



UKRAINE

OPEN FOR BUSINESS

Biweekly news digest of the Ukrainian League of Industrialists and Entrepreneurs

ISSUE 3 | 1 MAY 2015



ULIE OFFICE IN BRUSSELS WILL FOCUS ON DEEPENING BUSINESS CONTACTS

The representative office of the Ukrainian League of Industrialists and Entrepreneurs (ULIE), which opened in Brussels on April 21, 2015, will help Ukrainian entrepreneurs to search for business partners, investors and sales markets in Europe, the ULIE's press service reported.

According to ULIE President Anatoliy Kinakh, this is extremely important as it is being carried out before the establishment of a free trade area between Ukraine and

the European Union (EU), which will become effective as of January 1, 2016.

"We will suggest focusing on the development of the industrial sphere as well as small- and medium-sized businesses, which are the backbone of the economy, create jobs, and generate tax revenues for the national budget. It's of paramount importance under the conditions of economic crisis and before the changes Ukrainian enterprises will face following the full inauguration of the →

HEADLINES

ULIE OFFICE IN BRUSSELS WILL FOCUS ON DEEPENING BUSINESS CONTACTS



UKRAINE-EU ASSOCIATION AGREEMENT MUST TAKE EFFECT IN FULL FROM JAN 1, 2016 – JUNCKER



FRANCE TO HELP UKRAINE HANDLE PRIVATIZATION TRANSPARENTLY – POROSHENKO

ARCELORMITTAL KRYVYI RIH CONFIRMS PLANS TO INVEST \$1.2 BLN BY 2020

RADA TAX, CUSTOMS COMMITTEE SUPPORTS REDUCTION OF ADDITIONAL IMPORTS DUTY



UKRAINE COULD BE KEY SUPPLIER OF GM-FREE SOYBEANS TO EU MARKET IN SEVERAL YEARS

LEGISLATIVE FIELD IS GREATEST CHALLENGE IN IMPLEMENTING IMF PROGRAM – NBU



→ Deep and Comprehensive Free Trade Area (DCFTA) between Ukraine and the EU next year," Kinakh said.

According to him, Ukraine has to speed up the adaptation of its legislation to free trade conditions with the EU today. In particular, Ukraine should speed up the introduction of EU technical and sanitary standards, mutual recognition of certificates of conformity for products, and the harmonization of tax legislation with EU norms and regulations.

The ULIE Office is developing cooperation with all of the EU institutions – the European Parliament (EP), the European Commission (EC), the External Action Service, etc. – in order to intensify the European integration process. Its relations with BUSINESSEUROPE – the leading EU organization of entrepreneurs and employers including more than 40 national entrepreneurs' associations of European businesses, are also very important.

The ULIE Office is planning to include the Ukrainian side in talks on

the possible revision of the EU Neighborhood Policy concerning Ukraine, especially its businesses. "European support is almost unavailable for Ukrainian businesses, first of all, because of unrealistic conditions of crediting. We will raise this issue when communicating with our European colleagues in order to change the situation, streamline cooperation mechanisms with nowadays reality, and bring specific results," Kinakh said.

The ULIE Office in Brussels will carry out a very important information function – giving Ukrainian businesses an opportunity to learn about various EU institutions' programs.

The Interfax-Ukraine News Agency was the media partner of the Office opening in Brussels and has set up a specific information product – *Ukraine Open for Business* – containing Ukrainian business news for Europeans, which will help European partners better understand Ukrainian economic trends and prospects. ■

17TH EU-UKRAINE SUMMIT: JOINT STATEMENT

Application of the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Ukraine should start on January 1, 2016, reads a joint statement of the 17th EU-Ukraine Summit in Kyiv.

"The leaders look forward to the provisional application of the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Ukraine starting on 1 January 2016 and the positive impact its implementation will bring about. They also noted the importance of continuing the trilateral consultations on EU-Ukraine DCFTA implementation in a constructive manner, using the existing flexibilities available to the contracting parties in the DCFTA," says the statement.

Meanwhile, the summit participants noted that steering up of the reforms would be resolute from the point of view of political association and Ukraine's economic integration to the EU.

"It was the first Summit in the framework of the EU-Ukraine Association Agreement, implementation of which will represent a fundamental step in the process of deepening the political association and economic integration of Ukraine with the EU on the basis of respect for common values and their effective promotion," reads the document.

