



UKRAINE

OPEN FOR BUSINESS

Biweekly news digest of the Ukrainian League of Industrialists and Entrepreneurs

ISSUE 13 | 1 OCTOBER 2015



HEADLINES

WORLD BANK PROVIDES \$500 MLN TO UKRAINE UNDER FINANCIAL SECTOR PROGRAM

POROSHENKO: 24 EU COUNTRIES FULLY RATIFY UKRAINE-EU ASSOCIATION AGREEMENT



SPF FORMS LIST OF OVER 900 SMALL FACILITIES ELIGIBLE TO BE PRIVATIZED

UKRAINE TO REVOKE SPECIAL DUTIES ON CARS ON SEPT 30



YATSENIUK ASKS IMF, EBRD TO SUPPORT PRIVATIZATION IN UKRAINE WITH EXPERT EVALUATION

ENTREPRENEURS ELABORATING HOUSING CONSTRUCTION PROGRAMS FOR SERVICEMEN AND YOUNG PEOPLE



KFW APPROVES DEVELOPMENT PROJECTS WORTH EUR 89.5 MLN IN UKRAINE

SWEDISH ECOENERGY READY TO INVEST \$120 MLN IN ENERGY GENERATION FROM WASTE



WORLD BANK PROVIDES \$500 MLN TO UKRAINE UNDER FINANCIAL SECTOR DEVELOPMENT PROGRAM

The World Bank has provided a loan of \$500 million to finance the Second Financial Sector Development Policy Loan, the National Bank of Ukraine (NBU) has said on its website.

Finance Minister of Ukraine Natalie Jaresko and World Bank Director for Ukraine, Belarus and Moldova Qimiao Fan signed the credit agreement. "The loan was endorsed by the Directors' Board of the World Bank on September 15, 2015. This loan is one more step towards enhancing the financial stability of our country to recover its economy," the report said.

The Finance Ministry said on its website that the interest rate for the loan is only approximately 1% p.a. which makes it possible to replace the current liabilities which are served at an interest rate of approximately 8%.

The maturity period for the loan is 17 years, and the first six years are a grace period. "Within several days the loan will be transferred to the state budget as a single payment," the report said.

This loan is an element of the broader program of cooperation between Ukraine and its international partners totaling \$7.2 billion. The loan became possible thanks to continued cooperation between Ukraine and the International Monetary Fund under the Extended Financing Facility (EFF) agreed in March 2015. ■

SPF FORMS LIST OF OVER 900 SMALL FACILITIES ELIGIBLE TO BE PRIVATIZED

The State Property Fund of Ukraine (SPF) has formed a list of 910 facilities of groups A, D and Z that are eligible for privatization, the fund has said on its website. "In addition, there are around 30,000 facilities that are not included in the charter capitals [of enterprises], which could be privatized," Deputy SPF Head Tetiana Burtniak said at a meeting with property market players. She said that the fund's website includes information on facilities eligible for privatization which will soon be expanded with photo materials.

"The goal is clear and transparent – we finally want to achieve the sale of the whole number of small privatization facilities, most of which have not found investors for a long period of time," Deputy SPF Head Natalia Lebed said.

She said that the purchase of state property from SPF has its own advantages compared to the secondary market: fully open information on the facilities, transparent ownership history, postponement of payments for two months, and the possibility of selling it with one bidder.

The participants of the meeting, including the heads of Colliers International, CBRE, the Chamber of Realtors of Ukraine, the Association of Realtors of Ukraine and the Unions of Realtors of Ukraine expressed their readiness to cooperate with the fund and promised to send proposals on their participation in the privatization of small facilities. ■



POROSHENKO: 24 EU COUNTRIES FULLY RATIFY UKRAINE-EU ASSOCIATION AGREEMENT

Ukrainian President Petro Poroshenko has said that 24 countries-members of the European Union (EU) have finished the process of ratification of the Ukraine-EU Association Agreement.

"In a year that passed after signing the Ukraine-EU Association Agreement 24 states have fully completed the ratification process, despite [the fact] that it was said that it would take over three years to do this," said on his Facebook page.

Poroshenko said that the agreement on the Deep and Comprehensive Free Trade Area (DCFTA) with the EU would take effect from January 1, 2016. Poroshenko's post includes a map which states that Belgium and the Czech Republic have started the ratification process, but have not yet completed it, and that Greece and Cyprus have not ratified the agreement.

All 28 countries-members of the EU must ratify the agreement for it to take effect. ■



UKRAINE TO REVOKE SPECIAL DUTIES ON CARS ON SEPT 30

Ukraine will revoke special duties on imports of passenger cars with petrol engines with a capacity of 1,000-2,200 cubic centimeters irrespective of their origin, imposed on April 28, 2013, for a period of three years starting on September 30.

