



# UKRAINE

## OPEN FOR BUSINESS

Biweekly news digest

19 February 2019

## UFuture of businessman Vasyl Khmelnytsky plans to launch innovation park in Lviv



The UFuture Investment Group of businessman Vasyl Khmelnytsky, which portfolio includes UNIT.City innovation park in Kyiv, plans to launch the first phase of LvivTech.City at the end of 2019, the founder of UFuture Investment Group Vasyl Khmelnytsky has said in a blitz interview with Interfax-Ukraine. "We can say that the first Lviv campus will combine office and commercial sections (cafes and restaurants). The office space will be 9,500 square meters, commercial – 3,000 square meters. It will also be built according to the standards of "green" construction," Khmelnytsky said.

According to him, the company has not yet attracted partners and loan financing for this project and it is building the space at its own expense. "The park has residents, but we do not sign the contracts until we reach the final stage of construction," the businessman said.

In addition, the company intends to open an educational space in Kharkiv this year. "This year we will launch an institute and a co-working space in Kharkiv. There is already a modern building with an area of 12,000 square meters, in which they will occupy about a quarter... The park will expand with the growth of the market," Khmelnytsky said.

## HEADLINES



NEW CERAMIC TILE PLANT  
IS LAUNCHED IN KYIV  
REGION



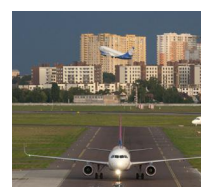
UFUTURE GROUP PLANS  
TO BUILD TWO WIND  
FARMS IN UKRAINE



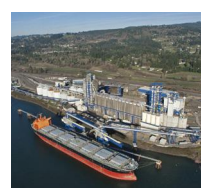
VACANCY OF KYIV'S  
OFFICES IS LESS THAN 5%  
IN 2018



UKRAINIAN AVIATION  
PLANT STARTS TO PROVIDE  
BOEING WITH MAINTENANCE  
SERVICES

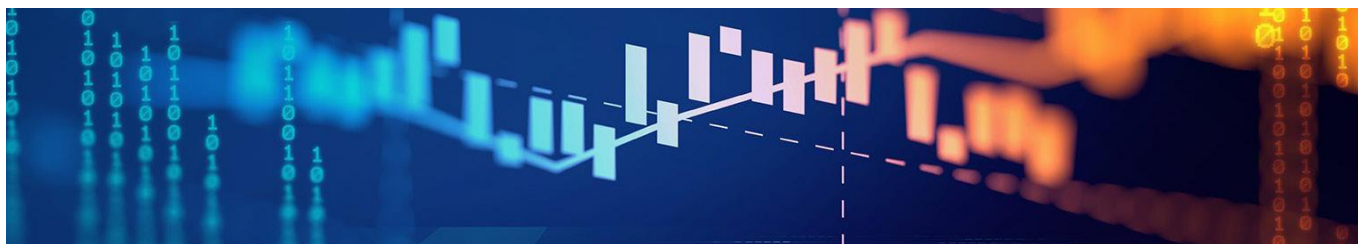


KYIV SIKORSKY AIRPORT  
BOOSTS PASSENGER  
TRAFFIC BY 44%



KOREA'S POSCO DAEWOO  
BUYS 75% OF GRAIN  
EXPORT TERMINAL IN  
UKRAINE

# IFC starts procedures for entering UkrGasbank's capital



The Finance Ministry, the International Finance Corporation (IFC) and UkrGasbank have started assessing and structuring the financial tool allowing IFC to enter the capital of this state-owned bank, the Finance Ministry reported.



***"IFC's entry into UkrGasbank's capital will be a powerful signal for international investors and will contribute to the further development of the banking system in general," Finance Minister Oksana Markarova said.***

The Finance Ministry said that the transition to this stage became possible as a result of the successful fulfillment of the terms of the tripartite memorandum of understanding signed in November 2017 to support the privatization (sale) of the bank by the ministry and UkrGasbank.

According to the memorandum, IFC helped UkrGasbank to strengthen corporate governance, ensure its operational independence, and further improve its stable banking model based on commercial viability.

Successful cooperation between the state-owned bank and IFC has already allowed for more than 145 projects in the field of clean energy using biofuels, hydropower, solar and wind energy with a total capacity of 866 MW, which is a quarter of all renewable energy facilities in Ukraine. Thanks to these projects, CO2 emission reduction has reached more than 1 million tonnes annually.

