS JAPAN CORP. TO SUPPLY MAGNESITE FOR UAH 142.5 MLN



The supervisory council of PJSC Zaporizhvohnetryv, Ukraine’s largest enterprise for production of refractories, part of Metinvest Group, has given preliminary consent to sign a contract with Minmetals Japan Corp. (Japan) for the supply of raw materials, namely magnesite and graphite, in 2016 for a total of UAH 142.5 million.

According to official information from the information disclosure system of the National Commission on Securities and the Stock Market, the supervisory council made the corresponding decision on July 15 this year.

It is permitted to sign a contract for the amount not exceeding 25% of the cost of the company’s assets according to the latest annual financial report, which is UAH 570.096 million. The ratio of the marginal cost of the transaction to the value of Zaporizhvohnetryv assets, according to the most recent annual financial statements, is 24.99579%.

Zaporizhvohnetryv in 2015 saw net income grow by 54.1% compared to 2014, to UAH 1.002 billion, while its net loss decreased by 67.4%, to UAH 21.031 million, pretax loss by 70%, to UAH 22.959 million from UAH 76.159 million. ■

TURKEY AGREES ON CONTRACT TO BUILD SUBWAY IN DNIPRO



Turkey has agreed on a contract for building subway in the city of Dnipro, City Mayor Borys Filatov has said. “Turkish colleagues have brought an agreed contract for subway construction,” Filatov wrote on his Facebook page.

He also published his photo with a weighty bookbinding in the hands, which was signed in the following way: “And this large book is not the Great Encyclopedic Dictionary but our contract. We are waiting for press at a ceremony scheduled for July 28.” As reported, on December 30, 2015 the Cabinet of Ministers of Ukraine passed the integrated property complex of state enterprise Dnipropetrovsk Subway Construction Directorate to the mayor’s office of Dnipropetrovsk. In November 2015 the customer of building the first metro line in Dnipro [at that time Dnipropetrovsk] was the city council. ■

GENERAL ELECTRIC SEEKS TO IMPROVE UKRZALIZNYTSIA’S EFFICIENCY



The U.S. General Electric Corporation seeks to improve efficiency of public joint-stock company Ukrzaliznytsia using own technologies. An Interfax-Ukraine correspondent has reported that GE Transportation Marketing Director Adem Saglik informed reporters on this after signing a memorandum of cooperation with Ukrzaliznytsia.

“We need to understand in cooperation with Ukrzaliznytsia what type of investment and what type of cooperation would be important for them. If we speak about diesel locomotives, of course, the state of rolling stock is sad. In the past 25-30 years Ukrzaliznytsia has not bought any new locomotives. This affects its efficiency. We are confident in a possibility of using our solutions to improve Ukrzaliznytsia’s efficiency,” he said.

Saglik said that General Electric could also find financial solutions for Ukrzaliznytsia.

“We always ask Ukrzaliznytsia what rolling stock modernization plans they have. We hear about modernization of maybe 200-300 units. They would need to buy some new locomotives and new equipment, but we cannot name exact figures. Ukrzaliznytsia is to carry out own assessment. If we speak about long-term outlook, this could concern modernization or replacement of 400-500 units,” he said. He said that this project is a long-term project. It could envisage modernization of 50-60 units a year.

Asked about the selection of the site for joint operations and the local content level, Saglik said that the company’s representatives held a familiarization tour in Ukraine, but it is early to announce any decision. The deeper assessment should be conducted. “I want to say that Ukraine has sites with a large potential. The local content level depends on the project and its details. Usually when we speak about local content, final assembly and startup works are done at the site,” he said. ■

UKRENERGO TO ANNOUNCE TENDER TO BUY 25 MORE TRANSFORMERS

Ukrenergo intends to announce a tender to buy 25 more transformers, the company’s press service reported on Tuesday. The press service said that acting Director Vsevolod Kovalchuk on July 21 will hold a press conference devoted to the announcement of the tender.

