



UKRAINE

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Statistics service improves Ukraine's GDP growth in Q2 to 3.8%

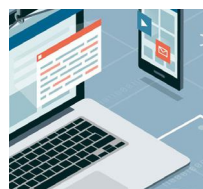


The growth of Ukraine's gross domestic product (GDP) in April-June 2018 was 3.8% compared to the same period in 2017, whereas according to the preliminary assessment of the State Statistics Service, published in mid-August, this indicator was 3.6%. The department said in relation to the previous quarter, the economy of the country in the second quarter of this year (taking into account the seasonal factor) grow by 1%

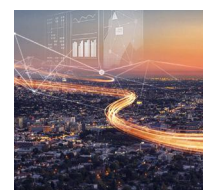
According to the service, nominal GDP for the second quarter of 2018 was UAH 807.3 billion, the deflator's change was 17%. In the second quarter of 2017, these figures were equal to UAH 664.76 billion and 20.9% respectively. GDP per capita, according to statistics data, in April-June this year rose to UAH 19,074, in real terms by 4.3% compared to April-June last year.

The central bank forecasts acceleration of the country's economic growth this year to 3.4% from 2.5% in the past year. At the same time, the NBU expects the slowdown in growth in 2019 to 2.5%, followed by acceleration to 2.9% in 2020.

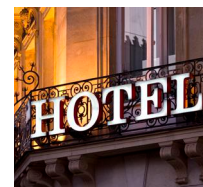
HEADLINES



HORIZON CAPITAL MANAGED FUND BECOMES SHAREHOLDER IN UKRAINIAN INTELLIAS IT COMPANY



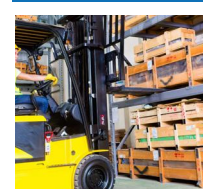
SIGMABLEYZER FROM HOUSTON ANNOUNCES SETTING UP \$250 MLN FUND FOR UKRAINIAN ENERGY



KYIV HOTELS' OCCUPANCY IS STILL GROWING



UKRAINIAN INSURANCE MARKET IN TOP TEN DYNAMIC GLOBAL MARKETS



RETAIL TRADE TURNOVER IN UKRAINE 5.4% UP



UKRAINE COULD ATTRACT AT LEAST \$15-20 BLN OF INVESTMENT USING ITS LAND BANK

Ukraine relaxes purchase of foreign currency for nonresidents

The National Bank of Ukraine (NBU) has relaxed the rules of buying foreign currency by nonresidents to return foreign investment abroad after transactions with government domestic loan bonds, the central bank has reported on its website. The respective initiative was approved by resolution No. 100 of the central bank's board amending certain legal acts of the NBU dated September 18, 2018. The document came into force on September 20, with the exception of certain clauses, which will become effective on November 1, 2018. "Nonresidents for the purchase of foreign currency after operations with government bonds will need to submit the short list of documents as possible," the NBU said in the report.

In addition, the rules of servicing the operations on the government domestic loan bonds placement among the clients of primary dealers (broker contracts) are defined, which provides access to the primary government domestic loan bonds market for private investors.

Creation of Ukrainian export-credit agency requires extra financing of UAH 80 mln

The Export-Credit Agency could start operating in the fourth quarter of 2018 only if the budget for 2018 is reviewed and the financing is expanded by UAH 80 million, First Deputy Prime Minister, Minister of Economic Development and Trade Stepan Kubiv has said.

"To take legal and organizational measures to start the Export-Credit Agency, an additional amount of UAH 80 million is required... We insist in the past six months that the specified amount is provided for in the budget amendments for 2018," he told the press conference on Tuesday, answering a question of Interfax-Ukraine.

He also recalled that the national budget for the current year provides funding of UAH 200 million to the Export-Credit Agency. Earlier, the Ministry of Economic Development and Trade estimated the need for additional financing at UAH 146 million.

