



UKRAINE

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UKRAINE LOOKING TO SUPPORT ITS BUSINESSES AHEAD OF JOINING FTA WITH EU

The Ukrainian Ministry of Economic Development and Trade believes that not all Ukrainian companies are ready to switch to new working conditions once the economic part of the European Union-Ukraine association agreement comes into effect, and is looking for ways to support business.

"We are hoping for the help from our European partners," Economic Development and Trade Minister Aivaras Abromavicius told Interfax-Ukraine. Already there have been financial proposals, including of educational programs, the minister said.

"One example is the U.S. fund Western NIS, where the finance minister

once worked, which allocated \$30 million in grants for four areas, one of which is precisely export promotion that includes workshops, awareness campaigns, education programs and so on," Abromavicius said.

The ministry is also planning to start training public officials and executives at state-run companies.

"We will have a program for them to be trained at U.S. universities and for Western specialists to come to our country to teach them things like corporate governance," Abromavicius said.

The minister said he was convinced that a free trade area with the EU should be a positive factor for Ukrainian economy. ■

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CABINET APPROVES PRIVATIZATION

The Ukrainian government has included PJSC Odesa port-side chemical plant (the state stake is 99.567%), Sumykhimprom (99.995%), Centrenergo (78.29%) and all other remaining state stakes in thermal generation companies and regional energy supply companies in the list of companies to be privatized in 2015.

According to Cabinet resolution No. 271 of May 12 on conducting transparent and competitive privatization in 2015, posted on the government's website, the list also includes state-owned coal enterprises and mines, Ukrtorf concern, Elektronmash, President-Hotel and seaports, however the Verkhovna Rada's permit should be obtained for the sale of maritime ports. ■



KYIV, EU TO CONSIDER LARGER QUOTAS FOR UKRAINIAN GOODS OVER RUSSIAN MARKET CLOSURE

Kyiv will hold negotiations with the European Union about a broader access of Ukrainian commodities to the European market, Ukrainian President Petro Poroshenko said.

"We have decided to implement this decision [introducing the Deep and Comprehensive Free Trade Area] immediately, starting on January 1, 2016. We have agreed upon holding negotiations on larger quotas for Ukrainian commodities delivered to the European market because Russian markets are shutting down," he told. ■

ULIE ORGANIZES UKRAINIAN TOWN MAYORS' TRIP TO LITHUANIA TO EXCHANGE EXPERIENCE



A delegation of the Ukrainian League of Industrialists and Entrepreneurs (ULIE) and the Association of Small Cities of Ukraine traveled to Lithuania at the end of April to demonstrate to Ukrainian town mayors how autonomous utility, water purification, wastewater treatment, and electricity supply systems could work efficiently in towns, as well as to establish direct business and cultural contacts. The trip was organized with the assistance of the Lithuanian company Traidenis, whose core business is the production of wastewater treatment equipment, the ULIE, and its member – Ukrainian company Elektromekhanika.

"We've noticed an interesting thing – Ukrainian towns rather than cities are more open to high technologies. For this reason we've decided to organize a trip to Lithuania to exchange experience, exactly for the representatives of the Association of Small Cities of Ukraine. Thus, eight town mayors joined us to visit the production facilities of Precizika Company, a producer of photovoltaic systems. Traidenis Company took our delegation to Druskininkai, a resort town where its wastewater treatment plants operate," First Deputy President of the ULIE Serhiy Prokhorov said.

Ukrainian Ambassador to Lithuania Valeriy Zhovtenko welcomed the Ukrainian delegation at the airport and held a meeting with entrepreneurs. Among other issues the participants in the meeting discussed local government issues and the opportunity to share relevant experience between Ukraine and Lithuania. The ambassador briefed the entrepreneurs on the steps required to implement local government reform in Lithuania and told them about the country's historic experience of struggling for its own independence. Zhovtenko noted the ULIE's important role in the introduction of European values in Ukraine and in promoting the country's business interests abroad, specifically in Europe.

The delegations of the ULIE and the Association of Small Cities of Ukraine also visited the production facilities of the Lithuanian company Precizika, a manufacturer of solar panels. The electricity supply to places such as parks, water reservoirs, places of public amusement, small outlets, kiosks, filling stations, sparsely populated districts, etc. is a topical problem in towns. The delegates familiarized themselves with the effective use of photovoltaic modules and the technologies that are used to build small power plants and equip some buildings and transport vehicles.

