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HEADLINES

UKRAINE, U.S. SIGN AGREEMENT ON FATCA

KYIV TO HOST UNIQUE FESTIVAL: SIX COUNTRIES WILL SHOWCASE ITS PRODUCTS



SIEMENS BUSINESS GROWTH IN UKRAINE EXCEEDS 10% IN Q4 2016

TMM COULD BUILD WASTE-TO-ENERGY PLANT IN IN KYIV



UKRAINIAN IT TEAM TOPS WORLD RANKING OF 'WHITE HATS'

PFEIFER&LANGEN CLOSES DEAL ON PURCHASE OF SIX T-TSUKOR SUGAR REFINERIES



UKRAINIAN ORGANIC PRODUCERS INCREASE EXPORTS BY 2.5 TIMES IN 2016

UKRAINE, U.S. SIGN AGREEMENT ON FATCA

Ukraine's Finance Minister Oleksandr Danyliuk and U.S. Ambassador in Ukraine Marie Yovanovitch signed an intergovernmental agreement to improve the implementation of tax rules and apply the provisions of the U.S. foreign account tax compliance act (FATCA) was signed in Kyiv on Tuesday.

"This agreement helps to reduce the opportunities for financial fraud and tax evasion, to promote a better exchange of information between Ukraine and the United States, the exchange of experience and strengthening our cooperation with the United States," Danyliuk said after the signing.

Yovanovitch explained that under the agreement, the United States will receive at the state level information from the Ukrainian side about the administration of income tax by U.S. citizens and companies in which they own stakes.

The bilateral cooperation in the field of administration of income and taxes is a two-way street, the ambassador said noting that the U.S. is also willing to share the relevant data with the Ukrainian authorities. Danyliuk said that the agreement on FATCA has already been signed with 60 countries. ■

UKRAINE INTENDING TENFOLD INCREASE OF EXPORTS TO CANADA OVER FIVE YEARS



Ukraine intends to increase tenfold its exports to Canada over the next five years, Deputy Minister of Economic Development and Trade, Trade Representative of Ukraine Natalia Mykolska has said.

"If we talk about cancelling import duties, and we have a great desire to do this, then during the course of five years export volumes will increase tenfold, compared to current levels. Over 11 months in 2016 exports from Ukraine to Canada amounted to \$26.2 million. This is not an indication of the potential," Mykolska said during a roundtable meeting in the Verkhovna Rada of Ukraine.

Ukraine's Ministry of Economic Development and Trade has said in 2015 Ukrainian exports to Canada were worth \$30.2 million, while Ukraine imported \$206.3 million worth of goods. As earlier reported, in December Canada's lower house of parliament supported ratification of an agreement on a free trade zone with Ukraine. The legislative initiative still needs to be ratified by Canada's Senate. ■

GROYSMAN CALLS ON INTERNATIONAL PARTNERS TO DRAFT 'MARSHALL PLAN' FOR UKRAINE

Ukrainian Prime Minister Volodymyr Groysman has called on international partners to help Ukraine create a recovery plan for Ukraine similar to the "Marshall Plan" – the plan of assistance for Western Europe following World War II. Appearing at a conference, titled "Cheering and Steering: Ukraine Reforms Reloaded" in Brussels on Thursday, the PM said in 2014 the European Union and donors offered Ukraine a "Marshall Plan" and planned a donor conference in February 2015. Preparations for the plan to assist Ukraine were also held. However, the conference did not take place and the necessary decisions were not taken.

"I think we should return to this initiative. If the question arises, how friendly European and world partners of Ukraine can help, then we must provide a clear answer, a plan for Ukraine's restoration. This "Marshall Plan" we will create jointly will be aimed at restoring key sectors of the economy which have suffered," Ukraine's PM said.

According to Groysman, key sectors of Ukraine's economy which have suffered because of Russian aggression must be restored and recalibrated very quickly. ■

KYIV TO HOST UNIQUE FESTIVAL: SIX COUNTRIES WILL SHOWCASE ITS PRODUCTS



Kyiv will be turned into a unique shopping and entertainment festival early in March. The event is expected not only to bring together products from designers from different countries on one platform, but also to present interesting shows, workshops and more. Residents of Kyiv will be able to buy special gifts for spring holidays, bags, clothes, shoes and accessories created by designers.

On March 3-5, the International Exhibition Center will become the place where participants from Lithuania, Belarus, Moldova, Turkey, Slovenia, Ukraine, and Italy will tell the public about their services and products. It will also be a good opportunity for them to establish strong business relationships and find partners in Ukraine and abroad. The ambassadors of the countries whose companies will participate in the event will contribute to the promotion, as they will be available for direct communication there.