66 enterprises to pass energy efficiency audit under German GIZ project

Some 66 enterprises have been selected to participate in the Energy Efficiency Project of GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) and Economic Development and Trade Ministry of Ukraine. "A total of 66 enterprises have already been selected, which will receive technical support to identify and implement pilot energy efficiency projects," First Deputy Economic Development and Trade Minister Maksym Nefyodov wrote.

According to him, among them 19 enterprises of the baking industry, 15 – from the dairy sector, 19 – machine building, as well as 11 enterprises for the production of nonmetallic building materials and two enterprises from other industries.

The list includes, among others, Kyivkhliv, Kyivsky BKK, Kupiansk Canned Milk Factory, Kaniv branch of the Cheese Club, Starokostiantynivsky Dairy Plant, Zhytomyr Butter Plant, EthnoProduct, JV Vitmark-Ukraine, Galca Ltd, Dnipropolymermash, Corum Druzhkivka Machine-Building Plant, Kharkiv Machine-Building Plant FED, IC Pozhmashina, Umanfermmash and OLIS.

In addition, the Kharkiv Tile Factory, Kerameya, the Kyiv Combine of the Construction Industry, the two branches of the SBK, the Tavriya Construction Company, the Temp Plant and the Zhytomyr Roofing and Insulating Materials Plant were selected.

According to a posting on the website of GIZ, the project to advice enterprises in the energy efficiency sphere was started in 2017 and will last until 2021. GIZ said that the energy efficiency potential, especially for small- and medium-sized enterprises, is 30-50%.



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Horizon Capital managed fund becomes shareholder in Intellias IT company

Horizon Capital managed fund has entered into a transaction to acquire a minority stake in Intellias, a leading IT services provider with operations in Ukraine, headquartered in Lviv. With this backing, Intellias will expand its operations in Eastern and Central Europe, the IT company said. The size of the stake and other details of the deal are not disclosed.

"We are delighted to attract Horizon Capital's backing as we broaden our delivery footprint in Ukraine and beyond. Intellias is among the fastest-growing IT Services providers with operations in Ukraine, having expanded from circa 150 employees in 2013 to over 1,100 now," Co-founder and CEO at Intellias Vitaly Sedler said.

According to the report, to increase its client service capabilities, Intellias is expanding its delivery hubs beyond Lviv, Kyiv, and Odesa, with Kharkiv and Ivano-Frankivsk next in development, as well as locations in Central and Eastern Europe.



"We view this investment as marking a new chapter in our development, allowing us to raise the bar even further, to the benefit of our customers and employee," Co-founder and Chairman of the Board at Intellias Michael Puzrakov said.

Intellias was founded in Lviv, in 2002 and by 2018 has evolved into a strong supplier of software development services, with a core delivery base in Ukraine. Intellias has been consistently ranking among the highest scoring IT Services employers in Ukraine and the fastest growing IT Services providers, having expanded in size over 10 times during the last six years.

Horizon Capital was established in 2006. It manages private equity funds Western NIS Enterprise Fund (WNISEF, established in 1994 with a capital of \$150 million), Emerging Europe Growth Fund, L.P. (EEGF, established in 2006 with a capital of \$132 million) and EEGF II (EEGF, established in 2008 with \$370 million capital).

27% of state-managed forestry enterprises operate without e-registration of wood

One third of state-managed forestry enterprises (27%) are left without connection to the wood electronic management system (WEM), in particular, this concerns forest management enterprises subordinated to the Education Ministry, Defense Ministry, as well as municipal forests and forests of regional automobile agencies, Director General of the state-owned enterprise (SOE) Ukrainian Forestry Innovation and Analytical Centre Viktor Melnychenko has said.



"In 2010, we, together with our partners, Latschbacher, started developing a wood electronic management system that allows us to trace the process of logging and selling wood, and it has been introduced in all enterprises of the State Forestry Agency of Ukraine since 2012. In general, the system covers 73% of state-owned forestry enterprises," he said at a press conference at the Kyiv-based Interfax-Ukraine news agency.

At the same time, Melnychenko said that the government resolution on the creation of a pilot project for the implementation of the electronic logging system for the second year remains without consideration, whereas its adoption could favor the connection of all state-owned forestry enterprises to the system.

