

HEADLINES

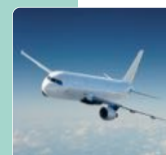
CABINET INTENDS TO
CREATE 25 REGIONAL
DEVELOPMENT
AGENCIES IN 2017

UKRAINE'S FOREIGN
TRADE IN GOODS,
JAN-OCT 2016,
EXPORT-IMPORT,
THSD. USD



PIVDENMASH BOOSTS
LOADING OF PRODUCTION
FACILITIES BY 1.5 TIMES

UKRAINIAN AIRLINES
SEE 31% RISE IN
PASSENGER TRANS-
PORTATION IN 2016



KYIV AIRPORT INCREASES
PASSENGER TRAFFIC BY
20% IN 2016

BIOFARMA SEES
36.6% RISE IN
PHARMACY SALES



DCH GROUP LAUNCHES
KHARKIV TRACTOR
PLANT ON JAN 6



CABINET INTENDS TO CREATE 25
REGIONAL DEVELOPMENT AGENCIES
IN 2017

The Cabinet of Ministers of Ukraine intends until the end of 2017 to ensure the creation of 25 regional development agencies the mission of which involves assistance to local authorities in the implementation of programs and projects of regional development and improvement of investment attractiveness.

The relevant data is contained in the draft of medium term plan of priority actions of the government until 2020. According to the government, the current system does not provide a guaranteed stable funding for the duration of projects implementation, giving rise to incomplete construction projects and does not allow achieve the desired effect.

In addition, the Cabinet notes the need to ensure the transition from financing of projects aimed at solving current local problems to projects that merely create workplaces, innovative products and those improving standards of living.

The government also intends to provide regions with access to European funding instruments of regional development, including cross-border cooperation. For example, in 2017 the Cabinet plans to develop an international agreement on Ukraine's participation in the Danube Transnational Program as earlier the European Commission decided to allocate EUR 5 million for Ukraine to participate in this program.

UKRAINE TO SELL ZALK, TURBOATOM BY LATE OCT 2017



Ukraine's government has ordered the privatization of 68.0095% in PJSC Zaporizhia Aluminium Plant (ZAIK), 75.224% of PJSC Turboatom and 99.999% of OJSC Oriana, according to corresponding resolution posted on the government's website. This document approves the plan of placement of the shares in these companies, providing for the sale of these packages at tenders with open bidding on the principle of auction until November 30, 2017. In addition, the list of objects for privatization includes 22.555% in gas supply and gasification company PJSC Korostyshivgaz, 50.005% of OJSC Osnaschennia, 57.389% of PJSC Lviv plant Avtonavantazhuvach, 25.998% of Avtolyvmash, and 30.979% of PJSC Kamyanskyi-Podilskyi. The government also extended the terms of auctioning a 99.995% stake in Sumykhimprom and 99.5% of Ivano-Frankivsk Locomotive Repair Plant until November 30, 2017. ■