The interagency commission for international trade said in the Uriadovy Kurier newspaper on Saturday that the decision was made on September 10, 2015 after consideration of the recommendations of the Economic Development and Trade Ministry to lift the restrictions. ■

YATSENIUK ASKS IMF, EBRD TO SUPPORT PRIVATIZATION OF UKRAINIAN STATE ENTERPRISES WITH EXPERT EVALUATION



Ukrainian Prime Minister Arseniy Yatsenyuk has discussed the privatization of state-run enterprises with representatives of international financial institutions and diplomatic missions in Ukraine.

“Special attention was paid to the privatization of state-run enterprises in Ukraine, the provision of its openness, transparency and competitiveness. The Ukrainian prime minister asked representatives of international society in Ukraine to support the privatization process with the relevant expert evaluation,” the press service of the Ukrainian government has reported.

Yatsenyuk met Head of the EU Delegation to Ukraine Jan Tombinski, Chief of International Monetary Fund (IMF) Mission to Ukraine Nikolay Gueorguiev, IMF Resident Representative in Ukraine Jerome Vacher, European Bank for Reconstruction and Development (EBRD) Director for Ukraine Sevki Acuner, International Finance Corporation (IFC) Country Head in Ukraine and Belarus Rufat Alimardanov, top managers of the U.S. Agency for International Development and representatives of the U.S. Embassy to Ukraine in Kyiv on Thursday.

The participants of the meeting exchanged opinions on the urgent tasks of privatization, top-priority measures to improve the management of state-owned facilities, the creation of legal preconditions to accelerate the privatization process, and how to ensure that privatized enterprises function efficiently. ■

INFRASTRUCTURE MINISTRY PLANS TO INVEST EUR 100 MLN UNDER EBRD CREDIT AGREEMENT IN ROADS MAINTENANCE IN WESTERN UKRAINE

The Infrastructure Ministry plans to spend EUR 100 million released under a credit agreement with the European Bank for Reconstruction and Development (EBRD), on road maintenance in the western regions of Ukraine, the ministry’s press service reported on Wednesday.

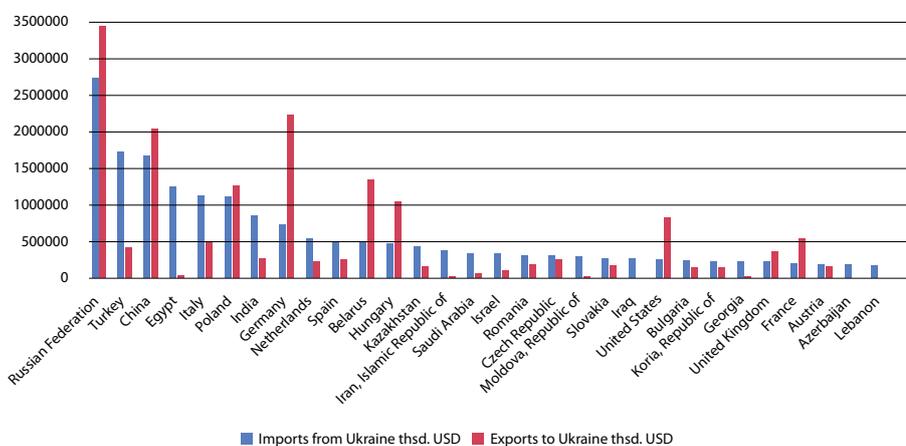
“Under preliminary findings, the total volume of released funds under a credit agreement with EBRD could be up to EUR 100 million. The funds have been saved due to a change to the project structure, currency rate differences, as well as a high competitiveness at open tenders which gave us an opportunity to sign the contractor’s agreements for less than expected,” the press service said.

According to the ministry, money will be allocated to maintain the H09 Mukacheve-Rakhiv-Bohorodchany-Ivano-Frankivsk-Rohatyn-Lviv and H13 Lviv-Sambir-Uzhgorod roads.

H09 is a strategic transit highway which provides a transport links Slovakia, Hungary, Romania and Poland. Maintenance of H13 is crucial to maintain tourist numbers and access to recreation areas in the Carpathian region. ■



TOP-30 Countries exporters to Ukraine



¹ Excluding the temporarily occupied territories of the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation zone.
Note. A list of countries is defined on the basis of the largest investment made into Ukraine economy.
Source: State Statistics Services

FOURTH NATIONAL COMPETITION FOR BUSINESSWOMEN «BUSINESS TALENT OF UKRAINE 2015» GETS UNDER WAY IN UKRAINE



Amway Ukraine and the Ukrainian League of Industrialists and Entrepreneurs (ULIE) have initiated this competition for the fourth year in a row. The project “Business Talant of Ukraine 2015” is aimed at providing education and financial support for businesswomen. This year, the main prize is UAH 70,000* for business development. Another special prize is provided by the competition’s partner – the Nova Poshta Company – a UAH 10,000 certificate for parcel delivery within Ukraine.

