

HEADLINES

ULIE PROPOSES MODEL FOR FINANCING ENERGY-EFFICIENT PROGRAMS
VOLUME OF M&A TRANSACTIONS IN UKRAINE 20% UP IN 2016

LEAN GLOBAL NETWORK'S REPRESENTATIVE OFFICE OPENED IN UKRAINE WITH SUPPORT OF K.FUND



RADA RATIFIES FTA BETWEEN UKRAINE AND CANADA

MUSK READY TO BUILD STORAGE SYSTEMS IN UKRAINE FOR \$250/KW



VEGA LV POWERED BY UKRAINIAN ENGINE SUCCESSFULLY PUTS EUROPEAN SATELLITE INTO ORBIT

SAINT-GOBAIN TO INVEST EUR 65 MLN IN BUILDING PLANTS IN UKRAINE



CHINA HAISUM ENGINEERING COULD INVEST \$515 MLN IN UKRAINIAN GARDENING PROJECTS



ULIE PROPOSES MODEL FOR FINANCING ENERGY-EFFICIENT PROGRAMS

The Ukrainian League of Industrialists and Entrepreneurs (ULIE) has been popularizing the idea of co-financing under loan programs for energy efficiency with the use of the national and local budgets. Mykolaiv region has become an active participant in the ULIE's initiative as for participation in the expanded model of funding for making buildings, private households and apartments more energy efficient.

The regional and city administrations together with the advisory center of the ULIE's Commission for Energy Development and Energy Saving have held six workshops with participants in the program. Currently, the regional council is preparing a round table with local authorities for the discussion of methods of joint state and local funding programs for the so-called thermo modernization.

The sum of money allocated from the national budget in the amount of UAH 400 million this year to compensate loans under the thermo-modernization program is much lower than demand, the ULIE said earlier.

"The complicated economic situation in Ukraine and growing utilities tariffs encourage the introduction of energy efficiency and energy conservation technology in housing, as well as the social and budget-sustained sectors. An effective tool is the implementation of state, regional and municipal programs for popularizing energy efficiency measures among households. This will reduce energy consumption in homes to 60%, while saving billions of cubic meters of gas and electricity," the ULIE said.

Work in this direction continues. It must be mentioned that a series of workshops on the implementation of energy efficiency measures in the corporate and municipal sectors, as well as in housing are being conducted by experts of the ULIE, the State Agency on Energy Efficiency and Energy Saving of Ukraine, and the local authorities in the regions of Ukraine.

RADA RATIFIES FTA AGREEMENT BETWEEN UKRAINE AND CANADA



The Verkhovna Rada has ratified the free trade area agreement (FTA) between Ukraine and Canada (No. 0120).

Some 272 people's deputies voted for this decision on March 14.

Verkhovna Rada Speaker Andriy Parubiy after voting said he would urgently sign the document.

The agreement was signed in Kyiv on July 11, 2016.

According to an explanatory note to the document, the ratification of the agreement will promote the development of bilateral trade and economic relations between Ukraine and Canada, will allow Ukrainian producers to benefit from customs-free access to the Canadian market, will open new markets for Ukrainian enterprises. ■

LEAN GLOBAL NETWORK'S REPRESENTATIVE OFFICE OPENED IN UKRAINE WITH SUPPORT OF K.FUND



The K.Fund of entrepreneur Vasyl Khmelnytsky has supported the opening in Ukraine of the representational office of the world Lean Global Network - Lean Institute Ukraine (LIU), a press release issued by the foundation has said.

According to the report, the Institute's activity will be focused on promoting the knowledge of lean approach as one of the cutting edge methodologies that improve enterprises' performance and optimize resources consumption.

"We believe that deeper understanding and use of lean thinking is a vital, effective strategy to help Ukrainian companies to go through serious transformation, to raise their competitiveness on local and international markets, and contribute into social and economic development of the country," President and initiator of the project Serhiy Konberianov said.

Konberianov has large experience in the field as an independent lean consultant in Ukraine in the past five years.

Lean philosophy is derived mostly from the Toyota company, which grew to the world's largest automaker with the help of lean manufacturing. The lean approach to work means that all the workers are engaged in daily continuous improvement of the operating processes, identifying and eliminating waste.

"This approach turns problems into opportunities for development, helps workers to grow, and aids the organization's leadership in its market," the fund said.

