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Ukraine is not planning to halt air traffic



Ukraine is not planning to halt air traffic and is working to prevent risks for airline, the Ukrainian authorities said. Reports about Ukraine closing its airspace are not true, the Ukrainian Ministry of Infrastructure said in a statement. The closure of airspace is Ukraine's sovereign right; no such decision has been made, the ministry said.

"Today [on February 13], there was a working meeting in the Ministry of Infrastructure. Senior officials of the Office of the President of Ukraine, the State Aviation Service of Ukraine, state-owned enterprise UksATSE, Boryspil International Airport and Ukrainian airlines attended the meeting dedicated to the situation on the air transport services market. A solution preventing any further exacerbation of the situation was elaborated at the meeting," the ministry said.

A majority of airlines are continuing operations without any restrictions, it said.

"Some carriers face difficulties associated with fluctuations on insurance markets. The state, for its part, is ready to support air carriers and is planning to provide additional financial guarantees to support the aviation market," it said.

HEADLINES

16 February 2022



UKRAINIAN GOVERNMENT APPROVES FREE TRADE AGREEMENT WITH TURKEY



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CHINA, EGYPT, TURKEY ARE MAIN IMPORTERS OF UKRAINIAN GRAIN IN 2021



LARGEST SUGAR PRODUCER IN UKRAINE TO INVEST \$15 MLN IN NEW SILO CONSTRUCTION

Ukrainian government approves free trade agreement with Turkey

The Cabinet of Ministers approved the draft Free Trade Agreement (FTA) with Turkey at a government meeting. According to First Deputy Prime Minister, Minister of Economy Yulia Svyrydenko, the agreement will bring an additional 2% of GDP annually.

“The basis of the agreement is the zeroing of duties by Turkey for 10,337 commodity items. This is 95% of the total number of goods. Another 1,348 commodity items will be subject to tariff quotas or duty reduction,” she said, presenting the draft FTA Agreement with Turkey at the government meeting.



Currently, Ukraine exports 1,100 commodity items to Turkey, since Turkey has one of the highest levels of customs protection in the world, she said. At the same time, the level of Ukrainian customs duties is one of the lowest.

“In recent years, we have begun to observe that Ukrainian duties have generally ceased to be a barrier to Turkish goods, while Turkish duties for our goods have been an impenetrable wall for entering their market,” Svyrydenko said.

According to her, Ukraine reserves the right to apply a duty on the export of scrap metal.

US President calls on all US citizens to leave Ukraine

US President Joe Biden called on all Americans who remain in Ukraine to leave the country.

“American citizens should leave now,” Biden said in an interview with NBC News.

“It’s not like we’re dealing with a terrorist organization. We’re dealing with one of the largest armies in the world,” he said.

“It’s a very different situation, and things could go crazy quickly,” Biden said.

However, he noted that Russian President Vladimir Putin “is smart enough not to, in fact, do anything that would negatively impact on American citizens.”

France provides EUR 1.2 bln to Ukraine

EU macro-financial assistance in the amount of EUR 1.2 billion, in providing which France has taken an active part, will be used to stabilize the Ukrainian economy, President of Ukraine Volodymyr Zelensky has said following a meeting with French President Emmanuel Macron.

“Economic support is very important, and we really appreciate such a step of solidarity with other states, a powerful step on the part of Emmanuel, on the part of France – the allocation of EUR 1.2 billion in macro-financial assistance to Ukraine. This will really help us stabilize our economy. We are already doing well, but this is a powerful step for the economic sustainability of Ukraine,” Zelensky said at a joint press conference with Macron.



EU council approves EUR 1.2 bln aid to Ukraine

The Council of the European Union approved on Friday the decision of the European Commission to provide additional macro-financial assistance worth EUR 1.2 billion to Ukraine.

“The current geopolitical tensions are having a severe economic impact on Ukraine. Member states are ready to provide EUR 1.2 billion macro-financial assistance. We decided to support the Commission’s proposal today, so that the financial help can reach Ukraine without delay,” President of the EU Council, French Minister for Economic Affairs, Finance and Recovery Bruno Le Maire said.

