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CANADA'S GOVERNOR-GENERAL SIGNS FREE TRADE AGREEMENT WITH UKRAINE

Canada's governor-general signed on June 1 a free trade agreement with Ukraine, which was agreed earlier by the House of Commons and the Senate, Ukrainian President Petro Poroshenko said on his Facebook page.

In addition, Ukraine's ambassador to Canada Andriy Shevchenko wrote on Twitter that "the free trade agreement between Ukraine and Canada has received royal assent."

"Taking into account the ratification by the Dutch Senate of the agreement on association between Ukraine and the EU, this decision has more than symbolic significance... Both Canada and the Netherlands virtually simultaneously took a decisive step towards the formation of the Ukraine-Canada-EU free trade triangle. After completing all formal procedures, this triangle will unite the three regions on the two continents based on the joint commitment to liberal values and ideas," reads the statement said on the president's page. According to Poroshenko, these decisions are the evidence of the efficiency of reforms implemented in the country, a stimulus for strengthening internal reforms and a powerful signal for international partners.

CHINA'S BOCE COMPLETES PURCHASE OF 99.9% IN UBRD



The State Property Fund of Ukraine (SPF) and the Chinese commodity exchange Bohai Commodity Exchange (BOCE) have signed an agreement on the sale and purchase of 99.9% of the Ukrainian Bank for Reconstruction and Development (UBRD).

The SPF said on its website after the signing of the agreement on June 8, 2017 BOCE CEO Yan Dongsheng offered the fund signing a memorandum of cooperation.

"Now, when we have a bank, we will work fruitfully to help Ukraine conduct effective privatization and disseminate information about Ukrainian privatization prospects among its customers," he said.

SPF Head Dmytro Parfenenko noted the fund is considering this project as a pilot one, after which other, equally important projects will be implemented in the framework of further cooperation.

"I am pleased that it was your company that became a partner of the fund. We made a good start for the future. Your experience is very valuable for us," he said.

BOCE is China's largest spot commodity exchange, founded by Chinese citizens, several state-owned companies, and the municipality of Tianjin. The exchange was founded in 2009. Its annual turnover is about \$1 trillion. ■

CANADIAN DIVISIONS OF RETAIL GIANTS WANT TO SELL GOODS FROM UKRAINE



Canadian divisions of the world's major retail chains – Walmart, Sobeys, METRO, Farm Boy, Loblaws – have expressed interest in sourcing Ukrainian goods after the Canada-Ukraine Free Trade Agreement (CUFTA) enters into force in summer 2017. The search of suppliers has already started by the Export Promotion Center under the Ukrainian League of Industrialists and Entrepreneurs (ULIE) after talks with the Canadian retailers in Toronto on May 30-31.

The willingness to buy Ukrainian food and consumer goods was discussed at the talks between the retailers' representatives and the leadership of the Ukrainian League of Industrialists and Entrepreneurs at the local retailers conference STORE 2017.

The negotiations resulted into the launch of a campaign to search for Ukrainian manufacturers who are ready to export their products to Canadian supermarkets. This was announced by ULIE Vice-President, Coordinator of the Export Promotion Center under the ULIE Denys Krasnikov after a meeting with Canadian retailers.

According to him, the Canadian retail chains are interested in Ukrainian honey, sunflower oil, nuts, canned vegetables, garlic, tomato paste, pasta, canned peas and beans, textile goods, and cosmetics. Ukrainian producers' goods will be sold in Canadian supermarkets as private labels, which will not require significant marketing expenses from the producers.

Talks on the supply of furniture products to IKEA-Canada and its sales via the biggest websites also yielded good results. Representatives of the well-known furniture brand praised the quality of Ukrainian furniture and said they are ready to order it from Ukrainian suppliers on the private label terms.

Negotiations with the president of Staples Canada touched upon potential cooperation with Ukrainian producers of stationery and office supplies.

The removal of barriers for Ukrainian exports to Canada was discussed at a meeting of Denys Krasnikov with President and CEO at Retail Council of Canada Diane J. Brisebois and Senior Vice-President at Retail Council of Canada David Wilkes. It is expected to happen due to the CUFTA's entry into force in summer 2017. ■



KYIV HOPES TO RAISE OVER \$4 BLN IN FOREIGN INVESTMENT THIS YEAR

The economy of the city of Kyiv expects to attract over \$4 billion in foreign investment this year, Kyiv City State Administration's press service has said. "Foreign direct investment (equity capital) injected in the city's economy in 2016 exceeded \$3.6 billion, which was 13.3% up on FDI in 2015 (\$3.2 billion)," the press service quoted First Deputy head of Kyiv City State Administration Hennadiy Plis as saying. The most attractive sectors are insurance, finance, commerce, and real estate, he said. ■

U.S. PRESIDENT DONALD TRUMP CONGRATULATES THE AMERICAN CHAMBER OF COMMERCE IN UKRAINE ON ITS 25TH ANNIVERSARY



U.S. President Donald Trump congratulated the American Chamber of Commerce in Ukraine on its 25th Anniversary.