"Lithuanian engineers have developed unique systems which can illuminate any place without wires, posts and relevant certificates. These are designs of the future which make it possible to not only turn roofs but also walls and slab panels into integrated photovoltaic power systems. Precizika also has technologies that turn →

→ absolutely transparent windows into power sources by mounting photocells in the glass units. They also regulate light intensity in the premises," the ULIE first deputy president said.

Precizika products raised great interest among the Ukrainian mayors as the development of the localities they are responsible for requires such systems.

The Ukrainian delegates also gained new experience during their visit to Alytus Industrial Park, for instance, in tax incentives – the companies that rent new land plots here and have invested at least EUR 1 million per hectare in construction and buildings are exempt from taxes on land rent and real estate for three tax periods, and their taxes are halved during the next five tax periods. Interestingly, Alytus is open for all investment projects related to the production of wastewater treatment systems, storage and logistics development.

There is room for Ukrainian enterprises here, Prokhorov said during the visit to the industrial park.

Industrial parks are a part of regional policy in Lithuania. The promotion of regional investment helps to resolve excessive centralization. The industrial parks feature all the required engineering works: gas and water supply, wastewater treatment, electricity supply systems, two transformer substations, and telephone systems.

The delegates also met with Alytus Mayor Vytautas Grigaravicius to discuss business issues as well as possible strengthening of cultural and twin town relations between Ukrainian and Lithuanian towns. For example, Alytus will mark Town Day on June 19, and the mayor of Trostianets, a Ukrainian town, has promised to engage Ukrainian folk music bands and craftsmen in the celebration.

"We think that the implementation of the so-called people's diplomacy, when people who realize new progressive ideas and technologies cooperate and share experience, is an important aspect of cooperation between the two countries," Prokhorov said.

The Ukrainian delegates also traveled to the resort town of Druskininkai, which Lithuanians describe as a champion in attracting investment. Some time ago it was a desolate town with a high unemployment rate, however today it is one of the most well-known resorts in Europe. The mayor of the Ukrainian town Myrhorod took great interest in the town's experience of recreation area development. Particular attention was paid to the wastewater treatment systems used in the town as it is an extremely important issue for resorts.

"They have showcased us the work of Traidenis wastewater treatment plants which effectively eliminate problems related to sewage treatment. I think we will start using such systems in Ukraine soon as they operate in line with European standards, take up minimum space and are hidden so that they don't spoil the landscape. It is an irreplaceable invention and our resorts and recreation areas lack this. That is why the mayors of Ukrainian towns found this technology interesting. The ULIE promotes advanced ideas in Ukraine in order to realize its mission – progressive development and European integration of the country," Prokhorov said. ■

EUROPEAN COMMISSION: UKRAINE FULFILLS ONLY TWO CLAUSES OF VISA LIBERALIZATION PLAN

The European Commission has noted that despite the significant progress in the implementation of the visa liberalization action plan by Kyiv, much has not been done. In the fifth progress report on the implementation by Ukraine of the action plan on visa liberalization published on Friday, the Commission said that only the benchmark on judicial cooperation in criminal matters and that on the production of biometric passports in Ukraine are deemed to be achieved.

All the other benchmarks are considered either almost achieved or partially achieved.

In particular, Kyiv has only partially met the requirements set in the clause dealing with asylum seekers. In view of the considerable progress made in recent months, the Commission is ready to shorten the period until the next report, provided that continued quick progress is made. ■

GERMAN BUNDES RAT RATIFIES EU-UKRAINE ASSOCIATION AGREEMENT – AMBASSADOR

German Bundesrat ratified the EU-Ukraine Association Agreement, Ukrainian Ambassador to Ukraine Andriy Melnyk has said, "Hooray! Bundesrat has just ratified the Association Agreement! Danke, Deutschland [Thank you, Germany]!" he wrote on Twitter.

As reported, the Bundestag ratified this agreement at the end of March. ■



CABINET APPROVES ANTI-CORRUPTION STRATEGY FOR 2015-2017 – RESOLUTION

The Cabinet of Ministers of Ukraine has approved the state program on the implementation of the principles of the state anti-corruption policy in Ukraine (the anti-corruption strategy) for 2015-2017, the government has announced. The resolution and the program have been posted on the government's website.

