



interfax-UKRAINE
UKRAINE NEWS AGENCY

UKRAINE

OPEN FOR BUSINESS

Biweekly news digest of the Ukrainian League of Industrialists and Entrepreneurs

ISSUE 35 | 29 AUGUST 2016

HEADLINES

SPF DRAFTS RADICALLY
NEW BILL ON
PRIVATIZATION

CABINET ALLOCATES
UAH 450 MLN FOR
HOLDING EUROVISION
2017



KHARKIV REGION SELECTING
PROJECTS FOR ITS
INVESTMENT DEVELOPMENT

UKRAINE BOOSTS
STEEL OUTPUT BY 10.5%
IN JULY



EBRD ORGANIZES
EUR 6.9 MLN FINANCING TO
BUILD SOLAR POWER PLANT

CROWN AGENTS: UAH
500 MLN SAVED IN
PURCHASE OF
MEDICINES



YUZGAS TO ISSUE \$200 MLN
FOR FIVE-YEAR GEOLOGICAL
EXPLORATION OF YUZIVSKA
FIELD



SPF DRAFTS RADICALLY NEW BILL ON PRIVATIZATION

Ukraine's State Property Fund (SPF) has submitted a new bill on privatization aimed at its optimization and unification of procedures to Ukraine's Cabinet of Ministers, SPF Head Ihor Bilous said at a press conference in Kyiv. He said that the document would increase the term for holding auctions from 45 to 180 days to give investors enough time to make decisions and avoid the preliminary appraisal. The appraisal will be formed during the sale of facilities based on trends on the market.

"There would not be privatization groups A, D, V, Zh, G and E – only large-scale and small-scale privatization," Bilous said, adding that the only way to sell will be auction. He said the procedures would be relaxed as much as possible for small-scale privatization to quickly sell non-liquid assets.

The bill annuls the pre-privatization preparation of enterprises by ministries. Heads of enterprises would be more responsible for safekeeping of the property when decisions to privatize enterprises are made, Bilous said. ■



Kyiv
International
Economic
Forum

6-7 October 2016
Ukraine, Kyiv, Hilton Hotel

www.forumkyiv.org

- Investments
- Cooperation
- Strategies

UKRAINE LITHUANIA NETHERLANDS UAE
LATVIA CHILE UK JAPAN MALAYSIA
ISRAEL BELARUS USA MONGOLIA GERMANY
SPAIN CHINA FRANCE AUSTRIA ROMANIA
SWITZERLAND MOLDOVA GEORGIA POLAND
BRAZIL TURKEY SWEDEN DENMARK
BELGIUM ESTONIA SLOVENIA ITALY KAZAKHSTAN
CROATIA INDIA BULGARIA NORWAY CANADA

ORGANIZERS:



INFRASTRUCTURE MINISTRY TO PRESENT NATIONAL TRANSPORT STRATEGY UNTIL 2030 IN THREE OR FOUR MONTHS

Ikraine's Infrastructure Ministry intends to present the national transport strategy until 2030 in three or four months, Minister Volodymyr Omelyan has said. "We are working on it with our European partners. We have finished a first phase of drawing up a draft national strategy of Ukraine until 2030. This must be an essential document to specify development of infrastructure that should become a driver of the Ukrainian economy," he said at a briefing in Kyiv. The minister said that among key top-priorities of the strategy is efficiency of public administration in the transport area, provision of high-quality and effective transport services, stable financing of transport, increase of safety and reliability and city mobility and regional integration. ■

CABINET ALLOCATES UAH 450 MLN TO STATE COMMITTEE FOR TELEVISION AND RADIO BROADCASTING FOR HOLDING EUROVISION 2017



The Cabinet of Ministers has allocated UAH 450 million to the State Committee on Television and Radio Broadcasting for holding the international song contest Eurovision 2017. "To allocate UAH 450 million to the State Committee from the reserve fund of the state budget for funding preparatory events necessary for holding Eurovision 2017 in Ukraine," First Deputy Prime Minister, Economic Development and Trade Minister Stepan Kubiv said at a government meeting. ■

UKRAINE, CHINA SIGN AGREEMENT OF UNDERSTANDING IN APPLICATION OF TRADE SAFEGUARDS TOOLS

Ukraine's Economic Development and Trade Ministry and China's Ministry of Commerce have made arrangements concerning mutual understanding in application of trade safeguards tools in international trade.

An Interfax-Ukraine correspondent has reported that the agreement as signed by Deputy Economic Development and Trade Minister and Trade Representative Natalia Mykolska and Vice Minister of Commerce Qian Keming in Kyiv.