The decision will come into force after approval by the European Parliament, which should happen in the near future. The emergency macro-financial assistance is set to have a duration of 12 months and it would consist of two disbursements. The disbursement of the second tranche would be linked to the continuous satisfactory implementation of both an IMF programme and the policy measures agreed in the Memorandum of Understanding.

“Persistent security threats have triggered a substantial outflow of capital. Against the backdrop of the loss of access to international capital markets due to the heightened geopolitical uncertainty and its impact on the economic situation in Ukraine,” the EU Council press service said, justifying the urgency of providing additional assistance.

I-Dolina will cooperate with KNUCA and the State Fund for Youth Housing

On January 31, this year, Kyiv National University of Construction and Architecture hosted a ceremony of signing a landmark memorandum of cooperation between the International Technology Transfer Association (ITTA) headed by Artem Honcharenko, Kyiv National University of Construction and Architecture led by rector Petro Kulikov, and the State Fund for Youth Housing run by Serhiy Komnatnyi and I-Dolina headed by Chairman of the Board Alexander Teplyuk.



Artem Honcharenko, President of the International Technology Transfer Association (ITTA), drew attention to the possibility of using world experience in government programs to support and attract foreign investors, providing them with favorable conditions. Experts of the association will help develop these areas and increase the number of attracted investments..

According to experts, by 2030, the global professional imbalance will exceed 1.4 billion people, and, accordingly, the losses of the world economy will reach 5 trillion dollars.

Therefore, the creation of the latest programs on the development of innovative educational resources will provide an opportunity not only not to prevent losing existing potential but to become a global leader in this regard.

It is no secret today that Ukraine is a leader regarding the quality and number of IT specialists, and revenues to the country’s budget from this industry are increasing every year.

Therefore, the coalition of Kyiv National University of Civil Engineering and Architecture, namely its educational base, innovative approaches, and professionals of the International Technology Transfer Association (ITTA), International Creative Center I-Dolina, and the State Fund for Youth Housing, will support several activities to be developed. Projects are designed to provide both Ukraine and other countries with modern personnel in construction and architecture.



“We have previously cooperated with the State Fund for Youth Housing, and from today this cooperation will be even deeper and more valuable for all of us, and especially for the staff of our university,” – rector Petro Kulikov.

Minister of Health: Lockdown not provided in Ukraine

Minister of Health of Ukraine Viktor Liashko said that a lockdown due to the omicron coronavirus strain is not envisaged in Ukraine, the press service of the Ministry of Health reported. "There will be no lockdown. We work in an adaptive quarantine that provides for a 'red zone,'" the press service of the Ministry of Health quoted Liashko as saying.

It is reported that at present there are enough vaccines against coronavirus in the country, so it is inappropriate to talk about tightening quarantine measures.

At the same time, the Ministry of Health notes that as soon as the vaccination rate reaches 70%, adaptive quarantine will also end.



Indian-based Indegene plans to open office in Ukraine

Indian-based Indegene, in which Carlyle and Brighton Park Capital announced a \$200 million investment for global expansion and acceleration of M&A deals a year ago, plans to open offices in Lviv (Ukraine), Krakow and Rzeszow (Poland), as well as Guadalajara (Mexico) for healthcare consulting and life sciences research.

“

"We are very impressed with the deep talent pool in Mexico, Poland and Ukraine. They have contemporary digital skills, great analytical abilities, and a nuanced understanding of user experience. We look forward to enhancing it with life sciences expertise and modern business process knowledge. Together, these skills open up tremendous career opportunities for a diverse, local talent community in a purpose-driven industry," Manish Gupta, the co-founder and CEO of Indegene said.



Indegene, founded in 1998 by five entrepreneurs, has become a major player in the digital transformation market for medicine and healthcare. With more than 3,000 employees in North America, Europe, China, Japan and India, Indegene provides technology platforms and commercialization services to pharmaceutical, biotech and healthcare companies and has completed at least seven M&A transactions over the years.

Number of branches of Ukrainian banks goes down by 6.3%

Ukrainian banks in 2021 reduced the number of structural units by 6.3%, or by 449 branches, to 6,685.

