



UKRAINE
OPEN FOR BUSINESS

US PROVIDES UKRAINE WITH ANOTHER \$1.25BN GRANT



Another \$1.25 billion grant from the United States arrived in Ukraine on Monday through the multi-donor World Bank Trust Fund, the Finance Ministry said.

“Irrevocable financial assistance from the United States is an extremely important element in supporting Ukraine’s state budget while it resists Russia’s full-scale aggression. The next grant will help the Ukrainian government to reimburse priority expenditures in the social and humanitarian sphere,” Finance Minister Serhiy Marchenko was quoted as saying in the release.

The Finance Ministry specified that in 2023 Ukraine has already received \$8.45 billion in grants of direct budgetary support from the United States, and in total, \$20.4 billion in grants from the United States have been received in the state budget since the beginning of the full-scale war.

HEADLINES

09 August 2023



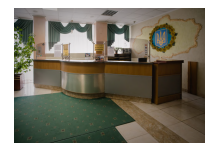
UKRAINE HAS VISA-FREE REGIME WITH 146 COUNTRIES



RYANAIR ANNOUNCED COMMITMENT TO RESUME FLIGHTS TO/FROM UKRAINE AT LOW FARES



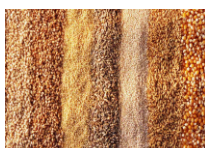
UKRAINE’S DTEK TO INVEST UP TO \$130 MLN IN GAS PRODUCTION THIS YEAR



IN JUNE, HOTEL OCCUPANCY IN KYIV WAS HIGHEST SINCE BEGINNING OF WAR – STUDY



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UKRAINIAN GRAIN ASSOCIATION HAS SHARPLY INCREASED ITS 2023 HARVEST FORECAST

UKRAINE AND WORLD BANK SIGN AGREEMENTS ON \$240 GRANT ASSISTANCE

NEC Ukrenergo, the Ministry of Energy and the Ministry of Finance have signed two agreements with the World Bank to provide the company with \$240 million in grant aid to improve the reliability of the energy system, Ukrenergo Chairman of the Board Volodymyr Kudrytskyy said.

“*Almost \$240 million is another significant contribution from our international partners to ensure the sustainability of our connection to the European energy system and the restoration of high-voltage substations,*” he wrote on his Facebook.

According to his message, the first agreement provides Ukrenergo with grant funds from the German government, which will be used for the purchase and installation of STATCOM – special devices that increase the stable operation of the power grid.

“Ukrenergo fulfills an important technical condition of ENTSO-E to strengthen our connection to the European grid. STATCOM devices will not only increase the stability of the Ukrainian energy system, but will also have a positive impact on the balance of the entire interconnected European continental grid,” Kudrytskiy explained.

Another document determines the transfer of assistance to the NEC for the purchase of special equipment, autotransformers and other high-voltage equipment damaged by Russian missile and drone strikes.

USAID ALLOCATES \$250 MLN FOR UKRAINE’S AGRIBUSINESS SECTOR

U.S. Agency for International Development USAID Administrator Samantha Power condemned Russia’s decision to suspend participation in the “grain initiative” and announced \$250 million in support for Ukraine’s agriculture sector, which has suffered as a result of Russia’s full-scale invasion, USAID said.

“*The United States is providing this assistance because of its Agriculture Sustainability Initiative-Ukraine (AGRI-Ukraine). In total, the U.S. government has already directed \$350 million to the initiative. The agency plans to engage the private sector, other donors and foundations to raise an additional \$250 million,*” the USAID press office quoted Power as saying during a visit to the Port of Odessa on Tuesday.

The additional funds will be used to expand critical agricultural infrastructure, including irrigation systems, grain elevators, transloading facilities, and port and border infrastructure.

In addition, USAID will expand support to small and medium-sized agricultural businesses so that they have access to financing and resources to plan for planting and harvesting in 2023.

The agency noted that the Russian full-scale invasion has caused more than \$6.6 billion in direct damage to Ukraine’s agricultural sector.

“AGRI-Ukraine will continue to help Ukraine’s farmers produce, store, and export agricultural products and grain to the world,” USAID assured.



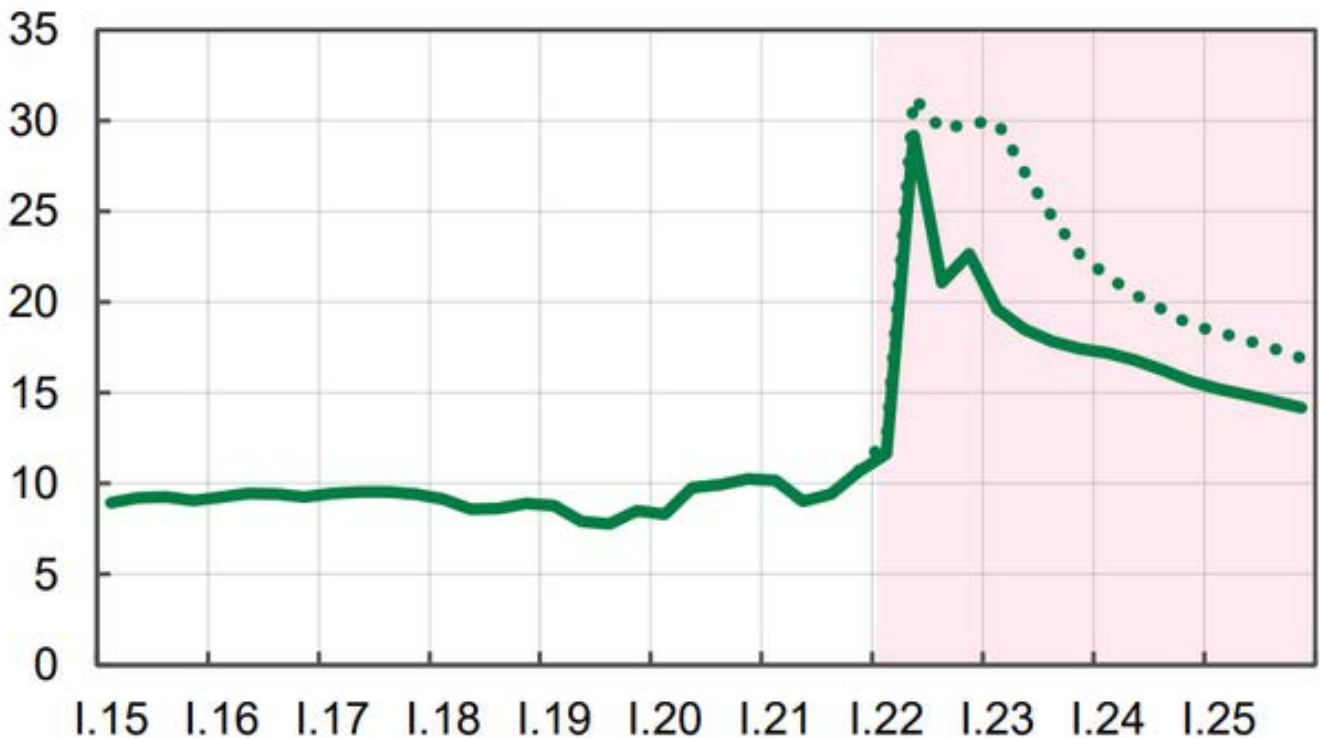
UKRAINIAN PARLIAMENT EXEMPTS SOME GOODS FROM VAT

The Verkhovna Rada has exempted from value added tax (VAT) a number of goods imported to Ukraine for security and defense needs. A total of 294 people's deputies voted for the relevant draft law No. 9467 on amendments to the transitional provisions of the Tax Code on the peculiarities of importing into the customs territory of Ukraine goods for security and defense needs at the plenary session on Friday, a member of the faction "Golos" Yaroslav Zheleznyak said in his Telegram channel.

