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HEADLINES

GERMANY INITIATES HOLDING OF ECONOMIC FORUM IN KYIV

UKRAINIAN EXPORTERS SHOULD BE MOST ACTIVE IN EU MARKETS



EBRD TO MAINTAIN INVESTMENT TO UKRAINE IN 2016 ON CONDITION TO SEE PROGRESS WITH REFORMS

ANTONOV, SAUDI ARABIA'S TAQIA SIGN AGREEMENT ON JOINT PRODUCTION OF AIRCRAFT IN SAUDI ARABIA



EBRD LAUNCHES NEW PROGRAM TO FINANCE CLEAN TECHNOLOGIES IN UKRAINE

U.S. ARGENTEM CREEK INTERESTED IN INVESTMENT IN ENERGY SECTOR



BIOFARMA PLANS TO RETAIN INVESTMENT IN 2016

CARGILL TO INVEST \$100 MLN IN CONSTRUCTION OF GRAIN TERMINAL IN UKRAINE



GERMANY INITIATES HOLDING OF ECONOMIC FORUM IN KYIV WHERE INVESTMENT PROJECTS ARE PRESENTED – KYIV MAYOR

The Federal Ministry for Economic Cooperation and Development of Germany has proposed that the economic forum is organized and held in Kyiv, where Kyiv will present projects in which German investment could be involved, Kyiv Mayor Vitali Klitschko said in Munich after a meeting with Federal Minister for Economic Cooperation and Development of Germany Gerd Muller.

“We’ve agreed to hold the economic forum in Kyiv with the involvement of German business to continue cooperation and attract investment and we will present projects for the implementation in Kyiv,” the press service of Kyiv City Administration reported, citing Klitschko.

He said that Germany wants to directly work with Ukrainian cities for more efficiency, taking into account successful experience and the implementation of projects with Kyiv. Kyiv authorities realized a project of open budget with support of Germany. The project has made all spending of the budget funds transparent and this was another step in fighting corruption.

“I as the chair of the Association of Cities and Towns of Ukraine proposed to the minister that cooperation is expanded for other cities – for example, to realize the open budget project in other cities of Ukraine and consider the projects for investment,” Klitschko said. ■

UKRAINIAN EXPORTERS SHOULD BE MOST ACTIVE IN EU MARKETS



Ukraine should seek for an increase in existing quotas for exports to the European Union, simultaneously using those that have already been allocated. The situation is the following: the quotas for maize and honey have completely been taken up in the past 1.5 months in 2016 as the grain quotas is almost over and Ukrainian producers of many other commodities are much less active. In addition, our exporters will have to diversify products they supply onto EU markets by increasing shipments of goods with a high degree of processing and value added commodities. This opinion was expressed by President of the Ukrainian League of Industrialists and Entrepreneurs Anatoliy Kinakh in an interview with TV Channel "Rada."

"The EU is a very attractive partner to Ukraine, and it is a huge financially reliable market for our exporters. The free trade area launched at full capacity early this year of course encourages Ukrainian producers to improve their own competitiveness and the quality of products, and develop effective strategies for entering the EU markets. Exactly these moments should become the focus of the attention of the state, businesses, companies, as the existing capabilities are not fully used," he said.

He believes the adoption of programs that will let producers get adjusted to EU technical standards and regulations has now become urgent more than ever. Industrialists and entrepreneurs have repeatedly drawn the attention of the country's leaders to this issue, offering assistance in this matter. If the quality of Ukrainian-made products improves and they become more competitive, trade will grow and there will be more incentives for the production of value-added goods in Ukraine.

"We have learnt how to trade in raw materials and farm produce. But, firstly, prices in commodity markets tend to have declined in recent years, and the quotas that have been allocated to Ukraine are over within a few months. Products with a low degree of processing cannot prevail in exports, especially from a country with such industrial and manufacturing capacities as ours. Therefore, we must strengthen the technological, innovative component of the national economy to produce value-added products and market them in the EU," the leader of the Ukrainian business community said.

Since the beginning of the current year Ukraine has used its 2016 duty-free quotas for shipments of honey, juice and maize to the European Union. The barley quota is almost over (by 90%), those for barley cereals and flour have been taken up by 63%, sugar by 62%, and wheat by 55%. The EU allocated quotas for 36 types of products (poultry, cereals, flour, honey, dairy products and powered milk, mushrooms, etc.) to Ukraine in total. Once a quota has been taken up, exports are subject to export duties. ■

NEW RULES OF ASSESSMENT OF PRODUCTS CONFORMITY WITH EU NORMS WILL COME INTO FORCE IN SIX MONTHS

The Cabinet of Ministers has approved conformity assessment modules, which are used by central executive authorities for the development of conformity assessment procedures brought in line with EU legislation, as well as the rules for using these modules. Relevant decree No. 95 dated January 13, 2016 has been posted on the website of the government and comes into force in six months.

The document was developed pursuant to the provisions of the law on technical regulations and conformity assessment, which came into force on February 10 this year, to provide a unified approach to the assessment of products' conformity in Ukraine and the EU.