The subject of the competition is entitled “Inspired by Time.” The competitors are to focus on the professional features of a successful entrepreneur as well as their ability to adjust to the dynamics and conditions of time. Those who are successful are those who don’t wait for ‘perfect conditions’ and face the challenges of time as new opportunities.

Businesswomen from all over Ukraine are welcome to take part in the competition free of charge. This year, in addition to an educational conference in November, the competitors will have an opportunity to visit two regional business events with the participation of well-known businessmen in Odesa on September 25 and in Lviv on October 2. This is the first time these events have been held as part of the competition. ■



PHARMACEUTICAL PRODUCERS IN UKRAINE PUSH FOR EXTENSION OF SELF-GOVERNMENT IN SECTOR

Enterprises involved in drugs production and distribution plan to push for extended rights in self-government in the sector.

Members of the 6th congress of the United Association of Medical and Microbiological Industry Employers approved the resolution in Odesa.

According to the resolution, a copy of which has been sent to Interfax-Ukraine, the association members will support the adoption of the law on pharmaceutical self-government, which envisages the creation of the so-called Chamber of Pharmaceutics. This would be a professional association which would regulate the market and operation of all its players by members of professional society.

The resolution of the congress says that its participants plan to support the endorsement of the law on drugs which is being drawn up by MPs Oleh Musiy and Andriy Shypko.

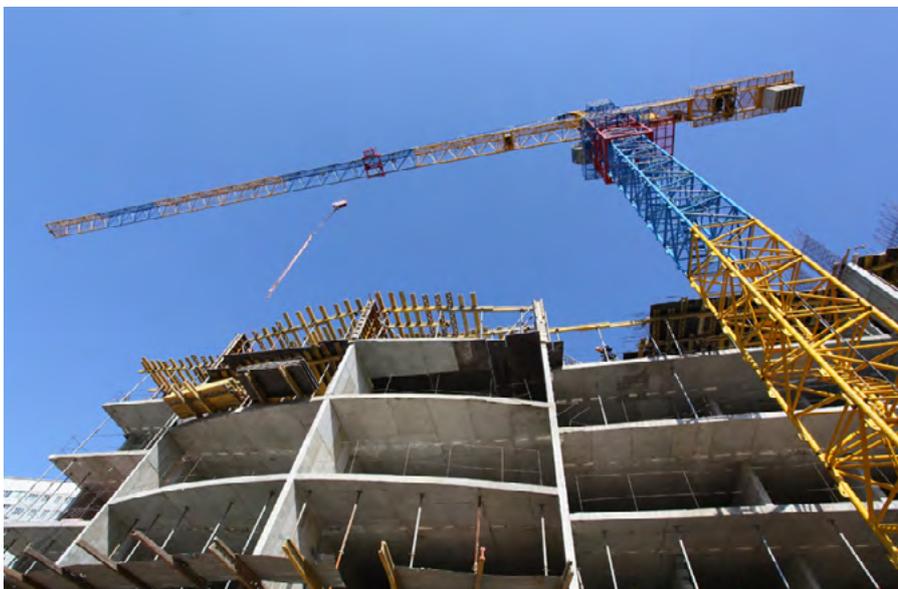
Pharmaceutical manufacturers and distributors also decided to take further measures to deregulate the drug market jointly with Health Ministry, however congress members expressed their confusion as to why the Health Ministry did not send its representatives to the congress to discuss the issue. ■



TOTAL VEGETABLE PRODUCTION TO REACH 8.7 MLN TONNES IN 2015 – MINISTER

Vegetable production in 2015 will tentatively reach 8.7 million tonnes, Agricultural Policy and Food Minister of Ukraine Oleksiy Pavlenko wrote on his Twitter page. “Tentatively, 8.7 million tonnes of vegetables will be received with consumption of 6.7 million tonnes (160.2 kilograms per person),” he said.

