

Ukraine reopens borders to foreigners starting from September 28

Ukraine reopened its borders to international visitors at 00:01 a.m. on September 28, the Ukrainian State Border Guard Service said.

"A decree which also set out restrictions on foreigners' entry continues to be valid. This is Government Decree No. 641. At the same time, it imposed a ban on foreigners' entry to the territory of our country precisely from August 28 and until 00:01 a.m. on September 28. Thus, as a matter of fact, this norm that banned foreigners from entering our country ceased to be in effect overnight. From now on, foreigners are allowed to enter our country," State Border Guard Service spokesman Andriy Demchenko told Interfax-Ukraine.

Border guards are acting in compliance with the law that regulates passage across the state border of Ukraine, i.e. the law "On Border Control", and in compliance with the government's decree on foreign citizens' exit and entry to Ukraine, he said.

There are currently no separate requirements for foreigners to self-isolate or have travel medical insurance when coming to Ukraine, he said.



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NETFLIX
BECOMES MEMBER OF
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COMMERCE IN UKRAINE



NEW AIRPORT TO BE CONSTRUCT IN ZAKARPATTIA IN TWO-THREE YEARS



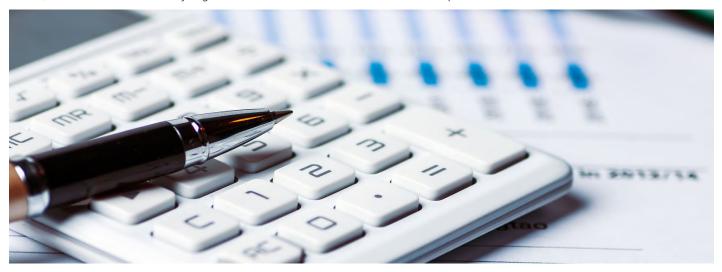
Ukrainian parliament passes at first reading bill reducing VAT to 7% for representatives of culture, creative industries

Verkhovna Rada has passed at first reading the President's draft law on reducing value added tax (VAT) to 7% for representatives of culture, tourism, creative industries.

An Interfax-Ukraine correspondent has reported that some 273 MPs voted in favor of bill No. 3851 on amending the Tax Code of Ukraine to support culture, tourism and creative industries at first reading at the meeting on Tuesday, September 15.

"Since our field of work mainly requires offline performance and it is extremely difficult to shift to online mode, therefore we believe that... theatre, opera, ballet, music, concert, other performances, ... production of ... films and so on may be charged 7% VAT," noted the Minister of Culture and Information Policy of Ukraine Oleksandr Tkachenko at the presentation of the law.

He added that the bill provides for 7% VAT for operations related to temporary accommodation services provided by hotels, in view of the extremely high losses that this sector suffered due to quarantine measures.



Ukrainian Politics Foundation by Kost Bondarenko presents rating of most influential Ukrainian officials

President of Ukraine Volodymyr Zelensky ranks first in the rating of the most influential Ukrainian officials, other top five officials also include Head of the President's Office Andriy Yermak, Chief Presidential Assistant Serhiy Shefir, as well as Interior Minister of Ukraine Arsen Avakov and Prosecutor General Iryna Venediktova.

The results of the research 'Rating of Influence of Ukrainian Officials' were announced by Lev Bondarenko, an analyst of the Ukrainian Politics Foundation /UP Foundation at the press conference held at Interfax-Ukraine.

According to him, more than 50 experts took part in the research, the questionnaire was formed of 130 participants-officials and among the criteria assessed were influence of the position held by the officials, directly their activities and connections and their team effectiveness. The research was conducted using the questionnaire survey during September 2020.

The Head of the UP Foundation, a historian, political expert Kost Bondarenko presented an analytical report related to the rating of influence of Ukrainian officials.



Bondarenko said among the external players that influence the situation in Ukraine are the U.S. Department of State, the G7, the IMF, Israel, George Soros and Russia.

