



UKRAINE

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Kyiv mayor Vitali Klitschko: medicine, education, infrastructure are priorities for Kyiv city budget in 2018



Medicine, education and infrastructure of the city will be a priority of the Kyiv city budget in 2018, Kyiv Mayor Vitali Klitschko has said.

"Among the priority areas for development,— medical and educational areas, renewal and construction of urban infrastructure," the Kyiv mayor said. In particular, the mayor recalled that the financing of these three priority areas increased significantly in the previous year. In the education sphere the city continues to finance construction and renovation of schools and kindergartens.

HEADLINES



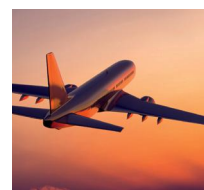
BUSINESS FORUM TO TAKE PLACE IN MARCH 2018 DURING AUSTRIAN PRESIDENT'S VISIT TO UKRAINE



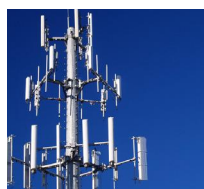
EXPERIENCE OF IKEA, H&M TO BE IMPORTANT FOR FUTURE INVESTMENT OF OTHER SWEDISH COMPANIES



BELGIUM'S UPGRADE ENERGY WANTS TO BUILD SOLAR POWER PLANT IN UKRAINE



KYIV INTERNATIONAL AIRPORT INCREASES PASSENGER FLOW



LARGEST MOBILE OPERATOR KYIVSTAR PLANS TO INSTALL 600 NEW BASE STATIONS



BRITISH COMPANY STOPFORD PROJECTS LTD TO BUILD INCINERATION PLANT IN UKRAINE

Business forum to take place in March 2018 during Austrian President's visit to Ukraine

Austrian Federal President Alexander van der Bellen is to make an official visit to Ukraine in the middle of March. Business representatives will be among delegation participants, the Presidential Administration of Ukraine has reported. "The key arrangement was an arrangement on the visit of the Austrian President to Ukraine in mid-March. This will be an official visit," Deputy Head of the Presidential Administration Kostiantyn Yeliseyev said.

"It has been also arranged that in its policy Austria, as the future holder of the European Union presidency from July 1, will continue to help us gradually integrate into the European Union," he said.

At the same time Yeliseyev said that during the visit of the Austrian President to Ukraine a large business forum will be held.



"The Austrian president will come with a powerful business delegation, and of course, our two presidents will open this business forum," he said.

Government sets up Intellectual Property Council



The Cabinet of Ministers at the initiative of the Ministry of Economic Development and Trade has decided to set up the Intellectual Property Council under the leadership of First Deputy Prime Minister, Minister of Economic Development and Trade Stepan Kubiv, who will coordinate the processes for the functioning and development of a system for the legal protection of intellectual property in Ukraine.

"The creation of the council is another important step towards the development of the intellectual property system in Ukraine, which is an important priority for the work of the government. This also corresponds to Ukraine's obligations under international agreements that are part of the world system for the protection of intellectual property rights," Kubiv said.

According to the report, the council will act as an interim advisory body to the Cabinet of Ministers.

Its main tasks are coordination of interaction of executive authorities in the field of intellectual property, as well as development of proposals for the development of this sphere, ensuring Ukraine's integration into the international and European intellectual space.

New Ukrainian law on LLC contains obvious improvements for business



The Law of Ukraine "On Limited Liability Companies" (bill No. 4666), adopted by the Parliament (Verkhovna Rada) on February 6, 2018, contains a number of obvious improvements, in comparison with the current legislation. According to the senior partner of ARIO LAW FIRM Julian Khorunzhyi, positive changes were made to the provisions on inheritance and succession of shares.

The innovation of the adopted document is the abolition of the quorum concept of the general meeting of the LLC members, without which the general meeting is not entitled to take a decision. However, according to Khorunzhyi, until the formation of the judicial practice of the application of the law, the concept of "quasi-quorum" will remain controversial – the number of votes of participants (from 50 to 100%) who are authorized to take decisions on specific issues within the competence of the general meeting.