Pavlenko added that the most of the vegetables will be used by households – around 7.4 million tonnes. As reported, referring to the State Statistics Service, vegetables were sown on 1.814 million hectares in 2015, which is 4.5% down on 2014. Potato harvest in 2014 totaled 23.7 million tonnes, which was 8.4% up on 2013. A total of 9.64 million tonnes of vegetable was harvested, 2.6% up year-over-year. ■



ENTREPRENEURS ELABORATING HOUSING CONSTRUCTION PROGRAMS FOR SERVICEMEN AND YOUNG PEOPLE

Every young family deserves to have their own dwelling, Budcapitals Ltd. Director General and Board Chairman of the Dostupne Zhytlo (Affordable Housing) Non-Governmental Organization Yevhen Pinchuk said. The Ukrainian League of Industrialists and Entrepreneurs (ULIE) recently gave him an award to mark Entrepreneur Day in Ukraine.

Budcapitals Ltd. has built a block of flats for servicemen and their families in Mykhailivka-Rubezhivka Village near Kyiv – 96 apartments are ready and waiting for their owners.

“We are ready to continue our cooperation with the Defense Ministry of Ukraine, whose tender we were lucky to have won, and we are proud of our contribution to the social protection of servicemen’s families. We hope that these dwellings will become a cozy and comfortable home for people who devoted their lives to the defense of the integrity and independence of Ukraine,” Pinchuk said. The construction of the Mykhailivsky residential estate will be the next step to supporting social and mortgage housing.

Unfortunately, the construction of housing in Ukraine that young people could afford is a serious problem. The priority task of Budcapitals Ltd. and the Dostupne Zhytlo organization is to make housing cheaper without losing in quality. For this reason, new housing is to be constructed outside the capital city, but no further than 15 km from its outskirts. It is planned that not only apartments, but separate small residential estates with necessary infrastructure, including shops, bank departments, kindergartens, etc., will be built here.

Yevhen Pinchuk is working on an educational program for young people today. He thinks that the young generation has to learn how to accumulate money first of all for the construction of housing. Sometimes people don’t know how to manage their funds properly. For this reason, the project initiators are planning to teach high school and university students a course entitled “How to Build your Life Economy Properly.”

“Entrepreneurs’ initiative to make housing for young people cheaper requires overall support and promotion. The ULIE is happy that active young entrepreneurs and public activists – Yevhen Pinchuk is also a leader of the Kyiv Municipal Association of Industries, Construction, Transport and Communications – are taking care of this project. For the implementation of this project, we should attract financial institutions which could lend money to young people as well as gain support of government agencies. In general, we can make sure once again that domestic businesses are socially aware and responsible,” ULIE First Vice-President Serhiy Prokhorov said. ■

SPF PLANS TO SELL 25% IN DNIPROENERGO, ZAKHIDENERGO, DONBASENERGO, 5% IN ODESA PORT-SIDE PLANT IN NOV, 10% IN CENTRENERGO IN DEC

The State Property Fund of Ukraine (SPF) has once again revised the privatization schedule for 2015 and now plans to sell 25% of shares in power generating companies DTEK Dniproenergo, DTEK Zakhidenergo and Donbasenergo, and 25% of shares in Sumyoblenergo and Odesaoblenergo on the stock exchange in October.

According to the report, in November 5% of shares in Odesa Port-Side Plant, Sumykhimprom, Odesa and Kherson combined heat and power plants will be sold, along with 5% of shares in Zaporizhiaoblenergo, which has not yet had any of its shares sold, and 25% of shares in DTEK Dniprooblenergo and Kyivenergo, which will be left in state ownership after privatization tenders.

The fund plans to sell 25% of shares in DTEK Donetskoblenergo, 46% of shares in Cherkasyoblenergo, and 16.537% of shares in Zasiadko Mine on the stock exchange in December. ■



NOMURA EXPECTS MACROECONOMIC SITUATION IN UKRAINE TO STABILIZE IN 2016



Nomura International analyst Timothy Ash has predicted that the macroeconomic situation in Ukraine will stabilize in 2016.

“Our expectations on macroeconomic stabilization have come true. Despite the large deficit of the budget, the balance of solvency is becoming stable, outflow of capital fell, payments are settled and stabilization is growing,” he said at the Odesa Financial Forum.

He said that the improvement of investment climate in Ukraine is only possible thanks to the fight against corruption.

“Ukraine is very attractive for investors with cheap workforce. In addition, there is large potential in agriculture and metal sector. There is a large potential interest of investors to Ukraine. When peace is seen, you’ll be surprised how quickly money will come here,” Ash said.

He added that the end of the military conflict in Donbas, political stability and successful reforms would allow Ukraine to achieve economic growth of 2-3% a year, and in the ten-year outlook the country has a chance of becoming a full and valued member of the European Union.

Chairman of Corporate and Investment Business at BNP Paribas in Ukraine and Kazakhstan Dominique Menu said that large international financial aid weakens the internal financial market.