---

## Volodymyr Zelensky leads presidential candidate rating in Ukraine – poll

The most popular presidential candidates are showman Volodymyr Zelensky, Batkivschyna Party leader Yulia Tymoshenko and incumbent President Petro Poroshenko, according to a poll conducted by the Sociological Monitoring Center, the Yaremenko Ukrainian Institute of Social Research, Info Sapiens and the Rating Group Ukraine. According to the results of the survey presented in the Kyiv-based Interfax-Ukraine news agency, 81% of those polled said they would vote in the presidential elections, with 45% saying they would definitely vote, and 36% saying they would most likely vote.

Some 21.9% supported the candidacy of Zelensky, Tymoshenko – 19.2% and Poroshenko – 14.8%.

The poll was conducted from January 19 through January 30, 2019. Some 10,000 persons aged 18 and older were questioned in all regions of Ukraine, except occupied Crimea and occupied areas of Donetsk and Luhansk regions. The margin of error of the survey does not exceed 1%.





## Banking system of Ukraine has record profit of UAH 21.7 bln in 2018



Ukrainian solvent banks in 2018 saw UAH 21.7 billion of net profit compared with UAH 26.5 billion of net loss a year ago, according to a posting on the website of the National Bank of Ukraine (NBU). According to the central bank, the recovery of the profitability of the banking system has become possible thanks to the reduction of sending funds to reserves with a steady increase in interest and commission fee income.

"The amount of payments to reserves more than halved, to UAH 23.7 billion in 2018 from UAH 49.2 billion in 2017. At the same time, the net interest and commission fee income of the banking system increased by an average of 38%," the NBU said.

Commission fee incomes increased against the background of the development of cash settlement and other related lending payments, to 25% in the structure of all revenues.

"After 2014-2017 unprofitable for the banking system, profit of banks in 2018 is the largest on the historical horizon. It became possible thanks to the intensification of lending, primarily retail in national currency, which increased by more than 30%. In addition, the decline in interest rates on deposits of individuals during most of the year and a significant reduction in allocations to reserves contributed to profitability of the banking sector. We expect that the year 2019 will also be successful as lending will continue growing," First Deputy NBU Governor Kateryna Rozhkova said.

The NBU also reported that out of 77 banks operating on January 1, 2019, 64 banks posted UAH 34.4 billion of net profit. At the end of 2017, 64 out of 82 banks operating at that time were profitable.

The most profitable in 2018 were banks with foreign capital (UAH 15 billion profit for the year) and PrivatBank (UAH 11.7 billion). The main loss was generated by banks with public Russian capital (a UAH 11 billion loss).

## Ukrzaliznytsia receives 30 locomotives from General Electric under contract

JSC Ukrzaliznytsia has received the last five locomotive made by General Electric Transportation (the United States), Ukrzaliznytsia Board Chairman Yevhen Kravtsov has said on its Facebook page.

Ukrzaliznytsia received all 30 contracted locomotives GE. The last five met in Chornomorsk on Friday," he said.

The received locomotives will be sent to Kriukov Car Building Works (KCBW, Poltava region) for retrofitting, where 10 more U.S. locomotives are already in work.

According to Kravtsov, GE locomotives show themselves to be extremely effective.

"As an example, we save fuel by 30% in the Zaporizhia-Kamysh-Zoria-Volnovakha section. In addition, the locomotives of the old fleet run an average of 360 km per day, and GE diesel locomotives – 540 km," he said.

### Business Partner Compliance Check

Apply to the only  
authorized partner of  
**D&B**

**+38 (067) 232-00-42**

**urakin@interfax.kiev.ua**

**Make your business safe!**

## Investments in Vinnytsia airport to be UAH 1 bln

The State Agency for Infrastructure Projects jointly with Infrastructure Ministry has presented a plan on reconstruction of municipal enterprise Vinnytsia International Airport for 2019-2020. Head of the State Agency for Infrastructure Projects Mykola Bozhko said at a press conference in Kyiv on Tuesday that it is planned to spend UAH 2.2 billion on the reconstruction project, including UAH 1.013 billion in 2019 for the first phase of the project.

