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Ukraine wants to export IT products – Ukrainian President



Ukrainian President Volodymyr Zelensky during his working visit to Japan met with top managers of the Japan Association of New Economy (JANE) and said that the IT sector is one of the most dynamically developing in Ukraine. Zelensky also shared plans to develop it.

“We plan to develop innovative infrastructure by opening business incubators, accelerators and innovative platforms, opening landmark R&D centers of global corporations, creating innovative or startup platforms in higher education institutions,” the press service of the Office of the President said, citing Zelensky.

According to the report, Japanese businessmen became interested in the State in the Smartphone project. Zelensky said that the digitalization reform is under his personal control.

The head of state also announced Ukraine's desire to create a competitive IT product.

“In the Western world, our IT specialists are perceived as cheap labor. It is important for us to change this. We want to create IT products and sell them in the world,” he said.

HEADLINES



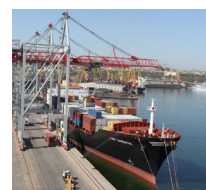
UKRAINE CLIMBS SEVEN POINTS IN DOING BUSINESS



155 TYPES OF GOODS FROM UKRAINE TO RECEIVE POSSIBILITY OF DUTY-FREE TRADE IN UNITED STATES



LARGEST GROWTH IN RETAIL TURNOVER IN JAN-SEPT IS RECORDED IN VINNYTSIA, TERNOPIL, KYIV



INTERNATIONAL COMPANIES INTERESTED IN CONCESSION OF UKRAINIAN PORTS



EUROPEAN INVESTMENT BANK TO PROVIDE EUR 450 MLN FOR CONSTRUCTION OF LVIV NORTHERN BYPASS



SLOVAKIA'S NAFTA WINS AUCTION TO DEVELOP OIL AND GAS FIELD IN UKRAINE

Ukraine climbs seven points in Doing Business



Ukraine is the 64th in the World Bank Doing Business 2020, climbing by seven points, Ukrainian Prime Minister Oleksiy Honcharuk has said.

"Ukraine climbed at once by seven points in Doing Business 2020 and took 64th place among 190 countries," he wrote on his Facebook page. As the prime minister said, this is a positive signal for Ukrainian entrepreneurs and a green light for foreign investors.



"However, this is only the beginning, we continue working in this direction: the Bankruptcy Code was launched three days ago, a law on stimulating investment activity a few weeks ago, we are intensifying the deregulation processes," Prime Minister of Ukraine said.

According to a government portal citing data from the World Bank report, in 2019, Ukraine improved its performance in six out of 10 methodologies that World Bank specialists take into account when compiling the rating.

Ukraine has shown the greatest progress in Protecting Minority Investors (27 points more) and Dealing with Construction Permits (10 points more). In addition, Getting Electricity, International Trade, Registering Property and Getting Credit contributed to the country's ranking.

Cabinet of Ministers of Ukraine suggests Parliament regulating gambling games

Ukrainian President Volodymyr Zelensky has signed law No. 132-IX amending some Ukrainian The Cabinet of Ministers of Ukraine has registered in the parliament bill No.2285 on the regulation of organization of gambling games in the country. Though, there has been no text of the bill on the parliament's website so far.



According to the government's report on its website, the bill suggests restriction of a number of the licenses for the game establishments, sets a demand to place the halls with slot machines exclusively in the territory of 3-5-star hotels, casinos in the territory of five-star hotels.

In addition, the bill proposes to establish mandatory verification of players when accepting bets and registration of winnings in the online monitoring system, which should be administered by the tax service. At the same time, the government proposes to strengthen financial and criminal liability for the gambling activities without licenses, as well as to establish the target direction of payments for the licenses in this area for the development of sports, medicine and culture.

"Legalization of the gambling business will also allow the budget to receive up to UAH 5 billion, however, the final figures for the budget revenues will depend on in which edition the deputies will adopt the law," reads the report posted on the website.