The bill exempts from VAT thermal imaging binoculars, monoculars and binoculars, night vision devices and rangefinders that are imported into the customs territory of Ukraine.



FORECAST OF UNEMPLOYMENT RATE IN UKRAINE ACCORDING TO METHODOLOGY OF INTERNATIONAL LABOR ORGANIZATION UNTIL 2025



Source: Open4Business.com.ua and experts.news

UKRAINE HAS VISA-FREE REGIME WITH 146 COUNTRIES

Ukraine remains in the top 30 states with the strongest passports: its citizens can visit 146 countries without visas or with visas on arrival, according to an updated rating of national passports by Henley&Partners.

“ *The first place in the ranking is occupied by Singapore, its citizens can visit 192 countries without a visa. The second place is shared by Germany, Italy and Spain, citizens of these countries can visit 190 countries. In third place are Austria, Finland, France, Japan, Luxembourg, South Korea and Sweden (189 countries). Also in the top 5 are Denmark, Ireland, Netherlands, UK (188 countries) and Belgium, Czech Republic, Malta, New Zealand, Norway, Portugal and Switzerland (187 countries).*

Sixth place went to Australia, Hungary and Poland, citizens of these countries can travel visa-free to 186 countries. In seventh place were Canada and Greece, from where you can travel to 185 countries.

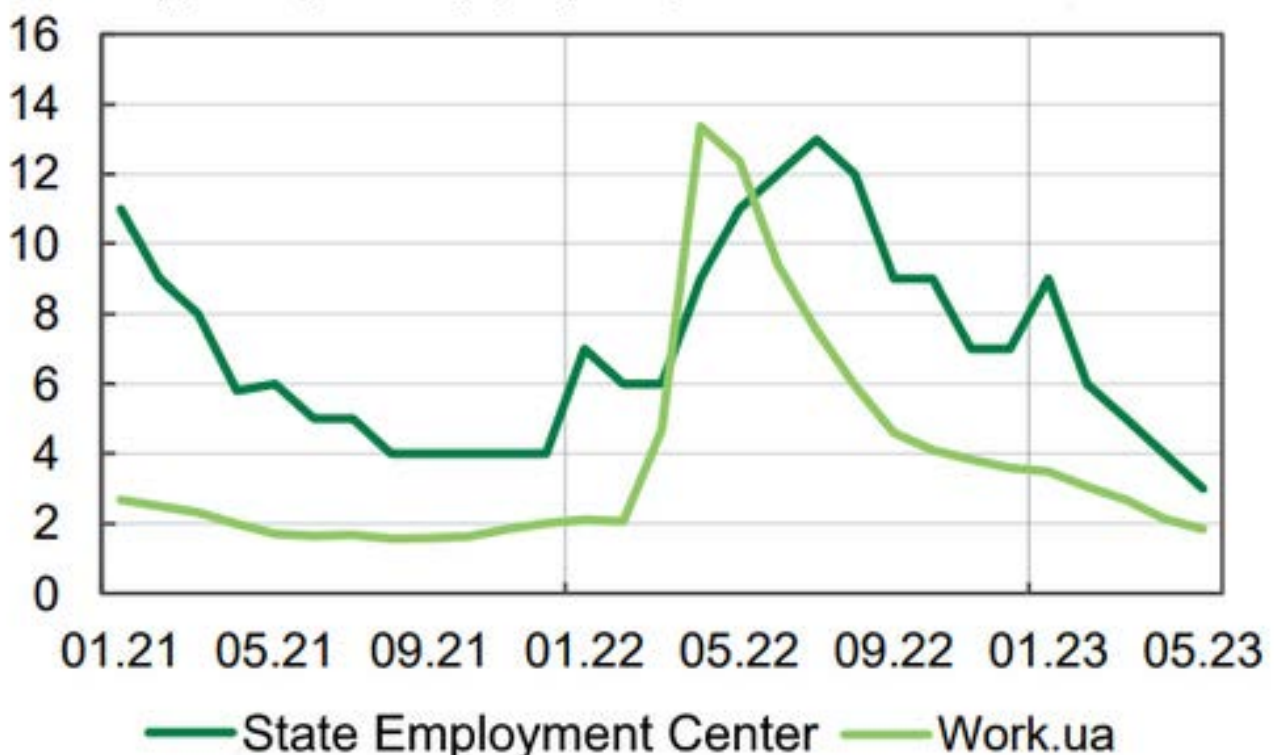
The United States and Lithuania ranked eighth (184 countries), followed by Latvia, Slovakia and Slovenia (183). Estonia and Iceland round out the top ten, citizens of these countries can travel to 182 countries without visas.

Ukraine in this ranking shares 30th place (146 countries) with two countries – Grenada and St. Lucia.

The last place in the ranking belongs to Afghanistan: citizens of this country can visit only 27 countries without a visa. Iraq (29) and Syria (30) have slightly higher positions.



NUMBER OF APPLICANTS PER VACANCY (COMPARISON) AS OF 01.06.2023



UKRAINIAN BANKS INCREASED MORTGAGE LENDING 6 TIMES IN MAY

In May 2023, Ukrainian banks issued 232 mortgage loans totaling UAH 322.5 million, while in April – 41 for UAH 50.1 million, according to the results of a monthly survey by the National Bank of Ukraine (NBU).

According to the regulator, this growth was due to the resumption of preferential lending under the eHouse program. This also led to a decline in the weighted average effective interest rate on mortgage loans in May to 8.05% per annum from 14.6% in April.

At the same time, loans are mostly issued for purchases on the secondary real estate market: in May, one loan for UAH 0.73 million was issued on the primary market, compared to two loans for UAH 1.78 million in April.

The NBU clarified that out of the 26 banks surveyed, only four financial institutions issued mortgage loans in July, as they did a month earlier.

RYANAIR ANNOUNCED COMMITMENT TO RESUME FLIGHTS TO/FROM UKRAINE AT LOW FARES

Ireland's Ryanair, Europe's largest budget airline, announced a commitment to resume flights to/from Ukraine at low fares within 8 weeks of the opening of Ukrainian airspace and plans to deploy up to 30 new Boeing 737 MAXs to Kiev, Lviv and Odessa at a cost of over \$3 billion.