Lean Institute Ukraine will help spreading lean thinking and practice in Ukraine through publishing books, organizing summits, leading trainings and workshops. You can find the announcements of its events and books at lean.org.ua, as well as on the K.Fund site and on social networks. LIU is a member of Lean Global Network, which comprises 21 educational and research organizations and dozens of co-learning partners around the globe.

K.Fund was founded by Ukrainian entrepreneur Vasyl Khmelnytsky in 2015 to support education and economics projects. ■

MUSK READY TO BUILD ELECTRICITY STORAGE SYSTEMS IN UKRAINE FOR \$250/KW

The founder and head of Tesla, billionaire Elon Musk, is ready to build electricity storage systems in Ukraine at a price of \$250 per kW, he said during the discussion of such an idea on Twitter. "Sure [we can build energy storage systems in Ukraine]. Just check out my prior tweet on pricing," he wrote on his Twitter page, asked whether something similar could be done in Ukraine.

Prime Minister of Ukraine Volodymyr Groysman, in turn, thanked the businessman and expressed his readiness for cooperation.

"Thanks. An interesting idea. Ukraine is eager to become a test site for innovation. Let's talk it over in detail," the premier wrote on Twitter. As reported, at present Ukraine uses exclusively pumped storage power plants for electricity accumulation. The issue of expansion of accumulating capacities is acute for the country's energy system: its solution is important for cutting the share of thermal power plants operating on scarce coal grades, as well as reducing emissions from the plants. ■

VOLUME OF M&A TRANSACTIONS IN UKRAINE 20% UP IN 2016 – CMS



The volume of mergers and acquisitions (M&A transactions) in Ukraine in 2016 increased by 20%, to EUR605.3 million, while their total number decreased by 2.6 times, to 54, such data are given in a report of CMS legal group.

The largest transactions of the past year, according to the group, were exchange of assets between UniCredit financial group and ABH Holding (Luxembourg), within which the group transferred a 99.9% stake in Ukrsofsbank to the holding in exchange for a 9.9% stake in ABHH, the transaction was valued at EUR296.3 million; the purchase by American company Cargill of 51% of a transshipment terminal, which MV Cargo stevedoring company will build in Yuzhny port (Odesa region) for EUR90.9 million; the purchase by Kernel agrarian group of the right of demand for Ellada oil extraction plant (Kirovohrad region) for EUR87.1 million; the purchase by Fairfax Financial Holdings Limited international financial group of 9.99% in Astarta for EUR34.2 million; the purchase by Dragon Capital Investments Limited of the Piramida shopping center in Kyiv for EUR21.9 million; the purchase by the Federation of Trade Unions of Tatarstan of the Foros sanatorium, which formerly belonged to Ihor Kolomoisky, for EUR16.7 million; the purchase by 1+1 Media group of the Ukrainian satellite and Internet TV operator Vi-sat Ukraine from Swedish-based Modern Times Group MTG AB for EUR16.1 million; the purchase by the Rozetka.ua online store of a warehouse complex in Brovary for EUR14.6 million; the purchase by businessman Sergiy Tigipko of Radisson Blu Hotel in Podil in Kyiv for EUR9.2 million; and the purchase by Georgian Industrial Group of a 29.3% stake in PJSC Indar (Kyiv) for EUR4.3 million. ■

ISRAEL CAN BOOST INVESTMENT IN UKRAINE

Ukrainian-Israeli economic cooperation only begins to open up the existing bilateral potential. Trade between the countries that kept at around US\$1 billion for long slightly decreased in 2016. However, Ukraine has maintained a positive balance of foreign trade and has been able to attract potential investors and business partners from Israel. The latter see mainly IT, advanced technology, agriculture as promising areas for cooperation.

This issue was on the agenda of the international conference titled "On the Situation and Prospects of Ukrainian-Israeli Trade and Economic Relations," which was arranged by the bilateral Business Council with the support of the embassies of both countries and the Ukrainian League of Industrialists and Entrepreneurs. The sides discussed algorithms to boost trade and investment-related cooperation, as well as risks, protection, insurance of business on the domestic markets.

President of the Ukrainian League of Industrialists and Entrepreneurs Anatoliy Kinakh noted that the level of direct investment from Israel is still quite low —up to US\$ 50 million for the whole period, or 0.1% of the total volume of foreign investments. The leader of the business community is convinced that Ukraine, which is experiencing investment hunger, is attractive for investment. This is due to human, scientific and technical potential, proximity to European markets and high ROI of investment projects.