In the letter sent to the Chamber, President Trump stressed the importance of relationship between the United States and Ukraine and pointed out that the two countries stand together as partners in Ukraine's efforts to strengthen democratic governance, root out corruption, and attract foreign investment.

"I recognize the dedication of all who have made the American Chamber of Commerce in Ukraine such a success. Thank you for your role in promoting our shared vision of a free, peaceful, and prosperous Ukraine," Donald J. Trump wrote.

For a quarter of a century, the American Chamber of Commerce in Ukraine drives actionable dialogue between business and Government, creates opportunities for business to business partnerships and promotes Ukraine internationally as an attractive investment destination.

"Your hard work strengthens our countries' economic partnership and directly contributes to the prosperity of both the United States and Ukraine," President Trump highlighted.

"The American Chamber of Commerce in Ukraine for 25 years has been the voice of business represents the leading investors in Ukraine. We are very grateful to the President Trump for his appreciation of our activities. We will continue working to improve the business climate and attract foreign investment," commented Andy Hunder, President of the American Chamber of Commerce in Ukraine. ■

UKRAINE RANKS 56TH IN GLOBAL INNOVATION INDEX BUT HAS GREATER POTENTIAL – GROYSMAN

Time Minister of Ukraine Volodymyr Groysman has said that Ukraine ranks 56th in the Global Innovation Index, but has potential to climb the ratings.

"I have information that we occupy the 56th place in the Global Innovation Index today. I can say for sure that this does not correspond to our real capabilities. Changing of the system, increasing funding will take us to the big leagues," he said during the meeting with scientists on the occasion of the Day of Science in Kyiv.

The premier said that upon the condition of changing the system of scientific research on the principles of transparency, the Cabinet is ready to consider the possibility of substantially increasing government spending on science. ■

RADA PASSES BILL IN SUPPORT OF FOREIGN INVESTMENT IN UKRAINE



The Verkhovna Rada of Ukraine has cancelled the registration of foreign investment and simplified the procedure for issuing permission to employ foreigners, as well as the procedure for issuing temporary residence permits.

The bill cancels registration of foreign investment, replacing it with formal notification for state statistics purposes.

It also spells out the basic aspects of applying for permission to hire foreigners and persons without Ukrainian citizenship. The changes are expected to simplify procedures for attracting foreign managers and qualified foreign workers, who are necessary during the first stages of setting up subsidiary operations in Ukraine.

In addition, the adopted bill changes procedures for issuing temporary residence permits, giving foreigner investors the right to reside in Ukraine, as well as foreigners working at (and not necessarily for) Ukrainian enterprises. Deputies expect the new law will make it easier to reside in Ukraine while monitoring enterprise activities. According to Samopomich Party faction deputy Serhiy Kiral, the legislation applies specifically to four categories of highly-paid IT specialists – graduates of the world's top 110 universities, as well as artists. According to Kiral, there are currently 9,000 such [foreign] employees in Ukraine today. ■

TIU CANADA BREAKS GROUND ON SOLAR ENERGY PROJECT IN NIKOPOL



TIU Canada Ltd. Broke ground on a 10-megawatt solar energy plant in Nikopol, Ukraine. The project represents the first investment by TIU Canada in Ukraine and the first Canadian investment under the Canadian-Ukrainian Free Trade Agreement. TIU Canada is owned and operated by the family office of Refraction Asset Management (RAM), an investment manager based in Calgary, Alberta Canada. Michael Yurkovich, President of Refraction Asset Management, said, "we are pleased to take this first step in the Ukrainian renewable energy market". Hani Tabsh, Chief Operations Officer for RAM read a letter from the Canadian Embassy in Ukraine addressed to the Nikopol City Council (attached) which cited this investment as "the start of a fruitful partnership which benefits all of Ukraine". Nikopol Mayor Andriy Fisak, representatives from the Dnipro Oblast State Administration, and other local officials and media were also present for the event. ■

LIGHT INDUSTRY NEEDS SUPPORT OF GOVERNMENT



The Ukrainian government will soon consider proposals developed by industrialists for the state support of domestic producers in Ukraine and the formation of the country's own base of raw materials.