"The document is intended to provide confidence in the results of conformity procedures for assessment of technical regulations for signing an ACAA agreement (an Agreement on Conformity Assessment and Acceptance of Industrial Products between Ukraine and the EU), which will facilitate free trade between Ukraine and the EU member states," reads the report.

According to the resolution, in connection with the adoption of a new legal act, in particular, the technical regulations of conformity assessment modules, approved by the government in 2003, became invalid. ■

GOVERNMENTAL OFFICE FOR EU INTEGRATION PUBLISHES REPORT ON PROGRESS OF INTEGRATION IMPLEMENTATION FOR 2015



The governmental office for European integration has drawn up and published a report on the implementation of the Ukraine-EU Association agenda for 2015. The report consists of several sections. The report is based on the data presented by power authorities that are involved in the implementation of the relevant tasks.

The report is intended to inform Ukrainian citizens, representatives of NGOs and international society, including EU institutions and EU member states on the progress of Ukraine in the implementation of the goals of the political association and economic integration into the EU.

The report covers the period from January 2015 to October 2015. It contains information on the attraction of international technical assistance to implement the tasks in the European integration area and gives examples of the use of the assistance. The report has the results of the key measures aimed at introducing the Ukraine-EU Association agenda, including on the bills registered in the Ukrainian parliament.

The section contains information on the realization of top-priorities of the Association agenda in part of the Constitutional reform, election reform, the reform to prevent and fight corruption, deregulation, public procurement reform, tax reform, including VAT refunding, independent audit and reformation of the energy sector. ■

MOLDOVA INTERESTED IN INTENSIFICATION OF ECONOMIC AND BUSINESS TIES WITH UKRAINE



Moldova is interested in developing business and investment contacts with Ukrainian businesses. Foreign partners are ready to hold bilateral and multilateral business forums and meetings and joint implement projects, which will be conducive to the modernization and development of the Ukrainian and Moldovan economies, being in the spirit of both countries' European aspirations. These issues were on the agenda of a meeting between President of the Ukrainian League of Industrialists and Entrepreneurs (ULIE) Anatoliy Kinakh and Ambassador of Moldova to Ukraine Ruslan Bolbochan.

The partners offer the Ukrainian side the formats of establishing such cooperation at different levels. In particular, they suggest boosting the work of the bilateral governmental commission, which can be enhanced by representatives from the business and industrial circles.

The Ambassador also expressed hope the Ukrainian authorities would support a Moldovan project for liberalization of cross-border trade. The document, according to Ruslan Bolbochan, has already been sent to the Ukrainian side. It is aimed at facilitating trade between the two countries.

The plans also include the preparation of a trilateral business forum (Moldova, Ukraine and Romania), which is expected to be held in April this year. The Moldovan partners believe that businesses from the three countries have much to offer each other, and they only need a platform for such communication. The Ambassador proposed that the ULIE as a large Ukrainian business association could join this initiative. The Union plans to form a high-quality pool of Ukrainian businessmen for this event, and contacts with the Embassy of Moldova will continue.

"Today we see a very high level of relations and trust between the countries. Therefore it is important to strengthen this dialogue at all levels. We have a number of areas of mutual interest: security in the region, European integration, measures to encourage investment in the modernization of the economies. And of course, we will intensify cooperation," the Ambassador said in turn. ■

BUSINESSES DEMAND REAL ACTION FROM GOVERNMENT IN 2016



The fact that the Ukrainian government has failed to elaborate a clear action program for social and economic development and the stabilization of the economic situation is among the major causes behind the economic crisis, which may continue. The program prepared by the Cabinet of Ministers for 2015 was in fact a declaration of intentions, while an action plan drawn up by the government for 2016 and presented in parliament during the Cabinet's report looks the same. The action plan that is proposed by the executive branch of power should be well-balanced and structured, it should be aimed at overcoming the crisis and improving macroeconomic indicators. It should ensure a U-turn from the decline to growth and strengthen the domestic market. It should also foresee GDP growth, the creation of jobs and an improvement in the competitiveness of Ukrainian commodities. This opinion was expressed by the Anti-Crisis Council of NGOs and the Ukrainian League of Industrialists and Entrepreneurs.

"The state desperately needs a professional action program to overcome the negative factors that have put us among the world's five worst economies and brought domestic businesses to the shadows. And this program should be detailed as much as possible: with determined timing, sources of funding, resources, expected results and persons designated as accountable for achieving them. Its main task should be to end the social and economic crisis, modernize the economy, strengthen the domestic market and boost manufacturers' competitiveness. This is the reliance on our own potential, which will let us get out of the "stagnation swamp" and finally begin to build a strong state with a self-sufficient economy," Chairman of the Anti-Crisis Council of NGOs and ULIE President Anatoliy Kinakh said.

The action program at the national level should be correlated with the state budget, relevant phases of the systematic and comprehensive reforms and foresee measures to streamline the banking system, ensure access to loans, develop small- and medium-sized enterprises, and diversify exports.