"We looked close at people who influence the president and his entourage ... Andriy Yermak is attempting to become the closest confidant of the president, while other team members oppose him ... Today we should talk about financial and industrial groups, not about classical oligarchs.

But still the representatives of the Ukrainian domestic capital influence very actively the situation in Ukraine, and are somewhat a weak counterweight to the offensive of multinational enterprises," he said.



State Property Fund proposes to double plan for privatization receipts

The State Property Fund (SPF) is discussing the possibility of doubling the plan of privatization receipts in 2021, to UAH 12 billion, with the lawmakers and the government of Ukraine, Head of the SPF Dmytro Sennychenko has said. "The plan, which has now been submitted in the government budget to the Verkhovna Rada for receipts from privatization in 2021, is set at [UAH] 6 billion. We are now communicating with members of parliament, the government and clarifying the budget indicators for next year. We will propose its increase ... up to [UAH] 12 billion," he said at a press conference at Interfax-Ukraine.

Sennychenko said that the SPF has drawn up a list of facilities for privatization for the next year, which includes regional gas supply companies, the Bilshovyk plant and the United Mining and Chemical Company (UMCC). He said that at the start of the "coronavirus crisis" in March 2020, the Verkhovna Rada lowered the bar for budget receipts from privatization to UAH 500 million, specifying that in 2020 the SPF exceeded it. At the moment, proceeds from privatization are UAH 2 billion, and by the end of the year they are expected to reach UAH 3 billion, the head of the fund said.



Kyiv is in front of building a complicated, but necessary dialogue with Warsaw — expert

Kyiv is standing in front of building a complicated, but necessary dialogue with Warsaw, which has reached a dead end in recent years. It is fair to say that both sides derailed the relations between Ukraine and Poland, however, this does not mean that Kyiv should wait for a full or partial reboot of the government in the neighboring country, moreover, this may not happen, according to political expert Valentyn Haidai. "We should not forget that in both cases with Poland and with Russia one should differ between sociopolitical and economic dialogues. It is no secret that under conditions of political confrontation between the Ukrainian and Russian elites trade and economic cooperation between the two countries is growing. We can see the same situation in case with Poland," Haidai said in a program on the Expert Club YouTube channel.



and scientists.

In the expert's opinion, there is no especial confrontation between the political elites of both countries. Poland and Ukraine do not have any territorial disputes, despite the desire to revise the borders by certain marginal circles, or a sharp conflict related to humanitarian policy, as in the case of Hungary.

"Speaking about economic cooperation, it should be noted that it was estimated at more than EUR 7 billion at the beginning of this year, which is EUR 2 billion more than in 2015, and it continues growing even during the coronavirus pandemic. Ukrainian export to Poland has increased, just the same as Polish import to Ukraine did. An increase in trade, in particular, was registered in the following segments: mineral fertilizers, textile, mechanical and electric equipment, animal fat and metal goods. In addition, Ukraine is one of the largest recipients of Polish food. According to Statistics Poland, export of agricultural goods to Ukraine has grown by more than 20%," the political expert said. As of the end of 2019, more than 400 joint enterprises operated in Ukraine and Poland in machine building, consumer goods and food industry, agriculture, etc. Cultural and scientific cooperation continues. Poland, which has a range of grant and scholarship programs, including the Eastern Studies, Stipend for Young Researchers and Krzysztof Skubiszewski Scholarship programs, is traditionally preferred by Ukrainian school graduates, postgraduate students

The full interview is available on the Expert Club YouTube channel



Lithuanian Novus buys Billa in Ukraine

The owner of Novus Ukraine LLC, Consul Trade House UAB, has signed an agreement with Rewe International AG on the acquisition of a 100% stake in the charter capital of Billa-Ukraine, an enterprise with foreign investment, which develops the Billa supermarket chain in Ukraine.