"Of course, we, on our part, need to ensure clear protection of the rights of owners and investors, the rule of law," Kinakh said. He also urged not to be limited to IT or agriculture, but develop cooperation in the reform of medicine, particularly rehabilitation of soldiers where Israel is a world leader. ■

UKRGZVY-DOBUVANNIA TO INVEST SOME UAH 500 MLN IN GAS DEHYDRATION IN 2017

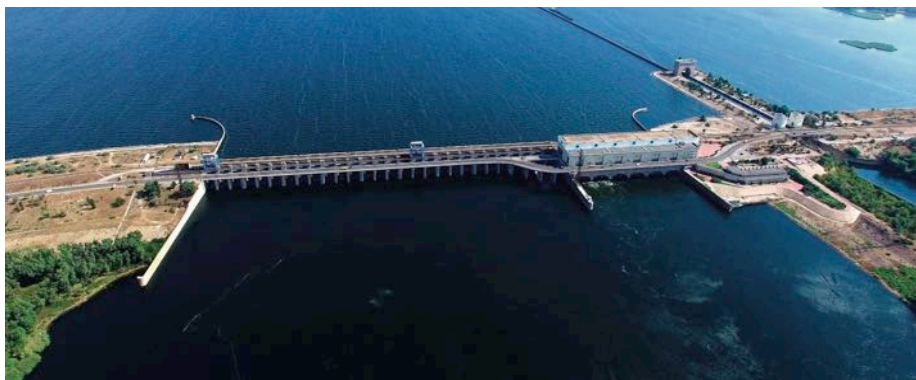


Public joint-stock company Ukrgezvydobuvannia intends to send some UAH 500 million to build 15 new gas dehydration units, the company's press service reported. The press service said that this would allow meeting European gas transportation standards and cut non-production expenses.

"We have modernized one gas dehydration unit. We plan to build 15 new units by the end of 2017. The budget of the project is near UAH 500 million. A supplier of first seven new units was a Ukrainian company. Maybe, other units will be made in Ukraine," Deputy CEO for gas preparation and transportation Oleksandr Hordiyenko said.

He said that Ukrgezvydobuvannia signed a turnkey contract with the suppliers. It envisages the full range of services – from designing blueprints to the final assembly of equipment and reaching the projected parameters. In the middle of 2016, Teploenergocomplekt LLC and Techpromservice Ltd. won Ukrgezvydobuvannia's reversed auction to buy equipment for eight facilities of the company with gas dehydration units. ■

GOVERNMENT APPROVES FEASIBILITY STUDY FOR KAKHOVKA HPP 2



Ukraine's Cabinet of Ministers on March 10 approved a feasibility study for construction of Kakhovka hydroelectric power plant (HPP) 2, the press service of the government has reported. "The financing of the project will be thanks to the tariff for electricity generation by public joint-stock company Ukrhydroenergo, own funds of the company and government secured loans provided on the conditions of co-financing by the European Bank for Reconstruction and Development and the European Investment Bank," the government said.

The press service did not provide for any details of the feasibility study. As reported, the approximate cost of the second phase of Kakhovka HPP is EUR 420 million. The installed capacity is 250 MW. The project would be implemented in 2019-2024. ■

POLAND'S LPP SEEKS TO LEASE 8,000 SQ M OF NEW SPACE IN UKRAINE



Poland's LPP Group, a large retail operator the RESERVED, Cropp, House, MOHITO and SiNSAY clothing brands, intends to lease at least 8,000 square meters of new space for new own stores in Ukraine in 2017.

"After crisis on the Ukrainian market we have a careful approach to our development. We stake on the development of our chain on the market conditions and flexible rental conditions. We plan to lease around 8,000 square meters of new space in Ukraine. We are holding talks about our presence in the following projects: Lavina Mall in Kyiv and Victoria Gardens Lviv," LPP Group Spokesperson Marta Chlewicka told Interfax-Ukraine. She said that at present Ukraine is fourth in the number of stores of LPP brands in the world (72 stores).

The company said that it has decided to strengthen its positions in Ukraine via development of an online shop. "Products will be delivered from our logistics center in Poland, Pruszcz Gdanski," she said, adding that the company wants to launch the online shop in H2 2017.

