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Foreigners will need insurance for entry to Ukraine

Foreigners will need to have insurance for entry to Ukraine as soon as international flights are resumed, Health Minister of Ukraine Maksym Stepanov has said during a press briefing in Kyiv.

A possibility of testing the passengers for coronavirus (COVID-19) is also being considered.

"Speaking about border crossing and the resumption of international flights scheduled for June 15, we jointly with the Infrastructure Ministry suggest introducing the 'red' and 'green' zones. The 'red' zone will include the countries where the epidemiological situation is worse than in Ukraine, the 'green' one is [the countries] with a better situation. The 'green' zone foresees observation and self-isolation. In addition, we are considering a possibility of testing, but only by medical workers. At the same time, those who arrive in Ukraine must be insured. We are working on all of these issues," Stepanov said.



HEADLINES



RYANAIR RESUMES FLIGHTS FROM UKRAINE



INTERNATIONAL RESERVES OF UKRAINE MAY EXCEED \$27.2 BLN



AUSTRIAN BANKING GROUP RAIFFEISEN MOVES DEVELOPMENT OF ITS DIGITAL BANKING TO UKRAINE



UKRAINIAN DANUBE NAVIGATION TO RAISE UP TO EUR 200 MLN TO MODERNIZE FLEET



UKRAINE LAUNCHES IBRD PROGRAM IN AGRICULTURE



ONE OF THE LARGEST UKRAINIAN AGRICULTURAL GROUPS PLANS TO INVEST \$170 MLN IN ALTERNATIVE ENERGY PROJECTS

First disbursement of \$2.1 bln by IMF sent to Ukraine

The first disbursement of \$2.1 billion by the International Monetary Fund (IMF) has been sent to Ukraine, Vladyslav Rashkovan, the representative of Ukraine in the IMF, has said.

"The first disbursement of \$ 2.1 billion has already been sent to Ukraine. It will reach the accounts of the government, taking into account the time difference and the speed of funds flow in international payment systems," he wrote on Facebook.



Moody's upgrades Ukraine's ratings from Caa1 to B3

Moody's Investors Service has upgraded the Government of Ukraine's long-term issuer and senior unsecured ratings to B3 from Caa1. The outlook on the ratings is stable, Moody's said in a report.

According to the report, the main driver of the decision to upgrade the ratings to B3 is the easing of Ukraine's near-term funding challenges and the safeguards afforded to recent improvements in its external vulnerability as a result of the announced new financing programme with the International Monetary Fund (IMF).

The decision to upgrade the ratings also reflects Moody's expectation that the new IMF programme will help anchor the reform progress achieved in recent years, Moody's said.

Ukrainian parliament sets up ad hoc panel on protection of investors' rights

Verkhovna Rada of Ukraine has set up an ad hoc panel on protection of the investors' rights.

A total of 319 MPs voted for this resolution at its plenary meeting. According to an explanatory note, setting up of the commission will promote conditions for the investment activity in Ukraine and protection of rights and freedoms of the investors.

Member of the Servant of the People faction Halyna Yanchenko became head of the panel, Holos faction member Yaroslav Zhelezniak became her deputy. Eleven MPs make up the panel.

An expert opinion and a science-based approach in the discussion on healthy nutrition

The Expert Club jointly with Doctor of Biological Sciences Sviatoslav Leonov launch a series of videos about healthy and harmful nutrition.

Nowadays unhealthy nutrition is one of the main risk factors for public health. A major study of mortality causes, which was conducted by researchers in 2017, showed that every fifth death in the world is caused by high consumption of salt, transfat, sugar, overconsumption of sweet carbonated beverages and red meat. Meanwhile, healthy food like whole grain, fruit, seeds and nuts are gradually displaced by harmful products.

In 2017, more than 1.5 million people in the world died of diseases connected with diarrhea caused by poor nutrition. Food poisoning and unhealthy eating in general have been among the top ten causes for deaths for a long time, and in some countries – among the top three causes.



The Expert Club jointly with Doctor of Biological Sciences Sviatoslav Leonov start a project on healthy nutrition in modern society.

