



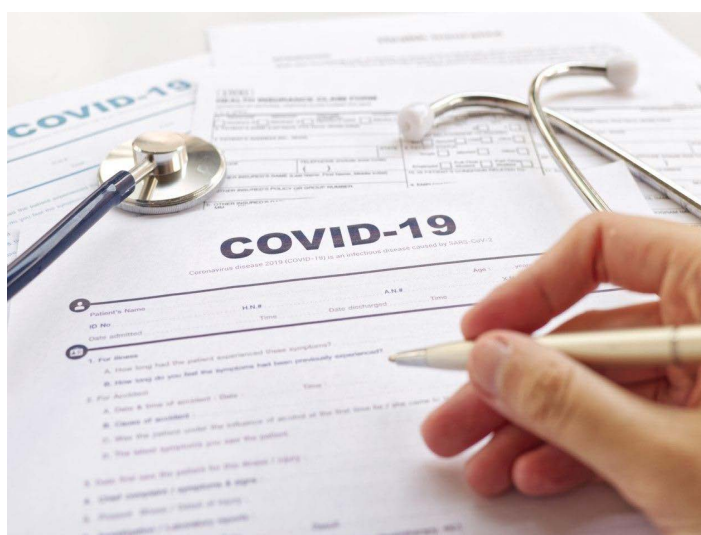
UKRAINE
OPEN FOR BUSINESS

06 July 2020

Foreigners entering Ukraine should have insurance covering covid-19 treatment

Foreigners entering Ukraine should have an insurance policy covering COVID-19 treatment, Ukraine's Minister of Health Maksym Stepanov has said. "We are talking about a usual voluntary medical insurance policy. It is very important for us that the person who comes to Ukraine, who is not a citizen of Ukraine and not a refugee, must have a policy that covers exactly the COVID-19 treatment," he said at a briefing in Kyiv.

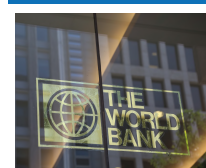
The minister explained that according to the law, the state covers treatment only to citizens of Ukraine or refugees who are in the territory of Ukraine.



HEADLINES



PRESIDENT OF UKRAINE SUBMITS TO PARLIAMENT BILL ON GOVERNMENT SUPPORT FOR INVESTMENT PROJECTS



WORLD BANK APPROVES \$350 MLN LOAN TO UKRAINE



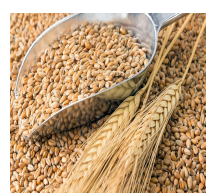
BLACK SEA TRADE AND DEVELOPMENT BANK WILL FINANCE FOUR PROJECTS IN UKRAINE



ALMOST HALF OF UKRAINIANS NOTE DETERIORATION IN HEALTH CARE SYSTEM SINCE START OF LOCKDOWN



UKRAINE INTERNATIONAL AIRLINES EXPANDS LIST OF DESTINATIONS



UKRAINE EXPORTS 20.5 MLN TONNES OF WHEAT AND 30.3 MLN TONNES OF CORN THIS YEAR

President of Ukraine submits to parliament bill on government support for investment projects

President of Ukraine Volodymyr Zelensky submitted to the Verkhovna Rada a bill of Ukraine on government support for investment projects with significant investments – the so-called law on “investment nannies,” Deputy Head of the Presidential Office Yulia Kovaliv has said.

“I want to debunk the myths and memes about the ‘nannies’ that have flooded the media space and emphasize that this bill is primarily about providing a number of stimulating instruments of government support for investment projects,” she wrote on her Facebook page.



In particular, according to her, the bill provides for: securing investor guarantees by concluding a direct agreement with the Government of Ukraine for 15 years, appointing an investment manager authorized to accompany the investor in the process of preparing and implementing the project; providing tax benefits – exemption from income tax, exemption from payment of duties and VAT when importing new equipment into Ukraine; facilitating the provision of land necessary for the implementation of the project; building/reconstructing related infrastructure at the expense of the state (roads, electric and gas, heating networks, water networks, utilities, etc.).



“I want to note that the total amount of government support will be up to 30% of the amount of investment in the project,” Kovaliv said.

She said that this bill will support Ukrainian and foreign investors, whose investment amount should be at least EUR 30 million. They should create at least 150 new jobs with an average salary of workers at least 15% higher than the average salary in the relevant field in the region. Projects must be implemented in five years, and the duration of the special investment agreement with the government of Ukraine is 15 years.