According to him, the airport modernization project was developed as part of the program to modernize regional airports and the public expertise of the project is now being completed, and the reconstruction of the Vinnytsia International Airport will begin soon.



***"We plan to launch the first flight by the end of this year," he said.***

The first part of the reconstruction project includes: reconstruction of the runway, partial reconstruction of the apron, lighting, radio and meteorological equipment, cable networks and engineering networks of power supply and communications.

"This will allow us to get a modern, highly optimized international complex. The project is divided into two phases, which will allow, after putting into operation the first phase, to receive a fully operational aerodrome complex, which will be able to accept all types of aircraft of class B, C and, in some cases class D (767-200, 767-300)," Bozhko said.

---

## KTD to launch assembly of refrigerators at Cherkasy factory

KTD Group, which manufactures household appliances in Ukraine under the Saturn, ST and Laretti brands, plans to launch the conveyed assembly of refrigerators at a factory in Cherkasy in one or two months, President of the KTD Group Oleksandr Hromyko has said. "We have already launched the pilot manufacture of refrigerators, and in a month or two we are launching an assembly line for 300,000 refrigerators per year. We buy metal from Metinvest," Hromyko said at a round table on labor migration issues in Kyiv. As was earlier reported, the initial launch of the plant with a gradual increase in output to 300,000 refrigerators annually was scheduled for the summer of 2017, but the deadline was shifted for 2018. Hromyko explained the time was needed to change the project for the incorporation of energy-saving technologies, as the plant is to manufacture A++ and A+++ energy-saving refrigerators.



***"What we lack and what we saw, for example, in Slovakia or Turkey, is certainly the support of the manufacturer by the government. In Slovakia, for example, if I had opened a similar plant and created 500 jobs, I would have had from 30% to 50% of the cost of equipment compensated," he said during the round table.***

KTD Group has been working in the home appliances market for over 20 years. It is a major supplier of household appliances of various brands in the European market, and produces some of its goods at factories in China, Turkey and Taiwan. According to its website, during this period, offices were opened in 13 countries, namely in the United Arab Emirates and Tunisia.

The Dragon Capital investment company estimated the group's share in the Ukrainian market of household appliances at 14%.

## New ceramic tile plant is launched in Kyiv region



The Epicenter K Group (Kyiv) has invested UAH 3 billion in construction of the largest ceramic tile plant in Kalynivka (Kyiv region) and plans to launch the first phase in the middle of 2019, the founder of Epicenter K LLC Oleksandr Hereha said at a briefing.



***“We are developing our white clay quarry. We will fully use Ukrainian raw materials in the production of tiles... We also signed a second contract for the supply of equipment in Kalush, Lviv region, where we will build a second ceramic tiles plant,” he said.***

According to Hereha, the SACMI international group acted as the anchor partner for the supply of equipment to the plant, which, in connection with the implementation of this project, decided to open an official representative office and service center in Ukraine.

The second phase of construction is scheduled for 2020.

“The production capacity of the first and second phases of the plant will amount to 6 million square meters of tiles per year, with the possibility of expanding it to 15 million square meters,” Deputy Director of Epicenter K for customs issues Volodymyr Pidrushniak said. The facility is located on a land parcel of 20 hectares near the Kalynivka customs terminal and the warehouse complex of the Epicenter group. According to the press release of the group, the total area of the plant is 70,000 square meters, and its annual production capacity is 12 million square meters tiles. Some 300 people will be hired.

---

## Ukrainian DTEK builds largest solar power plant in Europe

Solar-Farm 1 LLC in the middle of January 2019 launched the largest solar power plant in Ukraine with a capacity of 246 MW in Nikopol district of Dnipropetrovsk region. The National Commission for Energy, Housing and Utilities Services Regulation (NCER) on February 15, 2019 approved the draft resolution on setting the feed-in tariff for Nikopol solar power plant in the amount of EUR 15.03 per MW until 2030.

It is planned that Nikopol solar power plant will generate up to 290 million kWh of electricity a year. This is the largest solar power plant in Ukraine and Europe.

Solar-Farm 1 LLC belongs to DTEK Renewables B.V., operating the assets of DTEK Group in the sphere of renewable energy. As reported, the contractor of the plant is China Machinery Engineering Corporation (CMEC). Trina Solar Limited delivered solar cell arrays for the plant.