It is aimed at determining the main risk factors related to unhealthy nutrition, discussing myths and stereotypes, collecting expert opinions on the subject. Initially, the project will have the format of educational mini-interviews with infographics. In the future, we are planning to create a discussion platform for specialists with various points of view.

The pilot video about the main unhealthy food products and harmful food additives is already available on the Expert Club YouTube channel: <https://www.youtube.com/watch?v=XG3aN6utXFM>



Клуб экспертов

Expert prospects of the Servant of the People party at local elections in October 2020

The local election campaign has begun and the regional elites started investing in headquarters, advertising and PR campaigns. The local elites used the situation with the quarantine and poor coordination of events in the top-down system for self-promotion before the elections due on October 25, 2020, political technologist Kyrylo Molchanov, who is also an expert at the Ukrainian Institute of Politics, said.

In the second program "Expert Kitchen" on the Expert Club YouTube channel, Molchanov made assessment of the incumbent mayors' chances to be re-elected for a new tenure at the upcoming elections.



The expert said that Hennadiy Kernes in Kharkiv, Vitali Klitschko in Kyiv and Hennadiy Trukhanov in Odesa have the highest chances to stay on their posts. He also noted that one should expect the most interesting election campaigns in Dnipro and Lviv, where Andriy Sadovy has lost his positions in recent years.

Speaking about prospects of parties, the expert said that some political forces continue dominating in certain regions where they used to be popular. The main struggle will take place between the Opposition Platform – For Life and the Servant of the People in southeastern Ukraine, between the Servant of the People and Batkivschyna in central regions, and the so-called pro-European and nationalist forces in western Ukraine.

According to Molchanov, the ruling party in general will fail to repeat the success of its previous campaigns as its popularity continues declining. Therefore, the Servant of the People will have to form coalitions with other parties in regions, which may result into unexpected political consequences both in Ukraine's regions and, hence, in the central government. Find more details about the 2020 local election campaign in the video on the Expert Club YouTube channel:

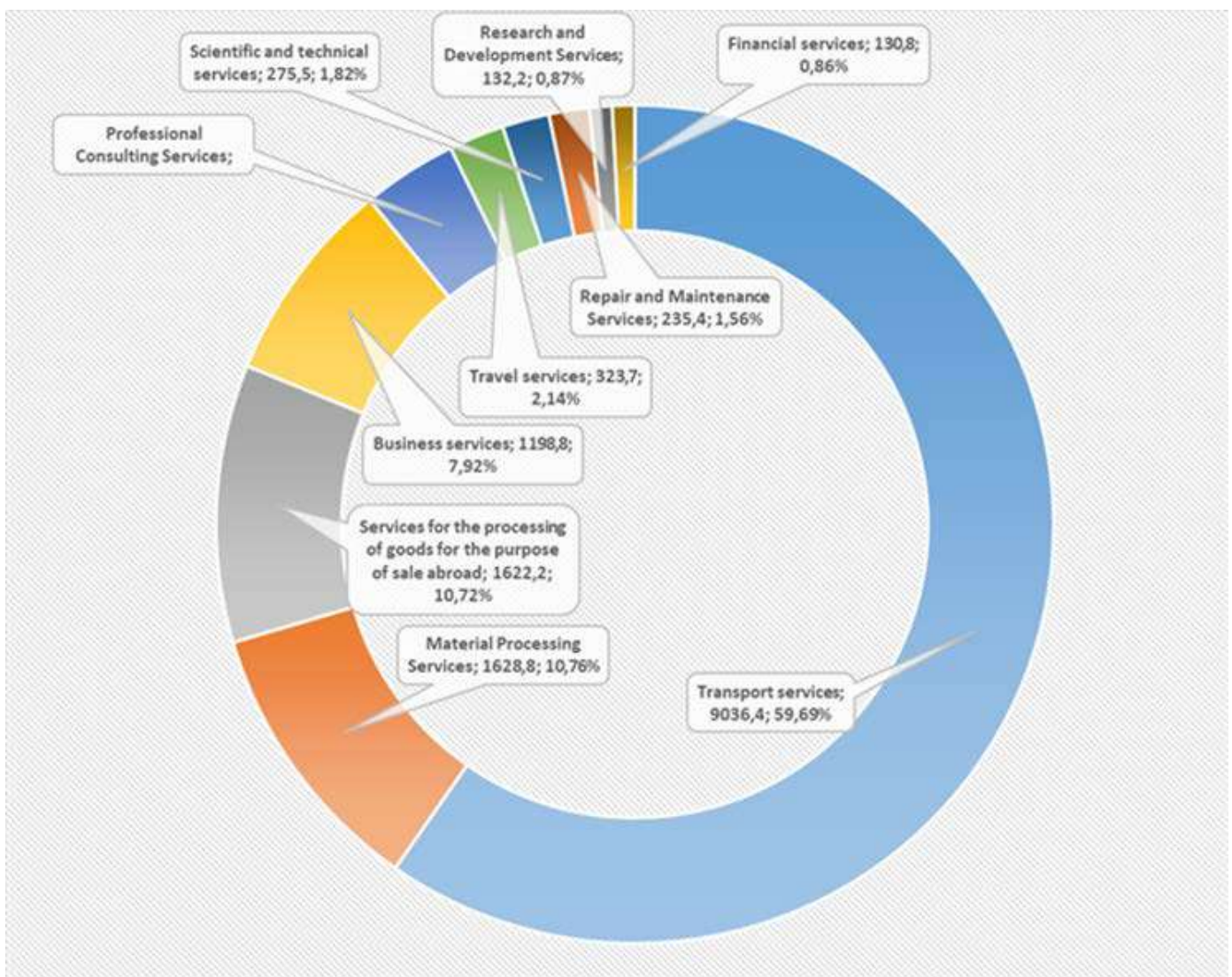


Volume of services rendered in Ukraine 5.5% up in Q1

The volume of services rendered by Ukrainian enterprises in January-March 2020 amounted to UAH 226.97 billion, which is 5.5% more in comparable prices than in the same period in 2019 (UAH 215.2 billion), the State Statistics Service has reported. According to the report, the volume of services sold to the population accounted for 23.1% of the total volume of services sold.

The State Statistics Service recalled that in the first quarter of 2019, the volume of services provided by Ukrainian enterprises increased by 2.7%, in the second quarter by 3.5%, in the third quarter by 6.2%, and in the fourth quarter by 0.2%.

Structure of export of services in 2019 (graphically)



World bank predicts 3% growth of Ukraine's GDP next year

Ukraine's economy will shrink by 3.5% in 2020 due to the coronavirus-related crisis, while the global economy will lose 5.2% overall, the World Bank announced this in the updated Global Economic Prospects. "The depth of the contraction will depend on the duration of the health crisis, progress on major pending reforms, and the ability to mobilize adequate financing to meet sizable repayment needs," the World Bank said.

According to the bank, next year the growth of the Ukrainian economy will resume at a rate of 3%, which is lower than the expected recovery of the global economy at 4.2%.

The World Bank said that compared with the previous forecast in January of this year, it worsened expectations of the dynamics of Ukraine's GDP this year by 7.2 percentage points (pp), and in the next – by 1.2 pp.

