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UKRAINE NEWS AGENCY

# UKRAINE

## OPEN FOR BUSINESS

Biweekly news digest of the Ukrainian League of Industrialists and Entrepreneurs

ISSUE 29 | 30 MAY 2016

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## EIB TO INVEST ABOUT EUR800 MLN IN UKRAINE IN 2016

The European Investment Bank (EIB) intends to invest about EUR 800 million in projects in Ukraine in 2016, while in future mulls the annual funding of up to EUR1 billion for the country, EIB Senior Corporate Banker Jean-Jacques Soulacroup has told Interfax-Ukraine on the sidelines of the fourth international investment conference New Ukraine in Kyiv. “Last year we provided loans worth EUR1.2 billion, this year, I believe, there will be about EUR800 million. We work with the European Commission to see whether it is possible to expand the portfolio and reach a figure of EUR1 billion per year and maintain this volume,” he said.

According to him, about 60% of lending falls on public sector – development of transport infrastructure, energy, energy efficiency projects, municipal projects, environmental projects, and 40% is aimed at lending to small and medium-sized enterprises through local partner banks. According to the banker, the EIB’s total portfolio of loans in Ukraine is EUR4.3 billion. ■

## UKRAINE NEEDS SYSTEMIC CHANGE, REFORMS USELESS – BUSINESS FORUM PARTICIPANTS



Over the 25 years of Ukraine's independence the paradigm of relations between the state and the business environment has not changed, therefore today to overcome the established emergency economic state it will be inefficient to carry out simply reforms, according to participants in the Vinnytsia Regional Business Forum.

In this regard, MP Serhiy Taruta, CEO of PJSC Keramet Volodymyr Bublei and other participants in the regional forum believe instead of this it is necessary to introduce systemic changes in all spheres of the economy.

"Today we have no land market, any contractual process, its approval is extended to local levels, and there are many other problems. In the dynamically developed world these problems are catastrophic. Over 25 years we have not changed the paradigm of relations between the authorities, the state and businesses. The system of "a police" state is still preserved, when we are not partners, and business constantly depends on the permanent coordination of the state," the expert said.

At the same time, Taruta said that in the current emergency state of economy implementing reforms would not be successful. The state needs systemic changes in all sectors. Businesses therefore need to consolidate and offer their action plan to the government. ■

## ON JUNE 1-2, 2016, THE EGMONT PALACE IN BRUSSELS, BELGIUM, WILL HOST THE EUROPEAN BUSINESS SUMMIT 2016 (EBS 2016)



The European Business Summit is the largest annual business and political forum in the European Union, which has gathered leading European and world politicians, businesspeople and public figures for 15 years in a row. In 2016, honorary guests of the event will be President of the European Commission Jean-Claude Juncker, President of the European Parliament Martin Schulz, President of the European Council Donald Tusk, EU High Representative for Foreign Affairs and Security Policy Federica Mogherini, more than ten EU commissioners, Managing Director of the International Monetary Fund Christine Lagarde and representatives of European financial institutions, namely the EBRD, EIB and the ECB. Other guests include the King of Belgium, the representatives of the governments of France, Turkey, Greece, the Netherlands, the United States, Canada, Iran, and many other countries. The summit will be attended by thousands of representatives of European and international business circles, among them are CEOs and presidents of such companies as Heineken, Marcegaglia, Solvay, YouTube, PIMCO, DS Smith, BlaBlaCar, and others.

The Ukrainian League of Industrialists and Entrepreneurs (ULIE) is one of the major partners of the summit this year, and at the event, Ukraine will be represented by a large delegation of 50 members, including representatives of the Ukrainian business community, Members of Parliament, members of government agencies and local authorities.

The ULIE management at the summit will also be represented at the highest level: President of the ULIE Anatoliy Kinakh will be an honorary speaker at the panel "EU Trade Relations with Neighboring Countries," which will also be attended by Commissioner for European Neighborhood Policy and Enlargement Negotiations Johannes Hahn, EU High Representative Federica Mogherini, as well as members of governments and business associations from Iran, Turkey, and the United States.