Ukraine interested to collaborate with Japan International Cooperation Agency

During a working visit to Japan Ukrainian President Volodymyr Zelensky met with President of the Japan International Cooperation Agency (JICA) Shinichi Kitaoka, the press service of the head of state reported on Wednesday. "Cooperation with the Japan International Cooperation Agency (JICA) is extremely important for our country, especially in the context of implementing large-scale reforms that are taking place now. Recently, the government approved an action plan for the next five years. We really believe that this program will not be implemented in theory, but in practice. This includes the development of human capital and economy, European integration and improving the security and welfare of Ukrainian citizens," Zelensky said during the meeting, adding that the implementation of this plan will create a million additional jobs in the country.

The head of state said that the priorities of the current authorities of Ukraine include launching the land market, large-scale privatization, deregulation and simplification of all procedures with the transition to online services, elimination of the shadow economy and corruption schemes, solving infrastructure problems, optimizing the tax system, quickly and comprehensively introducing European and international standards.

"We appreciate the technical assistance of Japan to support democratic institutions, ensure macroeconomic stability and concessional lending for important infrastructure projects in Ukraine," Zelensky said.

The president said that one of the striking results of Ukraine's joint work with JICA was the successful completion of the modernization of the Boryspil International Airport (Kyiv) through a soft loan. At the same time, Zelensky noted the importance of implementing the second project, namely, the modernization of the Bortnychi wastewater treatment plant, which will help prevent environmental pollution and increase the safety of people's lives. The president announced Ukraine's interest in continuing fruitful cooperation with JICA. Important promising infrastructure projects, in particular, may be the construction of a bridge over the Pivdenny Buh River in Mykolaiv as part of the improvement of the southern transport corridor; and preparing a project for the processing of solid household waste.

155 types of goods from Ukraine to receive possibility of duty-free trade in United States



Ukraine from October 30, 2019 will return to the U.S. General System of Preferences, according to a proclamation of U.S. President Donald Trump. "On Saturday Kyiv time or on Friday night in Washington, the news came out that Trump has completely returned Ukraine to the General System of Preferences," Deputy Minister of Economic Development, Trade and Agriculture, Ukraine's trade representative Taras Kachka said at a press briefing.

He said that all 155 types of goods that were removed from the system of preferences, again will receive the possibility of duty-free trade in the United States.

"These are mainly food processing products – confectionery product... [and also] industrial products, especially complex engineering products," Kachka said. He said that the return to the system of preferences was made possible thanks to the progress in introducing new legislation on collective management organizations (CMOs). "This is unlikely to affect trade statistics, since these are not mass products, but will positively influence small and medium-sized businesses," Kachka added.

As reported, in 2018, the United States suspended the General System of Preferences, which allows the import of more than 3,500 types of goods to the United States duty free, for 155 types of Ukrainian goods due to systematic copyright violation.

Ecologists, scientists, athletes are calling on lawmakers to create “Saving the Dnipro” inter-faction association

Chairman of the National Ecological Council and Head of the Association of Fishermen of Ukraine Oleksandr Chystiakov has said that the condition of the Dnipro River is critical.

“The condition of the Dnipro River is critical, it no longer roars, it groans. The river is simply dying. It all started with the fact that the greatest river was blocked by dams. It lost its own flow and is not able to wash away what gets in there. And along the banks of the Dnipro River there are megacities and chemical plants with their effluents,” he said at a press conference at Interfax-Ukraine on October 22.

Chystiakov said that the problems of the Dnipro River should be addressed, including in the context of the problems of its tributaries.

“More than 10,000 small rivers have disappeared from the map over the years of independence... There is algae bloom, they rivers grow shallow and then disappear,” he added.

So, according to Chystiakov, if we do not address the problems of the Irpin River near Kyiv, it will disappear in five years.

In addition, wastewater was identified as one of the problems. According to Chystiakov, more than 2.5 billion cubic meters of it was discharged into the water in 2018 (a third of them is untreated).



“Ecologists, scientists, athletes are calling on lawmakers to create the Saving the Dnipro inter-faction association to coordinate and work out the legislative framework for revitalizing the Dnipro,” added Mykhailo Romanyshyn, a participant in the press conference, the record breaker for the #DniproSwimming (#VplavDnepr and #VplavDnipro), who swam the entire length of the Dnipro River.

“The Dnipro River blooms with every color of the rainbow every year,” Chystiakov said.

In this regard, the public figure proposes that all local councils should bring their legal acts in line with the Water and Land Code.