A respective order was issued by Prime Minister Volodymyr Groysman after talks with business associations of the light industry and the Ukrainian League of Industrialists and Entrepreneurs (ULIE) at a forum in Chernihiv. Currently, the Cabinet has recently put forth a motion at the request of the business community to introduce 36-month installment payment of import VAT on equipment that is not produced in Ukraine. This was reported by the ULIE. The light industry is one of the sectors that can most rapidly and effectively modernize and introduce innovations.

It now accounts for 1% of GDP, although there was a period when its share was 11-12% of GDP. Its potential is enormous, the country still possesses powerful production facilities, technology, industrial tradition, all this can be used for the noticeable recovery of the industry and related industrial sectors. "One can forget about the industrial development of Ukraine while producers are trying to find out where to get used equipment without going into huge debt and how to solve problems with connecting to the power grids and so on. We must immediately introduce a critical import mechanism, the minimum customs rate, simultaneously expanding exports. There will be no sustainable growth without a state program for industrial development in general and the light industry in particular," ULIE President Anatoliy Kinakh has said.

Industrialists suggested that the government should consider that imports of equipment and components that are not produced in Ukraine could be exempt from VAT. They estimate this measure will greatly stimulate the industry, while the country's economy may see a 6-8% GDP growth. Entrepreneurs see the lack of raw materials in Ukraine as a huge challenge. On the average, imported raw materials account for 70%, which lowers the competitiveness of domestic products because this increases costs. The government has decided to make efforts to develop the country's own resource base. Manufacturers will also benefit from a reduction in the multiplier used to calculate tax rates on land of technical areas and buffer zones for industrial enterprises. ■

VOLUME OF SOLD INDUSTRIAL PRODUCTS IN UKRAINE 31.8% UP IN JAN-APRIL 2017

The volume of sold industrial products (goods, services) in January-April 2017 amounted to UAH 691.988 billion, which is 31.8% more than in January-April 2016.

According to the State Statistics Service, in April 2017 compared to April 2016 the volume of sold products in extracting and processing industry (turnover) grew by 20.2% (including abroad by 21.6%), in particular in mining and quarrying industry by 58.9% (by 67%), in processing industry by 14% (by 16.5%).

The largest share in total sales was that of the supply of electricity, gas, steam and conditioned air (24.6%), production of food, beverages and tobacco goods (20%), metallurgical production and production of finished metal goods (17.1%) and mining and quarrying (15%).

As reported, in 2016 the volume of sold industrial products (goods, services) stood at UAH 1.766 trillion, which is 18% more than in 2015. ■

IFC TO RAISE \$250 MLN FOR PROJECTS IN UKRAINE IN 2017 - DIRECTOR FOR BELARUS AND UKRAINE



The International Finance Corporation (IFC), part of the World Bank Group, plans in 2017 to attract about \$250 million for projects in Ukraine, which is significantly higher than the figure of 2016, Jason Pellmar, who from June 1, 2017 was appointed head of the IFC regional office in Belarus and Ukraine, has told Interfax-Ukraine.

"We plan in June and over the next two or three months to invest and raise funds in the amount of about \$150 million to support new projects and new customers. I think in general over 2017 we will reach a figure of about \$250 million," he said in an interview with Interfax-Ukraine.

Pellmar noted Ukraine is an important country for the IFC in the region. Now its economy is starting to recover and more projects appear the corporation would like to support as they are important for the long-term growth and the development of the country. As an example, he cited the agreement signed in March this year to provide \$37 million for building the MV Cargo grain terminal.

According to him, the volume and specifics of IFC projects, as a rule, depend on the demand in the market, therefore in the previous several years the corporation focused on supporting the existing customers, for example, prolonged partial loan guarantees for Raiffeisen Bank Aval and Bayer, issued credit lines to replenish working capital to Astarta and Nyva Pereyaslavshchyna. ■

KAZAKHSTAN, UKRAINE'S FWT ARRANGING EXPANSION OF WIND FARM IN EREYMENTAU TO 300 MW

Kazakhstan is holding talks with Ukraine's Fuhrlaender Windtechnology (FWT, Kramatorsk, Donetsk region) to arrange expansion of a wind farm project in Ereymentau to 300 MW, charge d'affaires of Ukraine ad interim in Kazakhstan Volodymyr Dzhydzhora has said.