According to the resolution, local authorities are to submit information on the state of the fulfillment of the program to the National Agency for Counteracting and Preventing Corruption every year before February 15, April 15, July 15 and October 15. The agency is to monitor the implementation of the program and inform the cabinet on the state of its implementation every quarter. ■



FTA CRUCIAL TO STIMULATE UKRAINIAN BUSINESS DEVELOPMENT

We want to stress that Ukraine's economic and political integration in the European Union (EU) and the establishment of a free trade area (FTA) as of January 1, 2016, is inevitable and we support it, as does the entirety of the civil and business community of Ukraine, President of the Ukrainian League of Industrialists and Entrepreneurs (ULIE) Anatoliy Kinakh said during the European Business Summit in Brussels on May 7, 2015.

"The EU has become the main strategic partner of our country in 2014. Numbers speak louder than words – our exports to EU countries account for 36% now, and the share of EU investment in Ukraine is 70%! Closer cooperation with Europe is a chance to speed up the introduction of high standards in Ukraine. In addition, cooperation with the EU has to gain new, far from formalized quality so as to rely on the strength, opinion and opportunities of Ukrainian civil society in the future," the ULIE president said.

During the summit, Kinakh participated in a discussion panel entitled "Trade – Europe in the Global Economy" in order to speak about the key positions of the Ukrainian business community regarding Ukraine-EU cooperation.

"Our goal is to deepen cooperation with the BUSINESSEUROPE organization, the European Parliament, and the

European Commission and accelerate the implementation of Ukrainian-EU economic cooperation bearing huge potential. We appreciate Europe's assistance, but Ukraine has to take the first decisive step on its own – introduce global reforms, improve the work of all branches of the government, and strengthen the role of civil society. This is our own homework task which we have to fulfill," Kinakh said.

Ukraine is currently suffering from treacherous aggression by its closest neighbor – Russia – which was a good economic partner in the past. Our country's resources are gradually being exhausted and our main weapons are implemented reforms, economic growth, consolidation of civil society and the strong support of our international partners, namely the EU.

In his speech, the Ukrainian public figure thanked Ukraine's partners and stressed that the speedy ratification of the Association Agreement is very important to Ukraine.

"January 1, 2016. We are getting closer to this date day by day and this stimulates Ukrainian businesses to develop, advance, search for ways to become modernized, and look for new markets, partners and proposals. We must not take a step back. Ukraine has been paying a too high price after it

once rescheduled this date," the ULIE president said.

Kinakh stressed that intense cooperation between the Ukrainian government, civil society and Ukraine's European partners on serious programs aimed at adapting the country's economy to EU norms and standards, boosting its competitiveness and implementing government reforms is very important. The simultaneous introduction of the free trade area and the ratification of the agreement between Ukraine and EU member states could be the best stimulus for the country, Kinakh said.

The ULIE is working to deepen cooperation with the European Economic and Social Committee. Both parties have agreed to hold joint events in the EU and Ukraine in order to strengthen the dialogue between industrialists, employers, and trade unions, as well as Ukrainian and European government agencies.

"In order not to waste time, we are enhancing the competitiveness of Ukraine's economy so as to safeguard it against turning into a mere supplier of raw materials and exporter of low-cost labor and 'brains' to developed countries. Our country can and will produce high-tech and high value added products that are in demand all over the world. Today I can see that our European partners seriously support us," Kinakh said. ■

SURPLUS OF UKRAINE'S CONSOLIDATED BUDGET 28.1 TIMES UP IN Q1

The surplus of Ukraine's consolidated budget totaled UAH 13.971 billion in January-March 2015, which was 28.1 times up year-over-year (UAH 496.9 million), the Finance Ministry of Ukraine said in a posting on its website.

The surplus of the national budget in Q1 2015 amounted to UAH 4.169 billion, while year-over-year its deficit stood at UAH 4.094 billion.

Revenue of the consolidated budget rose by 25% in Q1 2015 year-over-year, to UAH 140.254 billion, and revenue of the national budget were up by 27.5%, to UAH 113.197 billion, revenue of the general fund of the national budget grew by 37.1%, to UAH 107.416 billion.