"We have actively worked on the issues of cooperation in trade, investment, technical regulation, transport, energy, tourism and high-tech areas," Mykolska said at a briefing after a meeting of the sub-commission for trade and economic cooperation of the cooperation commission of the Ukrainian and Chinese governments.

Mykolska said that China is second in terms of goods turnover with Ukraine.

"We worked in the sub-commission to determine, lay out and draft the action plan to overcome negative trends in trade we have seen in 2015 and early 2016," she added.

She said that the sides will agree the list of goods for mutual exports and imports, support participation of enterprises in exhibitions and fairs and make reciprocal travel arrangements for trade missions. Kyiv and Beijing will promote the creation of industrial enterprises to export products to the European Union market. Mykolska said that top priority directions of cooperation are agriculture, industry, infrastructure development, in particular transport (the railway section of the Silk Road), and tourism. ■

KHARKIV REGION SELECTING PROJECTS FOR ITS INVESTMENT DEVELOPMENT

A tender is under way in Kharkiv region to select investment programs and regional development projects which can be implemented at the expense of a relevant state fund. An ad hoc commission set up under Kharkiv Regional Administration together with representatives of public organizations and businesses is in charge of holding the tender.

The amount of funds that can be allocated for Kharkiv region in 2017 from the State Regional Development Fund exceeds UAH 300 million. At the moment, 123 programs and projects have been submitted for consideration by experts, and 76 of them have already been shortlisted as most relevant.

The projects concern different spheres – from the reconstruction of boiler rooms in the city of Kharkiv to the development of Kharkiv region maps to indicate the boundaries of newly created communities and display them in a geoinformation system of a web portal with the region's open data.

"I have great hope that the selected projects – if funds are provided – will be implemented with the employment of scientists and entrepreneurs from Kharkiv region," Director of the regional branch of the Ukrainian League of Industrialists and Entrepreneurs, tender committee member Eduard Naboka has said. ■

SPF TRANSFERS SMALL PRIVATIZATION TO ELECTRONIC TRADING MARKETS



Ukraine's State Property Fund (SPF) has fully switched small privatization to electronic trading market platforms, the fund said on its website. According to the report, the decision was made to secure transparency and openness selling the facilities and to attract a larger number of potential buyers.

"Now all auctions to sell state-controlled immovable property, movable property, enterprises, including Dutch auctions, with land parcels or without them, are held only in the electronic form via the official privatization website privatization.gov.ua, with a redirect to the electronic sites of exchanges selling state-run facilities," the fund said.

The fund said that first electronic trading to sell small privatization facilities started in December 2015. Since early 2016 as of August 1, 2016, the fund announced 246 electronic auctions, including nine Dutch auctions. The SPF said that the share of small privatization facilities of total privatization in the country is 99%. Auctions to sell small privatization facilities online are held in line with SPF order No. 1325, dated September 9, 2015. ■

NEW U.S. AMBASSADOR TO UKRAINE YOVANOVITCH ARRIVES IN KYIV



Newly appointed U.S. Ambassador to Ukraine Marie Yovanovitch presented copies of her credentials to Ukrainian Deputy Foreign Minister and chief of the ministry's secretariat Vadym Prystaiko. The parties mentioned a high level of relations between Ukraine and the U.S. and the importance of their further development in all areas, particularly in the security and economic fields, the Ukrainian Foreign Ministry website reported.

Prystaiko and Yovanovitch exchanged opinions on the state and prospects of the Minsk peace process and discussed bilateral interaction within the UN framework.

Yovanovitch pointed out to a qualitatively new level of relations between the U.S. and Ukraine and the U.S.' determination to continue to help Ukraine defend its territorial integrity, pursue reforms, and fight corruption.

U.S. President Barack Obama had earlier announced his intention to appoint Yovanovitch new U.S. ambassador to Ukraine. Pyatt was reportedly named as the U.S.' prospective ambassador to Greece. Yovanovitch earlier served as principal deputy assistance secretary in the U.S. Department of State's Bureau of European and Eurasian Affairs. From 2001 to 2004, Yovanovitch served as deputy chief of mission at the U.S. embassy in Kyiv and charge d'affaires. ■

UKRAINIAN UNIVERSITIES WIN EUR 817,000 EU GRANT FOR 'INTERNET OF THINGS' PROJECT



The SmartMe University educational online platform and seven Ukrainian higher education institutions will receive a EUR 816,720 grant from the European Union's Erasmus program for the implementation of an educational project in the field of the "Internet of Things."