The festival, organized by the Ukrainian League of Industrialists and Entrepreneurs (ULIE), is backed by the Chambers of Commerce of the above mentioned countries. Following the event, they will publish a directory with companies and enterprises that were present at the exhibition.

A number of well-known companies that manufacture souvenirs, clothes, shoes, knitwear, handicraft goods and others have already showed their interest in this First Spring Festival. Participation in the event is seen as an opportunity to test products, receive the feedback from consumers, inform people about the advantages of the products. It is worth mentioning that the trade fair will be held on the eve of International Women's Day marked on March 8, therefore residents of Kyiv will come to buy gifts for this holiday.

"We have tried to make our festival, despite forecasts of the cold weather, a truly spring-like, warm and comfortable day. The Exhibition Center's equipped marketplace will allow visitors to fully enjoy new products from our members, to participate in workshops, have a cup of coffee and have a good time on that day," the organizers of the festival have said. ■

ULIE AND PRIVATBANK CONTINUE BUSINESS SUPPORT PROGRAM



The 'Ukraine is a Country of Entrepreneurs' program, which is designed to facilitate businesses' access to loans, encourage self-employment and which was launched by the Ukrainian League of Industrialists and Entrepreneurs (ULIE) last year jointly with PrivatBank, will continue in future. Its main goal is to create more than one million jobs and significantly boost the number of small businesses. Partners hope this initiative will become a nationwide program for support of entrepreneurship, and encourage the government to join. This issue was on the agenda of a meeting between ULIE President Anatoliy Kinakh and Chairman of the Board of PrivatBank, former Finance Minister of Ukraine Oleksandr Shlapak.

They agreed that significant results had been achieved in 2016 by the partners for a period shorter than a year. Among them is public and private partnership with local authorities. A series of forums that were held in all regions of Ukraine have helped to launch regional programs for compensation of interest on business loans from local budgets. For example, Kyiv and Odesa have allocated UAH 10 million for this purpose. Other state administrations have committed from UAH 1 million to UAH 5 million, depending on their capabilities.

Under conditions of high unemployment and labor migration, as well as low living standards (70% of Ukrainians are facing poverty, according to UN standards), this program can reverse the current negative trends and serve as a drive for business activity in the country. It should be mentioned that 214,000 individual entrepreneurs have already ceased activity due to unfavorable legislative innovations. An ill-considered increase in the minimum wages, fines and regulatory checks force small- and medium-sized businesses to reduce personnel and work in the shadows.

"That's why the KUB [the Country of Successful Business, or 'Ukraine is a Country of Entrepreneurs'] program is now very important. In 2017, it will be extended, moreover, we declare that it is open to new proposals and call on other banks, financial institutions to join," Anatoliy Kinakh has said.

The partners will ask the government to make the program nationwide, which is to qualitatively improve assistance to the self-employed and small businesses, and scale it up. "We believe there should be startups, not closures of companies, as well as the creation of new jobs and the development of the domestic market to facilitate economic growth and GDP. This requires incentives at the state level. In addition, we have already developed mechanisms that work, and they will have to become the basis for building comprehensive state assistance for businesses," the heads of the ULIE and PrivatBank summed up. ■

INTERPIPE ENTERS SAUDI ARABIAN RAILWAY WHEELS MARKET

Interpipe Pipe and Wheel Company (Dnipro) has supplied a first batch of railway wheels in the amount of 3,000 units to Saudi Railways Organization, the national railway operator of the Saudi Arabia. The company said in a press release last week that the wheels have already been delivered to Dammam port.

The total volume of the wheels supply under KLV brand to the railroads of Saudi Arabia amounts to 14 thousand pieces. Interpipe will produce and supply three dimensions of wheels for freight wagons and locomotives: 838 mm, 920 mm and 1046 mm.