In March, the plant will be connected to the power grid. The plant will be able to fully meet the needs of 100,000 households in Ukraine and reduce carbon dioxide emissions by more than 300,000 tonnes per year.

To ensure the connection of the solar power plant in Nikopol (Solar-1 LLC), national energy company Ukrenergo plans to reconstruct the open-type 150 kV switchgear of 330 kV Nikopol substation, with an expected tender price of up to UAH 20.833 million.

## UFuture group of businessman Vasyl Khmelnytsky plans to build two wind farms in Ukraine



UDP Renewables, responsible for development of projects in the renewable energy sphere of the UFuture Group of businessman Vasyl Khmelnytsky, plans to implement two projects in the wind energy sphere and retains plans to build solar power plants with a total power capacity of 200 MW. "We are considering two projects that we will implement in the wind energy sector. In the future, I will tell you more specifically when we start building," Khmelnytsky said in a blitz interview with Interfax-Ukraine. In addition, according to him, the company maintains plans to build energy projects with a total capacity of 200 MW in Ukraine for 2018-2019, but further plans for the development of these projects will depend on the feed-in tariff.



***"We do not change the plan now. We want to build 200 MW. Today we are building 100 MW. That is, we are continuing as planned: we are building five projects in Odesa, Zaporizhia, Kherson and other regions," the businessman said.***

Partners in these projects, in addition to Spain's Acciona Energia Global, are Slovak and Ukrainian companies. Earlier UDP Renewables announced its plans to implement energy projects with a capacity of 200 MW in southern regions of Ukraine in 2018-2019. There are two launched solar power plants: Dymerska Solar Power Plant 1 in Kyiv region with a capacity of 6 MW and Free-Energy-Henichesk solar power plant with a capacity of 18.3 MW in Kherson region.

UFuture Investment Group, headquartered in Brussels, was established in autumn 2017 and united the business projects of Khmelnytsky. The group includes the Ukrainian development company UDP, whose specialization is the implementation of large infrastructure projects. In addition, the conglomerate united businesses in such areas as UDP Renewables, the Bila Tserkva industrial park, the innovation parks UNIT.City, and LvivTech.City.

---

## Large company of light industry market plans to bring new fabric factory in Ukraine to projected capacity

The Textile-Kontakt Group, a large retail and industrial groups on the light industry market in Ukraine, approximately in April seeks to bring the new fabric factory to the projected capacity of 200,000 linear meters a month. "At present, production has been started and being tested," the press service of the group told Interfax-Ukraine. Almost UAH 53 million was invested in the new production site in 2018, and in 2019 it is planned to invest some UAH 100 million.

As reported, in September 2018, the group began repairing workshops with a total area of 3,500 square meters and installation of new equipment. The capacity of the plant will be 2-3 million meters of fabric per year.

"I was here in November, the dismantling of old equipment continued. The state of the enterprise was more like a dump. We repaired and restored the old equipment, which is now ready for operation. Also, eight trucks with Italian production lines are about to arrive at the site," the press service said, citing the founder of the Textile-Kontakt holding Oleksandr Sokolovsky.



## Vacancy of Kyiv's offices is less than 5% in 2018

The share of vacant space in the office real estate segment in Kyiv at the end of 2018 was less 5%, and rental rates are growing, Head of the Capital Markets and Land Parcel Transactions Department of Cushman & Wakefield Volodymyr Mysak said at the Ukrainian Center of Steel Construction conference.



***"In Ukraine, there is a very interesting comparison between supply and demand. Kyiv has the smallest number of square meters per 1,000 inhabitants in terms of office space among European cities. That is, there is a huge potential for increasing office space," the expert said.***

The company also believes that the investment attractiveness of office real estate is increasing. "If one has previously massively invested in residential real estate, now they are returning to office real estate. That is, many investors are returning to this," Mysak said.

According to Cushman & Wakefield, by the end of 2018, the vacancy rate of commercial real estate in Kyiv amounted to 4.9%, the total offer was 649 square meters per 1,000 inhabitants. At the same time, rental rates averaged \$29 per square meter a month.

According to Mysak, the vacancy rate is also very low in the warehouse real estate market – about 3%, which causes an increase in rental rates.

The expert said that the amount of investment in commercial real estate in 2018 was a record for 10 years.