ULIE's First Vice President Vasyl Khmelnytsky will be another honorable speaker from the organization. He will deliver his report during the panel "EU Regional Development" to represent a strategy for regional development of the town and district of Bila Tserkva. The EU Commissioner for Regional Policy and the President of the European Committee of the Regions will also participate in the panel.

The ULIE will hold the Ukrainian lunch "Ukraine as a New Economic Partner of the EU" on the first day of the summit, June 1. The event is scheduled to begin at 12:30 local time. More than 100 distinguished guests from among politicians and businesspeople participating in the summit have been invited. Senior officials from foreign governments and top managers from international corporations will be honorary speakers.

The EBS website: [ebsummit.eu](http://ebsummit.eu).

EBS accreditation is required, please follow this link: <http://www.ebsummit.eu/media>.

To get accredited for the Ukrainian lunch "Ukraine as a New Economic Partner of the EU," please send an email to Iryna Kutsiuk: [iryna.kutsiuk@gmail.com](mailto:iryna.kutsiuk@gmail.com). ■

## EU, EBRD TO PROVIDE EUR 28 MLN FOR SMES IN UKRAINE



## EU SEEKS TO PROVIDE ADDITIONAL EUR 20 MLN TO UKRAINE FOR INFRASTRUCTURE DEVELOPMENT



**T**he European Union (EU) and the European Bank for Reconstruction and Development (EBRD) will provide up to EUR 28 million for business advice, information, training and other support to small and medium-sized enterprises (SMEs) in Ukraine as part of the EU4Business initiative. The agreement was signed on May 20 by First Deputy Prime Minister and Economic Development and Trade Minister Stepan Kubiv, EU Ambassador Jan Tombinski and Head of EBRD operations in Ukraine Sevki Acuner.

The EBRD will assist with the creation of a network of business support centers, in addition to using existing business support structures to establish operations in 15 regions of Ukraine. In addition to the current EBRD offices in Kyiv and Lviv, the latter now focusing on activities to support SMEs, new offices will be opened in Kharkiv in the east and Odessa in the south, widening and deepening the EBRD's outreach and reflecting the importance that the Bank and the EU attach to the development of small private firms across the country.

It is also envisaged that up to EUR 12 million of EU4Business funds will be used to support the EBRD's direct financing of smaller enterprises. At least 50 SMEs are expected to be financed directly by the EBRD through a dedicated credit line worth EUR 100 million.

"Today's agreement paves the way for more development opportunities for Ukrainian SMEs. Advisory and financial support provided by the EU and the EBRD will make these companies stronger and more competitive domestically and internationally. The opening of two new offices and the development of a network of business support centers across the country also reflects our commitment and attention to supporting Ukraine's economic growth," Acuner said.

The funding is part of the wider EU4Business initiative which includes access to finance for Ukrainian SMEs, as well as significant technical assistance to the Ukrainian government to support deregulation and the implementation of sound policies to support the private sector. "The EU4Business initiative aims to support job-creating Ukrainian businesses by equipping small and medium-sized companies with new skills and supporting their ambitions to export to the largest neighbouring market – the EU Single Market of more than 500 million consumers. We are teaming up with the EBRD, our longstanding partner, to significantly increase our support for small businesses in Ukraine and to help a variety of firms benefit from the opportunities available under the EU-Ukraine Deep and Comprehensive Free Trade Area (DCFTA). We are determined to help local businesses become drivers of economic growth in the Ukrainian regions and compete successfully in global markets," Tombinski said. ■

**T**he European Union intends by the end of this year to provide EUR 20 million for development of infrastructure projects.

An Interfax-Ukraine correspondent has reported Head of the Delegation of the European Union to Ukraine, Ambassador Jan Tombinski gave the information at a briefing in Kyiv. He added that some more issues are to be settled. Ukrainian Infrastructure Ministry is to present relevant documents that would enable the country to get the funds.

