



**UKRAINE**  
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## Ukraine confirms issue of 7-year eurobonds worth EUR 1 bln



Ukraine has announced the pricing of new eurobonds issued in euros in the amount of EUR 1 billion with maturity on June 20, 2026, the demand stood at EUR 6 billion. "The notes will bear interest at the rate of 6.75% per annum," the Ministry of Finance said in a statement on its website. "The new issue is expected to be rated "B-" by Standard & Poor's and "B-" by Fitch," the report said.

"Settlement of the new issue is expected to take place on June 20, 2019," the ministry said.

"The proceeds of the notes will be used for general budgetary purposes," the document reads.

## HEADLINES



UDP RENEWABLES AND SPAIN'S ACCIONA TO BUILD 2 SOLAR POWER PLANTS IN ODESA REGION



VASYL KHMELNYTSKY'S UFUTURE PLANS TO INCREASE INVESTMENT BY 20% IN 2019



DTEK ENERGY PLANS TO BUILD TWO WIND FARMS IN MYKOLAIV REGION



SCATEC SOLAR JOINTLY WITH CHINA'S POWERCHINA STARTS BUILDING 148 MW SOLAR POWER PLANT IN UKRAINE



AUSTRIAN KRONOSPAN TO GET EBRD'S LOAN FOR BUILDING NEW PLANT IN UKRAINE



LARGE U.S. PRODUCER OF E-CIGARETTES ENTERES UKRAINIAN MARKET



## EU pledges to further support Ukraine

European Union Foreign Policy Chief Federica Mogherini has assured Ukrainian President Volodymyr Zelensky that the EU will continue to support Ukraine. "The High Representative congratulated President Zelensky on his election victory and underlined that the European Union continues to stand by Ukraine, supporting the country on its reform agenda and with respect to its independence, sovereignty and territorial integrity," an EU spokesperson said in a statement.

During their meeting in Brussels, Mogherini and Zelensky discussed possible ways to make progress in implementing the Minsk Agreements for Donbas.

"Federica Mogherini stressed that the European Union is ready to support the Minsk implementation with all available means. This can include the EU's help in support of President Zelensky's stated objective for an inclusive approach towards the Ukrainian citizens living in the non-government controlled areas in eastern Ukraine," according to the statement.

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## Zelensky dismisses 15 governors

Ukrainian President Volodymyr Zelensky has dismissed 15 heads of regional state administrations, deputy head of the Presidential Administration Ruslan Riaboshapka has said. "The first part of motions has arrived from the Cabinet of Ministers today for the dismissal of the heads of regional state administrations. So, governors have been dismissed in such regions as Chernihiv, Khmelnytsky, Kherson, Ternopil, Sumy, Poltava, Odesa, where the acting head has been suspended, as well as Mykolaiv, Lviv, Kirovohrad, Kyiv, Ivano-Frankivsk, Zaporizhia, Zakarpattia, and Volyn," he said at a briefing on Tuesday outside the Presidential Administration's building in Kyiv.

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## UDP Renewables and Spain's Acciona to build 2 solar power plants in Odesa region



UDP Renewables (Kyiv) plans by the end of 2019 jointly with Spain's Acciona Energia Global to build two solar power plants in Odesa region with a capacity of almost 44 MW.

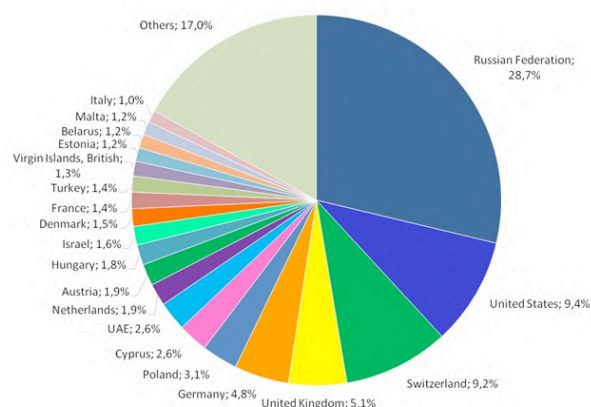
According to a report of UDP Renewables on its Facebook page, the total investment in the projects reached EUR 30.6 million. Construction works will start this week.

New solar power plants Hudzovka-Solar (Izmail) and Artsyz-Solar (the area of Pavlivka rural council) will have the peak capacity of 26 MW and 17.7 MW and the projected capacity of 19.8 MW and 13.5 MW respectively.