World Bank approves \$350 mln loan to Ukraine

The World Bank's Board of Executive Directors today approved a \$350 million First Economic Recovery Development Policy Loan (DPL) for Ukraine in support of reforms that are critical to economic recovery. According to the press service of the World Bank, the key reforms supported by the DPL include: strengthening land and credit markets by creating a transparent and efficient market for agricultural land and resolving non-performing loans in state owned banks; fostering de-monopolization and anti-corruption institutions including by restructuring the gas sector; bolstering the social safety net for the vulnerable elderly population to cushion the impact of the COVID-19 pandemic.





"The COVID-19 pandemic is resulting in a sharp economic downturn that is hurting the incomes of ordinary Ukrainians and small businesses, and straining the government's budget. This development policy loan provides \$350 million to support budget expenditures at a difficult time," Arup Banerji, incoming World Bank Country Director for Belarus, Moldova, and Ukraine, said.

This DPL is the first of two planned operations, with the second DPL expected to support the additional important land reform legislation and further strengthen pension benefits for the elderly population.

The development policy loan is part of the World Bank's stepped-up support to Ukraine to address the impacts of COVID-19 and complements the approval of additional financing of \$135 million for the Serving People, Improving Health Project and \$150 million for the Social Safety Nets Modernization Project.

Additional support to directly cushion the most vulnerable population from the impact of the pandemic is also under preparation.

Since Ukraine joined the World Bank in 1992, the Bank's commitments to the country have totaled about \$14 billion for more than 80 projects and programs.

Black Sea Trade and Development Bank will finance four projects in Ukraine

The Black Sea Trade and Development Bank will finance four projects of Ukrainian companies: Ukrgasbank, Galnaftogaz, Metinvest and the construction of a school in Kyiv.

According to the Ministry of Economy, the bank approved the relevant projects on June 17 on the eve of the 22nd annual meeting of the board of governors, chaired by the Deputy Minister of Economic Development, Trade and Agriculture of Ukraine, Trade Representative of Ukraine Taras Kachka.



"Given the difficult period in the global economy caused by the crisis, the stable functioning of the Black Sea Trade and Development Bank and access to its finances are especially important. We welcome the fact that, despite the crisis, the bank continues to cooperate with projects with a high potential in public and private sectors, and support the economic development of member states," Kachka said.



Since the bank began operating in Ukraine, 47 projects have been implemented for a total of EUR738.9 million. In particular, projects are concentrated in such areas as the consumer sector, financial institutions, industry, consumer goods, utilities, telecommunications, energy, raw materials and materials.

Ukrainian industrialists demand support for shipbuilding industry

The industrial community of Ukraine is against ordering 16 modern Mark VI patrol boats and the equipment they need for \$600 million from the United States, the press service of the Ukrainian League of Industrialists and Entrepreneurs (ULIE) has said.

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“The main duty of the authorities is to take care of the economic development of their own country, filling their own state budget, creating jobs at home. The orders in question only contribute to the growth of foreign budgets and stabilize the situation with employment in other states and do not help overcome crisis in our country. This is unacceptable and irresponsible,” the ULIE President, the chairman of the Anti-Crisis Council of Public Organizations, Anatoliy Kinakh, said.

In addition to ordering boats, industrialists pay attention to the purchase of imported locomotives and helicopters, which, in their opinion, could threaten serious socio-economic consequences for the whole country.

Kinakh emphasized that Ukraine has its own shipbuilding industry – highly professional production facilities, including in Mykolaiv, which are capable of building modern military boats and other small tonnage ships with a certain modernization.



Almost half of Ukrainians note deterioration in health care system since start of lockdown

Almost half of Ukrainians note deterioration in the health system from the beginning of lockdown measures.

This is evidenced by the results of a study conducted by Active Group sociological company and presented at the Interfax-Ukraine agency on Monday, June 22.

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Head of Active Group sociological company Oleksandr Pozniy said that in particular, some 28.4% of respondents believe that with the beginning of lockdown the situation in the health system has deteriorated slightly, while some 21.4% of respondents believe that the situation has deteriorated significantly.

However, some 25.9% of respondents believe that with the beginning of lockdown the situation improved, while some 24.3% found it difficult to answer.

Pozniy said that some 34.6% of Ukrainians surveyed assessed the first stage of medical reform positively or generally positively, while some 46.4% of respondents rated the first stage of the reform more negatively or negatively.