Cash expenses of Ukraine's consolidated budget grew by 12.9% in Q1 2015 year-over-year, to UAH 126.016 billion, cash expenses of the national budget – by 17.2%, to UAH 108.763 billion and cash expenses of the general fund of the national budget – by 25.3%, to UAH 103.876 billion.

The national budget for 2015 foresees the deficit limit of UAH 75.82 billion with UAH 502.26 billion revenue and UAH 566.87 billion of expenses. ■



POROSHENKO INVITES SINGAPOREAN BUSINESS TO BOOST INVESTMENT IN UKRAINE

Ukrainian President Petro Poroshenko at a meeting with Minister for Foreign Affairs and Law of Singapore Kasiviswanathan Shanmugam discussed international security and expansion of economic cooperation, the press service of the Ukrainian president has reported.

"The president invited Singaporean business to increase investment in Ukraine," reads the report. The press service said that the Singaporean minister said that Singapore supports Ukraine's sovereignty and territorial integrity. He said that his country condemns annexation of Crimea and any attempts of violating sovereignty of other countries.

Poroshenko thanked the minister for support. "I'm an optimist with support all over the world from different countries among this is Singapore. I'm proud of my people who are fighting for peace, freedom and independence of own country," he said. ■

NBU PLANS TO BOOST FOREX RESERVES TO \$38.4 BLN BY LATE 2019

The National Bank of Ukraine (NBU) plans to boost forex reserves to \$38.4 billion by late 2019, the regulator said on its website, referring to NBU Governor Valeriya Gontareva speaking at a meeting with European Commission's Vice President Valdis Dombrovskis.

"Taking into account stabilization of the monetary and credit market, NBU will be able to replenish its forex reserves, which by late 2015 are to be \$18.3 billion, and they are to grow to \$38.4 billion in next four years by late 2019," reads the report.

Among the conditions for receiving the funds is the adoption of a procedure for declaring individuals and companies affiliated with banks on the basis of relevant signs by the NBU and the creation of the credit register, NBU said.

As reported, referring to tentative data, Ukraine's forex reserves grew by 77.2% in March, to \$9.97 billion. ■





SWITZERLAND TO DOUBLE GRANT AID TO UKRAINE TO ABOUT \$100 MLN IN 2015-2018

The Swiss Confederation has decided to double financial assistance to Ukraine in 2015-2018 issued in the form of grants for projects in the field of efficient energy use, infrastructure development and humanitarian aid to about \$100 million, in particular provide funds for projects to improve drinking water quality in Donbas.

Such data were voiced by Ambassador of Switzerland to Ukraine Christian Schoenenberger in Kyiv, when signing a memorandum of understanding on technical and financial assistance for energy efficiency projects in Zhytomyr between the State Secretariat for Economic Affairs of the Swiss Confederation, Ukraine's Ministry of Regional Development, Construction, Housing and Utilities Services, Zhytomyr City Council, and municipal enterprise Zhytomyrteplokomunenergo.

"Switzerland decided to double its technical aid in 2015-2018, the budget will be about \$100 million," he said.

At the same time, Schoenenberger noted that the matter concerns cooperation with Ukraine in implementing joint projects in such priority areas for Switzerland as stable energy use and urban development, as well as local self-governance, construction, health care, and resolving issues in the humanitarian area. ■

UKRAINIAN FINANCE MINISTRY SWITCHES TO E-PROCUREMENTS

The Finance Ministry of Ukraine has switched to electronic state procurements.

According to the statement on ministry's website, the ministry signed agreements with two e-commerce sites SmartTender.biz and E-Tender in order to carry out e-procurements via ProZorro system (<http://prozorro.org/>), which was created upon the initiative of NGOs, IT companies and commercial electronic platforms with the support of Ukrainian government agencies.

The Finance Ministry will conduct procurements that don't fall under the law "On carrying out state procurements" via these platforms. It concerns the procurement of goods and services worth less than UAH 100,000 and paying for work worth less than UAH 1 million (without VAT).