They welcomed the first reform steps taken by Ukraine in key areas, notably constitutional reform, decentralization, the fight against corruption, the reform of the justice sector, the restructuring of the energy sector and the improvement of the business climate.

The leaders agreed on the need to further accelerate the reform process on key systemic issues such as: the finalization of an inclusive constitutional reform, as well as the reform of the legislative framework in due time before local elections, the fight against and the prevention of corruption, the restructuring of the energy sector, and the reform of the civilian security sector. ■



UKRAINE-EU ASSOCIATION AGREEMENT MUST TAKE EFFECT IN FULL FROM JAN 1, 2016 – JUNCKER

The Association Agreement between Ukraine and the European Union is to enter force in full from January 1, 2016, said European Commission President Jean-Claude Juncker.

Juncker said at a joint press conference with Ukrainian President Petro Poroshenko and European Council President Donald Tusk in Kyiv that the European Commission and the European Council want to confirm jointly that the Association Agreement must enter force in full on January 1, 2016.

Juncker also said that there have been many postponements and one can put off things indefinitely. However, this agreement should take effect from January 1, 2016, he said. ■

UKRAINE HAS TO MEET CONDITIONS FOR APPLYING FOR EU MEMBERSHIP IN FIVE YEARS – POROSHENKO

Ukrainian President Petro Poroshenko has said that Ukraine must fulfill the conditions necessary for applying for EU membership within five years.



"We are ambitious in our plans and faith and that's why we declare that we should ensure effective the implementation of the association agreement with the EU and achieve the conditions needed for applying for EU membership within five years," Poroshenko said at the Ukraine-EU summit in Kyiv.

He said he believes that Ukrainian membership of the EU is the country's key goal.

Poroshenko added that the Ukraine-EU Association Agreement is an integral part of the reform program and is "the basis of the coalition agreement when the Ukrainian government was set up." ■

U.S. READY TO GRANT \$1 BLN LOAN GUARANTEES TO UKRAINE

U.S. Vice President Joseph Biden assured Ukrainian leader Petro Poroshenko in a recent phone call that the United States is ready to extend \$1 billion worth of loan guarantees and additional non-lethal military assistance to Kyiv, the Ukrainian presidential press service has reported.

"Vice President Biden informed Poroshenko that the United States is ready to provide Ukraine with loan guarantees amounting to \$1 billion as part of the financial support package in 2015. He also announced the funding of projects to send humanitarian aid to displaced persons and people affected by the war in Donbas," the press service said. ■



FRANCE TO HELP UKRAINE HANDLE PRIVATIZATION TRANSPARENTLY – POROSHENKO

Ukrainian President Petro Poroshenko and his French counterpart Francois Hollande have discussed bilateral cooperation in privatizing Ukrainian companies. During their meeting in Paris, both presidents agreed to facilitate cooperation in privatization, the Ukrainian presidential press service has reported.

"We will use the expertise of the French bureau for the organization of the most transparent privatization in the history of Ukraine," Poroshenko said.

The parties also discussed the participation of French investors in the privatization of large facilities in Ukraine.

"The presence of powerful French investors in Ukraine will only contribute to the strengthening of our reforms," Poroshenko said.

France is also willing to share its experience in banking supervision, customs control, administration of public enterprises, as well as privatization, according to the press service.

Hollande in particular expressed his country's interest in developing closer relations in the agro-industrial sector and in university education. He also announced that a French school would be in Ukraine.

The two presidents emphasized the importance of enhancing bilateral trade and economic relations, particularly in energy, transport, agricultural and food industry, environmental protection and tourism. ■

PROMPT SIGNING OF OPEN SKIES AGREEMENT BETWEEN UKRAINE, EU IS IMPORTANT – POROSHENKO

Ukrainian President Petro Poroshenko has said that the early signing of the Open Skies Agreement between Ukraine and the EU is important.

"We will use the expertise of the French bureau for the organization of the most transparent privatization in the history of Ukraine," Poroshenko said.

"The early signing of the agreement on general airspace in 2015 remains the key priority of cooperation in the transport-related sphere and we have defined reporting points that will speed up this process," Poroshenko said at a joint press conference with European Council President Donald Tusk and European Commission President Jean-Claude Juncker in Kyiv. ■

UKRAINIAN GOVERNMENT EXPECTS 2% GDP GROWTH IN 2016 – YATSENIUK

The Ukrainian government expects 2% growth in GDP in 2016.