Khorunzhyi considers it a positive moment that the adopted version of the draft law gives the absolute majority of questions to the LLC itself, does not establish unambiguous rules, but enables the company to adopt its own procedures, identify those bodies that it needs in corporate governance and anticipate possible ways out of potential corporate conflicts. In a one-participant model, the participant is no longer obliged to imitate the general meeting, but can take all decisions solely in the form of a written decision. Khorunzhyi said the law creates opportunities for the reorganization of joint-stock companies, which are not actually such, in an LLC, since the project eliminates the limitation of the maximum number of LLC members. At the same time, "unambiguous conclusions" about the adopted law can be made only after the signing of the draft law by the president, he said.

Cabinet of Ministers approves rules for paying VAT in installments for imported equipment

The Cabinet of Ministers of Ukraine has approved a procedure for paying value added tax (VAT) in installments during 24 months for imported equipment.

The decision was made with the condition of the revision of the rules during three days under a request of Head of the State Regulatory Service Ksenia Lipina.

"Manufacturers were waiting for the decision for eight years. It is important to give the unambiguous transparent mechanism. I see unambiguous statements in this decision now," she said. As reported, at the end of 2017 the Verkhovna Rada introduced a possibility of paying VAT for imported equipment in installments during 24 months for 2018-2019.

Swedish Ambassador Martin Hagström: Experience of IKEA, H&M in Ukraine to be important for future investment of other Swedish companies



Experience of large Swedish companies like IKEA and H&M in Ukraine would be a guideline for Swedish investors, Swedish Ambassador Martin Hagström has said.



"IKEA's experience in Ukraine will be also important for future investment of Swedish companies. This will be a guideline for them..."

They will be attentively monitor experience of H&M, one of the largest retail chains in the world, which also announced its arrival to the Ukrainian market," Hagström said in an interview with Interfax-Ukraine.

According to him, Swedish consumers are apprehensive about the information that Swedish companies may be involved in corruption, so investors think twice before they master the new market.

"It's no secret that for IKEA, which is currently planning to enter the Ukrainian market, one of the biggest issues is the situation with corruption. I think that the fact that IKEA decided to come to Ukraine is a sign that the company sees the changes," Hagström said.

He said that there are about a hundred Swedish companies operating on the Ukrainian market.

As reported, late 2017, it was announced that IKEA is studying the Ukrainian market and plans to open a first store in Kyiv within two years.

H&M in 2017 signed a contract to open a store with Lavina Mall in Kyiv.

Belgium's Upgrade Energy wants to build 30 MW solar power plant in Ukraine, Zhytomyr region

Belgium's Upgrade Energy wants to build a solar power plant with the installed capacity of 25-30 MW in Zhytomyr region, the press service of the Zhytomyr Regional Administration has reported. The press service said that it would take two years to implement the project. Irshansk solar power plant LLC (Zhytomyr) will implement the project. Land parcel leasing agreements have been signed," the administration said.

Upgrade Energy did not work previously in Ukraine. Today beneficiaries of Irshansk solar power plant LLC are Kyiv resident Oleh Hramotenko and Estonia Energy Invest.

EBRD gives EUR 24.7 MLN loan to Energopark Yavoriv to build solar power plant in Ukraine

The European Bank for Reconstruction and Development (EBRD) and Energopark Yavoriv LLC have signed a loan agreement for construction of the first phase of a solar power plant for the amount of EUR 24.7 million. Energopark Yavoriv LLC Director Maskym Kozytsky told reporters that construction of the solar power plant will start in Yavoriv district of Lviv region in March 2018. Its capacity is 36 MW and the total cost of the project is EUR 34 million.

