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02 March 2020

Ukraine increases exports of IT services in 2019 by 30% to \$4.17 bln

Ukraine has increased exports of IT services in 2019 by 30.2%, to \$4.17 billion, according to a posting on the website of the IT Ukraine association, referring to data of Ukraine's balance of payment. "The export of computer services in 2019 increased 30.2% compared to the previous year and amounted to \$4.17 billion. Accordingly, the amount of taxes and duties paid to the national budget of Ukraine increased by 28% and amounts to UAH 16.7 billion (an increase of 28.5%)," the association said.

The IT Ukraine association said that, in fact, taxes on the export of IT services for 2019 can cover a third (32%) of the national budget of Ukraine for education for the specified year.

"IT export grows by 20-25% annually. To maintain the current growth rate amid fierce global competition for talents, first of all, we need a balanced government approach to reviewing existing tax models and developing IT education," Executive Director of IT Ukraine Association Kostiantyn Vasiuk said.



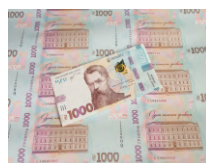
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MLN TONNES OF GRAIN
SINCE START OF
MARKETING YEAR

Ukraine approves 402 investment programs worth UAH 5.2 bln

The Cabinet of Ministers of Ukraine has approved a list of 402 investment programs and regional development projects that will be financed from the State Regional Development Fund in 2020.



"We have taken another step to launch the Big Construction project as early as March 1. We approved a list of programs and projects funded by the State Regional Development Fund. These are 402 projects, 206 of which are facilities of the Big Construction program," Ukrainian Prime Minister Oleksiy Honcharuk said.

Thus, UAH 5.2 billion out of UAH 7.5 billion envisaged by the State Regional Development Fund in 2020 was allocated to regional development projects.

In addition, the procedure for using funds for the construction and reconstruction of the Zaporizhia Bridge, the Odesa-Melitopol-Novozovsk highway on the Odesa-Mykolaiv-Kherson section and the Kyiv-Sumy-Kharkiv highway within the borders of Chernihiv and Sumy regions was approved, the prime minister added.

Ukrainian Chamber of Commerce and Industry proposes ICAC as main platform for settling investment disputes

The International Commercial Arbitration Court (ICAC) at the Chamber of Commerce and Industry (CCI) of Ukraine could play a role of the main platform for hearing investment disputes, President of the Chamber of Commerce and Industry Hennadiy Chyzhykov said at the LevelUp Ukraine Forum 2020 in Kyiv.



"Today, the decisions of the Ukrainian arbitration court are recognized and implemented in 110 countries. We have informed the government that over 25 years of work, the arbitration court has become one of the most respected in Europe," President of CCI Hennadiy Chyzhykov said.

Chyzhykov said that over the past five years, ICAC at the CCI of Ukraine has examined about 3,000 cases, which roughly corresponds to the number of cases considered by the London Arbitration for the same time.

The ICAC at the CCI is headed by Mykola Selivon, Head of the Constitutional Court of Ukraine in 2002-2005. According to the court, decisions in 65% of cases are taken within three months. More than 120 arbitrators from 35 countries are involved in cases, 60% of lawyers are specialists from other countries.

As reported, earlier this year at the World Economic Forum, President of Ukraine Volodymyr Zelensky said that an international arbitration court for investors would be created in Ukraine.



State-run Ukravtodor seeks to raise Ukraine's score in WEF in quality of roads by 10-15 positions

The State Automobile Roads Agency of Ukraine, also known as Ukravtodor, in 2020-2021 seeks to raise Ukraine's score in the Global Competitiveness Report of the World Economic Forum (WEF) in the quality of roads by 10-15 positions compared with the score for 2019 (114 rank).

Ukravtodor Head Oleksandr Kubrakov presented these plans on his Facebook page after a roundtable in the American Chamber of Commerce in Ukraine.

"In fact, there are about 15 major market players, 60 or more auction participants in the projects of IFIs [international financial institutions], stable financing from the Road Fund (UAH 31.5 billion) and additional financing under government guarantees, as well as from funds that Ukraine received under the award of the Arbitration Institute of the Stockholm Chamber of Commerce. We are working on what is needed to improve both perception and reality – liberalization of pricing, typical tender documentation and resistance to "tender trolls," he said.

According to the data released by Kubrakov, in 2019, four companies were the leaders in the number of complaints to the Antimonopoly Committee of Ukraine, with a total of 720 complaints.