"They [Fuhrlaender Windtechnology] are holding talks with Kazakh partners to expand this project to 300MW production... There is the decision. It should be put on paper," he told reporters last week in Astana.

The diplomat said that during the first business project the Ukrainian company installed a wind farm with a capacity of 45 MW in Ereymentau. A total of 22 WTU2.0 wind turbines with a capacity of 2.05 MW each were installed.

Fuhrlaender Windtechnology is the only Ukrainian producer of modern wind turbines. It is engaged in construction of wind farms. The company produces turbines at the site of Kramatorsk Heavy Machine Tool Plant. During the period from 2010 to the present time Fuhrlaender Windtechnology has built (using its own equipment) seven wind farms in Ukraine and one wind farm in Kazakhstan. ■

JAPANESE BUSINESS TO INVEST IN UKRAINE, HOPES FOR COOPERATION UNDER WIN-WIN FORMULA

Prime Minister of Ukraine Volodymyr Groysman and Chairman of the Committee on Business Cooperation with Ukraine of the Japan Business Federation Keidanren Teruo Asada at a meeting in Kyiv have discussed the prospects of attracting Japanese business, including the establishment of Japanese production in Ukraine.

"I want to thank Japan for the full support of Ukraine – both economic and political. We deeply appreciate our relations and are interested in developing them. We have good signals on bilateral trade and good opportunities to attract Japanese companies to the Ukrainian market. We welcome the activities of Japanese businessmen in Ukraine," Groysman said.

He assured the Japanese guest that Ukraine is committed to carrying out "important and complex reforms" this year.

"And the growing economy is a good signal for investment. Especially since we have a wide range of cooperation areas – from IT to agriculture and infrastructure. We are interested in creating real production in Ukraine," the prime minister added.

Teruo Asada, in turn, stressed that Japanese business could be very useful for Ukraine, as it is interested in such areas as renewable energy, construction of high-speed highways, including on a concession basis, modernization of port infrastructure. "Your country can be proud of human capital, which is very attractive to Japanese enterprises. And we hope for the success of the reforms announced by your government aimed at improving the business climate. We are committed to investing in Ukraine, and I think our countries will be able to develop a strategy for cooperation under a win-win formula," the expert said. ■

IFC TO INVEST UP TO \$20 MLN IN HORIZON CAPITAL'S NEW FUND FOR UKRAINE



The International Finance Corporation, a member of the World Bank Group, is to invest up to \$20 million in a direct investment fund, Emerging Europe Growth Fund III, L.P. (EEGF III), registered in Delaware in the United States and launched by Horizon Capital Advisors, LLC for investment mostly in Ukraine.

The IFC board approved the project at a meeting on June 5, IFC said in a statement.

IFC's investment will not exceed 20% of the total fund size. Small- and medium-sized growing enterprises are expected to be main recipients of EEGF III investment.

IFC recalls it is an investor of EEGF II fund, and participation in the new fund will help Horizon complete individually launched investment projects.

The European Bank for Reconstruction and Development (EBRD) can be engaged as a co-investor of the fund, the statement said.

As reported, U.S.-based Overseas Private Investment Corporation in June 2016 reported the disbursement of up to \$37.5 million to EEGF III fund, launched by Horizon Capital, for up to 10 years.

The fund with a declared volume of \$150 million will focus on medium-sized fast-growing, export-oriented companies in Ukraine and Moldova with the potential to become local or regional market leaders. It is assumed that the fund will make investment by buying a minority stake in such companies. At the same time, if necessary, it is also possible to provide seed capital for start-ups, acquire businesses or participate in privatization. ■

DTEK TO BUILD PILOT SOLAR POWER PLANT IN KHERSON REGION THIS YEAR

DTEK energy holding intends to build the first solar power plant with a capacity of 10 MW in Kherson this year, DTEK's press service has reported.

"Due to the long duration of land acquisition for building energy facilities, the company decided to purchase a ready-made solar power plant project. The partner is the French engineering company Beten Ingenierie SAS ... A suitable project for building a solar power plant in the village of Tryfonivka in Kherson region was selected in Beten's portfolio," the press service said.

The plant will have solar modules produced by the Chinese company JA Solar and inverters made by ABB in Italy. The forecasted electricity supply will amount to 11-12 million kWh annually.

As reported, DTEK previously bought Tryfonivka Energy LLC (Kherson region).