"Novus Ukraine LLC and Billa-Ukraine will continue to work as usual, fulfilling the previously reached contractual obligations to partners and counterparties for the stability of business," the press service of Novus said.

Currently, the deal is being approved by the Antimonopoly Committee of Ukraine, its completion and development plans will be announced after the deal is reviewed by the department, the company notes.

Novus Ukraine LLC was established in 2008, the first Novus supermarket was opened in the country in the same year. The development of the Novus supermarket chain is carried out by BT Invest (Lithuania).

As of September 2020, the network has 46 facilities with a total area of more than 220,000 square meters. The company develops retail facilities of various formats ranging from 500 to 7,000 square meters, including franchised. Billa-Ukraine was established in 1998 by Rewe Group concern, which was founded in Cologne in 1927. In Ukraine, the first Billa supermarket was opened in Kyiv in February 2000.



Ukraine International Airlines launches additional intl flights

Ukraine International Airlines (UIA), after the termination of restrictions for foreigners from October 1, offers passengers a number of connecting flights and is also adding new flights.

According to the press service of the company, in particular, new international flights are being launched: Kyiv-Brussels-Kyiv, Kyiv-Dusseldorf-Kyiv, Kyiv-London-Kyiv, Kyiv-Prague-Kyiv, Kyiv-Baku-Kyiv.

In addition, UIA offers connecting flights via Kyiv from Amsterdam, London, Paris, Brussels, Milan, Dusseldorf, Munich, Prague to Dubai, Cairo, Baku, Yerevan, Istanbul, Tel Aviv, and from Dubai, Cairo, Baku, Yerevan via Kyiv to Amsterdam, London, Paris, Brussels, Milan, Dusseldorf, Munich, Prague, Tel Aviv, Istanbul.

Flights are also offered from Tel Aviv and Istanbul via Kyiv to Amsterdam, London, Paris, Brussels, Milan, Dusseldorf, Munich, Prague, Amsterdam, Dubai, Yerevan, Baku.



Farmak to meet output target this year

JSC Farmak will meet its output target by the end of 2020, anticipates Farmak Executive Director Volodymyr Kostiuk. "We do not expect to go into the red this year. We will have probably get what we planned by the end of the year," he said to Interfax-Ukraine on the sidelines of the presentation of Ukraine's first mobile pharmaceutical museum.



Kostiuk believes that the implementation of the target indicators will be achieved, in particular, due to increased exports.

"In particular, we managed to export to other countries a lot. The Ukrainian market has contracted," he stated.

Kostiuk noted that during the quarantine nearly 400 employees worked remotely with their salary paid in full.

"At the height of the quarantine 400 employees worked remotely. Now there are slightly fewer of them, but we are gradually increasing this number due to the worsening epidemical situation and a growing number of COVID cases. All employees on remote work receive full salaries," he said.

Kostiuk also said that with the beginning of the coronavirus pandemic, Farmak started producing antiseptic for the company's needs.

Farmak is the leader of the Ukrainian pharmaceutical market with a 5.9% stake in monetary terms.



Association of Southeast Asian Nations center being created in Kyiv

A trilateral meeting between the leadership of the Shevchenko Kyiv National University, the Ministry of Foreign Affairs and the ambassadors of the ASEAN (the Association of Southeast Asian Nations) member states in Ukraine was held at the university, where the parties decided to open the ASEAN Center in Ukraine on the basis of the Institute of International Relations of the Shevchenko Kyiv National University by the end of 2020.



"For Ukraine, it is very important to develop partnership with ASEAN. These are new great opportunities, in particular in science and technology, trade, investment, and economic cooperation. The ASEAN Center will contribute as much as possible to the development of contacts between Ukraine and the member states of the Association," the press service of the Ministry of Foreign Affairs of Ukraine said, citing Minister of Foreign Affairs of Ukraine Dmytro Kuleba

It was the Ukrainian foreign minister who initiated the project.