"We are very cautious about the prospects for 2016. At the same time, our forecasts coincide with those of the IMF: both the government and the IMF expect GDP growth in 2016 at 'plus 2%'," Prime Minister Arseniy Yatseniuk said.

He said that GDP growth was impeded by the lack of foreign investors. He added that this year will form the foundation for the beginning of economic growth in 2016. In this regard, Yatseniuk announced the continuation of tax reform, the establishment of an effective system of VAT refunds, and for the search for new markets for Ukrainian products to continue. ■



UKRAINE TO JOIN EU, YET NATO MEMBERSHIP IS IN QUESTION – MINISTER

Ukraine will definitely join the European Union but its membership in NATO remains in question in the case of the alliance's ineffective response to contemporary challenges, Ukrainian Foreign Minister Pavlo Klimkin said.

"I think that throughout the long period of its existence NATO has been focused on Article 5, i.e. mutual defense commitments, hard security. And we are saying that we are fighting a hybrid war. I am not 100% sure that NATO is fully prepared to fight similar or future hybrid wars and that NATO currently has a structure optimal for dealing with such [challenges] [...] No doubt, NATO has been adapting. So, I am always frank about our critical need for participation in structures and guarantees. Yet we will have to seek other options if the alliance fails to provide guarantees for Ukraine," he said in an interview with the online publication Evropeiska Pravda published on Friday.

He gave an affirmative answer to the question whether Ukraine would become an EU member.

Speaking of alternative ways to provide Ukraine's security, Klimkin said, "These ways of the provision of security can create much bigger challenges to our partners than those they are currently anticipating from Ukraine's possible NATO membership."

Klimkin dwelled on problems existing within the North Atlantic alliance and said that the alliance was lacking consensus on many aspects of its development. "NATO is an organization with a rather complicated structure, incorporating, for instance, Canada and Turkey. So, a lot will depend on the development of NATO in the near future," he said. ■

RADA TAX, CUSTOMS COMMITTEE SUPPORTS REDUCTION OF ADDITIONAL IMPORTS DUTY

The parliamentary committee for tax and customs policy supports the reduction of the additional imports duty of 5-10% approved in late 2014, Committee Chairman Roman Nasirov said at the National Export Forum.

"Taking into account the upward pace of foreign trade with goods in the first months of 2015, the imports duty could be revised downwards... I could say for sure that the tax and customs committee will support the decision," he said.

Nasirov said that the introduction of the additional imports duty affected the Ukrainian processing industry as the cash cost and the price of goods exported from Ukraine grew.



The law foresees the introduction of a 10% duty on finished food, fats, vegetable oil and butter, alcohol and non-alcoholic drinks, tobacco, vinegar, live animals (goods groups 1-24 under the Ukrainian code). The 5% duty is imposed on any other goods, apart from vitally important goods, including energy goods and some drugs. ■

NBU MULLING PAYPAL ADMISSION TO UKRAINE'S MARKET

The National Bank of Ukraine (NBU) is mulling the possibility of letting PayPal onto the Ukrainian market, the NBU wrote on Facebook.

An ad hoc group, including representatives of the NBU, professional associations, Deloitte and Baker&McKenzie was set up to improve conditions for the operation of international payment systems in Ukraine, the announcement said with reference to NBU Deputy Governor Vladislav Rashkovan.

"The group is now analyzing obstacles that appear in work of international online payment systems and electronic money issuer systems when they provide services to the population in Ukraine (on the example of PayPal). The results of the group's work will help improve respective legislative acts by the NBU and create conditions for the successful operation of the international payment systems in Ukraine," the announcement said. ■



UKRAINE SEEKING INTERNATIONAL OPERATOR FOR GAS PROJECT

Ukraine is looking for an international operator for a project to produce gas in the country, Ukrainian Energy and Coal Minister Volodymyr Demchyshyn said at the IHS CERAWEEK conference in Houston.

He said the country has 1 trillion cubic meters of undeveloped gas reserves. "This gas could be sold to Europeans," the minister said.

With the implementation of energy efficiency projects in Russia and Ukraine, Russia will supply more gas to Europe in three to five years, which will have an impact on prices, he said.

