



UKRAINE
OPEN FOR BUSINESS

19 October 2020

Ukraine and Brussels agree on further economic integration

Ukraine and the European Union have agreed on further economic integration and regulatory convergence in a number of areas.

A joint statement by the leaders of Ukraine and the EU, adopted at the end of the summit in Brussels on Tuesday, says.

"We looked forward to further enhancing economic integration and regulatory approximation within the framework of the Association Agreement in the following fields: on digital, we took note of the on-site assessment of the implementation of Ukraine's commitments in the AA/DCFTA. We agreed to prepare by the end of 2020 a joint working plan for co-operation between EU and Ukraine on electronic trust services with a view to a possible agreement which must be based on approximation to the EU legislation and standards," the statement reads.

The leaders welcomed progress on the update of the Annexes on telecommunication, environment, climate and financial cooperation of the Association Agreement. "Welcoming Ukraine's ambition to approximate its policies and legislation with the European Green Deal, we stressed the importance of progress in Ukraine's commitments in the areas of climate change, environment, marine ecosystem, education, energy, transport and agriculture, building on existing established sectoral dialogues, and agreed on a focused dialogue on the necessary steps in these areas," the statements says.

HEADLINES



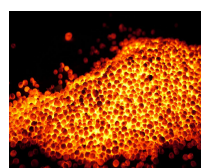
UKRAINE AND EU SIGN AGREEMENTS TO FINANCE SOME PROJECTS



SYNEVO LABORATORY INVESTS IN COVID CENTER IN UKRAINE



UKRAINIAN GOVERNMENT BACKS PROCEDURE FOR APPROVING ADVISOR TO CONCESSION PROJECTS



FERREXPO RAISES PELLET OUTPUT BY 3%



UMG INVESTS \$11 MLN IN UKRAINIAN MINERAL FERTILIZERS



UKRAINE RAISES POULTRY EXPORT IN JAN-SEPT

Ukraine and EU sign agreements to finance some projects

At the 22nd Ukraine-EU Summit, Kyiv signed three agreements with the European Commission and three agreements with the European Investment Bank (EIB) aimed at financing various projects.

In particular, an agreement to finance the EU4ResilientRegions programme for EUR 30 million was signed between the Ukrainian government and the European Commission.

According to the document, the EU4ResilientRegions programme aims at enhancing the resilience of eastern and southern Ukraine to the negative impacts of the ongoing conflict, including to hybrid threats and other destabilizing factors. The action will also address most recent destabilization factors such as the COVID-19 pandemic and its social and economic impact. In response to the conflict in eastern Ukraine and the illegal annexation of Crimea and Sevastopol, this action will aim to enhance Ukraine's overall resilience, notably to hybrid threats.

The Civil Society Facility programme for EUR 20 million was also signed between the Ukrainian government and the European Commission. The programme focuses on social innovation and active citizenship as core principles for civic engagement and the premises for sustainable democratic societies. It aims to support the capacity of civil society organizations to engage in policy dialogue, to act as governance actors and to drive the country's social and economic development.

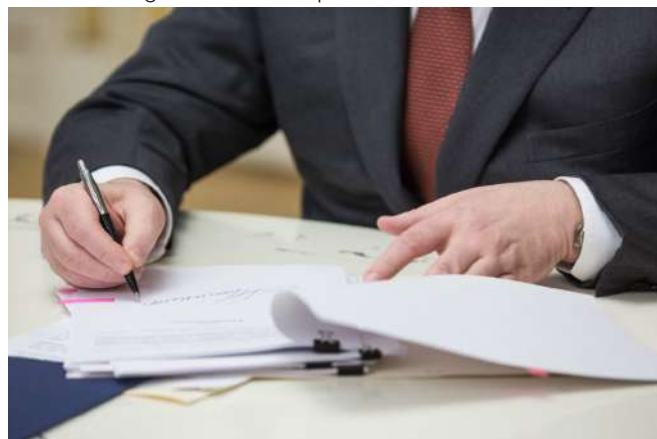
In addition, the Climate package for a sustainable economy (CASE) programme for EUR 10 million was signed between the Ukrainian government and the European Commission.

This programme supports Ukraine in the implementation of measures towards a climate neutral, clean and resource-efficient economy. This includes support in areas such as circular economy and waste management, energy efficiency, emission-free urban transport as well as support to climate mitigation and adaptation.