According to the press service of SmartMe University, with reference to its managing partner Oksana Bila, the coordinator of the project is Newcastle University (Britain). In addition, universities from Portugal, the UK, Sweden and Italy participate in the project. The works will start on October 15, 2016 and will last three years.

"According to analysts, the financial potential of the "Internet of Things" is \$8.9 trillion. Therefore research in this direction is important not only for the IT industry: the detailed study of the IoT [Internet of Things] will allow providing students with knowledge and skills to improve their competitiveness in a rapidly changing labor market," she said.

SmartMe University is an educational online platform, specializing in training IT professionals since 2010. Erasmus is a non-profit program of the European Union launched in 1987. ■

NBU EXPANDING FINANCING OF IMPORTS THANKS TO RELAXATION OF ATTRACTION OF FUNDS FROM EXPORT-CREDIT AGENCIES

The National Bank of Ukraine (NBU) is facilitating the conditions for foreign economic transactions and expanding the possibilities of financing imports, according to a posting on the NBU's website.

According to the NBU, the relevant amendments are outlined in NBU resolution No. 368 dated August 11, 2016. The amendments will take effect on August 18, 2016.

"The NBU expands the opportunities for financing imports transactions of Ukrainian enterprises thanks to relaxation of the conditions for attracting foreign financing with participation of foreign export-credit agencies and international financial institutions (IFIs)," the central bank said.

Resident can submit original documents and their copies in the electronic form to register the loan agreements signed with non-residents. ■

UKRZALIZNYTSIA, POLAND'S NEWAG GROUP TO COOPERATE IN UPGRADING LOCOMOTIVES



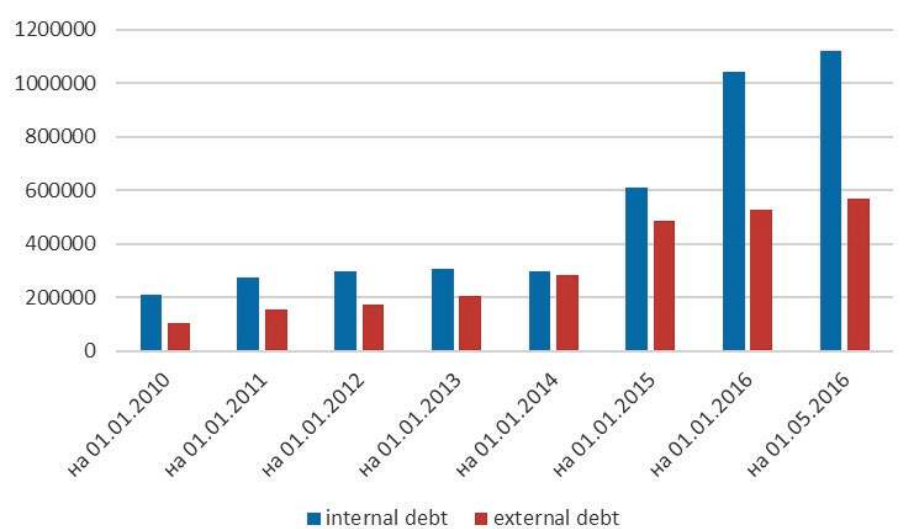
PJSC Ukrzaliznytsia and Newag Group (Poland) signed a memorandum of cooperation to upgrade locomotives in Kyiv on August 17. According to the press service of the Ukrainian company, the parties agreed to study the issue of creating locomotives and implementing solutions for their modernization. The realization of specific tasks will be carried out under separate contracts.

The next step in establishing cooperation will be consultations between technical experts. "Ukrzaliznytsia intends to invest in rolling stock, therefore in recent years it has signed memorandums with the leading world producers. We are studying all proposals to objectively choose a partner who will provide the most attractive offer both economically and in terms of technology," Ukrzaliznytsia Board Chairman Wojciech Balezun said. Newag S.A. is a company based in Poland and specializing in manufacture, maintenance and modernization of rolling stock. ■

STATE AND STATE GUARANTEED DEBT OF UKRAINE FROM 2010 TILL 2016 (MLN UAH)



	Total debt			External debt		Internal debt	
as of 01.01.2010	316884,6			211751,7		105132,9	
as of 01.01.2011	432235,4	+115350.8	+36.4%	276745,6	+30.7%	155489,8	+47.9%
as of 01.01.2012	473121,6	+40886.2	+9.5%	299413,9	+8.2%	173707,7	+11.7%
as of 01.01.2013	515510,6	+42388.9	+9.0%	308999,8	+3.2%	206510,7	+18.9%
as of 01.01.2014	584114,1	+68603.5	+13.3%	300025,4	-2.9%	284088,7	+37.6%
as of 01.01.2015	1100564,0	+516449.9	+88.4%	611697,1	+103.9%	488866,9	+72.1%
as of 01.01.2016	1571765,6	+471201.7	+42.8%	1042305,1	+70.4%	529460,6	+8.3%
as of 01.05.2016	1689781,9	+118016.3	+7.5%	1121903,8	+7.6%	567878,2	+7.3%



Source: The Ministry of Finance

CHINESE INVESTORS INTERESTED IN LAUNCHING PV PANEL PRODUCTION IN REGION

Head of Luhansk civil and military administration Yuriy Harbuz has said Chinese investors are interested in launching photovoltaic (PV) panel production in the region.