Online sales revenue in 2016 grew by 118% compared to 2015, and sales per square meter increased by 8%. Total revenue grew by 18% in 2016, to PLN 2 billion. LPP S.A. was founded in 1995. Its first store (Reserved) was opened in 2000. ■

SSAU WORKING ON SOME OPTIONS OF COOPERATION WITH FOREIGN PARTNERS UNDER CYCLONE 4 PROJECT



The State Space Agency of Ukraine (SSAU) aims at providing for the practical implementation of the project on the creation of the Cyclone 4 medium class rocket launcher with a new foreign partner instead of Brazil which left the project in 2015 at its final stage. The agency is working on several options of partnership under the project, acting Head of SSAU Yuriy Radchenko has said in an exclusive interview with Interfax-Ukraine.

"Recently gossips appeared that the Cyclone 4 is the unpromising rocket. According to our opinion, it has the serious prospect and it is of demand on the international market: today we are working on at least three options of cooperation with foreign partners under the Cyclone 4 project," Radchenko said.

Commenting on the possibility of compensation of losses by Brazil over the unilateral termination of 10 year cooperation under the Cyclone 4 project to Ukraine raised in the political circles and Brazilian media, Radchenko said that at present the parties are holding talks on the quick return of Ukrainian equipment supplied under the project. The equipment is on the balance of the Ukrainian-Brazil JV that was realizing the project. ■

EUROPEAN VEGA LV POWERED BY UKRAINIAN ENGINE SUCCESSFULLY PUTS EUROPEAN SENTINEL-2B SATELLITE INTO ORBIT



The Vega launch vehicle (LV) with the Ukrainian engine was successfully launched on Tuesday from Europe's Spaceport in Kourou, French Guiana. The Sentinel-2B Earth observation satellite for Copernicus was put into orbit.

According to a report on the website of Pivdenmash (Yuzhmash, Dnipro), the launch from the spaceport in French Guiana was the ninth launch under the Vega program and first in 2017.

According to the report, the Sentinel-2B satellite is the fourth satellite launched for Copernicus.

Copernicus (earlier GMES) is a global environment monitoring system aimed at achieving a global, continuous, autonomous, high quality, wide range Earth observation capacity.

The Vega was designed by the European Space Agency (ESA) in collaboration with the Italian Space Agency (ASI) for carrying satellites with a weight up to 1,200 kilos to a 1,200-kilometer Sun-synchronous orbit and satellites with a weight of 1,500 kilograms to a 700-kilometer polar orbit. The RD-868P cruise engine for the fourth stage of the rocket was developed by the Yuzhnoye (Pivdenne) Design Bureau and built by the Yuzhmash (Pivdenmash) Plant (both situated in the city of Dnipro, Ukraine).

The Ukrainian government and the ESA signed an agreement on cooperation in peaceful uses of outer space in 2008. The ESA unites 17 European countries.

The medium-term plans announced by the Ukrainian State Space Agency in 2015 include Ukraine's gradual entry into the ESA and integration of the Ukrainian rocket and space industry with the European one. ■

CAPACITY OF PRIVATE SOLAR PANELS IN UKRAINE 7 TIMES UP IN 2016 – ENERGY EFFICIENCY AGENCY



The total installed capacity of solar panels at Ukrainian households in 2016 increased by almost 7 times, from 2.2 MW to 16.7 MW, according to the State Agency on Energy Efficiency and Energy Saving of Ukraine, with reference to its head Serhiy Savchuk.

"The number of households which installed solar panels in 2016 almost quadrupled compared with 2015, namely from 244 to 1,109 households," a press release reads.

The report states if in the first quarter of last year the capacity of private solar power panels was 3.4 MW, then in the six months it reached 5.06 MW, and after another three months 7.9 MW, and afterwards by the end of the year it doubled.

With regard to the number of households with solar panels, in the first quarter of last year their number increased by 54, in the second quarter by 132, in the third quarter by 195, and in the fourth quarter by 484.

The agency said households now install more powerful panels than before. According to the document, there are 6.5 million individual residential buildings in Ukraine. ■

NORWAY'S SCATEC SOLAR SHOWS INTEREST IN BUILDING TWO SOLAR POWER PLANTS IN UKRAINE

Norway's Scatec Solar is mulling construction of two solar power plants with the installed capacity of 60 MW in Ukraine, the press service of Ukraine's Energy and Coal Industry Ministry has reported. The press service said that Deputy Energy and Coal Industry Minister Natalia Boiko and representatives of Scatec Solar discussed construction of solar power plants at a meeting.