“Maybe, the situation should be transformed into investment funds and creation of new jobs. The aid of the IMF is a rescue raft. Mechanisms for attracting foreign investors should be created,” he said. ■

INTL INVESTORS READY TO INVEST IN UKRAINE AFTER BUSINESS SECTOR REFORMS

Some international investors have shown their interest in Ukraine but they expect the business sector to require further reforms, ICU Group (Kyiv) Managing Director Makar Paseniuk has said.

“There is interest in investing into Ukraine. At present, we’re holding talks with 10 private equity funds – it concerns over \$1 billion. They are looking for investment opportunities in the country. There are also several strategic investors,” he said at the Odesa Financial Forum on Thursday.

Paseniuk said that the main problem the funds face is the absence of facilities for investment.

“Without an additional driver from the Ukrainian government we have few facilities for investment,” he said.

Paseniuk said that the real reloading of the economy is required to the launch investment process in Ukraine and a government strategy which foresees changes to the conditions and approaches to doing business is required.

In addition, he said that a government strategy on the creation of a transparent mechanism for liquidating assets in the banking system, and an effective law on bankruptcy, must be drawn up within three years. ■



POLAND'S LUBAWA, UKROBORONPROM TO LAUNCH JOINT PRODUCTION OF BULLETPROOF VESTS, HELMETS IN IVANO-FRANKIVSK BY LATE 2016

The Ukroboronprom State Concern and Poland's Lubawa S.A. are preparing to launch joint production of bulletproof vests and helmets and facilities in Ivano-Frankivsk in 2016.

According to the plan which was announced by the Polish company during a conference devoted to the expansion of defense cooperation at the 12th International Trade Fair Arms and Security 2015 held in Kyiv on September 22 through September 25, bulletproof vests, helmets, and camouflage products will be produced.

The Polish company said that the preliminary volume of investment is estimated at EUR 1 million.

Lubawa S.A. has been operating on the market for over 60 years. The company supplies multi-purpose products designed for camouflage to NATO countries. It exports its products to over 40 countries.

In September, at the MSPO-2015 exhibition held in Poland, Ukraine and Poland signed a memorandum of cooperation. ■

UKRHYDROENERGO MULLING CONSTRUCTION OF SIX HYDROELECTRIC POWER PLANTS ON DNIESTER RIVER

Public joint-stock company Ukrhydroenergo is considering the possibility of building six hydroelectric power plants on the Dniester River with a total capacity of 324 MW, Ukrhydroenergo Head Ihor Syrota said at the 13th international forum "Fuel and Energy Complex of Ukraine: The Present and the Future," which was held in Kyiv. He said that the company plans to start realizing the project in 2015-2016. Syrota said that the project is of social importance as it includes the development of infrastructure via the construction of bridges over the Dniester River in Ternopil, Khmelnytsky and Chernivtsi regions. The memo confirms their interest in cooperation and use of WB Electronics' technologies for the UAVs being designed at Antonov State Enterprise for the Ukrainian Armed Forces.

According to the materials of the Energy and Coal Industry Ministry, the total cost of the project to build a cascade of hydroelectric power plants and water reservoirs is estimated at \$1.131 billion. The approximate term of the realization of the project is 2015-2024. ■



JAPAN'S FUJIKURA PLANS TO GET EUR 40 MLN OF REVENUE IN 2016 FROM PLANT IN UKRAINE

Japan's Fujikura electric wire and telecommunications systems corporation plans to receive EUR 40 million of revenue from an electronic element and wire plant in Lviv region which is being created as part of an investment project, Fujikura Managing Executive Officer Ichiro Kamada said at the presentation of the project in Kyiv. He said that at the first phase of the realization of the project, which has assessed investment of EUR 5-6 million, will create 300 jobs and will eventually increase the number of employees to 3,000 within the next three years.

"Now we're to decide for what global automobile manufacturers we will produce goods. We plan to transfer our production facilities from Romania to Ukraine and at the first phase the products will be made at existing facilities with a gross area of 12,000 square meters," Kamada said.

He said that if the first phase is a success, Fujikura will decide on its expansion and further construction of a plant. He assessed total investment in the project at EUR 60 million for three years.

Ukrainian Economic Development and Trade Minister Aivaras Abromavicius said at the presentation that a month ago Fujikura made the decision to resume the realization of the project on the creation of the plant in Lviv region which was frozen in November 2013 due to political events in Ukraine.

"We've almost decided to come in 2013 and signed the office and production facilities leasing agreement in October and November 2013, but, unfortunately, we had to freeze the project. Now we again decided to come, hoping that nothing bad would happen in Ukraine," Kamada said.