"Recently I had investors from China under the industry development program. We are looking for an option to organize PV panel production here," he said in an interview with the Uriadovy Kurier publication.

He said that the region has skilled staff and industrial sites where they can work. He also said that there is demand on PV panels in the region.

INDIA'S AZAD COULD START ELECTRIC BUS PRODUCTION AT KHERSON MACHINE BUILDING PLANT

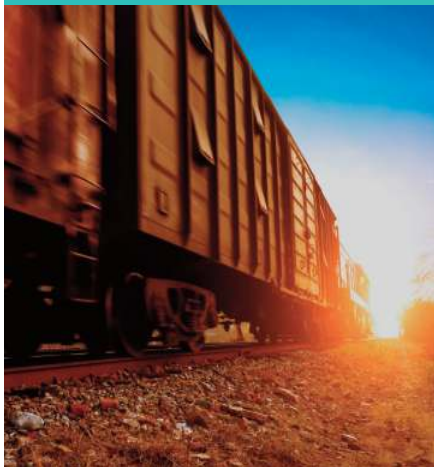


AZAD group of companies (India), a large manufacturer of public transport, could begin production of electric buses in Kherson, according to the website of Kherson Regional State Administration. According to the report, with reference to administration chairman Andriy Hordeyev, a relevant memorandum on the launch of production will be signed on August 18 following his meeting with AZAD representatives.

"We are ready for cooperation, therefore we intend to sign a five-sided memorandum and jointly with AZAD we will develop a project to obtain an eco-loan from the EBRD," the press service said citing Hordeyev. According to investors' conclusions, today Kherson machine building plant is most suitable for production, therefore it will be one of the parties to the memorandum. "Kherson region is attractive for the start of production due to the warm climate and production sites that meet the relevant requirements," the report reads.

During the meeting AZAD Group presented information about the buses it produces (urban, intercity, tourist, school, etc.), technical indicators of production, the companies that cooperate with it. The cost of electric buses made by the company ranges from \$200,000 to \$500,000.

AZOVMAH TO SHIP EUR 100 MLN WORTH OF 3,000 WAGONS TO IRAN



Public joint-stock company Azovobshchemash (Mariupol, Donetsk region), the flagship company of the leader of Ukrainian heavy engineering Azovmash Group, will ship 3,000 wagons to Iran, the Ukrainian Embassy in Iran has reported.

The cost of the agreement signed with the help of the embassy exceeded EUR 100 million.

"This is only a first agreement to supply Azovobshchemash's products to Iran. The total need of Iranian state-run companies Pars Wagon and Kors Wagon exceeds 35,000 wagons, gondola cars and tank wagons. Thus, the total potential of Azovobshchemash's cooperation with Iranian enterprises is over EUR 1 billion," the embassy said.

Early August Ukrainian Ambassador to Iran Serhiy Burduliak said in an interview with Iranian Tasnim news agency that Azovmash and Kriukov Car Building Works (KCBW) are holding talks with Pars Wagon and Kors Wagon on creation of joint ventures to work in Iran.

On July 13, 2016, Ukraine's Infrastructure Ministry and Infrastructure Ministry and Roads and Urban Development Ministry of Iran signed a memorandum of understanding.

Iran has invited Ukraine to build 1,000 kilometers of railroad tracks in Iran and participate in projects worth \$10 billion provided by Teheran for modernization of railway infrastructure and development of intermodal transportation. ■

UKRAINE BOOSTS STEEL OUTPUT BY 10.5% IN JULY, RETURNING TO TOP TEN STEELMAKERS



Ukrainian metallurgical enterprises in July 2016 boosted steel output by 10.5% compared to July 2015, to 2.065 million tonnes, climbing from 11th to 10th place in the ranking of the world's 66 major steel manufacturers, compiled by the World Steel Association (Worldsteel).

A rise in steel production in July was recorded in most of the top ten countries, apart from the United States, Germany and Brazil.