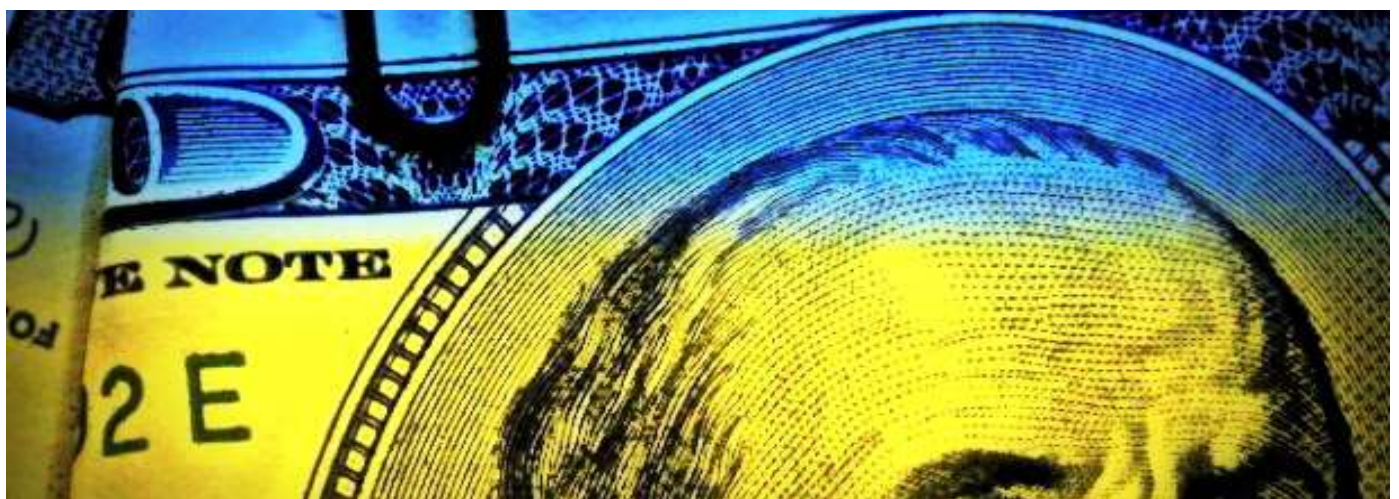


International reserves of Ukraine may exceed \$27.2 bln

The international reserves of Ukraine by the end of 2020 may exceed the level of \$27.2 billion in the April forecast of the National Bank of Ukraine (NBU), the press service of the regulator has told Interfax-Ukraine. "The relatively favorable situation in the world commodity markets, a significant decline in imports, and the signing of a new program with the IMF give reason to expect that international reserves (\$25.4 billion at the end of May) will grow even more by the end of the year than according to our April forecast (\$27.2 billion)," the report said.

"It's probably hard to say what the next steps will be like – the uncertainty is too high. Back in April, let's say, we didn't even forecast a reduction in the refinancing rate below 7% this year, but today we have already reduced it to a record level of 6%," the regulator's press service said.

As reported, the IMF predicts a reduction in Ukraine's international reserves this year from the current \$25.4 billion to \$19.3 billion, with a recovery in 2021 to \$23.4 billion and in 2022 to \$26.5 billion.



Irish Ryanair resumes flights from Ukraine

The Irish low cost airline Ryanair (Dublin) has announced the resumption of more than 20 flights to/from Ukraine from July 1 as part of the company's summer schedule for 2020. According to the company's press service, some selected routes will be available from the last week of June.



"We are proud to serve four airports in Ukraine, we are looking forward to the reunion of friends and families and the attraction of thousands of tourists, which will help boost the region's economy and protect thousands of jobs," Olga Pawlonka, the company's sales and marketing manager for Central and Eastern Europe and the Balkans, said.

Earlier, Ryanair announced plans to resume 40% of all its flights from July 1, which will cover approximately 90% of the route network that operated before the crisis caused by the coronavirus pandemic.



Ukraine International Airlines cancels most international flights until Aug 1

Ukraine International Airlines (UIA, Kyiv) canceled most of its international flights until August 1, 2020 and will start to resume its flight network from destinations with high tourism and economic potential.

The airline's press service said that after Ukraine opens international flights on June 15, Ukraine International Airlines will follow the policy of balanced flight restart.

The airline said that the reasons for the delayed restart of the flight program is the fact that the opening of borders does not occur on a parity basis, most countries do not confirm the possibility of free border crossing for Ukraine's citizens, and many countries introduce restrictive measures in the form of testing for coronavirus (COVID-19) or self-isolation when arriving in the destination country.

"In order to adapt to the new needs of the air passenger market, Ukraine International Airlines closed the sale of air tickets for most international destinations until August 1, 2020. Thus, the airline seeks to prevent inflated expectations of passengers and the cancellation of unloaded flights," the airline said.

The airline will continue to operate evacuation flights and some flights from the regular program in June.