Scatec Solar operates solar power plants with a capacity of 322 MW in the Czech Republic, South Africa, Ruanda, Honduras and Jordan. ■

EBRD WILL ISSUE LOAN TO ECOSOFT WATER PURIFICATION EQUIPMENT PRODUCER

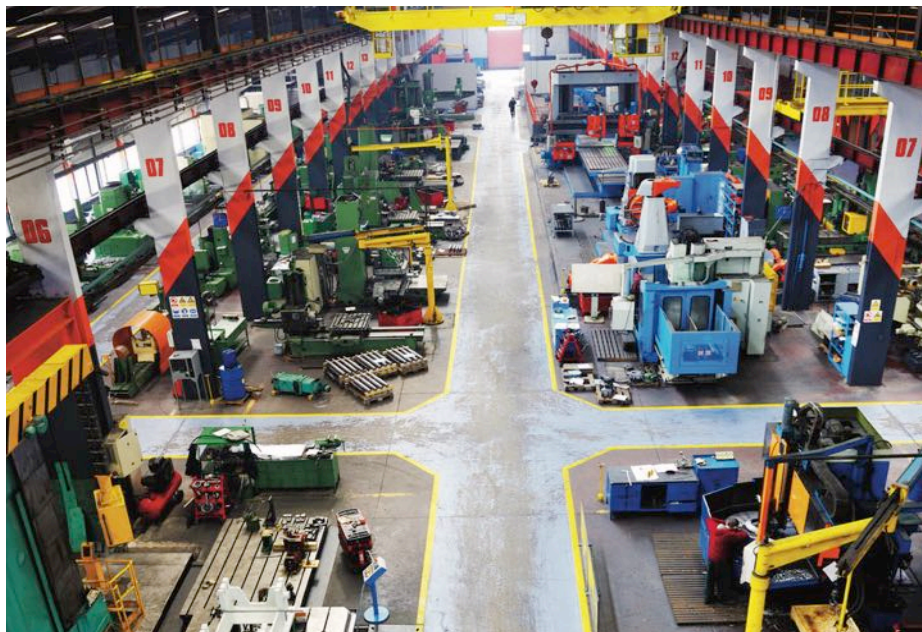


The European Bank for Reconstruction and Development (EBRD) is extending a \$3 million loan to Ecosoft (Irpın, Kyiv region), the country's leading producer of water purification equipment, in order to provide modern water treatment solutions for households and businesses in Ukraine, reads a bank press release. "The investment will strengthen inclusion by providing customers with access to clean water at affordable rates. Inclusion is one of the six transition qualities defining the EBRD's work. The bank believes that a well-functioning market economy should be competitive, inclusive, well-governed, green, resilient and integrated," the report reads.

"A five-year loan will help the company to increase its production and storage capacity by purchasing additional injection moulding equipment. Ecosoft will also commission a new warehouse, improve its range of pitcher-type water filters and launch the production of reverse osmosis filtering membranes thus offering domestic customers an affordable high-tech alternative to imported water filters," according to the document.

"The investment is supported by the European Union under the EU4Business Initiative which is designed to support small and medium-sized enterprises in the countries that will benefit from a Deep and Comprehensive Free Trade Area with the EU (DCFTA)," the bank stated. ■

IFC COULD ORGANIZE EUR 40 MLN FINANCING FOR UKRPLASTIC



The International Finance Corporation (IFC) from the World Bank Group could provide EUR 20 million for its own account and up to EUR 20 million of a syndicated or mobilized financing to public joint-stock company Ukrplastic (Kyiv). The project is intended to expand and modernize the group's operating capacities as well as strengthen its balance sheet through re-profiling of its debt portfolio, IFC said on its website.

The IFC Board will discuss the project on May 12, 2017. The project cost is approximately EUR 60 million.

The project sponsor is Immer Group, a leading supplier of flexible plastic packaging for consumer goods, the owner of Ukrplastic.

IFC said that Immer Group is a 100% family owned business with facilities in Kyiv, Ukraine and Ventspils, Latvia. The group is presently owned by Irina Mirochnik and her three daughters. Ukrplastic's main facilities are located in Kyiv. The site occupies an area of 11.3 ha, housing 34 buildings with a total built-up area of 74,000 square meters.

