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16 December 2019

Ukrainian President announces new state program "Come Back and Stay"



Ukrainian President Volodymyr Zelensky has announced a launch of the new state program dubbed "Come Back and Stay."

"Dear Ukrainians, I said during my swearing-in ceremony that there are 65 million of us Ukrainians across the globe, and our country badly needs you, your knowledge, your talents and mental values. We very much want you to come home," Zelensky said in a video address on his Facebook page.

Affordable loans for those who wish to start or expand their own business will be the first step under this program, the Ukrainian president said. "The loan amount will be UAH 1.5 million for five years. There will be the following interest rates: 5% for an existing or new business that will create at least two jobs, 7% for a new or existing business with revenues below UAH 25 million that creates no jobs, but if you hire a new employee, the rate will be cut by 0.5% with every new worker hired; and 9% for anyone presently working with revenues from UAH 25 to UAH 50 million, who wishes to expand their business," Zelensky said.

HEADLINES



NATIONAL BANK OF UKRAINE RAISES RESERVES TO \$21.9 BLN



SWEDISH IKEA DECIDES TO OPEN STORE IN UKRAINE AFTER LAUNCHING E-COMMERCE IN SPRING



U.S. HALLIBURTON STARTS DRILLING IN UKRAINE



KYIV SIKORSKY AIRPORT PLANS TO EXTEND RUNWAY, COST OF PROJECT IS UP TO EUR 100 MLN



EUROPEAN BANKS INTERESTED IN PROVIDING \$250-300 MLN OF DEBT TO IMPLEMENT IRON ORE PROJECT IN UKRAINE



EUROPEAN INVESTMENT BANK LAUNCHES EUR 400 MLN PROJECT TO PROVIDE FINANCING FOR SMALL AND MEDIUM ENTERPRISES IN AGRI SECTOR OF UKRAINE

All territory of Ukraine will be digitalized next year



The State Service of Ukraine for Geodesy, Cartography and Cadastre has announced a tender to carry out aerial mapping of the territory of Ukraine, as well as to create orthophotomaps and a digital terrain model (DTM), Ukrainian Prime Minister Oleksiy Honcharuk has said. "Ukraine will have high-quality and accurate 3D models of forests, industrial structures, as well as classifications of buildings, plants, power lines and much more. Investors will be able to easily design facilities and invest in infrastructure," the government's press service reported, citing Honcharuk as saying. According to the report, the total cost of the work is UAH 276 million.

Version of law on joint-stock companies to reduce number of appeals in Ukrainian courts – Revealing Information law firm

The new version of the law on joint-stock companies, proposed by lawmakers representing different parliamentary factions (bill No. 2493) will reduce the number of appeals in courts, but at the same time claims will concern more serious reasons, according to lawyers interviewed by Interfax-Ukraine.



"With regard to judicial practice, final conclusions can be drawn after the signing of the finalized law. But it is predicted that there will be fewer claims than now, but they will be on more significant occasions," said Managing Partner at the Revealing Information law firm Alexander Keer.

Keer also said toughening the requirements for transparency of the activities of the supervisory boards of a joint-stock company, which is proposed by the bill, will narrow the range of opportunities for "avoiding" the law, which, in turn, will positively influence the number of complaints about violations.

In addition, Keer believes that changing the approach to dividing joint-stock companies into public and private, as well as the refusal to fix their types in joint-stock companies' names will not significantly affect the business sector.

National Bank of Ukraine cuts refinancing rate from 15.5% to 13.5%

The National Bank of Ukraine (NBU) has decided from December 13, 2019 to cut its refinancing rate to the level, at which it was two years ago – 13.5% per annum from 15.5% per annum, which was set from October 25, 2019. “The NBU speeds up the monetary policy easing, as the rapid appreciation of the hryvnia makes inflationary pressures decline faster than expected,” the central bank said.



The Board of the National Bank said that the stronger hryvnia made inflation decline towards the 5% target faster than envisaged in the latest macroeconomic forecast.

The NBU also said that it will revise the inflation forecast taking into account the situation in the foreign exchange market and will publish the updated macroeconomic forecast, including the future inflation path, at the end of January.

The regulator recalled that according to the October forecast, it plans to reduce the refinancing rate to 8%. However, as part of the next review of the macroeconomic forecast, in January it will publish an updated forecast of the pace of the refinancing rate.