Acting Director of the European Investment Bank (EIB) representative office for Ukraine Guido Prudhomme said that the bank has approved a new grant for the infrastructure program and is completing the preparation of two important programs in urban transport and railway modernization. Relevant financial programs will be signed by the end of the year.

Asked about the terms of the introduction of the visa free regime for Ukraine, Tombinski said that as far as he knows foreign ministers are holding a meeting in Brussels on the issue. "We are waiting for positive messages," he said. ■

## NEW GOVERNMENT STICKS TO PLANS TO UNITE STATE-RUN COMPANIES INTO STATE HOLDING



The creation of a state holding company and the transfer of state-run strategic enterprises from ministries is included in the list of top priorities of the new government for 2016. “The formation of supervisory boards, the reduction of a list of facilities that are ineligible for privatization, conducting independent audits at 100% of state-owned enterprises,” First Deputy Prime Minister and Economic Development and Trade Minister Stepan Kubiv said presenting the government’s steps for 2016 at a meeting of the national Reforms Council. The government seeks to receive up to UAH 20 billion from privatization with the budget target of UAH 17 billion. The government wants to sell Odesa Port-Side Plant and regional electricity supply companies at transparent tenders, liquidate at least 50 state-run enterprises and introduce free access to information about enterprises. The document says that the state owns around 3,500 enterprises and only 1,800 of them are operating. 100 largest companies bring almost 90% of total assets and 80% of entire revenue. A total of 345 companies are placed on the privatization list for 2016. The state potentially can transfer 723 companies for privatization. ■

## KYIV STARTS PREPARATIONS FOR EUROVISION 2017 – KLITSCHKO



Kyiv authorities intend to start the preparations for the song contest Eurovision 2017, the press service of capital’s mayor Vitali Klitschko has said.

“Kyiv stars preparations for the song contest Eurovision 2017 to hold it at a high-level next year,” the press service quoted the mayor of Kyiv. The Ukrainian singer Jamala won in the final of Eurovision 2016 with the song “1944,” which took place in Stockholm (Sweden) on May 14. In accordance with the competition rules, Eurovision 2017 is to be held in the winner country which singer won the previous year. Thus, Eurovision 2017 will be held in Ukraine.

Earlier, mayors of several regional centers of Ukraine have already expressed their willingness to stage Eurovision 2017 in their cities. Kyiv Mayor Vitali Klitschko said that the capital would properly prepare to host Eurovision at the highest level. Klitschko named the Olimpiysky National Sports Complex, which is located at the center of Kyiv, as the one of possible venues for holding the contest.

The European Broadcasting Union on June 1 will provide Ukraine with the norms for Eurovision 2017, but now the representatives of Ukrainian sports arenas are discussing the technical capability of the preparation of facilities for conducting the song contest. ■

## UKRAINE, UNITED STATES SIGN AGREEMENT ON MUTUAL ASSISTANCE BETWEEN CUSTOMS AUTHORITIES



Ukraine and the United States signed an intergovernmental agreement on mutual assistance between the two countries’ customs authorities. Head of the State Fiscal Service of Ukraine Roman Nasirov signed the document on behalf of Ukraine, while incumbent U.S. Commissioner of U.S. Customs and Border Protection Richard Gil Kerlikowske represented the United States. The agreement was signed in the presence of Ukrainian Prime Minister Volodymyr Groysman, who announced after the official signing ceremony that “Ukraine’s customs system requires structural change.”

“We hope very much for your support and assistance. I’m sure that the customs reform will be our next success after the reform of the national police,” Groysman told Kerlikowske. The U.S. Commissioner said in turn that signing the agreement “will let us continue building our cooperation in that sector.” In his words, the agreement creates the necessary legal basis for the exchange of information and helps our countries implement laws concerning customs rights. “This agreement enables us to share experience and further improve our relations,” Kerlikowske added. ■

## ECONOMY MINISTRY INITIATES INTRODUCTION OF INTL TOURISM STANDARDS IN UKRAINE



Ukraine's Ministry of Economic Development and Trade intends in the near future to include international tourism standards in the state plan of standardization.