The proposed project entails investment in development of new products, including products for the agricultural sector; refinancing of some loans coming due and investment in the company's Latvian entity. Specific use of proceeds will be for: equipment for recuperation and reclamation of used solvents in liquid form and solvent vapors; new lamination equipment for specialty packaging; and new roto-printer, enabling higher flexibility. Ukrplastic is the largest manufacturer of flexible plastic packaging for consumer goods in Eastern Europe. ■

SAINT-GOBAIN TO INVEST EUR 65 MLN IN BUILDING PLANTS IN IVANO-FRANKIVSK

Taint-Gobain international industrial group of companies intends to invest EUR65 million in the construction of two plants for production of construction materials in Tlumach district of Ivano-Frankivsk region. President of the Ivano-Frankivsk Chamber of Commerce and Industry Andriy Levkovych told Interfax-Ukraine the construction of the first plant for production of construction mixtures is to be completed in the end of 2017.

The construction of the second plant, which will specialize in production of drywall, is scheduled for late 2017-early 2018. "The company plans to create about 300 jobs. It will be a complex: production of construction mixtures, packaging, sorting, mixing, production of drywall. Both plants will be located near Khotymyr gypsum deposit," Levkovych noted. ■

OVER 20,000 UKRAINIAN VISIT INDIA IN 2016 – AMBASSADOR



Some 21,000 tourists from Ukraine visited India in 2016, Ambassador of India to Ukraine Manoj Kumar Bharti has said.

“According to our information, in 2016, around 21,000 tourists from Ukraine visited India, including 18,000 who visited India under new “visa on arrival” rules. This means that the embassy issued only around 3,000 visas for special cases,” the ambassador said at a press conference at Interfax-Ukraine on Tuesday.

The diplomat said that everyone who wants to visit his country for the period of no more than 30 days are not obliged to come to the embassy and receive visas. It is enough to fill in the form on the website.

“Visa will be issued on the arrival for the period of up to 29 days. I am glad to say that this service will be improved in two months,” Bharti said. He said that the key tourists’ destinations last year were Goa and Kerala beaches for beach holidays and Varanasi, Rishikesh and Hyderabad for tourists interested in Indian culture, history and philosophy.

He said that Indian tourists do not visit Ukraine due to the complicated visa registration procedure. Bharti said that Indian tourists could bring around \$37 million to the Ukrainian economy. ■

PORT ELEVATORS OF STATE FOOD-GRAIN CORPORATION HANDLE 1.5 MLN TONNES OF GRAIN SINCE EARLY 2016/17 AGRI-YEAR

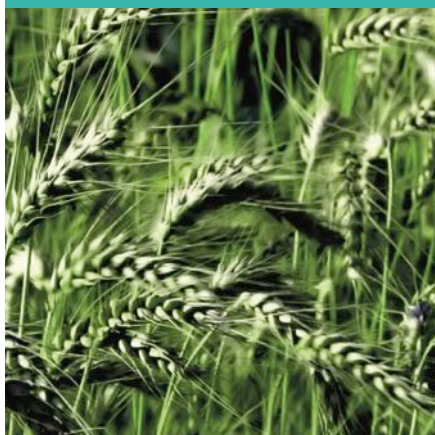
Port elevators of public joint-stock company State Food-Grain Corporation since early 2016/17 agricultural year have handled 1.5 million tonnes of grain, the company’s press service has reported. The situation with delivery of grain of the corporation from elevators to ports is a problem.

“In February we received only a half of 3,000 wagons declared. On average the supply of grain wagons is 45-50%. This affects handling and exports volumes,” Director of the logistics department Dmytro Shmokarev said.

As reported, the corporation is working on a project to create own fleet of wagons to solve the problem of a lack of grain wagons. The corporation intends to buy up to 500 wagons in 2017.

The government in August 2010 decided to create the State Food and Grain Corporation of Ukraine. The corporation has a chain of branches, comprised of grain storage facilities, flourmills, fodder factories and a cereals factory. The 53 subdivisions of the corporation can store a total of 3.75 million tonnes of grain, which includes the grain handling capacities of Odesa and Mykolaiv ports of some 2.5 million tonnes of grain cargo per year. ■

INTEREST OF FARMERS TO WINTER CROPS IN UKRAINE GROWS IN PAST TWO OR THREE YEARS – UCAB



A trend of expanding areas with planted winter crops was seen in the past two or three years in Ukraine, Director General of the Ukrainian Agribusiness Club (UCAB) Taras Vysotsky has said.