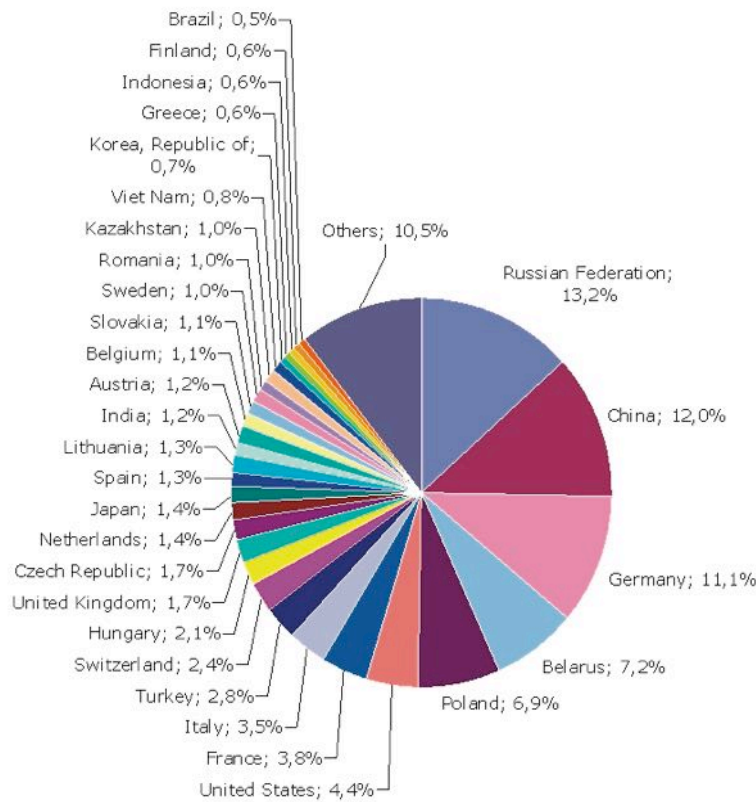
Shipments will be completed by the end of spring this year. The company gained the right to supply these railway products to Saudi Railways Organization under the tender won in 2016.

According to the press release, this is the first long-term contract for railway wheel supplies to Saudi Arabia. For Interpipe this is a quite promising and growing market, since Saudi Railways Organization is one of the largest railway operators in the Middle East, and the country develops its national railway infrastructure proactively.

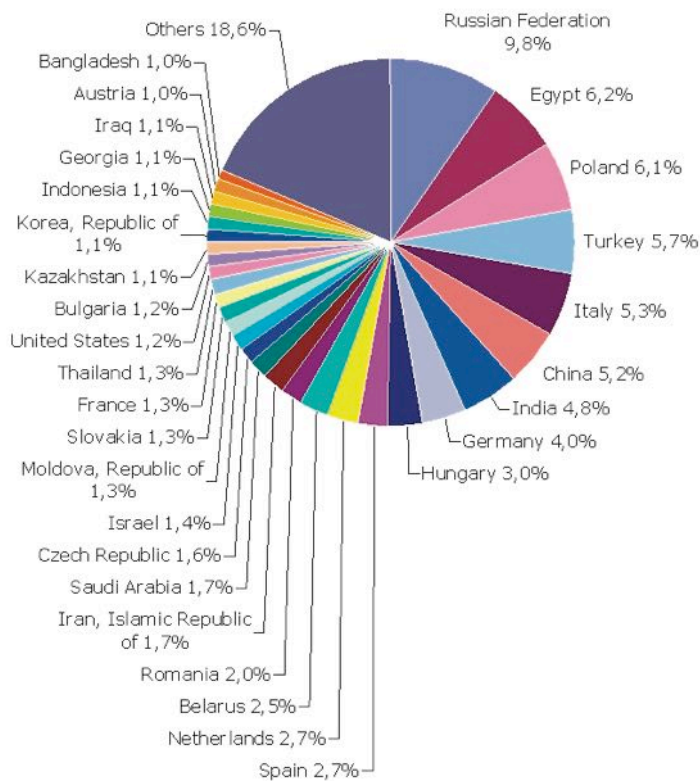
"One of the peculiarities of the rolling stock operation in Saudi Arabia consists in the excessive wheel wear due to the specific climate. KLV wheels fully comply with the customer's requirements. We are going not only to work on the supplies of the currently available products, but also cooperate with the local railway, to search for technical solutions to extend the service life period of wheels in such an aggressive environment," Interpipe CCO Oleksandr Harkavy said.

Interpipe is global producer of steel pipes and railway wheels, based in Ukraine. The company's products are marketed in more than 80 countries around the world through a network of sales offices located in key markets of Ukraine, the CIS, the Middle East, North America, and Europe. ■

UKRAINE'S FOREIGN TRADE IN GOODS, JANUARY–NOVEMBER 2016, IMPORTS, THSD. USD



UKRAINE'S FOREIGN TRADE IN GOODS, JANUARY–NOVEMBER 2016, EXPORTS, THSD. USD



TMM COULD BUILD WASTE-TO-ENERGY PLANT IN TROYESCHYNA DISTRICT IN KYIV



TMM developing and construction firm LLC (Kyiv) intends to realize a project to build a solid household waste-to-energy plant near combined heat and power plant six in Kyiv, TMM Director General Mykola Tolmachev has said in an interview with Interfax-Ukraine.

“The waste combust technology is similar to the “magma” technology when waste is heated on hot stone without the use of oxygen. The technology brings almost no waste and no emission. This is environment friendly production. I am going to be first who will build this plant in Ukraine. We are holding talks with Kyiv and Zaporizhia,” Tolmachev said.

He said that at present the company is waiting for the signing of the memorandum with Kyiv Mayor Vitali Klitschko. The document would allow starting construction of the plant in Kyiv this year.