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Ukrainian RDS group wants to enter European markets

The RDS road construction group invested almost UAH 170 million in the upgrade of its machinery fleet in 2019 and ready to enter the road construction markets of Poland and Romania, the co-owner of the group, Yuriy Shumakher, has said.

"The acquisition of modern machines, mechanisms and vehicles cost the company UAH 167.16 million. For several years now, we have been investing annually about \$8 million in the renewal of our fleet of road machines," Yuriy Shumakher said in an interview with Interfax-Ukraine.

According to him, in 2019 the company's fleet was expanded with 114 units of road machines and equipment.

Shumakher said that RDS uses its own funds, funds borrowed from Ukrainian banks and leasing companies to upgrade its fleet. Also, part of the equipment is bought through financing of manufacturing companies such as Wirtgen and Zeppelin.

The co-owner of the group said that RDS purchases mainly foreign equipment from leaders in modern engineering.

"We have ambitions to participate in tenders abroad," Shumakher said.

According to him, unlike Ukraine, tenders in Europe have very strict criteria and a mandatory requirement, in particular, is experience in the European Union for at least three to five years.



Rostdorstroy from Ukraine carries out rebranding to RDS

The Rostdorstroy group of road construction companies, as part of expanding its business, carries out rebranding and will be renamed RDS, co-owner of the group Yuriy Shumakher has said in an interview with Interfax-Ukraine. According to the expert, ubiquitous digitalization and a huge flow of information force brands and companies to grow rapidly, in particular changing their visual image.



"We decided that the name of the company Rostdorstroy is long and heavy, especially for the European market, in which we, in addition to the Ukrainian market, want to be represented," Yuriy Shumakher said, noting that rebranding will allow the company to develop more actively in international markets.

"Everything is becoming more simplified, easy," he said. He noted that initially the company was created as the Rost (Growth) investment group for construction of housing and commercial real estate.

"When we decided to invest in roads in 2005, we called the project Rostdorstroy. Now we work in the field of road construction and are already in the top three companies in this market," he described the evolutionary path of development of the company and its brands.

The Ukrainian group of companies RDS includes Kyivshliakhbud and Rostdorstroy. The core business is construction, reconstruction and maintenance of roads and bridges, construction of airfield complexes.

The company is building concrete road H-14 Kropyvnytsky-Mykolaiv. As part of the reconstruction of the H-31 Dnipro-Reshetylivka highway in Poltava region, RDS is building an overpass over the railway and the section of the first concrete road in Ukraine. In 2019, the company won a World Bank tender for work on the first category highway M-03 Kyiv-Kharkiv-Dolzhansky.

As of January 2020, the company operates in seven regions of Ukraine and has ten production bases.

The ultimate beneficial owners of RDS are Ukrainian citizens Yuriy Shumakher and Yevhen Konovalov. The charter capital of the company is UAH 5.13 million

Ukrainian banks reducing rates on hryvnia loans for business

Ukrainian banks in the fourth quarter of 2019 reduced interest rates on hryvnia loans for businesses by 2.4 percentage points (p.p.), to 15.7% per annum, following a reduction in the refinancing rate by the National Bank of Ukraine (NBU). According to the banking sector survey posted on the National Bank's website, the reduction in the cost of hryvnia loans for individuals was less noticeable: in the fourth quarter of 2019 the rates fell by 0.5 percentage points, to 33.6% per annum.

At the same time, according to the document, the rates on foreign currency loans to business entities are at a historically low level of 4.6% in December 2019.

The report also notes that the rates on deposits of individuals began to decline only in December, following the reduction in rates by state banks.

"During the year, state banks kept deposit rates at a high level due to inertia in the management of liabilities and assets and legal risks of PrivatBank," the document says.

So, according to the report, the value of 12-month hryvnia deposits of individuals in the fourth quarter of 2019 decreased by 0.7 percentage points, to 15.1% per annum, in January 2020 it continued to decline by 1.1 percentage points, and in the first week of February by another 1 percentage point, to 13% per annum.

China ready to invest \$600 mln in building new unit of Ukrainian TPP

China expects Ukraine to provide state guarantees for investing \$600 million in the construction of a new unit at Sloviansk thermal power plant (TPP, PJSC Donbasenergo), Liu Jun, the adviser for trade and economic issues at the Embassy of China in Ukraine, has said.



“The Chinese side is ready to invest more than \$600 million in this project, provided that the Ukrainian side provides state guarantees,” he said in an exclusive interview with Interfax-Ukraine.

Jun recalled that the investment agreement between Dongfang Electric International Corporation (DEIC) and Donbasenergo for the joint implementation of the project was signed in December 2018.

