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Ukrainian FM: strategic partnership between Ukraine and us to continue developing under any president

Ukrainian Foreign Minister Dmytro Kuleba states that the strategic partnership between Ukraine and the United States will develop regardless of who wins the American presidential election.

"My only wish regarding the American elections is that they end as soon as possible, the U.S. president-elect take the oath and we could move on in developing a strategic partnership between our countries, which, I am sure, will develop under any president. The only question is the speed of development," said the head of the Ministry of Foreign Affairs of Ukraine in an exclusive interview with the Interfax-Ukraine agency.

He stressed that Ukraine was, is and will be on the sidelines of the U.S. presidential campaign. "We were, are and will be on the sidelines of this campaign. We believe that American democracy is mature enough to make decisions and make choices that are in the interests of the American people," Kuleba said.

The minister also pointed out that Ukraine's largest asset in the United States is bipartisan support.

"In fact, there is a clear position of the president, which has been stressed many times, there is a clear position of the Foreign Ministry that Ukraine's largest asset in the United States is bipartisan support. This is the fundamental principle of our policy towards the United States. The president's surname or party affiliation does not matter as long as Ukraine is equally supported by both democrats and republicans," Kuleba added.

HEADLINES



UKRAINE IS PLANNING TO IMPLEMENT PILOT PUBLIC-PRIVATE PARTNERSHIP PROJECTS



DANISH COMPANY TO INVEST EUR 11 MLN IN NEW PLANT IN UKRAINE



UKRAINIAN PHARMA MARKET COULD GROW BY 6% IN 2020



HOUSING PRICES IN UKRAINE GROW IN PRIMARY MARKET BY 7.7%, IN SECONDARY MARKET BY 10.6% IN Q3



UKRAINE AND CHINA SIGN COOPERATION PROGRAM WHICH CONSISTS OF 69 JOINT PROJECTS IN AEROSPACE INDUSTRY



UKRAINIAN-U.S. ALPHA LAUNCH VEHICLE TO BE LAUNCHED INTO SPACE IN DECEMBER

Ukraine is planning to implement pilot public-private partnership projects, implementation to attract more than \$9 bln of investment

Ukraine is planning to implement the first pilot public-private partnership (PPP) projects in the road industry, transferring six highways to concession.

A source in the industry told Interfax-Ukraine that the first sections and routes for PPP implementation will be offered:



- a section of the M-03 road from Boryspil to Poltava;
- a section of the M-06 road from Kyiv to Rivne;
- the route from Dnipro to Kryvy Rih and Mykolaiv (M-04, H-11);
- the route Yahodyn – Kovel – Lutsk (M-07, M-19);
- the route Kharkiv – Dnipro – Zaporizhia (M-29, M-04, M-18);
- a section of the M-14 road from Kherson to Mykolaiv.

At the same time, a private investor will undertake the obligation to update and develop the existing road, and funds will be allocated from the Road Fund to support the investor, provided that he observes all obligations on the quality of road maintenance.

Instead of collection of fares, it is planned that the investor will earn by developing roadside infrastructure: gas stations, catering establishments, advertising space, etc.

According to Minister of Infrastructure of Ukraine Vladyslav Krykliy, the implementation of the entire program will allow in the medium term to attract more than \$9 billion of private investment in the restoration and maintenance of more than 4,500 kilometers of national highways.

The first public-private partnership program in the road sector of Ukraine is planned to be presented in Kyiv on October 29, 2020.



Danish company to invest EUR 11 mln in new plant in Ukraine

The manufacturer of upholstered furniture Hjørt Knudsen (Denmark) intends to invest EUR 11 million in the construction of an enterprise for production of designer furniture on the outskirts of Rivne as part of expanding its activities in Ukraine, the press service of Rivne Regional State Administration reports.

"Another powerful investor is entering Rivne region. The Danish sewing company Hjørt Knudsen decided to create a branch in the region. The arrival of such an investor indicates attractive business conditions in the region, which will attract other donors," head of the regional state administration Vitaliy Koval said during a meeting with Director of United Fashion Ukraine Steen Laursen.





The investor plans to build a production facility with an area of 40,000 square meters, create 1,000 jobs. The plans include the creation of a closed cycle production with the manufacture of value-added products.

The project was being prepared for about a year with the involvement of the regional state administration, the InvestInRivne agency.