According to data on the website of the National Bank of Ukraine (NBU), in 2021 Oschadbank closed 235 branches (reducing their number to 1,602), PrivatBank – 220 (to 1,497), UkrSibbank – 21 (to 251), Alfa Bank – 17 (to 201), Pivdenny Bank – 10 (to 87), Ukreximbank – 9 (to 53), Ukrgasbank – 8 (268), PIB – 7 (19), Sberbank – 5 (85), Raiffeisen Bank Aval – 4 (to 392).

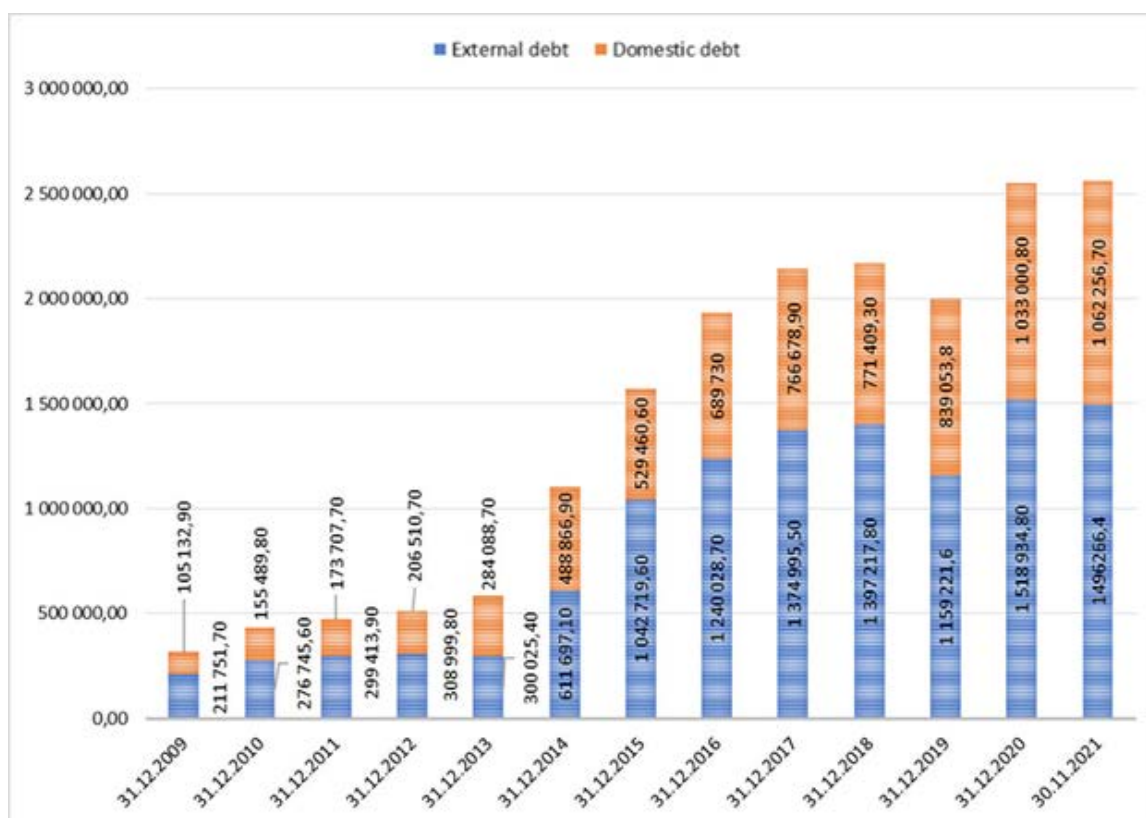
At the same time, in 2020 banks opened 84 branches, including Accordbank – 28 branches, expanding its regional network to 107 branches, FUIB – 24 (up to 248), Crystalbank – 12 (up to 36), A-Bank – 7 (up to 239), Alliance Bank, CIB and Ukrbudinvestbank – 5 each (up to 30, 43 and 53, respectively).

According to the data of the National Bank, as of January 1, 2022 Oschadbank remains the leader in terms of the number of branches (1,602), the second place is occupied by PrivatBank (1,497), the third is Raiffeisen Bank Aval (392), the fourth is Ukrgasbank (268) and the fifth – UkrSibbank (251).