“It is necessary to introduce a comprehensive program to save the Dnipro River and remove all shore depositions and shoals, as well as other existing threats,” Chystiakov said. Record-breaking swimmer Mykhailo Romanyshyn proposed creating an association, named “Saving the Dnipro,” in parliament, which would include representatives of different parliamentary factions, to coordinate work with environmentalists and make such efforts more efficient.

Vitaliy Pichura, Doctor of Sciences, Head of the Department of Ecology at Kherson State Agrarian University, called for a comprehensive solution to the ecology of water resources in Ukraine.

“Regarding the revitalization of the Dnipro River, yes, this is our main river, but the Dnipro is fed by hundreds of rivers, streams and rivulets, therefore only a set of laws and actions will allow us to improve the environmental condition of the entire water basin,” he said.

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Ukrainian Economy Ministry expects economic growth of 3.7% in 2020

The Ministry of Economic Development, Trade and Agriculture expects GDP to grow by 3.7% in 2020, Deputy Minister Serhiy Nikolaichuk has said. "Next year, we expect growth to accelerate to 3.7%," he said during a press briefing.

The minister noted that the updated macroeconomic forecast would be published after it is approved at a government meeting.

Italian Ernest airlines opens new office in Kyiv



Italy's Ernest Airlines has opened an office in Kyiv in Podilsky district, an Interfax-Ukraine correspondent reported. The company's new office will also host a call center.



Along with this, the airline announced the opening of a new Ernest Airlines base at Sikorsky Kyiv airport (Zhuliany) in April 2020, the launch of five new routes between Ukraine and Italy: Kyiv-Venice, Kyiv-Bari, Kyiv-Trieste, Lviv-Bologna and Milan-Odesa.

Thanks to the new office in Ukraine, Ernest Airlines plans to strengthen and expand cooperation with Ukrainian travel agencies and tour operators.

As reported, Ernest Airlines plans to invest EUR 100 million in Ukraine in two years and to deploy two aircraft in Kyiv in 2020.

Hungary's low cost Wizz Air plans to carry 2.4 mln passengers to/from Ukraine

Hungary's low cost airline Wizz Air Holdings Plc plans to carry around 2.4 million passengers to/from Ukraine in 2019, which is 60% more than in 2018, Wizz Air Holdings Plc Chief Marketing and People Officer Johan Eidhagen said at a press conference in Kyiv.

He said that in January-September 2019, the airline carried 1.8 million passengers, which is twice more than a year ago.



Currently, the airline flies from four Ukrainian cities: Kyiv, Lviv, Kharkiv and Odesa, but from March 2020 also plans to start flying from the Zaporizhia airport.

Wizz Air, the largest low cost carrier in Central and Eastern Europe, offers flights on more than 600 routes from 25 bases, connecting 145 destinations in 44 countries. The airline fleet consists of 120 Airbus A320 and Airbus A321 aircraft. By the end of 2019, the company intends to carry 40 million passengers.

Ukrainian Metinvest raises \$350 mln

Metinvest has completed a deal on the repurchase of \$440 million eurobonds with a maturity in 2023 out of a total issue of \$944.515 million through the placement of two new issues of eurobonds: \$500 million due in 2029 and EUR 300 million due in 2025. The group's debut two-currency offer, consisting of tranches denominated in U.S. dollars and euros, helped to effectively extend the maturity of \$440 million 2023 eurobonds out of the amount of \$944.515 million by six and a half years, while the net proceeds from the transaction amounted to approximately \$350 million, the company said last week.

According to the Irish Stock Exchange, the new securities (in U.S. dollars with a coupon of 7.75% per annum and in euros with a coupon of 5.625% per annum) were admitted to circulation on October 17.

Metinvest said on the stock exchange that the total applications for the repurchase of eurobonds 2023, which were also issued with a coupon of 7.75%, amounted to \$639.886 million.

ArcelorMittal opens 11th metal warehouse in Ukraine

PJSC ArcelorMittal Kryvyi Rih has opened the third metal products warehouse in Kyiv region, from which the company plans to ship 5,000-6,000 tonnes of products per month.

According to the press release of the steel plant, the company is expanding its distribution network in Ukraine and opening the eleventh metal products warehouse in the country and the third one in Kyiv region. Earlier this year the company acquired additional sales sites in Odesa and Dnipro.