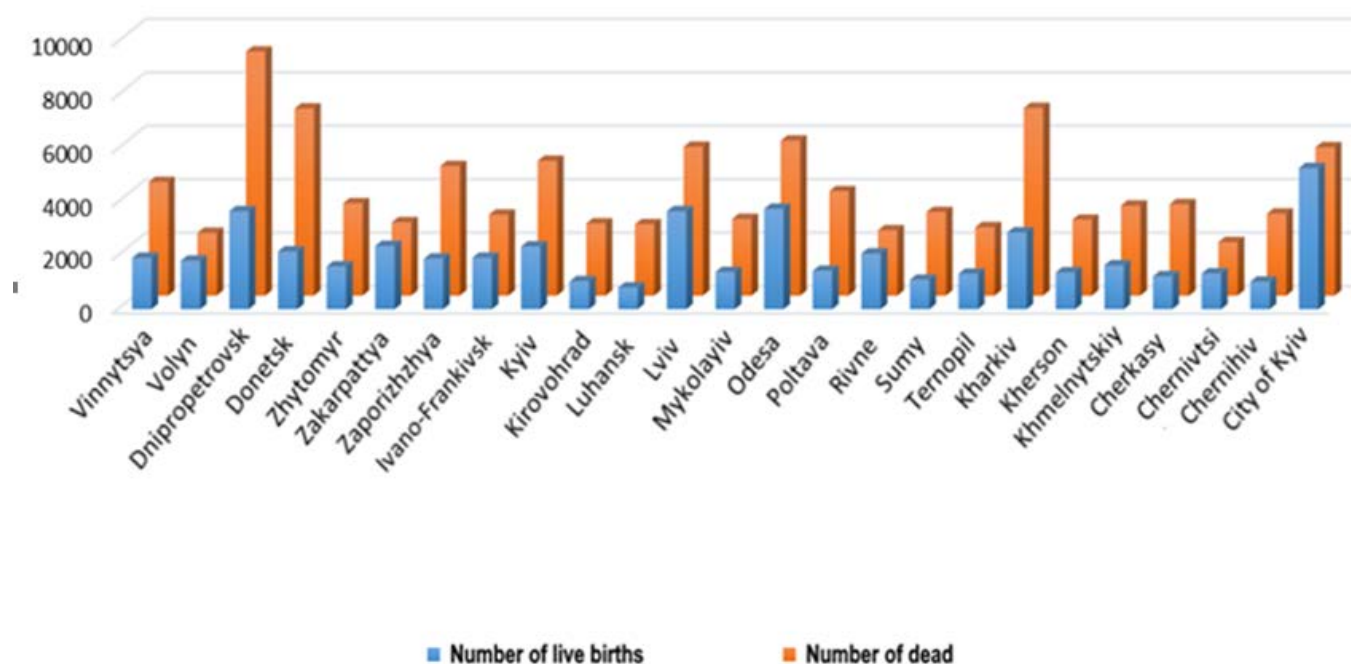


Ratio of fertility and mortality by region as of Jan-Apr, 2020

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.



Doctor of biological sciences explains why fast food is detrimental to health

Nowadays fast food is an unavoidable part of nutrition of an average urban resident. It is being promoted by aggressive advertising of fast food restaurant chains whose main task is to attract as many customers as possible and increase sales. The hidden side of such policy is addiction of a large number of people to ill-balanced and unhealthy nutrition, which, in turn, causes general health deterioration and even dangerous diseases.

Doctor of Biological Sciences Sviatoslav Leonov, who is also a healthy nutrition expert, in his commentary to the Expert Club YouTube channel spoke about the most popular products sold by the largest fast food restaurant chains, giving detailed description of each of them in terms of the contents of various harmful substances in them. According to the expert, almost all fast food products contain transfat and are high in calories. Consumption of such food causes obesity and other bad consequences.



"Hamburgers, for example, often contain flavor intensifiers. It's quite simple: you ate it, you enjoyed it, and you felt full-bellied. That's how a habit is formed which enhances the likelihood of the fact that the customer will buy more and more," Leonov said.

According to the expert, margarine is often used in fast food as its cost value is much lower than that of natural butter or plant oil. Meanwhile, a part of molecules of fat are transformed into the so-called transfat, which in high amounts is extremely dangerous for human health.