GOVERNMENT SEEKS TO DISCUSS CREATION OF AGENCY FOR EURO- PEAN INTEGRATION BEFORE JULY 2017



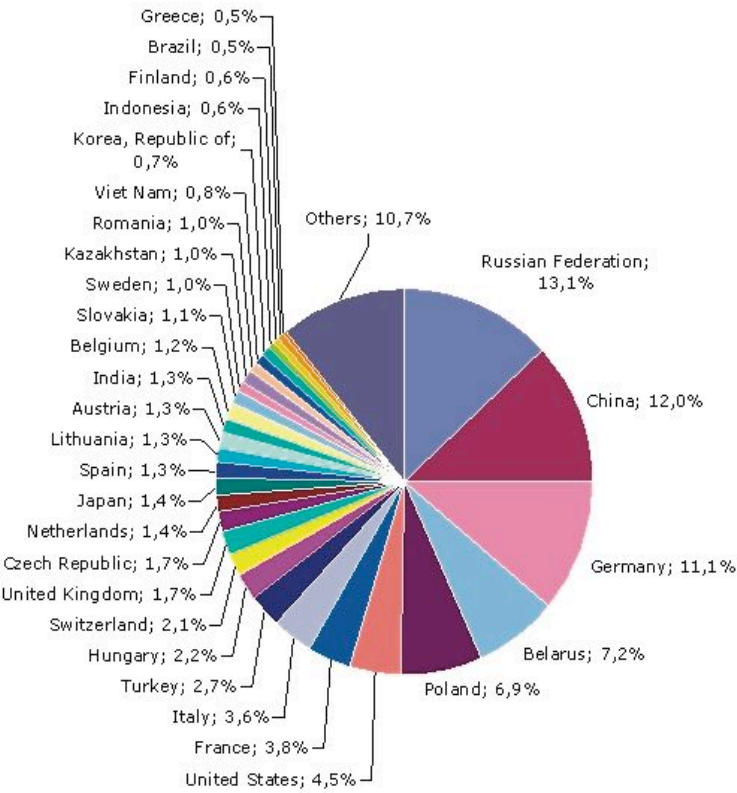
Ukraine's Cabinet of Ministers seeks to discuss the creation of the Agency for European Integration in the second quarter of 2017. According to the draft action plan for medium-term outlook until 2020 the agency could be created as a central executive power authority with a special status. It is planned that the agency would help to apply a centralized approach to the implementation of tasks in the European integration area and to observe Ukraine's legal liabilities in the area. It is planned to approve the communications strategy in the sphere of European integration for 2017-2020 in Q2 2017. ■

CHINA INTERESTED IN STRENGTHENING COOPERATION WITH UKRAINE – XI JINPING

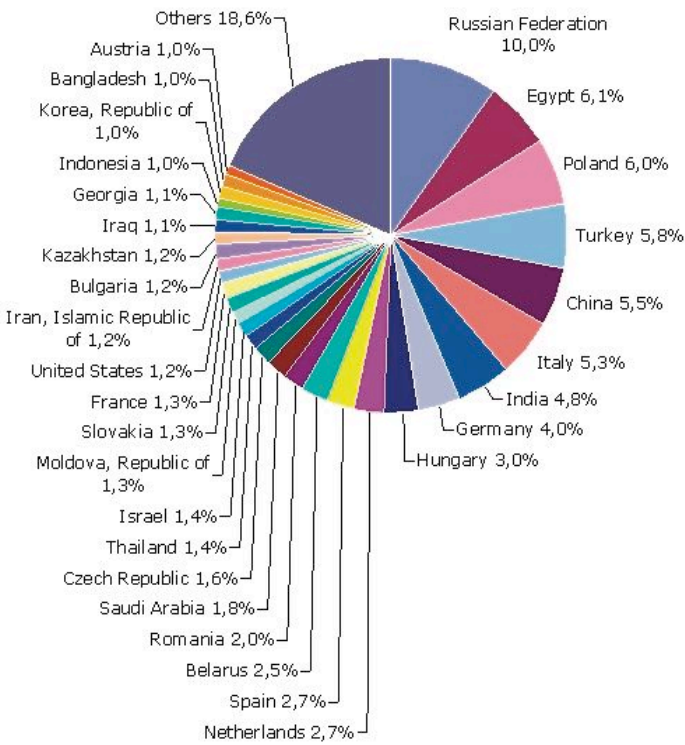


President of the People's Republic of China Xi Jinping congratulated Ukrainian President Petro Poroshenko and Ukrainian people on the occasion of the 25th anniversary of diplomatic relations between Beijing and Kyiv. "In 25 years after establishing diplomatic relations Chinese-Ukrainian relations stably develop. Cooperation between the two countries in trade, economic, investment, agricultural, scientific, cultural and other spheres have achieved substantial results. The contents of Chinese-Ukrainian strategic partnership are permanently expanding, which brings real benefits to the two countries and their people," Xi Jinping said. "China pays large attention to the development of Chinese-Ukrainian relations. China is ready to use the best opportunity of the 25th anniversary of diplomatic relations between the two countries based on mutual respect and mutual benefits to come to the further strengthening of the foundation for friendly cooperation between the two countries, promotion of bilateral relations and cooperation in all spheres to have even more achievements," he said. ■