At the stage of resuming international flights during June, the airline also sees potential in regular internal and international flights, plans to operate flights in the following directions: London (Heathrow Airport) – Kyiv (evacuation) on June 18; Kyiv – Kherson, Kyiv – Odesa on June 19; Kyiv – Bangkok on June 20; Bangkok – Kyiv (evacuation), Kherson – Kyiv, Odesa – Kyiv, Kyiv – Istanbul – Kyiv on June 21; Kyiv – New York – Kyiv (evacuation) on June 22; Kyiv – Amsterdam – Kyiv on June 23; Kyiv – Miami, Kyiv – Paris on June 24; Miami – Kyiv (evacuation) on June 25; Kyiv – Istanbul – Kyiv, Kyiv – Athens – Kyiv, Kyiv – Odesa, Kyiv – Lviv, Kyiv – Kherson on June 26; Kyiv – Istanbul – Kyiv, Dubai – Kyiv on June 28; Kyiv – Tel Aviv – Kyiv, Kherson – Kyiv, Odesa – Kyiv, Lviv – Kyiv on June 29; Kyiv – Amsterdam – Kyiv on June 30.

Austrian banking group Raiffeisen moves development of its digital banking to Ukraine



Raiffeisen Bank International, an Austrian banking group that includes Raiffeisen Bank Aval (Kyiv), has moved the development of its digital banking to Ukraine, according to the Austrian publication Der Standart.

"Software developers (IT was divided into about 30 small flexible divisions) worked on the corresponding applications called Digital Banking Engine for some time. The team in Vienna consisted of 45 people, 33 of whom are internal employees. However, at the end of May the project was moved to Ukraine. IT staff was informed about this on May 25," the publication said.

The Ukrainian IT company Edenlab will be engaged in further development.

Raiffeisen Bank International is an international banking group headquartered in Vienna. It has almost 47,000 employees, 16.7 million customers and about 2,000 branches, most of which are located in central and eastern Europe.

Largest Ukrainian mining and metallurgical holding Metinvest keeps 42nd place among global steel producers

Metinvest, the largest Ukrainian mining and metallurgical holding, took 42nd place in the list of the largest world steel producers with a volume of 9.58 million tonnes in 2019 compared to the 42nd place with a volume of 9.37 million tonnes of steel in 2018, the 42nd place with a volume of 9.59 million tonnes in 2017, the 37th place with a volume of 10.34 million tonnes of steel in 2016, the 40th place (9.65 million tonnes) in 2015 and the 33rd place (11.18 million tonnes) in 2014.

According to the list of the main global manufacturers, compiled by the World Steel Association (Worldsteel), ArcelorMittal remained the largest steel company with a production volume of 97.31 million tonnes in 2019 (96.42 million tonnes in 2018).

It is followed by China Baowu Group with 95.47 million tonnes (67.43 million tonnes), Nippon Steel with 51.68 million tonnes (49.22 million tonnes), HBIS Group with 46.56 million tonnes (46.8 million tonnes) and POSCO with 43.12 million tonnes (42.86 million tonnes).

According to the results of each year from 2014 to 2019, there are no Ukrainian companies in the list of the 50 largest world steel producers, except for Metinvest. The Industrial Union of Donbas Corporation, which ranked 44th with a production volume of 7.9 million tonnes in 2013, according to the results of recent years dropped out of the leaderboard.

According to Worldsteel, Ukraine produced 20.8 million tonnes of steel and took 13th place in 2019 (while 21.1 million tonnes, 13th place in 2018), cast iron production amounted to 20.1 million tonnes (20.6 million tonnes), while the country exported 2.6 million tonnes of cast iron in 2019, and the apparent consumption of cast iron in Ukraine amounted to 17.5 million tonnes. The apparent steel consumption amounted to 4.8 million tonnes in Ukraine in 2019 (compared to 4.7 million tonnes in 2018), while consumption per person reached 108.1 kg (compared to 107.2 kg per person in 2018).

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Main buyers of Ukrainian iron ore are China, Poland and Czech Republic

Mining enterprises of Ukraine in January-May 2020 increased the export of iron ore raw materials in natural units by 11.9% compared to the same period of 2019, to 18.875 million tonnes.

According to statistics released by the State Customs Service, foreign exchange earnings from iron ore raw materials exports increased by 5.7%, to \$1.51 billion over that period.