The press service told Interfax-Ukraine that the official tender procedure will be announced at the press conference. The tender will be held via the ProZorro procurement system. ■

CABINET APPROVES PROGRAM TO DEVELOP HYDROPOWER SECTOR UNTIL 2026 INCREASING CAPACITY BY 1.6 TIMES



The Cabinet of Ministers of Ukraine has approved a program for the development of the hydropower sector until 2026, the implementation of which will allow to increase the installed capacity of hydropower plants in the country by 1.6 times (3.6 GW) compared with the beginning of the year, to 9.5 GW.

According to PJSC Ukrhydroenergo Board Chairman Ihor Syrota, who represented the program, the commissioning of new facilities, as well as the reconstruction and modernization of the existing hydropower plants will allow to bring the share of hydropower in the total structure of electricity generation in the country to 15.5%.

As part of construction of new facilities the matter concerns the completion of Dnistrovska hydroelectric pumped storage power plant (1.25 GW) and Tashlyk hydroelectric pumped storage power plant (0.3 GW), the construction of Kaniv hydroelectric pumped storage power plant (1 GW), Kakhovka hydroelectric pumped storage power plant (0.25 GW) and the Verkhniodnistrovsky cascade of hydro power plants (0.39 GW). Modernization will increase the installed capacity of hydropower plants by 0.425 GW.

The expert noted the purpose of the program is improving the reliability of work of Ukraine's united power system, its integration with the European energy system, reducing fossil fuel consumption and anthropogenic impact on the environment. ■

UKRAINE, AZERBAIJAN INTERESTED IN IMPLEMENTING ODESA-BRODY OIL PIPELINE PROJECT

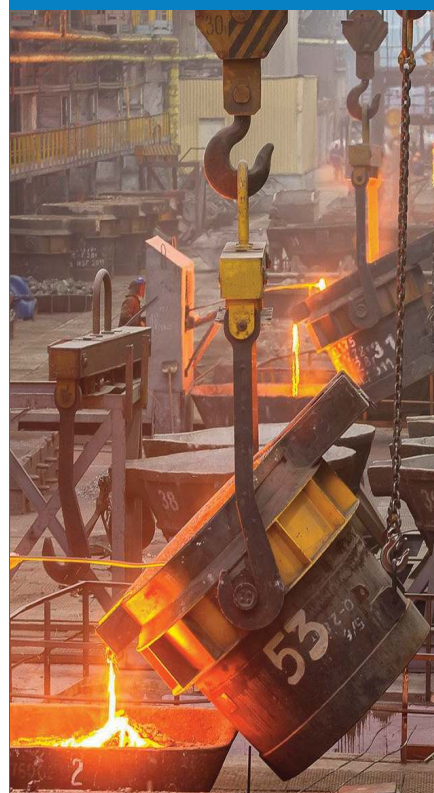


Uresident of Azerbaijan Ilham Aliyev has stated Azerbaijan and Ukraine are interested in implementing the Odesa-Brody project for oil transportation. "We have seriously discussed the Odesa-Brody project because Azerbaijan supplies large volumes of oil to the European market," Aliyev said at a meeting with President of Ukraine Petro Poroshenko in Baku.

Reviving this project would create good transport opportunities, connecting the Caspian Sea, Black Sea and Baltic Sea, Aliyev said.

"This triangle has the potential for cooperation, and I consider that without doubt the role of the transport corridor is the key one in our cooperation," he said. ■

ZALK TO RESUME ALUMINUM WIRE ROD PRODUCTION IN AUGUST



PJSC Zaporizhzhia Aluminum Plant (ZAIK) is conducting restoration work to resume manufacture of aluminum wire rod, according to the plan, in August this year.

According to a press release of Zaporizhzhia Regional State Administration, the launch of wire rod production was discussed during a working trip of Deputy Head of Zaporizhzhia Regional State Administration Borys Borysov and director of the industry and infrastructure development department Andriy Antonov, held on behalf of head of the state administration Kostiantyn Bryl.

The press service noted production of aluminum wire rod was stopped in 2014. Currently the plant management in conjunction with the regional administration has taken first steps towards the realization of a prospect plan for the development of the strategically important enterprise.