UKRAINE'S FOREIGN TRADE IN GOODS, JANUARY–OCTOBER 2016, IMPORTS, THSD. USD



UKRAINE'S FOREIGN TRADE IN GOODS, JANUARY–OCTOBER 2016, EXPORTS, THSD. USD



PIVDENMASH BOOSTS LOADING OF PRODUCTION FACILITIES BY 1.5 TIMES IN 2016, SEEKS TO DOUBLE IT IN 2017

Dnipro - based Pivdenne Machine Building Plant named after Makarov (Pivdenmash) increased loading of its production facilities by 1.5 times in 2016 and the plant seeks to more than double it in 2017. “Today one can say that the crisis bottom has been passed: this year Pivdenmash boosted loading of production facilities by one and a half times, and next year, taking into account the contracts signed, the loading would more than double,” the press service said.

Expansion of cooperation with leading space states, in particular, the United States and the European Union, entrance to the new markets, production of defense products and participation in the import replacement program are the essential factors allowed to load the facilities, the press service said.

“This year Pivdenmash resumes production of the first stage of Antares launch vehicle (LV) in the interests of U.S. Orbital ATK. The company is involved in the implementation of the NASA contract to service ISS. NASA representatives visited Pivdenmash and remained pleased with what they saw. Some meetings and negotiations were held in the United States. Pivdenmash is also boosting cooperation under the European Vega LV. It is early to speak about the new projects, but we are ready for them,” the press service said.

This year the enterprise promoted the interests of Ukraine’s space sector in Southeast Asia.

“Contracts with partners, including from India and South Korea, have been signed or are being signed,” the press service said. ■

GROYSMAN PREDICTS GROWTH OF LOCAL BUDGET REVENUES BY 25% IN 2017

Three Ukrainian Prime Minister Volodymyr Groysman predicts a 25% growth in revenues of local budgets in 2017. “We have almost an annual rise of 50% in revenues of local budgets ... We foresee another growth of 25% next year,” Groysman said. According to the premier, simultaneously with the increase in revenues, the responsibility of local authorities will grow and decentralization in regions depends on their efficiency.

Groysman believes the public should also monitor the use of funds from local budgets to avoid corruption. ■

UKRAINIAN AIRLINES SEE 31% RISE IN PASSENGER TRANSPORTATION IN 2016

Ukrainian airlines saw a 31% rise in passenger transportation in 2016 year-over-year, to 8.274 million people, according to data from the State Aviation Service of Ukraine.

Passenger numbers used international routes grew by 31.6%, to 7.472 million people. Passenger flow via Ukrainian airports rose by 20.9%, reaching 12.929 million. Passenger flow on international flights grew by 19.9%, to 11.294 million people. ■

KYIV AIRPORT INCREASES PASSENGER TRAFFIC BY ALMOST 20% IN 2016



Kyiv International Airport (Zhuliany) in 2016 increased passenger traffic by 19.4% compared with 2015, to 1.127 million people.

According to the press service of the airport, the number of passengers served on international flights amounted to 1.065 million people, on domestic flights 62,800.

The number of flights served by the airport in 2016 amounted to 18,268 for arrival and departure, which is 2.3% more than in 2015, including 14,378 international flights, 3,890 domestic flights.

The most popular international destinations in 2016 were Minsk (Belarus), Dubai (the UAE), Budapest (Hungary), Antalya (Turkey), Dortmund (Germany), while internal destinations included Odesa, Zaporizhia, Lviv. The most popular tourist destinations were Dubai, Budapest, Antalya, Larnaca (Cyprus), Tivat (Montenegro).

In December 2016 the airport served 108,200 passengers, which is 88.5% more than in December 2015. The number of passengers on international flights totaled 101,000, on internal flights 7,200. ■

YANAIR AIRLINE COULD CREATE OWN FLYING SCHOOL ON BASIS OF ZHYTOMYR AIRPORT



Yanair airline (Zhytomyr) points out a serious problem with training flying staff in Ukraine, Yanair airline Director General Volodymyr Sobolev has said. “Veterans like me are dying or retire, while young people are different. Someone has a desire, someone is dragged by the ears by parents and he does not understand what he needs this. Many persons are attracted by high wages, but they do not understand that the money is not paid for nothing. We end up with understanding that we need to train flying staff ourselves, from the green field. Unfortunately, training in Ukraine is of low quality, if to choose my words carefully,” he said in an interview with Interfax-Ukraine.