Currently, Hjort Knudsen has four branches in Ukraine – the divisions of United Fashion Ukraine, namely in Lviv, Pochayiv (Ternopil region), Velyki Mosty and Brody (both in Lviv region). The enterprises produce traditional and designer sofas, club and office chairs, the assortment includes more than 200 fabric models and a wide range of leather upholstery.

State-run Ukravtodor restarts repair of road from Izmail to Vylkove

The State Road Agency of Ukraine (Ukravtodor) has begun repair work on the sections of the route from Izmail to Vylkove with a length of 34 km (Odesa region).

As reported on the Ukravtodor's Facebook page, work is currently being carried out on a ten-kilometer section from the city of Kiliya to the border of Izmail district. Arrangement of the base with crushed stone-sand mixture has already begun here.

The contractor is Rostdorstroy LLC.

It is noted that work is also carried out to develop designed-estimated documentation for the renewal of a 24 km section from Kiliya to Vylkove. The work is scheduled to begin early next year.

According to the agency, drivers will be able to use the updated route next year.

In total, in Odesa region, Ukravtodor plans to renew 194 km of roads in 2020.

Rostdorstroy along with Kyivshliakhbud are incorporated into RDS Group. The core business is construction, reconstruction and maintenance of roads and bridges, construction of airfield complexes.

As of July 2020, RDS operated in nine regions of Ukraine and had 10 production bases. In particular, the group built concrete road N-14 Kropyvnytsky – Mykolaiv, and as part of the reconstruction of road N-31 Dnipro – Reshetylivka in Poltava region the group built an overpass across the railway and a section of the first concrete road in Ukraine. In 2019, the company won a World Bank tender for work on M-03 highway of the first category Kyiv – Kharkiv – Dovzhansky.

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



Ukrainian pharma market could grow by 6% in 2020

By the end of 2020, the pharmaceutical market of Ukraine will grow by 5-6% in national currency, while at the beginning of the year a growth of 14% was expected, Director of AstraZeneca Ukraine LLC Yevhen Gaidukov has said.



“If we had a forecast of about 14% growth in the national currency, now we believe that by the end of the year the market will grow by 5-6% in hryvnia, but growth will depend on the U.S. dollar exchange rate,” he said during the European Business Association (EBA) Global Outlook event held in Kyiv.



Gaidukov said that the key challenge faced by the pharmaceutical market in 2020 was the almost complete absence of patients in clinics since April-May and “absolutely panic demand in March.”

“We, as an industry, were not ready for this. Telemedicine and other means of remote communication between a doctor and a patient were undeveloped. This is the reason for the market decline,” he said.

Under the optimistic scenario, Gaidukov predicts the growth of the pharmaceutical market by 10-11% in 2021.

“For 2021, we believe that the market will grow by 10-11% under the optimistic scenario.

With regard to our company, we want to grow and this year, we will grow several times faster than the market,” he said.

At the same time, Gaidukov said that the pace of the Ukrainian pharmaceutical market “will strongly depend on the reform of the healthcare system, which has slowed down this year, taking into account the prioritization of other things, in particular COVID-19.”

Housing prices in Ukraine grow in primary market by 7.7%, in secondary market by 10.6% in q3

Prices in the primary housing market in Ukraine in July-September 2020 grew by 7.7% compared to the same period in 2019, in the secondary market – by 10.6%, the State Statistics Service has reported.

According to the service, the largest increase in prices in the primary housing market in the third quarter was seen for one-room apartments (by 9.3%) and three-room apartments (8.1%), while two-room apartments had risen in price by 5.9%.