According to Deputy Finance Minister of Ukraine Oksana Makarova, e-procurements will allow attracting more suppliers, which in turn will allow lowering prices and decreasing state's expenses. ■

TURBOATOM PLANS TO FINISH SUPPLY OF EQUIPMENT FOR UNIT 5 OF AKSU TTP IN KAZAKHSTAN BY LATE 2015

Turboatom (Kharkiv), Ukraine's largest producer of turbine equipment, plans to finish shipping energy equipment for unit 5 of Aksu thermal power plant (TPP) in Kazakhstan by the end of 2015.

The press service of the company said that first shipments have been sent.

The press service said that under the contract signed in July 2012, Turboatom will replace unit K-300-240 with the next generation K-325-23.5 turbine at unit 5 Aksu TPP. After modernization, turbine capacity will increase by 25 MW, efficiency will be increased, the life-span of the unit



and the whole power plant will be extended, and the environmental performance of TPP will be improved.

In addition to designing, manufacturing and delivery, it will also carry out installation supervision and participate in the startup.

This is the sixth turbine unit which Turboatom will modernize, having modernized turbines at units Nos. 1, 2, 3, 4 and 6.

Turboatom is the sole producer of turbine equipment in Ukraine for hydro, heat and nuclear electricity stations. Turboatom specializes in manufacturing turbines for thermal and nuclear power plants, hydraulic turbines for hydroelectric power plants and pumped storage power plants, gas turbines for thermal power plants, steam and gas equipment, and other power equipment. ■



EBRD TO PROVIDE EUR 120 MLN LOAN TO AGRI EUROPE'S SUBSIDIARIES IN UKRAINE AND SERBIA

The European Bank for Reconstruction and Development (EBRD) will provide a debt financing of up to EUR 120 million to subsidiaries of Agri Europe in Ukraine and Serbia. EBRD Principal Adviser for External Affairs Anton Usov told Interfax-Ukraine that the decision was made by the EBRD Board.

The financing package will include a syndicated loan of up to EUR 109 million for Agri Europe Serbia and up to EUR 11 million for Agri Europe Ukraine, provided directly by the EBRD.

According to the report, the funding is aimed at supporting the holding company's balance and diversifying its operations, in particular in meat processing and the development of cooperation with supplier farms.

Agri Europe unites agricultural (MK Group), sugar (Sunoko) and meat processing (Carnex) units in Serbia, while in Ukraine the company is represented by AgroInvest (Agro Invest Ukraine LLC, a subsidiary of MK Group) with 30,000 ha of land in Kyiv, Vinnytsia, Cherkasy and Zhytomyr regions with elevators of about 174,000 tonnes. ■

AUCHAN TO OPEN SECOND HYPERMARKET IN LVIV IN LATE 2015

Auchan Ukraine Hypermarket LLC (Kyiv), part of Auchan Group (France), developing a network of eponymous hypermarkets in Ukraine, plans in late 2015 to open another hypermarket in Lviv.

"Our company strongly believes in the potential of Ukraine and, in spite of the difficult economic circumstances in the country, we continue to invest in the country," reads the report.

According to the posting, the total area of a new Auchan hypermarket, which will be opened in a new format and will become the chain's second trade outlet in the city, will be less than 5,000 square meters.

Details regarding the volume of planned investment in the implementation of this project have not been specified. According to the retailer, the shopping gallery in the new hypermarket will be managed by Immochan Ukraine, the development company that is part of Auchan Group.

Auchan Ukraine Hypermarket LLC was established in 2007. The first Auchan hypermarket in Ukraine opened in late March 2008. ■



SVIZHACHOK INVESTS UAH 52 MLN IN PIG FARM, MEAT PLANT IN KYIV REGION

PJSC SvizhachOK (Zaporizhia region), whose major shareholder is the corporate non-government pension fund of the National Bank (98.5%), has invested about UAH 52 million in the construction of a pig farm and a meat processing plant in Kyiv region.

"PJSC SvizhachOK has invested about UAH 52 million in the construction of a pig farm and a meat factory in the village of Velyka Dymverka in Brovary district of Kyiv region," reads a press release from the Ukrainian Credit Rating Agency (UCRA).