"Measures to mobilize the national economy are urgently needed. The priority of the development of promising sectors in Ukraine, such as high technology, innovative industries, which produce value-added products, should be determined and their support should be foreseen in the government's program. One cannot always count on the production of raw materials – their prices are on the decline on the world markets, and they should not account for a major share of our exports. In fact, the Cabinet's program should be a recipe for economic recovery. But clear and specific conditions, which still remain words of politicians' statements, should be created to achieve this," the Anti-Crisis Council's head said.

The Ukrainian industrialists are sure that the country's only comprehensive and multi-tier plan to end the social and economic crisis and move to sustainable growth is an anti-crisis program of joint actions of the government and businesses, which has been developed by hundreds of business associations, analysts and NGOs. The document was handed over to the president, parliament and the government and presented to the EU. This anti-crisis program could be taken as the basis of a national plan to overcome the crisis and ensure strong development. The plan should be developed by the government, parliament and the business community of Ukraine, as it is their joint task and a national interest.

"The government's program should now become the most important, strategic document in Ukraine – it should be easy for international partners to understand, it should be real for entire society and encouraging for manufacturers. Among other things it should help them quickly and successfully adapt to free trade conditions in the European market," Anatoliy Kinakh said.

The absence of such a document, according to the entrepreneurs, can lead to the deepening of the crisis, a further reduction in the effectiveness of the joint work of legislative and governmental institutions. ■

INVESTOR IN M.V. CARGO CREATING INVESTMENT BANK TO ATTRACT INVESTORS TO UKRAINE

The investor in M.V. Cargo Andriy Stavnitsker after the creation of a team that can realize investment projects plans to attract other investors to Ukraine, and he is creating an investment bank, Stavnitsker said on Wednesday after signing of the investment agreement between M.V. Cargo and U.S. Cargill to invest \$100 million in the construction of a grain terminal at the Yuzhny port. Stavnitsker has not yet delivered the details of the project on the creation of the investment bank.

Commenting on the investment agreement, he said that the sides formalized their plans via the signing of the agreement on the acquisition of 51% of shares in M.V. Cargo by Cargill.

The European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) will be also investors in the project.

He said that the company signed a memorandum on dredging works with the Sea Port Authority of Ukraine. The works would allow accepting ships with draught of 100,000 tonnes to load them at the terminal. He said that there is a separate order of the prime minister regarding the signing of the dredging agreement with the authority.

The press service of M.V. Cargo told Interfax-Ukraine that the structure of investment will be the following: Sea Port Authority carries out all the required dredging works, and M.V. Cargo will invest a part of the funds into the construction of the grain terminal, and the rest of the funds will be provided by the EBRD and IFC.

The press service said that after its realization the project would be able to bring around UAH 300 million of taxes to the national budget and around \$10 million of payments in the form of port fees every year. ■

EBRD TO MAINTAIN INVESTMENT TO UKRAINE IN 2016 ON CONDITION TO SEE PROGRESS WITH REFORMS



The European Bank for Reconstruction and Development (EBRD) will continue actively investing into the Ukrainian economy on conditions that three branches of power work as one team, progress in reforms and political stability is achieved, EBRD Managing Director for Eastern Europe and the Caucasus Francis Malige has said.

In 2015, the EBRD reached EUR 1 billion of investment and the bank would try to have the same indicators this year, he told reporters. Success will depend on the effective operation of all branches of power and reforms, otherwise it would be unlikely that the bank would operate actively in the country, he said. The fact that the government remains fuels confidence that the team aimed at reforms would get a chance of going on the way of these reforms that are being realized in tight cooperation with international financial institutions (IFIs), Malige said.

Agriculture (including logistics and retail) is an important sector for the Ukrainian economy, as well as the infrastructure sector. The bank plans to continue working in these sectors, he said.

Malige noted that operation of court and executive systems should be improved, so that investors were more confident that their money is protected. According to the EBRD's assessments as of late 2015, Ukraine's GDP growth will be 2% in 2016. Malige said that the forecast will be revised in early May, taking into account the situation in the country. ■

CABINET CREATES NATIONAL AGENCY FOR TRACING CRIME ASSETS

The Cabinet of Ministers of Ukraine at a cabinet meeting on Wednesday adopted as resolution on the National Agency for Tracing, Recovery and Management of Crime Assets. "The parliament passed several bills that were initiated by the government to improve anti-corruption legislation. Now the government did its duty and adopted the resolution on the creation of the National Agency for Tracing, Recovery and Management of Crime Assets," the press service of the Justice Ministry reported, citing Justice Minister of Ukraine Pavlo Petrenko.

He said that similar agencies exist in all EU countries. They have a possibility of quickly receiving information on assets, property and other foreign assets of persons who are suspected of committing crimes.

Petrenko also said that the cabinet asked the parliament to submit a list of their representatives to the tender commission to select agency members as soon as possible. ■

NUMBER OF M&A DEALS IN UKRAINE 26.1% UP IN 2015 – CMS

The number of merger and acquisition (M&A) deals in Ukraine in 2015 grew by 26.1%, to 140, while their total volume fell by 39.4%, to EUR 504.9 million, according to a report of CMS law firm.

