



**UKRAINE**  
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## Ukraine adopts law on land market from July 1, 2021

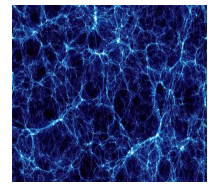


The Verkhovna Rada at an extraordinary meeting has adopted a law on opening the land market from July 1, 2021 with the restriction of its operation in the first three years only to land plots owned by individuals with a maximum ownership of 100 hectares per capita. According to an Interfax-Ukraine correspondent, 259 MPs voted for bill No. 2178-10 on farmland turnover at second reading and as a whole on Tuesday night with the quorum being 226 votes. The document stipulates that from January 1, 2024 legal entities will be able to purchase agricultural land, the concentration threshold per entity will increase to 10,000 ha. The sale of agricultural land of state and municipal property is prohibited. In addition, banks get the opportunity to obtain land as recovery of collateral, however, such land plots should be sold at auction within two years. According to the bill, the access of foreigners to the land market will depend on the results of the national referendum. In addition, it is stipulated that until January 1, 2030 the selling price of agricultural land plots allocated to land plot holders cannot be less than their regulatory monetary value.

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UKRAINE'S GRAIN HARVEST FORECAST INCREASES TO 94 MLN TONNES, EXPORTS TO 57.2 MLN TONNES

## Ukraine's state stabilization fund will be UAH 200 bln

Ukraine's Prime Minister Denys Shmyhal has stated that the stabilization fund of the state will be about UAH 200 billion.

"We are creating the state stabilization fund, its size will be about UAH 200 billion. This will be absolutely enough to provide pensioners, those who today will need help due to job loss," Shmyhal said in the Svoboda Slova (Freedom of Speech) program on ICTV Channel.

The prime minister emphasized that the state has resources for such expenses.

Among other things, Shmyhal noted that in the near future an expert strategic council will be created to make solutions that will allow going through the crisis most mildly and begin developing after its completion.

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## Ukraine imposes nationwide state of emergency until April 24

The Ukrainian government has imposed a nationwide state of emergency because of the coronavirus pandemic for 30 days, until April 24.

"We are extending the quarantine and imposing a state of emergency on the state of Ukraine, throughout its entire territory, for 30 days until April 14, 2020," Prime Minister Denys Shmyhal said at a government meeting.

This measure could be extended if necessary, he said.

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## Standard&Poors affirms ratings on Ukraine at 'B' with stable outlook

The international rating agency Standard&Poors has affirmed Ukraine's long-term foreign and national currency ratings at "B" level, short-term "B" ratings and ratings on the national scale "uaA," the outlook on them is "stable."



***"Despite the strengthening of fundamental factors, including an increase in foreign exchange reserves, a modest budget deficit and a reduction in public debt to GDP, Ukraine faces risks associated with a deterioration in the global economy and finances," the agency said on Saturday night.***

S&P added that the effects of recent government shifts on the dynamics of reforms in Ukraine and the country's relationship with key lenders are currently unclear.



## EIB ready to redirect funds issued to Ukraine for fight against COVID-19



The European Investment Bank (EIB) is ready to redirect funds issued for programs in Ukraine for fight against coronavirus, Foreign Minister of Ukraine Dmytro Kuleba has said.

"I spoke with the European Investment Bank, which is ready to redirect certain funds allocated for programs in Ukraine to measures to overcome the coronavirus," he said.

In addition, Kuleba said that at a meeting with the head of the mission of the International Committee of the Red Cross (ICRC) in Ukraine, Florence Gillette, he discussed the question of what kind of help the ICRC can provide to Ukraine in preventing the spread of coronavirus.

"We are ready to receive something as humanitarian aid, to purchase something, but this search is being conducted at all levels, in international organizations, in business contacts," the minister said.

According to him, the entire system of the Foreign Ministry of Ukraine is now working on two fundamental tasks: the return of Ukrainians from other countries and the search for humanitarian assistance and procurement.

## Black Sea Trade and Development Bank to provide EUR 900 m

The Black Sea Trade and Development Bank (BSTDB) has said that the bank is ready to send around EUR 9000 million to help the sectors affected by the coronavirus disease COVID-19 spread.

*"The bank intends to refocus its financing of approximately EUR 900 million, planned for new operations in 2020, to assist the sectors and industries most affected by the turmoil caused by the COVID-19 infection," the bank said in a press release.*

The bank said that in these difficult times the BSTDB is sympathetic to the efforts its member states make to contain the spread of the coronavirus and reduce the negative impact it has on human lives, societies and economic activity.

"We will offer additional technical assistance to affected clients to facilitate project preparation, including business plans, feasibility studies, environmental impact assessments, etc. The Bank will focus on assisting municipalities, utilities, manufacturing and pharmaceutical companies being on the front line of the fight against COVID-19," the bank said.

The BSTDB is an international financial institution established by Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine.

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# Ukravtodor has no plans to stop road works during quarantine

The State Agency of Automobile Roads of Ukraine (Ukravtodor) does not intend to stop road works during the quarantine due to the coronavirus disease (COVID-19) spread.