According to Melnychenko, the system introduced in 2012 has been supplemented with new modules and applications that allow the public and law enforcement agencies to receive information on wood accounting. "After logging we mark the wood with a special plastic tag with a barcode, then move it and sell it. A year ago we introduced the "Police" application created to track and verify the movement of the wood along public roads. Today we present the "Certificate" application," the representative of the developer of the WEM system – the Austrian company Latschbacher GmbH, Volodymyr Molochko, said at the press conference. According to him, when issuing a certificate of origin for wood, the system automatically checks the availability of documents for legally acquired wood. The certificate itself, allowing tracing the entire supply chain, is transferred by the WEM system to the customs system of Ukraine in electronic and encrypted form.

Touchstone from UK interested in building solar, wind power plant in Ukraine

Touchstone Capital Group (the U.K.) is interested in a project to build an offshore combined solar and wind power plant in Ukraine, the press service of Ukraine's Energy and Coal Industry Ministry has reported after a meeting of profile specialists of the ministry with a delegation of the company. "At the meeting, representatives of the company presented a project for the offshore combined solar and wind power plant with a gigawatt power capacity, which is unique not only for Ukraine, but also for the nearest neighboring countries. Its additional advantage is the availability of its own balancing capacities, which will ensure a more even schedule of electricity production. The project also envisages the use of a significant (more than 30%) share of components of Ukrainian production," the ministry said in a statement. The ministry said that it is important that the implementation of these large projects occur in accordance with the actual state and the plan for the development of the electricity transmission system, and does not lead to deterioration in the operational security of the country's power grid.

In turn, representatives of Ukrenergo at the meeting reminded: 70-80% of the projects for the construction of "green generation" is being implemented in the southern region of Ukraine (Zaporizhia, Kherson, Mykolaiv and Odesa regions), which is energy-efficient and simultaneously lacks maneuvering capacities.

Windkraft Ukraine plans to boost wind farm capacities by 170 MW – Carl Sturen

Windkraft Ukraine LLC (Skadovsk, Kherson region) by the end of this year plans to bring the installed capacity of its wind farms in Kherson region to 170 MW and the company is mulling the next project to boost them by another 150-170 MW, Windkraft Ukraine Director Carl Sturen has said.



“By the end of the year there will be 170 MW: 100 MW have been added,” he told Interfax-Ukraine, commenting on the development of the company in 2018.

Sturen said that this year the company used its own funds and bank loans. According to him, to implement plans for further expansion, Windkraft Ukraine will consider various financing options.

The director said that while the company, using its own resources, began to build a substation that will allow increasing the capacity. He said that the new sites are not far from the already developed ones.

Asked why Windkraft Ukraine remains committed to wind farms, not solar power plants, which are more popular among investors due to a higher tariff and lower investment, Sturen said that he considers the windfarm business more sustainable. “The wind is more sustainable: it is more complicated, but it fits better with the energy system and is better for the consumer,” the director said.

Sigmableyzer from Houston announces setting up \$250 mln international fund for Ukrainian energy



SigmaBleyzer investment company has announced the creation of a new International Fund for Ukrainian Energy LP (IFUEL) for \$250 million, which will focus on investments in the energy sector of Ukraine.



“We will consider everything, including alternative energy. But, of course, we are interested in oil and gas, energy saving,” SigmaBleyzer President Michael Bleyzer told.

According to the company, during the first closure, which took place in September 2018, more than \$100 million has already been approved.

“SigmaBleyzer cooperates with highly-capitalized and very experienced energy companies in Texas to create this fund,” the document says. Bleyzer added that for investment of funds both greenfield, and brownfield projects can be considered. According to him, significant potential is concentrated in energy saving projects, as the level of energy efficiency in Ukraine lags behind the best world indicators.