Iron ore raw materials were exported mainly to China (58.06% of supplies in monetary terms), Poland (10.07%) and the Czech Republic (6.87%).

Iron ore raw materials imported to Ukraine from the Netherlands to Ukraine amounted to \$28,000, from Sweden, to some \$10,000, from Germany to some \$1,000 and from Hungary to some \$1,000 in a total volume of 84 tonnes over two months of 2020, while 45 tonnes of iron ore with cost of \$24,000 were imported in January-May 2019.



Biopharma pharmaceutical company to invest \$7 mln in new laboratory complex

Biopharma pharmaceutical company (Kyiv) plans to invest \$7 million in construction of new office and laboratory complex.

The company told Interfax-Ukraine that the complex will be built on the territory of its plant in Bila Tserkva (Kyiv region).

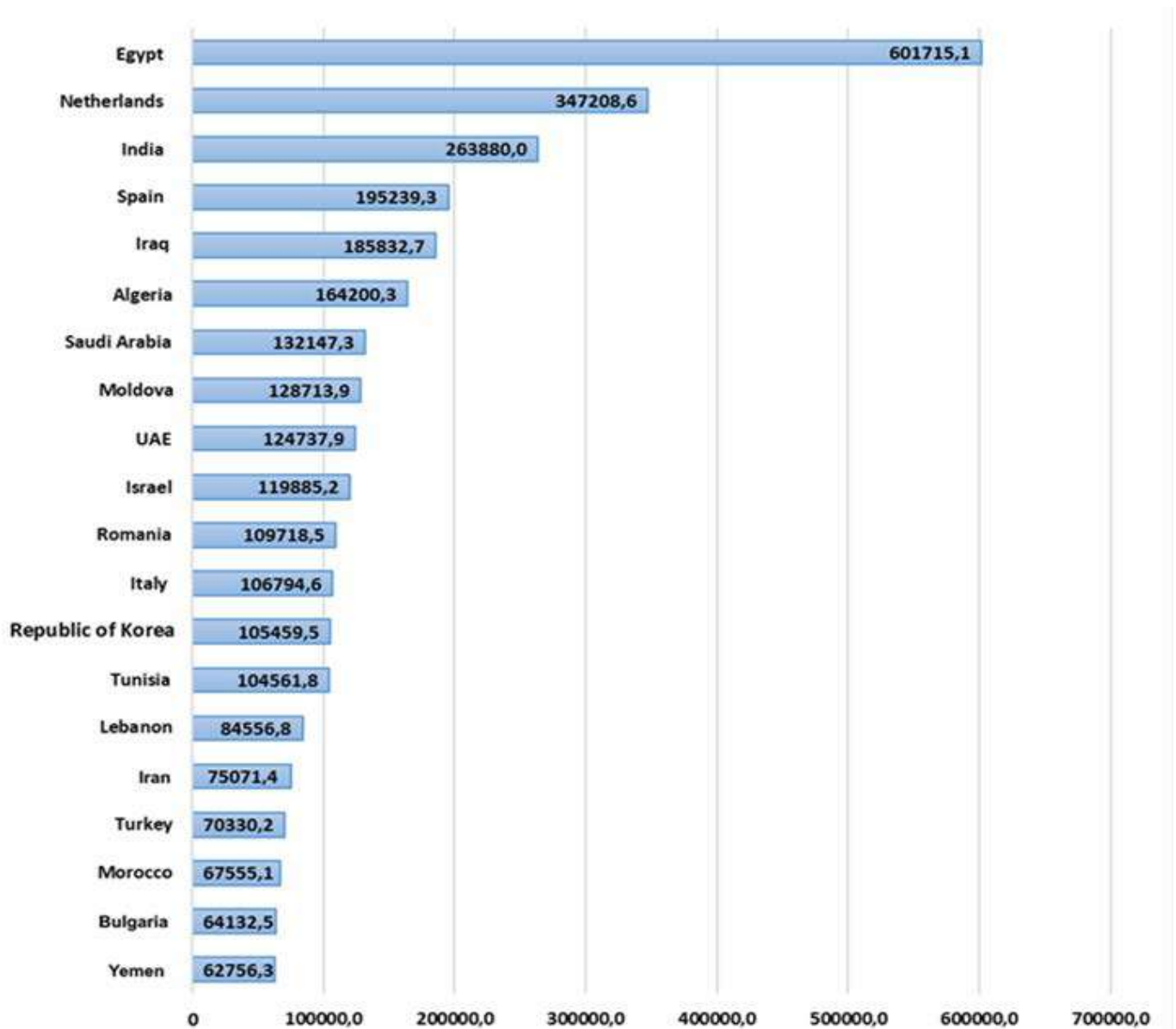
"Some of the facilities in the territory of the scientific and production complex in Bila Tserkva were sold to STADA Ukraine. We decided to build a new building. It will be a separate building from the building of the fractionator plant," the company said.