Fujikura was founded in 1885 in Japan and gradually transformed into an international corporation providing innovation solutions. Its turnover exceeds EUR 5 billion a year. ■

ANTONOV, POLAND'S WB ELECTRONICS READY TO COOPERATE TO PRODUCE DRONES FOR UKRAINIAN MILITARY

Antonov State Enterprise, part of Ukroboronprom State Concern (Kyiv), and Poland's WB Electronics SA are working on cooperation plans as part of a program to produce unmanned aerial vehicles (UAVs) for the Ukrainian Armed Forces. The memorandum of understanding was signed on Tuesday at the 12th International Trade Fair Arms and Security 2015 by Antonov acting President Mykhailo Hvozdev and Vice President and Chief Designer of Flytronic, which is part of WB Electronics, Wojciech Szuminski.

The memo confirms their interest in cooperation and use of WB Electronics' technologies for the UAVs being designed at Antonov State Enterprise for the Ukrainian Armed Forces.

The base for the realization of the project would be Antonov's experience in designing and supporting aircraft of various classes and purposes along with high-tech equipment of WB Electronics.

Hvozdev said after the signing of the document that the memo is a benchmark for the new international projects of Antonov enterprise aimed at strengthening the defense of the state.

WB Electronics SA designs UAVs. Antonov is a leading Ukrainian designer and manufacturer of aircraft. It cooperates with 76 countries. Antonov State Enterprise has been part of the Ukroboronprom State Concern since April 2015. ■



WORLD BANK READY TO PROVIDE FINANCING TO EQUIP AUTOMATIC WEIGHTING COMPLEXES ON UKRAINIAN ROADS

The World Bank is ready to provide funds to equip automatic weighting complexes for transport on Ukrainian roads, director of the department of strategic development of road market and transport at the Infrastructure Ministry Roman Khmil has said.

“Around \$20 million of initial investment is required for the project, while the pay-back period is very small,” he said in an interview with Interfax-Ukraine. He said that a total of 200 complexes are required, and judging by experience of other countries, the pay-back period of the complexes would be one year.

“However, then revenues from fines fall sharply and they would hardly cover their functioning as everyone starts sticking to the rules. Nevertheless, the economic effect is UAH 15-20 billion a year, which we lose now in the form of damage caused to roads by those who violate weight requirements. We have to send large funds to repair vehicles after they drive on worn-down roads,” Khmil said.

When asked why the state has not provided funds for these complexes, he said that no one seriously tackled the issue or wanted to take political responsibility for the introduction of unpopular reforms.

He said that financing of the complexes could start from October 2015 when the third credit line from the World Bank could be finally approved. ■



UKRAINE STEEL OUTPUT INCREASES BY 8.6% IN AUG, BEING 10TH IN WORLDSTEEL RANKING

Ukrainian metallurgical enterprises in August 2015 saw steel production rise by 8.6% compared with July 2014, to 1.919 million tonnes, meaning that the country retained 10th position in the ranking of 65 countries that are the world's major manufacturers of steel, compiled by the World Steel Association (Worldsteel).

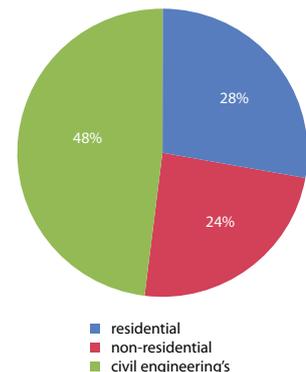
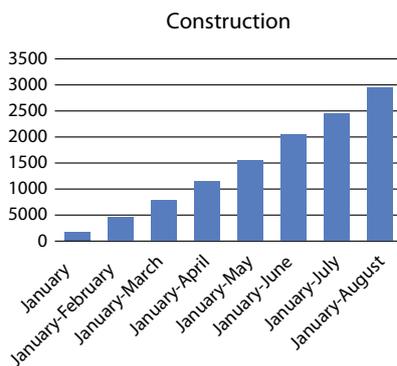
Steel production in August fell in most of the top ten states, except for India, South Korea, Germany and Ukraine.

The top ten steel producing countries in August were China (66.94 million tonnes, a fall of 3.5%), Japan (8.801 million tonnes, a drop of 5.8%), India (7.66 million tonnes, an increase of 2.8%), the United States (6.999 million tonnes, a drop of 9.7%), Russia (6.046 million tonnes, a decline of 3.2%), South Korea (5.92 million tonnes, a rise of 4.9%), Germany (3.432 million tonnes, a rise of 10.7%), Brazil (2.799 million tonnes, a fall of 5.41%), Turkey (2.563 million tonnes, a drop of 11.8%), and Ukraine (1.919 million tonnes, a rise of 8.6%). Taiwan ranked 11th (1.855 million tonnes, a decrease of 5.7%) and Mexico was 12th (1.52 million tonnes, a decrease of 7.1%).