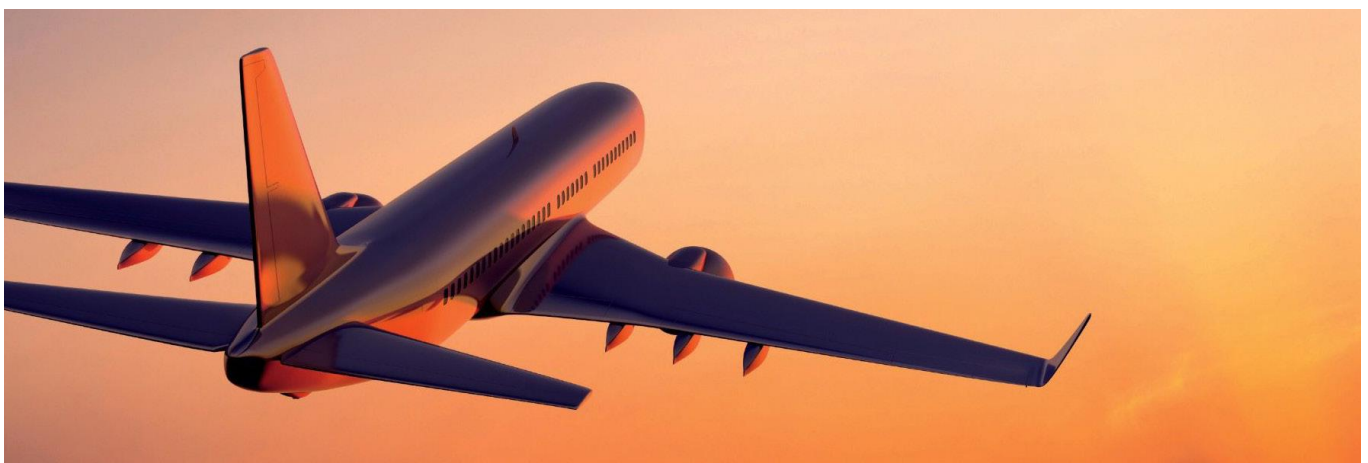
Energopark Yavoriv LLC is part of EcoOptima Group, which develops alternative energy in Lviv region. At present, two wind farms and four solar power plants have been built.

Eight international companies show interest to management of Ukrainian gas transport system

Eight international companies have shown their interest to the management of the Ukrainian gas transport system (GTS), advisor to the Energy and Coal Industry Minister of Ukraine Maskym Belivsky has said. "Today, a procedure for receiving and studying proposals from interested companies is underway. Belivsky recalled that the deadline for accepting proposals from potential partners in managing the GTS of Ukraine was extended from February 1 to March 1, 2018. "With a view to more thoroughly studying the expectations and proposals of international partners, as well as the synchronization of this process with the progress of the creation of an independent operator of the gas transportation system, it was decided to extend the deadline for acceptance of the proposals until March 1, 2018," he said.

As reported, along with Snam (Italy)/Eurest (Slovakia) and Gasunie (the Netherlands)/GRTgaz (France), with which the relevant memorandums were signed, a German group is also interested in the management of Ukraine's gas transit system.

Kyiv International Airport increases passenger flow in JAN, 2018



The Kyiv international airport (Zhuliany) serviced 155,500 passengers in January 2018, which is 43.8% up than in January 2017. The press service of the airport reported that the number of passengers serviced on international flights totaled 149,600 and on domestic flights – 5,900.

The number of flights in January 2018 accounted for 1,876 (departures and arrivals), which is 19.3% more than a year ago, including 1,552 international flights and 324 domestic flights.

The most popular international routes in January 2018 were Dubai (the UAE), Minsk (Belarus), Ankara (Turkey), Budapest (Hungary), Warsaw (Poland), Memmingen (Germany), Rome (Italy) and domestic flights – Odesa, Zaporizhia and Lviv.

Largest mobile operator Kyivstar plans to install 600 new base stations in Ukraine



Kyivstar, the largest mobile operator in Ukraine, plans to install 600 new base stations in 2018, company president Peter Chernyshov has told Interfax-Ukraine.

"In 2017 the company began installing additional equipment for 4G communications at the existing base stations. In 2018 Kyivstar plans to install another 600 new base stations. We will build a network that will allow the company to remain a leader in the quality of communications and services," he said.

Chernyshov said that, taking into account the development strategy adopted by the operator, the company plans to connect more than 500 previously installed base stations operating in the 2600 MHz band this year.