As in the first half of the year, Prominvestbank (PIB), Albank, Credit Europe and Family banks, BTA Bank, ING Bank Ukraine, Citibank, Trust-Capital Bank, the Ukrainian Bank for Reconstruction and Development (UBRD), CreditWest Bank, Deutsche Bank DBU, SEB Corporate Bank, Alpari Bank, Avangard Bank and Portal Bank, according to the regulator's data, operate with one open branch.



Internal and external debt of Ukraine in 2009-2021



Ukraine International Airlines operates flights without changes

Ukraine International Airlines (UIA) will continue operating flights according to the existing schedule, the company's press service reported on February 14. "Ukraine International Airlines will continue to operate flights according to the existing schedule, operating 16 medium-haul aircraft without any changes in the schedule. In particular, today's evening flights and tomorrow's morning flights are operated without changes," the company said in a statement.

UIA said the preservation of operational work was made possible by a constructive dialogue between UIA's business partners, as well as cooperation with the Government of Ukraine.

"Currently, tickets for flights of UIA and partners are on sale on the official website of the airline. The airline will continue to regularly report any possible changes in its operations," the airline said.



Subdivision of Avtostrada group completes drilling work on interchange at Darnytsky bridge

The bridge-building subdivision of Avtostrada group of companies continues work on the construction of the left-bank interchange of the Darnytsky Bridge in Kyiv; at present, the installation of bored piles has been completed at the facility and preparatory work has begun to install ramp structures.



The press service of the group reported on Tuesday that a total of 55 piles with a diameter of 1.5 meters were drilled and concreted. About 2,500 cubic meters of monolithic concrete was used. To carry out these works, powerful equipment was involved – Bauer BG 45 and BG 36 drilling rigs.

In addition, a number of other works have been carried out. So, at object No. 8L (exit towards Bazhana Avenue), 12 grillages and 23 blocks of bulkhead were installed. Each such block weighs up to 14-15 tonnes. At present, joint grouting work is underway, and in the coming days another 80 blocks will be installed. About 1,200 cubic meters of monolithic concrete was used during the installation of the structure.

8 centers for growing seedlings to be built in Ukraine

Eight centers for growing seedlings with a closed root system will be built in Ukraine in 2022 using the technologies of the Swedish company BCC, according to the website of the State Forest Resources Agency of Ukraine.

“*During this year, we plan to build eight seed breeding factories, which will significantly increase the capacity for growing planting material. This will allow us to successfully implement the Green Country presidential program (President of Ukraine Volodymyr Zelensky) and plant one billion trees in 3 years,” the agency said.*

According to the plans for the construction of forest planting complexes published by the department, plants for growing seedlings will be located in Volyn, Zhytomyr, Zakarpattia, Ivano-Frankivsk, Kyiv, Kirovohrad, Sumy and Chernihiv regions.



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Mining company Ferrexpo reshuffles board of directors

Mining company Ferrexpo with assets in Ukraine has reshuffled its board of directors, changing the scope of responsibility and status of some of its members, the company said in a press release on Friday.

In respect of the role of Senior Independent Director, the Board has elected to appoint Independent Non-executive Director Fiona MacAulay into this role in place of Vitalii Lisovenko, who has completed two and half years in this position.

In turn, Lisovenko will remain as an Independent Nonexecutive Director of the Group, and maintains a strong presence in Ukraine for the Board.