The largest deals of the previous year were the acquisition of Odesa's Lookery startup by Snapchat mobile application for EUR 132.7 million, the acquisition of 100% in Astelit by Turkey's Turkcell Group for EUR 89.3 million, the acquisition of 29% of shares in private joint-stock company Inter TV by Dmytro Firtash and Serhiy Liovochkin for EUR 88.52 million, the acquisition of 100% of the Arena Entertainment complex for EUR 36.71 million by an unknown Cyprus-based structure, the acquisition of a minority stake in Rozetka.ua online retailer by Horizon Capital for EUR 36.41 million, the acquisition of 70% of shares in KUB-Gas from Serinus Energy by Burisma Holdings for EUR 27.5 million, the acquisition of a part of assets of Creative Group by Artur Hranets and Rysbek Toktomushev for EUR 27.31 million, the acquisition of 9.3% of shares in public joint-stock company Motor Sich by an unknown investor for EUR 25.43 million, the acquisition of a minority stake in Ukraine Department Store by Irish Bank Resolution Corporation Limited (IBRC, Dublin) for EUR 10.03 million and the acquisition of 10% in private joint-stock company Zernoproduct MHP (Myronivka, Kyiv region) by Mironivsky Hliboproduct (MHP) for EUR 8.13 million.

The experts said that 2015 did not bring radical changes to the M&A market in Ukraine, as we had predicted. Whilst 2015 saw an increase in the number of M&A deals, the overall deal value dropped significantly, continuing the trend from 2014.

The experts said that in 2013 the number of M&A deals in Ukraine was 249, and their total value was EUR 4.768 billion and in 2012- 342 worth EUR 2.245 billion.

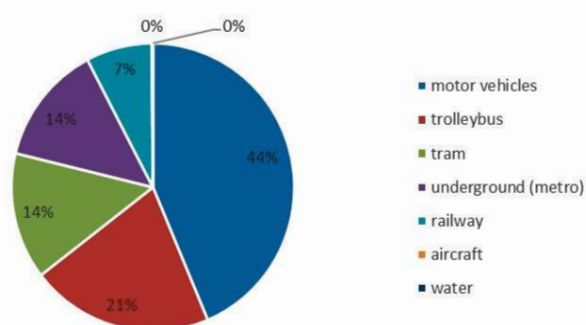
Despite all the challenges, the investment appetite for Ukraine remains strong, and it is anticipated that the government's continued efforts to improve the investment climate, including reforms in the agriculture, energy and banking sectors and anti-corruption measures implemented in 2015 will have a positive impact on the M&A market, starting as early as 2016.

The optimistic expectations in relation to Ukraine's 2015 privatisation programme were not met, as the government failed to prepare the legal framework and privatisation targets for a transparent and competitive sale process, the experts said. ■

PASSENGER TRANSPORTATION 2015

	Passenger turnover		Passengers transported	
	mln. passengers. km	in % to 2014	mln. pass	in % to 2014
Total transportation,	97280,7	91,5	5175,7	87,7
of which, by				
railway ²	35425,6	98,8	389,8	100,1
motor vehicles	34775,6	81,6	2259,8	77,6
water	22,3	53,1	0,6	96,9
aircraft	11362,4	98,1	6,3	97,4
tram	4238,1	98,7	738,3	95,9
trolleybus	6092,1	95,6	1080,5	98,5
underground (metro)	5364,6	96,5	700,4	96,5

Passengers transported mln. pass



Source: State Statistics Services

¹ Excluding the temporarily occupied territories of the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation zone

² Including transportation by urban electric train

UKRAINE INCREASES STEEL OUTPUT BY 3.6% IN JAN, BEING TENTH IN WORLDSTEEL RANKING



Ukrainian metallurgical enterprises in January 2016 increased steel production by 3.6% compared to January 2015, to 1.938 million tonnes, remaining tenth in the ranking of the 66 world's major manufacturers of these products, compiled by the World Steel Association (Worldsteel).

A fall in steel production in January was recorded in most of the top ten countries, except for Turkey and Ukraine.

The top ten steel makers in January are as follows: China (63.214 million tonnes, a drop of 7.8%), Japan (8.772 million tonnes, a drop of 2.8%), India (7.418 million tonnes, a drop of 1.2%), the United States (6.618 million tonnes, a drop of 8.8%), South Korea (5.667 million tonnes, a drop of 4.5%), Russia (5.554 million tonnes, a drop of 10.6%), Germany (3.605 million tonnes, a drop of 2%), Turkey (2.598 million tonnes, a rise of 0.8%), Brazil (2.451 million tonnes, a drop of 17.1%), and Ukraine (1.938 million tonnes, a rise of 3.6%).

In general, in January 2016, the 66 countries produced 127.724 million tonnes of steel, which is 7.1% lower than in January 2015. ■

ANTONOV, SAUDI ARABIA'S TAQNIYA SIGN AGREEMENT ON JOINT PRODUCTION OF AIRCRAFT IN SAUDI ARABIA



State Enterprise Antonov (Kyiv) and Saudi Arabia's Taqnia have signed an agreement of cooperation in organization of production of new An-32 multipurpose aircraft with a carrying capacity of 9.2 tonnes in Saudi Arabia, the press service of Antonov reported.