"Ryanair was Ukraine's second largest airline until Russia's illegal invasion in February 2022. As soon as the skies over Ukraine are reopened to commercial aviation, Ryanair will return to Ukraine, connecting Ukraine's main airports to more than 20 EU capitals," a Ryanair press release quoted the airline's chief executive Michael O'Leary as saying following his visit to Kiev on Thursday.

It is indicated that after the end of hostilities and as soon as the European Aviation Safety Agency (EASA) announces the safety of flights from/to Ukraine, the airline is ready to operate up to 600 flights per week. In addition, Ryanair plans to open daily flights between Kiev, Lviv and Odessa as soon as the airports are ready.



"The fastest way to reshape and rebuild the Ukrainian economy is through low-cost air travel. Ryanair intends to invest heavily in Ukraine, leading the aviation recovery. In particular, (the airline) will invest up to \$3 billion by deploying up to 30 new Boeing MAX airplanes at Ukraine's three main airports in Kiev, Lviv and Odessa," said O'Leary.

Ryanair also recalled that it has employed hundreds of Ukrainian pilots, cabin crew and IT specialists and is ready to create thousands of new jobs for Ukrainians in aviation immediately after the end of the war.

"Ukraine is a country of 40 million people, many of whom have been scattered across Europe as a result of Russia's illegal invasion. We look forward to reuniting these families, with Ryanair's affordable fares, as soon as it is safe to do so. Ryanair's low fares will be critical to Ukraine's economic recovery," O'Leary said.

During his visit to Kiev on Thursday, he met with Deputy Prime Minister – Minister of Community Development, Territories and Infrastructure of Ukraine Oleksandr Kubrakov, as well as representatives of airports in Kiev, Lviv and Odessa.

Kubrakov emphasized that maintaining the performance of aviation infrastructure and the professional qualifications of personnel remains a vital task in war conditions.

"Meanwhile, the resumption of flights will be possible as soon as the security situation allows. However, we are already working on solutions and investment plans that will allow us to get airplanes in the air quickly," he said, expressing gratitude for specific proposals and solutions from Ryanair, "Ukraine's faithful partner."

Boryspil Airport CEO Oleksiy Dubrevskiy, who was recently approved by the government in this position, added that the visit of Ryanair's top management to Boryspil Airport is a strong signal that Europe's largest airline sees huge potential in the Ukrainian air transportation market.

KYIV BOXING FEDERATION AND KYIV NATIONAL UNIVERSITY OF CONSTRUCTION AND ARCHITECTURE HAVE ESTABLISHED COOPERATION

The cooperation between the Kyiv Boxing Federation and the Kyiv National University of Construction and Architecture opens up new opportunities for the comprehensive development of students. This partnership is a model of how the academic and sports worlds can come together to achieve a common goal. This opinion was expressed by Oleksandr Nehoda, President of the Kyiv Boxing Federation, and Petro Kulikov, Rector of the Kyiv National University of Construction and Architecture, at a press conference at the Interfax-Ukraine agency in Kyiv. According to Oleksandr Nehoda, the state's support of Ukrainian athletes at international competitions is insufficient.

“*The state and the Ministry (of Youth and Sports – ed.) allocate funds, and there is also support for young athletes through universities, but this is usually not enough. When we were preparing to participate in the European Games, the funding for meals per day per athlete was 410 hryvnias. With such funds, it is impossible to follow a specialized sports diet. Therefore, we (Kyiv Boxing Federation – ed.) had to purchase a significant part of the food on our own. The same applies to other supplies for the athletes,” Nehoda emphasized.*

According to the KFB President, the problem of financing high-quality training of athletes requires a systematic approach from both the state and private sponsors and patrons. In his turn, the rector of the Kyiv National University of Construction and Architecture, Petro Kulikov, emphasized that his university has created a unique system of support for youth sports and healthy lifestyles, and is improving its sports infrastructure.



“*In recent years, KNUBA has hosted several major boxing tournaments among youth and juniors. In addition, we have developed a unique system of cooperation with the Kyiv Boxing Federation and provide premises and training facilities for both accommodation and training of young athletes. To this end, when we opened the stadium, we also opened a hotel with 50 beds to accommodate athletes from different regions of Ukraine,” Petro Kulikov said.*

Mr. Kulikov also emphasized that cooperation with sports federations should be one of the main areas of development for Ukrainian universities. This is due to both the need to popularize sports and healthy lifestyles among young people and the need to create a strong training base for Ukrainian athletes to participate in international competitions.

PHARMACY SALES IN UKRAINE GREW BY 20% IN FIRST HALF OF YEAR

Pharmacy sales in January-June 2023 increased by 19.4% compared to the same period of 2022 and amounted to almost UAH 84.127 billion. According to a study by Business Credit, in physical terms, pharmacies sold 612.11 million packs in the first half of this year, which is 10% less than in January-June 2022.

According to the survey, the weighted average price of all goods of the pharmacy basket increased by almost a third (+33%) – up to UAH 137.44. At the same time, pharmacy sales of medicines in January-June 2023 increased to UAH 65.96 billion (+16.9%). The weighted average price of medicines amounted to UAH 153.8, which is 27.2% more than a year earlier. A total of 430.899 mln packs of medicines (-8.12%) were sold in the mentioned reporting period in the pharmacy network.

The report states that pharmacy sales of medical devices increased in the first half of 2023 by 9.83% – up to UAH 2.142 billion.



Among the leaders in terms of growth, in particular, mineral water, whose sales increased by 52.1% to UAH 432.537 million, and dietary supplements with an increase in sales by 51.17% to sales of January-June 2022, almost to UAH 8.453 billion.

At the same time, sales of products for parenteral administration of medicines decreased by 20% to UAH 230.483 mln.



KRONOSPAN OPENS LOGISTICS CENTER NEAR KIEV WORTH EUR20 MLN

Kronospan Group, which has woodworking enterprises Kronospan UA (Volyn region) and Kronospan Rivne (Rivne region) in Ukraine, has invested more than EUR20 mln to establish a logistics center in Kalinovka village, Kyiv region, which was put into operation in May this year, said Natalia Pokinska, general director of Kronospan UA.