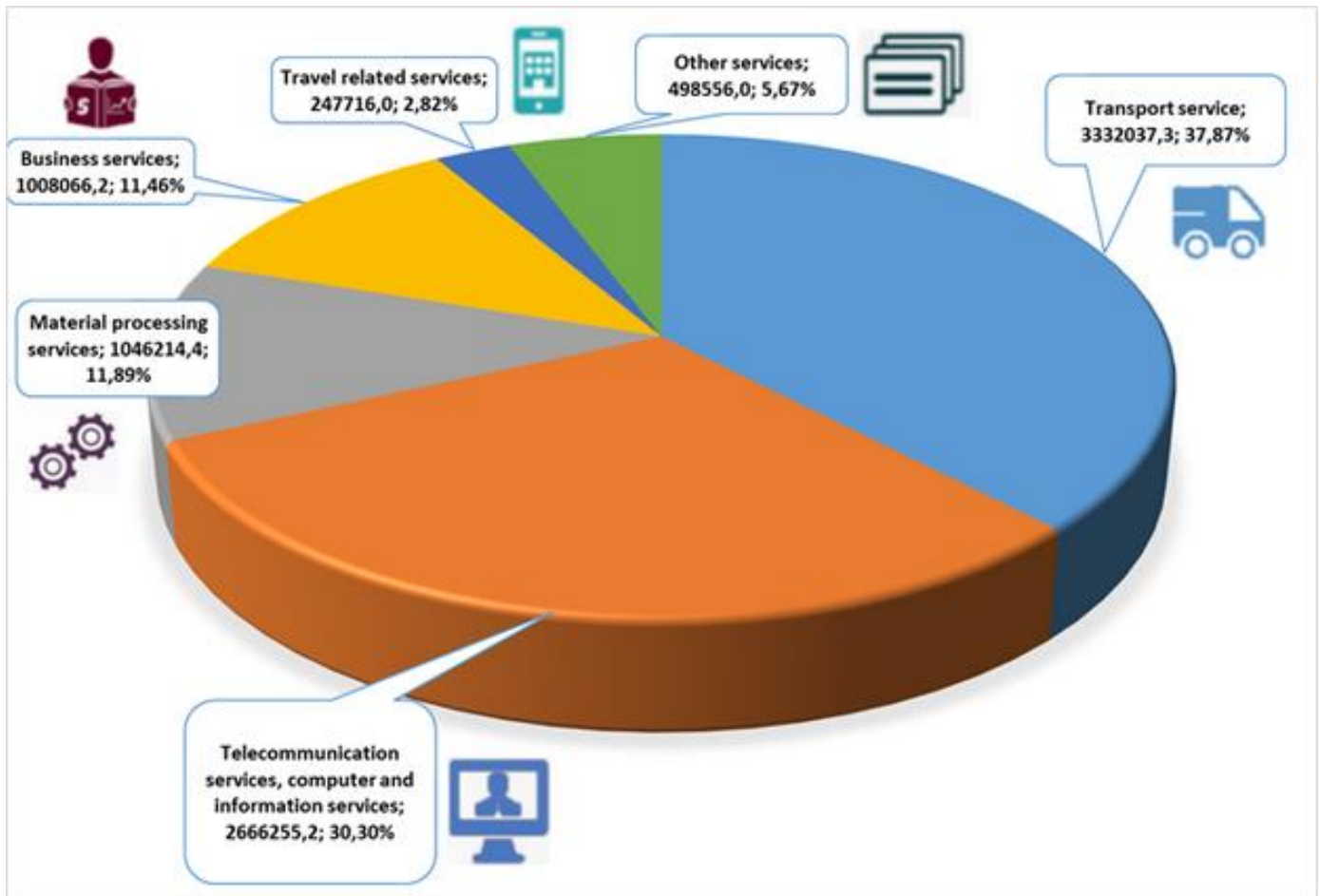
In addition, Independent Non-executive Director Ann-Christin Andersen has been appointed as Chair of the Group's Health, Safety, Environment and Community (HSEC) Committee, with this change effective as of today.

According to the press release, the Board announced the appointment of Natalie Polischuk as an additional Independent Non-executive Director, increasing the Group's Independent Non-executive Directors to five. As part of the changes announced Friday, Polischuk has been appointed as a member of both the Audit Committee and HSEC Committee.