National Bank of Ukraine raises reserves to \$21.9 bln



The international reserves of Ukraine in November 2019 increased, according to preliminary data, by 2.5%, or \$500 million, to \$21.932 billion, according to the website of the National Bank of Ukraine (NBU). According to the central bank, the increase in international reserves is due, first of all, to the maintenance of a favorable situation in the country's foreign exchange market.

The National Bank notes that, despite a significant slowdown in the inflow of foreign capital into government bonds compared to the previous months, currency supply in the market remained significantly greater than demand due to substantial sales of foreign currency by exporters, which allowed the NBU to replenish international reserves by \$897.8 million (net purchase). In particular, the central bank bought \$777.8 million at a single rate and \$120 million by choosing the best rate.

Swedish IKEA decides to open store in Ukraine after launching e-commerce in spring



The Swedish company IKEA, the world's largest retailer of furniture and household goods, has updated its plan to enter the Ukrainian market, deciding to launch e-commerce first. "In order to make the range of IKEA functional products with attractive designs and prices affordable for as many people in Ukraine as possible, the company decided to launch e-commerce first. The expected launch date is spring 2020," the company said. At the same time, they confirmed their intention to open a store in Kyiv.



"IKEA confirms its commitment to Ukraine and plans to open the first store in Kyiv as soon as possible after the launch of e-commerce," the company said.

As reported, in the summer of 2019 IKEA announced the launch of an official website for Ukrainian consumers and the recruitment of staff to work in the first urban-format store in Kyiv (about 100 employees). The opening of the store was scheduled for the end of 2019.

15 Ukrainian startups to participate in Startup Grind Global 2020 conference in Silicon Valley

The Ministry of Digital Transformation of Ukraine has announced the selection of 15 technology startups that will represent Ukraine at the tenth global conference of entrepreneurs and investors Startup Grind Global 2020 in Silicon Valley. The tender will be held jointly with Startup Grind Kyiv (the official representative of the international startup ecosystem Startup Grind) with the support of the U.S. Agency for International Development (USAID) program "Competitive Economy of Ukraine."

"Mature startups who built the product can become participants in the program, they know firsthand what is profit and are ready to scale," the ministry reported on the website.

The winners of the tender will receive a ticket to participate in the conference, an exhibition stand, promo participation in the conference and PR support of the organizers, as well as covering financial costs for logistics.

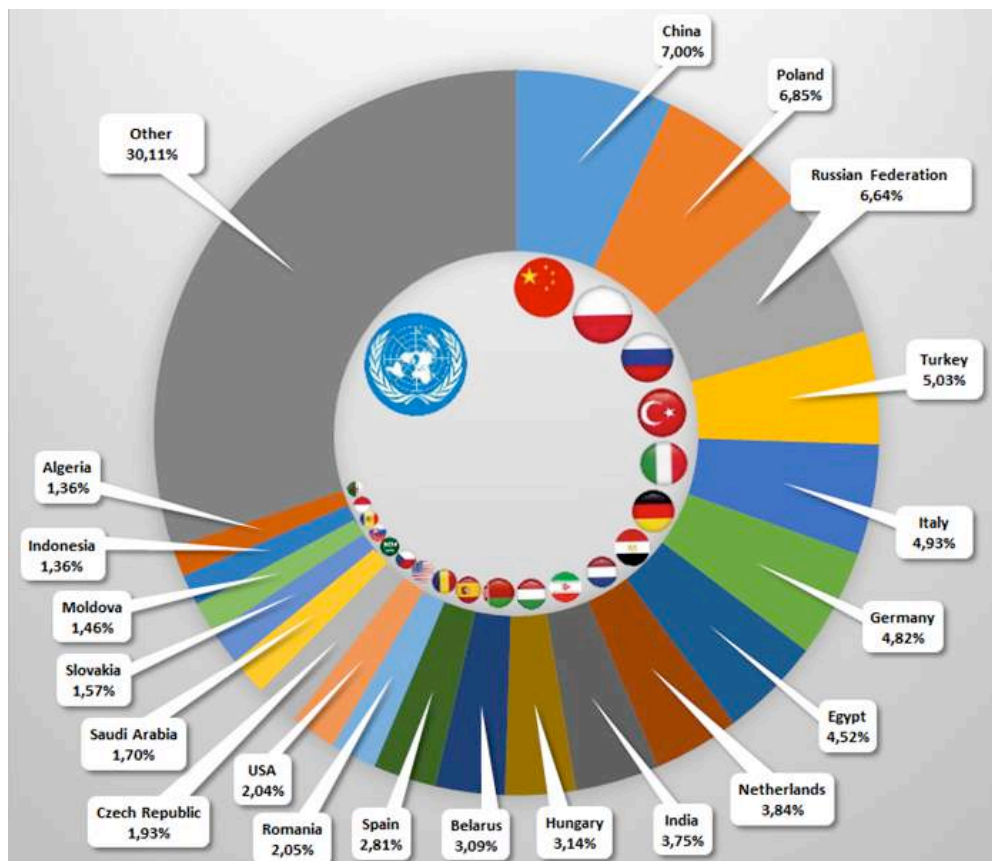
Ukraine and IMF agree on new cooperation program