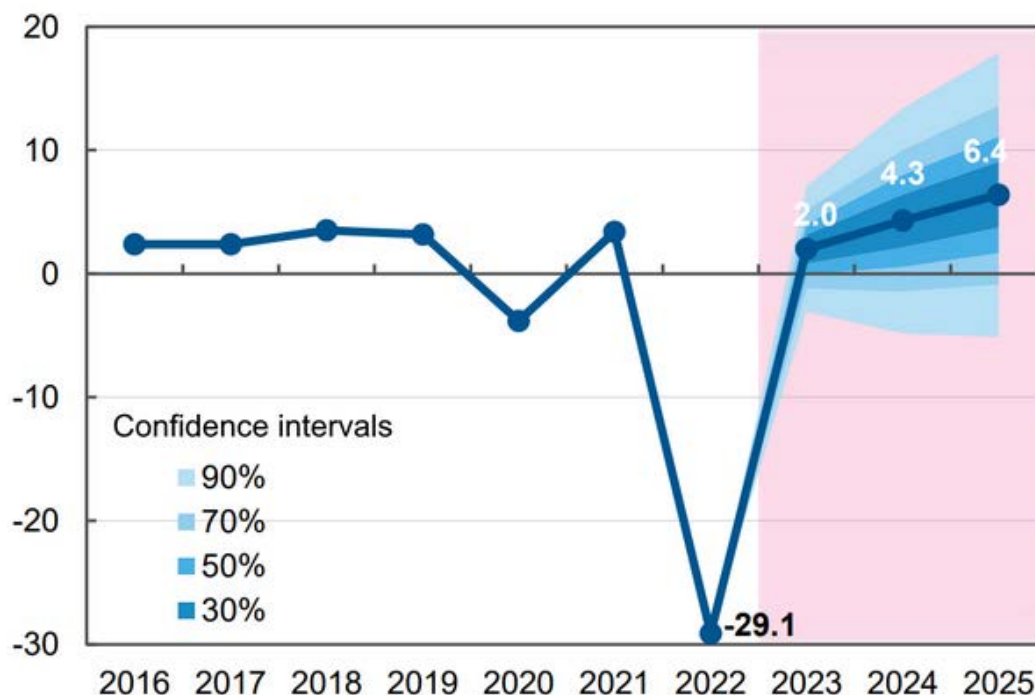
“In conditions of a full-scale war, disruption of logistics routes and other unfavorable conditions, we are investing more than EUR20 million logistics center near Kiev, the purpose of which is to receive road and rail freight from foreign Kronospan companies and our territorial divisions,” Pokinskaya said at the forum “FIT for Ukraine (Forum on Investments and Transformations): Furniture Cluster”.



According to her, the main stage of investments has been completed and the logistics center is currently located on 15 hectares of area, has facilities and capacities that it can provide to partners. Its construction was launched in 2019.

Pokinskaya emphasized that during 19 years of Kronospan Group's work in Ukraine, the total volume of investments in the Ukrainian woodworking industry exceeded EUR900 million (both own funds and financial institutions, including the European Bank for Reconstruction and Development (EBRD)), and since the beginning of the full-scale war of the Russian Federation against Ukraine – EUR122 million.

FORECAST OF DYNAMICS OF CHANGES IN UKRAINIAN GDP IN % FOR 2022-2025 IN RELATION TO PREVIOUS PERIOD



EXPORT OF IMPORTANT GOODS FROM UKRAINE IN JAN-MARCH 2023 TO 2022



Cereal crops

▼ -3,5% (3 168,1 millions USD)



Fats and oils of animal and vegetable origin

▼ -11,6% (1 465,0 millions USD)



Electrical machines

▼ -38,1% (468,9 millions USD)



Ferrous metals

▼ -75,3% (583,7 millions USD)

UKRAINE'S DTEK TO INVEST UP TO \$130 MLN IN GAS PRODUCTION THIS YEAR

DTEK plans to invest \$120-130m in gas production in 2023, the company's CEO Maxim Timchenko said. "This year we plan to invest \$120-130 mln in production. 70% of these funds are for the development of new fields," he said in an interview with Forbes Ukraine.

“According to him, most of the company's oil and gas assets have already passed peak production, the natural decline at operating wells is 15-18%.”

"The only way to compensate for the decline is to develop new fields. This year we are starting to drill on recently purchased licenses... We plan to start drilling in the Mayorovskoye area in the fourth quarter of 2023," Timchenko said.

The head of DTEK is convinced that Ukraine has huge prospects for gas production at a depth of 6000-7000 meters. "Thanks to the latest technologies, production at such depths is now paying off," he specified.

Timchenko also said that at the end of 2022, DTEK's enterprises produced 2 billion cubic meters of gas. At the same time, at the end of the year they had 0.6 billion cubic meters in underground storage facilities due to a drop in consumption and export ban, which led to liquidity problems throughout the first half of this year.

"But now Naftogaz has started buying back gas after all. I was skeptical about Naftogaz's ability to buy back gas, but NAK has indeed entered the market and is actively buying back gas. Accordingly, we have liquidity, which allows us to fulfill our investment program," he said.

At the same time, the head of DTEK believes that the authorities "need to discuss the topic of resuming

"DOBROBUT" PAID UAH 160 MLN IN TAXES IN FIRST HALF OF YEAR

In the first half of 2023, the Dobrobut medical network paid almost UAH 160 million in taxes to the state budget.

According to its press release, in June of this year, 32 thousand adults received consultations at Dobrobut clinics, which is 30% more than a year earlier, and 12 thousand children – 70% more.

The medical network reminds that in the first half of the year it opened two new facilities: in January, its Dobrobut multidisciplinary hospital at 12A Bazhana Avenue, and in April, the Dobrobut medical center for adults and children at 1/2 Entuziastiv Street.

In addition, in April, a new dental clinic Dobrobut Dental Clinic was opened at 14-16 Mikhnovskoho Blvd.

The chain clarifies that in 2022, the three most sought-after doctors were a general practitioner, an obstetrician-gynecologist and a neurologist, and in 2023 – a general practitioner, an obstetrician-gynecologist and an otolaryngologist.

“The press release also notes that Dobrobut continues to provide free medical care to Ukrainians affected by the war. With the support of Direct Relief and the Dobrobut Foundation, 469 people have received free inpatient and surgical treatment at the Dobrobut Medical and Diagnostic Center at 3 Simi Idzikovskikh Street since the beginning of the year. In six months, Dobrobut Foundation has raised over UAH 2.4 million for the treatment of Ukrainians.”

Today, the network employs more than 2,700 people.

"Dobrobut is one of the largest private medical networks in Ukraine. The network includes 17 medical centers in Kyiv and Kyiv region, an emergency service, dentistry and pharmacies. The medical centers of the network provide services for children and adults in more than 75 medical areas. Every year, Dobrobut specialists perform more than 7000 surgeries. The network employs 2700 people. Since the first days of the war, Dobrobut's medical and diagnostic center in Kyiv, with the support of Direct Relief International and Dobrobut Foundation, has been providing free assistance to wounded soldiers and people in difficult situations due to the war.

CSD LAB MEDICAL LABORATORY HAS IMPLEMENTED PHARMACOGENETIC LABORATORY DIAGNOSTICS SERVICES

CSD LAB Medical Laboratory has introduced pharmacogenetic laboratory diagnostics services.

As the laboratory told Interfax-Ukraine, CSD LAB offers two tests that will allow individualizing the treatment of many diseases. In particular, the laboratory conducts a PCR test that determines sensitivity to warfarin. The test helps to prevent and reduce the risk of bleeding as a result of warfarin therapy by up to 50%.