According to him, in particular, it is planned to develop the new mobile communications technology (4G, LTE) in this range in megacities and large cities such as Kyiv, Dnipro, Kharkiv, Odesa, and Lviv. He noted that Khmelnytsky is also in the list, as in the city Kyivstar occupies almost 80% of the market. In addition, this equipment has already been installed at border crossing points, in places of summer rest, such as, for example, Zatoka (Odesa region).

Chernyshov said base stations for the 2600 MHz band are needed for the operator to enhance the work of 4G in the 1800 MHz band.

British company Stopford Projects Ltd to build incineration plant in Ukraine

Dnipro City Council deputies supported at a regular session on January 31 the decision of the competitive commission to select an investor for the construction of an incineration plant in the city on the terms of public-private partnership.

According to an Interfax-Ukraine reporter, the commission chose as an investor British company Stopford Projects Limited, an agreement with which the city council plans to sign in February this year.

"Today this project has been approved by the session decision. This is very important. We already have an agreement on which specific conditions will be determined. To be honest, I still do not believe it. We are now waiting for investment," Dnipro Mayor Borys Filatov told journalists.

A waste processing plant should be built in Dnipro at the expense of investor funds within several years. The cost of construction is 60 million pounds sterling. The enterprise is to be built on the territory of the Pravoberezhny testing ground. Under the terms of the tender, the contract with the investor is signed for 15 years. After the expiration of the contact, the facility will become the property of the city council.

Kyiv mayor Vitali Klitschko Intends to build two new metro stations in Kyiv

Kyiv authorities plan to commission two new metro stations of Kyiv Metropolitan – Prospekt Pravdy and Mostytska – within three years, Kyiv Mayor Vitali Klitschko has said.

“We plan to build and put into operation two new metro stations to Vynohradar within three years,” he said at a session of Kyiv City Council, summarizing the work of the city authorities over the past year and outlining plans for 2018. According to the Kyiv mayor, among the main tasks is the completion of the Podilsko-Voskresensky Bridge, which is an important part of the project for the construction of metro to Troyeschyna.

According to Klitschko, due to the increase in the revenue part of the city budget in 2018 to UAH 49.1 billion, the capital's estimate envisages significant expenses for medicine, education and social protection.

Antonov Airlines took part in preparations for Falcon Heavy rocket launch



Antonov Airlines, a division of Antonov State Enterprise (Kyiv), has taken part in preparations for the launch of a super-powerful Falcon Heavy rocket from the launch pad at Cape Canaveral, Florida (the United States), Ukraine's Embassy in the United States has reported.



“Ukraine's Antonov Airlines took a direct part in preparations for the launch by providing its An-124-100 Ruslan aircraft for the transportation of rocket components,” the embassy reported.

The report notes that a month ago a Ukrainian aircraft traveled a distance of 3,613 kilometers within four-and-a-half hours, ensuring timely delivery of parts of the Falcon Heavy rocket for its timely launch at Cape Canaveral.

A new super-powerful Falcon Heavy launch vehicle lifted off from Cape Canaveral on its first test flight on February 6. The launch of the rocket was broadcast by SpaceX.

The company was preparing for the launch of the rocket for seven years.

The rocket stands 70 m tall, its core has a diameter of 3.66 m, and when fully assembled with its side boosters is 12.2 m wide and weighs 1,420 tonnes.

Tesla CEO Elon Musk's personal car – a cherry red Roadster – was fired into space on board the Falcon Heavy. Last month, Musk wrote on Twitter that he really liked the idea of sending a car to an endless journey through space, where millions of years later it could be discovered by representatives of an alien civilization.

Ukrainian pharmaceutical market participants concerned about lack of transparency in national medicines list formation



Participants in the pharmaceutical market are concerned about a lack of transparency in the formation of the National List of Essential Medicines, as well as the definition of nosologies that it covers. "The principles of forming the national list today remain unknown for the pharmaceutical industry," President of the Medicines Manufacturers of Ukraine association Petro Bahriy said at a press conference at Interfax-Ukraine.

He noted a lack of clear criteria on which drugs are included or withdrawn from the list does not allow domestic pharmaceutical manufacturers to plan production of certain medicines for several years.