In addition, the company said that Biopharma sent \$500,000 to buy laboratory equipment for the diagnosis of COVID-19, test systems, artificial lung ventilators, and blood gas analyzers.

Biopharma is a Ukrainian biotechnology company, the only plant in Eastern Europe that has modern technology, has been manufacturing and developing drugs from donated plasma for almost 50 years.



Top 20 countries Ukraine has posted the highest surplus of trade in goods in 1st quarter of 2020 (thsd USD)



Ukrainian Danube Navigation to raise up to EUR 200 mln to modernize fleet

PrJSC Ukrainian Danube Navigation plans to raise up to EUR 200 million in the next five years to modernize the fleet, acting chairman of the board of the Ukrainian Danube Navigation Oleksiy Khomiakov has told Interfax-Ukraine. He also estimates the size of investments in the new fleet or in-depth modernization of the existing fleet of all market players that will be necessary to implement the full potential of the Dnipro River in the next five years in the amount of about EUR 1.7 billion.



"In the next five years, we plan to raise up to EUR 200 million, which will be used to modernize the fleet that is in the holding anchorage, as well as the possible construction of new units in cooperation with leading shipyards in the world," Khomiakov said.



According to him, the Ministry of Infrastructure of Ukraine evaluates the Ukrainian Danube Navigation as the main national carrier, served to make up for the missing system offer to the main exporters of Ukraine for transportation along the Dnipro River.

He said that the company is negotiating with the institutional investors, who are interested in collaborating and investing in a new, more environmentally preferred and efficient fleet, capable of fully meeting Ukraine's export needs for decades ahead, complementing the overloaded railway and automobile infrastructure.



Ukrainian molecular biology and genetics institute developing multi-test systems for diagnosis of COVID

The Institute of Molecular Biology and Genetics (IMBG) is developing multi-test systems for the diagnosis of COVID-19 against seasonal flu-like illnesses, said Viktor Liashko, the Deputy Minister of Health and Chief Sanitary Doctor of Ukraine.

"Influenza-like diseases span about 200 viruses. We actively cooperate with our academic institutes. IMBG has developed test systems for diagnosing COVID-19 by PCR method. Today it is developing a multi-test system that will allow us to conduct certain tests and will show percentage content of those viruses that circulate during this period of increased viral diseases," he said on the NV Radio.

Commenting on the likelihood of a second wave of the COVID-19 epidemic, Liashko noted that it will be more likely during the seasonal growth of influenza and flu-like illnesses.

"It is this second wave that we fear. Then there may be serious growth of incidences. In such cases, the combination of infections is possible, and it will be difficult to diagnose which pathogen caused the disease: flu or coronavirus," he said.

Nova Poshta Global launches regular freight flights Kyiv-Beijing-Kyiv

Nova Poshta Global (NPG), part of the Nova Poshta Group, due to growth of demand for international transportation has increased the number of direct flights with China and launched two weekly Kyiv-Beijing-Kyiv flights, the press service of Nova Poshta reported on Monday.

“Now the Chinese direction is one of the most promising in international trade. In May, we delivered almost 2.5 times more orders from Chinese online stores than in April. Therefore, we decided to charter another additional direct flight on an ongoing basis. An increase in flights will provide our customers with guaranteed delivery times, because you don't have to wait for the right “window” for additional loading,” the press service reported, citing Nova Poshta Global CEO Yuriy Benevysky.