Warfarin therapy is used for the treatment and prevention of deep vein thrombosis and pulmonary embolism, for the secondary prevention of myocardial infarction and prevention of thromboembolic complications (stroke or systemic embolism) after myocardial infarction in patients with heart failure or prosthetic heart valves, prevention of dynamic cerebrovascular disease and stroke, and prevention of postoperative thrombosis. In addition, CSD Lab has implemented a pharmacogenetic test that allows to determine variations in the CYP2C19 gene. This gene is a clinically important enzyme involved in the biotransformation of a number of antidepressants, anticoagulants, and antimycotic drugs. The test helps to identify and adjust antiplatelet therapy for a number of diseases.



CSD LAB

“The main goal of pharmacogenetics is to use the patient’s individual genetic information to inform and prescribe the most effective type and dose of drugs. Targeted diagnostics and treatment of a patient can be determined according to the results of the study of his or her genetic profile, which makes pharmacotherapy for patients as effective, safe and affordable as possible,” CSD LAB emphasized.

IN JUNE, HOTEL OCCUPANCY IN KYIV WAS HIGHEST SINCE BEGINNING OF WAR – STUDY

Ukraine’s hotel market has stabilized amid the war, with the highest activity in the west of the country and a slow recovery in Kyiv, according to a study by EY Ukraine.

“We can state that the market has stabilized in the new realities. Lviv, Bukovel and western Ukraine in general have very positive indicators, while Kyiv’s are quite low. In the capital, hotel occupancy is 15-25%, while before the war, the normal rate was 50-60%,” said Rostyslav Khoma, Head of Real Estate Advisory Services at EY Ukraine, at the conference “Analytics of the Ukrainian Real Estate Market: First Half of 2023”.

““ According to the company’s research, in Lviv and Bukovel, hotel occupancy in June 2023 was about 50-60%, while in Kyiv it was about 25%. At the same time, occupancy in the capital has shown moderate growth since January 2023, and June showed the highest occupancy rate in Kyiv since the start of the full-scale war.

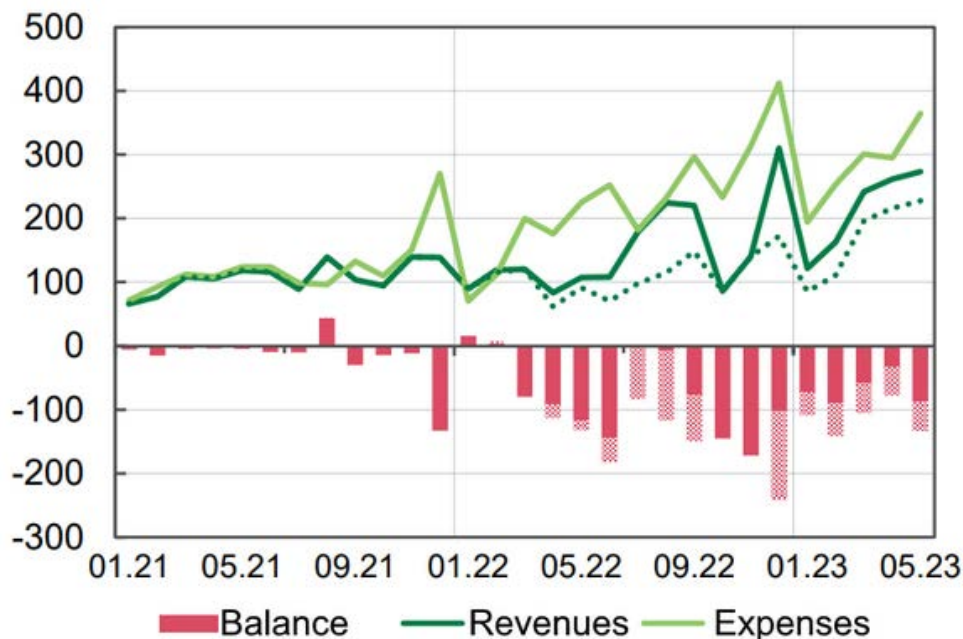
“At the moment, we do not yet see any grounds for a sharp change in the level of loading in Kyiv given the current situation,” Khoma said.

In the first half of the year, the main income of hotels was directly from accommodation, while the food & beverage category and conference functions brought less money.

According to the expert, further recovery and development of the hotel market depends on the military and macroeconomic situation in the country.



KEY INDICATORS OF STATE BUDGET (MONTHLY), UAH BLN



“KOVALSKA GROUP” TO RECEIVE EUR27 MLN IN PROJECT FINANCING FROM INVEST INTERNATIONAL

Kovalska Group has received EUR27m in project financing from Invest International (Netherlands) for 10 years to develop production of aerated concrete blocks and panels in Rozvadova (Lviv region), the group’s CEO Sergiy Pilipenko said.

“The vital investment, which was supported by the Dutch Good Growth Fund and the Dutch government, will allow the company to implement the technology of production of environmentally friendly aerated concrete blocks and panels Aircrete Europe. This technology will work at the new production facility, which is currently under construction in Rozvadov in Lviv region,” Pilipenko wrote on Facebook.

According to him, the total amount of investment in the project is EUR42 million.