DTEK is considering the possibility of building up to 1 GW of "green" generation capacity in the next five years. ■

UKRHYDROENERGO TO ATTRACT INVESTORS IN BUILDING FIFTH-SEVENTH UNITS AT DNISTROVSKA HYDRO POWER PLANT



P JSC Ukrhydroenergo plans to attract investors in the construction of the fifth, sixth and seventh hydroelectric units at Dnistrovskaya pumped storage power plant, company CEO Ihor Syrota has told journalists in Vyshgorod.

"I think we will attract investors in building the fifth, sixth and seventh power units and will not build them for tariff funds. These units can be built simultaneously, the construction period is about 4-5 years," he said.

Syrota noted the design and capacity of these power units will differ from the first, second, third and fourth ones.

"We are considering other units. If the capacity of the first-fourth power units in a generation mode is 324 MW and in a pumping mode is 421 MW, the new ones will be of 250 MW and 260 MW respectively, which will be economically more profitable. In addition, we want to foresee another range of regulation from 150 MW to 250 MW," he said.

The head of Ukrhydroenergo expressed confidence that Ukrainian producers will be able to master the production of new hydro power units. ■

EKOL UKRAINE STARTS SHIPPING TO IRAN

Ekol Ukraine logistics company has carried out its first transportation to Iran, the company's press service has reported.

According to the report, the Iranian market is becoming more attractive for Ukrainian businessmen, while Ukraine feels a growing interest from Iran.

Ekol Ukraine made the first shipment to this country for a permanent customer, with whom it actively cooperates in the direction of transportation to Turkey: equipment was delivered to Tehran with the support of colleagues from Ekol Turkey.

"Today Iran looks somewhat exotic for Ekol Ukraine, because our main focus in transportation is concentrated on Turkey and the countries of the European Union. But I am sure that soon enough we will add this country to the list of our traditional routes," Ekol Ukraine CEO Andriy Holimbovsky said.

Ekol Ukraine provides trucking services inside the country and abroad, carries out customs clearance of goods, provides storage services for goods. ■

PIVDENMASH RESUMES MANUFACTURE OF ZENIT CARRIER ROCKETS FOR SEA LAUNCH, LAND LAUNCH



Ukraine's state-owned Production Association Yuzhny Machine-Building Plant named after A.M. Makarov (Yuzhmash, or Pivdenmash from Ukrainian) has announced it is about to resume the manufacture of the Zenit carrier rockets under such international projects as the Sea Launch and the Land Launch, the plant's press service said.

On April 28, Pivdenmash and S7 Sea Launch Limited signed a contract for manufacturing and supplies of 12 carrier rockets of the Zenit family for space exploration and use for peaceful purposes as part of the Sea Launch and the Land Launch international programs, the press service said.

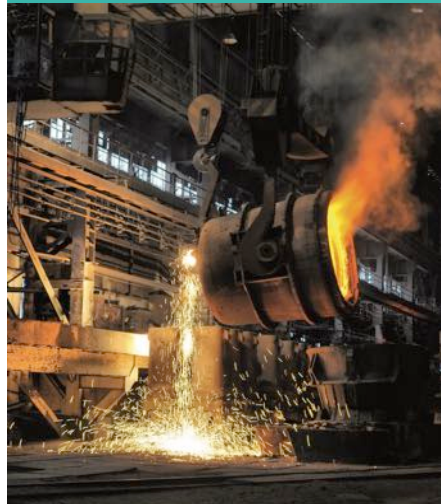
"A great step in overcoming the deep crisis, in which Pivdenmash has been since 2013 and which was caused by a dramatic drop in output, was made by signing of this contract," the press service said.

The manufacture of Zenit carrier rockets at Pivdenmash was suspended due to financial difficulties, which the project operators of the Sea Launch and the Land Launch had faced, in 2014.

Pivdenmash's portfolio for the coming years exceeds \$350 million, its major customers are companies from the United States, Italy, India, and Korea.

The Zenit-3SL launch vehicle consists of the Zenit-2S two-stage rocket (created by Yuzhnoye (Pivdenne) Design Bureau and built by Pivdenmash in Ukraine mostly using Russian-made component parts) and the DM-SL booster unit designed and manufactured by Energia Corporation in Korolyov, Moscow region. ■

METINVEST RANKS 37TH AMONG WORLD'S LARGEST STEEL PRODUCERS IN 2016



Metinvest, the largest Ukrainian mining and metallurgical holding, in 2016 ranked 37th in the list of the world's largest steel producers with a volume of 10.34 million tonnes compared to the 40th place in 2015 with a volume of 9.65 million tonnes of steel and the 33rd place in 2014 with a volume of production of 11.18 million tonnes of steel.