The signing ceremony was held at AFED-2016 being held on February 21 through February 28 in Riyadh in the presence of Mohammed Al-Ayish, Assistant Secretary of Defense of the Kingdom of Saudi Arabia, His Highness Prince Turki bin Saud Mohammed A. Al-Saud and other officials of Saudi Arabia.

This agreement sets certain plans as for delivery, organization of operation, after-sale support of Antonov aircraft of the An-132, An-148 families and An-178. It also concerns further joint works on organization of cooperative production of the An-132 in Saudi Arabia.

"It is very important event in our cooperation with partners from Saudi Arabia. Today we made the certain step in our relations based on the preliminary agreements. This document could be considered as the roadmap for our interaction by joint programmes," Antonov President Mykhailo Hvozdoz said. ■

SSAU HEAD: REFORMS IN SECTOR MUST ENSURE CREATION OF NEW MISSILE EQUIPMENT SAMPLES IN UKRAINE

The restructuring of enterprises in the aerospace sector of Ukraine aims at creating new samples of missile equipment, taking into account current top-priorities of the state, Head of the State Space Agency of Ukraine (SSAU) Liubomyr Sabadosh has said in an interview with Interfax-Ukraine. Assessing the approaches and tasks of the reforms that will start this year, taking Dnipropetrovsk-based Pivdenne Design Bureau and Pivdenmash being prepared for the restructuring, he said that general approaches of the SSAU to the restructuring of the enterprises could be presented in the following way: innovation development via corporatization with the retaining of 100% of shares in state ownership. Sabadosh said that as part of the preparation for the structural reforms, the SSAU has drawn up the concept for reforming the sector until 2020 and the draft bill on the specifics of corporatization of the SSAU's enterprises, being agreed by the agencies now. "One of the tasks of the structural reforms is the increase of the prestige of the rocket science profession and the attraction of engineers and designers of rockets," he said. ■



PIVDENNE BUREAU LOADS PIVDENMASH WITH ORDERS WORTH OVER UAH 430 MLN IN 2015



The volume of orders placed by Pivdenne Design Bureau in 2015 at Pivdenmash (both based in Dnipropetrovsk) is estimated at over UAH 430 million, managers of the bureau have told Interfax-Ukraine. "As part of the joint plan on stabilization of the Pivdenmash's economy in the conditions of the abruption of traditional cooperation with Russia, in 2015 and January-February 2016 Pivdenne Design Bureau placed orders at Pivdenmash and financed works worth almost UAH 480 million. Only from July as of today Pivdenmash was financed by the bureau by over UAH 220 million as part of the order to fulfill works of a good commercial potential," Head of the working group for financial and economic issues at the bureau Oleksandr Kamyshov said.

Kamyshov pointed at the contract being prepared with U.S. Orbital ATK under the Antares missile carrier project and the order to supply engines for European Vega missile carrier that has been signed.

"Negotiations with potential customers to design and produce new liquid missile engines of various classes to place the orders at Pivdenmash are being held," he said. Kamyshov is optimistic about the prospects of resuming production of Zenit missile carrier under the Sea Launch project. He said that it is planned that in 2016 Pivdenmash will be able to return to the four-day working week and in 2017 – the five-day working week.

In Q1 2016 it is planned to fully pay wage arrears being around UAH 95 million now, he said. ■

REPRODUCTIVE MEDICINE IS ONE OF POPULAR DIRECTIONS OF INBOUND MEDICAL TOURISM



Reproductive medicine is one of the most popular directions in the development of inbound medical tourism, President of the Inbound Medical Tourism Club in Ukraine Yulia Khomych said at a press conference. “The most promising direction of inbound medical tourism is reproductive medicine, in particular, assisted reproduction. This is linked to the fact that our legislative base allows sex selection and the usage of surrogate maternity. In many countries these services are not available,” Khomych said.

She said that dentology, bio and cell solutions, ophthalmology, rehabilitation, cardiovascular surgery and partially oncology are of large demand for treatment in Ukraine. Khomych said that patients from the CIS are most interested in receiving medical services, as confidence in medical specialists of the post-Soviet space remains in these regions.

“First we’re interesting for neighbor countries that know us, as they have large confidence in our doctors. The absence of the language barrier is added. In addition, Arab countries where demand on reproductive medicine is high, as well as in western countries where patients have difficulties to receive medical services under insurance policies,” she said.

A representative of the Dobrobut medical network Kateryna Hrytsenko said that today there is no platform that would promote medical services of the country abroad, and all projects mainly send Ukrainian patients abroad.