"In 2018, there was a lot of investment in the economy of Ukraine, in particular in commercial real estate. We actually reached a 10-year peak – more than \$300 million was invested in commercial real estate. This shifted the cycle from the point, and this means investors are confident that the market is moving in a positive direction."

---

## Nissan Leaf remains most popular electric car in Ukraine, demand for electric cars increases

Primary registrations of electric vehicles in Ukraine in January 2019 increased by 2.3 times year-over-year, to 441 units, with used electric cars imported into Ukraine accounting for 91.6% of the total number (404 units), the Ukrautoprom Association has said. The Nissan Leaf make remains the most popular electric car on the Ukrainian market with 231 units registered in January 2019.

The leader among the new electric cars was the Jaguar I-Pace, chosen by 13 owners, while this make was not among used cars registered in Ukraine. The Top 10 electric vehicles in January included the Nissan Leaf (231 cars), Renault Zoe (29), TESLA Model S (28), BMW i3 (27), FIAT 500e (24), Volkswagen e-Golf (18), Tesla Model X (16), Jaguar I-Pace (13), KIA Soul EV (11), Chevrolet Bolt and Mercedes-Benz B Electric Drive (10 each).

According to the association, Ukrainians bought 5,300 electric vehicles in 2018, which is almost two times more than a year earlier. The share of used cars was 83.5%. At the same time, demand for new electric vehicles was higher than that for used cars: if primary registrations of used electric vehicles doubled, registration of new ones increased 2.2 times.

The Nissan Leaf remained the most popular electric car in Ukraine, accounting for 64% (3,378 cars) of the primary electric car market, but 94% of the cars were used vehicles imported from abroad. The BMW i3 ranked second with 352 cars bought by Ukrainians (69% of them were used cars). The third place is occupied by the Tesla Model S with 259 sold cars (64% of used cars).

## Business expectations in Ukraine's construction market improve by 5 p.p.

The business confidence indicator in the construction market of Ukraine in the first quarter of 2019 increased by 4.8 percentage points (p.p.) compared to the fourth quarter of 2018, to minus 12.5%. According to the poll of construction companies by the State Statistics Service, the assessment of a shortage of the current volume of orders fell by 10 p.p., to minus 30%.

According to the results of the survey, 32% of companies rated their current order volume as insufficient, 65% as normal for the season and only 2% as exceeding the norm.

Some 44% of respondents expect an increase in prices for their services in the first quarter of this year, which is 1 p.p. more than in the fourth quarter of 2018, while 2% of the companies surveyed predict a decrease in the cost of construction work, and 54% do not expect any changes in the price policy.

The service said in the first quarter unfavorable weather conditions will more affect the work of construction companies, and 39% of respondents will continue to experience financial constraints. In addition, 20% of companies will be constrained by an insufficient demand, 18% by a shortage of workforce.

---

## Kyiv river port to build cement terminal and new logistic complex



JSC Kyiv River Port plans to build a class A logistic complex with a cargo area and a terminal for a cement base, the port has reported on its website. In addition, the port plans to focus on the development of rail and container traffic; as well as actively develop trade relations and transportation with Belarus.



***The logistics complex with a cargo area will occupy an area of 10,000 square meters, of which 2,000 square meters will be reserved for office space. The railway infrastructure is planned to be used, first of all, for work with sand, crushed stone, metal and cement.***

In addition, the company said that, since 2014, the company has provided over UAH 40 million for the development of infrastructure.

"A customs complex with an international checkpoint was built, office buildings, workshops and warehouses were reconstructed and repaired, the territory was cleared of garbage and modern security equipment was installed. The railway line was fully restored and weight complexes were installed," the company said.

The ships also installed new navigation equipment and modern security equipment, an icebreaking tug and a floating crane were purchased.



## Ukrainian aviation plant starts to provide Boeing with maintenance services



State-owned enterprise (SOE) 410 Civil Aviation Plant has started providing Boeing aircraft repair and maintenance services. "The company has already begun to develop services for the repair and maintenance of Boeing aircraft, conducting joint work on these aircraft with Concorde Aerotechnica," the press service of the enterprise said on the website of 410 Civil Aviation Plant.

According to the press service, currently there are two Boeing 737-500 planes in the workshops of the aircraft repair plant, where maintenance and painting works are being carried out.

"Upon the completion of the training and certification phase of production, the company will be able to significantly expand its capabilities by independently performing maintenance work on modern aviation technology as a full player in the international market," the enterprise said.