EIB to invest in renewable energy in Ukraine



The European Bank for Reconstruction and Development (EBRD) is about to invest from \$2 million to \$4 million in the development of infrastructure of auctions stimulating renewable energy, EBRD Deputy Director in Ukraine Marina Petrov said during her interview to the Reform.Energy website. "This is the money that we are already asking for now from the donors in order to launch a high-quality auction," she said. She explained that market players might not be able to perceive poorly organized auctions. According to her, the EBRD during Ukraine's transition to the auctions stimulating renewable energy is ready to share its experience from similar auctions in those countries which were the first ones to introduce such tools. Such or similar auctions are held in Turkey, Poland, Bulgaria, Jordan, Egypt, and Armenia, she said.

Speaking at the Ukrainian Financial Forum organized by the ICU Invest Group in Odesa, the EBRD representative said that market operators had questions as for who would be a balancing player on this market. She said that the EBRD was working jointly with the U.S. Agency for International Development to create the market of balancing facilities and invest the funds in more mobile parts of the system, e.g. batteries, gas turbines.

In general, she described the situation on the renewables market as a "quick sprint" – the investment is to be made while the current feed-in tariffs are in effect.



"We've got many investors who are mulling over investment this and next year. We have fewer investors who are preparing projects for 2020-2021. We see there will be a steep decline," she said.

In this connection, she called on the adoption of a law on renewable energy auctions by the end of the current year. Ukraine has great potential for the development of other sectors of renewable energy, mainly biofuel and small hydro facilities, she said.

Ukraine increases oil and gas condensate production

Crude oil production in Ukraine in January-August 2018 grew by 2.7% year-over-year, to 1.004 million tonnes. The Energy and Coal Industry Ministry of Ukraine told Interfax-Ukraine that gas condensate production grew by 0.8%, to 441,936 tonnes. Naftogaz Ukrainy's enterprises increased oil production by 2.9% in January-August 2018, to 976,820 tonnes, but decreased gas condensate output by 7.1%, to 278,330 tonnes. A 2.9% rise was seen in oil production by Ukrnafta, to 926,300 tonnes and a 16.1% fall in production of gas condensate, to 33,400 tonnes, while Ukgazvydobuvannia cut oil production by 9%, to 50,520 tonnes and gas condensate by 5.7%, to 244,930 tonnes.

Other oil producing companies in January-August 2018 increased crude oil production by 26.3%, to 26,684 tonnes and condensate – by 17.7%, to 163,606 tonnes. As reported, in 2017, Ukraine cut oil and gas condensate production by 4.2%, to 2.098 million tonnes.

Kyiv hotels' occupancy in 2018 is still growing

Occupancy of Kyiv's hotels in the highest peak of the tourist season (May-August) grew by 1.6 percentage points (p.p.) in the upscale segment, to 47% and by 5 p.p. in the midscale segment, to 56%, the press service of Jones Lang LaSalle (JLL) in Ukraine has reported. According to JLL, Average Daily Room Rate (ADR) in the upscale hotel segment in Kyiv in May-August 2018 grew to \$175, which is 10% more than in May-August 2017, while Revenue Per Available Room (RevPAR) grew by \$13, to \$85.



"May was the month when hotels were occupied the most, when the UEFA Champions League final took place. This event... allowed hotels of the upscale segment to reach occupancy of 59% with the increase of ADR by almost 40%, to \$230," Head of the Hotels & Hospitality Department at JLL Tetiana Veller said.

According to the JLL report, in the midscale segment of the Kyiv's hotels there was a decrease in ADR by an average of 10%, to \$80. At the same time, due to the increase in the occupancy to 56%, RevPAR in this segment increased to \$45.

According to the consulting company, Kyiv hotels in the eight months ending August 2018 showed an increase in occupancy by 1 p.p. in the upscale segment and by 2 p.p. in the midscale segment, the growth of ADR – by \$15 in the upscale and \$2 in the midscale.

Germany considers possibility to finance construction of highway in Eastern Ukraine



Germany could finance construction of the Mariupol-Zaporizhia highway, Ukrainian Infrastructure Minister Volodymyr Omelyan wrote on his Facebook page on Monday. "Germany is considering the possibility of allocating financing to build the road in Eastern Ukraine. Probably it will be the Mariupol-Zaporizhia road. It will be the first real highway in Ukraine built according to all EU requirements," he said.