"The state standardization plan in late May will include 12 international and European standards in the sector of tourism and hospitality," the director of the ministry's tourism and resorts department, Ivan Lyptuha, wrote on his Facebook page.

According to him, the decision was made on May 18, 2016 at a joint meeting of the profile department and the technical regulation department of the ministry with the heads of technical committees and national standardization authority UkrNDNC.

"The implementation of common international standards ISO and EN will allow to improve the quality of services in the tourism sector, contribute to the transparency of permitting and licensing systems, reduce corruption risks, as well as allow to more effectively protect the rights of tourism services consumers," the expert said. ■

## CRISIS OF TRUST BETWEEN POWER, BUSINESS, SOCIETY HINDERS REFORMS IN UKRAINE – EXPERT

The main obstacle on the way of reforms in Ukraine is the lack of mutual trust in the power-business-society triangle, coordinator of the Ukrainian Business Initiative Andriy Nikolayenko said on ICTV television when discussing the draft plan of top priority steps of Ukraine's Cabinet of Ministers.

He said that Ukrainian Business Initiative submitted proposals of Ukrainian business to add them in the government's action plan and some of them have been included, but many provisions of the government's plan require specification.

"This is the program to create new jobs. It should be more clearly pegged to current and promising drivers of the Ukrainian economy, opportunities and needs of the Ukrainian business and achieving the target growth rate," he said.

Nikolayenko said that annual economic growth in Ukraine in next 10 years should be no lower than 7% to end the crisis. Business is ready for active communications with executive power to implement these tasks, he said. Business society understands that the Cabinet would not be able to implement its top priorities without tight cooperation with the National Bank of Ukraine (NBU).

"The NBU is to switch from the function of the regulator of several dozens of banks to the function of providing for economic growth. The key criterion for efficiency of the NBU's work is to be the increase in the number of jobs, as it was done in the U.S. Federal Reserve System. The NBU is to help the government to conduct reforms. Now these relations are far from partner relations," he said. ■

## KOREA INTERESTED IN CREATING INDUSTRIAL PARK IN KHARKIV REGION



The Republic of Korea is interested in creating an industrial park in Kharkiv region, the Ambassador of Korea to Ukraine has said at a meeting with head of Kharkiv Regional State Administration Ihor Rainin. "There is a good infrastructure and the environment in Kharkiv to implement the project of a technical park. You have good science, technology and industry... We can implement such a project. We are interested in it," the ambassador said.

Rainin noted strong sectors in the Kharkiv region economy are industry and agriculture, while promising are the development of areas related to science and IT.

The Ukrainian official invited the delegation of the Republic of Korea to take part in the international investment forum to be held in Kharkiv region in September 2016. The ambassador, in turn, invited the representatives of Kharkiv region to the investment forum to be held in Korea on June 14. ■

## DUTCH CTP TO START BUILDING INDUSTRIAL PARK IN LVIV IN MID-2016



**C**TP Company (the Netherlands), a large industrial developer in Europe, seeks to start building the STPark industrial park in Lviv in the middle of 2016, Head of the foreign economic relations and investment department of Lviv City Administration Olha Sivak said at the Ukraine-China: New Silk Road investment session. The cost of the project is EUR 50 million.

“We hope that this year the first companies for the project would be found. CTP does not build for no special reason – they first find a client and then build infrastructure and communications to meet the client’s requests. Now CTP is holding negotiations with its portfolio clients in other countries on the possible transfer of production facilities to Lviv or opening new plants here,” Sivak said.