The main task of the Center will be to intensify bilateral contacts between researchers and scientists, as well as further development of humanitarian, educational and interpersonal contacts, in particular, the participation of representatives of scientific and business circles of Ukraine and ASEAN in cultural and educational exchanges.

Ukrainian road-building group of companies RDS repairs 37 km of h-01 highway ahead of schedule

The RDS Ukrainian road-building group of companies has completed the repair of 37 km of the section of the N-01 road in Cherkasy region ahead of schedule, the group's co-founder, Yuriy Shumakher, has told Interfax-Ukraine.



At the same time, the Head of the EIB Resident Representation in Ukraine said that the bankl private sector development, and innovation. "

Shumakher recalled that, under the Big Construction program, from the beginning of 2020, the second category H-01 highway, which connects Kyiv with Znamyanka, is being repaired, and the company has repaired three sections with a total length of 37 km from Horodysche to Smila.

According to the information in the ProZorro system, at the beginning of July, four more tenders were announced for current medium repairs in total 35 km of this road in Cherkasy region, and all of them were won in August by Rostdorstroy LLC from the RDS Group, offering about UAH 713.9 million in total. The corresponding agreements were signed in early September.

Its competitors were Joint Ukrainian-German Venture Autostrada LLC and ShRBU-48 LLC.

Shumakher said that the overhaul of the N-01 highway had not been carried out since the 1970s, as a result of long-term operation of the road and heavy traffic of heavy trucks the road surface was badly worn out.

RDS won three tenders for the restoration of the specified 37th section of this road last year offering the price of UAH 658.24 million in total.

In addition, the group has already started repairing two more sections of the H-01 road, the total length of this section is 19 km.

The total length of the H-01 highway is 289.3 km. The road passes through three regions: Kyiv, Cherkasy and Kirovohrad.

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 Yuriy Shumakher and Yevhen Konovalov.

EIB ready to provide funds to Ukraine to implement energy and energy saving projects

The European Investment Bank (EIB) is ready to provide funds to Ukraine to implement energy and energy saving projects if the risk factors can be controlled, Head of the EIB Resident Representation for Ukraine Jean-Erik de Zagon said.

He said that the EIB is ready to provide the funds if the Ukrainian government can convince the bank of the economic viability of the potential projects.

He said at the 11th Energy Day organized by the European-Ukrainian Energy Agency.



At the same time, the Head of the EIB Resident Representation in Ukraine said that the bank sees many opportunities for cooperation with the government of Ukraine, specifying that "the EIB in Ukraine has a portfolio totaling EUR 6.5 bln. It includes many project in energy sector, social and economic infrastructure, transport and connectivity, local private sector development, and innovation."

At the same time, according to de Zagon, with regard to international projects on energy efficiency, Europe highly values a clearly defined time frame for achieving climate change.

Speaking about projects that may be of interest to the bank in the future, he pointed out among the others the need to develop bioenergy. As for the diversification of projects, it is likely that biomass will deserve new attention. It is one of the decarbonization tools. It is challenging, but this is the need to process those resources that are raw materials for renewable energy in Ukraine, de Zagon said.

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German company Reisswolf opens representative office in Kyiv

The German company Reisswolf, which provides services for storing and destroying information, has opened its representative office Reisswolf Ukraine in Kyiv.

According to a report of the company released on Tuesday, the capacity of the first archival storage located in Kyiv is 200,000 archive boxes or about 3,000 tonnes of paper.

In addition to offsite storage, Reisswolf Ukraine will provide archival processing, digitization, electronic archiving and confidential destruction of documents.

"The security of document storage is achieved by three-level protection and depersonalization of boxes, when identification occurs exclusively by bar codes. Digitized documents are stored on servers located in the EU," the company said.

According to Director of Reisswolf Ukraine Serhiy Aloni, there are already operators of archival storage on the Ukrainian market.