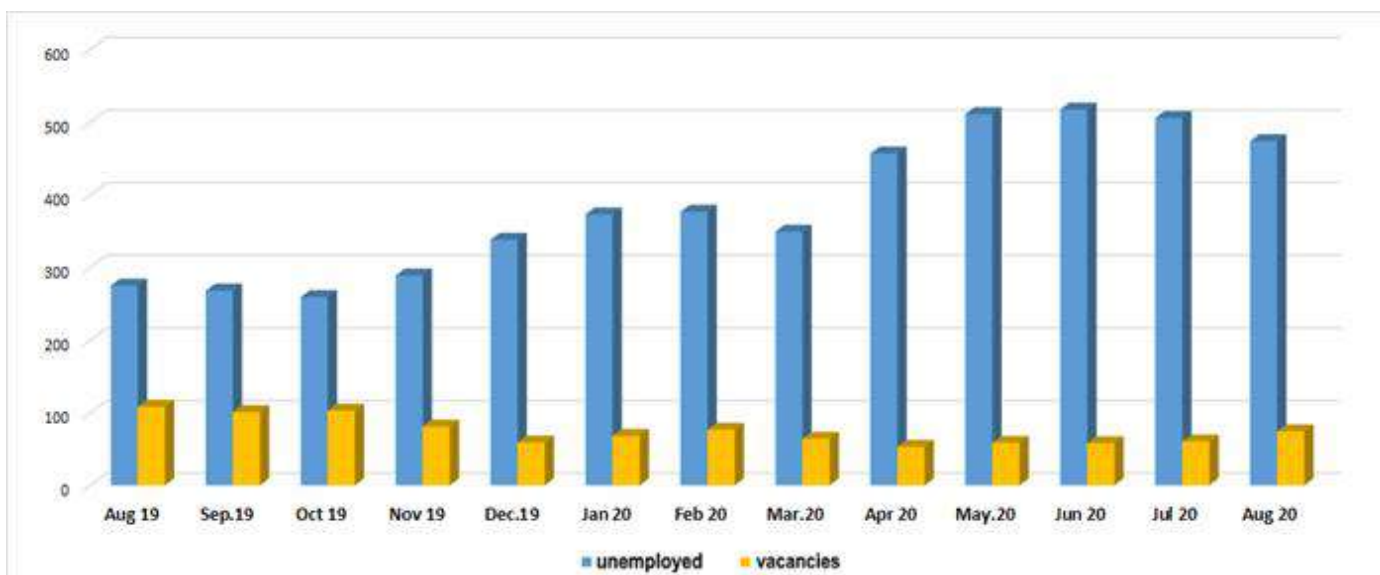
In addition, this agreement provides for the creation of a joint resource center for climate innovation between Ukraine and the EU and the implementation of "green" measures within the framework of the National Transport Strategy until 2030.

All three documents were signed by Deputy Prime Minister of Ukraine for European and Euro-Atlantic Integration Olha Stefanishyna and Member of the European Commission for European Neighbourhood Policy and Enlargement Negotiations Olivér Várhelyi.

Three agreements with the EIB were signed.



Number of unemployed in Ukraine and job opportunities, May 2019-June 2020



Ukrainian government backs procedure for approving advisor to concession projects

The Cabinet of Ministers approved the procedure for selecting advisers to prepare a project for concession. An Interfax-Ukraine correspondent has reported that the government made the decision at a meeting on Friday.



According to the explanatory note to the draft resolution, the adviser will be selected using both the electronic procurement system and the negotiation procedure.

According to the concession law, the involvement of an adviser should be mandatory if the value of the property for the concession exceeds UAH 250 million, and also if the expected value of the newly created concession entity exceeds UAH 250 million.



Biopharma pharmaceutical company intends to fulfill annual production plan

Biopharma pharmaceutical company intends to fulfill its annual production plan through large orders in the fourth quarter, co-owner of the company Kostiantyn Yefymenko has said during the presentation of the study "Portrait of a Ukrainian Entrepreneur" conducted by the Union of Ukrainian Entrepreneurs together with UMG with the support of Cipe.

"COVID-19 hit our business very seriously. We allocated UAH 15 million for humanitarian aid – we helped the Public Health Center and installed a laboratory for PCR and EIA diagnostics. We have already spent about UAH 10 million for the purchase of personal protective equipment and payment for our employees, work from home," he said.



In addition, Yefymenko noted that Biopharma plans to occupy 5% of the market for production of drugs from donor plasma in five years.

"Our business in April-June fell in total, I think, by 50%. After all, we produce hospital drugs. In Ukraine, virtually all operations except urgent ones were closed. We also suffered losses in a number of export regions. Now, since September, it is actually the first month our business has resumed, and we see large orders for the fourth quarter. In fact, for the fourth quarter we need to do what we did in six months and therefore we plan to fulfill the annual plans at our enterprises. The Tribo group of companies, I think, will lose 20% of proceeds in dollars. We are preparing for difficult times, preparing reserves," the expert added.

Synevo laboratory invests in COVID center in Ukraine

Synevo Laboratory has launched a specialized COVID center in Kyiv to conduct a complex of research on COVID-19, investments in it exceeded EUR 300,000.



According to a press release from the company, the Synevo COVID Center includes a high-tech laboratory for performing COVID-19 tests by PCR, as well as a specially equipped department for customer service and sampling for coronavirus disease research.

"The COVID-19 epidemic is gaining momentum, and the demand for mass testing of the population is growing every day. Given the expected scale of testing, we have decided to open a specialized COVID center with a separate laboratory that will specialize exclusively in PCR testing for COVID-19," Mykola Butenko, the director for development at Synevo, said.

The company plans to soon launch PCR testing in other branches throughout Ukraine.

"For now, the test can be passed in the COVID center in Kyiv. It is located at 2/58 Pivnichna Street. But, very soon, we plan to launch testing in most branches throughout Ukraine," press secretary of the company Viktoria Ilinska said on Facebook.

PCR testing for COVID-19 at the Synevo COVID center will be performed using reagents from BAG Diagnostics (Germany).

In addition, from November, Synevo plans to launch tests on automatic equipment and reagents from Abbott (the United States).



Indonesian company in partnership with Canadian company plan to launch pharm production in Kyiv region

The Ukrainian-Indonesian company Pravitna Genius Sel in partnership with the Canadian company Immunitor (Vancouver) plans to launch pharmaceutical production in Kyiv region by the end of the year.