The new distribution warehouse in Kyiv (at 9 Luhova Street) is conveniently located for deliveries to Obolonsky and Podilsky districts, as well as to the central part of the capital. The planned turnover will amount to 5,000-6,000 tonnes per month, if necessary, it can be promptly increased to 8,000 tonnes. The total capacity of the new site exceeds 10,000 tonnes of metal products. Its delivery to the warehouse can be carried out by rail as there are tracks, the warehouse is also equipped with two cranes with a lifting capacity of 10 and 20 tonnes.

According to Anastasia Tatarulyeva, the deputy director general for marketing and sales at the plant, Kyiv region accounts for 20% of the total consumption of the plant's products in the domestic market.

Largest growth in retail turnover in Jan-Sept is recorded in Vinnytsia, Ternopil, Kyiv



Retail trade turnover in Ukraine (legal entities and individual entrepreneurs) in January-September 2019 in comparable prices increased by 9.8% compared with January-September 2018, the State Statistics Service has said.

According to the report, in September 2019 compared with the previous month, retail trade turnover decreased by 3.3%, in annual terms grew by 8.6% (September 2019 from September 2018).

The largest growth in retail turnover in January-September 2019 compared to the same period in 2018 was recorded in Vinnytsia (by 17.6%), Ternopil (by 16.9%), Kyiv (by 15.7%) regions and Kyiv (by 14.7%).

UFuture and BookChef launch joint project #bestread



UFuture and BookChef launch a joint publishing project aimed at developing of entrepreneurship in Ukraine. The goal of the partnership is to consolidate entrepreneurial expertise and successful publishing experience. This will allow to select literature according to the needs of Ukrainian business, to optimize translation, publishing, and distribution. Books on a wide range of topics that will contribute to the development of entrepreneurial competencies, in particular, leadership and management, will be published. These books will provide the latest knowledge on various aspects of entrepreneurship, reveal case studies, stories of companies and biographies of their founders, will encourage for entrepreneurship and enhance its prestige.



“To be successful and competitive in business, to receive investments, to find reliable partners, Ukrainian entrepreneurs need to constantly obtain new knowledge. This is why #bestread will continue the list of our impact investment projects supporting small and medium entrepreneurship in Ukraine,” Vasyi Khmelnytsky, Founder of UFuture, said.

“BookChef is actively developing the non-fiction direction. We implement a large joint project with the MIM Business School where we've published bestsellers by Ichak Adizes, Yuval Noah Harari, success stories of companies and products. In 2019, we published the super bestseller, “Big Money. The Principles of the First,” where famous Ukrainian businessmen shared their experience,” Olexander Kirpichov, CEO of BookChef, emphasized.

International companies interested in concession of Ukrainian ports

International companies are interested in concession of Olvia stevedoring company and Kherson maritime merchandise port, and four or five applications have arrived, Ukrainian Infrastructure Minister Vladyslav Krykliy said on the sidelines of the RE:think Invest in Ukraine forum opened in Mariupol.



“Investors are already applying for concession of the Olvia stevedore, Kherson port, although there is time until the end of December. There are already four or five applications for both stevedore and port, we had 30 participants, and two thirds of them are international companies. So, the talks that our Ukrainian companies will come and take them into concession have not come true,” he said.

According to Krykliy, some of the companies interested in the concession have already invested in Ukraine and are ready to continue their work in the country.

“Among the companies that have already submitted applications, there are both foreign and Ukrainian investors... There are applications from China, Qatar, Singapore and several more,” the minister said. As reported, the government announced the start of competitions for pilot concession projects in the port industry on September 12, 2019.

European Investment Bank to provide EUR 450 mln for construction of Lviv Northern bypass

The European Investment Bank (EIB) has approved the provision of a credit line of EUR 450 million to finance the construction of Lviv Northern bypass and the rehabilitation of sections of M-05 highway in Cherkasy, Kirovohrad, Mykolaiv and Odesa regions in Ukraine.



The EIB said that the investments will improve the quality of the extended TEN-T network (Trans-European Transport Network) by creating safer road conditions and reducing environmental pollution. In addition, the Lviv Northern bypass will shorten travel time and divert traffic from the city of Lviv.