He said that the plant could be located near combined heat and power plant six in Troyeschyna district.

He did not disclose the cost of the project. He said that he intends to raise the funds himself. TMM Firm is a developing and construction company of full cycle. It has been operating on the Ukrainian construction market since 1994. ■

MYKOLAIV DESIGNS 16 BUSINESS PROJECTS TO ATTRACT INVESTORS

Municipal institution Mykolaiv Development Agency has designed 16 business projects to attract investors to the city, Agency Director Vasyl Hoshovsky has said. “These are turn-key businesses ready to be introduced as investment projects. Today we have drawn up 16 projects. The main thing is that we have worked out a scheme how we can design these projects and we will work on it in the future,” Hoshovsky said at a press conference at Interfax-Ukraine in Kyiv.

He said that first 16 business cases are first linked to those spheres of business which are of top priority for Mykolaiv today and which have advantages compared to other cities and regions of Ukraine. “These are projects with investments from \$1 million to around \$50 million. The key spheres are small-size shipbuilding, agricultural product processing and agroindustrial complex. A project to build a class A shopping and leisure center is also proposed. This is one of the largest projects in the business cases,” Hoshovsky said. He said that the website Invest in Mykolaiv was designed for potential investors. The website is being tested and will be launched soon. Investors will be able to see land parcels on the city’s map that will be put up for auction. The parcels can be used for construction and municipally-owned facilities. They will be put up for sale or leasing.

Mykolaiv Mayor Oleksandr Senkevych said that city authorities have shaped the first version of the investment map of the city intended to show competitive advantages of Mykolaiv to potential investors.

“This is a first tool of this level in Mykolaiv. It makes clear the things we have not only for residents of the city, but for people who are looking for territories for investment,” Senkevych said. He said that in 2016 private investment in Mykolaiv totaled \$320 million. Most of it was sent to develop the port zone of the city and construction of terminals.

Senkevych said that in 2017 investment in the city could fall, as there are no large projects that would be launched soon. “There is the internal investor – the company Nibulon. It seeks to invest in its fleet expansion and starts river communications... I think that the zone adjacent to the port near rivers will start developing,” he said. ■

INFRASTRUCTURE MINISTRY HOPES TO REPAIR RUNWAY AT ODESA AIRPORT IN 2017



Ukraine’s Infrastructure Ministry hopes to repair the runway at the Odesa international airport in 2017, Minister Volodymyr Omelyan said at a meeting with journalists in Kyiv late on Wednesday.

“The aviation development program is working. I hope that this year we will start repair of the runway at the Odesa airport,” he said. The minister added that the funds may be provided for some other directions.

As reported, in July 2016 now-resigned Head of Odesa Regional Administration Mikheil Saakashvili said that the Odesa airport could stop operating due to the bad state of the runway.

In February 2017 Vice President of Ukraine International Airlines (UIA) mentioned the bad state of the runway in Odesa. Odesa International Airport is in the top three largest airports in Ukraine on the number of passengers in the first half of 2016. It performs regular and charter flights between the cities of Ukraine, the CIS, Western Europe, Asia, and Africa. ■

UKRAINE INCREASES STEEL OUTPUT BY 4.5% IN DEC, RANKS 10TH IN DEC AND 2016 – WORLDSTEEL



Ukrainian metallurgical enterprises in December 2016 increased steel production by 4.5% compared with December 2015, to 2.015 million tonnes, being the 10th place in the ranking among 66 countries, the world’s major manufacturers of these products, compiled by the World Steel Association (Worldsteel). Growth in steel production in December was fixed in most countries from the top ten states, except for South Korea and Brazil.

The top ten steel makers in December looks as follows: China (67.22 million tonnes, a 3.2% rise), Japan (8.711 million tonnes, a 1.5% rise), India (8.397 million tonnes, 15% up), the United States (6.619 million tonnes, a rise of 11%), Russia (6.213 million tonnes, an 8% rise), South Korea (5.858 million tonnes, a 0.2% drop), Germany (3.23 million tonnes, 8.2% up), Turkey (2.838 million tonnes, 6.2% up), Brazil (2.149 million tonnes, 12.7% down), and Ukraine (2.015 million tonnes, 4.5% up).

In general, 66 countries in December 2016 produced 134.059 million tonnes of steel, which is 5.5% more than in December 2015. In general, the 66 countries produced 1.604 billion tonnes of steel in 2016, which was 0.7% up year-over-year. ■

SMG SHIPBUILDING COMPANY OF SMART-HOLDING INCREASES PRODUCTION BY 49% IN 2016



Shipbuilding company Smart Maritime Group (SMG), part of Smart-holding, in 2016 increased production by 49% compared to 2015, to UAH 395 million, the press service of SMG has said.