Freddy Cahyono, the CEO of Provitna Genius Sel, told Interfax-Ukraine that the respective agreement of intent was signed on October 7 by the representatives of the companies with the participation of the Indonesian Embassy in Ukraine.

Pravitna Genius Sel's investments in launching production in Kyiv region amounted to about \$1 million. By the end of 2020, the company plans to obtain a GMP certificate.



One of the first drugs, the production of which is planned by Pravitna Genius Sel, will be a drug that will stimulate the immune system, which will not only treat diseases, but also prevent their occurrence.

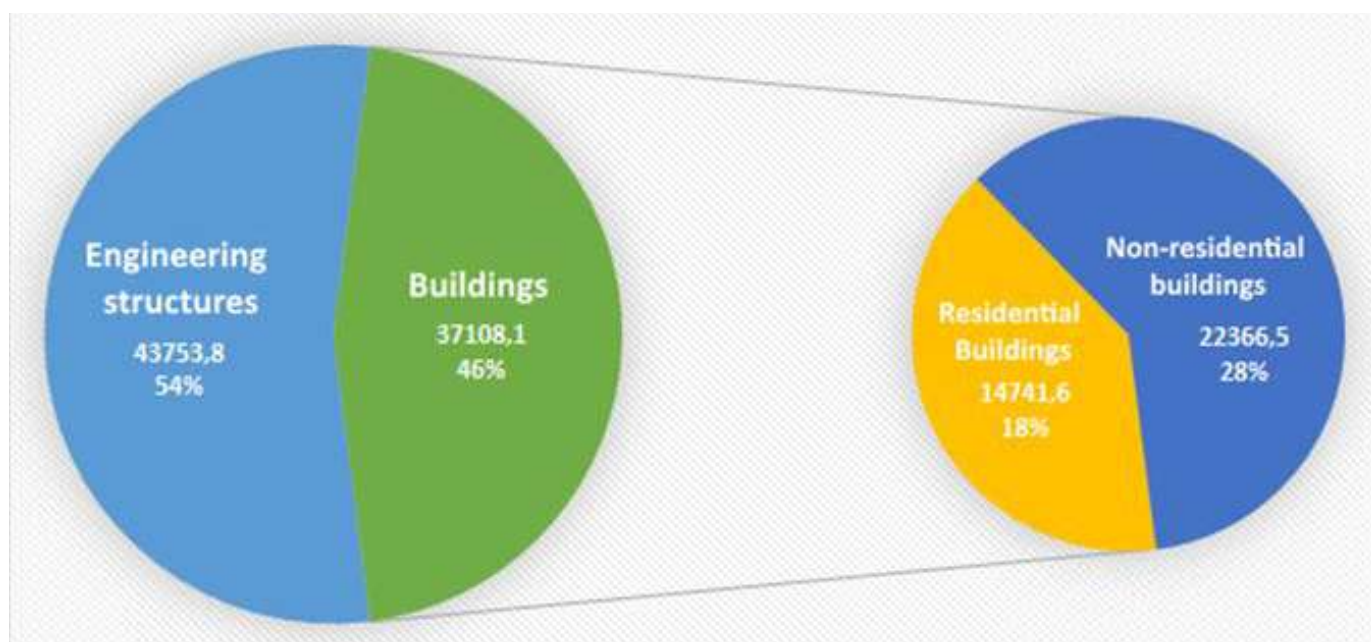
For the production of the drug, Canadian raw materials will be used.



Freddy Cahyono noted that the drug, which will be produced in Ukraine, is to be exported abroad, in particular to Indonesia. By the end of the year, the company intends to register the medicine in Ukraine. In turn, Ambassador of the Republic of Indonesia to Ukraine Yuddy Chrisnandi noted the high export potential of the drugs produced in Ukraine.

"These drugs will be able to be used not only in Ukraine, but throughout the world, including in Indonesia. I hope that they will contribute to the fight against epidemics," he said.

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

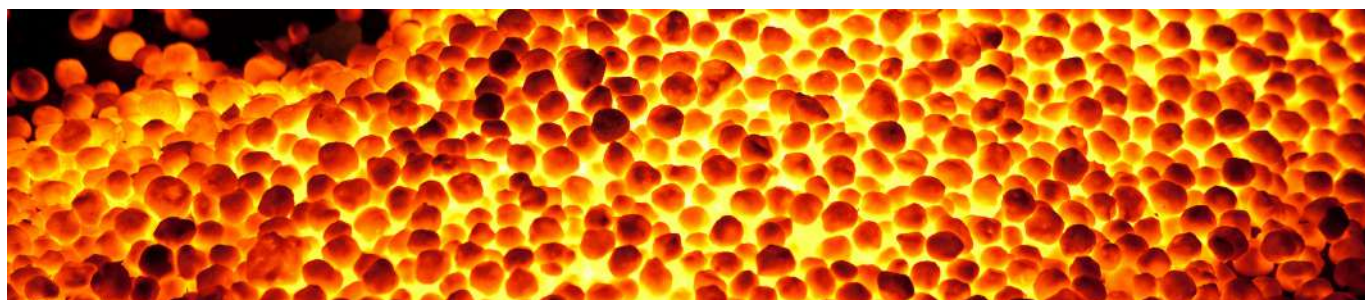


Source: SSC of Ukraine

Ferrexpo raises pellet output by 3%

British-based Ferrexpo plc, which controls in Ukraine, in particular, Poltava and Yeristovo mining and processing plants (GOK), in January-September 2020 increased total production of pellets by 3% compared to the same period in 2019, to 8.134 million tonnes.