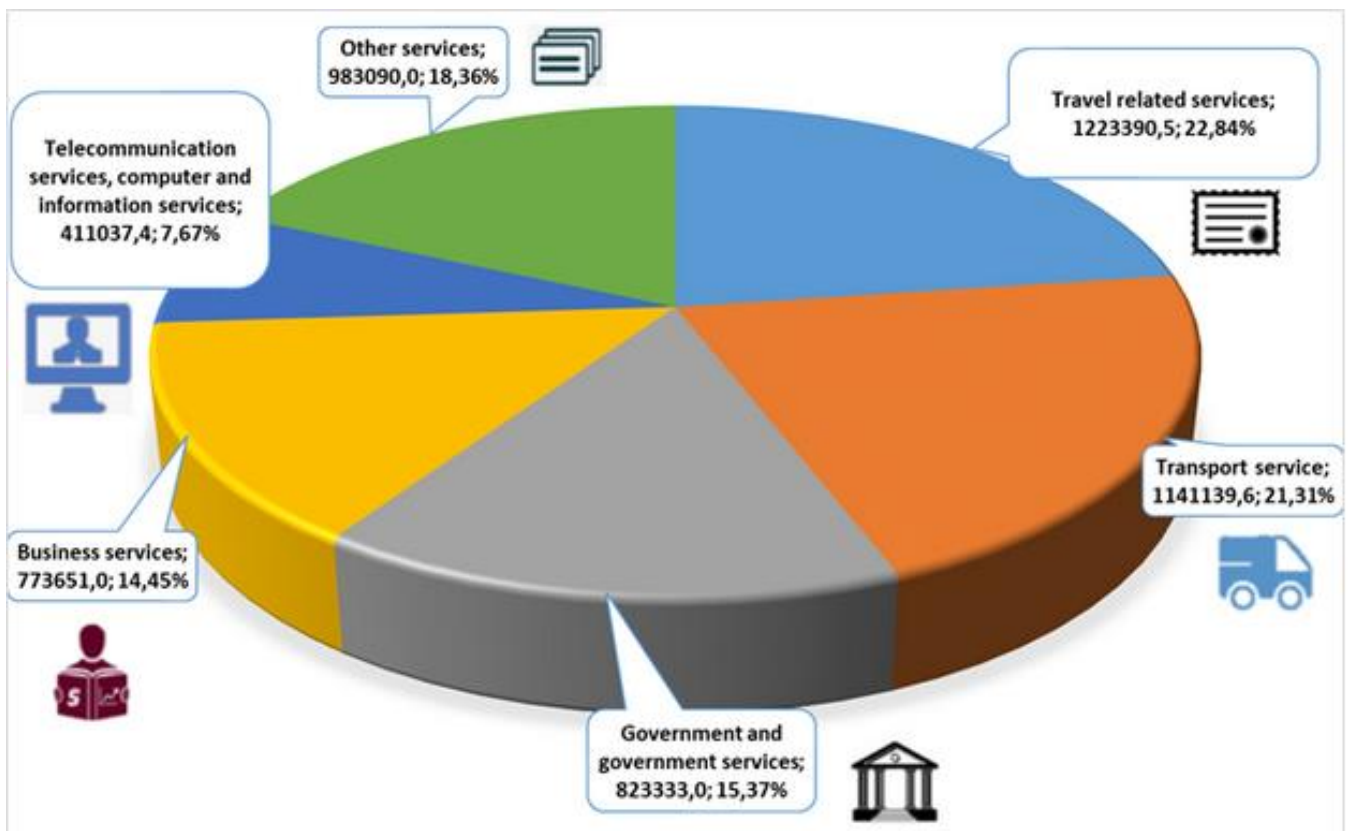
Chairman of the Board of Directors Lucio Genovese welcomed McAulay's appointment as Ferrexpo's Senior Independent Director amid an uncertain backdrop of the global Covid-19 pandemic.



Structure of export of services in Jan-Sep 2021



Structure of import of services in Jan-Sep 2021



American corporation Bechtel to build part of Kiev bypass road

U.S. Bechtel Overseas Corporation with a price offer of UAH 5.3 billion won the competitive selection of the contractor for the construction of the first section of the Kyiv bypass road.

“ *As reported by the State Road Agency of Ukraine (Ukravtodor) on its Facebook page on Friday, in particular, it is about the first 18-kilometer section of the upcoming bypass road from the M-07 Kyiv-Kovel-Yahodyn highway to M-06 Kyiv – Chop.*

It will be a new category I-a bypass road with bridges, overpasses, green bridges for animals and a flyover. In addition, open parking lots will be built, weighing platforms in motion, noise screens and modern lighting will be installed. The construction of a modern autobahn will start after the conclusion of the contract.

Bechtel Overseas Corporation is a world leader in engineering, procurement and construction. The company was founded in 1898 and is the largest construction company in the United States with projects in 160 countries on seven continents. Bechtel has built more than 24,000 km of roads in its history.

As reported, the first stage of selecting a work contractor for the construction of the first section of the Kyiv bypass road was held among three companies: Avtomagistral-Yug LLC, U.S. Bechtel Overseas Corporation and Turkey's Onur.