The expert also said that beverages proposed to fast food consumers are rich in carbohydrates which are accumulated in human body and build up excess weight, while desserts, including milkshakes, create a medium for the development of numerous microorganisms that may cause eating disorders and diarrhea.

The full video is available on the Expert Club channel: <https://www.youtube.com/watch?v=Rj3VxYuY-Ig>



Ukrainian president creates council to implement big construction project



Ukrainian President Volodymyr Zelensky by his decree ordered to create the coordination council to implement the Big Construction project led by Deputy Head of the President's Office Kyrylo Tymoshenko.

"To establish a coordination council for the implementation of the Big Construction program as an advisory body under the President of Ukraine, which main task is to monitor the situation and develop proposals for implementing effective measures to implement the Big Construction program," Zelensky said in decree No. 246/2020 dated June 23, posted on the president's website.

By the same decree, Zelensky decided to establish that this coordination council is authorized to receive the necessary information, documents and materials from the government and local governments, enterprises, institutions, organizations; invite to meetings and hear information from representatives of ministries, other central and local executive authorities, heads of state-owned enterprises, institutions and organizations on issues within its competence.

Ukraine International Airlines expands list of summer destinations for July and August

Ukraine International Airlines (UIA) is expanding the list of destinations for July and August 2020 due to the easing by some countries of the border crossing regime for Ukrainian tourists. According to the press service of the company, domestic flights will be operated in three directions – Kherson, Odesa and Lviv. So, in the period from July 1 to July 30, UIA will serve domestic flights to Odesa, Lviv and Kherson, flying every Friday to the regions and returning to Kyiv every Sunday. However, in the first half of August, it is planned to change the schedule for the direction Kyiv-Odesa: flights will be operated on Monday, Wednesday, Friday and Sunday (Odesa-Kyiv on Monday, Tuesday, Thursday, Saturday). From August 16 to August 31, a flight to Odesa on Thursdays may also be added.

International flights, as UIA notes, will be operated in the directions of the airline's regular flight program: Istanbul, Tel Aviv, Amsterdam, Frankfurt, Paris, Dubai, Tbilisi, Batumi, Larnaca, Athens, London, Nice, Rome, Naples, Baku, Berlin, Milan, Munich, Prague, Yerevan, Madrid, Vienna, Barcelona, Chisinau, and there will also be periodic flights to Toronto.