Ukraine and the International Monetary Fund (IMF) have reached agreement on a new cooperation program in a telephone conversation between Ukrainian leader Volodymyr Zelensky and IMF Managing Director and Chair of the Executive Board Kristalina Georgieva, the press service of the head of state reported.

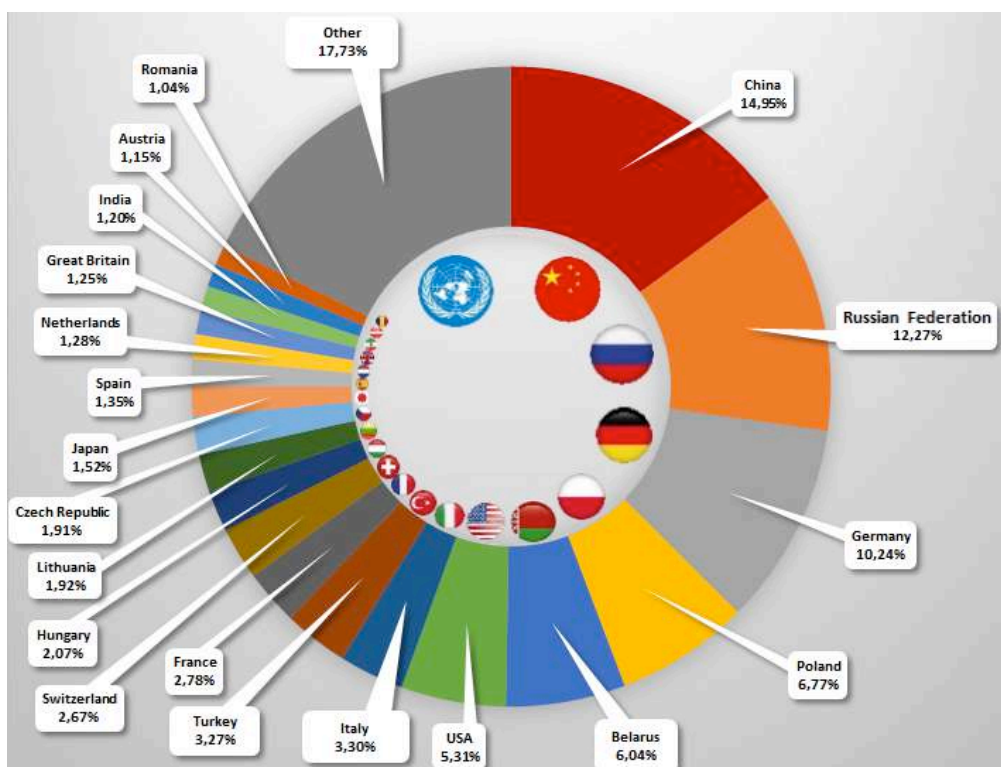
"The IMF head praised the new Ukrainian administration's economic achievements and the progress in the introduction of reforms made by the government led by Prime Minister Oleksiy Honcharuk. The sides noted following the discussion that Ukraine and the IMF had come to the Staff Level Agreement on a new cooperation program," the press service said. Zelensky said that he and Georgieva had a very constructive discussion.

"I am glad that we have reached full understanding and our turbo-mode has been praised by the IMF. I am grateful to the Parliament, the Government and our entire team for their tireless work for the sake of Ukraine. The new program of cooperation with the International Monetary Fund aims to accelerate economic growth, actively eradicate corruption and improve well-being of every Ukrainian," the president's press service quoted Zelensky as saying.