According to the report, in 2016 Kherson Shipyard, part of SMG, provided the building of a SEA ANT multipurpose oil skimmer under the HM 440 project on the order of Yuzhny branch of the Ukrainian Sea Ports Authority. In addition, last year SMG repaired and modernized 46 vessels, among which was the Mykolaiv border patrol ship of the State Border Guard Service of Ukraine.

According to the report, now SMG continues to develop the capacity of mechanical engineering and metal working: in 2016 its machine building plants fulfilled contracts for a total of UAH 9 million. Among the main customers are Metinvest group of companies, Yucement.

Smart Maritime Group sub-holding (SMG) of Smart-holding belonging to businessman Vadim Novinsky, created in 2009, includes Chornomorsky Shipbuilding Yard (Mykolaiv) and Kherson Shipyard. In July 2016 the Economic Court of Kherson region declared Kherson Shipyard bankrupt and started liquidation procedures. ■

ULIE IN LETTER TO PM: TARIFFS FOR CARGO TRANSPORTATION BY RAIL CANNOT BE INCREASED



R ukrainian manufacturers and exporters oppose the increase of tariffs for cargo transportation by rail by 25% announced by the Infrastructure Ministry.

The press service of the Ukrainian League of Industrialists and Entrepreneurs (ULIE) has reported that the ULIE has sent a letter with the positions of Ukrainian associations to Ukrainian Prime Minister Volodymyr Groysman.

The ULIE said that the 25% rise in the tariffs creates large risks: billions of hryvnias would be washed out of the working capital in the agricultural, metal, engineering and other sectors.

“The change of taxation of agricultural producers in 2016 washed out at least UAH 25 billion from the sector. Now it would be another UAH 8-10 billion. This could result in shutting down production facilities, decrease of exports and growth of the hryvnia exchange rate to the U.S. dollar,” the ULIE said, referring to experts from the agricultural sector.

ULIE President Anatoliy Kinakh said that railway is a sole option for many industrialists: up to 90% of their products are shipped by rail. The sharp increase in the tariffs would affect their budgets and result in reduction of production.

“Deterioration of rolling stock is catastrophic – up to 85%. Now some steps have been made to solve this problem: the relevant decisions by the national committee for industrial development. Industrialists understand that the money is required to modernize railways. Why it is done the problem of consumers of the cargo transportation services?” he said.

Kinakh said that growth of the tariffs by 30% and 15% in the previous years did not influence the state of cargo transportation. The situation should be discussed with manufacturers and exporters and a compromise decision should be found.

In general, manufacturers are convinced that Ukrzaliznytsia should be reformed. A modern transport enterprise should be created, but not at the expense of consumers of its services, but thanks to professional management and development of the national producer order system, ULIE said. ■

UKRAINE UPS ROLL OUTPUT 10%, PIPE 42% IN JAN

Ukraine increased crude steel production by 9% year-on-year to 2.103 million tonnes in January 2017, according to recent data.

Ukrmetallurgprom association of metal companies of Ukraine (Dnipro) told Interfax-Ukraine that roll output in January grew 10% to 1.855 million tonnes whilst pig iron production remained at the January 2016 level at 1.914 million tonnes.

Pipe output increased 42% in January to 77,000 tonnes. Coke production fell 7% to 1.008 million tonnes.

Crude steel production was 2.014 million tonnes in December 2016, roll production was 1.943 million tonnes, and 44,000 tonnes of pipe and 1 million tonnes of coke were produced.

Ukraine’s crude steel output grew 6% in 2016 to 24.2 million tonnes, pig iron – 8% to 23.6 million tonnes, roll – 6% to 21.4 million tonnes, coke – 10% to 12.725 million tonnes. Pipe production fell 1% to 847,000 tonnes. ■

SIEMENS BUSINESS GROWTH IN UKRAINE EXCEEDS 10% IN Q4 2016



Siemens business in Ukraine started growing from H2 2016 and in Q4 2016 it exceeded 10% year-over-year and compared to Q1 2016, Siemens Ukraine CEO and a member of the board of the European Business Association (EBA) Maciej Tomasz Zielinski has said.

“We are flourishing. There were more projects and incomes in the third and fourth quarters. What 2017 will be? Frankly speaking, I do not know. The forecast is that it would be better than 2016. Most of sectors where we are operating or even all have rallied,” he said at the EBA conference in Kyiv. He said that industrial growth in 2017 would considerably exceed the figure of 2016 being 2.4%.

He said that the mining and metal sector and agro-industrial sector have grown most of all. He said that first in the past years capital expenses (CAPEX) projects started appearing in the mining and metal sector along with operating expenses (OPEX) projects. Earlier started projects are being unfrozen, including projects of large holdings.