According to the World Steel Association (Worldsteel), the largest steel company last year was ArcelorMittal with a production volume of 95.45 million tonnes. It is followed by China Baowu Group, a new company that appeared in December 2016 as a result of the merger of Baosteel Group and Wuhan Group, with 63.81 million tonnes, HBIS Group (formerly Hesteel Group) with 46.18 million tonnes (it includes a steel mill in Serbia acquired in June 2016), NSSMC with 46.16 million tonnes (the figure does not include production at Nisshin Steel, which became part of the group in March 2017), and POSCO with 41.56 million tonnes. The list of the 50 largest world steel producers for 2016, as well as for 2015 and 2014, does not include Ukrainian companies except for Metinvest. The Industrial Union of Donbas (ISD), which ranked 44th in 2013 with 7.9 million tonnes, fell out of the list of leaders in 2014, 2015 and 2016. ■

JAPAN'S FUJIKURA PLANS TO OPEN TWO MORE PLANTS IN UKRAINE



Fujikura Automotive Ukraine Lviv LLC, controlled by the Japanese manufacturer of electrical equipment and telecommunications systems Fujikura, plans to open two additional plants in Ukraine with an area of 10,000 square meters in Vinnytsia and Cherkasy for 1,500 new jobs each, First Deputy Prime Minister, Minister of Economic Development and Trade Stepan Kubiv has said.

“Fujikura says it assessed the prospects of work in Ukraine and decided that there are wonderful specialists, opportunities and conditions here,” he wrote on his Facebook page following a meeting of the Ukrainian committee of economic cooperation with the Japan Business Federation Keidanren.

Kubiv added Fujikura Automotive Ukraine Lviv also plans to expand the work of two major enterprises in Lviv region and increase the number of employees from 2,000 to 3,000.

Fujikura was founded in Japan in 1885 and gradually expanded to an international corporation engaged in innovative technologies. The turnover of the company exceeds EUR5 billion per year. The company's representative offices operate in the United States, Singapore, Malaysia, Great Britain, Vietnam, and India. Its staff exceeds 50,000 employees worldwide. ■

FRANCE'S EGIS COULD BUILD INCINERATION PLANT FOR LVIV

The French firm Egis has proposed building an incineration plant for Lviv in the territory of combined heat and power plant No. 2 (CHPP-2), the manager of the project for the development of a waste treatment strategy for Lviv, Christopher Round, has said.

“We examined three sites and came to the conclusion that the best option would be a site in the territory of CHPP-2,” Round said at a press conference, explaining that the location and the developed infrastructure played in favor of this site.

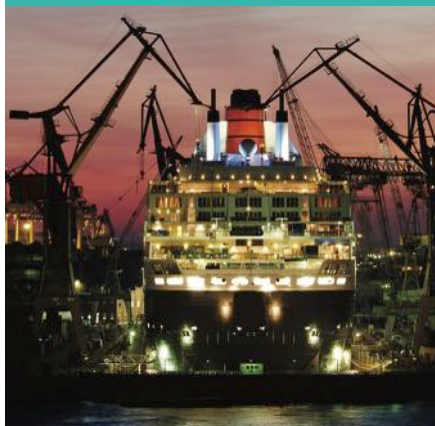
According to him, the company plans in August this year to start designing the enterprise. During this time it will also study Lviv waste morphology to determine the best technology for waste treatment. It is expected that the implementation of the project will begin in 2018.

At the same time, Deputy Mayor of Lviv Serhiy Babak added the final decision on the technology will be made after studying waste morphology and the estimated cost of the plant.

As for the reclamation of the former waste landfill of Lviv, French experts plan to start its recultivation in the current year.

As reported, Lviv City Council and Egis signed a memorandum of cooperation to develop a waste treatment strategy for Lviv. ■

MYKOLAIV MUST KEEP SHIP BUILDING AND TECHNOLOGICAL POTENTIAL



Verkhovna Rada of Ukraine deputy Serhiy Taruta is sure of the necessity to preserve the ship building potential of Mykolaiv and criticized the recommendation of Mykolaiv's mayor to tear down the building housing the state enterprise Shipyard named after 61 Communards, the Osnova Party press service has said.