The top ten steelmaking countries in July were as follows: China (66.807 million tonnes, a 2.6% increase), Japan (8.886 million tonnes, an increase by 0.5%), India (8.082 million tonnes, an increase by 8.1%), the United States (6.877 million tonnes, a decline by 2.2%), Russia (6.131 million tonnes, an increase by 0.9%), South Korea (6.009 million tonnes, an increase by 1.5%), Germany (3.393 million tonnes, a decrease by 6.1%), Brazil (2.705 million tonnes, a decrease by 6%), Turkey (2.661 million tonnes, an increase by 6.5%), and Ukraine (2.065 million tonnes, an increase by 10.5%).

In general, in July 2016, the 66 countries produced 133.742 million tonnes of steel, which was 1.4% up on July 2015.

The top ten steel makers in January-July 2016 included: China (466.516 million tonnes, a decline by 0.5%), Japan (60.935 million tonnes, a decline by 0.8%), India (54.958 million tonnes, an increase by 4.8%), the United States (46.932 million tonnes, a decline by 0.2%), Russia (41.398 million tonnes, a decline by 0.8%), South Korea (39.368 million tonnes, a decline by 2.7%), Germany (25.252 million tonnes, a decline by 2%), Turkey (19.152 million tonnes, an increase by 3.6%), Brazil (17.572 million tonnes, a decline by 12%), and Ukraine (14.477 million tonnes, an increase by 10.3%). ■

UKRENERGO DRAFTS UAH 7.7 BLN INVESTMENT PROGRAM FOR 2017

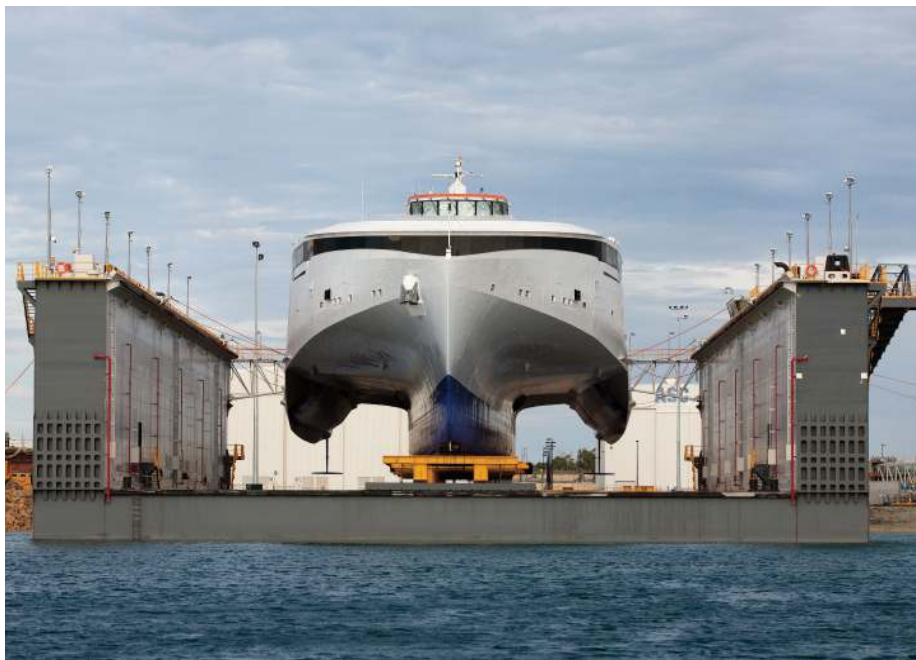
NJSC Ukrenergo has developed a draft investment program for 2017 to the tune of UAH 7.667 billion.

The document was posted on the company's website.

The key sources of the financing will be profit worth UAH 2.476 billion, amortization worth UAH 984.993 million, and loans worth UAH 4.206 billion.

As reported, Ukrenergo operates trunk and interstate power grids, as well as performs the centralized dispatching of the united energy system in the country. The company is a state enterprise, and it is subordinate to the Ministry of Energy and Coal Industry. ■

PALLADA PLANT TO BUILD NEXT GENERATION FLOATING DOCK FOR CYPRIOT CUSTOMER



Kherson State Plant Pallada, part of Ukroboronprom state concern, will build a next generation floating dock with a capacity of 7,100 tonnes under the order of Cypriot Multimarine Shipyards Ltd. and supply it to the customer.

A source in the defense sector told Interfax-Ukraine a contract with the Cypriot company was signed a few days ago. The amount of the contract has not been made public, the dock is to be delivered to the customer in 2017.