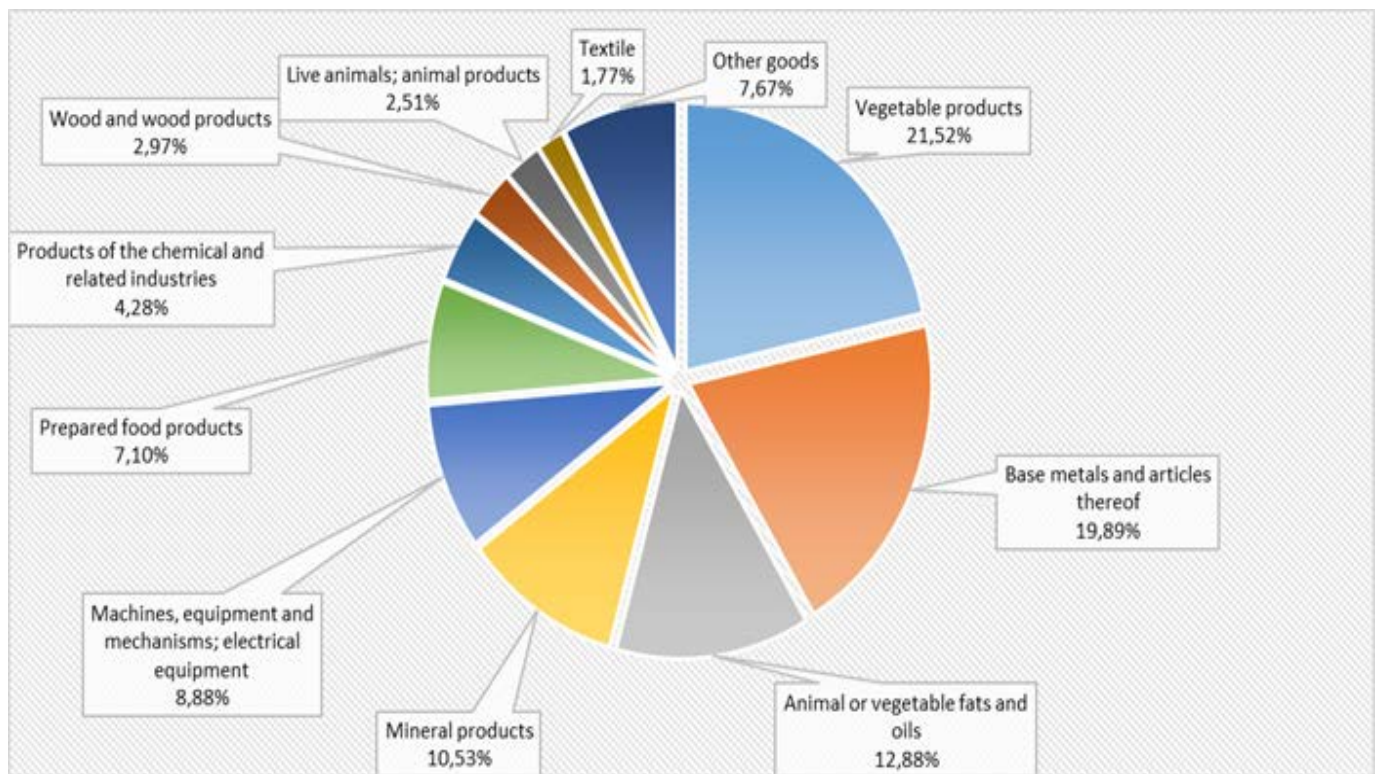
In the secondary market, prices for one-room apartments (by 11.9%) and two-room (11.2%) increased the most, while prices for three-room apartments rose by 8.5%.

At the same time, according to the State Statistics Service, in the reporting period, the growth in housing prices slowed down in the primary market and accelerated in the secondary market. In particular, in the primary market housing prices increased 1.2% compared to the second quarter of 2020: (by 2% for three-room apartments, by 1.6% for one-room apartments and by 0.5% for two-room apartments). At the same time, in the second quarter compared to the first, growth accelerated by 1.8%.