“We could do everything that Europe can do, and they know a little about us,” she said. The inUkraine club develops inbound medical tourism in Ukraine. ■

UKRZALIZNYTSIA EXPECTS 15% RISE IN REVENUES FROM HIGH-SPEED TRAFFIC IN 2016 – DRAFT FISCAL PLAN



PJSC Ukrainska Zaliznytsia expects the revenues of its subsidiary Ukrainian High-Speed Railway Company from passenger traffic in 2016 to amount to UAH 663.7 million, which is 15.3% higher than the plan for 2015 and 15.1% more than the rate expected for 2015.

According to an explanatory note to the draft financial plan of the company for 2016, the revenues are expected to grow due to the increase in the number of passengers carried, the introduction of high-speed trains on new directions, putting on additional pairs of trains. ■

EXPORT-CREDIT AGENCY COULD START ACTIVELY OPERATING IN H2 2017



The export-credit (insurance) agency that it is planned to create to insure, guarantee and cheapen crediting of exports could start operating in the third quarter of 2017, Deputy Economic Development and Trade Minister, Trade Representative of Ukraine Natalia Mykolska said at a meeting with railway producers in the ministry on February 12.

“In 2016, we plan to finish the preparation work, legal and project documents, including the actual launch of the export-insurance agency in 2017, in line with concrete products, and it is likely that this is the third quarter of 2017,” she said.

She said that at the presentation of reforms of state-run banks made on Thursday it was said that Ukreximbank starts fulfilling its direct functions, work with exporters, importers and state support of Ukrainian exporters. “It is planned to create the state insurance agency that will be involved in insurance and non-banking guarantees, maybe risk hedging,” she said.

Earlier she said that the co-founder of the export-insurance agency could be an international institution. As reported, the Cabinet of Ministers of Ukraine in late December 2015 decided to create the export-credit agency. The founder of the agency was to be Ukreximbank. ■

EBRD LAUNCHES NEW PROGRAM TO FINANCE CLEAN TECHNOLOGIES IN UKRAINE FINTECC



The European Bank for Reconstruction and Development (EBRD) has launched the EBRD's Finance and Technology Transfer Centre for Climate Change (FINTECC) programme in Ukraine, EBRD Director for Ukraine Sevki Acuner said at a press conference in Kyiv.

"The three-year programme is supported by \$7 million grant funding from the Global Environment Facility (GEF) and a €4 million grant from the EU's Neighbourhood Investment Facility (NIF). FINTECC will help Ukrainian businesses invest in the best available technologies, which will lead to a reduction in greenhouse gas emissions. These may include energy, materials and water efficiency technologies as well as renewable energy technologies not yet available or rare in Ukraine," he said. Acuner said that EBRD plans to provide financing of up to EUR 40 million under the program. Terry McCallion, Director of the EBRD's Energy Efficiency and Climate Change team, said that under the programme, individual companies may receive grant funding covering up to 25% of the cost of a new technology and capped at \$ 1 million. He said that EBRD anticipates that around 15 projects will be realized in Ukraine. \$500,000 of grant funds will be provided to each project on average. ■

MOTOR SICH SEES 2.37 TIMES RISE IN NET PROFIT IN 2015 –TENTATIVE DATA



Public joint-stock company Motor Sich (Zaporizhia) saw a rise of 2.37 times in net profit in 2015 under international financial reporting standards (IFRS), to UAH 3.67 billion, according to tentative data presented in a company report on holding a general meeting of the company's shareholders scheduled for March 24.

In liabilities undistributed profit rose by 36.4%, to UAH 13.563 billion, equity capital – by 34.4%, to UAH 14.71 billion, current liabilities – by 46.4%, to UAH 4.822 billion, while long-term liabilities fell by 32.3%, to UAH 1.216 billion.

Motor Sich is one of the world's largest manufacturers of aircraft engines, as well as industrial gas turbines. It supplies products to 106 countries. ■

SEA PORT AUTHORITY ALMOST DOUBLES NET REVENUE IN JAN-SEPT 2015



State-run enterprise Sea Port Authority of Ukraine saw UAH 4.9 billion of net revenue in January-September 2015, which is 80% up year-over-year, according to a report on the operation of 100 largest state-run enterprises of Ukraine for the period of January-September 2015. According to the report, the authority saw a rise of 2.8 times in net profit over the period, to UAH 3.4 billion, and net cost-effectiveness grew to 67.9%, while a year ago it was 44%.

"Hryvnia devaluation played a large role in the considerable increase in the company's profit, which led to a sharp rise in revenue in hryvnias with the retaining of the cash cost," the ministry said.

Sea Port Authority of Ukraine is a state-run enterprise that supervises the functioning of 13 seaports in Ukraine. The enterprise was founded in 2013. It owns port infrastructure facilities. 80% of revenue is denominated in the U.S. dollars, while the hryvnias in its expenses prevails. ■

U.S. ARGENTEM CREEK INTERESTED IN INVESTMENT IN ENERGY SECTOR OF UKRAINE

U.S. investment company Argentem Creek Partners and Energy Resources of Ukraine have signed an agreement on strategic partnership to implement joint investment activities in the energy sector of Ukraine, reads a press release from the Ukrainian company.