The 410 Civil Aviation Plant is the sole enterprise in Ukraine that repairs Antonov aircraft and D-36 engines. Since June 2015, the enterprise has been part of the Ukroboronprom State Concern. In July 2015, the enterprise was certified its compliance with NATO standards.

---

## Leading Ukrainian mobile operator Kyivstar launches NB IoT network

Kyivstar mobile communications operator is launching the Narrowband Internet of Things (NB IoT) network in the 1800 MHz frequency band (Band 3), the press service of the operator has told Interfax-Ukraine. The operator tested the NB IoT networks designed for smart devices in December 2018 and early 2019 in its laboratory using gas and water meters.



***"Successful testing of the network allowed us to scale up the project and begin its implementation at client locations. In particular, the operator's business clients in Kyiv and Odesa regions have already joined the network for testing it at their enterprises," the company said.***

The company plans to launch the NB IoT network for customers all over Ukraine, who can order both connection to the NB IoT network, "smart" devices and software for monitoring and control.

NB IoT is a Low Power Wide Area Network (LPWAN) radio technology standard developed by 3GPP to enable a wide range of cellular devices and services. The technology provides an environment for collecting data from various types of equipment: sensors, meters, and others; and provides two-way communication of devices operating in a 200 kHz frequency band. The data transfer rate in NB IoT is up to 200 kbps, which is sufficient for devices that periodically transmit small data of the same type.

## Turkish Airlines Sees 28% rise in passenger flow when servicing flights to/from Ukraine in 2018



Turkish Airlines in 2018 serviced over 800,000 passengers of own flights to/from Ukraine, which is 28% more than in 2017. General Manager of the airline Dincer Sayici said at a press conference in Kyiv on Tuesday that the number of transit passengers on international flights increased 25%. The total number of passengers traveling to/from Ukraine increased 14%.

***The load factor for flights to and from Ukraine was 71%. The most popular destinations are Istanbul, Phuket, Guangzhou, Antalya, Miami, Beijing, Maldives, New York and Barcelona.***

"The freight traffic of the airline from Ukraine increased by 16% for exports, by 23% for imports compared with the figure for 2017," Sayici said, without giving absolute figures.

According to him, Ukraine in 2018 took the seventh place in the number of tourists visiting Turkey, showing an increase of this flow by 10%.

## Ukrainian seaports handles 11.195 mln tonnes of cargo, which is 3.35% more than year ago

Ukrainian seaports in January 2019 handled 11.195 million tonnes of cargo, which is 3.35% more than a year ago. "The main growth drivers are traditional: grain, ore and containerized cargo," the Ukrainian Sea Ports Authority said on its website.

The greatest pace in the context of cargo compared with January 2018 showed containers: an increase of 34% or almost 20,000 TEU. The volumes of transshipment of grain and ore increased more than 21% (by 665,000 tonnes and by 406,000 tonnes, respectively).

At the same time, the increase in transshipment took place mainly thanks to growth of exports by almost 1 million tonnes (or 12%). At the same time, imports and transit of goods, by contrast, declined by 23.3% (or almost 500,000 tonnes) and 12.5% (more than 100,000 tonnes), respectively.

The most noticeable increase in cargo handling indicators was at Kherson port – by more than 27% and the Yuzhny port – by more than 10%. Also handling increased in the ports of Berdiansk, Chornomorsk, Odesa and Reni. Since the beginning of 2019, Ukrainian seaports handled 856 vessels, which are 57 units less than in January 2018. Berdiansk, Olvia and Kherson ports increased the number of vessels handled by more than 20%.

## Intl crop receipts could be launched in spring in Ukraine

The International Finance Corporation (IFC) has said the international crop receipts could be launched in spring 2019, IFC Project Manager for Ukraine Crop Receipts Helen Fairlamb said at a roundtable. The IFC has already conducted the first trainings for farmers and hopes to see the first deals in the spring, Fairlamb told Interfax-Ukraine.

As the IFC said, after the entry into force of the law on currency and foreign exchange transactions, farmers can raise funds on crop receipts from nonresident creditors. According to the international receipts mechanism developed by IFC, such transactions will include a financial crop receipt and a loan/forward contract or an import contract.