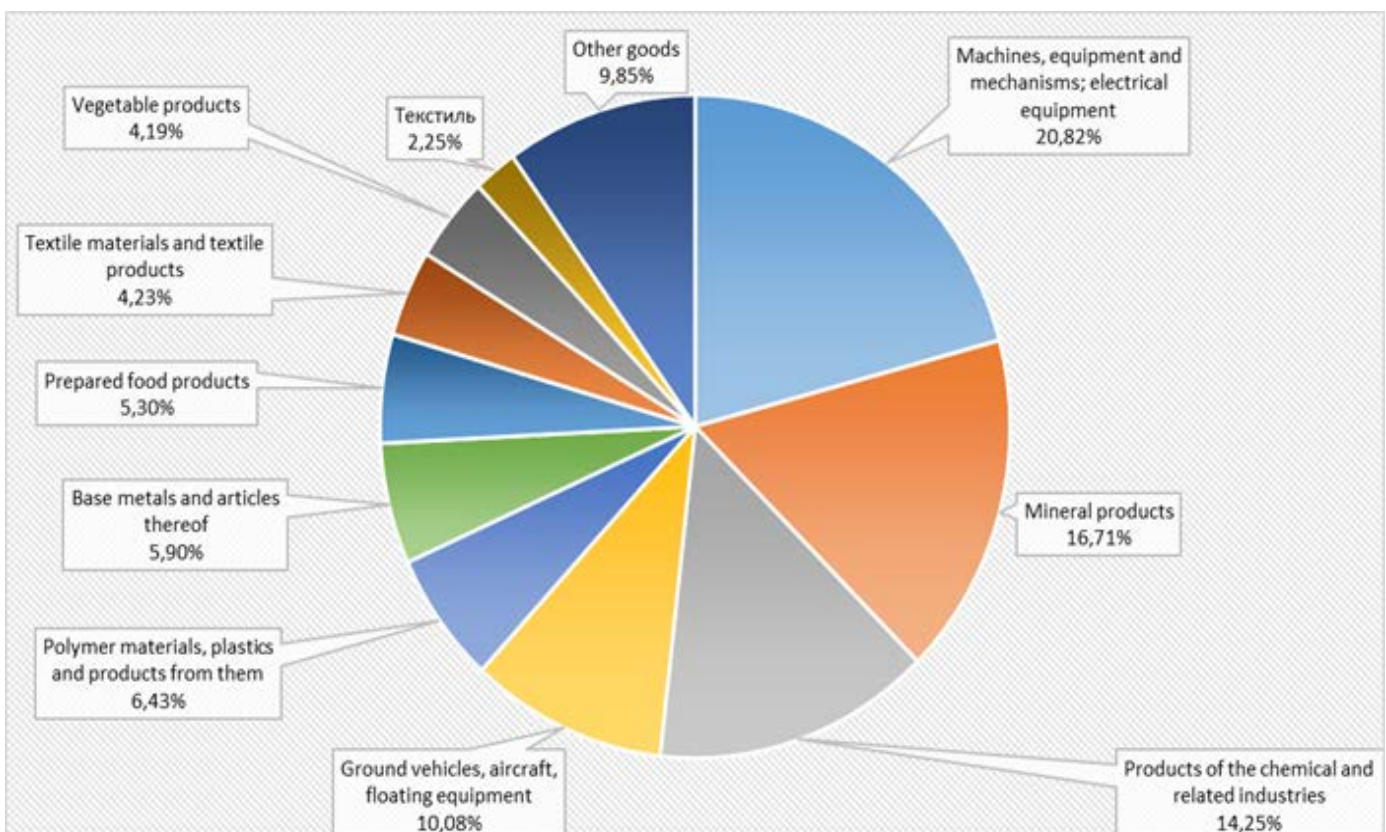
On the secondary housing market in the third quarter of 2020 compared with the second, prices rose by 2.4% (by 3.1% for two-room apartments, by 2.6% – for three-room apartments, by 1.1% – for one-room apartments), while compared with the first quarter they grew by 1.5%.



Foreign trade turnover by the most important positions in Jan-July 2020 (export)



Foreign trade turnover by the most important positions in Jan-July 2020 (import)



New 150 MW wind farm to be built in Ukraine

Wind Power GSI Volyn LLC intends to build a wind power plant with a capacity of 150 MW in Ivanychi and Volodymyr-Volynsky districts of Volyn region.

According to the website of the unified register of environmental impact assessment, within the framework of the project, it is planned to install 28 wind turbines in the territory of Ivanychi district and 1 wind facility in the territory of Volodymyr-Volynsky district with a capacity of up to 7 MW each. The tower height is up to 166 meters, the rotor diameter is up to 170 meters.

It is also planned to build a high-voltage substation of 35/110 kV with an area of up to 1 hectare with transformer equipment to ensure the reception and transmission of generated electricity from the station to the network. The transmission of electricity generated at the wind farm to the unified state power grid will be carried out through the existing 330 kV Novovolynsk substation of Ukrenergo.

The wind farm is expected to generate about 540,000 MWh of "green" electricity.

According to the data of the Unified state register of legal entities and individual entrepreneurs, Wind Power GSI Volyn (Lviv) belongs to Greenville closed non-diversified venture corporate investment fund. The ultimate beneficiary is Ivan Torsky, the director general of TKS Development Holding.