"The government of Ukraine has decided to find an international operator in order to leverage this important asset," Demchyshyn said, adding that an international consortium is an option. "We have 38 individual routes. We've already talked about the need to transport gas not only from Russia, but also from the north, from Norway. It's doable for the Ukrainian system," Demchyshyn said.

"We can redistribute this gas and ship it on to Romania, Turkey and potentially to Greece," Demchyshyn said.

He said that Ukraine currently buys more than 50% of gas in Europe, enabling it to lower the price to \$240 per 1,000 cubic meters. ■

KYIV INVESTMENT AGENCY WORKING ON 70 PROJECTS WORTH \$1 BLN

The Kyiv Investment Agency (KIA) is currently working on 70 investment projects worth \$1 billion, KIA's First Deputy Director General Vitaliy Boiko had said.

"In total, it's about \$1 billion. Until now, we have unfortunately managed to realize only UAH 1 billion," he told reporters at the presentation of a KIA project in Kyiv.

According to Boiko, there are about 70 investment projects in total that are being prepared, and 10 of them will be demonstrated to investors.

"The key direction of the projects is re-development, i.e. revamping those municipally owned plots that are nowadays used inefficiently," he explained.

He said that the investment projects also include the use of industrial sites of Kyiv-based enterprises that are standing idle. ■

UKRAINE EXPORTS 69,000 TONNES OF MILK, DAIRY FOODS, 44,000 TONNES OF MEAT IN Q1, 2015 – TRADE MINISTRY

Ukraine exported 69,000 tonnes of milk and dairy foods in January through March 2015, with an annual export potential projected at 300,000 tonnes, the interagency ad hoc group under the Ukrainian Economic Development and Trade Ministry has said.

In particular, 47,000 tonnes of milk and dairy products were supplied to the Crimea free economic zone, while annual supplies are projected at 240,000 tonnes, the group said.

Milk and dairy foods production in Ukraine in the first quarter of 2015 amounted to 2.04 million tonnes with annual production estimated at 11.34 million tonnes. Milk and dairy imports in the first three months stood at 20,000 tonnes, annual imports have been forecasted at 200,000 tonnes.

Meat exports from Ukraine in the three months totaled 44,000 tonnes with the annual forecast being 260,000 tonnes.

During the period under review, Ukraine produced 569,000 tonnes of meat, including 59,000 tonnes of beef, 224,000 tonnes of pork, and 284,000 tonnes of poultry. The ministry predicts that in 2015 Ukraine's meat output will be 2.44 million tonnes, including 410,000 tonnes of beef, 775,000 tonnes of pork, and 1.215 million tonnes of poultry.

From January through March Ukraine imported 31,000 tonnes of meat with an annual forecast of 169,000 tonnes. ■



ARCELORMITTAL KRYVYI RIH CONFIRMS PLANS TO INVEST \$1.2 BLN BY 2020

ArcelorMittal Kryvyi Rih (Dnipropetrovsk region) has confirmed its plans to invest \$1.2 billion in the company's development in 2014-2019.

ArcelorMittal Kryvyi Rih CEO Paramjit Kahlon said at a press conference held at Interfax-Ukraine in Kyiv said that at present the company focuses on quickly-realized projects allowing it to cut the cash cost of metal products.

"The top-priority projects for us are those projects which could be realized quickly and should influence the cash cost of products, the measures that we could take to cut dependability on natural gas and expensive coke," he said.

He said that plans on large investment projects have been retained.

"As for investment projects, we plan to build at least three continuous steel slab casting plants," he said.

Kahlon said that the company pays special attention to reducing natural gas consumption, and that a PCI (pulverized coal injection) plant is currently being built.

Kahlon said that the company is permanently investing in the upgrade of production facilities and it is a socially responsible company.

"We took responsibility of providing stability of work of our employees. We would like it [to be so] that they do not have the prospect of losing their jobs. We're a responsible business which continues investing in Ukraine," he said. ■

UKRAINE COULD BE KEY SUPPLIER OF GM-FREE SOYBEANS TO EU MARKET IN SEVERAL YEARS – EXPERTS

Ukraine has great potential of entering the European genetically modified-free soybean market, demand on which is stably growing in the EU, President of Donau Soja Matthias Krön said at a press conference held at Interfax-Ukraine.