She said that CTP seeks to invest EUR 50 million in construction of A class warehouses on a land parcel of 24 ha. The production area would be over 100,000 square meters. Sivak also said that local authorities intend to build a multifunctional center for hosting conferences and exhibitions not far from the Arena Lviv stadium on a land parcel of 8 ha. “We understand that there is big demand on conference industry,” she said. The area of the conference center would be 27,000 square meters and it would be able to host 3,500 people. ■

## COMPLETION OF KYIV SUBWAY STATION LVIVSKA BRAMA BEING DISCUSSED WITH INVESTORS



**T**he completion of the Lvivska Brama subway station of the Syretsko-Pecherska line of Kyiv Metropoliten is being discussed with investors. Some core issues are to be settled with city authorities.

An Interfax-Ukraine correspondent has reported that Spokesperson of Kyiv Metropoliten Natalia Makohon gave the information during a visit of the station. “An investment tender scheme and station entrances have not yet been determined. The station has been mothballed for 20 years. We hope that Kyiv residents would be able to use it, as it would unload the central part of the city,” she said. Makohon said that the readiness of the station is around 80%. The tracks and power supplies are operating.

“Many funds are required to complete it and a lion’s share of them is required to buy escalators equipment, install it and build entrances. This is a deep station – around 50 meters deep,” she said. Makohon said that the city would decide whether the station would be completed using Kyiv budget funds or investors’ funds. Asked about the Telychka station of the same line, Makohon said that the station was built as a technical station. “I think that when at least a residential area is built in the district [where the station is located] city officials may consider opening it. We use this station as technical one,” she said. ■

## ENERGY MINISTRY SUGGESTS ELIMINATING 11 STATE COAL MINES, PRIVATIZING 15 COAL MINES



**U**kraine’s Ministry of Energy and Coal Industry within the coal industry reform program suggests elimination of 11 state-owned coal mines. Seven promising coal mines will be retained by the state as a basis for the country’s energy security, Minister Ihor Nasalyk has said. “15 mines can be break-even or see profits. Then we will put them for privatization,” Nasalyk said at the Energy Spring congress 2016 in Kyiv on Thursday. Nasalyk stressed that the elimination of mines would be accompanied by social programs for miners. The cooperation with the British adaptation program had already started for this purpose. ■

## GIZA VENTURES, EMPIRE STATE CAPITAL LOOK TO FUND IT PROJECTS IN UKRAINE



## UKRAINE SEEKS TO CORPORATIZE SPACE ENTERPRISES BY 2018 – SSAU HEAD



The State Space Agency of Ukraine (SSAU) is working on restructuring of enterprises of the aerospace sector, including the corporatization of the sector by 2018, SSAU Head Liubomyr Sabadosh has said in an exclusive interview with Interfax-Ukraine. “As part of a legislative initiative of an executive branch SSAU has designed a concept for reforming the sector with the change of the form of ownership of our enterprises. It has been submitted to the government. We propose the corporatization of the enterprises that could attract an investor not via the sale of assets, but via the sale of share capital,” he said. Sabadosh said that this would contribute to getting orders and investment and retaining the technological and industrial capital of the sector. SSAU estimated that it will take one or one and a half years to carry out mechanical restructuring work. The bill is pending the approval of the ministries and agencies. This autumn the document could be floored to the Verkhovna Rada. “If lawmakers support us, from 2018 we would have a new national space program based on new principle. We would start implementing it with corporatized enterprises,” Sabadosh said. ■

Israeli GIZA Ventures Capital that has invested around \$600 million in 106 projects via five venture funds over 22 years is mulling the creation of a separate fund to invest into Ukrainian venture and IT projects. The founder and head of GIZA Ventures Zeev Holzman said at the New Ukraine investment conference in Kyiv this week that the partner of the company in the project is Ukraine’s Empire State Capital Partners (Kyiv) that organized the conference.

“The target of our future fund for venture projects is \$20 million for the first closure. Then we seek to reach \$50 million,” Managing Director and Head Capital Markets & Institutional Sales Department at Empire State Capital Partners Alex Bart told Interfax-Ukraine. He said that the fund soon would start helping the development of the venture and IT eco-system in Ukraine.