"Ukravtodor supports government initiatives to prevent COVID-19 spread in Ukraine. Therefore, we strongly recommend that everyone who can work remotely take this opportunity. At the same time, we would like to say that the deceleration of road works season is not yet expected. All construction and repair work continues as usual," the agency said in a statement posted on its website. Ukravtodor said that the agency insists that contractors put into place the necessary arrangements for the safe work of employees, in particular, conduct an information campaign on virus diseases prevention, regularly monitor the employees' state of health, and also make disinfectants available.



## RDS road construction group to expand in Ukraine

The RDS road construction group, which is already represented in seven regions of Ukraine, is preparing for the expansion of its geographic footprint in the country, the co-owner of the group, Yevhen Konovalov, has said.



***"Today we work in seven regions – Odesa (in the region and its central city), Mykolaiv, Kirovohrad, Cherkasy, Poltava, Vinnytsia and Kyiv regions. I would like to keep the list of the regions we are planning to enter this year a secret, but we have plans for at least three regions today. We will give more information about them soon," he said in an exclusive interview to Interfax-Ukraine.***

According to Konovalov, competition on the road construction and maintenance market has increased in recent years due to a growth in activities of Ukrainian and foreign companies. "In order to stay afloat, we should expand the chain of our plants and production facilities. This will allow us saving the usual level of production and work load. They say that big companies are monopolizing the market, acting in collusion, but this is not true. Competition in our market is extremely high, we are competing using technologies and human resource," the co-owner of group said.

"The main thing is that the contractor, who had won a road construction tender, should be in charge of maintenance of new roads instead, and not the state represented by regional automobile road agencies with their outmoded equipment," Konovalov said.

He added that besides maintenance the company should monitor the road quality on its own for five to ten years, as this is guaranteed by banking institutions.

"If the road service requests road repairs, then we will fix it. Otherwise, the bank will withdraw money from our account," the co-owner of RDS said.

The Ukrainian group of companies RDS includes Kyivshliakhbud and Rostdorstroy. Its core business is construction, modernization 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-Dovzhansky. As of January 2020, the company operates in seven regions of Ukraine and has ten production facilities. 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 RDS will continue all road construction projects amid quarantine – co-owner

The RDS group of road construction companies will continue road work during the quarantine established due to the spread of coronavirus, and plans to continue to fully fulfill its obligations, RDS co-owner Yuriy Shumakher has told Interfax-Ukraine.

"We express support for the decision of the Ukravtodor management not to curtail the planned projects. The development of infrastructure in the country is the key to Ukraine's competitiveness and success," he said.



***"The group of RDS road construction companies minimized attendance at work for the staff, but we continue to fully implement all of our road construction projects," Shumakher added.***

According to him, contractors and suppliers in all regions of the presence of RDS Group are working smoothly, there are no problems with the provision of construction materials.

Ukravtodor on March 17 announced its support for the government's initiatives to prevent the spread of the coronavirus COVID-19 in Ukraine and continuation of all roadwork as usual.

"Ukravtodor supports the government's initiatives to prevent the spread of the coronavirus COVID-19 in Ukraine. Therefore, we strongly recommend that everyone who can work remotely take this opportunity. At the same time, we want to emphasize that the deceleration of the season of road works is not yet expected. All construction and repair work continues as normal," the state agency said.



## Ferrexpo from Ukraine increases share in international market of pellet exporters to 8%

Ferrexpo mining company, with the main assets in Ukraine, increased its share in the international market of pellet suppliers to 8% in 2019 compared to 7% in 2018.

According to the company's annual report released on the London Stock Exchange on Wednesday, March 17, Ferrexpo maintained its third position in the world ranking of pellet exporters with 10.3 million tonnes (10.2 million tonnes in 2018). Vale-group (Brazil-Oman) with the volume of 32.7 million tonnes takes the first place according to the results of the year, and the Swedish LKAB with 16.3 million tonnes takes the second place.

The Metalloinvest group (Russia) takes the sixth place with export deliveries of 7.2 million tonnes (4.2 million tonnes in 2018), the Metinvest group (Ukraine) takes the tenth place with supplies of 5 million tonnes (5.4 million tonnes in 2018), the Severstal Group (Russia) takes the eleventh place with supplies of 3.8 million tonnes (5.5 million tons in 2018). In general, the international market for global pellet exporters at the end of 2019 is estimated at 135 million tonnes, decreased by 3% compared to 2018 (139.6 million tonnes).

# Britain's Regal Petroleum buys Ukrainian Arkona for \$8.63 mln

Britain's oil and gas company Regal Petroleum Plc with assets in Ukraine has acquired the acquisition of Arkona Gas-Energy LLC, which holds the Svystunivsko-Chervonolutskyi exploration license in Poltava region for \$8.63 million, the company has reported on the London Stock Exchange (LSE).