Zielinski added that the serious growth is seen in automation in the energy and infrastructure sectors. He said that recently Siemens created a hub in Kyiv that is servicing software and startup projects in energy distribution, in particular, implementing the projects for Egypt and Saudi Arabia. He said that the company is expanding the team of engineers of the hub and had to increase salaries for skilled workers by more than 10%. He expects that salaries this year would grow by 13-15%. ■

UKRAINIAN IT TEAM TOPS WORLD RANKING OF ‘WHITE HATS’

Ukrainian IT team dcua in 2016 won first place in the CTFtime ranking among specialists able to determine the degree of system protection against attacks and build it, the press service of Sikorsky Kyiv Polytechnic Institute has said.

According to the rating, posted on the website of CTFtime, Ukrainian IT specialists from the institute drew ahead of more than 12,000 teams from around the world.

Ukrainian team dcua, created in 2012, is led by research fellow from the institute Mykola Ilyin. Currently the team consists of 43 players.

Dcua has been in the top ten in the CTFtime rating for the past four years. In 2013 the team ranked fifth place, in 2014 and 2015 sixth.

The CTFtime rating is drawn up as a result of participation of teams during the year in international competitions in the field of information security. In 2016 it was based on the results of 70 competitions.

Capture the Flag (CTF) in the field of cyber security is a team competition for protection of information aimed at finding vulnerabilities in the system, determining the extent of its vulnerability and finding the ways to eliminate weaknesses. ■

AGGREGATE ESTIMATE OF UKRAINIAN PRODUCT IT COMPANIES EXCEEDS \$2.5 BLN



The sector of Ukrainian product IT companies thanks to a rapid growth in recent years in terms of cost became comparable with the sector of outsourcing IT companies and has a significant potential of growth in the light of experience accumulated, the formation of an appropriate business environment and a high interest of venture investors, head of the supervisory board of the Ukrainian Venture Capital and Private Equity Association (UVCA) Andriy Kolodiuk considers. “There appear more and more product companies. My total evaluation of product companies exceeds \$2.5 billion: one deal with Lookery is \$150 million, but we also have a full list of 3,000 startups and companies in Ukraine. Therefore I am confident that the aggregate value of them has already exceeded \$2.5 billion,” he said in an interview with Interfax-Ukraine on the sidelines of the Ukrainian lunch organized by the Pinchuk Foundation in Davos. Kolodiuk, being also a venture investor, founder and managing partner of AVentures Capital, noted that venture investors invest only in product companies and do not invest in outsourcing. According to him, among the projects available in the portfolio of AVentures, for example, Petcube will cost at least \$600 million, and this success encourages other investors to invest. ■

TMM OWNER MULLING INVESTMENT IN AGRICULTURAL BUSINESS PROJECTS



The owner and director general of TMM developing and construction firm Mykola Tolmachev seeks to invest in agricultural business projects.

“I have four business plans. I am ready to study two of them in the agricultural sector. I am interested in those things that no one is doing now,” he said in an interview with Interfax-Ukraine. Tolmachev said that he is studying construction of a pectin plant and the launch of a powder milk production project. “Some apples contain pectin. Its price is from \$15 to \$25 per kilogram. The project is ideal for Belarus, as they have the raw material base,” he said.

He said that the second project to produce powder milk should be implemented with the prospect of exporting it to China.

“The powder milk project should be realized for China. There is always demand in this country on it. The price is good – \$2,000-3,000 per tonne. I think that they would be investors without any problems. We are making products no worse than European companies make,” he said.

Tolmachev said that the prospect for launching the two projects is three or five years. It suits the TMM development strategy to become an international company in the next five years.

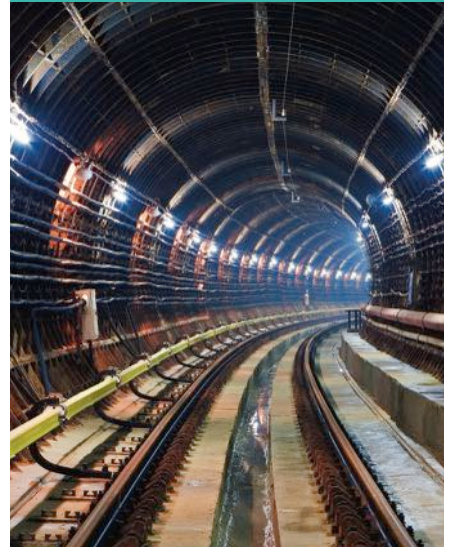
At present, TMM as the general contractor is building an elevator in Vasylkiv (Kyiv region). Earlier the company finished construction of a bakery. TMM is cooperating in construction of infrastructure projects with Astarta, Ukrproduct and NCH.