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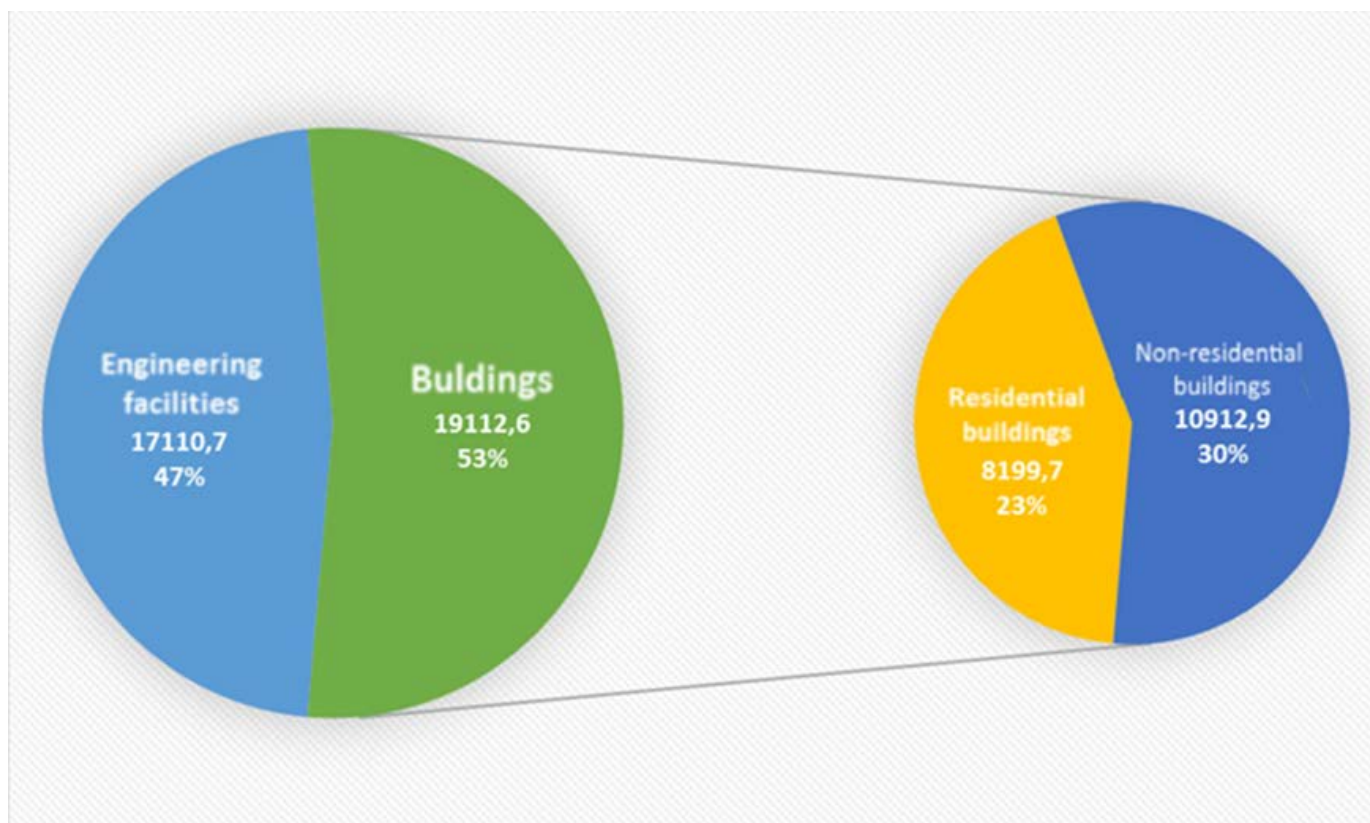
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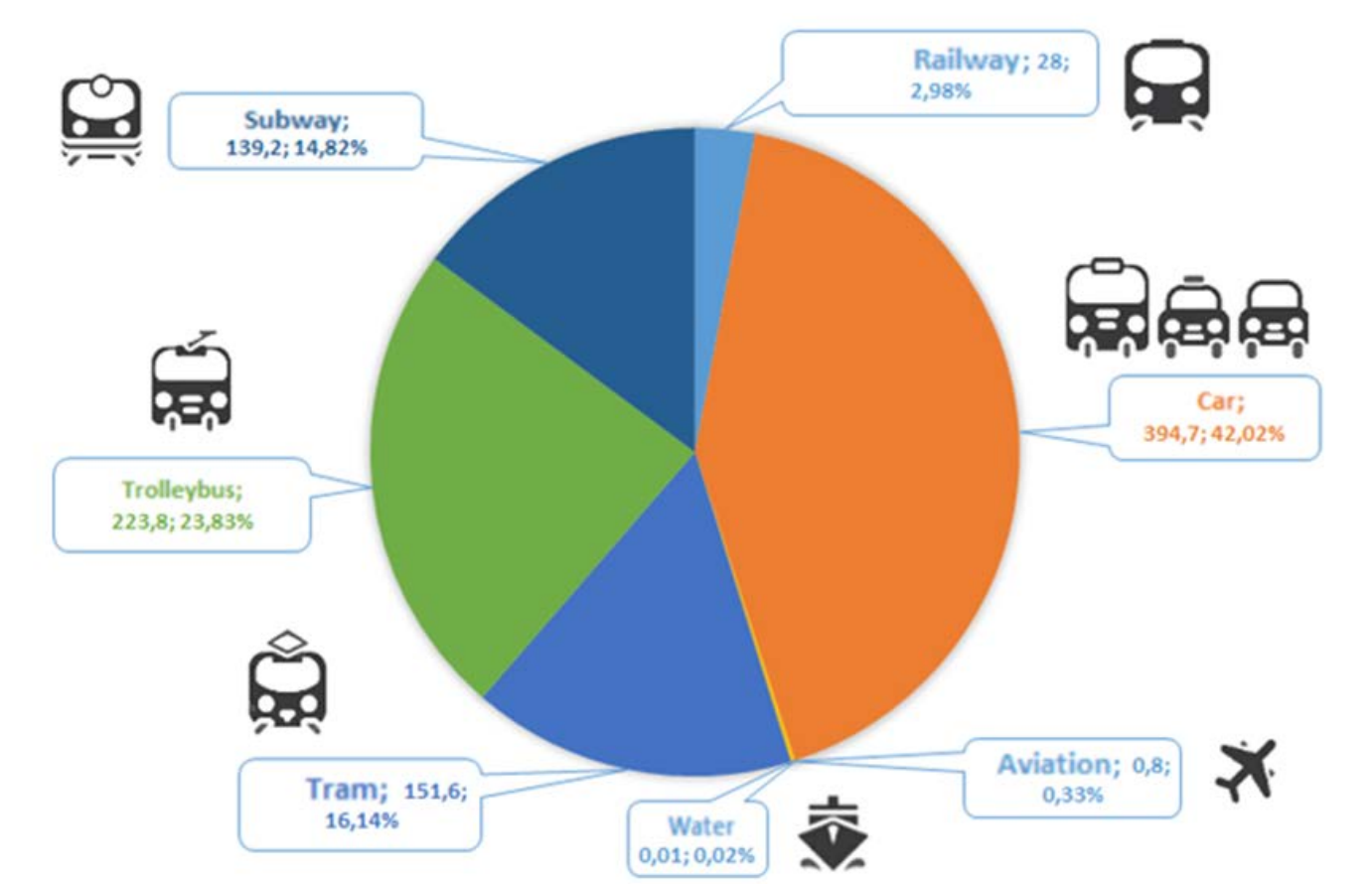
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Volume of construction products produced by type in Jan-Apr of 2020 (mln UAH)