He said that the EU countries import around 32 million tonnes of soybeans every year, mainly from the United States, Brazil and Argentina, which is used to feed animals. Only 5 million tonnes of soybeans are GM-free soybeans. European consumers set stricter requirements for animal products, especially on the quality of fodder.

"Today Europe imports 5 million tonnes of GM-free soybeans. A small share of it arrives from Ukraine. My vision is that in the future Ukraine could provide for 30-50% of these soybeans. Of course, there are many challenges. The issues with transportation and possibilities of processing soybeans should be settled. Of course, this will not happen today, but in next five or six years," he said, adding that at present Ukraine is a large soybean producer in Europe.



Business Development Director in Ukraine at Probstdorfer Saat-zucht Ges.mbH & CoKG, a member of Donau Soja, Felix Gohn, said that over the past several years Ukraine has increased the number of soybean fields from 1.4 million hectares to 2 million hectares and the country should define in what market segment it should develop. He said that the premium segment with higher added value holds prospects. ■

BYFREDERIC TO INVEST UP TO EUR 20 MLN IN BUILDING PORT TERMINAL IN CHERKASY REGION

ByFrederic Group, whose core business is seed planting, agricultural machinery sales and servicing, plans to build a port terminal on the Kremenchuk water reservoir in Cherkasy region to ship agricultural cargo.

According to a post on the website of Cherkasy District Administration, a memorandum on the realization of the investment project worth up to EUR 20 million was signed by the district administration and Semtek LLC, part of ByFrederic Group.

"Now, technical documents are being prepared. It would take two or three years to build the port," the marketing department director at ByFrederic Serhiy Silin told Interfax-Ukraine.



He said that the project foresees the construction of a terminal. An elevator with a storage capacity of 60,000 tonnes of agricultural products will be built at the port, and a railway line passes through the site. Also, the company will lease river transportation to ship cargo.

ByFrederic is an international agricultural enterprise specialized in seeds sales (maize, sunflower, rape, soybeans, etc.) as well as sales and services of agricultural equipment. The founder of the group is French citizen Frederic Chavigny. ■



INFRASTRUCTURE MINISTRY DRAWS UP SEVERAL PORT INFRASTRUCTURE DEVELOPMENT PROJECTS

The Infrastructure Ministry of Ukraine has drawn up proposals on developing infrastructure at Ukrainian ports.

The press service of the ministry reported that among the proposals are promising projects on existing and construction of new facilities and the development of port-side areas at Illichivsk, Izmail, Mariupol, Kherson, Odesa, Berdiansk, Bilhorod-Dnistrovsky, Mykolaiv ports and other seaports. The projects foresee public private partnership.

"We want to attract investors to develop the port infrastructure of the country. We're working on the creation of effective conditions for the realization of investment projects. The seaports of Ukraine have a powerful competitive potential among Black Sea region countries and we could even increase it, improving infrastructure," reads the report, citing Deputy Minister Yuriy Vaskov.

The project foresees the reconstruction of the handling complex near berth seven and berth eight. The annual complex's capacity is 1.5 million tonnes. Investment totals some UAH 200 million.

It is planned to reconstruct a handling complex near berth 10 and berth 12 with the possible construction of a grain handling complex with an annual capacity of 2.5 million tonnes. The investment amounts to near UAH 282.5 million.

The project foresees the reconstruction of a handling complex on the base of berth 14 for general cargo with an annual capacity of up to 1-1.5 million tonnes. Investment totals around UAH 300 million.

The Ukraine shipyard will be also optimized and developed. Investment amounts to some UAH 1.2 billion. ■

KHARKIV TRACTOR PLANT, SAMPO ROSENLEW TO REACH OUTPUT OF 500 COMBINES A YEAR BY 2018

The joint venture of PJSC Kharkiv Tractor Plant and Sampo Rosenlew (Finland) intends to start producing about 200 harvesters from 2016, and by 2018 to increase output to 500 units per year.

"This year we plan to assemble an experimental batch of harvesters, certify them and, starting from 2016, at least 200 combines will be assembled, and by 2018 we will reach the amount of at least 500 units," Kharkiv Tractor Plant CEO Vladyslav Hubin said, when signing a memorandum of cooperation with the Finnish company.

He said that the localization of production in Ukraine will help reduce the cost of 3085 series combines by 20%.