"Pharmaceutical plants plan production of certain drugs based on the national list, invest money in the development of this drug for years, and then the state changes approaches and this drug does not get into the national list," he said.

The head of the strategic planning department of Farmak pharmaceutical company, Yuriy Komarov, in turn, emphasized that questions are also caused by the method of calculating the need for drugs from the national list by medical institutions and the period for which they are purchased.

Health facilities should calculate and provide 100% need for medicines from the list for one quarter in order to be able to take into account any changes in the health system, as well as purchase drugs that are not included in the list, taking into account that at present the list does not cover nosologies, according to which a number of categories of patients previously received the drugs they needed, Komarov noted.

New Beskydsky tunnel to be opened on May 25, 2018

Ukrzaliznytsia plans to finish construction of the new Beskydsky tunnel on May 25, 2018 and starts new large-scale infrastructure projects for over UAH 10 billion, Ukrzaliznytsia acting Board Chairman Yevhen Kravtsov has said.

"We plan to finish the project, which was to be completed this autumn, earlier. The Beskydsky tunnel is to be opened on May 25, 2018," he said at a press conference in Kyiv on Tuesday.

Kravtsov said that among new projects is a large-scale project on electrification of the Dolynska-Mykolaiv-Kolosivka section, which concerns the access to the Mykolaiv maritime merchandise port and is a strategic one for the agricultural sector of Ukraine.

He also recalled the project on electrification of the Potoky-Zolotnyshyne section, which is important for improving transactions in the metal and ore complex of the country.

"The electrification of the Kovel-Izov-the state borer is the access of Ukrainian cargo to the European markets. Today this is the narrowest place on our transport map," Kravtsov said.

"We did a lot in the past year: we expanded [throughput] from 14-15 pairs of freight trains per day to 22. This is a significant increase in one year, and we plan to raise it to 28 before the end of this year," he said.

Ukraine's seaports increase cargo handling by 11% in JAN, 2018

Ukraine's seaports handled 10.8 million tonnes of cargo in January 2018, which is 10.9% more than in the same period in 2017, according to live data from the Ukrainian Sea Ports Authority. According to its data, the volume of transshipment of exported cargo fell by 1.1% compared to the previous year, to 7.8 million tonnes, imported cargo increased by 70% and amounted to 2.1 million tonnes. Growth in exports was recorded for metals and metal products – 1.5 million tonnes (21.2% compared to January 2017), containers – 26,300 TEU (a 17% growth), grain – 3.1 million tonnes (growth by 1.1%).

Transshipment of imported coal amounted to 700,000 tonnes (112.3% more than in January 2017), import of ore cargo to 700,000 tonnes (42% more), oil to 80,000 tonnes (in January last year there were no transshipment), petroleum products to 50,000 tonnes (16% more), and containers to 26,900 TEU (5% more).

The decrease in imports was observed for construction cargo (80,000 tonnes, or 35.4% less) compared with January last year.

In general, the seaports of Ukraine processed 913 vessels in January 2018, which is 291 vessels, or 46.8% more compared to the same period in 2017.

Ukrenergo head expects company to be reorganized into private one in autumn 2018



Head of national energy company Ukrenergo Vsevolod Kovalchuk hopes that the state-owned enterprise will be reorganized into a private joint-stock company in autumn 2018.



"If everything works perfectly, this process could be finished in August or early September 2018. This concerns the registration of our shares," he said at a press conference in Kyiv.

As reported, the Cabinet of Ministers of Ukraine on November 22, 2017 approved the reorganization of state enterprise Ukrenergo into a private joint-stock company, 100% of which is state owned. All the property being on the balance sheet of the state enterprise, which ensures the integrity of the united energy system of Ukraine, dispatching management, trunk and interstate power grids, is assigned to the private JSC and not subject to alienation.

According to Kovalchuk, as part of the transformation, the company must conduct a stocktaking of assets, carry out the assessment of the value of the entire property complex of the enterprise and issue shares with their transfer to state ownership. At the same time, he recalled that the transformation to the private JSC as opposed to a public joint-stock company means the impossibility of buying and selling shares of the company on the stock exchange.