International conference Ukrainian Pharmaceutical Market

The world's leading event organizer, Global Pharmaceutical Leaders' Club, invites you to participate in the International Conference "Ukrainian Pharmaceutical Market", which will be held on May 24-25, 2022 in a hybrid format with an offline part in Kyiv.

You will find the most relevant programme for the industry developed via an in-depth market research of the target audience, a unique international approach and a mix of the most engaging formats, one-to-one meetings with regulators and top managers from the leading pharmaceutical production and distribution companies and pharmacy chains, the chance to win an award in the competition for the Ukrainian Pharma Inspiration Awards and new promotion opportunities!

Conference in numbers:

- 150+ participants from regulatory authorities, leading international and local pharmaceutical production and distribution companies, pharmacy chains and service providers to the pharmaceutical sector.
- 60+ speakers from regulatory authorities, leading pharmaceutical production and distribution companies and pharmacy chains.
- 10+ sessions – the programme will include 10+ sessions on regulation, strategies, sales and marketing.

For detailed information and registration follow the link

Three major reasons to attend the international conference "Ukrainian Pharmaceutical Market"

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Global Pharmaceutical Leaders' Club also invites pharmaceutical production and distribution companies and pharmacy chains to participate in the contest for the Ukrainian Pharma Inspiration Awards. Applications are accepted in 15 nominations until April 20, 2022. The winners will be announced at the International Conference "Ukrainian Pharmaceutical Market". Details are here:



FTA with Turkey may make some types of Ukrainian agricultural products uncompetitive in Ukraine and in foreign markets

A free trade agreement with Turkey may make some types of Ukrainian agricultural products uncompetitive in Ukraine and in foreign markets, since Turkish food products have already taken a strong position around the world, and similar Ukrainian products may not find markets there.

Head of the Ukrainian Agricultural Export Association (UAEA) Dmytro Kroshka told Interfax-Ukraine on Monday about the impact of the FTA agreement with Turkey signed on February 3 on the export of Ukrainian agricultural products.



“Competition between Ukraine and Turkey is most visible on the markets of third countries. We have already determined that Turkish tomato on the Ukrainian market will be cheaper than domestic. Our producer understands that if he cannot make money on the Ukrainian market, he will seek sales in Europe or somewhere else, where it turns out that Turkey is exactly the same in those markets. And sooner or later, a manufacturer that cannot reorient itself will have to reduce production or abandon it, this is very likely,” the head of the association said.

He said that the key risk for the Ukrainian agribusiness from the zeroing of customs duties is the export orientation of Turkish producers, supported and controlled by the state.

“In Turkey, there is a huge infrastructural and financial support for exporters. The state establishes KPI there, and a manufacturer is supported, whose products are not just produced, but exported. And for a manufacturer to export, its products must meet the quality requirements that the market requires, and not only increase the volume. The effect of Turkish policy has become actively noticeable to us in recent years, when the active expansion of Ukrainian products to world markets began,” Kroshka said.

The head of the UAAE said that Ukrainian producers of apples, nuts and other products of the fruit and nut group will definitely benefit from the actions of the FTA, which Turkey will be able to re-export to the countries of the Middle East and Africa, taking advantage of its favorable geographical location. However, this is guaranteed to have a negative impact on vegetable and egg producers.

“We just need to look at the news about the FTA between Ukraine and Turkey as news that we will sell more there and the trade turnover will certainly increase. But at the same time, I believe that this agreement will reveal a wave of internal Ukrainian economic problems in agriculture, which are linked to the production of agricultural goods common with key Turkish products,” the expert said.

Largest sugar producer in Ukraine to invest \$15 mln in new silo construction

Agroholding Astarta, the largest sugar producer in Ukraine, is investing \$15 million in the construction of a new silo in the city of Chernihiv. The decision of the board of directors of the group of companies was published on the Warsaw Stock Exchange (WSE) on Wednesday evening.

According to Astarta, the construction of this facility will further strengthen the company's network of seven grain and oilseeds handling facilities and expand its reach to Chernihiv region.

The total capacity of simultaneous storage of grain and oilseeds will be 70,000 tonnes. Commissioning of the first stage of the silo with a capacity of 58,000 tonnes is scheduled for July 2022.