“The construction of the sixth power unit is a new serious potential joint project between Ukraine and China. I am sure that its implementation will bring great benefits for both the Ukrainian people and Chinese enterprises,” he said.

As reported, the contract between DEIC and Donbasenergo provides for the construction of power units Nos. 6A and 6B of 330 MW each at Sloviansk TPP using CFB technology (burning solid fuel in a circulating fluidized bed).

The contract price is \$684.296 million. Financing for the reconstruction foresees 70% of funds of a credit from a Chinese bank.



Growth of capital investments in Ukraine slows down to 15.5% in 2019

Capital investments in Ukraine in 2019 increased by 15.5%, while in 2018 their growth was 16.4%, and a year earlier some 22.1%, the State Statistics Service has said.

At the same time, according to the State Statistics Service, from the middle of last year the growth of capital investments began to accelerate: 17.8% in the first quarter, 7.5% in the second quarter, 12.7% in the third quarter, and 21.2% in the fourth quarter.

In 2018, the trend was reversed as growth slowed during the year: 37.4% in the first quarter, 18.4% in the second quarter, 9.9% in the third quarter and a slight acceleration in the fourth quarter to 10.5%.

The service said that over the past year, UAH 584.4 billion of capital investments were used (excluding the temporarily occupied territory of Crimea, Sevastopol and the Joint Forces Operation area).

In the regional context, the largest increase in capital investments in 2019 was recorded in Volyn (by 74.2%), Kherson (by 66.1%), Mykolaiv (by 40.1%), Poltava (by 39.7%), and Kyiv regions (33.4%).

According to statistics, capital investments last year decreased in Khmelnytsky (by 5.8%), Rivne (by 5.4%), Odesa (by 1.7%), and Chernihiv (by 1.6%) regions.

DTEK Oil & Gas wants to drill five new deep wells in 2020

DTEK Oil & Gas, responsible for the oil and gas division of DTEK Group, plans to drill five deep wells in 2020 and reach gas production of 2 billion cubic meters (bcm) by 2021, the company's press service has reported.

"In 2020, we plan to build five new wells and in the near future to develop depths of more than 7 km," the press service said, citing Extraction and Processing Director Oleksiy Raptanov as saying.

Last year, DTEK Oil & Gas reduced the construction time for wells with a depth of more than 5,500 meters to three and a half months, contracted the SK-3000 drilling rig, which allows drilling to a depth of 10 km, and also launched a new drilling program at the Machukhske field.

In addition, the company announced the creation of a technology center for systematic search, adaptation and implementation of modern technologies in its structure, the formation of an expert council with the involvement of international experts to increase the efficiency of production and business processes.

"All this will help DTEK Oil & Gas to reach a renewed momentum and increase production to 2 billion cubic meters by 2021," Raptanov said.

Windrose to launch daily regular flights between largest cities of Ukraine

Windrose will launch regular flights between the largest cities of Ukraine, Kyiv, Kharkiv, Dnipro, Lviv, Odesa and Mykolaiv from April. According to the press service of the company, flights will be operated daily.

In addition, from November 2020 Windrose also plans to launch flights to Ivano-Frankivsk.

"I dreamed of building a comfortable domestic transportation program ... However, I could not do it. But the dream remained and still waited in the wings to become a reality. Windrose has been carrying out tourist transportation to different parts of the world for more than 16 years. Later it became clear that it's time to apply our experience to domestic flights. This year we are launching a new domestic program that will connect large cities of our country by convenient and fast air traffic," Windrose CEO Volodymyr Kamenchuk said.



France to invest EUR 100 mln in Luhansk region – head of Luhansk state administration

Head of Luhansk Regional State Administration Serhiy Haidai has met with Ambassador of France to Ukraine Etienne de Ponsen in Kyiv to discuss financing opportunities for the railway communication in Luhansk region.

"The meeting with the ambassador extraordinary and plenipotentiary of France to Ukraine had good results for our region. We agreed on several issues and our French partners will provide financing for them. The amount of investment is estimated at more than EUR 100 million," the press service of Luhansk Regional State Administration quoted Haidai as saying on Wednesday.

The funds will be spent on the construction of the railway communication to connect the Lantrativka – Kondrashivska-Nova section with the national railway system.

In addition, the sides agreed on the electrification of the railway network in the region and on the implementation of a project on cleaning the water supply system.