ZAIK CEO Dmytro Lobikov said the plant was the only Ukrainian producer of primary aluminum, alloys, as well as crystalline silicon, ferrosilicon and silumin. The plant provided a full metallurgical cycle. ■

UKRTSUKOR PREDICTS SUGAR PRODUCTION GROWTH BY ALMOST 40% IN 2016/17 AGRI-YEAR



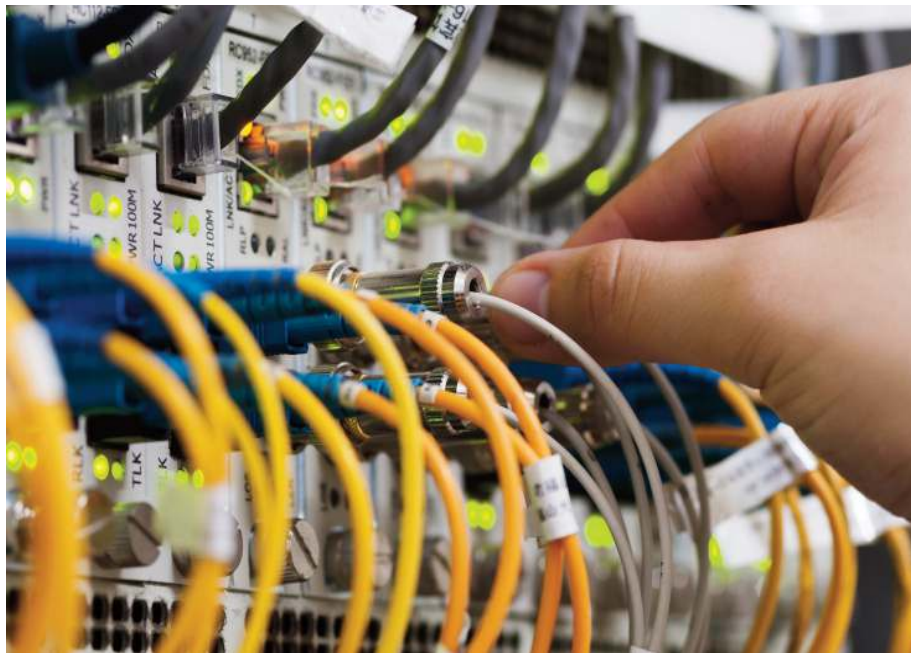
The national sugar producers' association Ukrtsukor predicts that sugar production would grow by 40% in the 2016/17 agricultural year (September-August), to 2 million tonnes. "We could receive around 2 million tonnes of sugar this year," Ukrtsukor Head Andriy Dykun said at a press conference in Kyiv. He said that Ukraine made 2.08 million tonnes of sugar in the 2014/15 agri-year and 1.43 million tonnes in the 2015/16 agri-year.

Sugar production would expand, as the areas planted with sugar beats this year expanded by 25-30% and the yield improved thanks to good weather. Ending sugar stocks are estimated at 600,000 tonnes.

Dykun expressed alarm with the intents of the Agrarian Fund to sell 60,000 tonnes of sugar on the domestic market, as this would push down the prices.

He said that since early 2016 Ukraine has exported 46,000 tonnes of sugar, and 40% of it went to Romania. According to the association's forecasts, the cash cost of sugar production in the 2016/16 agri-year could be UAH 15 per kilogram, and now wholesale prices of sugar are UAH 12.50-14 per kilogram. ■

UKRTELECOM SEEKS TO INVEST \$50 MLN IN MODERNIZATION BY LATE 2016



Public joint-stock company Ukrtelecom seeks to invest up to \$50 million in the fixed telecommunications network modernization by late 2016 using the credit line of China Development Bank.

The press service of Ukrtelecom reported on Wednesday the company has ordered 389 Huawei active junction boxes that would replace 46 old automatic telephone systems and will service around 170,000 subscribers.