According to the minister, together with Hyperloop Transportation Technologies, the certification of this new type of transport (highway) by TÜV SÜD, the leading German safety association has been launched. As reported, last week in Germany Omelyan held talks with the ministries of economy and transport, and met with Federal Minister for Economic Affairs and Energy Peter Altmaier.

Earlier, the Cabinet of Ministers of Ukraine approved the state targeted economic program for the development of public roads of state importance for 2018-2022.

Kyiv city approves leasing of 22.2 ha for offices and residential buildings in UNIT.City



The Kyiv City Council at a session on Thursday, September 20, made a decision to lease two land parcels with a total area of 22.2 ha located at 8, Simyi Khokhlovykh to companies UNIT Zhytloinvest and UNIT Holdings to build a residential and office complex. A total of 71 lawmakers backed the lease of 8.2 ha land parcel to UNIT Zhytloinvest and 83 lawmakers supported the lease of 14 ha to UNIT Holdings. As reported, KAN Development and UDP in 2019 will start building a residential complex of 170,000 square meters in Kyiv-based UNIT.City innovative park. The share of housing will be around 30% of the park.

The project provides a mix of housing of business and comfort classes. The construction is scheduled to begin in 2019, and the first stage, which will account for 15% of the total area (about 25,000 square meters), will be commissioned in 12-14 months.

KAN Development is also engaged in joint development for the construction of a six-story business center on UNIT.City's area. Its commissioning is planned before the end of 2018. Its total area is about 13,000 square meters. At the same time, preliminary lease agreements have already been signed for 90% of the area. Under this project, UDP and KAN Development act as co-investors.

Apart from housing, UNIT.City will also have a university, a school, a kindergarten in the future.



As reported with reference to founder of the UFuture investment group and K.Fund Vasyl Khmelnytsky, it is planned that the area of the UNIT.City innovation park in Kyiv will be expanded to 26 hectares from 19 hectares (as of May 2018).

The UNIT.City innovation park officially opened in April 2017 on the territory of the former Kyiv Motorcycle Plant. Its territory comprises the Chasopys-UNIT co-working facility, IT school UNIT Factory, three laboratories, a business campus, a fund and five accelerators.

According to UNIT.City's website, four new business campuses, three accelerators, four funds will be created in the park before 2019. The number of resident companies will be increased to 100. By 2025, the park should include 25 hectares of space for work and leisure, as well as more than 300 companies and R&D laboratories.

Endowment life insurance covers over 738,000 citizens, which insurance premiums reach some UAH 8.1 billion. Investment income in the amount of UAH 334 million was received from these premiums.

Ukrainian insurance market in top ten dynamic global markets

The Ukrainian insurance market in the volume of insurance premiums collected in 2017 in foreign currency equivalent was 61st in the world, and in the pace of growth it was among the top ten most dynamic global markets, member of the National Commission for Financial Service Markets Regulation Oleksandr Zaletov has said, speaking at the 18th International Financial Forum in Odesa last week. He said that over the past 10 years the insurance companies of Ukraine have made insurance payments in claims to the population and enterprises in the amount of more than UAH 67 billion, of which UAH 5.5 billion was recovered through cooperation with leading foreign reinsurers and reinsurance brokers from Switzerland, the U.K., Germany, Poland, Austria, the United States, France and other countries. This year, as in previous years, in all segments of the insurance market, there has been a trend towards an increase in the volume of services provided.



In January-June 2018, net insurance premiums increased by 24% and amounted to UAH 16.7 billion, net insurance payments – by 27%, to UAH 5.9 billion.

The size of insurance reserves accumulated by insurers amounted to about UAH 24 billion (an increase of 15.4%). Against a 14.5% decrease in the volume of reinsurance, the amount of reinsurers' compensation in insurance payments increased by 58.6%.

In H1 2018, over 36.6 million insurance contracts were concluded with individuals (an increase of 8.2%), apart from compulsory personal transport accidents insurance, the number of contracts increased by 12.8%, to 65.5 million.