Holzman proposed to Ukrainian authorities at the conference that up to 10 funds with seed capital starting from \$30 million to invest in venture projects with foreign companies as partners should be created in Ukraine. He said later investors could buy the state-owned shares that could be up to 50%, with a markup.

He said that this program showed large efficiency in Israel and it would be helpful for the development of the domestic IT market and expanding its share of the global IT market.

Holzman said that GIZA Ventures has 14 active projects. The fund had 43 successful withdrawals from projects via selling them or holding an initial public offering (IPO) on exchanges. Among these projects are XtremIO (acquired by EMC), Solutio (Asurion), Actimize (NICE Systems), ProSight (Primavera Systems), Oplus (Intel), Precise (IPO NASDAQ, Veritas), Oridion (IPO Zurich, Covidien pending), Zoran (IPO NASDAQ, CSR), M-Systems (IPO NASDAQ, SanDisk), DSPG (IPO NASDAQ), Butterfly and Libit (TI), DSPC (IPO NASDAQ, Intel), Scorpio (US Robotics) and Telegate (Terayon).

Empire State Capital Partners is a full service investment company with Western roots headquartered in Ukraine. The company offers services in capital markets advisory, mergers and acquisitions, debt and equity underwriting, corporate finance, brokerage, asset management and structured products. ■

## FORMER ESTONIAN SPORTSMAN LOOKING FOR INVESTOR TO MAKE ELECTRIC CARS IN UKRAINE

Former Estonian sportsman and hammer thrower Juri Tamm wants to open luxury electric cars production facility in Ukraine in a couple of years if he finds an investor who will be ready to invest EUR 4 million in the project, Postimees publications said on Monday. Tamm is the co-owner of Ukraine’s Electric Marathon International that designed a prototype of Synchronous car on the basis of auto parts bought on the global automobile market.

Tamm said that the first batch the company intends to make will consist of 20 electric cars.

According to Electrocars, a total of 693 electric cars were registered in Ukraine as of middle of February 2016, including 485 Nissan Leaf cars and 45 Tesla cars. ■

## ZHYTOMYR, TERNOPIL, HLUKHIV SEEKING INVESTORS TO IMPLEMENT INVESTMENT PROJECTS



The mayors of Zhytomyr, Ternopil and Hlukhiv (Sumy region) have invigorated efforts to attract foreign investors to implement investment projects in their cities.

“We are well aware that during this [crisis] time it is impossible to count on any significant financial investment on the part of the state, therefore another option is to work with foreign investors,” Ternopil Mayor Serhiy Nadal said at an investment conference in Kyiv. Zhytomyr Mayor Serhiy Sukhomlyn said the city plans in 2016 to raise \$50 million for implementation of different small projects.

“\$50 million is very little for us. These are the projects that allow Zhytomyr to survive. Unfortunately, we are not talking about large-scale infrastructure projects,” he said.

According to him, in particular, this is the construction of four thermal plants using bio-fuel: two of the projects, funded by Austrian and Swedish investors, are to be implemented in 2016. In addition, Chinese investors are interested in the projects: a framework agreement on cooperation has been signed with them. The project of building a hydroelectric power plant is being implemented together with Swedish investors in the current year. In addition, there are projects to construct four boiler rooms in schools for a total of \$500,000.

According to the Zhytomyr mayor, loan and grant agreements worth EUR65 million have been signed over the past year and a half, of which EUR28 million was used for the development of heating systems and EUR26 million for water supply systems. At the same time, he said the budget for the development of Zhytomyr for this year is \$10 million, which is very little for a city with the population of 272,000 people. ■

## WIZZ AIR MULLING EXPANSION OF OPERATIONS IN UKRAINE

Hungary’s Wizz Air low-cost airline is mulling expansion of its operations in Ukraine due to stabilization of the situation in the country. “We see that the situation in Ukraine is being stabilized. We like what is happening there now from the business point of view,” Wizz Air CEO Jozsef Varadi told <http://www.fly4free.com> portal.