According to Argentem Creek Director for Investment Daniel Chapman, the signing of an agreement on cooperation with Energy Resources of Ukraine is the first step in the company's strategy in the framework of implementing investment projects in Ukraine. "We want to become part of the successful development of the country's energy sector. We see a huge potential for investment in power generation, renewable energy and oil and gas production in Ukraine," he said.

Argentem Creek is a company specializing in financing projects in the emerging markets. It is headquartered in New York and has offices in Minneapolis, London, Buenos Aires, and Singapore. Argentem Creek Partners is one of the three structures, resulting from the division of Black River Asset Management investment company, part of Cargill Group. ■

BIOFARMA PLANS TO RESTORE REGULAR DONOR INSTITUTION TO RECEIVE BLOOD TO PRODUCE BLOOD PRODUCTS



Biofarma pharmaceutical company (Kyiv region) as part of the implementation of the project on reconstruction of the Sumy blood donor center plans to restore the regular donor institution to receive high-quality blood for production of blood products.

"Today we're forming the regular donor institution... Mainly we need to receive high-quality blood components for hospitals and plasma for the fractionator plant. It's not a secret that there is a high level of virus diseases in Ukraine, as HIV, hepatitis, including hepatitis C, tuberculosis," Board Chairman Kostiantyn Yefymenko said in an interview with Interfax-Ukraine. He also said that Biofarma started construction of a blood plasma fractionator with a projected capacity of 400 tonnes in 2015. In April 2016, the company plans to sign contracts to supply equipment for the plant.

"We've invested in the Sumy regional blood center to supply enough high-quality blood to the fractionator plant. It is being reconstructed by Biofarma in partnership with Sumy region. We've fully modernized the regional blood center. We actually removed everything old one and build a new center which today collects 3 tonnes of plasma a month and it is able to boost it to 5 tonnes," he said. The Biofarma's investment in the project reached around \$3 million.

Biofarma is among the ten largest Ukrainian drug manufactures. Biofarma produces more than 20 immunobiological preparations of blood, as well as drugs obtained by recombinant DNA technology and probiotics.

Niobera Investments Limited (Cyprus) holds 100% in Biofarma. According to the National Commission for Securities and the Stock Market of Ukraine, Biofarma Board Chairman Kostiantyn Yefymenko is the ultimate beneficiary of a large shareholder in Niobera Investments Limited. Shares do not belong to members of the executive body. In 2014, Biofarma built a pharmaceutical plant in Bila Tserkva (Kyiv region). Investment totaled \$42 million. In 2014, Biofarma cut its net profit by 9.91% from a year ago, to UAH 25.801 million. ■

BIOFARMA PLANS TO RETAIN INVESTMENT AT \$12 MLN IN 2016



Biofarma pharmaceutical company (Kyiv region) plans to retain investment in its development in 2016 at the level of 2015 – \$12 million. "In general, in 2015 our investment reached \$12 million. We plan not the smaller sum for 2016," Board Chairman Kostiantyn Yefymenko told Interfax-Ukraine.

He said that last year Biofarma invested \$5 million in construction of a probiotic workshop, \$3 million in reconstruction of the Sumy blood donor center and \$2 million was invested in designing of new medicines. In addition, Yefymenko said that in 2015 Biofarma renewed the marketing and sales service.

"Now persons with experience of work in famous international corporations are among our top managers. Today this is important as in 2015 we introduced some new medicines to the market and we're preparing new forms of our products, including nasal sprays, eye drops and suppositories. Probiotics have been launched to the active promotion," he said.

Yefymenko said that blood preparations are a top-priority direction for the company. In money terms revenue from their sales is 40%.

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LITHUANIAN ENTREPRENEURS INVITE UKRAINIAN COUNTERPARTS TO COOPERATE



The Ukrainian League of Industrialists and Entrepreneurs (ULIE) is expanding business contacts with the Lithuanian side. In particular, Lithuanian entrepreneurs are ready to provide full support to their Ukrainian partners – starting from assistance in participating in European exhibitions, advisory services as to establishing partnership relations with Western businesses. Respective agreements were reached during ULIE representatives' visit to Lithuania.

A cooperation agreement was signed with the Alytus Business Advisory Center (Alytus, Lithuania). Very soon more than 20 entrepreneurs from Ukraine will be able to visit this know-how center and exchange experience with counterparts, establish useful contacts, and find partners. In June 2016, this center will host a business forum, this is the time when a large-scale Alytus City Festival is to take place in the city.

The Lithuanian side also plans to continue a series of workshops for Ukrainian businessmen on the opportunities of the free trade area with the European Union and its maximum use. It must be noted that two similar events took place earlier – in Kyiv and Vilnius. They stirred Ukrainian entrepreneurs' interest, as the workshops highlighted practical tools of boosting exports, enhancing competitiveness and stepping up strategies of behavior in the EU's national markets.