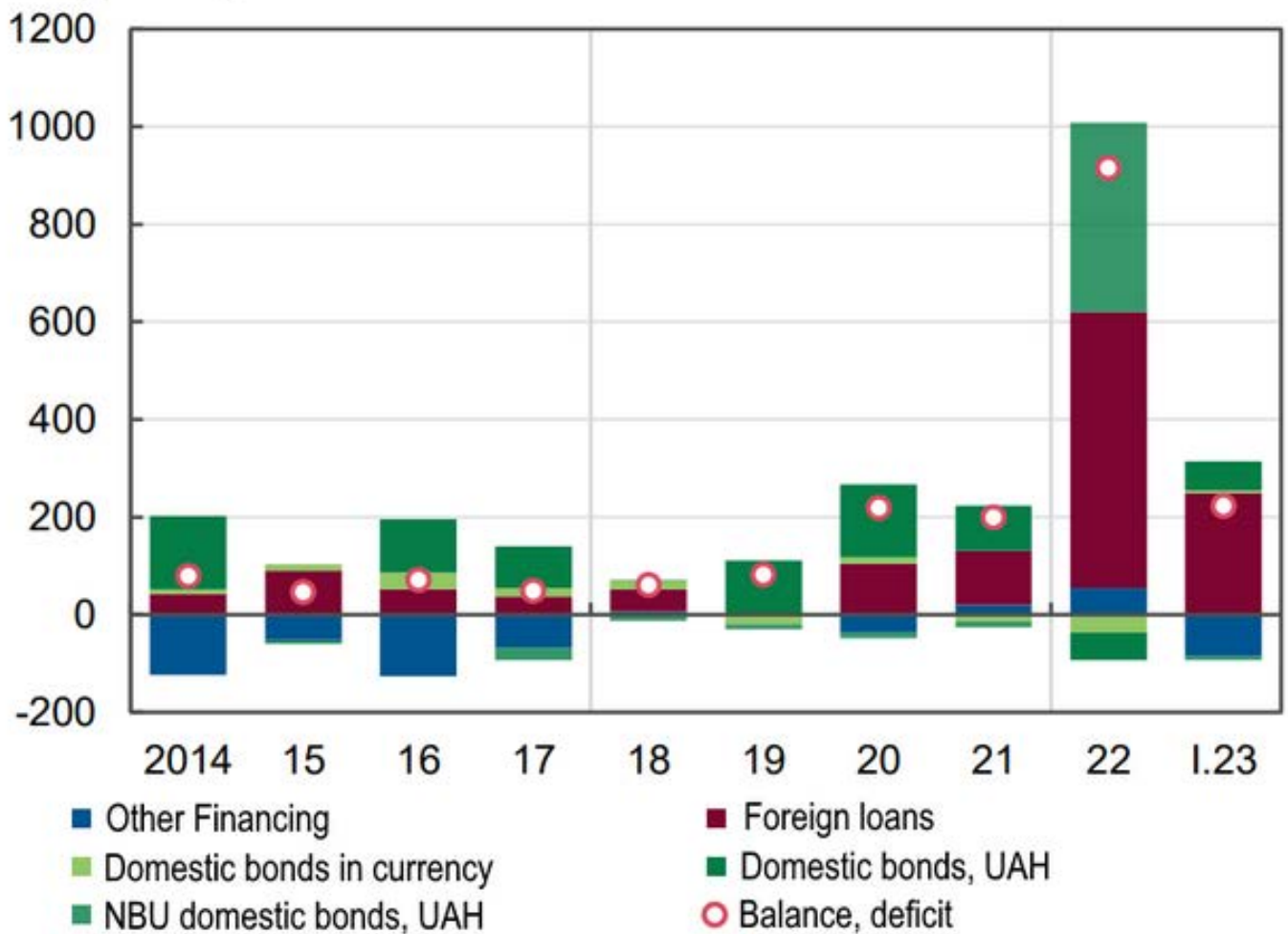
As reported, in 2020, Kovalska closed a deal worth UAH 63 million to acquire Rozvadov Stroymaterialy LLC, which owns a production complex with a total area of about 140 hectares.

In early 2022, Kovalska started construction of two new plants (Siltek-branded dry mixes and concrete production) in Lviv region, with an estimated total investment of over EUR60 mln for the first phase alone. The Group also expected to resume the realization of the project of construction of aerated concrete plant in the production complex in Rozvadov.

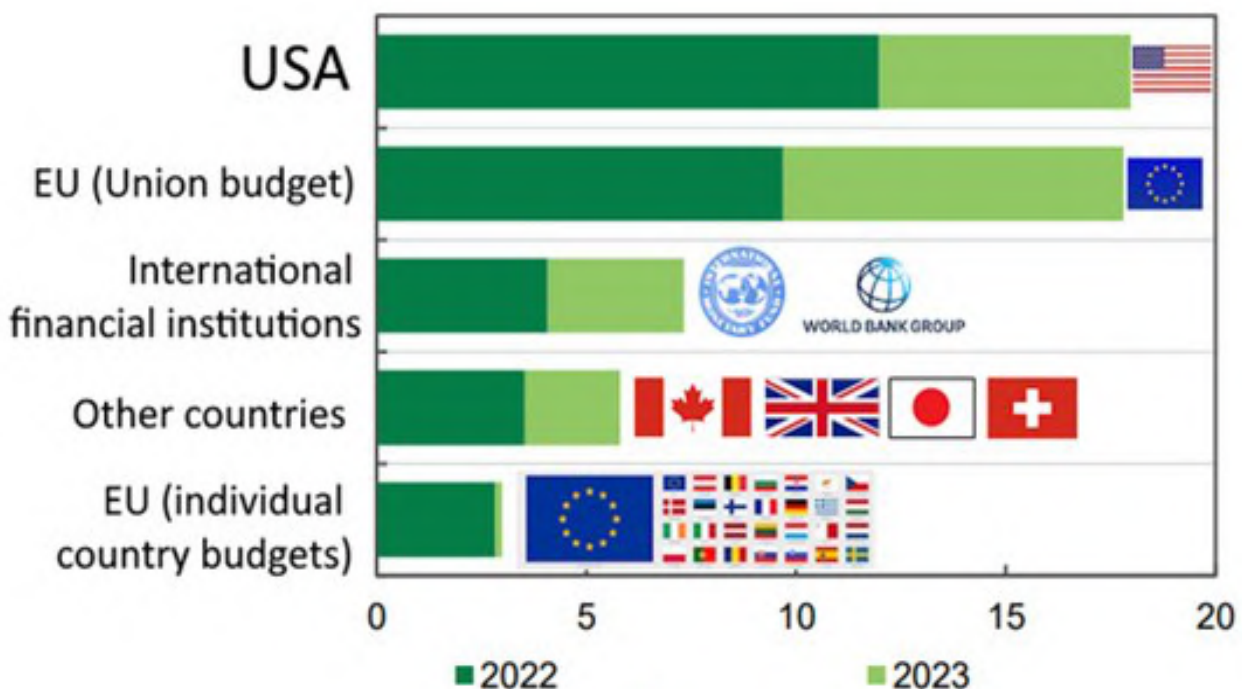


Kovalska Industrial and Construction Group has been operating in the construction market of Ukraine since 1956. It unites more than 20 enterprises in the sphere of raw materials extraction, production and construction. Products are represented by the brands “Concrete from Kovalska”, “Avenue”, Siltek. Kovalska enterprises operate in Kyiv, Zhytomyr, Lviv and Chernihiv regions. The aerated concrete plant in the Kherson region has been out of operation since the beginning of the occupation. The group also includes Kovalska Real Estate, which builds residential projects in Kyiv. Its portfolio includes more than 20 completed residential projects.

FINANCING STATE BUDGET DEFICIT, BLN UAH



EXTERNAL FINANCING OF STATE BUDGET AS OF JUNE 14, 2023, USD BLN



SOUL MARINE TO BUILD 20 THSD TON GRAIN TERMINAL IN IZMAIL

The logistics company Soul Marine LLC (Kyiv) will build a 20,000-tonne grain terminal in the port of Izmail (Odesa region) by the end of September, said Ivan Nyakyi, the company's commercial director, who previously headed Crunchip and Danube Logistics Group, in an interview with Ports of Ukraine.

"At the first stage, we will have 20 thousand tons of one-time storage – four warehouses of 5 thousand tons each. We will have our own laboratory, scales, and everything we need to handle cargo," he said.

According to Mr. Nikanyi, the necessary equipment has already been purchased.