Sobolev said that airlines train pilots themselves. For example, UIA does not train from the green field. The airline signed a contract with Lithuania and guarantees employment to students trained in Lithuania at Baltic Aviation Academy.

“We have own airport [Zhytomyr]. It is likely that we will create a flying school on its base. We have many proposals from pilots from Europe who cannot add flying hours and they are ready to pay to fly with us and get trained,” he said. ■

NEW TRUCKS SALES IN UKRAINE 47% UP IN 2016



Sales of new trucks in Ukraine in 2016 with a fully loaded weight of over 3.5 tonnes grew by 46.6%, to 2,085 units, AUTO-Consulting has reported.

The number of deals to sell trucks grew for almost all active market players and some of them managed to boost sales by dozens of times.

The leader of the Ukrainian truck market was Russia's GAZ in 2016, boosting sales by 2.3-fold, to 349 trucks, and its market share grew from 10.7% to 16.7%. In 2015 GAZ was second in sales.

MAN was second for the first time with 15.4% of the Ukrainian market (6.8% in 2015 and fifth on the market), boosting sales by 3.3 times, to 321 trucks.

Last year leader – Belarus' MAZ – is not third with a 19.4% fall in sales, to 312 trucks, while its market share decreased to almost 15% compared to 27.2% in 2015.

AUTO-Consulting said that it is hard to switch to Euro-5 emission standard that took effect in Ukraine early 2016 for MAZ. MAZ trucks meeting Euro-5 emission standard were started only in H2 2016 and this affected the sales figures.

Scania trucks are fourth (third in 2015) with a 19.3% rise in sales, to 179 units.

The experts said that Volvo, Mercedes-Benz, DAF, Renault boosted their sales. Only KAMAZ (eighth) posted an 18.6% fall in sales. Dealers of Ford Trucks successfully attracted MAZ consumers.

"Turkey's Ford showed the highest growth on the market and boosted sales by over 16 times, to 104 trucks," the analysts said.

Chinese truck sales were also stirred up. Foton was tenth (14th in 2015) leaving KrAZ behind (sixth in 2015).

The experts said that 57 KrAZ trucks were sold in Ukraine in 2016 or 32% less than a year ago. ■

ZORYA-MASHPROEKT SEES 13% RISE IN NET REVENUE IN 2016

State-run enterprise Zorya-Mashproekt (Mykolaiv) is finishing 2016 with profit.

The press service reported that sales revenue in 2016 grew by 13%. The company will see profit this year. The financial target is met by 102%.

In 2016 Zorya-Mashproekt mainly produced marine equipment: the share of ship units of total supplies reached 87%. The enterprise also shipped products for the energy sector and gas pipelines. "The customers of the products are mainly foreign companies. The exports share totaled 96.4%. The products were delivered to South Asia, Southeast Asia, Eastern Europe and the Middle East," the press service said. The enterprise continued implementing production facilities modernization programs in 2016: investment amounted to UAH 155.8 million (the same as in 2015). Zorya-Mashproekt is a member of the Ukroboronprom State Concern. ■

EBRD TO PROVIDE UP TO EUR 8 MLN TO IVANO-FRANKIVSK TO BUY 35 NEW TROLLEYBUSES



The European Bank for Reconstruction and Development (EBRD) on December 26 signed an agreement with Electroavtotrans (Ivano-Frankivsk) municipal public transport operator providing a loan of up to EUR 8 million for the acquisition of 35 new low-deck trolleybuses, the rehabilitation and modernization of a trolleybus depot and the extension of the existing electric transport network, the press service of the EBRD has reported.