The acquisition was completed on Tuesday pursuant to an acquisition agreement made between the company and Igor Mychko, Oleksandr Neschchotnyy, Dmitro Volonets and Oleg Olkhovoy to acquire a 100% shareholding interest in Arkona.

A first tranche is \$4.315 million (less certain adjustments for debt liabilities) paid on completion.

A second tranche is \$2.158 million payable on satisfaction of certain conditions including the favourable resolution of a third party claim against Arkona relating to the licence, the absence of any contractual, warranty or indemnity claims, and the delivery of certain documentation by the sellers.

A third tranche is \$2.158 million payable in 12 months from the date of payment of the second tranche, provided that if the conditions for payment of the second tranche are not satisfied, then neither the second tranche nor the third tranche shall become payable.

According to Geoinform Ukraine, the license of Arkona is in effect until May 18, 2037.



## Ukraine boosts electricity export by 33%

Ukraine in January-February 2020 increased its electricity exports by 33.7% or 362.5 million kWh year-over-year, to 1.438 billion kWh, the Energy and Environmental Protection Ministry of Ukraine has told Interfax-Ukraine. Electricity supplies from the Burshtyn TPP energy island to Hungary, Slovakia, and Romania rose by 56.6%, to 1.049 billion kWh. Exports to Poland grew by 17.6%, to 299.9 million kWh. Exports to Moldova fell by 41%, to 88.6 million kWh.

Ukraine imported 1.112 billion kWh of electricity in January-February 2020, including 599.5 million kWh from Slovakia, 274.7 million kWh from Hungary, 141.9 million kWh from Belarus, 51.9 million kWh from the Russian Federation, and 43.4 million kWh from Romania.

Due to crossflows related to the parallel work of the united energy system in Ukraine and systems in bordering countries (accounted for under contracts signed by Energomarket), Ukraine imported 8.1 million kWh of energy from Russia and 100,000 kWh from Belarus.

## Businessman Rinat Akhmetov sends UAH 300 mln to fight coronavirus

Businessman Rinat Akhmetov will send UAH 300 million to fight the COVID-19 coronavirus, combining all the resources of the charity foundation, DTEK and Metinvest, FC Shakhtar and all the assets of his financial and industrial holding SCM to help Ukraine, according to the foundation.



***“Coronavirus is a disaster that the modern world has encountered on such a scale, probably for the first time. I’m absolutely sure that in this situation everyone should think how exactly he can help Ukraine and Ukrainians,” Akhmetov said.***

Under the decision of the founder, the Rinat Akhmetov Foundation will purchase another 300,000 rapid tests for coronavirus for the whole of Ukraine, which will be transferred to the Stabilization Fund, initiated by President of Ukraine Volodymyr Zelensky, in the shortest possible time. In addition, at least 200 respiratory medical devices and other equipment will be purchased.

“In cooperation with the Ministry of Health, we will do everything possible to prevent an epidemic of coronavirus in the cities of our presence and throughout the country. Only by combining our efforts in the face of danger we can make Ukraine cope with all the challenges that it faces,” the businessman said.

The foundation recalled that earlier, according to Akhmetov’s decision, equipment for the effective treatment of coronavirus complications had already been purchased and handed over to the Ministry of Health: high-quality Servo-I Universal and Servo Air respiratory medical devices of Swedish manufacture and other equipment.

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## Interpipe increases output of steel by 5%

Interpipe, the international vertically integrated pipe and wheel company, increased steel production by 4.8% in January-February of 2020 compared to the same period in 2019, to 138,200 tonnes.

According to the company’s monthly report on Thursday, March 19, pipe production decreased by 32.9%, to 70,500 tonnes, railway wheel production increased by 20.3%, to 17,500 tonnes for two months.

In February, production of steel amounted to 72,900 tonnes, railway wheels amounted to 18,100 tonnes, pipes amounted to 38,400 tonnes.

The company increased sales of round steel billets by 36.3%, to 4,400 tonnes, railway wheels by 43.2%, to 39,600 tonnes and reduced pipe sales by 31.3%, to 66,800 tonnes in January-February of 2020.



***Pipes were sold in Europe (35%), MENA region (22%), Ukraine (18%), the American continent (13%), the CIS (10%) and other regions (2%). Railway wheels were sold in the CIS (47%), Europe (30%), Ukraine (14%), MENA region (3%), the U.S. continent (4%) and other regions (2%) in January-February of 2020.***

According to the company’s statement, the increase in sales of OCTG (oil country tubular goods) in February compared with January was due to an increase in supplies to Africa and the CIS countries, as well as stable supplies to other regions. The main part of the growth in sales of gas and oil pipelines was supported by the countries of the Middle East, Turkey and Ukraine.



# Ukraine may save up to \$6 bln on energy imports in 2020

Ukraine may save \$5-6 billion on energy imports in 2020 due to a 50-60% reduction in prices for energy products, which account for 20% of the country's imports, NBU Deputy Governor Dmytro Sologub has said.