“It's important to create a good business climate in order for real investors to come. But without the assistance of the authorities this will not happen. City managers probably think that it's easier to tear down a shipbuilding factory than to build a trade pavilion in its place. It is easier than to look for possibilities for preserving the highly technological infrastructure,” Taruta said during the party's tour in Mykolaiv.

“This approach has no future. This is why the city needs a managerial approach, a strategic and an industry specific investor. I use all these possibilities in order to solve problems,” he said.

Osnova Party head Andriy Nikolayenko said, “Mykolaiv is a very strong region with a good technical school. It needs a serious investment stimulus. A reshuffle of municipal chiefs would help.”

Taruta emphasized the importance of taking measured and intelligent decisions by city authorities, especially now, because the production infrastructure of the city is being replaced by provision of port services. ■

UKRZALIZNYTSIA TO INCREASE CARGO TARIFFS BY 22.5% FROM JUNE – DRAFT FISCAL PLAN



PJSC Ukrzaliznytsia intends in 2017 to raise tariffs for freight transportation by 22.5%, the company said in a press release, with reference to the draft consolidated financial plan posted on its website.

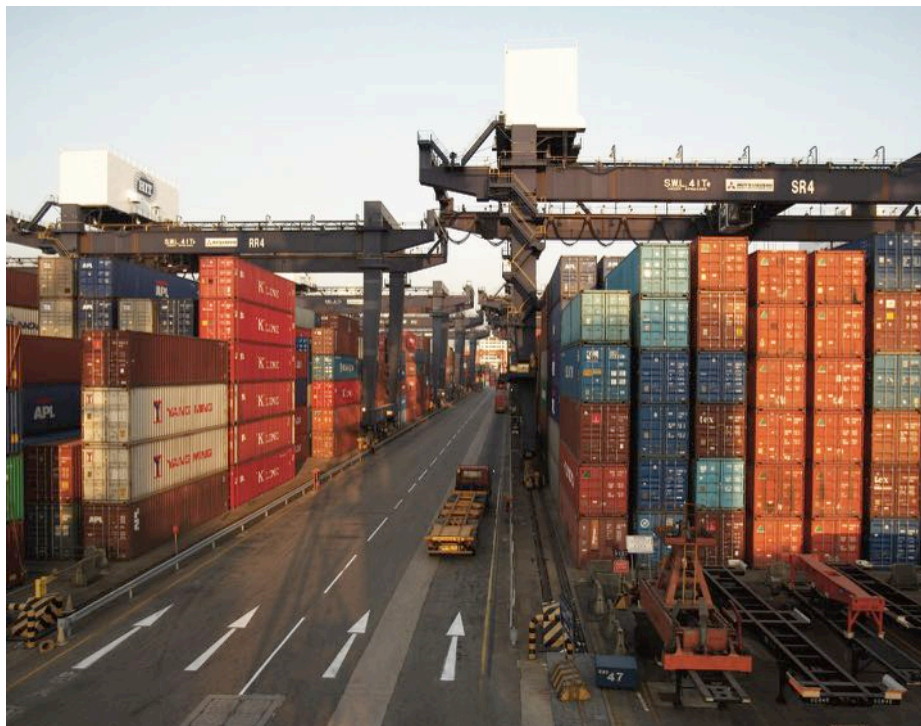
According to the press service, the figures are calculated using international financial reporting standards.

"Tariffs for passenger rail transportation will not be raised this year, while those for cargo transportation within Ukraine from June will rise by 22.5%. Such steps will allow us to make the largest capital investments in the whole history of railway transport – UAH 22.7 billion. Most of the funds will be used to solve the most acute problem – the renewal of rolling stock," the report said.

According to company head Wojciech Balczun, the implementation of Ukrzaliznytsia's capital investments plans will provide jobs at production facilities in Ukraine and will contribute to the overall revival of the domestic economy.

"If the indexation of tariffs does not occur, PJSC Ukrzaliznytsia will have to curtail its capital investment programs, which will lead to negative consequences for Ukraine as a whole," he said. ■

CONSTRUCTION OF BREAKWATER PIER AT ODESA SEAPORT TO FINISH BY 2021



The project on construction of a breakwater pier for a container terminal at the Quarantine Mole of the Odesa seaport will be completed by 2021.

According to a report of subsidiary Container Terminal Odesa of Germany's HHLA International GmbH, Parliamentary State Secretary to the Federal Minister for Economic Affairs and Energy of Germany Rainer Bomba said at the conference entitled "Development of German-Ukrainian Cooperation in Southern Ukraine" last week.