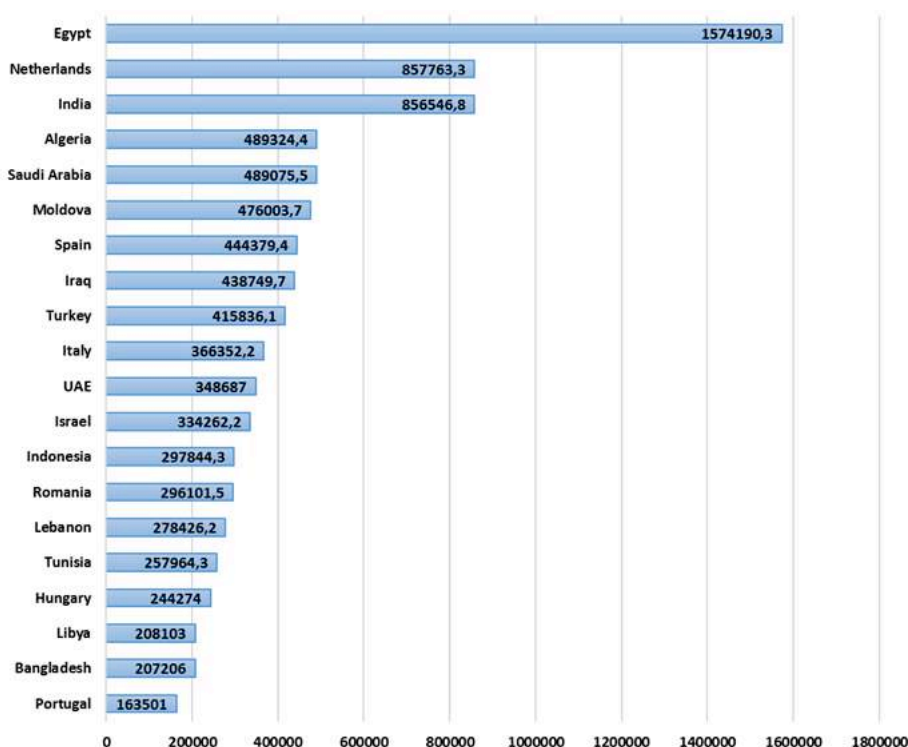
Main trade partners of Ukraine in % from total volume (export from Ukraine) in Jan-Sept 2019



Main trade partners of Ukraine in % from total volume (import to Ukraine) in Jan-Aug 2019



Top 20 countries Ukraine has posted the highest surplus of trade in goods



U.S. Halliburton starts drilling in Ukraine



Halliburton, an American oilfield services company, has launched a project to drill sidetracks from the inactive fund of JSC Ukrgezvydobuvannia. According to the press service of the company, at the end of November Halliburton began work on a well on Chutovske field, which was decommissioned in 2016 due to a breakdown in the tubing. It is planned that work on the well will be certified at the end of January 2020.



“Given the significant depletion of Ukrgezvydobuvannia's resource base, the implementation of such projects will help keep the volume of natural decline in production. In total, as part of the joint project, Halliburton will carry out turnkey drilling of sidetracks on 26 wells. According to forecasts, additional production from operations will exceed 2 billion cubic meters over ten years,” the company said.

Ukrgezvydobuvannia, 100% of which is owned by Naftogaz Ukrainy, is the country's largest gas producer, providing about 75% of the country's total gas production.

Halliburton is the second largest oilfield services company in the world. At the end of 2018, the company's revenue increased by 16%, to \$24 billion.

Donbasenergo invests over UAH 22 mln in social projects

Donbasenergo has been focusing considerably upon social and economic development in the area where there is Sloviansk TPP, a town-forming undertaking of Mykolaivka United Territorial Community, keeping up its growth strategy as socially responsible business. UAH 22 million of out-of-pocket expenses was placed by Donbasenergo in development of design specifications and estimates, procuring for the state expert appraisal of projects, along with design and survey works within the ambit of cooperation with Mykolaivka United Territorial Community in 2016-2019. Thus, a master plan shaping the progression of Mykolaivka was developed in 2017, including the area zoning plan awarded a positive opinion from experts in 2018. Detailed territorial plans for four sites have been rendered complete. There were over UAH 1 million Donbasenergo's investments.

One of the community vital projects undertaken on a turnkey basis in 2017 was the sports ground of the comprehensive school No. 3 of Mykolaivka. The population of Mykolaivka United Territorial Community is 17 thousand people, 25 % of whom are children and teenagers, 55 % are of working age, and 30 % are the elderly.