The new dock, which will be built under the supervision of the American Bureau of Shipping, will be operated by Multimarine Shipyards Ltd in the port of Limassol (Cyprus) and will be able to dock ships and floating structures used in the development of the Mediterranean Sea shelf with a docking weight of up to 7,100 tonnes and a docking draft of up to 6.3 meters.

Kherson State Plant Pallada is currently the world's only shipyard that specializes in building next generation composite floating docks for maintenance of civil and naval ships. The warranty period of the equipment it makes is 50 years. Among the company's customers are Japan, South Korea, Finland, Bulgaria, Turkey, Algeria, Croatia, France, and South Africa. ■

CROWN AGENTS: UAH 500 MLN SAVED IN PURCHASE OF MEDICINES ON CHILDREN, ADULT ONCOLOGY PROGRAMS

British-based procurement agency Crown Agents has stated the saving of more than 45% or UAH 500 million in procurement of medicines on children's and adult oncology programs for the funds of the 2015 national budget compared to purchases in 2014.

"Thanks to the efficient procedure and clear tender processes more than 90% of items were purchased for a lower price compared to 2014, in some cases the saving exceeded 80%. This resulted in the saving of more than 45% or about UAH 500 million of budget funds compared to 2014 under the procurement programs for adult and pediatric oncology," Crown Agents told Interfax-Ukraine.

Crown Agents noted the international organization expects the implementation of supplies for a total of \$3.6 million under these programs by the end of August. Thus, the total volume of shipments under the programs will amount to 80% of medicines for adult oncology and 58% for child programs. As of mid-August, Crown Agents had delivered more than 75% of medicines in the framework of centralized purchases for adult oncology programs, 38% of medicines for children, as well as 38% of purchased drugs "which are in Ukraine but need approval of the necessary documentation by the Health Ministry for delivery to hospitals." ■

EBRD ORGANIZES EUR 6.9 MLN FINANCING FOR RENGY DEVELOPMENT TO BUILD SOLAR POWER PLANT IN VINNYTSIA REGION



The European Bank for Reconstruction and Development (EBRD) and Clean Technology Fund (CTF) have provided EUR 6.9 million to Rengy Sarata LLC (part of Rengy Development, Kyiv) to build a solar power plant with a capacity of 9.5 MW in Vinnytsia region, EBRD Senior Communications Adviser Anton Usov has wrote on the Facebook page. "EBRD and CTF have provided a loan of EUR 6.9 million to Ukrainian developer Rengy Sarata LLC to design, build and exploit a solar power plant with a capacity of 9.5 MW to be located in Sharhorod near Vinnytsia. Since 2012, this is the third successful [and the largest project] of the EBRD with Rengy Development," he said.

As reported, earlier Rengy Development has built solar power plants with an installed capacity of 4.5 MW and 7 MW in Tomashopil and Bershad districts of Vinnytsia region. ■

KUSUM PHARM COULD DOUBLE SUMY PLANT'S CAPACITY IN 2018- 2019



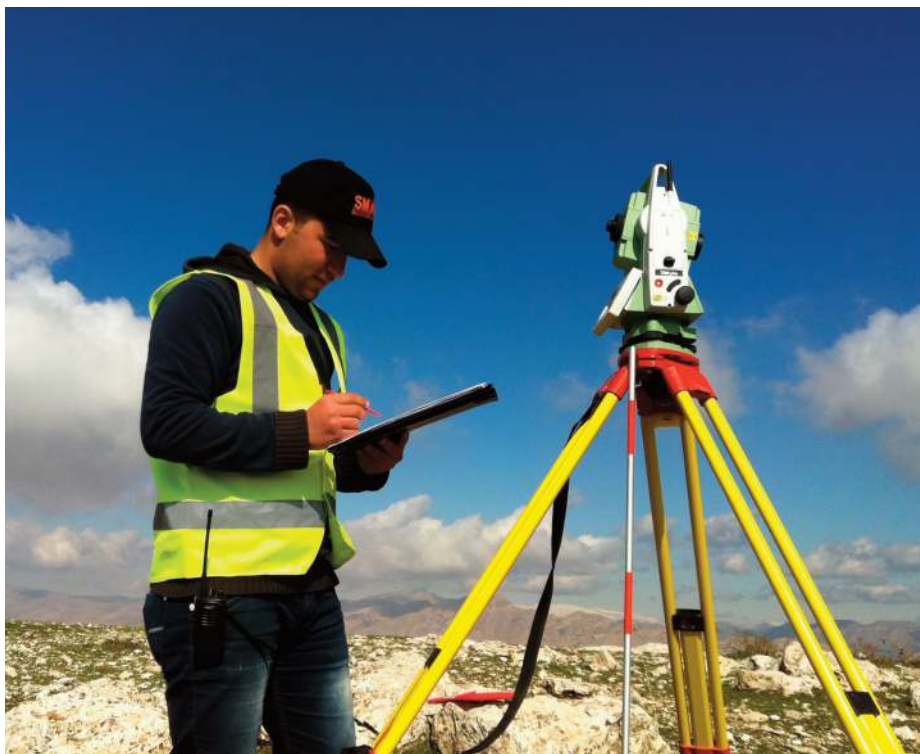
Kusum Pharm LLC (Sumy) intends to use the opportunities of import replacement to double production capacity of the Sumy plant in 2018 and 2019, the co-founder and Director General Rajeev Gupta has said. "First partially and later fully we will switch over to production of medicines we now import from our plant in India to Sumy," he told reporters during a recent visit of Indian Ambassador to Ukraine Manoj Kumar Bharti to Sumy.