According to a press release, total production of pellets with 65% Fe (iron content), including a trial shipment of Ferrexpo Direct Reduction pellets with 67% Fe in the first half of 2020, amounted to 8.036 million tonnes (up by 6%) for the period, with 62% Fe some 98,000 tonnes (a decrease by 68%). At the same time, production of pellets from third-party raw materials was not carried out. In Q3, 2020, total pellet production decreased by 12% compared to Q2, 2020, to 2.537 million tonnes from 2.873 million tonnes due to the planned repair of the pelletiser in early September 2020. In Q3 no pellets with 62% Fe were produced.



"Ferrexpo's operations continued to operate with minimal impact during Q3, 2020 due to the global COVID-19 pandemic. The company continues to ensure all appropriate precautions are being followed for the health and wellbeing of its workforce, including the company's own programs testing for the COVID-19 virus and associated antibodies," the document reads.

UMG invests \$11 mln in Ukrainian Mineral Fertilizers

Recycling Solutions from the portfolio of the UMG Investments of the SCM Group has announced the opening of the Ukrainian Mineral Fertilizers complex, the main product of which is nitrogen-sulfur and multiple-nutrient fertilizers based on ammonium sulfate, in the city of Kryvy Rih, where over \$11 million was invested.

"We planned and built the complex from scratch. The total investment amounted to more than \$11 million. The company created 72 jobs," UMG Investments CEO Andriy Gorokhov said in a press release.

According to the press release, the production capacities of the new manufacturer, operating with compacting technology, make it possible to provide Ukrainian farmers with up to 100,000 tonnes of finished products every year. The complex has new equipment from the Japanese-German holding Hosokawa Alpine. The CEO of UMG Investments reminded that this is the second project of the processing portfolio this year: in March it was announced that it had entered into an agreement with Ihor Liska's Effective Investments company to acquire a minority stake in Feednova, a new enterprise for the production of high-protein feed additives for agricultural and domestic animals. Now the company has already begun the process of placing equipment of the first stage at the construction site, and the project is planned to be completed by the end of 2020. "We are planning further investments in recycling and are now looking for partners and considering appropriate projects for plastic recycling," Gorokhov said.

Recycling Solutions is a Ukrainian company managing by-products and waste for the coal, metallurgical, thermal power and agricultural industries of Ukraine. Its areas of operation is processing and sale of ash and slag materials, smelter slag, rare and industrial gases, ammonium sulfate, animal by-products; production of heat and electricity from coal mine methane.

CEO of Recycling Solutions Dmytro Anufriev said that for many years crystalline ammonium sulfate – a valuable by-product of the metallurgical industry that can be turned into fertilizers – was exported for processing to countries such as Turkey, Bulgaria or Serbia, and then imported after processing back to Ukraine. "Recycling Solutions has set up a local production facility in Kryvy Rih for processing crystalline ammonium sulfate into a ready-to-use granular product," Anufriev said.



EBRD could provide loan to communal company Dnipro to boost energy efficiency

The European Bank for Reconstruction and Development (EBRD) could provide a senior loan of up to EUR 25 million to the communal company Dnipro Municipal Energy Servicing Company (Dniprovskaya Municipalna Energioservisna Kompaniya, the city of Dnipro) for energy efficiency investments in 98 public buildings, including 67 kindergartens, 27 schools and 4 outpatient clinics.

"The investments are expected to result in strong improvement of buildings' condition through renovation of facilities and meeting heating requirements, improved comfort level and reliability of services at kindergartens, schools and clinics, as well as reduction of energy and maintenance costs of the buildings and decrease of CO2 emissions," the bank said on Tuesday.

The project is pending of the decision of the EBRD board on October 13.



According to the document, the loan maturity is up to 13 years, including up to three years grace, with 20 equal semi-annual repayments. The loan will be secured by a full municipal guarantee from the city.

The loan is expected to be co-financed by up to EUR 5.5 million investment grant from the Eastern Europe Energy Efficiency and Environment Partnership (E5P), subject to grant approval by the E5P Assembly of Contributors.

**Business Partner
Compliance Check**
Apply to the only
authorized partner of
D&B
+38 (067) 232-00-42
urakin@interfax.kiev.ua
Make your business safe!