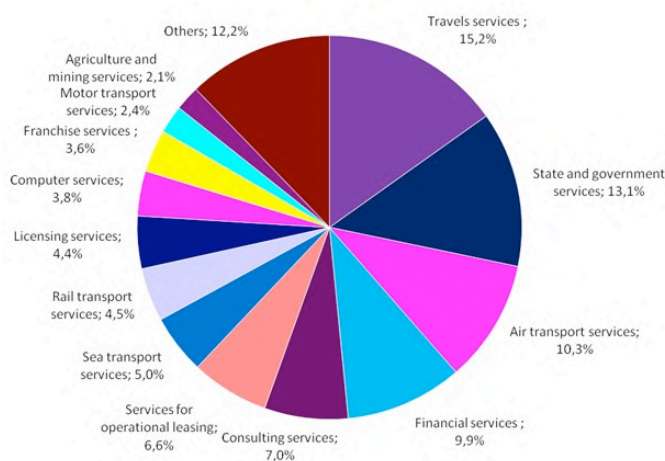
As reported, UDP Renewables is part of the UFuture Investment Group with its head office in Brussels, which was established in the fall of 2017 and brought together business projects of Vasyl Khmelnytsky.

In June 2018, UDP Renewables announced an agreement with Acciona Energia Global on a joint project to expand the Dymarka solar power plant to 57.6 MW by introducing its second, third and fourth phases.

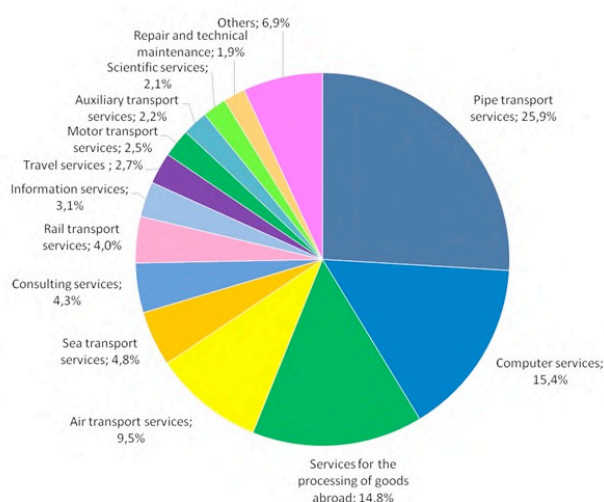
## Structure of Ukrainian foreign trade in services (export) by countries in IQ, 2019



## Structure of foreign trade by types of services (import) in Q, 2019



## Structure of Ukrainian foreign trade in services (export) in 1Q, 2019



## Polish and Ukrainian companies open first Swiss avia fuel station in Ukraine

The Polish company UNIMOT and the Ukrainian company Wexler Group have opened Ukraine's first fuel filling station under the brand of the Swiss network AVIA of AVIA Association, an Interfax-Ukraine correspondent has reported. The fuel filling station is located at 16 Kiltseva Highway in Sviatoshynsky district.



***It is planned that by the end of this year 15 AVIA filling stations will be opened in Ukraine.***

As reported, the Swiss international network of fuel filling stations AVIA Association represented by Polish-based UNIMOT signed a memorandum of cooperation in the fuel and energy complex of Ukraine with the supplier of light oil products Wexler Group.

Earlier UNIMOT received permission from AVIA International (Switzerland) to use the brand in Ukraine and announced the plan to open the first fuel filling stations in the country in 2019.

Wexler Group planned to significantly increase its presence in the retail market of petroleum products in Ukraine. AVIA was established in 1927 as an association of several oil importers in Switzerland. In 1960, a number of international companies joined it, as a result AVIA International was formed. Currently it is present in Switzerland, Belgium, Bulgaria, Germany, France, Italy, the Netherlands, Austria, Poland, Portugal, Serbia, Spain, the Czech Republic, and Hungary.

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## Vasyl Khmelnytsky's UFuture plans to increase investment

The UFuture investment group of Ukrainian businessman Vasyl Khmelnytsky plans to increase investment in various businesses by 20% in 2019, to \$60 million.