Naftogaz commissions 33 MW solar plant

Naftogaz Group received a feed-in tariff and a license to sell electricity for a new solar power plant in Chudniv, Zhytomyr region.

As the group reported on Wednesday, October 21, the planned volume of productive electricity supply for the first year of solar plant operation, built in September 2020, will amount to at least 36,500 MWh with an expected income of more than UAH 153 million.

Naftogaz clarified that the peak capacity of photovoltaic modules is 33.313 MW, and the capacity at the connection point is 25 MW.

The release states that the plant uses graphene-coated monocrystal photovoltaic modules with one of the highest capacity in its class of 430 W from ZNSHINE PV-Tech Co., as well as SUN2000-185KTL string inverters from Huawei.

"All support elements of equipment and materials are of Ukrainian origin," the company noted.



Donbasenergo posts net profit in Jan-Sept

Energy generating company PJSC Donbasenergo in January-September 2020 received a net profit of UAH 1.393 million against UAH 69.257 million of net loss for the same period last year.

According to the company's statement in the information disclosure system of the National Securities and Stock Market Commission, its net income for the reporting period increased by 9.8% (by UAH 429.648 million), to UAH 4.802 billion, and gross profit by 4.8% (by UAH 16.954 million), to UAH 367.828 million.

Donbasenergo (Sloviansk Thermal Power Plant) in the nine months produced 2.166 billion kWh of electricity (less 11.4% compared to January-September 2019), released 1.948 billion kWh (less by 11.8%), and production of heat energy amounted to 31,311 Gcal (less by 19.8%).



In addition, Donbasenergo announced a general meeting of shareholders scheduled for November 28, 2020, at which, in particular, it is planned to approve reports on the results of the company's activities for 2019, as well as approve the main directions of the company's activities for 2020-2022.

As reported, Donbasenergo received a net loss of UAH 68.997 million in 2019 against UAH 104.111 million of net profit in 2018.

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First container train on China-Kazakhstan-Russia-Belarus-Ukraine new route arrives in Ukraine

The first container train on the China-Kazakhstan-Russia-Belarus-Ukraine new route, which delivered 41 containers with refrigeration equipment, has arrived in Ukraine.

The press service of Ukrzaliznytsia said on Thursday morning that the train had been on the way for 19 days.

Work is underway on the frequency of the train running once a week. "If there is sufficient cargo, the frequency of running will be increased and the train will run according to a clear schedule," the press service said.



In addition, Ukrzaliznytsia is developing an online service to enable customers to order a container seat on a train and pay for the service online, similar to purchasing tickets for passenger trains.

Ukrzaliznytsia recalled that direct container trains from China to Ukraine began to run on the territory of four countries from June 8, 2020. During this time, 13 trains have already arrived.

Container traffic accounts for 2.3% of the total volume of cargo transportation by rail in Ukraine. Currently, 36 container trains organized by Ukrzaliznytsia run on a regular basis across Ukraine.



Ukrainian Farmak gets request on possibility of involving company in clinical trials of Ukrainian COVID vaccine

The pharmaceutical company JSC Farmak (Kyiv) has received a request from the Ministry of Health and scientists regarding the possibility of its involvement in clinical trials of a Ukrainian vaccine against COVID-19, the company has told Interfax-Ukraine.

“*Farmak has recently received a request from the Ministry of Health and scientists about the possibility of involving the company in clinical trials of the Ukrainian vaccine against COVID-19. Also, the state received a request for the possibility of industrial production of the vaccine (if its safety and effectiveness are proved),” the company said.*

Currently, Farmak is studying the request: the company's experts are analyzing the available materials related to the development and are consulting with scientists and representatives of the Ministry of Health.

As reported, the state intends to fund clinical trials of the vaccine.

Farmak manufactures medicines in all fourteen therapeutic groups. Among the main directions are anti-cold, endocrinological, gastroenterological, cardiological, neurological portfolios. The company annually introduces to the market about 20 new complex-component modern drugs, and about 100 drugs are currently in development.

JSC Farmak is a member of the Manufacturers of Medications of Ukraine Association.

According to the unified state register of legal entities and individual entrepreneurs, the ultimate beneficial owner of Farmak is the head of the supervisory board, Filya Zhebrovska, who owns 80% of the company's shares.