Gupta said that the Sumy plant could start producing 50 more medicines, and their number would double. He said that this year the company seeks to expand warehouses by 1,500 square meters, to 4,000 square meters and next year – to expand the administrative building and the quality control department. Then the expansion of production facilities will start in 2018.

Gupta said conditions for attracting investment has been improved by cutting bureaucratic red tape and offering tax incentives for innovation companies.

Kusum Pharm LLC was registered in 2005. Its founders and owners on a parity basis are Gupta and Russian citizen Vladimir Lukyanenko via Swiss Torberg Beteiligungs AG. ■

YUZGAS TO ISSUE \$200 MLN FOR FIVE - YEAR GEOLOGICAL EXPLORATION OF YUZIVSKA FIELD



Yuzgas B.V. (the Netherlands), which won the tender for an investor in the production sharing agreement (PSA) for hydrocarbons extraction on Yuzivska field (Donetsk and Kharkiv regions), has undertaken during the first five-year phase of the PSA to invest \$200 million in geological exploration. "In particular, during the first year the sum will be \$20-30 million," Nadra Yuzivska Director Viktor Nazarkevych said at a press conference in Kyiv. He added Yuzgas, founded by the Emerstone Energy private equity firm, which provided guarantees for \$200 million, has also committed to drill the first well in the first year.

Nazarkevych noted the offers of other participants were significantly worse: Vitol oil trader's subsidiary Balkhash with \$10 million, and Burisma Holdings with UAH 2.7 billion (equivalent to \$108 million). ■

UKRZALIZNYTSIA SEEKS TO LAUNCH INVESTMENT PROJECT TO ELECTRIFY DOLYNSKA-MYKOLAIV SEC- TION THIS YEAR WITH EIB

Public joint-stock company Ukrzaliznytsia seeks to start implement an investment project to electrify the Dolynska-Mykolaiv track section in 2016 jointly with the European Investment Bank (EIB), Ukrzaliznytsia Board Chairman Wojciech Balczun has said.

"The Dolynska-Mykolaiv track section is being electrified. We are preparing an investment project there. We held negotiations with the European Investment Bank that would finance the investment and we will launch the project this year," he said.

Balczun said that the decision to electrify the Kovel-Izov section has been made. In addition, Ukrzaliznytsia is preparing documents to expand the capacity of the line connecting Mariupol with other cities and towns to 30 train pairs a day.

Head of Odesa Railways Hryhoriy Boiko said in October 2015 that works on the electrification of the Dolynska-Mykolaiv railway section are estimated at EUR 290 million. In April 2016, Acting Ukrzaliznytsia Board Chairman Yevhen Kravtsov expressed hope that cooperating with the EBRD and the European Investment Bank, Ukrzaliznytsia will be able to raise funds for electrification of top-priority routes, in particular, the Dolynska-Mykolaiv section. ■

JACOBS UKRAINE PAYS ALMOST UAH 122 MLN OF DIVIDENDS

Private joint-stock company Jacobs Ukraine (Trostianets, Sumy region) will pay UAH 121.87 million in dividends in the period from August 22 through December 23, 2016. The company has said in the information disclosure system of the National Commission for Securities and the Stock Market, the decision was made by the company's shareholders at a meeting on August 4, 2016.

Net profit of Jacobs Ukraine totaled UAH 121.87 million in 2015, and net revenue was UAH 2.27 billion.