***"Last year, the UFuture group invested almost \$50 million in various businesses. In 2019, we plan to invest another \$60 million. If we talk about investments only in impact projects, I estimate the total amount, taking into account capital investments, to be more than \$50 million," Khmelnytsky said.***

He said on his Facebook page that in September this year, UFuture will open a new campus on the territory of the UNIT.City innovation park (Kyiv).

"At UNIT.City, everything is in line with the schedule. In September, a new campus and an art facility will appear," Khmelnytsky wrote. As reported, in January 2019, UFuture in partnership with KAN Development on Wednesday took part in the ribbon-cutting ceremony of the third campus – a new six-story B12 business center with a gross area of 16,900 square meters – in the UNIT.City innovation park (Kyiv). In February 2019, Khmelnytsky said in an interview with Interfax-Ukraine that the first phase of LvivTech.City is scheduled for opening at the end of 2019.

He said 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.

UFuture unites companies and social projects of Khmelnytsky. The group includes the Bila Tserkva industrial park, the UDP development company, the Sikorsky Kyiv International Airport, outdoor advertising operator RTM-Ukraine, as well as innovative businesses: UDP Renewables (creates and develops photovoltaic power plants under its control), the pharmaceutical company Biopharma, innovative parks UNIT.City and LvivTech.City.



# Ukraine for first time enters ranking of working drilling rigs in Europe, taking leading position

For the first time, Ukraine has been included in the world rating of operating oil and gas drilling rigs by Baker Hughes GE Rig Count, in which it took the leading position in Europe in terms of the number of machines involved in drilling.



***According to the press service of the Association of Gas Producers of Ukraine, which initiated including Ukraine in this rating, in May 186 drilling rigs operated in Europe (44 offshore platforms), almost half of which (84) worked in Ukraine.***

Turkey (20 working machines) and the United Kingdom (16) follow Ukraine in the ranking, the association said.

"Over the past three years, Ukraine has carried out important reforms in domestic gas production, which consisted in improving the regulatory field and modernizing the relevant legislation. These changes are already noticed not only by Ukrainian but also by foreign investors – our country is becoming more attractive for them. Including Ukraine in the BHGE Rig Count index is extremely important because it demonstrates revival in the domestic market and serves as a good indicator for the leading gas producing and service companies to come to Ukraine," executive director of the association Roman Opimakh said.

## DTEK Energy plans to build two wind farms in Mykolaiv region

DTEK Energy Holding plans to build two wind farms – Tylihulska wind farm LLC (in the territory of Anatolivka, Krasnopillia and Tashyne rural councils of Berezanka district of Mykolaiv region) with a capacity of 500 MW and Tylihulska wind farm 2 LLC (in the territory of Tashyne rural council) with a capacity of 65 MW, according to a register of environmental impact assessment.

Under the Tylihulska wind farm project it is planned to install up to 130 wind turbines with a capacity of 3.9-6 MW 700-1,500 meters far from each other. The height of the tower is 105-157 meters.

In addition, it is planned to build up to 10 110/35 kV substations, a 35 kV and /or 110 kV overhead power line of 100 km long, as well as 35 kV and /or 110 kV underground power lines of 150 km long.

The total construction area will be 35,000 ha.

Under the Tylihulska wind farm 2 project it is planned to install up to 17 turbines with a capacity of 3.9-6 MW 700-1,500 meters far from each other. The height of the tower is 105-157 meters. It is also planned to build a 35 kV and /or 110 kV overhead power line of 20 km long, as well as 35 kV and /or 110 kV underground power lines of 40 km long.

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## Scatec Solar jointly with China's Powerchina starts building 148 MW solar power plant in Ukraine



Norway's Scatec Solar jointly with China's POWERCHINA Guizhou Engineering Co. Ltd. has started implementing a project to build the Prohresivka solar power plant with a capacity of 148 MW (Prohresivka, Mykolaiv region). The press service of the company reported that the total cost of the project is EUR 124 million. POWERCHINA covers 65% of capital expenditure. The launch of the plant is scheduled for H1 2020.

As reported, Scatec Solar in 2018 established and acquired about half a dozen companies in Ukraine to implement its projects on the construction of solar power plants.