The bank said that the EIB will require the Promoter to ensure that any procurement procedures are done in accordance with the Bank's Guide to Procurement and the relevant applicable EU public procurement rules.

According to the report, the total cost of the framework project is around EUR 1.05 billion. As reported, the European Bank for Reconstruction and Development (EBRD) and JSC Ukrzaliznytsia intended on October 21, 2019 to announce tender procurement of materials for modernization of TEN-T tracks for \$100 million raised by the company from the bank.

Volume of construction work in Ukraine increases by 11.3%

The volume of construction work in Ukraine in September 2019 increased by 11.3% compared to September 2018, while in August 2019 compared to August 2018 this figure rose by 8.9%. According to the agency, the volume of construction work in September increased by 7.2% compared to the previous month (according to seasonally adjusted data, it decreased by 2.1%), while compared to July 2019 this figure decreased by 11.5%.



The largest growth in the volume of construction work over the nine months was recorded in Vinnytsia (two times, to UAH 5.892 billion), Chernihiv (1.6 times, to UAH 1.218 billion), and Kherson (1.38 times, to UAH 1.137 billion) regions.

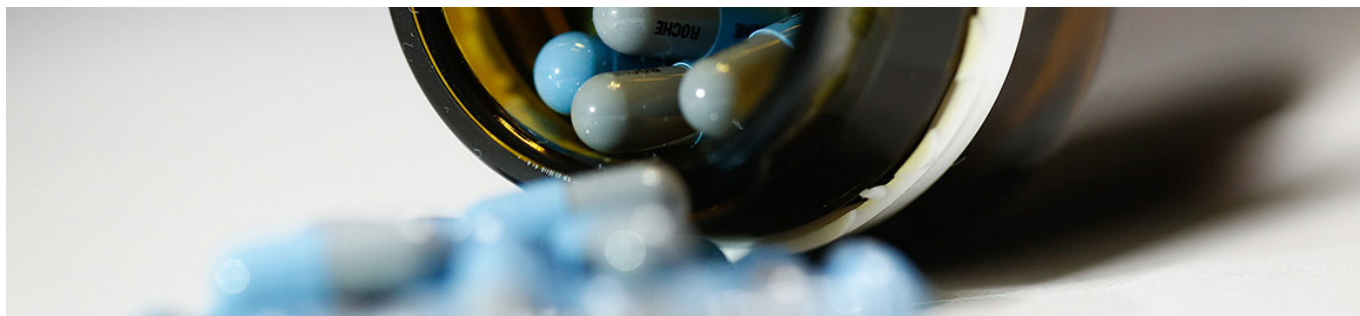
According to the State Statistics Service, in September 2019 from September 2018 the volume of work increased in non-residential and engineering construction, and decreased in residential construction. According to uncorrected data, the growth in non-residential construction amounted to 14.2%, engineering some 19.4%. The decrease in the volume of work in residential construction amounted to 10.2%.

In addition, in September the volume of construction work in construction of residential buildings compared to August decreased by 4%, non-residential by 3.4%, while in the construction of engineering structures increased by 16.7%.

In January-September-2019 compared with January-September 2018, a drop in the volume of construction work was recorded in three regions of Ukraine, in particular, in Ivano-Frankivsk (by 5.6%, to UAH 2.090 billion), Cherkasy (1.1%, to UAH 1.275 billion), and Odesa (2.1%, to UAH 11.033 billion).

In Kyiv, the volume of construction work for the nine months grew by 24.8% and amounted to UAH 26.966 billion.

Pharmaceutical company Farmak thinks over possibility of exporting substances to EU



Private joint-stock company Farmak, a pharmaceutical company from Kyiv, is mulling a possibility of exporting own substances to the countries of the European Union (EU), Farmak Chief Operating Officer Pavlo Pavlyk has said.



“There are a number of projects with European companies. There are a number of orders. We are now looking at innovative substances in order to develop and produce them for the EU countries,” Farmak Chief Officer told reporters.

Pavlyk also said that in May-June 2020, Farmak expects an FDA inspection, which will allow the company to supply drugs to the U.S. market.