“We have what to offer, as we are the full cycle company and can make almost everything, starting from examination and design. If the company is ready to give us a bank guarantee, we build their facilities using own money,” the owner of TMM said.

He said that Ukrainian agriculture is a promising direction for investment, as Ukraine could produce 120 million tonnes of grain, but it has large problems with infrastructure.

“This is a large market for the next 10 years: according to my estimates, agricultural producers are to invest or raise around \$12 billion in grain storage and transportation infrastructure. New companies would come: it is enough work for everyone, as in other segments,” the businessman said. He said that agriculture in Ukraine will be profit-making if the land market were launched. TMM Firm is a developing and construction company of full cycle. It has been operating on the Ukrainian construction market since 1994. ■

KYIV CITY PLANS TO START BUILDING SUBWAY TO VYNOHRADAR IN DEC 2017



Kyiv city authorities plan to launch two new subway stations within three years – Prospekt Pravdy and Mostytska. Construction works could start in December 2017, the press service of Kyiv City Council has reported, referring to Kyiv Mayor Vitali Klitschko.

“According to the preliminary calculations, we could open the Mostytska and Prospekt Pravdy stations within three years,” he said at a visiting meeting at the Syretska subway station.

He said that at present the project is being designed and examined. Its approximate cost is UAH 5 billion.

The mayor said that Managing Director of the European Bank for Reconstruction and Development (EBRD) Thomas Maier showed the bank’s interest in the projects to build subway when Klitschko met him.

He said that construction of subway to Troyeshyna residential district could be possible only after the completion of the Podilsko-Voskresensky Bridge. ■

UKRAINE POSTS 50% RISE IN POULTRY EXPORTS, IN PORK EXPORTS 31% UP IN JAN



Ukraine in January 2017 exported 10,993 tonnes of poultry, and this was 50% more than a year ago, the State Fiscal Service has reported. In money terms poultry exports rose by 21%, to \$13 million. Poultry imports shrank by 20.2%, to 6,900 tonnes and in money terms it decreased by 24%, to \$2.8 million.

According to customs statistics, pork exports in January fell by 31%, to 380 tonnes for \$690,000 compared to \$470,000 in January 2016.

Pork imports to Ukraine over the period plunged by 78.7%, to 64 tonnes. Pork for \$125,000 was imported to the country and this was 68.8% less than in January 2016.

As reported, Ukraine in 2016 exported 3,160 tonnes of pork, which is 88.4% less than in 2015. Pork imports in 2016 decreased by 23.2%, to 2,840 tonnes. Poultry exports in the past year grew by 48.9%, to 240,160 tonnes. Poultry imports in 2016 rose by 36%, to 83,300 tonnes. ■

AREA UNDER ORGANIC FARMING IN UKRAINE COULD GROW BY 10% IN 2017



The area of certified farmland under organic production in Ukraine could increase by 10% in 2017, to 450,000 hectares, according to the Organic Ukraine union of organic goods producers.

“The medium-term plan of the government’s priority actions, which is now at the stage of public discussion, envisages the increase in the area of organic farming land to 450,000 hectares by the end of 2017, i.e. by 10%,” reads a press release of the organization.

According to the Organic Federation of Ukraine, currently 410,550 ha of land in the country are occupied for organic farming. Compared with 2010, this figure increased by 35%.

The EU has 11 million hectares of certified land for organic farming, more than 270,000 farms are engaged in organic production.

Deputy Minister of Agricultural Policy and Food Olha Trofimtseva during the first international congress Organic Ukraine in Kyiv said in the last 5 years the number of operators in the Ukrainian organic market grew by 90%.

“The organic industry is one of the most dynamic. With 400,000 hectares of land under organic treatment, we could increase this figure by several times,” Minister of Agricultural Policy and Food Taras Kutoviy said. ■