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## U.S. Trident Acquisitions ready to invest \$1 bln in Ukrainian Black sea shelf

U.S. Trident Acquisitions Corp., which submitted one of the four bids in a tender to develop the Dolphin section on the Black Sea shelf under a product sharing agreement (PSA), has said that the company is ready to invest \$1 billion. "We proposed investment in the amount of \$1 billion to Ukraine, the start of production in three and a half years if the reserves are discovered and the most experienced offshore fields development team," Trident Acquisitions CEO, former Deputy of the State Duma of Russia Ilya Ponomarev, who became the Ukrainian citizen under a decree of Petro Poroshenko in May, wrote on his Facebook page.

"We see what rivals would say, we are keeping our fingers crossed and looking forward for the results," he said.

As reported, the Cabinet of Ministers of Ukraine on April 12 announced a tender to develop the Dolphin Black Sea shelf section under the PSA. The term of the PSA is 50 years. The winner of the tender must provide a geological survey of the subsoil at the site, including the drilling of at least five wells during the first stage (five years) of geological exploration. The minimum investment that must be made in this period will be determined by the results of the tender, but must be at least UAH 1.5 billion.

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## Metinvest ranks 42nd among world steel producers

Metinvest, the largest Ukrainian mining and metallurgical holding, in 2018 ranked 42nd in the list of the world's largest steel producers with a volume of 9.37 million tonnes compared to the 42nd place in 2017 with a volume of 9.59 million tonnes of steel, the 37th place in 2016 with 10.34 million tonnes of steel, the 40th place in 2015 with 9.65 million tonnes, and the 33th place in 2014 with 11.18 million tonnes.

According to the rating announced by the World Steel Association (Worldsteel), ArcelorMittal remained the largest steel maker last year with a production volume of 96.42 million tonnes (97.03 million tonnes in 2017).

## New passenger car market in Ukraine slightly expands

The primary registrations of new passenger cars in May 2019 grew by 1.6% compared with May 2018, to 6,900 units (the same as in April 2019), the Ukrautoprom association reported.



***Last month, Toyota enjoyed the greatest demand among Ukrainians, which registrations grew by almost 46% to 1,238 units, while the leader of April, Renault, ranked second with sales growth of 29% compared to May 2018, to 967 units.***

Despite a slight lag (0.6%) of its last year's figure, Hyundai took the third place, with 501 registered cars. Nissan is the fourth in the May rating with 468 cars sold and a 26% increase.

KIA is fifth (in April, entered the top three) with 445 cars sold (a rise of 18%).

Meanwhile, according to the AUTO-Consulting information and analytical group, the new passenger cars market in May grew by 3.3% compared with May last year, but decreased by 2.9% compared to April, to 6,910 units. At the same time, the group estimates the change in the positions of brands in the rating as "tectonic."

Toyota also ranks first with sales growth of 26.3% compared to April of the current year and a market share of 18.05%, Renault was in the second place with a drop of 13.4% and a share of 14.4%.

Hyundai moved up to rank three from sixth in April, increasing sales by 29.7%, to 493 cars, and growth ensured a change in the position for Volkswagen and Mitsubishi (respectively, seventh from eighth in April, eighth from 13th).

## Delivering company Nova Poshta resumes cooperation with U.S. online store iHerb



Nova Poshta International, part of Nova Poshta, has resumed delivery from the online retailer of cosmetics and perfumery iHerb (the United States), according to the company's website. Clients of the company will be able to pick up their orders in the offices of Nova Poshta, in automated parcel terminals, or choose courier delivery. The delivery time is 7-10 days.



***"Customers have repeatedly asked us and wrote in iHerb proposals to return delivery of Nova Poshta International. We did everything possible so that every citizen of our country could again conveniently and quickly receive their orders," Yuriy Benevytsky, the director of Nova Poshta International, said.***

To order delivery via Nova Poshta International on the iHerb website, you need to select the option with the Nova Poshta International or Boxberry logo (the partner of Nova Poshta International) in the Delivery tab page.

## Austrian Kronospan to get EBRD's loan for building new plant in Ukraine



The European Bank for Reconstruction and Development (EBRD) organizes a syndicated loan of EUR116 million for the manufacturer of sheet materials based on wood Kronospan UA (Novovolynsk, Volyn region), which is part of Kronospan Group, for the construction of a new plant, according to a bank press release.



***"The EBRD will be the lender of the record for the amount of EUR116 million, while EUR50 million out of the total will be syndicated to commercial banks Raiffeisen Bank International AG and Raiffeisenlandesbank Oberösterreich under an A/B loan structure," the report says.***

"The funds will finance investments in new production facilities in compliance with relevant EU standards and regulations. The company plans to expand its production in Ukraine with the construction of a new facility in Novovolynsk, western Ukraine," it reads.