Farmak is one of the three leaders of the pharmaceutical industry of Ukraine. It is a member of the Association Manufacturers of Medications of Ukraine (AMMU). The company's beneficiary is head of the supervisory board Filia Zhebrovska.

Owner of the DCH group ready to invest \$100 mln in construction of new Donetsk airport



Ukrainian businessman, the owner of the DCH Group, Oleksandr Yaroslavsky is ready to invest \$100 million in construction of a new Donetsk airport.

“I have been thinking for a long time and have decided to give \$100 million and build a new airport in Donetsk. Considering that I understand this, our company has experience in both construction and operation, I am ready to build the new airport on the site of the completely destroyed old one,” he said in an interview with Interfax-Ukraine in Mariupol on the sidelines of the First Investment Forum.

Yaroslavsky said that the airport will become a symbol of the return of peaceful life.

The businessman said that the implementation of this project will be possible after the completion of the process of reintegration of the occupied territories of Donbas into Ukraine.

Slovakia's Nafta wins auction to develop oil and gas field in Ukraine



Nafta RV LLC, a subsidiary of Slovakia's Nafta, has won an electronic auction to receive a license for development of the Vantazhkiivske oil, gas field (Poltava region), according to information on the ProZorro.Sale platform. During the auction held last Wednesday, Nafta RV offered UAH 6.846 million for the license compared with Optima Resource private enterprise, which stopped at the starting price of UAH 6.795 million.



After registering the required documents, Nafta RV will receive a subsurface site for geological exploration and further research and development for a period of 20 years.

According to the materials of the auction, prospective gas resources of category C3 at the Vantazhkiivske field were estimated at 3.091 billion cubic meters. It is recommended to drill two exploratory wells with a depth of 5,700 meters and 6,300 meters.

Nafta's main shareholder is EPH holding of Czech businessman Daniel Křetínský.

Harvest of grain in Ukraine in 2019 could raise to 71.8 mln tonnes

The harvest of grain and leguminous crops in Ukraine in 2019, according to preliminary data from the regions, could reach 71.8 million tonnes, which is 1.7 million tonnes more than in 2018, the Ministry of Agrarian Policy and Food has reported.



According to the agency, wheat production may increase by 3.5 million tonnes, to 28.1 million tonnes, the yield of barley by 1.6 million tonnes, to 8.9 million tonnes, oats by 26,000 tonnes, to 444,000 tonnes, millet by 84,000 tonnes, to 165,000 tonnes.

In addition, the forecast for rapeseeds in 2019 was raised by 472,000 tonnes, to 3.2 million tonnes, for sunflower seeds decreased by 589,000 tonnes, to 13.6 million tonnes, soybeans by 827,000 tonnes, to 3.6 million tonnes.

The Ministry of Agriculture expects that 9.8 million tonnes of sugar beets will be harvested, which is 4.2 million tonnes less than in 2018.

Ristone Holdings invests EUR 2 mln in construction of oilseed crushing complex



The group of companies Ristone Holdings has invested EUR 2 million in construction of a second phase of the oilseed crushing complex of Ristone Oil LLC (Dnipropetrovsk region), the group has reported on its Facebook page.

According to the report, the company concluded a contract with Germany's Convex International GmbH for the supply of drying and cleaning equipment from Petkus (Germany), transport equipment from Riela (Germany), four main and two auxiliary grain silos with a capacity of 20,000 cubic meters from Symaga firm (Spain).

"This will allow us to keep the quality at the highest level and increase the volume of the daily processing rate by more than two times, while minimizing emissions of pollutants," the group said.

Ukraine exports 17.6 mln tonnes of grain since start of 2019/2020 MY

Ukraine since the beginning of the new marketing year 2019/2020 (MY, July-June) and as of October 25, 2019 had exported 17.597 million tonnes of grain and legumes, which is 42.6% more than on the same date of the previous MY.

According to the information and analytical portal of the agro-industrial complex of Ukraine, to date, the country has exported 10.76 million tonnes of wheat, 3.4 million tonnes of corn, and 3.2 million tonnes of barley.

As of October 25 of this year, farmers had exported 107,300 tonnes of flour.

As reported, Ukraine in the 2018/2019 MY exported a record 50.4 million tonnes of grain, legumes and flour, which is 23% more than in the previous MY.

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