Ukrainian universities switching to distance learning

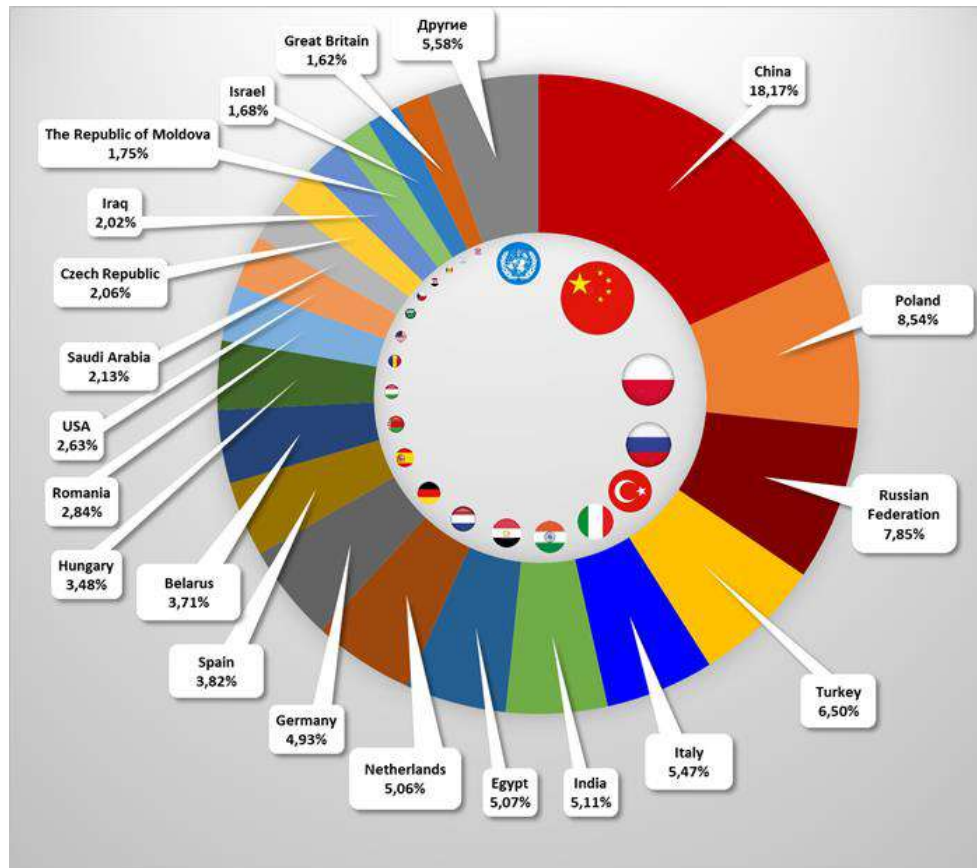
Higher educational institutions throughout Ukraine will be transferred to distance learning due to the aggravation of the situation with the incidence of COVID-19, and the autumn holidays will begin a week earlier in general education schools, but the final decision on this issue will be made by local authorities, head of the parliamentary committee on issues of health of the nation, medical care and health insurance Mykhailo Radutsky said.



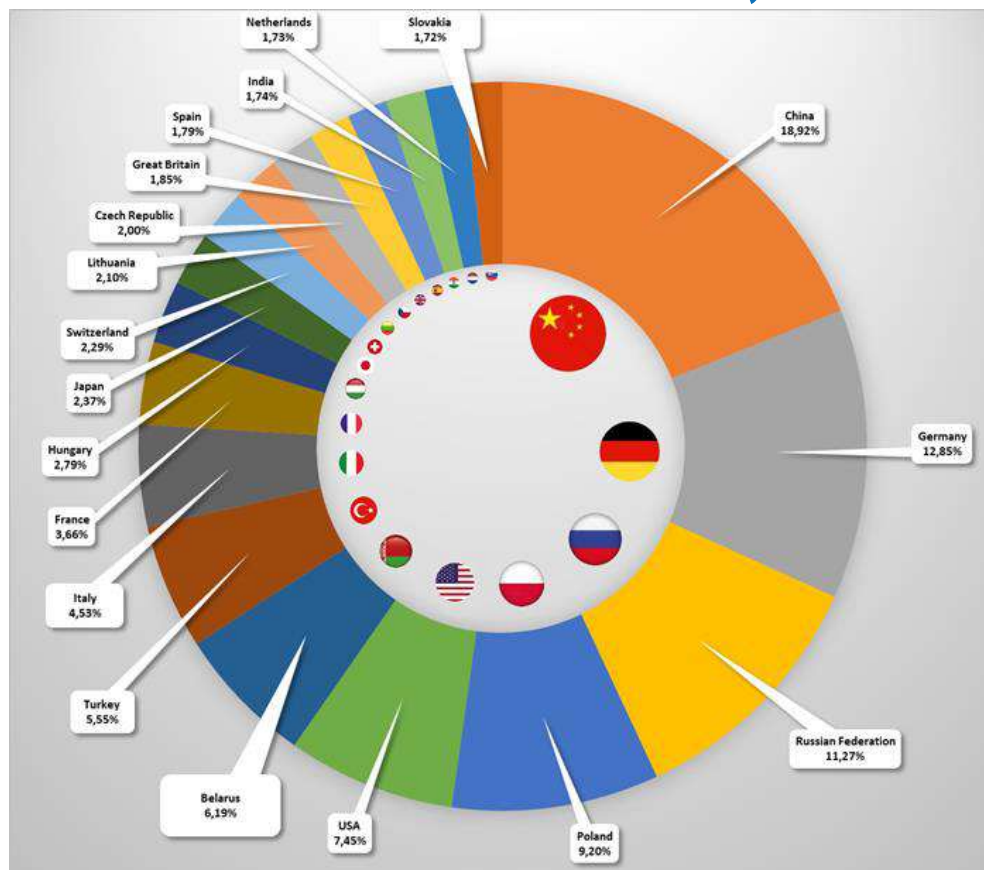
"During the last meeting, the President of Ukraine made a number of important decisions to combat the COVID-19 epidemic ... We are temporarily transferring universities to distance learning. This decision is fully supported by the leadership of educational institutions. Unfortunately, there are already several outbreaks of infection of employees and students, as well as fatal cases. Last week, the Dean of the Faculty of Geography of the Shevchenko National University of Kyiv died ... Autumn holidays in schools should start earlier. The start date of the holidays is determined by the local authorities, but it is optimal if the holidays start next week, before October 15," wrote Radutsky on Facebook.