Foreign companies interested in entering Ukrainian market of electronic healthcare system

Foreign companies are interested in entering the Ukrainian electronic health care system market, and the Ministry of Health intends to assist them, Deputy Health Minister Yaroslav Kucher said during a press briefing in Kyiv.

“There is an interest from many countries around the world in our system, how it works and whether it is possible to enter the market. It is the best time for this now. Our team is ready to assist new companies, but first of all we support the national producer,” he said.

The deputy minister added that the Ministry of Health is working on approving the concept of the electronic health care system and developing an action plan. In addition, Kucher noted that from 2021 all medical institutions should have access to the electronic health care system.

“In accordance with order of the Ministry of Health No. 587, from January 1, 2021, all medical institutions and private entrepreneurs who have received the appropriate license must be able to enter medical records on referrals and prescriptions for medicines, have access to the electronic health care system respectively,” he said.



Teva pharma company in Ukraine boosts sales of antibiotic Azithromycin

In July-September 2020, the pharmaceutical company Teva increased sales of the antibiotic with active substance Azithromycin in Ukraine, which accounts for about 11% of its total sales in the country in monetary terms, by 5% compared to the same period in 2019 of the year.

Teva-Ukraine pharmaceutical company told Interfax-Ukraine that since the beginning of the pandemic in Ukraine Teva has sold more than 600,000 packages of this antibiotic.

At the same time, according to the results of the third quarter of 2020, sales in general on the Ukrainian pharmaceutical market in the segment of oral antibiotics in monetary terms grew by 14% compared to the same period in 2019.

Teva-Ukraine said that the company produces both original and generic azithromycin, which is used to treat bacterial respiratory tract infections and other infectious diseases.

Azithromycin is included in the protocol for providing medical care for COVID-19 in Ukraine and in many countries around the world.

Ukraine and china sign cooperation program which consists of 69 joint projects in aerospace industry

Ukraine and China have signed a program of cooperation in the field of aerospace for 2021-2025, which consists of 69 joint projects with a total value of contracts of more than \$70 million.

As reported on the website of the State Space Agency of Ukraine (SSAU), the program was signed at a meeting of the Ukrainian-Chinese subcommittee on cooperation in space of the Commission on Cooperation between the Governments of Ukraine and China on October 22. The Ukrainian side was chaired by SSAU Head Volodymyr Usov, the Chinese – by Administrator of the Chinese National Space Administration (CNSA) Zhang Kejian.



The cooperation program will be the main one for joint activities of the two countries in space exploration in the medium term.

During the meeting, an agreement on the establishment of a joint laboratory of space science was also signed and an agreement to strengthen the exchange of information on space activities of the two countries was reached.

The next meeting of the subcommittee on cooperation in the field of space is scheduled for 2021 in China.



Ukrainian-U.S. Alpha launch vehicle to be launched into space in December

The light Alpha launch vehicle (LV) will be launched from Vandenberg Air Force Base (VAFB) in California as early as December 22, 2020, the press service of Firefly Aerospace Inc., a provider of launch vehicles, spacecraft and in-space services, has said, referring to co-owner Ukrainian businessman Max Polyakov and Firefly Aerospace CEO Tom Markusic, who was cited in an interview on Friday by CNBC TV.

Firefly is finishing up work to prepare the launchpad at SLC-2.

While “everything is susceptible to surprises,” with room in the schedule to launch as late as January 31, Markusic said the “full gamut of rules” at Vandenberg means the company has put extra work into certification for Alpha’s first launch.



“Our design has been highly vetted, as we have a lot of requirements that are put on us by the range and that makes the rocket ultimately more reliable,” he said.

He said that it is very reasonable for Firefly Aerospace to expect complete success on the first launch.

Standing at 95 feet tall, Firefly’s Alpha rocket is designed to launch as much as 1,000 kilograms of payload to low Earth orbit – at a price of \$15 million per launch.

Firefly Aerospace was restarted in 2017 by Ukrainian Polyakov, including it in Noosphere Ventures.

Air Arabia resumes flights from united Arab Emirates to Ukraine

Air Arabia has resumed regular flights from the United Arab Emirates (UAE) to the Boryspil International Airport.

“Yesterday we met flight G9 261 from Sharjah and congratulated the crew on the resumption of regular flights,” the airport said on its Facebook page.

According to the Boryspil airport, Air Arabia will operate flights four times a week: on Wednesdays, Fridays, Saturdays and Sundays.