Kyiv is also preparing the second Lithuanian-Ukrainian Economic Forum, which is to take place during Lithuanian President Dalia Grybauskaitė's visit to Ukraine. Last December, business partners from both sides were satisfied with the results of the First Forum in Vilnius, as they had an opportunity to discuss initiatives and proposals, establish cooperation, and the high level of representation through the presidents and government officials from both countries contributed to the intensification of the dialogue. An agreement was reached with the LitExpo company on the engagement of Ukrainian manufacturers in international exhibitions in that country. In particular, the Lithuanian side is ready to refund part of Ukrainian entrepreneurs' costs (a deposit, rent costs). The Ukrainian side may find themes of these events extremely interesting, as they concern instrument-making, the processing industry, and ideas for a startup.

"Partners are also interested in IT outsourcing. There are certain packages of orders that our specialists could carry out. Various meetings and video conferences at the ULIE will be arranged between relevant associations of Lithuania and Ukraine to establish contacts," ULIE's First Vice-President Serhiy Prokhorov said.

The sides also conducted talks on joint projects in the field of vocational education and training. ■

UKRAINE RECEIVES PERMITS TO SUPPLY POULTRY, BEEF, LAMB TO UAE, TALKS ON SUPPLIES OF DAIRY PRODUCTS, EGGS, FISH UNDERWAY



The United Arab Emirates (UAE) has permitted supply of Ukrainian lamb meat, poultry and beef, and the veterinary services of the two countries are being agreed the draft veterinary certificates for exports of milk and dairy products, fish and fish products. According to a posting on the website of the State Veterinary and Biosecurity Service of Ukraine, on February 25, 2016 deputy head of the State Veterinary and Biosecurity Service of Ukraine Oleksandr Verzhychkovsky met a delegate from the World Organisation for Animal Health (OIE) from the UAE Abdel Rahim Al-Hamdi held at the UAE Ministry of Environment and Water. Al-Hamdi said at the meeting that a ban on exports of beef from Ukraine has been lifted and the access of Ukrainian companies that have the right to export poultry to the EU to the UAE market has been approved.

The sides signed veterinary certificates for exports of beef and lamb meat from Ukraine to the UAE, which is confirmation of Ukraine's right to supply these products to the UAE market. The parties agreed to quickly draw up the veterinary certificate for exports of honey from Ukraine and health certificates for exports of confectionary, canned fruit and vegetables and other food.

The Ukrainian veterinary service reported that the interested companies are to apply to the UAE Ministry of Environment and Water to receive the right to export poultry, beef and lamb meat. After the inspection the companies will be included in the list of companies that can export these products to the UAE. ■

CARGILL TO INVEST \$100 MLN IN CONSTRUCTION OF GRAIN TERMINAL IN YUZHNY PORT



U.S. company Cargill and M.V. Cargo, operating in the Yuzhny seaport in Odesa region, have signed an investment agreement, on the construction of a grain terminal in the port. The agreement was signed at the Ukrainian government's building. "Cargill decided to invest \$100 million in the construction of a grain terminal in the Yuzhny port to make it one of the largest hubs in Ukraine," Ukrainian Prime Minister Arseniy Yatseniuk has said.

As reported, in August 2015, the Ukrainian Sea Port Authority and MV Cargo LLC signed a trilateral memo on the joint implementation of investment project in Yuzhny port (Odesa region). The document confirmed Cargill's intention to acquire 51% in a transshipment terminal, which M.V. Cargo stevedoring company will build in Yuzhny seaport. Under the terms of the memorandum, before construction the Ukrainian Sea Ports Authority undertakes to establish water area on the way to the terminal with an appropriate level of dredging.

"The new terminal implies more port charges, more revenues to the local and national budgets, more high paid jobs for Ukrainians. In fact, after the implementation of the Cargill investment project Odesa region will get up to 350 new jobs. We want the similar projects of the world renowned companies to become a positive signal for businesses preparing to enter Ukraine," Minister of Infrastructure Andriy Pyvovarsky said then. The terminal will allow Cargill to handle grains, cereals and other goods. The capacity of the first phase of construction will amount to 5 million tonnes. The second phase would increase the capacity by another 2-4 million tonnes. ■

UPEC TO INVEST UAH 5 MLN IN NEW JOINT PRODUCTION OF TRAILERS WITH BRITAIN'S LARRINGTON TRAILERS

The UPEC industrial group, a large private engineering company in Ukraine, will invest around UAH 5 million in the launch of new production of Harvester trailers as part of a joint project with Britain's Larrington Trailers.

The press service of the group told Interfax-Ukraine, referring to Vice-President for Marketing and Sales Roman Girshfeld, investment will be sent mainly to buy modern metal-processing equipment and introduce solutions and experience of British partners.

The localization of production would allow UPEC to create around 100 new jobs. The full trailer joint production cycle will be started on the basis of Lozova Forging-Mechanical Plant. Lozova Machinery plan to make 25 trailers in H2 2016 and at least 100 in 2017. Girshfeld said that the price of trailers made in Ukraine will be 20-25% less than those made in Britain. He said that new trailers will be of great demand with farmers, as today the loss of harvest due to the use of old machinery during transportation is 5-10%.

Larrington Trailers CEO Richard Larrington said that it is planned to start production of soil processing machinery of Lozova Machinery in Britain. ■

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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