In August 2015, the 65 countries produced 132.337 million tonnes of steel, which is 3% less than in August 2014. Over the eight months of 2015, Ukraine ranked 11th (15.044 million tonnes, a drop of 23.6%).

In January-August 2015, the top ten steel producing countries were China (540.594 million tonnes, a fall of 2.1%), Japan (70.242 million tonnes, a drop of 4.9%), India (60.549 million tonnes, growth of 4.1%), the United States (54.01 million tonnes, a drop of 8.5%), Russia (47.778 million tonnes, a decline of 0.2%), South Korea (46.371 million tonnes, a drop of 3.2%), Germany (29.196 million tonnes, a rise of 0.5%), Brazil (22.752 million tonnes, an increase of 0.3%), Turkey (21.291 million tonnes, a drop of 7%), and Taiwan (15.126 million tonnes, a rise of 0.6%).

In general, for the eight months of 2015, the 65 countries manufactured 1.078 billion tonnes of steel, which is 9.5% less than in the same period in 2014. ■



Source: State Statistics Services

KFW APPROVES INFRASTRUCTURE DEVELOPMENT PROJECTS WORTH EUR 89.5 MLN IN UKRAINE – MINISTER

Germany's KfW (Kreditanstalt für Wiederaufbau) Development Bank as of September 17, 2015 approved infrastructure development projects in Ukraine worth EUR 89.5 million that would be realized using the bank's funds, Deputy Prime Minister and Regional Development, Construction, Housing and Utilities Economy Minister of Ukraine Hennadiy Zubko has said.

"The sum is EUR 89.5 million," he said asked about the cost of the approved projects at a meeting of the Ukrainian-German working group on the selection of projects to be financed by KfW held in Kyiv. Zubko also said that on September 16, negotiations between Germany, the Energy and Coal Industry Ministry and Infrastructure Ministry on the provision of loans by KfW in the amount of EUR 150 million and EUR 60 million to realize transformer substation reconstruction and electric locomotive modernization projects respectively were held. He said that the projects approved on September 17 concern reconstruction and modernization of facilities in the essential services area, in particular, this concerns investment of EUR 48 million into the water supply station in Dnipropetrovsk.

Projects on switching 257 budget-funded institutions to use alternative energy in Zaporizhia, projects in the water supply area in Izium and Chuhuyiv (Kharkiv region) and in the heating supply area in Lysychansk (Luhansk region) and Mariupol (Donetsk region) were also approved. ■



SWEDISH ECOENERGY READY TO INVEST \$120 MLN IN ENERGY GENERATION FROM WASTE IN DNIPROPETROVSK



Swedish EcoEnergy Scandinavia could build an enterprise to generate energy from waste with a capacity of 100 MW worth \$120 million in Dnipropetrovsk with the help of TMM-Energobud.

An Interfax-Ukraine correspondent has reported that a memorandum on the idea was signed by EcoEnergy Vice President Peter Lindh, Deputy Head of Dnipropetrovsk Regional Administration and Director General of company-contractor TMM-Energobud Mykola Tolmachev.

The regional administration said that the investment center at the administration has offered three land parcels for building the plant, and the project could be finished in three years. "Real programs that would stimulate businesses to more actively use recycled materials should appear in Ukraine. We would support and develop these investment initiatives at the regional level," Dnipropetrovsk Regional Administration Head Valentyn Reznichenko said.

"We confirm our full readiness to invest in and realize this project," head of the representative office of EcoEnergy in Ukraine Valentyn Makohon said. Experts have said that thanks to construction of the plant, Dnipropetrovsk could save 100 million cubic meters of gas a year.

EcoEnergy Scandinavia AB is a project designer and an independent electricity supply organization. It focuses on Eastern Europe and Russia, and its current projects are focused in Russia, specifically the special economic zone in Kaliningrad region. ■