"The EBRD is extending more resources to support the renewal of rolling stock in municipalities across Ukraine in the context its Ukraine Public Transport Framework. The latest project under the facility, which was approved in 2015 and designed to help replace ageing municipal transport infrastructure, is a loan of up to EUR 8 million to Electroavtotrans, the municipal public transport operator in the western Ukrainian municipality of Ivano-Frankivsk," the bank said. The loan will be supported by a grant of up to EUR 1 million by the EBRD Shareholder Special Fund. The EBRD is the largest international financial investor in Ukraine. To date, the Bank has made a cumulative commitment of almost EUR 12 billion through 369 projects since the start of its operations in the country in 1993. ■

UKRZALIZNYTSIA TO INCREASE REVENUES BY 11% IN 2017



PJSC Ukrzaliznytsia in the draft consolidated financial plan for 2017 foresaw earnings from operations in the amount of about UAH 84 billion, which is 10.9% more than the expected data for 2016, while income from freight and passenger traffic is projected at the level of UAH 75.2 billion, and the share of revenues from transportation is almost 90%.

The press service of the company told Interfax-Ukraine income from operations for 2016 are expected in the amount of UAH 75.7 billion, which is 3.5% less than the target, while income from traffic is set at UAH 61.6 billion, which is 7.5% less than the plan. This decrease in revenues is expected mainly due to the non-fulfillment of transit traffic volumes (a 36.5% fall).

“As a consequence, the activity of PJSC Ukrzaliznytsia in 2016 is expected to have positive financial result. This figure is affected by the hryvnia devaluation, which leads to additional costs for exchange differences on foreign currency liabilities,” Ukrzaliznytsia said. ■

ARCELORMITTAL KRYVYI RIH, KERNEL, CARGILL, METINVEST STEEL MILLS ARE LARGEST RECIPIENTS OF VAT REFUNDS IN 2016

The largest recipient of VAT refunds in 2016 was ArcelorMittal Kryvyi Rih, which received UAH 8.03 billion, the State Treasury Service has said.

According to its data, it is followed by the exporters of oil and other agricultural products Kernel-Trade with UAH 6.8 billion and JSC Cargill with UAH 3.69 billion, as well as two steel plants from Metinvest Group of Rinat Akhmetov: Mariupol-based Illich steel mill with UAH 3.77 billion and Azovstal with UAH 3.46 billion.

The second five largest recipients of VAT refunds for last year includes three other representatives of the mining and metallurgical complex: Poltava GOK with UAH 2.77 billion, Dniprovsky steel combine from ISD Corporation with UAH 2.74 billion and Zaporizhstal integrated into Metinvest with UAH 2.31 billion.

The top ten recipients of VAT refunds in 2016 also includes two agricultural exporters: Suntrade with UAH 2.19 billion and Nibulon with UAH 2.11 billion. ■

UKRAINE INCREASES GAS TRANSIT BY 22.5% IN 2016



Ukkraine in 2016 increased transit of natural gas through its gas transportation system (GTS) by 22.5% (15.121 billion cubic meters) compared with 2015, to 82.2 billion cubic meters, according to live data from PJSC Ukrtransgaz.

In December 2016 gas transit increased by 24.5% (1.659 billion cubic meters) compared to the same month in 2015, to 8.421 billion cubic meters. In particular transit of gas through Ukraine to Europe last month amounted to 8.035 billion cubic meters, to Moldova 386.1 million cubic meters.

Total volume of Russian gas transit through the Ukrainian gas transportation system in 2016 was the highest in the last three years. Ukrtransgaz, 100% owned by Naftogaz Ukrainy, operates a system of trunk gas pipelines and 12 underground gas storage facilities in the country. ■

UKRAINE EXPORTS \$4.5 MLN WORTH OF CHRISTMAS DECORATION



Ukraine in January through October 2016 exported \$4.5 million worth of Christmas decoration to 25 countries, Deputy Minister of Economic Development and Trade, Ukraine's Trade Representative Natalia Mykolska has said. She wrote on her Facebook page on December 31 that 90.6% of exported Christmas decoration was made of glass.

"The main market is the EU countries. A total of 62.3% of total decoration was exported to this market in January through October 2016. Total supplies to the EU countries grew by 31.7% (from \$2.1 million in January-October 2015 to \$2.8 million). Among top three largest markets were three EU countries (the Netherlands, Germany and Poland)," she wrote.