As reported, a contract to create a joint venture by Kharkiv tractor plant and Sampo Rosenlew was signed in December 2014. The plant in 2014 produced and sold 1,455 tractors, which is 10.4% or 137 units more than a year ago, and this year the plant plans to sell more than 2,000 tractors (37.5% up).

Last year the company sold tractors to more than 30 countries and was present in the markets of Europe, Asia, Africa and Latin America.

Sampo Rosenlew is a Finnish company, which is engaged in the production of harvesters and forestry equipment. Sampo Rosenlew supplies products to over 50 countries. The main markets of the company are the Nordic countries, North Africa, Ukraine, Azerbaijan, and Belarus. ■



BRITAIN'S HUNNEWELL PARTNERS TO INVEST \$100 MLN IN UKRAINIAN ASSETS

Britain's Hunnewell Partners, the manager of a fund worth around \$1 billion, has opened an office in Kyiv to invest in Ukrainian assets, member of the National Commission of Ukraine for Energy and Housing and Utility Services Regulation (NCER) Andriy Herus has said. "In plans is to invest \$100 million in projects in Ukraine by late 2016. We want to believe that this is the start of a trend".

Herus told Interfax-Ukraine that Hunnewell Partners has leased space in the Gulliver shopping center in Kyiv. At present, its employees are selecting projects, including in the energy and agricultural sectors. The commission plans to offer some investment projects in the energy sector.

Hunnewell Partners was founded in September 2011. Its core business is venture investment. ■

UKRAVTODOR STARTS LOOKING FOR INVESTOR TO BUILD FIRST CONCESSION ROAD IN UKRAINE

The State Agency for Automobile Roads of Ukraine (Ukravtodor) has started assessing the level of interest of potential investors in participating in the realization of the first concession project in Ukraine – construction, further exploitation and maintenance of the new Lviv-Kamianets road.

The press service of the agency said that starting this week and until May 15 inclusively all interested companies, residents or nonresidents of Ukraine, that want to be an investor in the project and are in line with bidder requirements can send letters of intent to the international cooperation department of Ukravtodor.

The letters do not foresee any liabilities for companies and are written in any form, and companies can add information or presentation materials on the projects realized by them.

The concession tender is due to start in May 2015. If the tender is a success and the winner is selected, the winner is to settle the financial close of the project in 2016. ■



CROPS HANDLING CAPACITY OF UKRAINE'S PORTS TO GROW BY 10 MLN TONNES/YEAR IN 2-3 YEARS – UGA



The grain handling capacity of Ukrainian ports will increase by 10 million tonnes per year by 2018, President of the Ukrainian Grain Association Volodymyr Klymenko has said.

"At present the handling capacity is about 45 million tonnes. In the next two or three years another 10 million tonnes will be added," he told reporters during the First National Forum of Export Support in Kyiv.

Klymenko said that a number of companies are currently expanding or building new port terminals. In particular, Noble trading company plans to launch a terminal in Mykolaiv port in November. Also, Cargill is carrying out construction work at Illichivsk port.

In addition, according to Klymenko, a very important item for the development of grain logistics is the Infrastructure Ministry's decision to perform dredging work in the Dni-pro River. The work is expected to begin in mid-July. This will be preceded by a tender for its execution and the formalizing of permits.

"If we start doing this work, we have prepared the second projects on the Pivdenny Buh River. And then the desire to clean the Desna River will appear," Klymenko added. ■

LEGISLATIVE FIELD IS GREATEST CHALLENGE IN IMPLEMENTING IMF PROGRAM – NBU

The legislative field is the greatest challenge in the implementation of the program with the International Monetary Fund, director of the international relations department of the National Bank of Ukraine, Serhiy Kruhlyk, has said. "Our weak point is our legislative initiatives. The Verkhovna Rada, the work of the Verkhovna Rada and the adoption of laws are the greatest challenges," he said. ■

THE AMOUNT OF FINANCIAL AID TO UKRAINE:

Creditor/investor	Sum (plan)	Received in 2014	Expected tranches
EFF program with IMF (until 2018)	SDR12.35 billion (\$17.5 billion)	1st tranche – SDR3.546 billion (\$5 billion)	2015: second, third and fourth tranches worth SDR1.182 billion each (\$1.667 billion) – June 15, September 15 and December 15; 2016-2018: 12 tranches worth SDR5.256 billion (SDR438 million each)
FS DPL and DPL with World Bank	\$3 billion	\$0.75 billion (DPL- I ¹ to the national budget), \$0.5 billion (FS DPL- I ² to the national budget)	2015: to the national budget - \$0.5 billion (DPL-II), \$0.5 billion (FS DPL-II); investment projects – \$0.3-0.5 billion ² ; from IFC – \$0.4 billion
Macro-financial aid (MFA) from EU: MFA-I, MFA-II, MFA-III	EUR 0.61 billion EUR 1.0 billion EUR 1.8 billion	EUR 0.36 billion, EUR 1 billion	2015: EUR0.25 billion (MFA-I ³), EUR1.2 billion (two tranches of MFA-III); 2016: EUR0.6 billion (one tranche of MFA-III)
EBRD	EUR5 billion until 2020	EUR 1.2 billion	About EUR1 billion annually
EIB	EUR3 billion for 2014-2016	Agreements signed on three projects for EUR 750 million	About EUR1 billion annually

1 – DPL – Development Policy Loan

2 – FS DPL - Financial Sector Development Policy Loan

3 – MFA-I funds are to come to the national budget soon

©Source: NBU



BASF EXPECTS CROP PROTECTION AGENT MARKET IN UKRAINE TO RECOVER IN 2015 AFTER 15% FALL LAST YEAR



The Ukrainian crop protection agent market in 2014 fell by 15%, to EUR 600 million, according to BASF chemical concern.

BASF Crop Protection Manager in Ukraine, Moldova and the Caucasian countries Tom Wetjen told reporters that the reasons for the decline were the difficult economic conditions in the country, the devaluation of the hryvnia, and farmers experiencing a lack of funds.

The concern said that the share of herbicides of the total Ukrainian market in money terms in 2014 was 50%, that for fungicides - 30%, insecticides - 10% and protectants, and phytohormones - 10%. Wetjen said that 2015 holds prospects for the recovery of the market volume. ■

EIB COULD PROVIDE EUR 400 MLN TO DEVELOP MUNICIPAL INFRASTRUCTURE IN UKRAINE

The European Investment Bank (EIB) is mulling the possibility of providing a framework loan of EUR 400 million to restore and develop municipal infrastructure in Ukraine, according to a report released by the bank.



The bank said that the project will extend the lifespan of critical urban infrastructure in the energy, water and sanitation sectors, will reduce losses, improve energy efficiency, reduce the intensity of greenhouse gas (GHG) emissions, and will contribute towards improving energy and water supply security.

According to the report, the total cost of the project is EUR 800 million, and the Regional Development, Construction, Housing and Utilities Economy Ministry will act as a partner in designing the project. ■

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.

The Ukrainian League of Industrialists and Entrepreneurs
Representative Office in the EU:
168 Avenue de Cortenbergh, 3rd floor, B-1000 Brussels, Belgium
T/F: +32 (0) 2 736 72 13

uspp.ua/en

The Ukrainian League of Industrialists and Entrepreneurs

Head Office:

34 Khreshchtyk Street, Kyiv 01001, Ukraine

Tel: +380 (44) 278 30 69

Fax: +380 (44) 226 31 52

uspp.ua

The Interfax-Ukraine News Agency has been working on the Ukrainian market for political and economic information since 1992.

Currently, the agency offers over 50 economic, financial and political information products in four languages - Ukrainian, Russian, English and German. According to the GfK-Ukraine International research company, Interfax-Ukraine is the leader in all of the key operational indicators among the news agencies in our country (quotations in the mass media, size of readership, evaluations in such categories as neutrality of coverage, swiftness in the provision of information, etc. Information newswires from Interfax-Ukraine are integrated into news streams of Bloomberg and Reuters. Interfax-Ukraine is an active member of the American Chamber of Commerce in Ukraine and the European Business Association, the agency plays an active role in coverage of all activities of these organizations and in lobbying of the interests of their members.

News from Ukraine wired through the Interfax Agency's network reaches clients around the world. What is more, you can gain free-of-charge 10-day trial access to any chosen service by applying to Maksim Urakin at urakin@interfax.kiev.ua, or through <http://en.interfax.com.ua/products.html>, or by just telephoning (+38 044) 270 6574/75.

Maksim Urakin is a project director of the Biweekly news digest of the Ukrainian League of Industrialists and Entrepreneurs.