Four companies plan to take part in concession competition for Ukrainian Kherson seaport

According to the results of the 60-day deadline for accepting applications for the tender for the transfer of property of state enterprise Kherson Maritime Merchant Port to concession, four companies will take part in it, two of which are international, Minister of Infrastructure Vladyslav Kryklyi has said at a briefing in Kyiv. Among the companies that applied for participation in the tender are Busserk Liman Isletme Loj (Turkey), Special Company Kherson Sea Port LLC (Asket Shipping and Global Grain Consortium, Ukraine), Risoil-Kherson LLC (Petro Oil and Chemicals and AT RISOIL consortium, Georgia and Switzerland), as well as Ukrmorport LLC (Ukraine).

As reported, the government announced the start of tenders for pilot concession projects in the port industry on September 12, 2019. An agreement will be concluded with the winner of each tender, the parties to which will be the Ministry of Infrastructure, the Ukrainian Sea Ports Authority, the winner of the tender, as well as the company (SPV, the so called special purpose vehicle), which will be created and registered as the winner of the tender in Ukraine for the implementation of the project.

Housing commissioning in Ukraine increases 48% in Jan-Sept

Housing commissioning in Ukraine through January-September 2019 increased 48% compared to the same period in 2018, to 7.743 million square meters. According to the service, the share of commissioning of houses built without permits for construction work and put in operation under temporary commissioning rules was 25.6% (1.98 million square meters).



According to the report, 4.799 million square meters of housing was commissioned in urban areas in the first nine months of 2019, and 2.944 million in rural areas.

Some 54.1% of total volume of housing was commissioned in single-family houses, and 45.9% in houses with two and more apartments. Over the period, 87,374 apartments were commissioned, including 61,500 in urban areas and 25,900 in rural areas. Average area of apartments was 88.6 square meters. The biggest growth in housing commissioning year-over-year (not taking into account temporary commissioning rules) was seen in Chernivtsi (by 169.8%, to 356,700 square meters), Mykolaiv (by 126.4%, to 67,900 square meters), Ternopil (by 116.3%, to 268,900 square meters), Ivano-Frankivsk (by 120.2%, to 569,900 square meters) and Kirovohrad regions (by 120.1%, to 56,500 square meters).

Kyiv Sikorsky Airport plans to extend runway, cost of project is up to EUR 100 mln



Kyiv Sikorsky Airport (Zhulyany) is to extend its runway and improve the characteristics of landing approach systems, Denys Kostyrzhewsky, head of the airport's board of directors, has said. "Kyiv Airport has a runway whose length is 2,350 meters. It is located in the central part of the city. Accordingly, its landing approach systems allow aircraft to land and take off under certain weather conditions. To be able to service aircraft in any weather conditions and handle larger aircraft, Kyiv Airport needs to upgrade the category of the airfield," he told Interfax-Ukraine in an interview.

Kostyrzhewsky noted that a master plan for the reconstruction of the airfield had already been developed, it has five different options. Each of them foresees an extension of the runway by 550 meters, improvement of the characteristics of landing approach systems (lighting navigational aids and radio navigation equipment). The estimated cost of the project ranges from EUR 80 million to EUR 100 million.

Ukrainian organization obtains permission to recycle batteries in EU



Ukraine will send 20 tonnes of batteries for recycling to Romania, Deputy Prime Minister for European and Euro-Atlantic integration of Ukraine Dmytro Kuleba wrote on his Twitter account on Thursday. "Batareiky, Zdavaiteisia organization for the first time in Ukraine received permission to recycle batteries in the EU! 20 tonnes will go to Romania," he said.



"Reforming the waste system under European standards is a step towards the EU," the minister said.

The organizers said on their Facebook page that the batteries will go for recycling to the GreenWEEE factory, which is located near Buzau. The factory has been recycling batteries since 2011, and has been operating since 2007. It is engaged in the recycling of old electronic equipment.

Ukrainian Farmak develops pharmaceutical products for global markets



Farmak pharmaceutical company (Kyiv) will expand its focus to the development of products, which could be presented on global markets, Farmak CEO Volodymyr Kostiuk has said.



"In development, we are now focusing on well-regulated markets. The molecules we are developing will be interesting for the global market," Volodymyr Kostiuk told Interfax-Ukraine on the sidelines of the Ukrainian Pharmaceutical Forum organized by Adam Smith Conferences in Kyiv.

Kostiuk said that the new molecules, which are developed by scientists of Farmak, "are complex medicines, they will require large investments in development, great knowledge."

He said that Farmak will continue its strategy of launching at least 20 new products per year on the market, and in the coming years it will be drugs which patent protection expires.