According to the report, SvizhachOK is also funding the construction of an elevator with a capacity of 15,000 tonnes. PJSC SvizhachOK was founded in 2010 by reorganizing Zhytlobudinvest 2008 LLC. Its cattle complex breeds about 550 pigs per month. Its main customers are meat processing enterprises in Poltava, Zaporizhia, Dnipropetrovsk, and Donetsk regions. ■

ANTONOV STATE ENTERPRISE TO HELP SAUDI ARABIA TO LAUNCH OWN PRODUCTION OF AN-32 ANALOG

Antonov State Enterprise (Kyiv) will help Saudi Arabia in engineering and organizing production of Saudi analog of multipurpose An-32 aircraft – An-132 with the carrying capacity of 9.2 tonnes, the press service of the enterprise told Interfax-Ukraine on Thursday.

The press service said that the partnership agreement was signed by Antonov and Taqnia Aeronautics (Saudi Arabia) in Kyiv on Wednesday.

The document was signed in the presence of Chairman of Taqnia Aeronautics and President of the King Abdulaziz City for Science and Technology (KACST) Turki Bin Saud Bin Mohammed Al-Saud and President of Antonov State Enterprise Dmytro Kiva.

Under the agreement Ukraine will transfer An-32 production technologies to Saudi Arabia and train specialists. KACST, Taqnia Aeronautics and Antonov will improve the aircraft, increase its disposable load, flying range and take-off parameters of the transport aircraft. The crew cockpit will be equipped with U.S. navigation devices and other elements that will improve its parameters. Saudi Arabia will be the owner of intellectual property rights and design schemes for new An-132.

The press service said that Ukrainian multipurpose An-32 with a carrying capacity of up to 7.5 tonnes was selected by Saudi Arabia after the country analyzed the international light and civil aircraft market. The aircraft will be used for military and civilian operations.

Antonov expressed confidence that the new joint project would allow the parties to open new perspectives for cooperation in the aerospace area. ■



CHINA PREPARING FOR ORGANIZATION OF LICENSED PRODUCTION OF NEW UKRAINIAN TRANSPORT AIRCRAFT AN-178

Batch production of new Ukrainian transport aircraft An-178 with a carrying capacity of up to 18 tonnes designed by Antonov State Enterprise (Kyiv) could be started at production facilities in China.

An Interfax-Ukraine correspondent has reported that plans on cooperation between Ukraine and China under the An-178 program are stipulated in a protocol of intent signed by China's Beijing A-Star Aerospace Technology Co. and Antonov State Enterprise during the An-178 first flight ceremony in Kyiv on Thursday.

The document foresees the purchase of two An-178 aircraft in Ukraine by China and the organization of production of the aircraft in China.

The new An-178 aircraft is created to replace An-12 planes and is designed for the effective fulfillment of its tasks as a transport aircraft, including logistics and transportation of equipment.

One of its major advantages is the capability of transporting the entire line of packaged goods, including large-sized sea freight containers.

About 200 companies from 14 countries are engaged in the An-178 industrial cooperation program. ■



FERREXPO UPS IRON ORE PELLET OUTPUT 4.6% IN FOUR MONTHS

Ferrexpo plc, whose main assets are Ukrainian iron ore producers Poltava and Yeristovo mining and processing plants, raised commercial iron ore pellet production 4.6% year-on-year in January-April to 3.926 million tonnes, a Ukrainian government source told Interfax-Ukraine.

Iron ore concentrate production grew 2.8% to 4.737 million tonnes.

Ferrexpo produced 1.041 million tonnes of pellets and 1.266 million tonnes of concentrate in April.

The London-listed Ferrexpo plc owns 100% of Ferrexpo AG, which owns 97.34% of Poltava Mining and 100% of Yeristovo Mining. Ferrexpo's shares are traded on the London Stock Exchange's main section.

Ferrexpo is the FSU's biggest iron ore pellet producer and exporter. The company's main consumers are steelmakers in Austria, Serbia, Slovakia, the Czech Republic, Germany and other European countries, as well as China, India, Japan and other Asian countries. The company does not sell pellets or concentrate in Ukraine. ■

ONLY ONE FOURTH OF CONSUMERS WITH GAS STOVES HAVE GAS METERS – NCER

Around 25% (354,000) subscribers using gas for cooking have gas meters, the press service of the National Commission of Ukraine for the Energy and Housing and Utilities Services Regulation (NCER).