***“Our balance of payments shows that there are both positive and negative influence factors in our current account. First of all, this is a fall in oil prices, energy products, which account for 20% of our imports, compared to \$12 billion in 2019. A fall in oil prices, a decrease in gas demand may lead to the fact that this year we will save \$5-6 billion,” NBU Deputy Governor said at an online briefing.***

Sologub said that the epidemiological situation has led to a reduction in tourist travel.

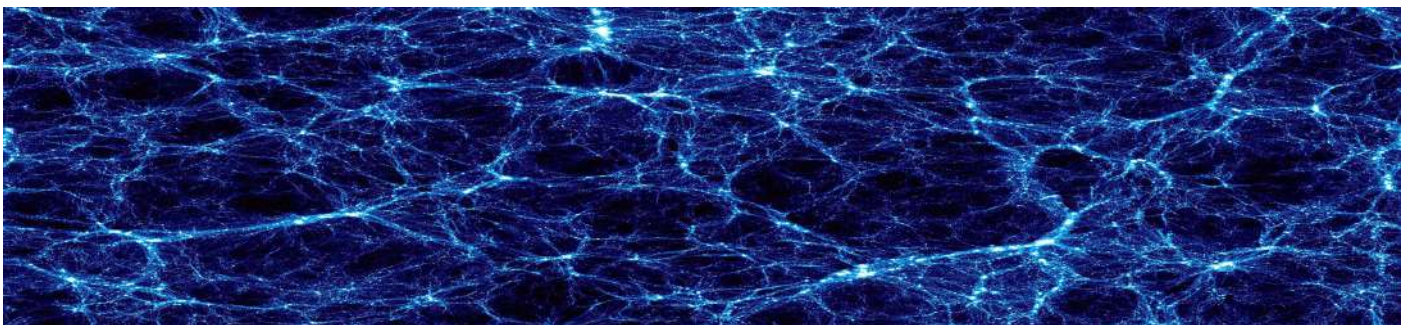
“Last year, tourist trips of Ukrainian citizens amounted to \$8 billion, and we can also expect a significant reduction,” Sologub said.

According to him, the National Bank expects a slight decrease in food prices, which account for more than 50% in Ukrainian exports. To date, the fall in food prices is much lower than for energy.

“As we understand it, even in a crisis, especially when sitting at home, people will consume food and this is the last thing they will refuse. Therefore, we expect that the demand for our export products will preserve, and if it decreases, then insignificantly,” the banker said.

He said that now there is a decrease in money transfers to the country from Ukrainian citizens working abroad. The National Bank expects that the reduction in the indicator will also be less than in energy products.

“Most likely, this influence will be temporary, as economic recovery in Poland, the Czech Republic, Italy will lead to the resumption of remittances,” he said.



## UFuture and Biopharma submit complexes for detection of COVID-19 to public health center

Biopharma, which is one of the ten largest Ukrainian manufacturers of the pharmaceutical industry and specializes in human blood plasma drugs, has submitted to the laboratories of the Public Health Center of the Ministry of Health of Ukraine equipment that will allow the presence and absence of samples to be determined quickly and by modern methods agents of coronavirus disease. This decision, in conjunction with entrepreneur Vasyl Khmelnytsky's UFuture holding company, is a continuation of a series of social initiatives undertaken by Ukrainian entrepreneurs amid a coronavirus pandemic.

“The Center will become the main reference site that will monitor the correctness of diagnostics throughout Ukraine. In other words, samples from laboratories will be sent here to confirm or refute the diagnosis. Without the transferred equipment, effective control of coronavirus disease in Ukraine would be defective,” Kostiantyn Yefymenko, President of Biopharma, reported.

The first unit is the Nuclear Acid Extraction Equipment from Thermo Fisher Scientific with consumables for 20,000 samples. The equipment helps prepare samples for analysis. The second unit is the equipment of Bio-Rad CFX 96 for molecular genetic analysis by PCR for the presence of a DNA virus and a system test for the detection of COVID-19.





***“Business should do everything in its power to stop the spread of the coronavirus and bring Ukraine back to normal. First of all, we need quality and timely diagnostics. already hundreds of millions of hryvnias and assistance continues,” Vasyl Khmelnytsky, founder of UFuture, said.***

The total cost of the equipment exceeds six million UAH, its installation and startup is performed by the company “ALT Ukraine LTD”. The equipment allows to process up to 100 samples in 60 minutes and in total about 2 thousand analyzes per day.

In addition, UFuture purchased two lung ventilation devices and all materials for their operation for the amount of 1 million 700 thousand UAH to one of the hospitals in Kyiv, and Biopharma – equipment for Bila Tserkva city hospital №3 (reference infectious hospital for the Kyiv region) with an amount of five million UAH.



## **Indian pharmaceutical companies ready to provide Ukraine with antiviral drugs**

Indian pharmaceutical companies are ready to provide Ukrainians with antiviral drugs, the Indian Pharmaceutical Manufacturers Association (IPMA) has said.