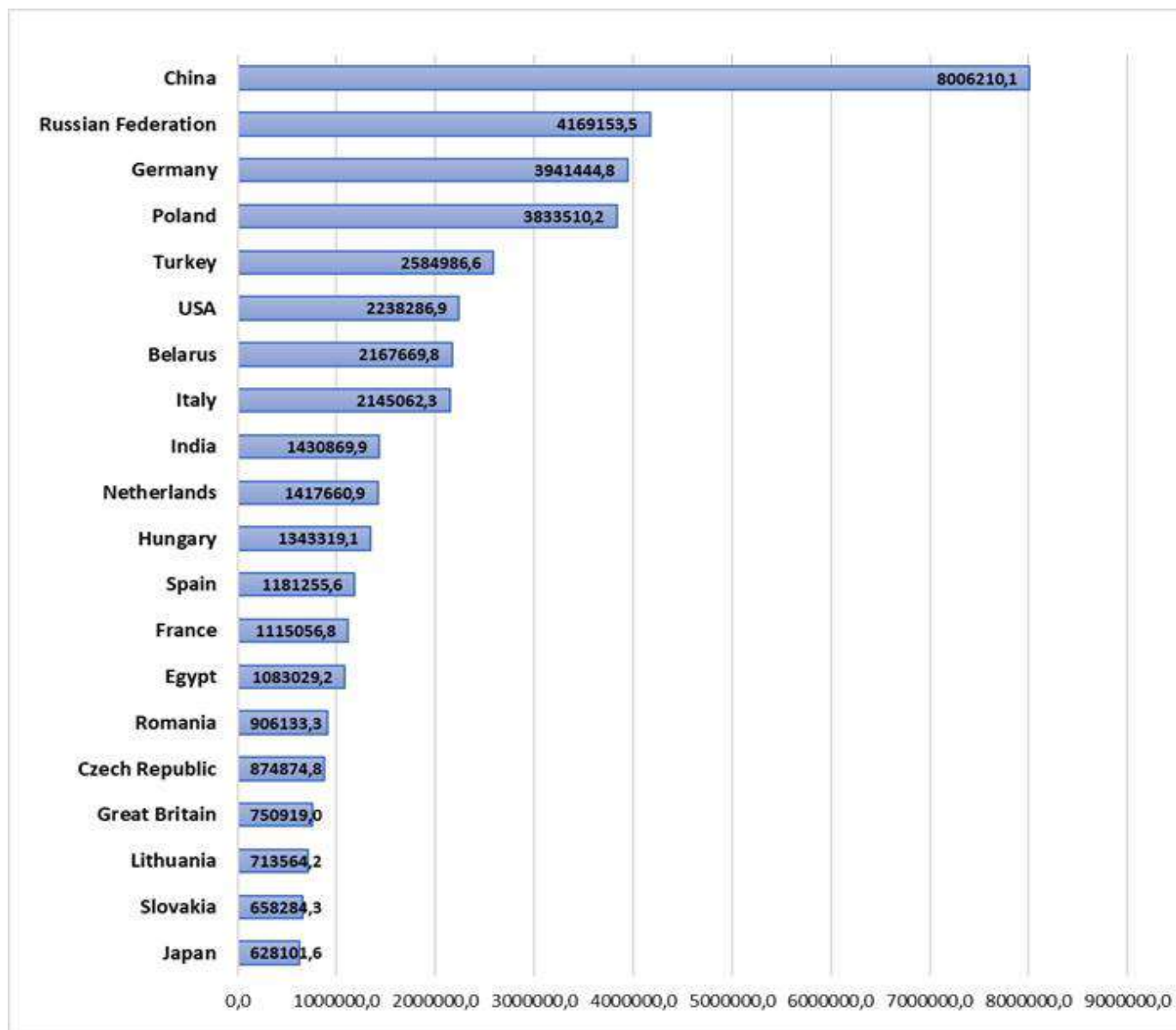
Main trade partners of Ukraine in % from total volume (export from Ukraine to other countries) in Jan-July of 2020



Main trade partners of Ukraine in % from total volume (import from other countries to Ukraine) in Jan-July



Top 20 countries of Ukraine's foreign trade partners in Jan-July of 2020 (thousand USD)



Mobile operator Kyivstar extends 4G coverage

The mobile operator Kyivstar has increased access to 4G communications for 649 villages, in the area with the population of 204,000 people in Mykolaiv, Poltava and Chernihiv regions.

According to the press service of the operator, in particular, new mobile technologies appeared in the villages of Velyka Bohachka, Vovchyk, Sudiyivka (Poltava region), Dobrianka, Kruty, Sosnytsia, Kholmy (Chernihiv region), Blahodatne, Lymany, Trudoliubivka (Mykolaiv region), etc.

It is noted that in order to expand the territory of its 4G network, Kyivstar switched on an additional 76 base stations at LTE-900 frequencies.

To date, Kyivstar has provided access to high-speed mobile Internet for 84% of the population.



Ukraine to introduce zero duty on wine imports from EU from 2021

Zero duty on the import of wine from the EU will be introduced from 2021 in accordance with Ukraine's commitments to zero import duties on a number of goods within a seven-year period after the signing of the economic part of the Association Agreement with the European Union, the Development Director of the Ukrainian Horticultural Association, the international consultant to the UN FAO, Yekateryna Zvereva, has said.

“From 2021, a zero duty will be introduced on the import of wine into Ukraine (from the countries of the European Union). At the same time, the situation in the wine market is not the best today – wine import to Ukraine increased by 25-30% compared to last year,” she wrote in a column to the Interfax-Ukraine agency.