EBRD COULD PROVIDE \$40 MLN TO EXPAND GRAIN TERMINAL IN ODESA



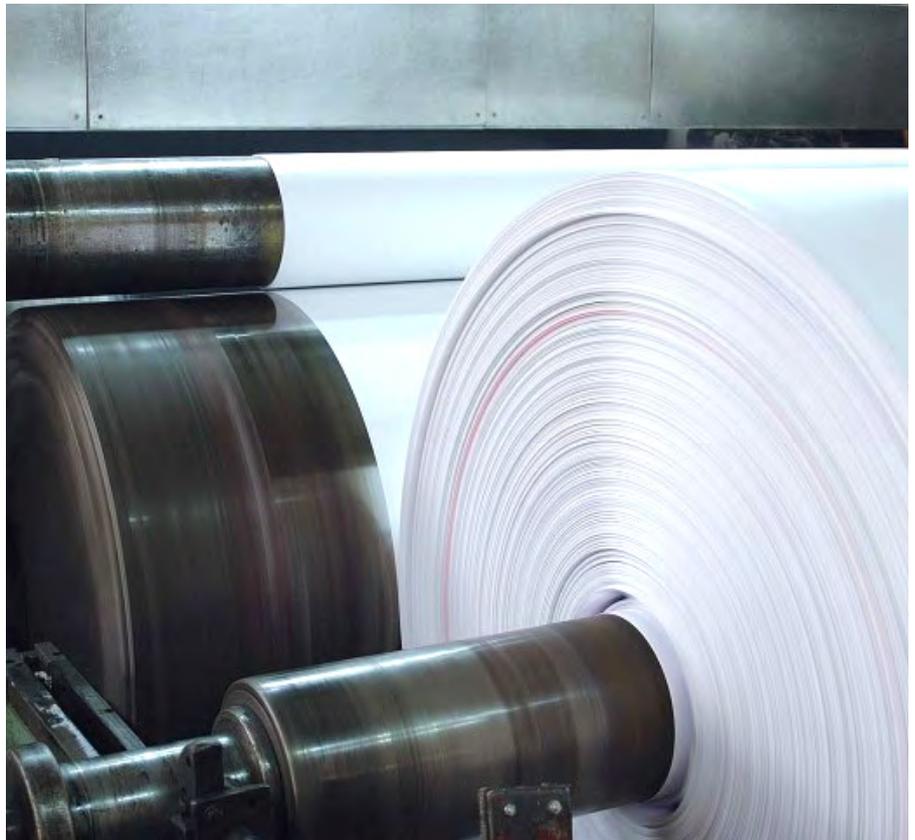
The European Bank for Reconstruction and Development (EBRD) could provide up to \$40 million to GN Terminal Enterprises Ltd. (Cyprus), which belongs to the GNT group, to finance the expansion of the existing grain terminal at Odesa port, the bank said.

The bank said that its board will discuss the issue on October 14.

The total cost of the Serseris Grain Terminal project includes the expansion of the terminal's capacity and its storage facilities, and is assessed at \$69 million.

Serseris Holdings Limited (Cyprus) is a subsidiary of CHS Europe SA, which is part of U.S. CHS Inc.

CHS Inc. in spring 2009 said that the corporation had started investing in a joint project with GN Terminals (Odesa) on the creation of an export grain terminal in Ukraine on the Black Sea coast in Odesa with a capacity of 2 million tonnes a year. ■



MALYN PAPER FACTORY INCREASES PRODUCTION BY OVER 80% IN JAN- AUG

Weidmann Malyn paper factory (MPF, Zhytomyr region), the only producer of electrical insulating board for power engineering machines in Ukraine, increased production by 82.8% in January- August 2015 year-over-year, to UAH 271.1 million. According to statistics of the Ukrpapir association, cardboard output in natural terms rose by 43%, to 3,450 tonnes, while paper production fell by 30%, to 2,940 tonnes. The mill produces electrical insulating board, filter paper, stained base paper and cardboard, as well as a wide range of packaging and special types of paper. Raw materials are supplied from Russia, Austria and Sweden.

In 2014, electrical insulating board exports accounted for almost 70% to Ukraine and 25% to the CIS countries. Transformer boards produced by the plant are sold in Ukraine (20%), CIS states (30%) and non-CIS states (50%).

As reported, in 2014 Malyn paper factory increased production by 7.1% against 2013, to UAH 217.51 million, while paper production fell almost by 11%, to 6,040 tonnes, transformer board production dropped by 24.4%, to 3,140 tonnes. Wicor Holding AG (Switzerland) owns a 94.6% stake in Malyn factory. ■

The Ukrainian League of Industrialists and Entrepreneurs (ULIE) is the largest union of business associations and individual enterprises in Ukraine with its members ranging from vertically integrated corporations to small and medium enterprises (SMEs). For already more than 20 years the League's key mission is to promote and protect interests of the Ukrainian business within Ukraine and beyond. With its central offices in Kyiv, ULIE manages 28 regional subsidiaries, 73 branches, 22 representative offices and 34 commissions on key sectors of the economy. The League is also a signatory to 155 international agreements on cooperation and has representative offices in 21 countries, including Representative Office in the EU in Brussels.

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.