***“The leading Indian pharmaceutical companies represented by IPMA in Ukraine are ready to assist Ukraine in providing it with high-quality and effective medicines, including antiviral drugs, which have recently been used in the fight against the coronavirus disease COVID-19 in the world,” the association said.***

IPMA also reported that Indian doctors have noted some success in treating COVID-19 with drugs such as LPV/r, Oseltamivir, Ribavirin and Chloroquine.

“At the same time, it is probably still necessary to observe patients in order to reach a final conclusion,” the IPMA said.

At the same time, the association said that Indian family companies, which are one of the world leaders in the production of drugs for the treatment of HIV/AIDS, will be ready for a possible increase in supplies to Ukraine if the country makes such a decision.

“Like any state, in connection with the current situation in the world – the COVID-19 pandemic, India should protect its citizens first of all. But for now, our manufacturers have enough capacities to provide other countries [with drugs] as well,” the IPMA said.

The association said that currently, due to the lack of air traffic, there are some difficulties with the delivery of goods from India, including drugs, while there are no delays in customs and interruptions in logistics.

The range of orders that come from pharmacies and medical institutions as a whole has not changed, but, in addition to ordinary orders, there is a demand for masks and disinfectants.

# Synevo transfers COVID-19 diagnostic equipment to public health center

Synevo, part of Sweden's Medicover holding, has handed over the COVID-19 diagnostic equipment using PCR (Polymerase Chain Reaction) tests – the most reliable method for diagnosing this coronavirus disease, to the Public Health Center, Synevo Development Director Mykola Butenko said at a video press conference. The equipment made by Swiss Roche will allow increasing the speed and the number of COVID-19 tests and will significantly increase the accuracy of test results, removing human element from the process.

The analyzer's capacities are 96 tests per hour. Different types of biomaterial (blood, saliva, cerebrospinal fluid and others) can be tested.

The equipment has already been delivered by Synevo to the virology reference laboratory of the Public Health Center in Kyiv, which will perform COVID-19 testing.



***"In Ukraine, because of the high cost of equipment, this initial stage is usually tested manually by laboratory staff. This limits the speed and number of tests performed. Using the new analyzer will minimize the human factor. As a result, we will significantly increase the number of tests performed and eliminate the risk of human error," Butenko said.***

The use of new equipment will increase the safety of the laboratory staff, since the apparatus performs the process of RNA extraction from the biomaterial automatically, therefore, the laboratory staff will no longer have to contact samples of potentially infected biomaterial.

To launch the analyzer, representatives of Roche Diagnostics in Ukraine will be involved in the startup of the equipment, as well as in special training for employees of the Public Health Center's laboratory how to use the equipment.

The PCR method directly detects DNA or virus RNA in the biomaterial, therefore this method is the most reliable in the world for the diagnosis of COVID-19.



## Interchem buys PCR testing equipment for Odesa regional lab center

Double liability company Interchem, a pharmaceutical company based in Odesa, has bought equipment for polymerase chain reaction (PCR) testing for the virus laboratory of the Odesa Regional Laboratory Center of the Health Ministry of Ukraine.

Interchem Director General Anatoliy Reder told Interfax-Ukraine that this equipment was the first system in the regional laboratory, which makes it possible to perform PCR testing of the COVID-19 infection.



***“Until today, in Odesa region there was not a single device on which it was possible to perform such a PCR test. Odesa region was not able to perform such tests on its own, the virus laboratory of the state-owned institution Odesa Regional Laboratory Center of the Health Ministry of Ukraine was forced to act as a logistician: to collect biomaterial from the centers where it was taken, and then send it to Kyiv. Thus, the results were only on the fifth day. This is what we must avoid, as if we are forced to wait five days for a response from the laboratory, all other methods of fighting the virus are becoming meaningless,” he said.***

Reder said that the system for PCR testing has already been installed and began to work.

In addition, Interchem purchased the first batch of tests for this system.

“We hope that the PCR tests, which are procured centrally, will also come to Odesa region. As world experience shows, those countries in which it was possible to achieve a high level of coverage of population with testing and diagnostics demonstrate the lowest results in mortality and the spread of infection,” Reder said.

Interchem is one of the leading pharmaceutical companies in the country.

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## Ukrainian pharmaceutical manufacturers propose creating ad hoc group to expand production amid spread of COVID-19

Domestic pharmaceutical manufacturers have proposed creating a coordination group under the president of Ukraine with the participation of central executive authorities, industry associations and drug manufacturers to quickly resolve the issues of providing medicines during the spread of coronavirus infection. Pharmaceutical companies that are members of the Manufacturers of Medications of Ukraine Association said this at a press conference at the Interfax-Ukraine agency.

According to association president Petro Bahriy, the working group, in particular, could quickly resolve the problems associated with the increased demand for certain groups of drugs, a shortage of a number of active pharmaceutical ingredients, interruptions in the logistics of medicines, as well as the issues of patent law.



***“Today, the enterprises involved in the production of active pharmaceutical ingredients have been stopped, there are problems with the supply of substances, packaging materials, problems with the logistics of medicines, so today it would be very good to form a headquarters and plan our work in the government and the president's office in such a way as to help domestic manufacturers cope with these challenges and provide the population of Ukraine with medicines,” he said.***

The chairperson of the board of PJSC Indar, Liubov Vyshnevskaya, in turn, noted that the pharmaceutical companies faced a number of problems, including quotas for alcohol without excise taxes.