As reported, Jacobs Ukraine was founded in 2015 via separating it from Mondelez Ukraine (formerly Kraft Foods Ukraine). Mondelez Ukraine sells products under Jacobs, Carte Noire, Korona, Milka, Vedmedyk Barni, OREO, TUC, Belvita! Dobry Ranok, Lux, Halls, Dirol, Picnic, and Tassimo brands. In summer 2015, Mondelez International Inc. and D.E. Master Blenders 1753 B.V. finished uniting coffee businesses. Jacobs Douwe Egberts (JDE) has been created after the merger. The company is headquartered in Amsterdam (the Netherlands). ■

ACTIVE ENERGY GROUP RAISES GBP2.05 MLN TO EXPAND WOOD PROCESSING CAPACITY IN UKRAINE



Active Energy Group Plc (AEG), whose shares are traded on the London Stock Exchange, in early August attracted GBP2.05 million (\$2.67 million at the current exchange rate) to expand the capacity of its AEG WoodFibre wood processing plant in Yuzhny port in Ukraine, as well as replenish working capital.

"We plan by the end of the year to launch a fully automated production line for hardwood capable of processing about 3,000 tonnes of raw materials per day, a new production line for softwood with a capacity of 1,000 tonnes per day," a company report reads, with reference to its CEO Richard Spinks.

According to him, the short-term projects of capital investment in AEG WoodFibre in Yuzhny port also suggest the acquisition of mobile crushers and lift-and-carry equipment.

The report states the company with the help of Northland Capital Partners broker sold 77.358 million new shares at a price of GBP0.0265 per share to new and existing shareholders, which corresponds to a 16.5% discount to the closure price on August 2.

As reported, AEG has ten-year contracts to buy wood and process it into fire wood chips (in Ukraine) and supply products to energy facilities (in Poland). Liubomir forestry (Volyn region) supplies up to 100,000 of wood a year at the fixed price. Volyninvestbud makes fire wood chips from it at the fixed tariff and supplies up to 80,000 tonnes of finished products a year. Medium Sp. Z o.o. buys all products to deliver them to energy facilities in Poland. ■

UKRAINE THRESHES 37.5 MLN TONNES OF EARLY GRAIN CROPS AS OF AUG 12



Ukraine as of August 12 had threshed grain and leguminous crops on 9.7 million hectares, harvesting 37.5 million tonnes of grain.

The press service of the Agricultural Policy and Food Ministry reported the yield is 39.4 centners per ha. Some 26.2 million tonnes of wheat were threshed on 6.1 million ha or 99% of the target with the yield of 42.8 centners per ha.

Some 9.8 million tonnes of barley were threshed on 2.86 million ha or 99% of the target with the yield of 34.1 centners per ha.

Around 757,000 tonnes of peas were harvested from 235,000 ha (99%) with the yield of 32.2 centners per ha.

Some 370,000 tonnes of rye were threshed on 137,000 ha (96%) with the yield of 26.9 centners per ha, and some 468,000 tonnes of oats were threshed on 182,000 ha with the yield of 25.6 centners per ha.

In addition, some 1.1 million tonnes of winter rapeseeds were threshed on 431,000 ha (95%) with the yield of 26.2 centners per ha. The ministry predicts grain harvest at 61 million tonnes. ■

NIBULON INCREASES GRAIN EXPORTS BY 14% IN 2015/16 AGRI-YEAR



Nibulon agricultural company in 2015/16 agricultural year (July-June) increased grain exports by 14%, to 4.66 million tonnes of grain compared to the previous season. According to a company report on its website, key crops for exports were corn (over 1.8 million tonnes), wheat (over 1.9 million tonnes) and barley (around 560,000 tonnes).

Geography of exports covered 28 countries, among which the largest consumers were Egypt (the share of total imports is 18.1%), Saudi Arabia (10.7%) and Spain (9.9%). In 2015/16 agri-year Nibulon opened the Indonesian market. The company shipped around 295,000 tonnes of wheat to this country (6.5% of total exports).

Some 122 ships with an average size of a batch of 35,000 tonnes were used to export grain. Nibulon was created in 1991. It is one of the largest operators in the grain market of the country. The company has elevators with a total capacity of more than 2 million tonnes, as well as own transshipment terminal in Mykolaiv. ■

AGRICOM GROUP EXPANDS LAND BANK BY 10,000 HA



Agricom Group has expanded a land bank by 10,000 ha, to 40,000 ha thanks to the acquisition of a cluster on the border of Rivne and Zhytomyr regions.

The company said in a press release that the enterprises of the new cluster will plant wheat, soybeans and rapeseeds. "This year we will start working – in autumn the fields will be planted with winter crops. Next phase is building the storage and processing capacities on the territory of the cluster," Agricom Group Executive Director Petro Melnyk said.

Agricom Group produces and distributes food made of grain at own production base. It unites agricultural, processing and trade enterprises. ■

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