The equipment will ensure provision of Internet access services to subscribers at the speed of up to 20 megabit per second using ADSL technology, up to 50 megabit per second using VDSL technology and up to 1 gigabit per second using GPON technology. The new infrastructure of Ukrtelecom would allow Smart City services in the future. Similar Huawei boxes are servicing 12,500 subscribers in Odesa. They were installed instead of three old automatic telephone systems during a pilot modernization project. Ukrtelecom is the largest fixed-line communications operator in Ukraine. Its ultimate owner is Rinat Akhmetov's SCM Group. ■

SAUDI ARABIA STARTS PREPARING INFRASTRUCTURE UNDER AN-132 AIRCRAFT PROGRAM

Saudi Arabia has started preparations for organizing batch production of new An-132 multipurpose aircraft with a carrying capacity of 9.2 tonnes being designed by Antonov State Enterprise (Kyiv) in cooperation with King Abdulaziz City for Science and Technology (KACST) and Taqnia Aeronautics Co. (both based in Saudi Arabia).

KACST Director Khalid A. Almalki said at the Farnborough International Airshow Trade 2016 said that Saudi Arabia is preparing the required infrastructure under the An-132 aircraft program.

"Today we are focused on building test aircraft An-132 to present it on the market. We are also designing and preparing infrastructure required for it, including composite materials," he said.

The press service of Antonov Enterprise said on Wednesday that Almalki expressed satisfaction with the level of cooperation and the course of works to produce test aircraft An-132D at the facilities of Antonov Enterprise.

"We intend to start An-132 aircraft's tests by the end of this year, and we hope to find potential customers for the plane," Almalki said.

An-132D is the first prototype of a new light transport An-132 aircraft, which will replace An-32 and An-26 in the market. The An-132 program is implemented by Antonov in cooperation with KACST and Taqnia Aeronautics Co. ■

MAIN KINDS OF ANIMAL PRODUCTION IN 2016

	Meat (in live weight)		Milk		Eggs	
	thsd.t	in % to corresponding period 2015	thsd.t	in % to corresponding period 2015	mln.pcs	in % to corresponding period 2015
January	287,2	97,7	578,0	98,0	1051,1	79,2
January-February	536,2	99,5	1180,5	99,4	2111,1	80,8
January-March	793,6	100,8	1976,6	99,0	3399,3	81,5
January-April	1111,6	102,6	2892,4	99,1	4833,7	82,5
January-May	1334,1	101,4	4004,5	99,1	6403,1	85,3

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

UKRAINE EXPORTS 1.44 MLN TONNES OF GRAINS SINCE EARLY 2016/17 AGRI-YEAR



Ukraine since the start of 2016/17 agricultural year (July-June) as of July 22, 2016 had exported 1.44 million tonnes of grain, the Agricultural Policy and Food Ministry has reported.

Grain exports reached some 297,000 tonnes of wheat, 760,000 tonnes of barley and 386,000 tonnes of corn, the ministry said.

Some 8,300 tonnes of wheat flour was exported.

As reported, referring to the ministry, Ukraine in 2015/16 agri-year exported 39,487 million tonnes of grain, and this was 13.5% up on the previous season.

UKRAINE EXPORTS 1.44 MLN TONNES OF GRAINS SINCE EARLY 2016/17 AGRI-YEAR



Cheese and analogue cheese sales by one of the largest Ukrainian industrial and retail holdings Terra Food grew by 30% in January-June 2016 year-over-year. The company said in a press release on Monday the growth is linked to the strengthening of positions of its key brands on the market and the active development of distribution. The company made around 8,500 tonnes of cheese and analogue cheese focusing on the cheese promotion in January-May 2016. Today Terra Food produces cheese under the Ferma and Vapniarka brands and analogue cheese under the Tulchynka and other regional brands.

“When we only launched packaged cheese under the Ferma brand in 2013, our segment share was less than 1%. Today, the Terra Food’s share of the packaged cheese segment is around 18%,” Marketing Director Iryna Zhyvotova said.

She said that Terra Food produces cheese at three own sites: Kryzhopil cheese factory, Vapniarka cheese factory and Tulchyn butter and cheese factory.

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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