She clarified that at present the duty on the import of wine from the EU is EUR 0.3-0.4/liter.

With reference to the data of the State Statistics Service, Zvereva reported that in 2019 Ukraine exported \$11.9 million worth of wine. At the same time, Kazakhstan became the largest foreign market for Ukrainian winemakers, where products worth \$1.3 million were delivered. In addition, one of the largest markets remains Germany, where \$1 million worth of wine was exported.

At the same time, according to the expert, import of wine last year amounted to \$ 146.7 million.

In addition, in the first half of this year, according to the State Customs Service, Ukraine exported \$6.1 million worth of wine, while imports amounted to \$67.9 million, the expert said.

Ukraine exports 13 mln tonnes of grain

Ukraine since the beginning of the new 2020/2021 marketing year (MY, July-June) and as of October 9 had exported 13.02 million tonnes of grain and legumes, which is 1.74 million tonnes less than on the same date last MY.

According to the information and analytical portal of the agro-industrial complex of Ukraine, to date, 9.14 million tonnes of wheat, 3.06 million tonnes of barley and 770,000 tonnes of corn have been exported.

As of October 9 this year, 52,200 tonnes of flour were also exported.

As reported, Ukraine exported a record 57.2 million tonnes of grain, legumes and flour in the 2019/2020 MY, which is 13.5% more than in the previous MY.



Ukraine raises import of cheese by 2.3 times in Jan-Sept

Ukraine exported 4,060 tonnes of cheese in January-September 2020, which is 21.1% less than in the same period in 2019.

According to the State Customs Service, in monetary terms, exports decreased by 16.3% and amounted to \$15.61 million.



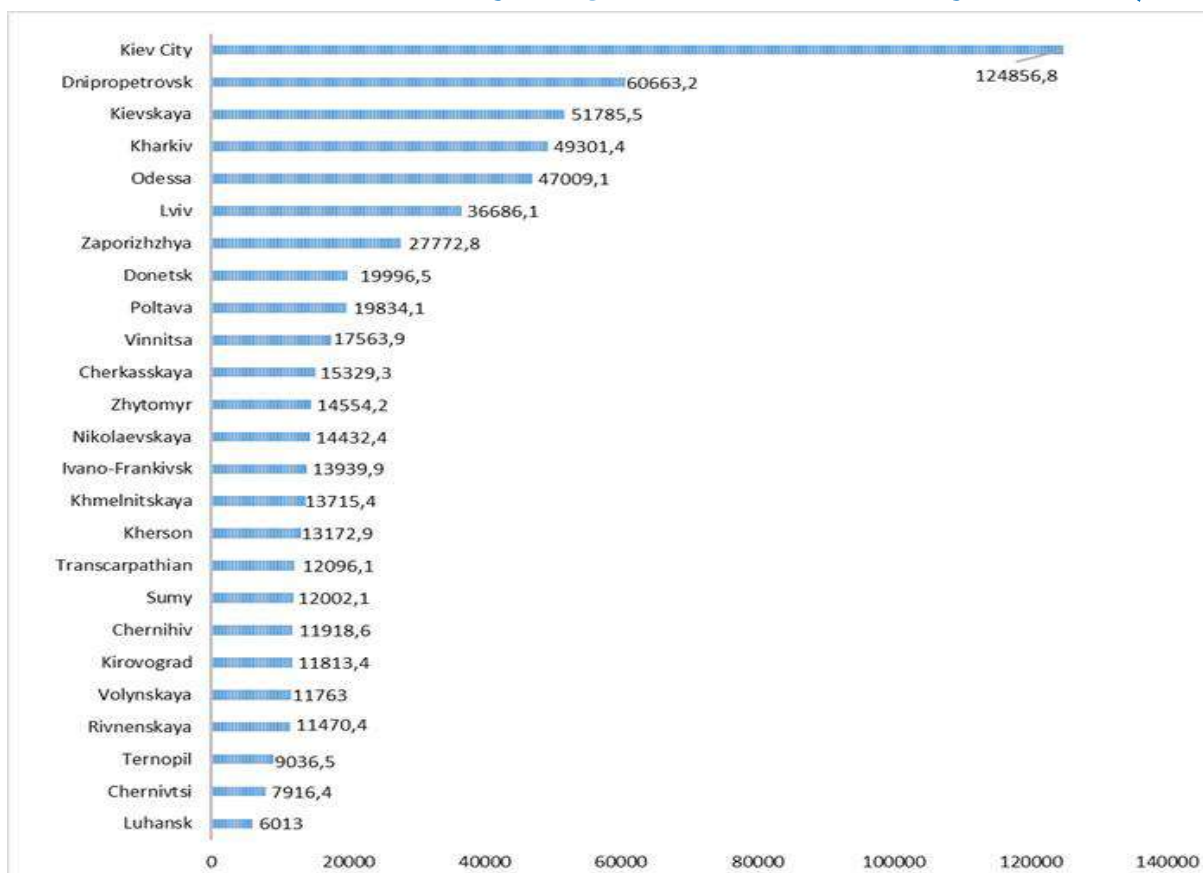
At the same time, import of cheese in the first nine months of 2020 increased by 2.3 times, to 33,740 tonnes, in monetary terms by 2.2 times, to \$148.86 million.