The regulator said that the total number of subscribers using gas only for cooking is 3.797 households, and the total annual gas consumption by this category of consumers is 957 million cubic meters. Under Ukrainian law regional gas supply companies are to ensure the installation of gas meters by these consumers by 100% by late 2017.

The commission said that 858,000 subscribers use gas to cook and heat water in Ukraine, including 72% of them with gas meters (620,000). The annual gas consumption by these consumers is 638 million cubic meters. Regional gas supply companies are to install gas meters for these consumers by late 2015 using the money of the companies.

The press service of the regulator said that 6.533 million consumers use gas to heat houses in Ukraine. They all have gas meters. The annual gas consumption by these households is 12.9 billion cubic meters. ■



AGRICULTURE MINISTRY PREDICTS EXPORTS OF 32 MLN TONNES OF GRAIN IN 2014/15 AGRI-YEAR

The Agricultural Policy and Food Ministry of Ukraine has predicted that grain exports in 2014/15 agricultural year (July-June) will total around 32 million tonnes.

"We see exports of around 30-32 million tonnes. We had delays with shipments of corn. We worry that now a large amount of corn will enter the market in the last moment," Agricultural Policy and Food Minister Oleksiy Pavlenko told reporters. He said that earlier the ministry held a meeting with the Infrastructure Ministry on the logistics provision of exports.

Pavlenko said that the infrastructure is ready for handling the said amount of grain for exports.

He said that many farmers held corn waiting for the better price and now they will actively sell it to replenish working capital for the spring campaign. ■



DUPONT PIONEER MULLING CONSTRUCTION OF THIRD DRYER AT PLANT IN POLTAVA REGION

DuPont Pioneer, one of the largest global seed producers, plans to build a third dryer at the plant in Stasi (Poltava region), with a capacity of 250,000 bags with corn.

"We have 14 hectares near our dryers and we plan to build the third dryer. One dryer is 250,000 bags. I think that in next five years we will finish it," DuPont Pioneer Production Manager for Eastern Europe Lajos Boncok told Interfax-Ukraine. He said that the start of the construction and the cost of the project have not yet been approved.

In 2015, the company plans to invest around \$1.5 million in upgrade of agricultural machinery.

"Our plan for this year is to sell as many as possible Ukrainian seeds on the market, as we have a large advantage over the imported products," he said.

In 2013, DuPont Pioneer opened a seed plant in Poltava region, investing \$40 million in the enterprise. ■





ILLICHIVSK PORT'S CARGO HANDLING RISES BY 11.5% IN JAN-APRIL 2015

Illichivsk maritime merchant port in Odesa region saw cargo handling rise by 11.5% year-on-year in January-April 2015, to 6.157 million tonnes.

Exports handling rose by 25%, to 3.954 million tonnes, imports handling by 40.5%, to 1.261 million tonnes, while transit handling fell by 42.8%, to 836,000 tonnes, the Ukrainian Sea Ports Authority has reported.

Liquid bulk handling rose by 14.3%, to 686,000 tonnes, dry bulk handling grew by 47%, to 4.267 million tonnes, while packaged handling decreased by 40%, to 1.204 million tonnes.

Illichivsk maritime merchant port is a general-service international port, one of the largest on the Black Sea. Its annual handling capacity is over 30 million tonnes of cargo. It has specialized terminals and complexes that handle a wide range of freight, including liquid, bulk, and general cargo. The port can process 1.15 million TEU in aggregate. As of 2007, the port can simultaneously handle three container ships of over 5,000 TEU and a length of up to 300 meters. ■

EUROPEAN COMMISSION: UKRAINE FULFILLS ONLY TWO CLAUSES OF VISA LIBERALIZATION PLAN

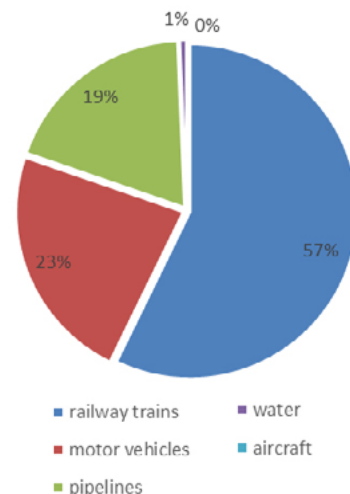
The European Commission has noted that despite the significant progress in the implementation of the visa liberalization action plan by Kyiv, much has not been done. In the fifth progress report on the implementation by Ukraine of the action plan on visa liberalization published on Friday, the Commission said that only the benchmark on judicial cooperation in criminal matters and that on the production of biometric passports in Ukraine are deemed to be achieved.

