



UKRAINE
OPEN FOR BUSINESS

UKRAINE EXPORTED 6.3 MLN TONS OF GRAIN – MINISTRY OF AGRARIAN POLICY

As of May 1, Ukraine exported 41.365 mln tonnes of grains and pulses since the beginning of 2023/24 marketing year, of which 6.314 mln tonnes were shipped in April, the press service of the Ministry of Agrarian Policy of Ukraine reported, citing the data of the State Customs Service.

“ According to the report, as of the same date last year, the total shipments amounted to 41.595 mln tons, including 3.619 mln tons in April.

In terms of crops, since the beginning of the current season, 15.778 million tons of wheat have been exported (in April, the figure was 1.936 million tons), 2.202 million tons of barley (231 thousand tons), 1.2 thousand tons of rye (0.2 thousand tons), 22.906 million tons of corn (4.136 million tons).

The total export of Ukrainian flour as of May 1 is significantly lower than last year's figure (127.7 thousand tons) and is estimated at 86.6 thousand tons (7.4 thousand tons in April), including wheat – 81.9 thousand tons (6.8 thousand tons).

As reported, a number of sources in the Ukrainian market suggested that grain exports in April

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07 May 2024



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European Bank
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SALES OF AGRICULTURAL LAND INCREASED IN UKRAINE, LAND PRICES INCREASED BY 11.2%

JAPAN INTENDS TO INCREASE ITS PRESENCE IN INVESTMENT MARKET OF UKRAINE

Japan intends to increase its presence in the Ukrainian investment market, in particular, to expand business ties in the field of investment and trade, Japanese partners will open an office of the Japan External Trade Organization JETRO in Kyiv, the Ministry of Economy of Ukraine reported following a meeting on April 23 between Deputy Minister and Trade Representative Taras Kachka and the Economic Mission of the Government of Japan.

“The governments of Ukraine and Japan are already preparing a draft updated Agreement on the Promotion and Protection of Investments, which will promote economic development and expand trade between the two countries. The agreement will, in particular, provide Japanese investors with reliable legal protection and guarantees for their investments, which is an important incentive for investment in the private sector and projects to restore Ukraine,” Kachka was quoted as saying in the release.

It is stated that Japan plans to provide EUR 160 million to support Ukraine’s economic recovery projects. Ukraine’s priorities include energy, housing, critical infrastructure, humanitarian demining, and business support.

The participants also discussed the participation of representatives of the Japanese government and Japanese business in the Ukraine Recovery Conference (URC 2024) in Berlin on June 11-12 this year, as well as preparations for EXPO 2025 in Osaka and the Ministerial Meeting of the Organization for Economic Cooperation and Development (OECD).

DENMARK TO ALLOCATE ADDITIONAL EUR380 MLN TO REBUILD UKRAINE’S INFRASTRUCTURE

The Danish government has decided to allocate additional EUR380m for the reconstruction of Ukraine’s infrastructure and construction of wind farms, Danish Business Minister Morten Bedskou said at a meeting with Ukrainian President Volodymyr Zelensky in Kiev.

According to the press service of the President, during the meeting, the Danish Minister of Entrepreneurship noted the opportunities for strengthening cooperation between the countries and informed about the decision of his government to allocate additional funding for the Ukrainian mechanism of the Danish Export and Investment Fund.

“*As noted, this mechanism fully covers the risks of Danish exporters and investors, as well as provides financing to Ukrainian private companies and state institutions.*”

For him, the Danish government will allocate almost EUR380 million more for the restoration of critical infrastructure and construction of wind farms.

At the meeting, Zelensky and Bedskou paid special attention to the prospects of expanding Danish business and attracting new investments in Ukraine.

In turn, the President of Ukraine emphasized the importance of the fact that the Minister of Entrepreneurship of Denmark during his visit to Kiev is accompanied by the heads of Danish companies – the largest investors in the economy of Ukraine.

“Your activity in the Ukrainian market is striking. With your investments you set an example for other partners and investors”, – emphasized Zelensky.