"Specialized energy efficient equipment, including a 45 MW biomass boiler energy plant, a new transformer unit and a new precipitator filter will provide an alternative power supply solution, cut energy losses and help reduce dust emissions. High value-added products manufactured at these facilities are expected to lead to oriented strand board (OSB) imports substitution and more exports from Ukraine to the EU single market and other countries," according to the document.

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## Ukraine International Airlines starts cooperation with Duty Free Americas

Ukraine International Airlines (UIA, Kyiv) has announced the launch of a strategic partnership with the U.S. network of duty free shops Duty Free Americas (Florida), UIA Vice President Serhiy



***Fomenko said the pre-order duty free service will provide passengers with the opportunity to order duty free goods not at the airport but online, along with an invitation to check-in. There will be 5,000 goods in the catalog. It will be available to passengers on the airline's website in July 2019.***

Fomenko and the vice president of Duty Free Americas have said at a press conference at Boryspil International Airport (Kyiv).

According to them, in particular, UIA and Duty Free Americas are launching a pre-order duty free service.

Duty Free Americas is a network of duty free shops in the United States, Mexico and Latin America. It was founded in 1983 and is based in Hollywood (Florida, the United States). Previously, the company was known as World Duty Free Americas, and was renamed Duty Free Americas in October 2001.



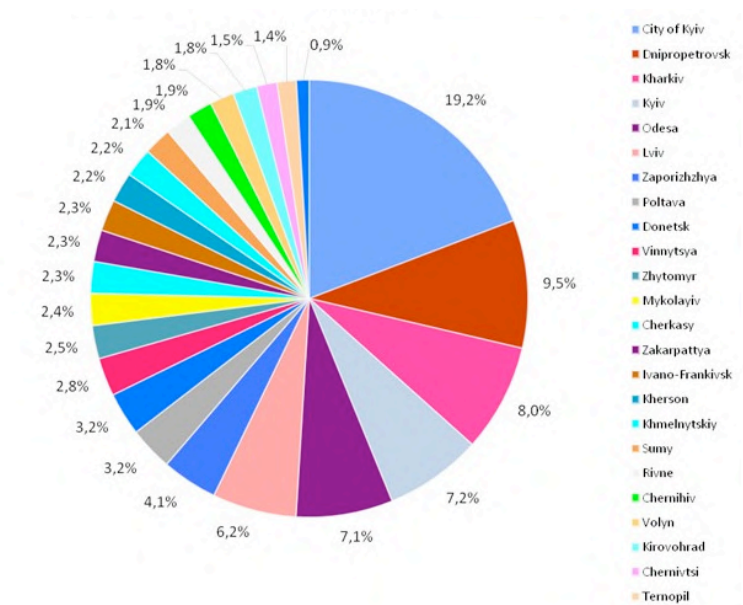
# Kyivstar wants to launch 4G mobile communications in Kharkiv subway

The Kyivstar mobile communications operator plans soon to start providing 4G mobile communications services in Kharkiv subway, the press service of the operator has told Interfax-Ukraine.

Kyivstar, in accordance with the legislation of Ukraine, registers all trademarks that can be used for promotional purposes. In particular, the company plans to soon provide 4G services in Kharkiv subway," Kyivstar said.

Earlier, the operator submitted an application for the brand "Yakisniy 4G Uzhe v Metro." The corresponding notification was placed in the register of trademarks of the Ukrainian Intellectual Property Institute (Ukrpatent) accepted for registration. Kyivstar is the largest Ukrainian mobile operator.

## Regional structure of retail trade turnover in Jan–Apr, 2019



## Kyiv plans to build waste recycling plant

It is planned to build a waste recycling plant with a total annual capacity of 700,000 tonnes of waste in Kyiv, which will also sort waste, the press service of the Kyiv City Administration has reported.



***"The city plans to build a waste recycling complex, which will have a total annual processing capacity of 700,000 tonnes and will include a sorting stage," the administration said.***

According to Deputy Chairman of the Kyiv City Administration Petro Panteleyev, Kyiv has clear plans for gradually quitting the technology of waste disposal as obsolete and environmentally dangerous one.