"Reisswolf Ukraine sees its role in making storage, digitization and other procedures with business documents familiar to companies of any level, including sole proprietorship," he said.

The company estimates the volume of the Ukrainian archive storage market at 2 million boxes per year, noting that today only 10% of Ukrainian companies use archive storage services, while in Europe this figure reaches 65-70%.

"In the next five years, Reisswolf plans to expand its presence in other large cities of Ukraine – Kharkiv, Odesa, Lviv, and Dnipro," the company said.



Airport for drones may be built in Kiev

An airport for unmanned aerial vehicles (UAVs) may be built in Kyiv by 2025, said head of the All-Ukrainian Federation of UAV Owners, DJI distributor in Ukraine, Taras Troiak.

"We have a Quadroport project that we want to build in Kyiv. This will be the first drone airport where it will be possible to test any type of UAV (...) This is an ambitious project. We plan to build it by 2025. There is a small component there so far, but we look at development and realize that it is necessary," he said during the Infrastructure Digital Day.

According to him, the UAV market in Ukraine will reach about UAH 500 million in 2020.

"This year it has grown 2.5 times compared to last. And next year we already hope that the market will be more than UAH 1 billion," he said.



Johnson & Johnson expects 7-9% growth of pharma market in Ukraine

Johnson & Johnson Ukraine predicts a 7-9% growth in the pharmaceutical market in 2021, Johnson & Johnson Country Manager Denis Golubchykov has said.

"Regarding the development of the market, my forecast is average. I do not expect a fall or gains of 1-2%, but I do not expect double-digit gains either. Somewhere in the 7-9% range is what we expect," he said during EBA Global Outlook held in Kyiv on Tuesday.

Golubchykov also said that due to the pandemic, the pharmaceutical market faced a crisis for the first time in recent years.

"We work in the pharmaceutical market and the FMCG market. They behaved completely differently. The pharmaceutical market at first gave a panic leap upwards. It is not clear why people decided to buy half a pharmacy. Naturally, this played negatively and even more in April. The market fell very dramatically and it is slowly creeping out of there. All previous crises did not affect the pharmaceutical industry, this is the first time," he said.

"The FMCG market behaved differently. All this [the fall] happened later, by the beginning of summer, and not so dramatically downward, and respectively, it will not take so long to get out of the situation. From part of the market, a new category has formed – people have got used to using more detergents, disinfection in several months. This category is growing within the market. Beauty has dropped dramatically," Golubchykov said.



Netflix becomes member of American Chamber of Commerce in Ukraine

The American video service Netflix Inc. became a member of the American Chamber of Commerce in Ukraine (ACC), ACC President Andy Hunder told the members of the association.

He recalled that Netflix is now filming its first feature film in Ukraine.

Discovery Communications Europe Limited also became a member of the ACC in Ukraine in August.

Earlier information appeared on Netflix' website that two Ukrainian studios Postmodern Postproduction and Tak Treba Production became partners of the video service and received the Gold partner status. They will duplicate service products in Ukrainian.

Postmodern Postproduction (formerly Pteroduction Sound) is one of the largest film studios in Ukraine. It specializes in postproduction (dubbing, CGI and VFX). Founded in 2001, it is part of Film.UA Group. The CEO of the company is Serhiy Bondarenko.

The multimedia company Tak Treba Production specializes in adaptation services for foreign films, TV series and animation (voice acting, dubbing, titration in Ukrainian and Russian). The company was founded in 2003 and is headed by Dmytro Melnyk.



New airport to be construct in Zakarpattia in two-three years

A new service center of the European manufacturer of automotive equipment MAN Truck and Bus has been opened in Zhytomyr, it has become the eighth center in Ukraine, Man Trucks and Bus Ukraine LLC reports on Facebook.

The Agrotruckservice center covers an area of 2.5 hectares (including a parking lot for trucks), it includes the main building (with workshops) with an area of 3,020 square meters, a spare parts warehouse with an area of 310 square meters.