Passengers carried in Jan-Apr of 2020, in mln



Ukrainian enterprises increase consumption of metal by 3.26%



Ukrainian enterprises increased the consumption of metal by 3.26% in January-May of this year compared to the same period last year, to 1.66 million tonnes.

According to an Ukrmetallurgprom association press release published on Friday, 434,700 tonnes, or 26.2% of the domestic metal consumption market, were imported in the first five months of the year.

"In January-May 2020, 1.66 million tonnes of rolled metal were delivered to domestic consumers, of which 434,700 tonnes, or 26.2%, were imported. For five months of 2020, there was an increase in the consumption of rolled metal in the domestic market compared to January-May 2019 by 3.26% with a simultaneous decrease in the share of the imported component by 7.6%," the association said in the press release.



The main export markets for Ukrainian metal products in January-May 2020, according to ETR-Spectrum LLC, were the countries of the European Union (31.1%), Africa (14.8%) and other European countries (14.1%).

The share of semi-finished products of export deliveries in January-May 2020 accounted for 49.74%, which exceeds the indicator for the period January-May 2019 (45.38%). The share of flat products of export deliveries in the first five months of 2020 is slightly lower than in the same period in 2019 (32.05% and 34.00%, respectively). The same picture is observed with regard to long products – 18.21% in January-May 2020 compared with 20.62% for the same period in 2019.

Among the metallurgical importers in January-May, the CIS was at the first place (39.1%), the EU-28 was the second (26.1%), and the Asian countries third (18.0%).

Revocation of lawyer monopoly in Ukraine to oversaturate legal service market – expert

The revocation of lawyer monopoly will oversaturate the legal services market, but will not improve their quality, Head of Omerta Organized Law Group Yevhen Fedoseyev has said.

"The legal market will become even more oversaturated. The activities of a lawyer require adherence to high standards and rules of ethical conduct, which in turn eliminates unethical behavior in the process, which can be observed when a person acting under a power of attorney may abuse procedural rights, disrupt court hearings, and in some cases puts pressure on justice and he is not afraid of disciplinary action," he said.

The lawyer said that one of the duties of a lawyer is to constantly improve his professional level. At the same time, he said that as a result of the abolition of the lawyer monopoly, "justice will open its doors to a wider circle of people who, due to their financial situation, could not turn to lawyers, but no one has canceled the fact that any lawyer will also not perform work for free."

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"The lawyer monopoly has been building in our country for a long time. Previously, the need for a more professional approach to representation and defense in the courts was not an urgent issue. However, over time and the development of a democratic state, professional and, most importantly, effective defense and representation in courts have become a necessity, since many cases were reviewed only on the basis of the procedural errors in the documents," he said.

According to Fedoseyev, the introduction of the exclusive right of lawyers to represent interests in court or the so-called lawyer monopoly is an important step for a democratic state, which seeks to effectively and professionally protect the rights and interests of its citizens. In Ukraine, the lawyer monopoly was introduced in 2016 on the basis of a bill amending the Constitution of Ukraine.



Renault and Toyota become best-selling brands in Ukraine among new passenger cars

The initial registration of new passenger cars in Ukraine in June this year increased by 12% from June 2019, to 7,300 units, the Ukrautoprom association reports.