"Unfortunately, we cannot build our own berth for a simple reason – there is no space. Therefore, we will work through other port operators, which will allow us to load vessels at different berths in Izmail," he said, adding that preparatory work for the terminal construction has already been completed.

The Commercial Director also informed about the signed contract with the general contractor and the advance payment.



"The other day, the equipment arrived. The first stage of 10 thousand tons will be ready at the end of August, the second – in mid-September," added Mr. Nikanyi.

It is noted that the company will employ about 10-12 administrative staff and about 30 people at the terminal in Izmail.

Mr. Nyakyi added that Soul Marine also plans to create its own platform for receiving and unloading railroad cars.

"The ability to accept not only vehicles but also railcars will be a great advantage. This is an expensive project, but it is very necessary. We are working on it now," said the commercial director.

In addition, according to him, in October, Soul Marine plans to reach 60 thousand tons of transshipment through its warehouses, and by the end of the year – 100 thousand tons of transshipment per month. Separately, the company plans to ship 10 thousand tons of its cargo as a trader.

UNITED STATES WILL HELP UKRAINE EXPORT GRAIN TO GLOBAL MARKETS

The United States will support Ukraine's grain exports to markets that desperately need them, White House press secretary Karine Jean-Pierre said during a briefing.

"We are going to continue to support Ukraine's efforts to get Ukrainian grain to markets that desperately need it," she said.

The spokeswoman also noted the provision of U.S. financial support and supplies for Ukrainian farmers, such as seeds and fertilizer, as well as assistance with crop storage and processing.

In addition, Jean-Pierre recalled that the U.S. government is providing Ukraine with \$250 million in financial assistance to support the agricultural sector.

"The United States will allocate another \$250 million to the AGRI Ukraine initiative to help Ukrainian farmers produce, store and export agricultural products and grain to global markets," she emphasized.

“NOVAAGRO” BUYS AGROGENERATION FROM SIGMABLEYZER

Konkur Investments Limited, a subsidiary of SigmaBleyzer, has entered into a conditional agreement to sell its 56.90% stake in Ukrainian agroholding AgroGeneration to Ukrainian group of companies Novaagro.

AgroGeneration said in a statement that it is about the sale of 126.1 million shares at a price of \$0.036 per share and repayment of Konkur’s debt on current operations in the amount of approximately \$3.191 million.

It is noted that the completion of the transaction is subject to the approval of the transaction by the Antimonopoly Committee of Ukraine and the buyer obtaining adequate sources of financing for the acquisition.



“Given the significant instability in Ukraine, including the ongoing war, a date for completion of the transaction cannot be determined at this stage,” the statement said.

Under current French law, completion of the transaction should result in a change in the composition of AgroGeneration’s Board of Directors and trigger a mandatory public offer by Novaagro to acquire all AgroGeneration shares not already owned by it.

It is also mentioned that on July 26 a request for suspension of the listing of AgroGeneration, whose shares were listed on Euronext Paris under the ticker ALAGR, was filed. Their exchange rate on July 26 was EUR0.05 per share, whereas before the full-scale invasion the shares were quoted at up to EUR0.3, and more than a decade ago at up to EUR2.5 apiece.

TRANSIT OF GRAIN FROM UKRAINE THROUGH POLAND HAS MORE THAN DOUBLED, BUT EXPORT BAN TO BE EXTENDED

Transit of Ukrainian grain through Poland is steadily growing: if in February it was 114 thousand tons, in June it exceeded 260 thousand tons, Polish Minister of Agriculture and Rural Development Robert Telusz said after online talks on Wednesday with Ukrainian Minister of Agrarian Policy Mykola Solskiy.



“This is very good news for agrarians, because grain from Ukraine does not enter the Polish market,” the Polish minister was quoted as saying in a tweet and on the ministry’s website. At the same time, he said he saw a chance for the European Commission to extend the decision to ban Ukrainian grain exports to Poland after September 15, blaming both those in power in the EU and the Polish opposition for trying to destabilize Poland.

“It is in our interest to protect the Polish farmer. That is why a clear statement was made by Prime Minister Morawiecki that Ukrainian grain will not enter Poland after September 15,” Telusz reiterated.

According to him, the Polish side wants the so-called “solidarity corridors” to work effectively, which would allow for efficient transportation of Ukrainian goods without harming the Polish agricultural sector.

A press release from the Polish ministry indicates that to this end Telusz proposed measures to facilitate the transit of Ukrainian grain to seaports in various EU countries, in which Solskiy was interested, but no other details are available and the Ukrainian ministry has not officially commented on the talks.

The Polish Ministry of Agriculture said that the Ukrainian side will also present a draft of detailed solutions in the near future. “He (Solskiy – IF-U) explained that Russian missile strikes on Ukraine’s port infrastructure have put Ukrainian exporters in a very difficult situation. Now they will have to organize grain exports via other routes,” the release said.

Telush informed about ongoing negotiations with Lithuania and Latvia on the use of their ports for grain exports from Ukraine. “These negotiations are going in the right direction,” the minister added.

According to him, Poland has managed to significantly increase grain exports through its four main ports this year. In particular, if in January it amounted to 299 thousand tons, in February – 539 thousand tons, in March – 628 thousand tons, in April – 704 thousand tons, in May – 882 thousand tons, and in June – almost 940 thousand tons.

UKRAINIAN GRAIN ASSOCIATION HAS SHARPLY INCREASED ITS 2023 HARVEST FORECAST

The Ukrainian Grain Association (UZA) has updated its estimate of the potential 2023 harvest, increasing it by 7.8 million tons to 76.8 million tons of grains and oilseeds, 3 million tons more than last year.

“The increase in this year’s crop forecast is due to favorable weather conditions and better-than-expected crop yields, although the area planted is 2.2 million hectares smaller than last year,” the association said in a statement on Thursday.

“*According to the updated forecast, exports from Ukraine in the new season 2023/2024 could potentially reach almost 48 million tons, while last season, which ended on June 30, according to UZA estimates, it reached 58 million tons worth about \$20 billion.*”

It is specified that the 2023 wheat crop estimate has improved from 17.9 million tons to 20.2 million tons (2022 was 20.2 million tons and 2021 was a record 33 million tons). Potential wheat exports in MY 2023/2024 could be around 15 million tons, given the early season transitional residue of 4.3 million tons.

UZA also raised its 2023 barley crop forecast to 5.2 million tons from 4.4 million tons (10.1 million tons in 2021 and 5.8 million tons in 2022) and potential exports to 2.6 million tons.

Corn crop expectations for the new season have improved from 24.2 million tons to 26.9 million tons (2021 – 37.6 million tons, 2022 – 27.3 million tons), with potential exports of about 22 million tons, the report said.

According to it, the sunflower crop estimate for 2023 is raised from 12.7 to 13.9 million tons (2021 – 16.9 million tons, 2022 – 11.1 million tons), potential exports could be 1.1 million tons, and sunflower seed processing could be 12.5 million tons.