Ukraine ranks 13th in world steel rating

Ukraine’s metallurgical enterprises in September 2020 reduced steel production by 5.4% compared to the same period in 2019, to 1.651 million tonnes, ranking 13th among 64 countries, the world’s main producers of these products compiled by the World Steel Association (Worldsteel).



In September, a drop in steel production from September 2019 was recorded in most of the top ten countries, except for India, Japan, the United States and Germany.

The top ten steel producing countries in September are as follows: China (92.555 million tonnes, an increase of 10.9%), India (8.52 million tonnes, a drop of 2.9%), Japan (6.486 million tonnes, a drop of 19.3%), Russia (5.86 million tonnes, 0.8% up), South Korea (5.831 million tonnes, 2.1% up), the United States (5.709 million tonnes, a drop of 18.5%), Turkey (3.225 million tonnes, an increase of 18%), Germany (3.018 million tonnes, 9.7% down), Brazil (2.574 million tonnes, an increase of 7.5%), and Vietnam (2.321 million tonnes, an increase of 45.3%).



Metinvest sees EBITDA rise by 5.9%

The income of Metinvest B.V. (the Netherlands), the parent company of the Metinvest mining and metallurgical group, in August 2020 decreased by 7.9%, or \$72 million, to \$838 million from \$910 million, compared to the previous month. According to the published preliminary unaudited consolidated monthly results of the company's financial statements, the overall rate of EBITDA amounted to \$216 million in August, which is \$12 million more than in July (\$204 million), while EBITDA from participation in the joint venture was \$48 million (in July \$30 million).

According to the report, the adjusted EBITDA of the metallurgical division of the group for August 2020 amounted to 'plus' \$91 million (in July 'plus' \$57 million), including \$7 million from participation in the joint venture ('minus' 5 million); EBITDA of the mining division totals \$134 million (in July \$154 million), including income from the joint venture \$41 million (\$35 million). The management company's expenses amounted to \$6 million (\$6 million).



METINVEST

Ukrainian Severodonetsk Azot to restart production of medical oxygen

PrJSC Severodonetsk Azot, part of the group of nitrogen business enterprises Group DF, is preparing to produce oxygen for medical use and has already submitted the necessary documentation package to the State Expert Center of the Ministry of Health.



“All organizational issues related to permits must be resolved as quickly as possible. The region has a difficult epidemic situation with COVID-19,” the Group DF said in a Tuesday press release, quoting Board Chairman of Severodonetsk Azot Leonid Buhaev from a working meeting with Head of the Luhansk Regional Administration Serhiy Haidai.

The company said that it has already received a license from the State Service of Ukraine on Medicines and Drug Control for the production and sale of oxygen for medical use.

Severodonetsk Azot is one of the largest Ukrainian chemical enterprises. It has been part of Dmytro Firtash's Group DF since 2011.

Kyivstar extends 4G coverage in Ukraine

The mobile operator Kyivstar has increased 4G coverage in the nine regions of Ukraine, having installed 29 base stations at LTE900 frequencies.

According to the operator's statement, residents of 176 settlements in Vinnytsia, Dnipropetrovsk, Donetsk, Kirovohrad, Lviv, Mykolaiv, Poltava, Khmelnytsky, and Cherkasy regions got the opportunity to use high-speed mobile Internet.

4G mobile communications became available in the cities of Hirnyk, Ocheretyne, Rodynske, Siversk (Donetsk region), Zhydachiv, Khodoroiv, Busk (Lviv region), Kotelva (Poltava region), Balakhivka, Molodizhne, (Kirovohrad region) and in dozens of villages. More than 160,000 people have the opportunity to use mobile Internet at high speed up to 100 Mbps.

The total number of Kyivstar mobile base stations exceeded 38,000 in October.

Kyivstar has provided access to 4G for almost 85% of the population.

In 2020, the operator invested more than UAH 4 billion in the development of new mobile technologies.

Myronivsky Hliboproduct increases exports of chicken meat

Myronivsky Hliboproduct (MHP) in July-September 2020 sold 195,120 tonnes of chicken meat, which is 18% more than a year ago. MHP said on Wednesday that chicken meat sales grew by 2%, to 523,760 tonnes in January-September 2020.