At the same time, compared with May of this year, the demand for passenger cars increased by 21.7%. Taking into account the June registrations in the first half of the year, the market for new passenger cars slowed down the decline to 4% compared to the same period last year (in January-May the market decreased by 7%), while registrations amounted to 37,100 units.



In June, Renault became the best-selling brand, pushing Toyota, the leader of May 2020 and June 2019, to the second position, its primary registrations grew by 19% from June 2019, to 1,155 units.

Toyota registrations decreased by 4%, to 1,049 units, and Kia retained the third position with an increase of 39%, to 677 units.

The fourth place (compared with the sixth one in June 2019) belongs to Skoda, which has 481 cars and a 29% growth, and Hyundai ranked fifth with 398 vehicles (up by 4%).

The ten most popular brands included Peugeot with 328 cars (30% more), Mercedes-Benz with 286 units (51% more), Suzuki with 277 units (5% more), Nissan with 232 units (44% less), and Mazda with 231 units (24% more). The best-selling car of June was KIA Sportage with 584 cars bought.

Ukrainian RDS Group wins tender to repair Kropyvnytsky-Kyryv Rih-Zaporizhia highway



A tender worth UAH 452 million to repair 25 km of Kropyvnytsky's bypass road towards Kyryv Rih on the H-23 Kropyvnytsky-Kyryv Rih-Zaporizhia highway was won by a group of road construction companies RDS, the co-founder of the company Yuriy Shumakher has told Interfax-Ukraine.



"We have already formed working brigades in full, and this Saturday [July 4] we are starting construction," he said.

Schumacher said that the RDS group, as one of the largest players in the Ukrainian road market, understands the importance of the Big Construction project announced by the president, therefore, it is responsible for the quality and deadlines for the work performed.

Turkish Onur Construction International with the best offer of UAH 452.899 million and the Ukrainian-German company Avtostrada with the best offer of UAH 452.9 million also participated in the tender with an expected value of UAH 477.08 million.

The total volume of H-23 road repair in Kirovohrad region this year is 83 km.

RDS Group is included in the top three road construction companies of Ukraine. It includes Kyivshliakhbud and Rostdorstroy. The core business is construction, reconstruction and maintenance of roads and bridges, construction of airfield complexes.

The ultimate beneficial owners of RDS Group are Ukrainian citizens Shumakher and Yevhen Konovalov.

Ukraine exports 20.5 mln tonnes of wheat and 30.3 mln tonnes of corn this year

Ukraine exported more than 20.5 million tonnes of wheat and 30.3 million tonnes of corn in the 2019/2020 agricultural year (July-June), President of the Ukrainian Grain Association (UGA) Mykola Horbachev has said. "The 2019-2020 grain season was successful. We produced a record number of grains and oilseeds. The grain and oilseeds harvest was a little over 98 million tonnes, which is an absolute record for Ukraine. A record amount of wheat was grown – more than 28 million tonnes. Wheat exports amounted to more than 20 million tonnes. Corn export exceeded all expectations. We exported more than 30 million tonnes. This year was successful," he said at a press conference in Kyiv.

The head of the UGA predicted that by 2026 Ukraine will produce 113 million tonnes of grain and oilseeds a year and export 70 million tonnes.

According to the UGA, export of grain and oilseeds in the 2020/21 season will be some 58.8 million tonnes.



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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European Investment Bank to give EUR 50 mln loan to Unit.City

The European Investment Bank (EIB), as part of a joint initiative with the European Commission – InnovFin Science, has agreed the issue of a loan of EUR 50 million for the UNIT.City innovative park. According to a joint press release, the loan is provided as part of the EU's Horizon 2020 research and innovation program and is managed by the EIB.

"Ukraine and more specifically the Kyiv urban area lack a proper ecosystem for R&D and IT companies at all stages of development, from start-ups to expanding high-tech companies. With its dedicated InnovFin Science support, the EIB is now helping Ukraine to bridge this gap," EIB Vice President Lilyana Pavlova stated.

"The EIB credit line provides up to 10 tranches of at least EUR5 million each. The funds are allocated for nine years with a very competitive annual interest rate for Ukraine. Money will be allocated for the construction of new campuses of the innovation park – B15, B16, B17, U1 – with a total area of 70,000 square meters. The total cost of the project (including components financed by the EIB) is estimated at EUR 110 million. Thus, about half of the estimated costs will be financed by the EIB," the report on the bank's website says.

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