“In the mid-2000s there was a trend of reducing the areas with winter crops in favor of spring crops, but five years ago this trend has been changed. Over the past two years winter crops started to return the lost ground,” UCAB said, citing Vysotsky.

He said that it is primarily due to the changes in climatic conditions, possibility of performing production operations in spring as well as stable profitability of winter crops. “In the spring there are increasingly unfavorable conditions for sowing spring crops which does not allow completing sowing on time, and as you know, 10-15% of the yield depends on the timing of sowing. If you count the factors of the harvest shortfall, the profits of winter crops are more stable. Currently, we are witnessing the return of 10-15% of the areas with winter crops that were used to be sown with spring crops,” he said. ■

CHINA HAISUM ENGINEERING COULD INVEST \$515 MLN IN UKRAINIAN GARDENING PROJECTS



The Ukrsadprom association and state-run China Haisum Engineering Co, Ltd. have signed a memorandum of understanding. Some \$515 million of investment into Ukrainian gardening projects is envisaged under the memo.

“With the help of the Chinese corporation Ukrainian gardeners will be able to receive \$515 million of investment in coming two years,” Head of Ukrsadprom association Dmytro Kroshka said at a press conference at Interfax-Ukraine. He said that the planned investment from the partners will be spent in 16 regions of Ukraine.

“All infrastructure projects of our members [the Ukrsadprom association] will be discussed. I hope that most of them will be financed. Today 18 projects have been selected. Investment is from \$200,000 to \$25 million,” Kroshka said.

He also said that the sides determined the directions for investment in the memo signed on February 28. The memo concerns fruit and berry processing, construction of fruit storage facilities, additional processing facilities and processing of up to 500,000 tonnes of fresh fruit and berries. Some \$130 million [could be invested] in fruit storage facilities. The smallest capacity we are to reach is an additional 500,000 tonnes to what we have now. Today we have around 280,000 tonnes of the storage capacity,” he said.

Kroshka said that one of the Ukrainian state-run banks could act as a financial operator of the project.

Manager of the international department of China Haisum Engineering Co. Gong Jun said that it is planned to sign the official general investment document between representatives of Ukraine and China at the forum in Beijing on May 14 and May 15, 2017. One of the projects will be gardening. ■

CHERVONA ZIRKA AGRICULTURAL MACHINERY MANUFACTURER SEES 5.5-FOLD RISE IN NET PROFIT IN 2016

Tlvorti manufacturer of sowing and tillage machinery equipment (Kropyvnytsky, formerly Chervona Zirka) tentatively saw a 5.5-fold rise in net profit in 2016, to UAH 170.43 million.

According to a report on the agenda of the general meeting of shareholders scheduled for April 12, its undistributed profit as of early 2017 was UAH 518.86 million (UAH 348.387 million as of early 2016). As reported, in 2015 the company saw a 13.7% fall in net profit, to UAH 31.17 million.

Last year Chervona Zirka cut its current liabilities by 15%, to UAH 90.65 million and noncurrent liabilities – by 14.2%, to UAH 154.9 million. PJSC Elvorti, part of Elvorti Group of businessman Pavlo Shtutman, manufactures sowing and tillage machinery. Its production facilities can produce 10,800 sowing equipment, 4,156 planter-cultivators and 868 disc harrows. ■

M.V.CARGO STARTS BUILDING NEW BERTH AT YUZHNY SEAPORT



M.V.Cargo has started building berth 25 for the grain terminal of Cargill at the Yuzhny maritime merchandise port (Odesa region). The corporate relations service of TIS LLC, the co-owner of which founded M.V.Cargo for the implementation of the Cargill project, the length of the new berth will be 385 meters and depth – 16 meters.

“M.V.Cargo has carried out dredging works to create a construction pit for a hydraulic engineering unit of the berth in the amount of 620,000 cubic meters of soil. 100,000 cubic meters more is to be dug,” the company said. The berth will be able to service vessels of the Postpanamax type to load them with grain.