Mayor: Kyiv will buy 273 modern buses

Kyiv in 2020 will buy 273 modern buses, the press service of Kyiv City State Administration has reported, with reference to Kyiv Mayor Vitali Klitschko. "This year we plan to purchase 273 modern buses. We are constantly updating the capital's public transport park. Over the past few years, we have bought almost 300 units of public transport. These are modern and comfortable buses, trams and trolleybuses," Klitschko said on the air of the Ukraine 24 TV Channel. According to him, the capital is developing a new public transport scheme, which will take into account the possibility of convenient transfers from one type of transport to another. Thus, public transport, in particular, will crowd out minibuses and private buses from the city center. "This is the practice of megacities around the world. In big cities, to get to the center, you have to pay a lot of money, especially for parking. Therefore, many people in the West use public transport. This positively influences traffic and the environmental situation in city," Klitschko said.



Ukraine's retail trade turnover in Jan increases by 12%

Ukraine's retail trade turnover in January 2020 in comparable prices increased by 12.1% compared with January 2019, the State Statistics Service has reported. According to its data, in January 2020 retail trade turnover decreased by 21.9% compared to December 2019. Retail goods turnover in January 2020 was UAH 90.833 billion.



The largest growth in the retail trade turnover of enterprises (legal entities and individual entrepreneurs) in January 2020 compared with January 2019 was recorded in Zaporizhia (by 17.7%), Ternopil (by 17.4%), Kirovohrad (by 16%), Khmelnytsky and Kyiv (by 15.4%), Chernivtsi (by 14.9%), Lviv (by 14.8%), Dnipropetrovsk (by 14.3%), Poltava (by 14.1%), and Kherson (by 14%) regions.

Last month, the leaders in absolute terms of retail turnover were: Kyiv city (UAH 17.584 billion), Dnipropetrovsk (UAH 8.565 billion), Kharkiv (UAH 7.012 billion), Odesa (UAH 6.697 billion), Kyiv (UAH 6.598 billion) and Lviv (5.639 billion UAH) regions.

The State Statistics Service said that the turnover of retail enterprises (legal entities) in January 2020 compared to January 2019 increased 10.8% and compared to December 2019 decreased 22.9%, amounting to UAH 65.047 billion.

The wholesale trade turnover of enterprises last month compared to the same month of 2019 fell by 2%, to UAH 141.67 billion. The service said that the data are given without taking into account the temporarily occupied territory of the Autonomous Republic of Crimea, Sevastopol and the Joint Forces Operation area.

Ukraine and Turkey agree to significantly expand regular flights

The aviation authorities of Ukraine and Turkey have agreed to significantly expand regular flights, Ukraine's Ministry of Infrastructure has said.

"Based on the results of successful negotiations at the level of the aviation authorities of Ukraine and Turkey, regular flights with the Republic of Turkey were substantially expanded. The weekly frequency for passenger transportation on most routes was almost doubled. The limit on the number of flights was removed for the Odesa-Istanbul route. Cargo transportation is also without restrictions," Minister of Infrastructure Vladyslav Krykliy said.

According to him, now 11 cities of Ukraine have the opportunity of direct air communication with Turkey, namely Kyiv, Odesa, Kherson, Mykolaiv, Kharkiv, Dnipro, Lviv, Chernivtsi, Vinnytsia, Ivano-Frankivsk, and Zaporizhia.

"This is an impetus for the development of regional airports. Thanks to the State Aviation Administration for a good work. We are not resting on our laurels. We are confidently stepping west towards the Open Sky," the minister said.

Kyivstar subscribers double use of mobile internet in roaming

The subscribers of Kyivstar mobile operator in 2019 used twice as much mobile Internet in roaming as in 2018, the company has said.

On average, one subscriber used abroad 550 megabytes and 16 minutes for calls in roaming.

In general, the number of Kyivstar subscribers who used roaming last year, according to the operator, grew by 18% compared to a year earlier.



The ranking of countries popular among Ukrainian tourists was led by Poland, followed by Turkey, Germany, Italy, and Egypt.

"Some 65% of all Kyivstar travelling subscribers visited the European Union," the company said.

In 2019, the operator worked on expanding 4G Internet in roaming for its customers: high-speed 4G mobile Internet from Kyivstar can be used in 61 countries of the world, including all popular tourist destinations.

Environmentally interested public demands from Ukrainian govt division of energy and environmental protection ministry

The Ministry of Energy and Environmental Protection should be divided and the Ministry of Environmental Policy and Sustainable Development should be created, Chairwoman of the NGO All-Ukrainian Ecological League Tetiana Tymochko.