"Quotas, not even during the epidemic, but in ordinary life, are the Stone Age. Pharmaceutical manufacturers with production licenses should get enough alcohol," she said.

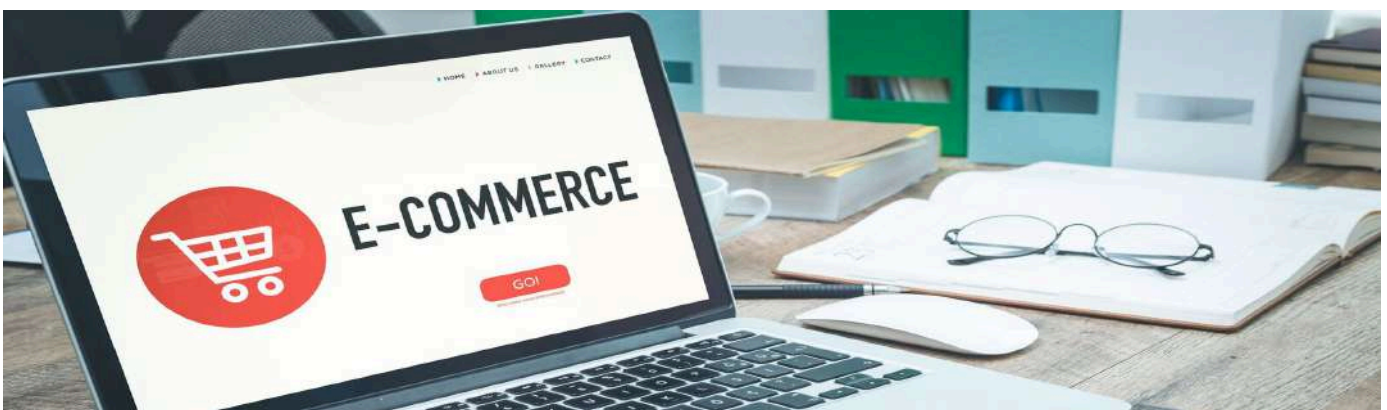


## Strengthening of e-commerce under quarantine conditions to stimulate demand for warehouse space

The strengthening of e-commerce under quarantine conditions will stimulate the demand for warehouse space within the city in 2020, according to a study by CBRE Ukraine (Kyiv), an international consulting company. "As in the past ten years, e-commerce will again become a catalyst for demand and will lead to shifts and changes in the warehouse real estate market in the next cycle. E-commerce will stimulate demand for the format of so-called warehouses within the city (incity warehouses, urban warehouses). In 2020, transactions may be signed for the acquisition of former industrial facilities in the city for conversion into storage facilities," CBRE said.

At the same time, the worsening of the economic situation could facilitate the acquisition by the market players of land plots for the development of built-to-suit projects at reduced prices. However, the launch of new projects may be suspended due to the limited work of government agencies and delays in processing permits.

"A large number of representatives of industrial real estate took a wait-and-see position, which most likely means a reduction in rental activity and vacancy in 2020. However, the likelihood of negative absorption in the industrial market is minimal. Warehouse services are currently in a great demand, more than ever before, which will allow most of logistics and warehouse services operators to stay 'afloat' throughout the crisis period," CBRE predicts.



## Volodymyr-Volynsky poultry factory increases sales by 40% during quarantine

PrJSC Volodymyr-Volynsky poultry factory (Volyn region), one of the largest poultry producers in Ukraine, has reached a 40% increase in sales of its Epikur brand due to the growth in demand for products since the beginning of quarantine measures in Ukraine, Head of the company's supervisory board Alina Sych has said.

***"In the conditions of market boom, the demand for poultry, as well as for many other food products, has grown by more than 50% and continues being high. Packaged products in the tray became more important, as these products are more biosafe," head of the company's supervisory board told Interfax-Ukraine.***

According to Sych, this is not only because people are loading up on supplies in advance, but also most consumers mostly cook at home during quarantine.

The head of the company's supervisory said that the sales growth of the Epikur brand increased monthly by 20%, and since the beginning of quarantine measures in Ukraine, the products had reached a 40% growth.

Sych said that in order to meet the growing demand, the poultry factory is operating at full capacity. "We try to keep prices at the same level, but due to a sharp increase in the exchange rate and an increase in the cost of goods and services as well, we are forced to respond to market fluctuations. For example, we buy chickens for rearing in the EU and the level of the euro affects the cost of production, which directly affects the price for consumers," the head of the supervisory board said, adding that the price of Epikur products has increased from the beginning of quarantine by an average of 10%. PrJSC Volodymyr-Volynsky poultry factory is a Ukrainian-Dutch enterprise. It is one of the five largest producers of chicken in Ukraine, occupying about 6% of the market. The infrastructure of the poultry farm includes 100 poultry houses located at 11 poultry breeding grounds, a slaughterhouse and a feed mill, as well as land for growing forage.