“The terminal is to start operating in spring 2018. These are our commitments to the investor and creditors. This term is also linked to the start of the grain season. M.V.Cargo meets the schedule by 100%,” the corporate relations service said, citing M.V.Cargo Development Director Filip Hrushko. However, TIS is alarmed with the postponement of a tender for dredging works at the Yuzhny port for March 2017. The start of the operation of the terminal depends on this. ■

FIVE MORE UKRAINIAN COMPANIES GET RIGHT TO EXPORT GOODS TO EU



Another five Ukrainian enterprises engaged in food production in 2017 received the right to export their goods to the European Union, the Ministry of Agricultural Policy and Food has said.

According to a report on its website, goods will be delivered to the European market by a company producing dairy goods, a company producing poultry and three companies producing honey.

Currently talks are being held with respect to supplies of Ukrainian goods to the world markets. In particular, Ukraine provided Japan, Singapore, Korea, the United States and Canada with the information on the system of state control with the aim of getting access to the market of poultry. Talks are also being held with China on expanding the list of exporters of dairy products, as well as with respect to applying for the opening of poultry and beef markets. ■

UKRAINE POSTS 45.4% RISE IN POULTRY EXPORTS, IN PORK EXPORTS 56.7% UP IN JAN-FEB

Ukraine in January and February 2017 exported 31,730 tonnes of poultry, and this was 45.4% more than a year ago, the State Fiscal Service has reported. In money terms poultry exports rose by 37.8%, to \$39.75 million. Poultry imports grew by 38.8%, to 16,080 tonnes and in money terms it increased by 28%, to \$6.4 million. According to customs statistics, pork exports in January and February 2017 rose by 56.7%, to 1,130 tonnes for \$2.11 million compared to \$1.07 million in January and February 2016.

Pork imports to Ukraine over the period plunged by 33%, to 450 tonnes. Pork for \$742,000 was imported to the country and this was 10.9% less than in January and February 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. ■

LANTMANNEN AXA UKRAINE INVESTS \$15 ML IN MODERNIZATION OF PLANT IN BORYSPIL



Investment of private joint-stock company Lantmannen Axa Ukraine in modernization of a breakfast cereal plant in Boryspil has reached \$15 million since 2000.

“Since 2000 we have invested \$15 million in modernization of our enterprise,” Lantmannen Axa Ukraine Director General Ihor Chervak told Interfax-Ukraine.

He said that Lantmannen Axa Ukraine acquired a porridge packaging line for the plant, and a new packaging line in 2014. The AXA crisp muesli line and the START flakes line were installed.

Lantmannen Axa Ukraine bought Boryspil Foodstuff Plant in 2000. Its annual breakfast cereal production capacity is around 7,000 tonnes.

The company’s share of the breakfast cereal market in Ukraine exceeds 50%.

“The [breakfast cereal] market is narrowing. According to Nielsen research company, last year it declined 9%. Competition on the market has increased. Retail chains started selling product under private label,” Chervak said. ■

ORGANIC GRAIN HANDLING COMPLEX TO BE BUILT IN RENI SEAPORT



Bio-Line-Reni LLC plans to build an organic food handling complex at the Reni seaport. This would add new cargo flow of up to 120,000 tonnes a year, Ukrainian Sea Port Authority has reported.

According to the report, Bio-Line-Reni is implementing the project in pursuance to the law on the Reni special economic zone. The number of ships entering the port would increase by 80-90. The expected volume of private investment is \$1.6 million.

According to the authority, extra tax payments from the launch of the complex could reach UAH 762,000, and in two years from the moment of its launch budget payments could total UAH 3-3.5 million. The ultimate beneficiary of Bio-Line-Reni LLC is Yulia Voitkiv, according to the unified register of companies. ■

MHP TO INVEST \$27 MLN IN BIOGAS COMPLEX AT VINNYTSIA POULTRY FARM



Myronivsky Hliboproduct (MHP) has announced a project for building a new biogas complex at Vinnytsia poultry farm. According to a company press release, this project will be implemented within the planned expansion of Vinnytsia poultry complex and foresees two stages. At the first stage, 460 tonnes of chicken manure per day will be processed, at the second stage this amount will double. When construction is finished in 2020, the design capacity of the complex will be 20 MW. The approximate cost of the biocomplex is about \$27 million.

“This is a unique project for processing chicken manure, which will not only be the largest one in Ukraine but also in the world. And its main component is environmental friendliness,” company chairman Yuriy Kosiuk said. A biogas plant with a capacity of 5 MW has been operating at Orel-Leader poultry farm, which belongs to MHP, since 2012. ■

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