"The updated legislative base works only a few months. Nevertheless, the Kyiv city is preparing its own regional waste management plan for Kyiv. This is a comprehensive document, being agreed with the Regional Development, Construction, Housing and Utilities Economy Ministry and the Ecology and Natural Resources Ministry," the deputy head of the administration said.

In addition, Panteleyev said that Kyiv had refused placing a waste recycling plant near combined heat and power plant 6 (CHPP-6) in Troyeschyna district (Desniansky district of Kyiv).

## Large U.S. producer of E-cigarettes enters Ukrainian market



The large U.S. producer of e-cigarettes – JUUL Labs – is entering the Ukrainian market, which will be the 14th international market for the company.

“We will be represented in Ukraine by the original American product. The Cigar House Fortuna will become our distribution partner. We will be represented in the six largest cities of the country – Kyiv, Odesa, Lviv, Kharkiv, Dnipro and Zaporizhia. We plan to enter 1,000 retail outlets. Products in stores will appear in the middle of next week,” General Manager of JUUL Labs for Ukraine and the CIS Ivan Darkov said at a press conference in Kyiv.



***“In Ukraine, there are more than 8 million adult smokers of traditional cigarettes. Based on the price, our product belongs to the premium segment. We plan to have over 200,000 customers for our products in Ukraine in three years,” the company’s general manager in Ukraine and the CIS said.***

According to him, the company intends to oblige each outlet to sign a contract with the distribution partner that it will identify every customer who buys the product.

“If an outlet does not comply with the demand, the company will stop supplying its products. We do not plan to go on Facebook, Instagram, as these channels are aimed at popularizing the product mainly among young people, and also sell products through other online sales channels,” Darkov said.

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## EBRD issues loan to Ukrainian woodworking company Zunami

The European Bank for Reconstruction and Development (EBRD) has provided a loan of EUR 3 million to the Ukrainian woodworking company Zunami to finance the investment program, EBRD Senior Adviser for External Affairs Anton Usov has said.



***“As a result of the project, the company will introduce new methods of waste management, which will allow reducing the volume of oak raw materials needed for production of lamella by 23%, or 3,000 tonnes per year,” Usov wrote on his Facebook page.***

According to Usov, the loan funds will be supplemented by means of technical cooperation of the European Union in the amount of up to EUR 70,000 under the EU4Business program and a stimulating grant of more than \$170,000 from the Global Environment Facility under the FINTECC program.

Zunami LLC (Volyn region) was founded in 2001. The company is engaged in a full cycle of wood processing. Its capacity is 2 million square meters per year. Zunami produces wooden flooring and solid biofuel – oak shavings pellets.

## Ukrainian ZAZ plans to assemble Belarusian trucks

Zaporizhia Automobile Plant (ZAZ), which is part of UkrAVTO Corporation, being under reorganization, could in 2019 launch assembling MAZ trucks within joint production with Minsk Automobile Plant (Belarus).

UkrAVTO Press Secretary Dmytro Skliarenko told Interfax-Ukraine the parties are currently negotiating. If agreed, the first stage of the project will include assembling imported vehicle sets.

"At the same time, the possibility of localizing this production should be noted – the Belarusian side does not object to the use of components of Ukrainian production in the assembly. For the Ukrainian partners of ZAZ this means receiving additional distribution channels for the products and, as a result, developing domestic production related to the automotive industry sectors," Skliarenko said.

He explained that taking into account the current Ukrainian realities, when amidst a serious reduction of the market of new vehicles the state actually opened the doors to European "second hand" and the only auto company in Ukraine with a full production cycle was forced to stop production of passenger cars and mothball technological lines, ZAZ is seeking the ways to replace the lost volumes by mastering the producing other types of vehicles.

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## Ukraine exports 48.3 mln tonnes of grain in 2018/2019 marketing year

Ukraine since the beginning of the 2018/2019 marketing year (MY, July-June) and as of June 14, 2019 had exported 48.3 million tonnes of grain and leguminous plants, which is 26% more than on the same date of the previous MY.



***According to the Ministry of Agrarian Policy and Food, farmers exported 28.6 million tonnes of corn, 15.4 million tonnes of wheat, and 3.5 million tonnes of barley.***

Some 283,000 tonnes of flour had been also exported on this date. As reported, with reference to the ministry, Ukraine exported 39.4 million tonnes of grain in the 2017/2018 MY.

This digest is a mutual project of the Interfax-Ukraine News Agency and the Open4business.com.ua.

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