***Crop receipts are particularly relevant in Ukraine, where the land moratorium still exists, and farmers do not have a quality guarantee to attract financing. In addition, crop receipts are registered in the online register, and the lender can see how many receipts the farmer has and performs, Regional Manager for Belarus, Moldova and Ukraine at IFC Jason Pellmar said.***

He added that crop receipts help farmers create a credit history to further raise funds.

According to the IFC, under the crop receipts project, it is also planned to modernize the legislation to create a secondary market for crop receipts (securitization).

Member of the Board of OTP Bank Alla Biniashvili said that for banks providing financing on crop receipts, the difficulty is that the National Bank considers these loans as unsecured.

The total amount of crop receipts in 2018 exceeded \$200 million (UAH 5.24 billion). In total, 669 crop receipts were issued from 53 lenders for 1.1 million tonnes of agricultural products used as collateral.

---

## Kyiv Sikorsky Airport boosts passenger traffic by 44%

Kyiv Sikorsky Airport in January 2019 handled 224,600 passengers, which was 44.2% more than in January 2018.

The number of passengers on international flights was 219,800 people and that on domestic flights was 4,800 people, the airport's press service said. The number of flights handled by the airport in January 2019 was 2,282, both arrivals and departures, which was 21.6% more than the same period in 2018. In particular, there were 1,965 international flights and 317 domestic flights.



***The most popular international destinations in January 2019 were Sharm el Sheikh (Egypt), Warsaw (Poland), Minsk (Belarus), Vienna (Austria), Ankara (Turkey), Frankfurt am Main (Germany), Berlin (Germany).***

Odesa, Lviv, and Zaporizhia were popular domestic destinations. Kyiv Sikorsky International Airport (Zhuliany) is located in the business center of the capital, seven km from the city center. It is the second largest airport in Ukraine in terms of the number of flights and passenger traffic.

The airport has three terminals with a total area is 21,000 square meters. Terminal B is a separate facility for business-class service, it is part of the Fixed Base Operator (FBO) system. The airport's runway is able to handle B-737 and A-320 aircraft. In 2018, the airport serviced 2.812 million passengers, which was 52% more than in 2017. The number of flights was 30,248, which was 30.1% more than 2017.



# Korea's POSCO DAEWOO buys 75% of grain export terminal in Ukraine

POSCO DAEWOO Corporation (South Korea) has announced that it signed an agreement with the Orexim Group from Ukraine on the acquisition of 75% of shares in the grain export terminal being built at the Mykolaiv maritime merchandise port, the company has reported on its website. It is expected that after the completion of construction in July 2019 the annual grain loading of the terminal will be 2.5 million tonnes, handling mostly corn, wheat and soybeans.

After acquiring the terminal, POSCO DAEWOO announced that it would be able to oversee the entire supply chain of grain produced in Ukraine and manage a more efficient inventory.

"With the latest deal, POSCO DAEWOO said it would be able to gradually oversee logistics through the purchase, inspection, storage and shipment of Ukrainian grain production, as well as reduce risk and ensure effective inventory management in accordance with individual demand," the Korean company said.



***The company plans to cover the infrastructure for the processing of agricultural products and logistics, in order to become the largest food resource production company in South Korea.***

POSCO DAEWOO also said that the deal would also help contribute to Korea's food security, since grain supplies to the country largely depend on exports, because the country's self-sufficiency in corn and wheat is only 1%.

In March 2018, the Orexim Group launched the sixth stage of the Every terminal at Mykolaiv power, boosting the total loading to 1.6 million tonnes. Its core business is exports of agricultural products, port and logistic services.

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 was supported by the Prime Minister, the next KIEF will be organized on October, 2019

Forum Organizing Committee:

[info@forumkyiv.org](mailto:info@forumkyiv.org) or +38 (044) 496 30 36

[www.forumkyiv.org](http://www.forumkyiv.org)

[www.facebook.com/kyiveconomicforum](https://www.facebook.com/kyiveconomicforum)

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 Ukraine.

Maksim Urakin is a project director of the Biweekly news digest of KIEF.

Contact Info:

[urakin@interfax.kiev.ua](mailto:urakin@interfax.kiev.ua) or +38(044) 270 65 74

[info@open4business.com.ua](mailto:info@open4business.com.ua)

[www.interfax.com.ua](http://www.interfax.com.ua)

## SUBSCRIBE FOR UPDATES