"Third parties sales amounted to 523,759 tonnes of poultry, which is 2% higher than in 9M 2019, driven mainly by substantial increase in exports in Q3 2020 – 37% year-on-year to 108,472 tonnes due to the increased sales to MENA region predominantly as well as to Africa and CIS," the company said. MHP said that overall chicken meat sales volumes in Q3 2020 increased by 18% compared to Q3 2019 and by 14% compared to Q2 2020, driven mainly by the company's strategy to decrease its poultry stocks accumulated during the preceding periods – in late 2019 and 2020.

Notwithstanding the turbulent times, MHP continued to follow its strategies of both geographic diversification and of a product mix optimization developing partnerships across the MENA, CIS, EU and Africa countries.

Retail turnover in Ukraine increases by 11.6% in September

Retail turnover in Ukraine increased by 11.6% in September 2020 as compared to the same month in 2019 in comparable prices, while in the previous month it grew by 8.7%, the State Statistics Service said on Wednesday, October 21.

According to its data, retail turnover decreased by 0.7% in September as compared to August 2020.

Retail turnover increased by 6.7% in January-September 2020 compared to the same period last year.

The largest increase in retail turnover of enterprises (legal entities and individual entrepreneurs) in the nine months of 2020 compared to the same period in 2019 was registered in Kyiv (by 16.6%), Zaporizhia (by 14.1%), Chernihiv (by 12.4%), Volyn (by 12.3%), Kirovohrad (by 11.3%), Dnipropetrovsk (by 8.8%), Poltava (8.6%) and Khmelnytsky (8.4%) regions, as well as in Kyiv (7.7%).

The State Statistics Service reminds that the data is given without taking into account the temporarily occupied territory of the Autonomous Republic of Crimea, Sevastopol, and part of Donetsk and Luhansk regions.



Kernel cuts sales of sunflower oil

Kernel, one of the largest Ukrainian agrarian groups, in the first quarter of 2021 fiscal year (FY), which began in July 2020, reduced sales of sunflower oil by 2% compared to the same period last FY, to 296,240 tonnes.

According to a report on the website of the Warsaw Stock Exchange on Monday, bottled sunflower oil sales in the specified period constituted 11.5% of total sales (in the same period last FY – 8.4%).

In July-September of this year, the holding's oil extraction plants processed 662,610 tonnes of oilseeds, which is 5% more than in the first quarter of FY2020.



The company said that this is – the largest ever volume in the first quarter of the financial year.

According to the report, the volume of grain exports from Ukraine in the first quarter of FY2021 increased by 31%, to 2.13 million tonnes, of which 1.9 million tonnes originated from external suppliers, and the remaining volumes being produced by company's farming division.

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Winemaking company Chateau Chizay to launch production of brandy, cognac and sparkling wine

Chateau Chizay Winemaking Company LLC (Berehove, Zakarpattia region) plans to start producing sparkling wine, brandy and cognacs.

Investments in the launch of the last two products will amount to about \$ 2 million, Hennadiy Hutman, the owner and founder of Chateau Chizay, said.

"We are planning to produce brandy and cognac. Now we are designing an alcohol storage facility for 63,000 dal. This will be a completely new line and a new direction in Chateau Chizay. Construction is planned at our primary wine-making plant, where grapes are processed. We also plan to produce sparkling wine that is another new direction for us. The target price of the project for brandy and cognac is approximately \$ 2 million," he said in an interview with Interfax-Ukraine.

Under favorable conditions, the company plans to launch the production of brandy and cognac in January-February, sparkling wine in 2021.

Answering the question about the impact of the pandemic on the sales of Chateau Chizay wines, the owner of the company noted that sales fell by 50% in the spring 2020 compared to the spring 2019.

"Now the market is reviving, but the uncertainty of the situation with the coronavirus is scary. If in the first months of the pandemic the fall was 50-55%, then since August there has been an increase, now there will be a decline again," Hutman said.

Despite COVID-19, the winemaking company continued to open up new markets for its products, so in 2020 Chateau Chizay began delivery to Britain, Denmark, and signed a delivery contract with Japan, Norway and Mexico.

"Now we are preparing a small delivery, but it is still very interesting, to one of the wine-making regions, Hungary. We have been delivering our wines to the United States, Canada, Israel, and Australia for several years. This year we have shipped 50,000 liters of wine to Kyrgyzstan, this is a good and interesting market," the founder of the company mentioned

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