Exports to Canada soared by 13.9 times, to Belarus – by 5.1 times, Italy – 3.1 times, Moldova – by 2.9 times, the United States – by 2.7 times, Switzerland – by 2.6 times and Poland by 2.3 times, she said. Mykolska said that this year new markets appeared – Turkey, Maldives, the Czech Republic. ■

UKRAINE EXPORTS ELECTRICITY FOR \$152 MLN IN 2016



Ukraine in 2016 exported electricity worth \$152.063 million, in particular in December for \$14.278 million. According to the State Fiscal Service, electricity delivered to Hungary amounted to \$119.317 million last year, to Poland to \$32.392 million, Moldova to \$347,000, and other countries to \$7,000.

Thus, in money terms exports of Ukrainian electricity last year grew by 1.3% or \$2.007 million compared to 2015 (\$150.056 million).

In addition, in 2016 Ukraine imported power worth \$3.63 million (\$3.565 million from Russia and \$65,000 from Belarus), while electricity for \$84.874 million was imported in 2015.

As reported, Ukraine in 2011 exported electricity for \$399.963 million, in 2012 – for \$574.819 million, in 2013 – for \$580.195 million, in 2014 – for \$487.185 million, and in 2015 – for \$150.056 million. ■

UKRAINE EXPORTS NITROGEN FERTILIZERS WORTH \$322 MLN IN 2016



Ukraine in 2016 exported nitrogen mineral or chemical fertilizers (foreign trade code 3102) for a total of \$321.614 million and imported for \$216.095 million. According to the State Fiscal Service, supplies to Turkey amounted to \$113.724 million, Italy to \$45.42 million, India to \$35.502 million, and other countries to \$126.968 million.

Imports of nitrogen fertilizers in the last year were carried out from Russia for \$166.72 million, Belarus for \$24.04 million, Kazakhstan for \$10.583 million, other countries for \$14.752 million.

In addition, Ukraine in 2016 exported ammonia (code 2814) worth \$40.569 million, while imports stood at \$51.802 million. ■

KYIVSTAR TO ENTER FINANCIAL SERVICES MARKET IN EARLY 2017



Kyivstar, the leading Ukrainian mobile operator, intends in early 2017 with the help of its subsidiary StarMoney LLC to launch the first set of financial services, in particular, public transfers and payments to third parties.

The press service of the company told the agency, bank issuing electronic money in the project will be state-controlled UkrGasbank and Pravex-Bank controlled by Italia's Intesa Sanpaolo, selected at a tender. Currently, the company is conducting a tender to select one of payment systems.

"The project to provide Kyivstar subscribers with mobile financial services consists of several blocks. One of them is currently undergoing pilot testing, while its commercial launch is scheduled for early 2017," the press service said. As reported, StarMoney LLC in June received a license from the National Bank of Ukraine for money transfers in the national currency. ■

UKRPOSHTA SEEKS TO MORE THAN DOUBLE CAPITAL INVESTMENT IN 2017



Ukrainian state-run postal enterprise Ukrposhta seeks to boost capital investment by 2.4 times in 2017 from UAH 206 million in 2016 to UAH 500 million in 2017.

"We have managed to balance large growth of financial needs of the company in the approved financial plan thanks to search for resources to increase effectiveness and quick growth of the enterprise. The important part of the plan is a possibility of financing capital investment of UAH 500 million," the press service of Ukrposhta said, citing Director General Ihor Smeliansky.

He said that growth of capital investment is to create a multiplying effect on the development of the company in coming years and help to return the market share to Ukrposhta and increase the quality of its services. The fund will be spent on repair or re-equipment of departments and truck fleet. ■

BIOFARMA SEES 36.6% RISE IN PHARMACY SALES IN 2016



Biofarma LLC (Kyiv), a blood preparations manufacturer, increased sales in the pharmacy segment by 36.6% in 2016 and in pharmacy prices, to UAH 372.7 million, the company has told Interfax-Ukraine.

In 2016, Biofarma was 39th in the rating of marketing organizations on the Ukrainian pharmaceutical market.

Commenting on the launch of the pharmaceutical supervision system, the company said that in Q4 2016 a total of 142 applications were processed.