He also said that the German government decided to provide some EUR 50-60 million to Ukraine to implement the project and important political decisions are to be made to finish the project by no later than 2021.

President of International Federation of Consulting Engineers VBI Cornelius Volker said that the German government in the person of Bomba asked the association to help to settle the issue of restoring the breakwater pier at the Quarantine Mole of the Odesa seaport.

"We are seeking to do our best to have the pier completed by 2021," he said.

Director General of Container Terminal Odesa Anastas Kokkin said that thanks to support of Germany the project that had been frozen for two and a half years has made a new start.

Head of Ukrainian Sea Port Authority Raivis Veckagans also pointed out the important of finishing this project.

"At the end of May we signed supplementary contracts to the investment contract on construction of the pier. The completion of the Quarantine Mole project would boost capacities for handling containers, create new jobs and increase payments to the country's budget. Ukrainian Sea Port Authority as a state-owned company is ready to join the search for funds to develop the sector and implement not only this but also other projects," he said.

Container Terminal Odesa is a subsidiary of HHLA International GmbH. It is part of HHLA AG (Hamburg).

Since 2010 the company has been building a new container terminal jointly with Ukrainian Sea Port Authority.

The Quarantine Mole project would expand the handling capacity of the port by 600,000 TEU a year. It is one of the largest infrastructure projects in the Ukrainian marine transport sector. Investment exceeds UAH 5 billion. Construction was started in April 2010. In September 2014 first two container vessels were handled in the test mode. In 2016, around 40% of all container flows were handled by Container Terminal Odesa at new berths of the Quarantine Mole. ■

USDA IMPROVES FORECAST FOR CORN HARVEST AND EXPORTS FROM UKRAINE IN 2017/2018 MY BY 500,000 TONNES

The U.S. Department of Agriculture (USDA) in June 2017 improved its forecast for corn yield in Ukraine in the 2017/2018 marketing year (MY, July-June) by 500,000 tonnes compared to the May forecast, to 28.5 million tonnes.

According to a report on the website of the U.S. department, the forecast for corn exports was also raised by 500,000 tonnes, to 20.5 million tonnes.

The USDA maintained the forecast for wheat exports from Ukraine in the 2017/2018 MY at the level of 14.5 million tonnes with the yield being 25 million tonnes, which corresponds to the figures published in May.

In general, the U.S. agency improved the forecast for grain production in Ukraine by 500,000 tonnes, to 62.29 million tonnes, exports by 500,000 tonnes, to 38.81 million tonnes due to the growth of corn figures.

As reported, Ukraine since the beginning of the 2016/2017 MY and as of June 8, 2017 had exported 41.667 million tonnes of grain.

Grain harvest in Ukraine in 2016, according to the State Statistics Service, amounted to about 66 million tonnes. ■

UKRAINE EXPORTS 732,000 TONNES OF SUGAR SINCE EARLY 2016/17 AGRI-YEAR

Sugar exports from Ukraine since early 2016/17 agricultural year (September-August) totaled 732,000 tonnes, the Ukrtsukor national association of sugar producers has reported.

The association said in a press release that in May Ukrainian companies exported 48,400 tonnes of sugar (33% down on April).

"In May sugar exports almost halved compared to April, as the global price fell. According to our estimates, further supplies of sugar this agri-year will be small," Head of the analytical department of the association Ruslana Butylo.

Largest batches in May were shipped to Togo (15,000 tonnes), Turkey (8,800 tonnes) and Gambia (8,000).

The association said that sugar beets were sowed on 310,000 ha in 2017 (6% more than a year ago).

Ukrtsukor anticipates that sugar production in 2017/18 agri-year will be left unchanged compared to the previous year, being some 2 million tonnes. Bad weather in April and May could affect the sugar beets yield. Exports of sugar in the new season could be some 500 tonnes with the domestic market consumption of 1.5 million tonnes. ■

UKRAINE EXPORTS ALMOST 41.7 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 June 8, 2017 had exported 41.667 million tonnes of grain.

According to the Ministry of Agrarian Policy and Food, the country exported about 16.98 million tonnes of wheat, 5.26 million tonnes of barley, and 19.17 million tonnes of corn.

In addition, 365,500 tonnes of flour had been as of the date. As reported, with reference to the ministry, Ukraine in the 2015/2016 MY (July-June) exported 39.487 million tonnes of grain, which is 13.5% more than in the previous season. ■

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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