Lufthansa increases passenger flow to Ukraine by 14% in current year



The Lufthansa Group in January-August 2018 increased passenger flow on flights to/from Ukraine by 14%, to 551,020 passengers, Lufthansa General Manager for Ukraine, Armenia, Belarus, Georgia, Azerbaijan and Turkmenistan Rene Koinzack said at a press conference in Kyiv on Wednesday. "This is a large growth for us. The frequency of flights also increased by 8.5%," he said.

Koinzack said that today four brands of the Lufthansa Group are servicing four Ukrainian airports.



"A lot of Ukrainians are traveling to Europe, so the passenger flow from Ukraine increased by 26% compared to last year, possibly thanks to the liberalization of the visa regime," Koinzack said.

According to him, the airline services 91 destinations to/from Ukraine. The most popular destinations are Spain, France, Germany, Austria and Switzerland. Also the interest in flights to Hong Kong, Shanghai and Beijing has increased.

Boryspil International Airport plans to build cargo terminal next year even if no investor found



State-owned enterprise (SOE) Boryspil International Airport plans to start building a cargo terminal in 2019 even if no investor is found, Director Pavlo Riabikin said at the Global Outlook 2018 conference organized by the European Business Association (EBA) in Kyiv. According to him, the existing cargo infrastructure of the Boryspil airport was formed in the late 1960s – early 1970s and it was designed to handle about 40 tonnes of cargo per day. “Today we process 110-120 tonnes of cargo a day, which is very problematic with the existing infrastructure,” Riabikin said.

According to him, in the past four years there has been a lot of talk about attracting investors and creating an investment project for the construction of a cargo terminal at the airport, but due to the fact that the state has few mechanisms for attracting investors to infrastructure projects, this has not been realized.

“Next year, if the ministry fails to attract an investor, we plan to build a new cargo terminal based on existing capacities, but we will implement it using own forces” the head of the enterprise said.

Riabikin said that the project for the construction of the cargo terminal is not a profile for the airport, since the company is oriented, first of all, to passenger transportation.

“I think we are able to implement it the construction of the cargo terminal during a year and a half. The only question is whether we have the funds or the opportunity to attract them,” Riabikin said.

Retail trade turnover in Ukraine 5.4% up



Retail trade turnover in Ukraine in January-August 2018 increased by 5.4% in comparable prices in comparison with January-August 2017, the State Statistics Service has said. According to its data, in August 2018 in comparison with July 2018 retail trade turnover rose by 5.7%, compared with August 2017 by 7.5%.

The largest increase in retail trade turnover for the eight months of 2018 compared to the same period in 2017 was observed in Luhansk (27.9%), Donetsk (13.3%), Poltava (10.8%), Zakarpattia (10.2%), and Kyiv regions (10%). As reported, retail trade turnover in Ukraine in 2017 increased by 8.8%, amounting to UAH 816.554 billion.

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French sportswear brand Decathlon to launch online store in Ukraine



The French sportswear brand Decathlon, part of the international Auchan Group, is to launch an online store in Ukraine in the spring of 2019 simultaneously with its first physical retail outlet, and announces plans to expand production in the country. "In six months, in the spring of 2019, we will open our first store in the north of Kyiv – in Retail Park Petrivka. Simultaneously, we will open an online store," CEO of Decathlon Ukraine Florent Guieu said at a press conference. According to him, the company plans to cover the entire territory of Ukraine with its online store. The delivery of goods will be carried out from a warehouse located in Poland near the border with Ukraine. The online store will offer both delivery and customer pickup from the physical retail outlet. Guieu also said that the company plans to expand production of own goods in Ukraine, which was launched in 2012.



"Ukraine is a fantastic country for production. We want to maximize the capacities for the production of footwear and non-technical goods here. We will try to produce more in Ukraine for the European market," Guieu told Interfax-Ukraine in a comment.

In Ukraine, Decathlon produces goods in Zakarpattia, Sumy and Chernihiv regions.