Ukrenergo operates trunk and interstate power grids, as well as conducts the centralized dispatching of the united energy system of the country. The company is a state enterprise. It is subordinated to the Ministry of Energy and Coal Industry, but it will be transformed into a private joint-stock company.

China Railway International Group ready to invest in quickly implemented infrastructure projects in Kyiv

Deputy Head of Kyiv City Administration Dmytro Davtyan has discussed the possible participation of China Railway International Group (CRIG) in the implementation of infrastructure projects in Kyiv with representatives of the company.

The press service of Kyiv City Administration reported that representatives of the Chinese company said that they are ready to invest large funds in the projects that could be implemented in Kyiv in coming years.

"Of course, the most interesting project is construction of subway and bridges, as they could be united and the attraction of investment and work at these sections could be optimized," the press service said.

Davtyan expressed confidence that this cooperation could and should become a pivot for Kyiv's authorities.

"Rational and promising cooperation is interesting for us. We look for the new projects being not only important for Kyiv residents, but they also should be smart. The attraction of industry-led companies would allow not only achieving this, but it would also help to enrich the sector from the intellectual and technological point of view. Most technologies used by Chinese companies are high-tech and advanced solutions," he said.

Google LLC (Kyiv) sees 75% rise in revenue from advertisement in Ukraine



Google LLC (Kyiv), under control of Google and providing advertising services, increased revenue by 75% in 2017, which is higher than the pace of 2016. The company entered the top 100 largest taxpayers of the country, Google LLC Director General Dmytro Sholomko has said.

"If two years ago the share of small and medium-sized businesses of revenue was 40%, now it exceeds 60%," he said, explaining one of the main reasons for this growth during traditional discussion of the macroeconomic forecast for the year organized by the European Business Association (EBA).

Sholomko pointed out the rapid growth of the mobile Internet. He said that mobile Internet traffic has already exceeded the computer one, which also contributed to the good results.

In general, the general director of Google said that the technological business of Ukraine continues to grow rapidly, the country strengthens its image in this sector in the world, which is converted into the decision of major global technology companies to place their development centers here. He named PayPal, Samsung and Waze as an example. According to him, these centers are now being opened not only in Kyiv, Lviv and the cities with a million of population, but also in other regional centers.

Ukraine raises agricultural exports to European countries by 37% in 2017



Exports of Ukrainian agrarian products to European countries in January-December 2017 amounted to \$5.8 billion and increased by 37.1% compared to the same period in 2016, the Ministry of Agrarian Policy and Food has said.

According to the ministry's website, the main Ukrainian products that were supplied to the EU market in 2017 were cereals (\$1.7 billion), oil (\$1.4 billion), and oilseeds (\$1.1 billion).

The ministry notes that the growth of Ukrainian exports to the EU in 2017 was also due to the increase in the supply of niche processed and ready-made food products.

In particular, exports of poultry last year rose compared to 2016 by \$64.9 million, to \$133.7 million, bakery products and cereals by \$32.4 million, to

\$96.1 million, juices by \$28, 3 million, to \$70.7 million, honey by \$25.5 million, to \$98.8 million, confectionery products by \$15.4 million, to \$38.2 million.

The top five trade partners of Ukraine in the EU were the Netherlands with a share of 18%, Spain with 14.3%, Poland with 13.2%, Italy with 12%, and Germany with 10.5%.

"Last year we also imported 17.2% more European agricultural goods than in 2016. Overall, imports amounted to \$2.3 billion. The main commodities of our imports were tobacco and tobacco goods, chocolate and products from cocoa beans, feed for animals, alcoholic drinks and other food," Deputy Minister of Agrarian Policy and Food for European Integration Olha Trofimtseva said.

Kyiv International Economic Forum – KIEF – is a new major international conference focused on the future of economic development. Held annually in Kyiv, it is not just an event about or for Ukraine, but an innovative forum that covers the global agenda. KIEF has been envisioned to become a leading discussion platform at an intersection of civilizations based in the capital of the biggest country in Europe.

This year Kyiv International Economic Forum supported by the Prime Minister will take place on October 5 – 6.

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