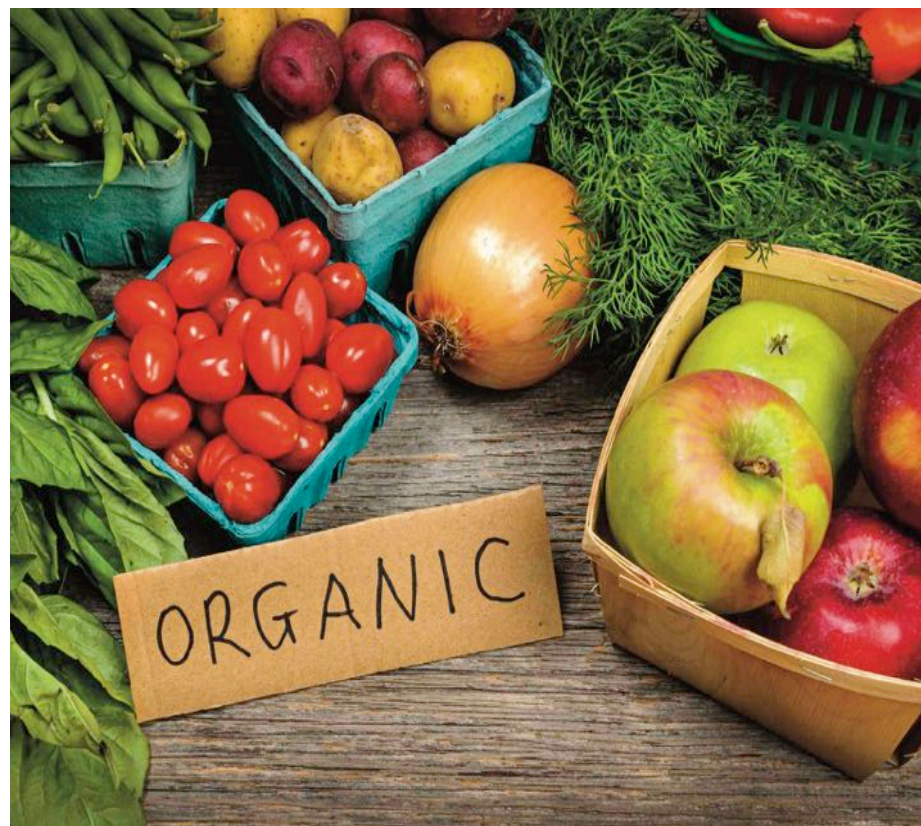
PFEIFER&LANGEN CLOSES DEAL ON PURCHASE OF SIX T-TSUKOR SUGAR REFINERIES

Tfeifer & Langen (Germany) has closed a deal on the acquisition of six sugar factories in Ternopil region, previously owned by T-Tsukor holding. “We’ve purchased six T-Tsukor factories: Borschiv, Buchach, Zbarazh, Kozova, Lanivtsi and Khorostkiv sugar factories (Ternopil region),” Director of Radekhiv Sugar LLC Vitaliy Sikorsky told. The financial partner of the transaction was Bank Pivdennyi.

As reported, T-Tsukor, which owned the abovementioned six plants in Ternopil region and Horodenka plant in Ivano-Frankivsk region, was controlled by the Huta family.

Until 2014 T-Tsukor sugar holding had been one of three leaders in sugar production in Ukraine, but in 2014 the factories were standing idle. Pfeifer&Langen is the largest European producer of sugar. The company, in particular, owns sugar factories in Germany, Poland, Romania, Italy, Hungary, Slovenia, the Czech Republic, and Ukraine. In Ukraine, it owns Radekhiv sugar factory (Lviv region) and Chortkiv sugar factory (Ternopil region). ■

UKRAINIAN ORGANIC PRODUCERS INCREASE EXPORTS BY 2.5 TIMES IN 2016 – EXPERT



TARGET FOR AREAS WITH NUT CROPS IN 2017 IS 2,500 HA – AGRICULTURE MINISTRY



Ukrainian agricultural companies plan to plant nut crops on around 2,500 ha in 2017, including 1,520 ha with walnuts, 890 ha with hazelnuts and 40 ha with almond, according to a posting on the website of Ukraine’s Agricultural Policy and Food Ministry. A total of 5,000 ha of areas with walnuts and 600 ha with hazelnuts are in Ukraine. “Nut production is one of the interesting segments of the Ukrainian agroindustrial sector. It generates good profits. I am glad about the idea of a pilot project to cooperate in the nut segment in Cherkasy region” Deputy Agricultural Policy and Food Minister for European Integration Olha Trofimtseva said. According to the ministry, in 2016 exports of nuts from Ukraine totaled 40,000 tonnes for \$79.29 million and some 1,920 tonnes for \$13.56 million was imported.

Exports of organic products from Ukraine in 2016 increased by 2.5 times, to 165,000 tonnes, compared to 2015, director of the Organic Standard certification agency Serhiy Halashevsky has said during the First International Congress Organic Ukraine 2017. “Organic producers last year exported more than 165,000 tonnes of produce abroad. This is more than EUR40 million,” he said. According to Halashevsky, 67,000 tonnes worth EUR21 million were exported in 2015.

Currently Ukraine has certified according to organic standards the production of marrow squash, onion, rhubarb, pepper, lavender, sage, rose, rosemary, coriander, sour cream, butter, meat, eggs, mushrooms, nuts, grains and others.

Ukraine imports organic products mainly from EU countries. As reported, the Organic Ukraine union of certified organic producers predicts that the number of certified land under organic production in Ukraine in 2017 could increase by 10%, to 450,000 ha.

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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