Commenting on this information, former infrastructure minister of Ukraine Andriy Pyvovarsky said that the main thing is to create equal conditions for everyone, and the market would dynamically develop itself if the economic situation stabilizes.

“Wizz Air expressed its desire to return to Ukraine as they see stabilization. How much time have I spent to explain to experts that the issue is with the economy, not politics? The invisible hand of the market is working. Adam Smith said this,” he wrote on his Facebook page.

Wizz Air’s fleet consisted of 67 Airbus A320 aircraft and two A321 aircraft based at 25 bases throughout Central and Eastern Europe. Wizz Air’s shares are listed on the London Stock Exchange. Hungary’s low-cost airline Wizz Air carried over 395,000 passengers in 2015 from and to Ukraine, which is twice less from a year ago. ■

## INTERCHEM PHARMACY TO OPEN NEW LAB INDUSTRIAL COMPLEX IN ODESA



Interchem pharmaceutical company (Odesa) has completed the implementation of a high tech investment project on the development of production facilities and the construction of a unique laboratory and industrial complex of the European level in Odesa. According to a company press release, the investment project will allow to quadruple production of medicines that will ensure providing the population with high quality and affordable medicines and facilitate domestic medicines’ entering foreign markets.

The total volume of investment in the new project in early May of the current year amounted to EUR42 million. The total area of the new complex is 15,000 square meters.

During the implementation of the project Interchem paid more than UAH 243 million to the budgets of all levels. The amount of paid tax liabilities under contracts with Ukrainian partners involved in the project exceeded UAH 50 million, tax payments to the budget under contracts with non-residents exceeded UAH 28 million.

The company created 139 new jobs. It is planned by 2020 to increase the number of employees from 700 (early 2016) to 960 people. Interchem is one of the leading Ukrainian producers of medicines and pharmaceutical substances. It is included in the top ten manufacturers of medicines. The share of own production reaches 2% of the total market in the country. ■



## CHINESE COFCO INVESTS \$75 MLN IN GRAIN TERMINAL IN MYKOLAIV REGION



Chinese Cofco has invested \$75 million in the launch of a grain terminal in Mykolaiv region. Interfax-Ukraine reported that the terminal was launched on May 19. “Danube Navigation and Stevedoring Company, part of Ukraine’s Cofco Agri, with China’s Cofco as the key shareholder has opened a new grain and oilseed handling complex on berths one and two of Mykolaiv maritime merchandise port. Construction lasted 20 months – since August 2014.

“Average annual handling volumes at the terminal are 2-2.5 million of products,” Director General of Ukrainian Constructor building company Andriy Dmytrenko told reporters.

He said that the terminal started operating in the test mode in April 2016 and handled six ships for exports (around 150,000-160,000 tonnes of grain). Dmytrenko added that 95% of the terminal’s equipment is imported. The new terminal has two grain storage facilities with 16 silos (total capacity is 120,000 tonnes) and four silos (over 1,500 tonnes). The complex has stations for unloading trucks and railway wagons. The stations can process up to 10,000 tonnes of products a day. The terminal has a grain dryer and a grain purifier with a capacity of 50 tonnes per hour. ■

## UKRHYDROENERGO LOOKS TO LOAN AGREEMENT WITH EBRD, WORLD BANK TO BUILD KANIV PSP



Public joint-stock company Ukrhydroenergo intends to sign a loan agreement with the European Bank for Reconstruction and Development and the World Bank to build Kaniv pump-storage plant (PSP) in September and October 2016, Ukrhydroenergo Head Ihor Syrota told reporters in Kyiv. “We are to answer all questions asked by the banks by June 28. In July or August we would hold a repeated public discussion... We seek to have the project approved by the banks’ boards of directors [EBRD and the World Bank] in August and in September or October we would be able to sign the agreements,” he said. Some \$1.25-1.3 billion would be raised for the project. The loans are to cover 98% of the project cost. Syrota said that in August or September 2016 the company intends to start preparations for the project using own funds. It will last for around one year. ■