Large producer of home and personal care products from Ukraine starts supplies to Poland

The Biosphere Corporation (Dnipro), a large producer of home and personal care products, has entered the Polish market, signing an agreement on supplies of moist wipes Smile under the license of The Walt Disney Company and Universal with the Biedronka retail chain. "Biosphere Corporation entered the Polish market with a contract with the Biedronka chain. In one of the largest Polish networks, which includes more than 2,800 stores across the country, 15 names of the Smile brand will be presented under the license of The Walt Disney Company and Universal. Thus, the Smile brand was the first in Poland with an official license from the two largest Western studios. In the nearest future the corporation plans to enter other chains of this country," the press service of the Biosphere Corporation said.

The corporation was also informed about the exclusive license from The Walt Disney Company and Universal, with which it has been cooperating since 2012, for using cartoon characters on the moist wipes Smile on the Polish market.

BASF to invest in concrete additives plant not far from Kyiv

BASF, an international chemical producer, is to invest EUR 2 million in a new plant that will produce concrete additives in the town of Obukhiv, Kyiv region, which is to open next spring, Managing Director (CEO) at BASF Ukraine Andreas Lier has said. "There will be about EUR 2 million in investment. This is our first investment in Ukraine. If it is successful, we will continue investing in this production. We have already been present in the Ukrainian market with these products for several years. We have been importing this product for a long time, but now we've decided we want to produce it here," Lier told Interfax-Ukraine.

BASF's National Development Manager Oleksandr Ruban says that the plant's production capacity will be 10,000 tonnes of produce per year with the possibility of boosting the output in future. The plant is scheduled to be launched in March-April 2019.

"Now we are bringing all the additives from abroad, and our share in the market is very small – less than 1%. We plan to grow up to 10% of the market in the first year," Ruban said in a comment to the Kyiv-based Interfax-Ukraine news agency.

Governor of Kyiv region Oleksandr Horhan forecasts that the production of the additives at the plant in Obukhiv will speed up the pace of construction in Kyiv region.

Ukraine exports 8.7 mln tonnes of grain since July 1



Ukraine exported 8.652 million tonnes of grain from July 1, 2018 (the beginning of the 2018/2019 marketing year, MY July-June) to September 26, 2018, which was 8.6% less than by the same date of the previous MY. As of today, farmers exported about 5.06 million tonnes of wheat, 1.93 million tonnes of barley, 1.5 million tonnes of maize, Ukraine's Ministry of Agrarian Policy and Food said.

In addition, 45,200 tonnes of flour was sold on foreign markets over the period under review.

The ministry also said that the volume of forecast wheat exports remained at the level that was recorded in the Memorandum of Understanding for 2018/2019 MY, signed by the ministry and grain market players on August 10, i.e. 8 million tonnes of food wheat and 8 million tonnes of coarse wheat.

Ukraine could attract at least \$15-20 bln of investment using its land bank



Ukraine needs foreign direct investment (FDI) to provide stable growth, and one of the fastest instruments for attracting at least \$15-20 billion could be the offer of state-owned agricultural land estimated at 10 million hectares, Managing Partner of ICU Investment Group Makar Paseniuk has stated.



“Land reform would be a huge driver for the further development of our country, as it can be done quickly and it will quickly attract FDI,” he said at the Ukrainian Financial Forum organized by ICU in Odesa.

Paseniuk said that the total area of agricultural land in Ukraine is estimated at 20-25 million hectares, of which about 10 million hectares still belong to the state. According to him, the average rent rate is \$140-150 per hectare a year, which, taking into account the conservative estimate of a 10% rate, entails the cost of land of \$1,500-2,000 per hectare.

“Thus, the cost of all state farmland is \$15-20 billion, which can be compared with the existing IMF program in the amount of \$17.5 billion or more, which twice as much as the NBU's net reserves of \$6.8 billion,” the expert said. He urged the state to actively offer large investment projects in other sectors. “I cannot name an economically viable project in which a private investor can now invest \$1 billion,” Paseniuk stated.

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 18 – 19, 2018.

Forum Organizing Committee:

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