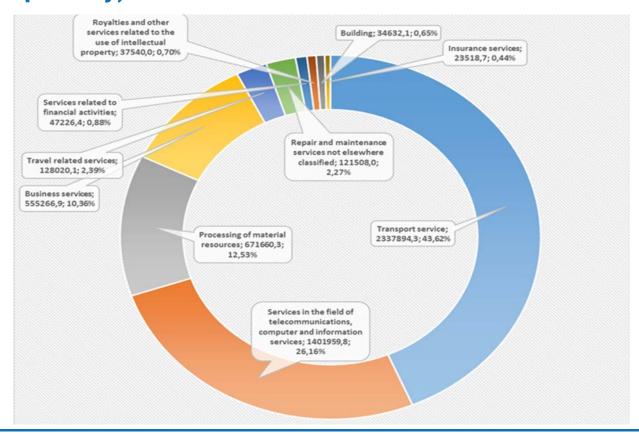
The service station has three 25-meter inspection pits equipped with five 16-tonne jacks, a diagnostic line with German equipment from MAXA. It is equipped with four plunger lifts with a total lifting capacity of 60 tonnes, and a mobile column lift with six autonomous supports with a lifting capacity of 7.5 tonnes each.

The first MAN Truck and Bus service station in Ukraine was opened in Bucha in 2007. Also, in particular, the company has service stations in Kyiv, Dnipro, Odesa, Mukachevo.

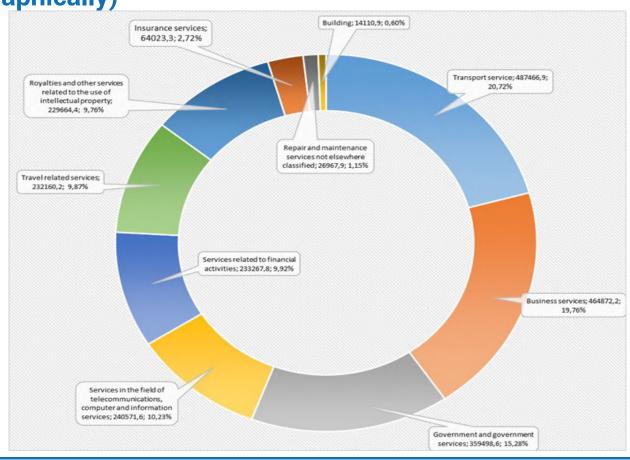
The subsidiary company Man Trucks & Bus Ukraine has been operating in Ukraine since 2006.



Structure of import of services in 1st quarter of 2020 (graphically)



Structure of export of services in 1st quarter of 2020 (graphically)



Prices for apples in Ukraine are highest in last three years

Prices for apples in Ukraine are now the highest in the last three years, so the average wholesale prices for apples in Ukraine range within UAH 11-13/kg, the Ukrainian Horticultural Association has reported.

According to a report on the association's website, the season of local apples is gaining momentum in Ukraine. Ukrainian producers are actively engaged in harvesting autumn varieties of apples, respectively, the supply on the market is increasing every day. Today, the average wholesale prices for apples in Ukraine fluctuate within the range of UAH 11-13/kg. For comparison, at the beginning of September, apple producers were selling their products at 15-20% higher prices.

"Today, prices for apples in Ukraine are the highest, at least in the last three years. In the same period of 2019, local apples were sold on average UAH 1-1.5 cheaper than today, and at the end of September 2018, Ukrainian gardeners were shipping dessert apples at an average of UAH 7-8 per kg," the union noted.

The price situation that has developed today, according to the association, was significantly influenced by the record high prices for apples at the beginning of the season: in mid-July, Ukrainian gardeners sold the first consignments of apples for UAH 20-22/kg. Another factor that affected the price situation on the apple market is the delay in the apple season by an average of 7-10 days due to unfavorable weather conditions in the country.