All the other benchmarks are considered either almost achieved or partially achieved.

In particular, Kyiv has only partially met the requirements set in the clause dealing with asylum seekers. In view of the considerable progress made in recent months, the Commission is ready to shorten the period until the next report, provided that continued quick progress is made. ■

CARGO TRANSPORTATION, JANUARY-MARCH 2015¹

Freight shipped mln.t



MOTOR SICH BOOSTS CONSOLIDATED NET PROFIT BY 2.1 TIMES IN Q1, 2015



PJSC Motor Sich (Zaporizhia) saw the rise in consolidated net profit by 2.12 times in January-March 2015 year-on-year, to UAH 1.033 billion, under international financial reporting standards (IFRS).

Motor Sich's consolidated net revenue in the first quarter of 2015 rose by 63.98%, to UAH 3.029 million, the company said in its financial report in the information disclosure system of the National Commission on Securities and the Stock Market.

Motor Sich is one of the world's largest manufacturers of engines for aircraft and industrial gas turbines. It supplies products to 106 countries.

In 2014, Motor Sich's net revenue under IFRS rose by 13.5% from 2013, to UAH 9.744 billion, its net profit grew by 12.97%, to UAH 1.547 billion. ■

ZAPORIZHSTAL BOOSTS SUPPLIES TO EUROPE IN 2014, CUTS SUPPLIES TO RUSSIA, ENTERS NEW MARKETS



Zaporizhstal, part of Metinvest Group, boosted supplies to the European market by 60% in 2014, while supplies to Russia fell due to the devaluation of the Russian ruble and the non-attractiveness of its market.

Zaporizhstal Director General Rostyslav Shurma said in an interview with Interfax-Ukraine that the Ukrainian market is a top-priority market for the company as it is close to it, although metal roll consumption in the country fell by over 30% due to the situation in the economy.

He said that the metal market is global one, and the plant should be competitive on any market, but the most desirable is the domestic client.

"As for the Russian market, its share of the total sales of the plant fell in 2014: 8% compared to 13% in 2013. If we speak about Q4 2014 and Q1 2015, the share of sales to Russia does not exceed 3%. First this is linked to the economic factors, as consumption is falling inside Russia, competition has strengthened, the prices considerably fell, and the market is not interesting for us from the economic point of view," the top manager said.

He said that the most dynamic and largest market for Zaporizhstal is the European market, both Eastern and Western Europe.

"We continue working on the attraction of clients and boosting sales to Europe," he said. Asked about the U.S. market, Shurma said that it is very competitive market and it is hard to enter it, while it is very attractive market. ■

UKRAINE PLANS TO COOPERATE WITH JICA ON BUILDING BRIDGE IN MYKOLAIV

Ukkraine plans to continue co-operating with the Japan International Cooperation Agency (JICA) under a project on construction of a bridge across the Pivdenny Buh River in Mykolaiv.

According to cabinet resolution No. 418-r of April 29, 2015, the government approved the draft letter to the Japanese government on continuation of cooperation with JICA under the project.

As reported, the Ukrainian government on July 11, 2013 approved the feasibility study for construction of a new bridge across the Pivdenny Buh River in Mykolaiv with the projected cost of UAH 3.5 billion.

Oleksandr Vilkul who was running the post of deputy prime minister then said that M-14 Odesa-Melitopol-Novozovsk highway, where the new bridge will be located, is a part of two international corridors – the Eurasian transport corridor and the corridor of the Organization of the Black Sea Economic Cooperation.

Volodymyr Kozak who was Infrastructure Minister said that the construction of the new bridge will allow unloading the downtown from traffic and improving the ecological situation, as the bridge will be located not in the downtown.

It was planned that the project would be realized thanks to Japan's Official Development Assistance (the credit rate is 1.4%, the term of the loan is up to 25 years with a grace period of seven years). It was planned that the general contractor would be selected only at an international tender. ■

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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