## Donbasenergo plans to increase Ukrainian coal use at Sloviansk TPP to 70%



PJSC Donbasenergo plans to increase the consumption of Ukrainian coal at Sloviansk thermal power plant (TPP) from 55% to 70%, Donbasenergo Board Chairman, CEO Eduard Bondarenko has said.

***"To date, we use 55% of grade G domestic coal at Sloviansk TPP, the rest is imported anthracite. However, we are working to increase the burning of Ukrainian coal at Sloviansk TPP to 70%," he told Interfax-Ukraine.***

According to the CEO of Donbasenergo, the company has been actively working over the past few years to reduce the dependence of Sloviansk TPP on imported anthracite, but cannot switch to grade G domestic coal completely due to the design specifics of the plant.

"There is a separate dust factory on the territory of Sloviansk TPP, which delivers coal dust to the boilers through pipes. At other plants, coal dust is produced directly under the boilers, and here it is almost one kilometer of distance. The gas group of coal is unsafe and it is hard to completely switch to grade G. This requires a long closure of the plant and a very large investment that will never recover the costs. This is confirmed by all design institutes, both national and foreign, which we turned to for examination," Bondarenko said.

In addition, the project for the construction of a new sixth unit at Sloviansk TPP is based on the circulating fluidized layer technology, which will allow the burning of low-grade and low-calorie grade G coal, as well as waste coal without natural gas.

"This coal is available to us in the territory of Donbas controlled by Ukraine," the CEO of Donbasenergo said.

## State-run Ukrspyrnt suspends shipment of alcohol for export

Ukrspyrnt has suspended shipment of alcohol for export due to the increased demand for medical alcohol in Ukraine because of the spread of the coronavirus COVID-19, the company has said.

"We have taken the state's position, first of all, to take care of Ukrainians. Due to the coronavirus pandemic, we are seeing an increased demand for medical alcohol not only domestically but also externally. Therefore, we decided to suspend export of alcohol. First we need to fully provide the Ukrainian market. We consider it is unacceptable if medical institutions turn to us with a request to sell alcohol, but we don't have it. Therefore, we take care of the needs of our medical sector," Ukrspyrnt acting head Serhiy Bleskun said.

The company indicated that exports would be restored after the domestic market of Ukraine is fully provided.

As reported, Ukrspyrnt in 2019 increased its net profit by 1.9 times compared to 2018, to UAH 40.3 million. Alcohol production fell by 5%, to 5.9 million decaliters.

State-owned enterprise Ukrspyrnt is a large producer of alcohol and alcohol containing products in Ukraine. It is managed by the Ministry of Economic Development, Trade and Agriculture. Its total production capacity is more than 36 million decaliters per year. The work is provided by 41 production sites, while in March 2020 only ten are operating.

Now the company is being prepared for transfer to the State Property Fund for privatization

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## Cheese imports from EU to Ukraine could be limited

Ukraine could limit imports of cheese from the European Union (EU) over almost doubled increase in supplies of cheese in 2019 and due to growth of smuggling, Deputy Economic Development, Trade and Agriculture Minister of Ukraine, Taras Kachka, who is also the Trade Representative of Ukraine, has said.

"I'm very annoyed by the situation with the sharp increase in imports of cheeses and generally dairy products from the EU to Ukraine, even smuggling... To stop this, we can take very brutal steps. For example, safeguard measures against the import of cheeses into Ukraine," Kachka said in an interview with Yevropeiska Pravda (European Truth) ezine.

He said that the sharp increase in imports of these products negatively affects Ukrainian producers.

"If our manufacturers make such a request, it is very likely [that such a scenario will be implemented]," the trade representative said.

"But this is a negative scenario, which can be avoided through greater coordination and greater support for each other. This coordination is much more important to me now in relations with the EU than the revision of tariff quotas," he said.



## Ukraine exports 43 mln tonnes of grain since start of agri-year

Ukraine since the beginning of the agricultural year 2019/2020 (July-June) and as of March 13, 2020 had exported 42.94 million tonnes of grain and legumes, which is 8.66 million tonnes more than on the same date of the previous agri-year.

According to the information and analytical portal of the agro-industrial complex of Ukraine, to date, the country has exported 16.99 million tonnes of wheat, 21.38 million tonnes of corn, and 4.07 million tonnes of barley.

As of March 13 of this year, 263,700 tonnes of flour had been also exported.

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



## Kharkiv tractor plant ends 2019 with profit

According to preliminary data, JSC Kharkiv Tractor Plant, belonged to DCH Group of businessman Oleksandr Yaroslavsky, completed 2019 with a net profit of UAH 71.8 million, whereas the loss was UAH 81.4 million in 2018. According to information on the agenda of the shareholders' general meeting on April 23, the uncovered loss amounted to UAH 582.76 million by the beginning of 2019 (UAH 654.06 million in 2018).