"Mainly consumers asked for medical consultation in application of medicines made by Biofarma and for help to search the medicines in the pharmacy chains," the company said.

As reported, Biofarma seeks to invest UAH 40 million in core operations in 2017, release 15 new products to the market and boost pharmacy sales by 30% and exports by 50%. Investment in creation of new preparations totaled \$2.5 million in 2016.

Biofarma is among the ten largest Ukrainian manufacturers of medical products. It produces more than 20 immunobiological drugs from donor blood.

In 2014 Biofarma built a pharmaceutical plant in Bila Tserkva (Kyiv region), investing \$42 million in it.

Yefymenko is the ultimate beneficiary of the company's shareholder Niobera Investments Limited. ■

UKRAINE EXPORTS 23.1 MLN TONNES OF GRAIN SINCE START OF 2016/2017 MY

Ukraine since the beginning of the 2016/2017 marketing year (MY, July-June) and as of January 6, 2016 had exported 23.07 million tonnes of grain. According to the Ministry of Agricultural Policy and Food, by that time the country had exported about 11.5 million tonnes of wheat, 4.33 million tonnes of barley and about 7.13 million tonnes of corn.

In addition, Ukraine exported 169,700 tonnes of flour. As reported, with reference to data from the ministry, Ukraine in the 2015/2016 MY exported 39.487 million tonnes of grain, which is 13.5% more than in the previous season.

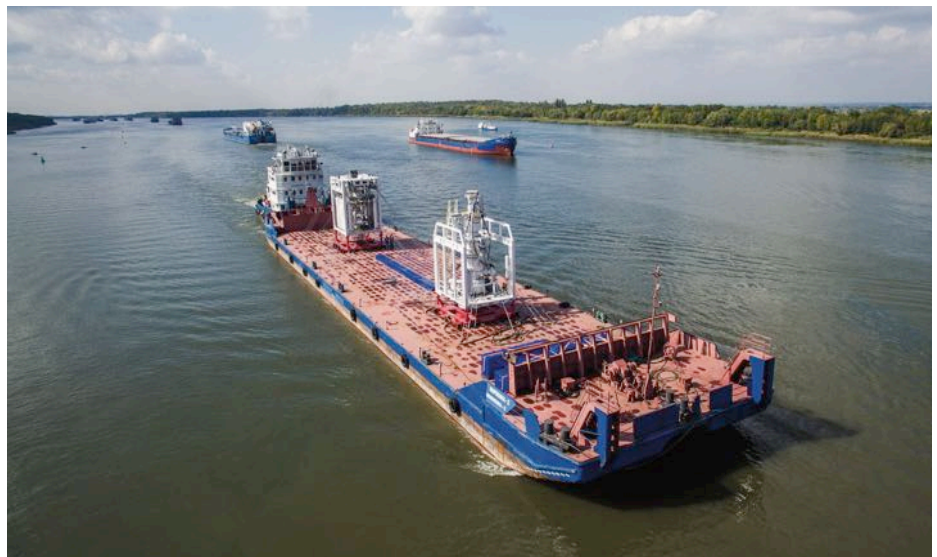
According to forecasts from the ministry, grain exports in the 2016/2017 MY could reach about 40 million tonnes.

UKRAINE INCREASES HONEY EXPORTS BY 1.6 TIMES IN 2016



Ukraine in 2016 exported 56,990 tonnes of honey, which is 1.6 times more than a year earlier, the State Fiscal Service has said. According to its figures, in terms of money honey exports grew by 15.4%, to \$97.28 million. The main consumers of Ukrainian products were Germany, Poland, and the United States. Honey imports to Ukraine over the past year rose from 17 tonnes to 118 tonnes.

UKRAINIAN DANUBE NAVIGATION'S FLEET EXPANDED WITH 60 BARGES



The many-year process of transferring barges of Europe-IIb type to ownership of Ukrainian Danube Navigation (Odessa region) was finished on December 13 in Vienna, the press service of Ukrainian Danube Navigation has reported. Twenty seven years ago, in 1989, Sovkomflot signed a contract with Austria's BAWAG leasing GmbH to build Europe-IIb type barges. When the USSR dissolved, Ukrainian Danube Navigation became the legal successor of liabilities of Sovkomflot.