According to the ministry, export of milk and cream (condensed) in the first nine months of 2020 decreased 30.3%, to 21,540 tonnes. Ukraine supplied condensed milk and cream for a total of \$43.6 million, which is 33.5% less than in January-September last year. Import of this group of goods increased 3.2-fold, to 4,870 tonnes, in monetary terms by 3.3 times, to \$10.95 million.



Retail turnover in Ukraine by regions in Jan-July 2020 (UAH mln)



Ukrainian designers will represent the country at Dutch design week

Three of the best designs will debut at a key European design and innovation event

Kyiv, October 15, 2020. — From 17 to 25 October, Ukrainian designers will take part in the Dutch Design Week — the largest design event in Northern Europe. This year, our country will be represented by three teams who have won the competition within the framework of the international European Design Upgrade project. The project is being implemented in partnership with K.Fund, GoLocal and Brussels Creative, Belgium and Urban Mill, Finland.

“At the time of serious global changes in Europe and the world, Ukraine’s participation in the role of the leader of the international consortium of cultural institutions is especially important. In the process of implementing the project, Ukrainian designers and mentors exchanged a huge number of ideas with Finnish and Belgian partners and enriched each other with invaluable experience,” Olena Dobrorodneva, Vice President of K.Fund, conceptual leader of European Design Upgrade project, said.

“*The European Design Upgrade project has shown how resilient our creative community is. We are often pointed as the future engine of the European economy. And I think the Covid-19 challenges will increase the importance of this role. During the pandemic, our program changed into a hybrid format – and as a result we got a lot of new and inspiring ideas, and cross-cultural teams made projects more creative and multidisciplinary,*” Alan Heureux, co-founder of Brussels Creative, said.



The participation of Ukrainian designers in Dutch Design Week was preceded by a lecture program, a hackathon, prototyping and competitive selection, according to which three winning teams were selected from 37 applicants. All projects have a social impact and are trying to solve acute social problems.

- The authors of the Nano Retention project have developed a special biomaterial that can retain water and block the noise of the city. To do this, designers use bacterial cellulose — a material that bacteria produce during the fermentation of kombucha.

- The Changeable project team creates removable textile and 3D printed prosthesis covers. This approach allows not to hide the prosthesis, but to make out of it a stylish accessory.
- Prints on clothes from the Pink Glasses project in ultraviolet light are complemented with new details – and highlight the problems of global warming, pollution, war or discrimination.

During Dutch Design Week, Ukrainian designers plan to hold presentations and meetings online. Details will be published on the project’s Facebook page.

In addition, on October 22 at 10.30 am within the framework of Dutch Design Week in the UNIT.City innovation park (UNIT.Core premises), an exhibition of the design projects of finalists will be held. It will open with an international discussion “What is radical creativity?”. During the discussion the experts from Belgium, Finland and Ukraine will talk about the challenges that the Ukrainian creative ecosystem is facing and discuss opportunities for development and cooperation.

ADDITIONAL INFORMATION

Dutch Design Week is the largest annual design event in Northern Europe that presents works and concepts from over 2,600 designers to over 355,000 visitors.

K.Fund was founded by Ukrainian entrepreneur Vasyl Khmelnytsky in 2015 to support projects in the field of education and economics. K.Fund’s mission is to provide keys for development and implementation, provide opportunities for acquiring new knowledge and skills, to promote discoveries and help to reach a new level.

The project is funded with the support of the European Commission. The publication reflects solely the views of the author and the Commission cannot be held responsible for any use of the information contained therein.

The project is funded with the support of the Ukrainian Cultural Foundation.

Ukraine will have only 750,000 ha of farmland in state cadastre after transfer of 2 mln ha to communities

After the transfer to communities of 2 million hectares of land in municipal ownership, 750,000 hectares of state agricultural land will remain in the state geocadastre, Roman Leschenko, the head of the State Service of Ukraine for Geodesy, Cartography and Cadastre, has said.



"In Ukraine, 10.4 million hectares of state-owned agricultural land do not exist ... 1.7 million hectares of state-owned land were transferred to municipal ownership in 2018-2019, and today, having signed a historical decree, we are transferring more than 2 million hectares of land to communities ... According to the state land cadastre, after the transfer of more than 2 million hectares of land in Ukraine, 750,000 hectares of state-owned agricultural land will remain in the state geocadastre," he said, speaking at the land forum Land for the People in Chernihiv region.

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.

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

Ukraine raises poultry export in Jan-Sept

Ukraine in January-September 2020 increased export of poultry by 6.7% compared to the same period in 2019, to 323,730 tonnes, the State Customs Service has reported.

According to its data, in monetary terms, exports of these products fell by 4.4%, to \$420.03 million.



At the same time, imports of poultry for the first nine months of this year decreased 17.2%, to 78,460 tonnes, in money terms by 13.9%, to \$32.62 million.

Pork export, according to the State Customs Service, increased 28.7%, to 2,060 tonnes. These products were delivered for \$4.62 million, which is 30.2% more than in January-September 2019. In January-September 2020, pork imports to Ukraine increased 4.8%, to 19,200 tonnes, in monetary terms by 11.3%, to \$38.78 million.



In addition, over the indicated period, Ukraine reduced export of eggs by 16.4%, to 88,850 tonnes, in monetary terms by 5.5%, to \$79.38 million.

In January-September 2020, egg imports fell by 50%, to 2,090 tonnes, in monetary terms by 54.6%, to \$7.47 million.

SUBSCRIBE FOR UPDATES