The draft decision of the meeting provides for directing the net profit received in 2019 to replenish working assets, not to pay dividends.

According to the plant, in 2019, its current liabilities decreased 6.8%, to UAH 1.374 billion, long-term ones increased 45%, to UAH 266 million. The total receivables as of January 1, 2020 amounted to UAH 155.4 million (UAH 96.71 million in 2019), total assets were UAH 1.280 billion (1.262 billion).

The plant's equity capital has a negative value of UAH 362.75 million, charter capital was UAH 4.35 million by the beginning of 2020.

According to the plant's website, it produced 585 units of equipment in 2019 (12% more than in 2018) and sold 638 units (16% more). The plant's revenue increased by 22%, to almost UAH 800 million. To date, the plant has about 1,100 employees; the average salary is UAH 10,000 (UAH 7,800 by the beginning of 2019).



## Ukraine does not plan to restrict export of agricultural products

The Cabinet of Ministers does not plan to introduce limits for export of agricultural products from Ukraine, Deputy Minister for Development of Economy, Trade and Agriculture of Ukraine Taras Vysotsky has said.



***“We constantly communicate with representatives of retail chains. Today, we held a meeting. Now, there are more than enough stocks. That is why the government does not plan to limit the export of agricultural products in any way,” he told Interfax-Ukraine.***

As reported, President of Ukraine Volodymyr Zelensky in his video address on Monday, March 16, proposed that the Cabinet of Ministers limits the export of food products from the country according to a list defined by the government.

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## French SAS could acquire three Ukrainian agricultural companies

The little-known French company SAS Investcompagnie (Paris) plans to acquire Agrikor Holding LLC (Chernihiv region), Agroprime Holding LLC (Izmail) and Agrovit LLC (Cherkasy region), which were part of the agrarian holding Agrain, which curtailed activities in Ukraine in 2016.

According to the published agenda of the meeting of the Antimonopoly Committee of Ukraine, the committee can grant SAS Investcompagnie permission to acquire shares in the charter capital of three agricultural enterprises, which will ensure exceeding 50% of the votes in the management bodies of the companies.

According to the French register, SAS Investcompagnie was created in April 2018 with a registered capital of EUR 250,000 0. Its president is Anna Rubtsova.

According to the unified public register of legal entities and private entrepreneurs, the ultimate beneficiary of Agrikor Holding is Vitaliy Kuznetsov, Agroprime Holding is Oleksandr Riasnenko, and Agrovit is Hanna Harifulina.





## Ukraine's grain harvest forecast increases to 94 mln tonnes, exports to 57.2 mln tonnes

The Ukrainian Grain Association (UGA) in the April report updated its forecast for the harvest of grain and oilseeds in the 2020/2021 marketing year (MY) compared to March, to 94 million tonnes from 92.6 million tonnes. According to the association's Thursday press release, the forecast for grain and oilseeds exports for next season is also increased from 55.6 million tonnes to 57.2 million tonnes.

According to the association, in the current marketing year, Ukraine produced 98 million tonnes of grain and oilseeds, exports can reach 60 million tonnes. The association said that a slightly decrease in the forecast for the harvest of grain and oilseeds in 2020 does not change the upward trend of the last three years, when Ukraine harvested more than 90 million tonnes. In the medium term, gross harvest in the country will approach 100 million tonnes and will continue growing. The forecast for the harvest and export of wheat in the next marketing year has not changed compared to the March report and will reach 25.8 million tonnes and 18 million tonnes, respectively. The association said that in 2019, Ukraine had a record-hitting wheat harvest of 28.2 million tonnes, and exports, according to its estimates, will reach 20.2 million tonnes in the 2019/2020 marketing year. The forecast for corn harvest in the April report of the association increased from 34.3 million tonnes to 36.8 million tonnes, and export for the next season from 27.5 million tonnes to 30 million tonnes. Thus, Ukraine in the 2020/2021 marketing year may break its own record for the current marketing year, when 35.2 million tonnes were harvested with an expected export of about 28.5 million tonnes, the association said. The Ukrainian Grain Association is an association of producers, processors and large exporters of grain, which annually export about 90% of Ukrainian grain products.

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## Demand for poultry in Ukraine 20% up since quarantine

The demand for poultry since the introduction of quarantine measures in Ukraine in connection with the COVID-19 pandemic has grown by an average of 20% in the country, the press service of Myronivsky Hliboproduct agricultural holding has said.

"Since the introduction of quarantine in Ukraine, the demand for products has grown by an average of 20% in the domestic market. This mainly concerns packaged products," the company said.

MHP said it had not raised prices for their products.

***"MHP will continue to provide Ukrainians with the necessary volumes of chicken to avoid panic and shortages in the domestic market," the company said.***

The agricultural holding said the capacities of MHP enterprises operate at 100%. MHP also exports products to more than 80 countries.

MHP is the largest producer of poultry in Ukraine. It is also engaged in production of cereals, sunflower oil, meat. MHP supplies chilled chicken half-carcasses to the European market, which are also processed at its enterprises in the Netherlands and Slovakia.

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