Astarta is a vertically integrated agro-industrial holding operating in eight regions of Ukraine.



Seven benefits of having rest and improving health in hotel and resort complex Karpaty

Have you noticed how picky and demanding we have become for things like leisure? We plan it in advance, calculate everything down to the smallest detail, we are interested in new products on the market, nuances, reviews... In short, we do everything possible to feel as comfortable and safe as possible. And search time imperceptibly becomes a real test for the nervous system.

Here are seven benefits of a comfortable stay in one of the best complexes in Western Ukraine – the hotel and resort complex Karpaty:

1. Do you dream of choosing a universal recreation complex, which has a variety of services, locations, entertainment and amenities such as transfer services, modern communications or child care? Expectations are clear, but today not all Ukrainian health resorts can boast of their scale and versatility, as the hotel and resort complex Karpaty, which infrastructure is impressive in scale and diversity.
2. Your priority is recreation, which includes diagnosis and treatment. It is the right choice, given the hectic pace of modern life. We have an opportunity of doing the minimum list of health screening tests only in two cases: when we get ill and we already feel bad, or during the holiday resorts.
3. Is the comfort and convenience of the room important to you? It is quite clear and logical, because you spend a lot of time in your room, so why not spend this time with maximum comfort and enjoyment: with comfortable and modern furniture, satellite TV, safe box, minibar and, of course, the most beautiful view from your own window or a balcony.
4. Nutrition during the holiday is an important component. It is desirable that it was three times and dietary. Today's reality is the obligatory buffet system, but this is more of an advantage than a disadvantage, because you will get a few more conveniences – the choice of dishes and the size of the portion as you like.
5. Do you dream of SPA and active recreation for the benefit of the body? We will offer a full range of relevant services: swimming pool, sauna, hydromassage, fitness, aerobics, beauty salon, sports attractions and recreation areas. We have taken care of your active recreation and offer activities in the pool with a coach and aqua aerobics classes.
6. Choose a place to rest based on the principle: "I want new experiences!". If new impressions and emotions are an important factor when choosing a place, then you place the right accents. Modern people have made this factor a trend, and the search for new experiences is the main component of recreation. Find out if there is a disco bar or karaoke in the complex.
7. You are a modern person and you are an active user of social networks. This means that it is important for you to have photo areas, places where you can make the most of the atmospheric photos, which will be good memories of the vacation.

We invite you to visit our picturesque place and it is guaranteed that you will get a quality vacation, lots of fun and full of happy memories! See you in the Karpaty complex!

Hotel and resort complex Karpaty

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China, Egypt, Turkey are main importers of Ukrainian grain in 2021

Ukraine's revenue from export of grain crops in 2021 amounted to \$12.3 billion, the largest trading partners were China, which imported \$2.55 billion, as well as Egypt (\$1.39 billion) and Turkey (\$0.92 billion), the Institute of Agrarian Economics (IAE) reported on its website on Thursday.

"2021 was characterized by the further strengthening of the position of China, which in 2020 for the first time took the top among 10 largest importers of Ukrainian grain. In four years, starting from 2018, this country has increased its grain purchases from Ukraine almost five times, to \$2.55 billion. At the same time,

“China's share in the value of domestic grain exports increased from 19.7% in 2020 to 20.7% in 2021,” the IAE said, citing expert Bohdan Dukhnitsky.

According to the IAE, last year Egypt increased imports of Ukrainian grains by 24%, from \$1.12 billion to \$1.37 billion, but its share of their total exports decreased from 11.9% to 11.2%.

"Turkey, which in 2020 ranked only sixth in the top 10, moved up to the third spot last year, increasing the value of purchases of Ukrainian grain to \$0.92 billion. In addition, in 2021, there were changes in the top 10 largest buyers of grain from Ukraine: Iran and Pakistan pushed South Korea and Bangladesh out of the top 10," the expert said in the IAE report.

Other major grain importers from Ukraine were Indonesia with \$750 million, Spain with \$645 million, the Netherlands with \$552 million, Iran with \$533 million, Pakistan with \$355 million, Libya with \$342 million and Tunisia with \$306 million.

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PhD in Economics, Maksim Urakin

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