According to him, these are drugs based on 118 molecules. Kostiuk also said that Farmak plans to increase its export share to 40%. PJSC Farmak is one of the three leaders in the pharmaceutical industry of Ukraine. It is a member of the Association Manufacturers of Medications of Ukraine (AMMU). The beneficiary of the company is the head of the supervisory board, Filia Zhebrovska.

EU launches project to support public health system development

The European Union has launched a project entitled "Support to Ukraine for Developing a Modern Public Health System" on December 12, the Public Health Center (PHC) reported. The project will help the government to implement public health reform in line with its obligations under the EU-Ukraine Association Agreement, reads the statement on the website of the PHC.

The experts will consult the Health Ministry of Ukraine, the PHC and the regional public health centers, help to draw up laws and regulations, analyze and implement the EU practices.

According to the statement, the project is aimed at streamlining the public health system in Ukraine with the EU practices, creating a sustainable epidemiology surveillance system to control contagious and non-contagious diseases and introducing the International Health Regulations to prevent, protect against, control and provide a public health response to the international spread of disease. The EU project "Support to Ukraine for Developing a Modern Public Health System" will be implemented from 2019 until 2022 by the GFA Consulting Group GmbH (GFA) in consortium with the National Institute for Health and Welfare, Finland (THL). The budget of the project is EUR 3 million.

European banks interested in providing \$250-300 mln to implement iron ore project in Ukraine



Canada's Black Iron, implementing the investment project to create a new iron ore production facility in Kryvyi Rih (Dnipropetrovsk region), has said that it received expressions of interest from European banks and export credit agencies to provide \$250 to \$300 million of debt.

The company said in a press release that Black Iron management continue to make sound progress arranging the financing for Shymanivske project construction.

Construction of phase one to produce four million tonnes per year of 68% iron content pellet feed is estimated to cost \$436 million, as further detailed in Black Iron's most recent Preliminary Economic Assessment. As is typical for financing the development of mining projects, based on discussions with potential investors and financiers, the company estimates that some \$175 million (40%) will be equity and the balance around \$261 million (60%) financed as debt, not including financing charges and working capital.

Black Iron CEO Matt Simpson said that strong interest from well known, highly regarded, providers of debt financing for project construction is seen.

Ukrainian industrial company Interpipe ships new type of wheels for Spanish market

The Ukrainian industrial company Interpipe has developed and shipped the first batch of ULT SP wheelsets for the Spanish market. According to a company press release, the new design is part of the Ultimate product line manufactured by the group and is designed for freight cars.

The press service said that in October Interpipe completed the testing and certification of the ULT SP wheelset in European testing centers and certification authorities. It is designed specifically for the Iberian gauge, which is used by the railways of Spain, Portugal and partially France. The peculiarity of this wheelset is that it is wider than the European one – 1,668 mm versus 1,435 mm, therefore it requires a special design of the wheelset.

In addition to the modification of the wheel itself, the specialists of the Interpipe railway division also designed the axle structure for the Spanish track – SP G, which was not previously produced.

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European Investment Bank launches EUR 400 mln project to provide financing for small and medium enterprises in agri sector of Ukraine



The European Investment Bank (EIB) has launched a EUR 400 million project to provide long-term financing for small and medium enterprises in the agricultural sector of Ukraine. "The EIB loan will be made available through financial intermediaries to private and public sector final beneficiaries, and is further supported by the EU and the United Kingdom through a combined grant amount of EUR 5.5 million for technical assistance services," the bank said in a press release.



"The cereals, oil seeds and aquaculture/fisheries value chains are being targeted by the program, as they have been identified as being best placed to satisfy domestic demand for quality produce and to increase the competitiveness of the sector and its exports to the EU and global markets," according to the document.

"The EIB funds will provide long-term finance to support productive investments by SMEs and mid-caps, as well as public service providers, along the entire value chain. Potential beneficiaries, therefore, include input suppliers, farmers, processors, and storage and logistics operators, as well as testing laboratories, research and education institutions and extension services that contribute to the functioning of the target value chains," the report says.

The EIB announced the start of cooperation with Ukraine on the project for EUR 400 million in 2015. Since that time, a series of negotiations took place to determine the structure, technical executives, and the model for providing financing.

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

Maksim Urakin is a project director of the Biweekly news digest of Open4business.com.ua.

Contact Info:

urakin@interfax.kiev.ua

info@open4business.com.ua

<https://www.facebook.com/ukraineopen4business>

<https://twitter.com/uaopen4business>

+38(044) 270 65 74

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