Under the agreement, the advance payment of 15% of the cost of the barges was paid, and the rest of the sum was to be paid under a schedule. However, there were breaks in the schedule during more than 25 years and then payments were stopped due to financial difficulties of the enterprise over the UN embargo against Yugoslavia, war in this country and destruction of bridges on the Danube River. As of December 2014, the debt for building the barges was over EUR 7 million and around EUR 2 of interest.

"After long talks Ukrainian Danube Navigation managed to arrange the reduction of the debt by 90% in 2015 with BAWAG leasing GmbH and Österreichische Kontrollbank AG (OeKB) acted as a guarantor of the Austrian government. The debt was cut to EUR 1.5 million if it is paid under the schedule before November 30, 2016," the company said.

The debt was settled on November 24, and on December 13, 60 barges were transferred to ownership of Ukrainian Danube Navigation in Vienna.

Ukrainian Danube Navigation performs over 30% of the transportation on the Danube River. The company's fleet includes nearly 400 self-propelled and towed river vessels, and 30 seagoing vessels.

DCH GROUP LAUNCHES KHARKIV TRACTOR PLANT ON JAN 6

DCH Group of businessman Oleksandr Yaroslavsky has officially announced that Kharkiv Tractor Plant started operating on January 6, the press service of the group has reported. "Today is the joyful day in the history of Kharkiv Tractor Plant: we have a chance of starting the processes required for the launch of production," the press service said citing Yaroslavsky.

He also thanked Ukrainian President Petro Poroshenko and Head of Kharkiv Regional Administration Yulia Sliutychna for participation in deciding the fate of the enterprise. DCH said that employees of the plant involved in the preparation of production facilities for their launch headed by Director General Andriy Koval went working on January 6. "I as investor in the Kharkiv Tractor Plant aim at providing for rhythmic production process despite all accumulated problems. We are sending workers to the workshops, mobilizing engineers and start launching production. We would have to recover market channels, restore technological potential and economic ties and modernize production facilities. This is a serious scope of work. From the first minute of this day we have started solving these tasks," Yaroslavsky said.

VIKTOR & K TO LAUNCH SOYBEANS PLANT IN AUTUMN



P rivate enterprise Viktor and K (Svitlovodsk, Kirovohrad region, the Korolivsky Smak trademark) plans in autumn 2017 to launch a soybeans plant, at which nearly 1,000 jobs will be created. According to the report, currently the construction of these facilities is “under way.”

In addition, Viktor and K is currently completing the construction of sewage treatment plants and a product storage terminal, which will be fully computerized.

According to the publication, currently the company employs about 2,000 people. Its processing capacity is 400-500 tonnes of seeds per day, production capacity is 170-210 tonnes of oil per day and up to 30 tonnes of mayonnaise per shift, the capacity of two elevators is 17,000 tonnes.

According to the Uriadovy Kurier newspaper, Viktor and K was founded in 1998 by Viktor Korol, who also owns the Korolivsky Smak brand. According to the state register, Korol is the sole owner and CEO of the company. ■

CANADA'S FAIRFAX BUYS ALMOST 10% OF SHARES IN ASTARTA FOR \$35.6 MLN

F airfax Financial Holdings Limited on January 4, 2017 finalized a deal to acquire 9.99% shares in Astarta agro-industrial holding.

The holding reported on the website of the Warsaw Stock Exchange (WSE) Fairfax bought 2.498 million shares in Astarta Holding N.V. (Amsterdam, the Netherlands) at PLN 60 per share. Thus, the shares were bought for PLN 149.85 million (around \$35.65 at the exchange rate of the National Bank of Poland).

Fairfax shall have the right to acquire from Aluxes an additional 2.498 million shares in the company, representing approximately 9.99% of the voting rights in the company which can only be exercised 61 days after the sale of shares (First Tranche Call Option).

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 250,000 hectares and dairy farms. The holding also has a plant for processing soybeans in Poltava region (Globyno processing plant). ■

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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