The company said that in total more than 520,000 items were delivered from abroad in May – almost twice as much as in April. This is due to an increase in demand for transportation of goods for business customers and an increase in the number of orders in international online stores.



Milk production in Ukraine in Jan-May decreases by 3.6%

Milk production in Ukraine in January-May 2020 decreased by 3.6% compared to the same period in 2019, to 3.64 million tonnes.

According to the State Statistics Service, over the five months of this year, 1.41 million tonnes of meat (in live weight) were produced, which is 1% more than in January-May of the previous year.

Egg production over the five months of this year fell by 0.4%, to 6.99 billion eggs.

According to the State Statistics Service, milk production in Ukraine in 2019 decreased by 3.6% compared to 2018, to 9.7 million tonnes. Egg production in 2019 increased by 3.4%, to 16.68 billion eggs, meat (in live weight) by 5.3%, to 3.49 million tonnes.



Cattle, pig, poultry numbers in Ukraine decrease in 2020

Cattle numbers in Ukraine as of June 1, 2020 amounted to 3.47 million animals, which is 6.6% less than on the same date in 2019.

According to the State Statistics Service, the number of cows by this date decreased by 6.3%, to 1.78 million animals.



The number of pigs decreased by 5.9%, to 5.97 million animals, the number of sheep and goats by 6.3%, to 1.49 million animals.

The number of poultry in the country decreased by 1.5% compared to June 1, 2019, to 231.12 million birds.

According to the State Statistics Service, cattle numbers in Ukraine in 2019 amounted to 3.12 million animals, which is 6.5% less than in 2018. The number of pigs decreased by 4.9%, to 5.73 million animals, sheep and goats by 4.8%, to 1.21 million animals, poultry grew by 4.2%, to 220.46 million birds.

One of the largest Ukrainian agricultural groups plans to invest \$170 mln in alternative energy projects

Kernel, one of the largest Ukrainian agricultural groups, will channel \$170 million in the implementation of alternative energy projects.

The agricultural group said on its Facebook page on Friday that a green energy turbine with a capacity of 7.5 MW operates to its full capacity at the oil crushing plant in Kropyvnytsky.

"Six more Kernel's plants operate in the same format until 2021 and generating a total of 90 MW. In particular, Starokostianstyniv oil crushing plant, which is being constructed in Khmelnytsky region, will become the largest modern oil crushing plant in Ukraine," Kernel said.

According to the group, Starokostianstyniv oil crushing plant will have a turbine with a capacity of up to 20 MW.



Ukrainian manufacturer of pet food enters Italian and Spanish markets

Kormotech LLC (Lviv region), a large Ukrainian manufacturer of cat and dog food, has launched first shipments of its products to Spain and Italy. The company said in its press release on Friday that by the end of the year it plans to export 1.5 tonnes of premium and super premium pet food to each of these countries.

"The first shipment to Italy was made on Wednesday, June 3. Dry and wet super premium food for cats and dogs under the brand Optimeal will be sold in the online shop Healthy Pet Italy. The company will sell its products in Spain under two Ukrainians brands: Optimeal and Club 4 Paws," Kormotech said.

Kormotech LLC is the leading Ukrainian producer of feed for cats and dogs. The company exports products to 31 countries, including the United States, Great Britain, Germany, France, Finland, Sweden, the Netherlands, Spain, Italy, Poland, Turkey, Iran and Chile.



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Ukraine launches IBRD program in agriculture



Ukraine has launched the Accelerating Private Investment in Agriculture program according to the agreement signed last year, according to the website of the Ministry of Finance.

"On May 20 this year, after Ukraine had conducted domestic procedures, the loan agreement entered into force," the ministry said. The loan amount is \$200 million, the Finance Ministry noted.

The program should facilitate the creation of the State Agrarian Register and make it publicly available, conduct an inventory of state property lands and include these statements in the state land cadaster, develop a methodology for drawing up land use plans, conduct satellite mapping of the territory of Ukraine, and create an automated notification system for changes in the state land cadaster.

The agreement with the International Bank for Reconstruction and Development (IBRD) was concluded on August 27, 2019. The IBRD is the main lending institution of the World Bank.

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