## SPF EXPECTS \$300 MLN SELLING SIX REGIONAL ENERGY SUPPLY COMPANIES

The State Property Fund of Ukraine (SPF) intends from early autumn to start the sale of controlling stakes in six regional energy supply companies, namely Ternopiloblenergo, Khmelnytskyoblenergo, Kharkivoblenergo, Mykolaivoblenergo, Zaporizhiaoblenergo and Cherkasyoblenergo and expects to obtain a total of about \$300 million, SPF Head Ihor Bilous has said.

“All six power companies will have an initial price of about \$250 million... What would we like to get? Some \$300 million for all these companies,” he said in an interview with the Dzerkalo Tyzhnia weekly. He added the starting price of Ternopiloblenergo will stand at \$20 million, that of Khmelnytskyoblenergo at about \$30 million.

“These are absolutely real prices for potential investors, not \$130-150 million. In future, by the way, Ternopiloblenergo could cost \$50 million,” Bilous said.

According to him, in spite of a long-standing corporate conflict at Ternopiloblenergo, both mentioned companies will be easily sold. “There is a simple business model there. Consumers are mainly individuals. The fundraising level is very high, and economic benefit in this case is very easily calculated,” the official said. ■

## EBRD MAY LEND UP TO \$20 MLN TO UKRAINE’S ASTARTA SUGAR PRODUCER FOR MODERNIZATION

The European Bank for Reconstruction and Development (EBRD) is considering a senior secured long-term loan of up to \$20 million to finance the modernization, energy efficiency and environmental improvements of Astarta’s existing sugar processing plants.

The EBRD Board of Directors will decide on the disbursement on June 22, 2016, the EBRD has reported in an announcement. “The transition impact of the project will be derived from demonstration of new replicable behavior and standards market expansion through BAT (Best Available Technique) implementation and obtaining ISO 50001 certificate, and transfer and dissemination of skills and innovation through new technologies. Astarta Group is one of the largest vertically integrated agricultural companies in Ukraine, operating nine sugar plants, around 250,000 hectares of leased arable land, as well as dairy farms and engaged in soybean processing. ■

## AGRICULTURE MINISTRY OPENS CONSULTATION CENTER FOR EXPORTS OF UKRAINIAN AGRICULTURAL GOODS TO EU



Ukraine's Agricultural Policy and Food Ministry has opened a center to support exports to the European Union (EU). The center will provide consultations to Ukrainian farmers about activities on the European markets. The press service of the ministry reported that the center was opened as part of a joint project with Germany's Federal Ministry of Food and Agriculture. Germany has invested EUR 1.5 million in the project.

The office of the project is located in the building of the ministry – 24, Khreschatyk, eighth floor. “The services of the center are available both for those who sell goods to Europe and for those who only think about it. It is important that farmers will be able to get all basic information on exports issues at one place,” Agricultural Policy and Food Minister Taras Kytovy said. ■

## MILKILAND REGISTERS ONE POLISH, TWO PANAMIAN TRADING SUBSIDIARIES



Milkiland, a dairy group with assets in Ukraine, Russia and Poland, finished registration of one Polish and two Panamanian trading subsidiaries in the first quarter of 2016.

The group said in a report on the Warsaw Stock Exchange (WSE), UA TRADE Sp.zo.o was registered in Poland and Newholm Systems S.A. and Agrointer Corporation – in Panama. Milkiland Group of companies is one of the largest dairy producers in Ukraine and Russia. In Ukraine the group has 10 plants, which produce a wide assortment of dairy products including cheese, fresh dairy products and butter. In Russia Milkiland produces dairy products at the Moscow-based OJSC Ostankino Dairy Plant. In the summer of 2012 Milkiland bought Masovia Province's Ostrowia cheese-making plant in Poland, and at the start of 2013 – OJSC Syrodel in Russia. ■

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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