National bank of Ukraine expects grain harvest in 2020 at 70 mln tonnes

The National Bank of Ukraine (NBU) expects a grain harvest in 2020 at the level of 70 million tonnes instead of the projected 70-72 million tonnes, Deputy Governor of the NBU Dmytro Sologub has said.

"We predicted that Ukraine will harvest 70-72 million tonnes of grain. Given the rather significant revision of data on the harvest of early grains (wheat and barley) downward compared to the recent statistics, at the moment we expect about 70 million tonnes," he said in an exclusive interview with the Interfax-Ukraine agency.



Ukraine wants to reduce VAT for farmers from 20% to 14%

The Verkhovna Rada at first reading passed bill No. 3656 on amending the Tax Code of Ukraine with regard to the rate of value added tax on transactions for the supply of certain agricultural products that proposes to reduce the VAT rate from 20% to 14% for the agricultural sector. Some 233 MPs voted in favor of the draft law concerned.

The document provides for amending Paragraph 193.1 of Article 193 of the Tax Code of Ukraine by adding a new subparagraph 'g' and establishing 14% VAT on operations for supply to the customs territory and admission into the customs territory of Ukraine of agricultural products classified by the following foreign economic activity codes: 0102 (live bovine animals); 0103 (live swine); 0401 (regarding whole milk), 1001 (wheat), 1002 (rye), 1003 (barley), 1004 (oats), 1005 (corn), 1201 (soybeans), 1204 00 (linseed), 1205 (rapeseeds), 1206 00 (sunflower seeds), 1207 (other oil seeds and oleaginous fruits,), 1212 91 (sugar beet).

"First of all, such a reduction will reduce the tax burden on agricultural producers that in turn will reduce the cost of raw materials by the amount of VAT reduction exactly for processors of such products, whereas, in general, reducing the VAT rate on transactions for selling grains, oilseeds and whole milk will not lead to budget losses, since these goods are not sold to the final manufacturer that is actually VAT payer," said Mykola Solsky, the head of the Ukrainian Parliamentary Committee on Agrarian Policy and Land Relations, at the presentation of the bill.

According to the explanatory note to the document, which refers to the analysis carried out by UCAB based on data from the USDA and market operators for certain types of oilseeds and grains (sunflower, rapeseed, corn), reducing the VAT rate from 20% to 14% will not lead to large-scale distortions in the structure of VAT receipts/losses for any of the stakeholders (state/enterprise).

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Contact Info: info@open4business.com.ua https://www.facebook.com/ukraineopen4business, https://twitter.com/uaopen4business +38(044) 270 65 74

MHP plans to open 350 stores in Kiev and region

The agricultural holding Myronivsky Hliboproduct (MHP) plans to open 350 stores of the Miasomarket format in Kyiv city and the region in five years.

"In the next five years, 350 Miasomarket outlets should open in Kyiv city and the region. We also have a clear understanding of how many stores we want to open in five years in the regions – the number of outlets varies from 40, depending on the concentration of the population," the head of the department for work with franchisees of the agricultural holding MHP Dmytro Morozov told Interfax-Ukraine.

According to him, in addition to the Miasomarket and Nasha Ryaba conventional stores, the company is now developing franchising formats such as the Chef's Secrets gastronomic studio and shawarma points of sale, as well as sandwich shops "Kho perekusit?" (TM Bashchinskiy), which is the format that MHP develops independently.

"Investments of partners in the Myasomarkets project start at \$25,000, for other in particular Döner Market, we are finalizina the size now of investments," Morozov said.

He also announced the official opening of the first point for the sale of shawarma in Kyiv, in the Osokorky residential area, on September 23. The head of the department for work with franchisees of MHP said that the points will have different formats, both street food and with the possibility of seating inside the facility.

"As the project develops, we will add other formats of street food. We see for ourselves at least two more formats that will sell shawarma," he said.

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