The UZA tentatively estimates the 2023 rapeseed harvest at 3.9 million tons and exports at 3.7 million tons, while the soybean harvest is expected to be larger – the estimate has increased from 4.4 to 4.8 million tons, and its potential 2023/2024 MY exports could reach 3.3 million tons.

UZA emphasizes that in general, grain and oilseed exports in the new 2023/2024 MY can be expected at the indicated level if Ukraine is able to export through its Black Sea ports and if logistics of alternative routes, including the Danube route, improve and become cheaper.

UKRAINE HAS HARVESTED 70 MLN TONS OF GRAIN AND EXPORTED TWO-THIRDS OF PLANNED EXPORT CROP

Ukraine in the 2022-2023 marketing year (MY) harvested 70 million tons of grain and managed to export two-thirds of the harvest planned for export even taking into account the record high transitional residues, Minister of Agrarian Policy and Food Mykola Solskiy said on air of the marathon “United News”.

“*Last year we harvested only about 70 million tons. All that we planned to take out, we took out. This is about two-thirds. We have transitional residues by the beginning of July – several million tons. If we compare it with the transitional residues last year, it is several times less – it was 22 million tons then. This is due to the fact that we were not traveling for a couple of months and had a huge harvest in 2021,*” he explained.

Solskiy recalled that in May in the Ministry of Agrarian Policy predicted that this year’s grain harvest will be 10% lower than last year. However, now the expectations have changed and the Ministry expects that the grain harvest will be less by about 6% due to favorable weather conditions.

“Agrarians have decided to sow corn not in the same volume (as before – IF-U), but to sow more sunflower and soybeans. It can be the same income in money, but the logistics costs are less and it is necessary to deal with it less, because conditionally the yield of corn per hectare is two to three times higher than that of soybeans and sunflowers,” the minister explained.

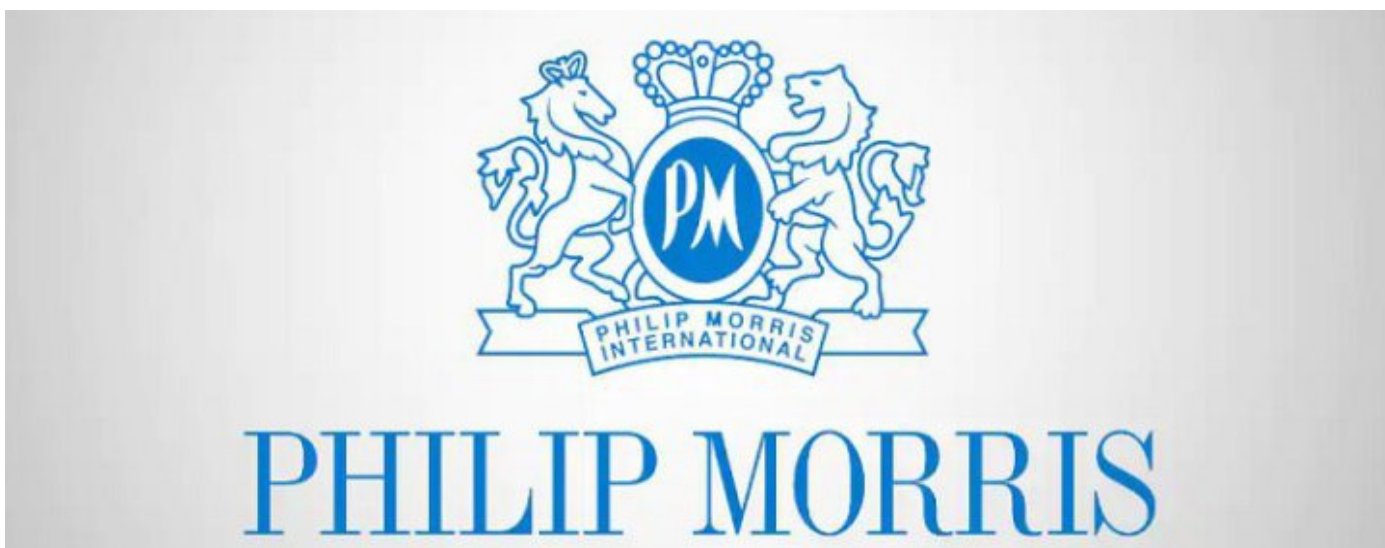
Solskiy noted that farmers are not accustomed to difficulties and expressed confidence that Ukrainian farmers will cope with the challenges that constantly arise before them.

PHILIP MORRIS TOBACCO CONCERN INCREASED CIGARETTE SHIPMENT IN UKRAINE BY 50% IN SECOND QUARTER

Philip Morris International (PMI) tobacco concern in the second quarter of 2023 increased shipments of cigarettes and tobacco sticks in the Ukrainian market by 50.3% compared to the same period last year, while in the first quarter there was a decline of 26.7%, according to the quarterly report of PMI.

According to it, the market in Ukraine as a whole grew by 13.4% in the second quarter of this year, thus the company managed to increase its share in the Ukrainian market after a slump last year.

More detailed information on sales in Ukraine is not available in the document, but it is indicated that PMI in July began preparatory work on a new facility in Lviv region in western Ukraine, which will be invested \$30 million and production is scheduled to start in the first quarter of 2024.



It is specified that the Kharkiv plant, which was shut down at the end of February 2022, remains in the same condition due to existing threats, while products are supplied to the Ukrainian market from production centers outside Ukraine, as well as through contract manufacturing.

In the first half of the year PMI additionally did not adjust the value of its long-term assets in Ukraine, unlike last year.



It is stated that as of June 30, 2023, total assets of PMI's Ukrainian operations were approximately \$497 million, compared to \$485 million a quarter earlier. These assets included receivables, inventories, and fixed assets of \$75 million (\$69 million), \$305 million (\$324 million), and \$29 million (\$30 million), respectively.

In addition, Lviv Regional Military Administration reported a July 27 meeting between its chief, Maksym Kozitsky, and PMI's vice president for Northeast Europe, Michal Mierzejewski, where future production was discussed.

BEER PRODUCTION IN UKRAINE INCREASED BY 112% IN FIRST HALF OF YEAR

Beer production in Ukraine in the first six months of this year reached 65.2 million dal, up 112.5% year-on-year, according to the website of the industry organization of brewers Ukrpyvo.

This figure is only 76.9% of the volume of beer production in Ukraine in 2021, the industry association said.

As reported, beer production in Ukraine in 2022 decreased by 27.9% compared to 2021 – to 122.8 million dal.



By the end of 2022, the brewing industry had partially recovered from a 50% drop in production in the first quarter due to the Russian invasion and the shutdown of some breweries. Thus, in the first four months of 2022, the decline amounted to 42.8% compared to the same period in 2021, January-May – 36.4%, January-June – 32%, January-July and January-August – 31.6% each, January-September – 30.5%, January-October – 28.6%, January-November – 28.1%, and 27.9% in the year before last.

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