"The merger of the Environmental Protection ministry with the Energy Ministry, the enterprises under management of which are biggest polluters of environment, initially put the conflict of interest behind this and created the basis for abuse," Tymochko said at a press conference.

She said that since the merger of the Ministry of Ecology and Natural Resources in September last year with the Ministry of Energy and Coal Industry, very little attention has been paid to environmental issues.

"Only 10% of the employees of the merged ministry have their functional responsibilities of being involved in preserving wildlife," the expert said.

At the same time, according to another participant in the press conference, Chairman of the National Ecological Council of Ukraine Oleksandr Chystiakov, the environmental situation in the country is disastrous, and Ukraine currently occupies the fourth place in the world in terms of mortality from poor ecology.

According to him, for example, only a third of the effluents discharged into the water bodies of Ukraine last year were treated.



"Given the level of pollution of water bodies, the World Bank put Ukraine in 125th place in the world in terms of freshwater per capita," Chystiakov said, quoting the data.

At the same time, he criticized the imposition of a moratorium on environmental audits of the business, which, he believes, contributes to the pollution of water by industrial effluents and the appearance of unauthorized landfills.





Mykhailo Romanyshyn, who entered into the Guinness Book of Records as a swimmer-record holder of the #Vplavdnipro project, who sailed 985 km along the Ukrainian part of the Dnipro River from the border with Belarus to the Black Sea, in particular, to draw attention to the state of the Dnipro River waters, believes that the issue of this river pollution requires very quick and competent response, otherwise the consequences will be devastating.

In addition, the participants in the press conference criticized the E-40 project (the project to create a shipping lane of more than 2,000 km long along the Vistula, Pripyat and Dnipro rivers to connect the Baltic and Black seas), as well as the fact that the Ministry of Energy and Environmental Protection did not oppose the government's implementation of these plans. According to Chystiakov, the dredging of Prypiat will raise large volumes of radioactive substances, which are buried under a 60-80 cm layer of mud in the riverbed, and will entail serious pollution.

Production of meat and eggs in Ukraine up

Milk production in Ukraine in January 2020 (excluding the temporarily occupied territory of Crimea, Sevastopol, the Joint Forces Operation area) decreased by 2.5% compared to the same period last year, to 545,200 tonnes. According to the State Statistics Service, farmers produced 322,700 tonnes of meat (live weight) in January this year, which is 4.5% more than in January 2019.

Egg production in January-2020 increased by 7.4%, to 1.22 billion.

Ukraine exports 38.4 mln tonnes of grain since start of marketing year

Ukraine since the beginning of the marketing year 2019/2020 (MY, July-June) and as of February 17, 2020 had exported 38.36 million tonnes of grain and legumes, which is 7.5 million tonnes more than on the same date of the last MY.



According to the information and analytical portal of the agro-industrial complex of Ukraine, to date, the country has exported 16.23 million tonnes of wheat, 17.67 million tonnes of corn, and 3.97 million tonnes of barley.

As of February 17 of this year, 240,600 tonnes of flour had been also exported.

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.



T.B.Fruit group of companies plans to build distillery in western Ukraine



T.B.Fruit group of companies, the largest fruit and berry processor in Ukraine, is considering the possibility of building its own factory for the production of industrial alcohol in Lviv region, founder of T.B.Fruit Taras Barschovsky has said.

"We are talking about industrial alcohol from wastewater that goes to wastewater treatment plants for production of pectin," he told Interfax-Ukraine.

Barschovsky specified that investment in the plant could be about \$800,000.

T.B.Fruit is a vertically integrated international group of companies with a closed production cycle (growing raw materials, processing, transportation).

62% of Ukrainians against land market

Some 62% of Ukrainians are against the introduction of the agricultural land market in Ukraine, according to a survey conducted by the Kyiv International Institute of Sociology (KIIS) on February 21-25, 2020.

If the All-Ukrainian referendum on the sale of agricultural land took place next Sunday, 15% of Ukrainians would vote in the referendum "in favor of" the land market, 62% – "against," and another 18% would not vote.

According to the results of the study, during the period of November 2019 – February 2020, the share of supporters of land sales decreased: 22% in November, 19% in December, and 15% in February.

The survey was conducted using the CATI method (computer-assisted telephone interviews) using a random selection of mobile phone numbers. The sample is representative of the adult population (aged 18 years and older) of Ukraine. The sample does not include territories that are temporarily uncontrolled by the Ukrainian authorities. During the survey, 1,500 interviews were conducted, the sampling error with a probability of 0.95 does not exceed 3%.

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.

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