As reported, during the recent visit of the First Lady of Ukraine Olena Zelenska to Denmark, she asked Danish partners for additional funding for the Danish Export and Investment Fund, the funds from which come to help Ukraine.



EXPERTS CLUB ANALYZED MACROECONOMIC TRENDS IN UKRAINE AND WORLD IN FIRST QUARTER OF THIS YEAR

The article collects and analyzes the main macroeconomic indicators of Ukraine. In connection with the entry into force of the Law of Ukraine “On Protection of the Interests of Business Entities during Martial Law or a State of War”, the State Statistics Service of Ukraine suspends the publication of statistical information for the period of martial law and for three months after its termination. The exception is the publication of information on the consumer price index, separate information on statistical indicators for 2021 and for the period January-February 2022. The article analyzes open data from the State Statistics Service, the National Bank, and think tanks.

Maksim Urakin, PhD in Economics, presented an analysis of macroeconomic trends in Ukraine and the world based on official data from the State Statistics Service of Ukraine, the NBU, the UN, the IMF, and the World Bank.

Macroeconomic indicators of Ukraine

Maksim Urakin presented data from the National Bank of Ukraine on the improvement of the financial situation in 2023 compared to 2022 and the forecast for 2024.

“The baseline scenario of the NBU’s macroeconomic forecast assumes the continuation of prudent monetary and fiscal policies aimed at maintaining macrofinancial stability. Ukraine is also expected to fulfill its obligations under cooperation programs with international partners, which will continue to provide financial support in sufficient amounts. The forecast envisages a significant reduction in security risks starting in 2025, which will allow unblocking seaports, expanding opportunities for investment and economic activity, and facilitating the return of forced migrants to Ukraine.” – emphasized Maksim Urakin.

The expert noted that the main risks for the economy remain the duration of the war and the instability of international assistance.

“Risks such as additional budgetary needs, in particular for maintaining defense capabilities and eliminating the consequences of destruction, as well as significant deficits, in particular in the energy sector, remain relevant. Significant damage to the port and energy infrastructure will limit exports, and the continued partial blocking of borders with certain EU countries for freight transportation will limit both imports and exports. Another risk is the deepening of negative migration trends,” the economist said.

According to the expert, the pace of international assistance to Ukraine decreased significantly in the fourth quarter of 2023

I quarter of 2024, which may negatively affect the economic recovery this year in the context of the war.

Prospects for the Global Economy

Maksim Urakin also analyzed the global economy, noting a slowdown in growth in 2024 to 2.2%.

“The analysis of the global GDP dynamics shows that the global economy continues to recover from the pandemic, but geopolitical instability has a restraining effect on this growth. According to Maksim Urakin, it is important to monitor developments and adapt to changing conditions to ensure sustainable economic growth in the future. In this context, Ukraine needs to focus on strengthening domestic political stability, restoring economic potential and continuing reforms to improve its post-war prospects and strengthen its position on the global stage,” the expert explains.

According to the expert, the current macroeconomic situation in Ukraine and the world requires further analysis. For Ukraine, the main challenges in the coming years will be the need to restore Ukraine after the war and manage the public debt.

Earlier, the Experts Club analytical center released a video on how the GDP of countries has changed in recent years, more detailed video analysis is available here – https://youtu.be/w5fF_GYyrlc?si=HO-KT2UC8pYdUwCH



UKRAINE TO RECEIVE AN ADDITIONAL £500M FROM UK

British Prime Minister Rishi Sunak will travel to Poland on Tuesday, April 23, to announce a massive increase in military support for Ukraine, specifically £500 million of additional military funding, according to the British government's website.

According to the release, Sunak will meet with Polish Prime Minister Donald Tusk to discuss deepening British-Polish relations. The two sides will also hold talks with NATO Secretary General Jens Stoltenberg in Warsaw on European security and support for Ukraine. The British prime minister will then travel to Germany to meet Chancellor Olaf Scholz in Berlin.

"Ukraine faces an existential threat as Russia continues its barbaric invasion, risking the security and stability of the whole of Europe," the statement said.

“ *The additional funding of £500 million is being used to quickly deliver urgently needed ammunition, air defense, drones and engineering support. The drones will be procured from the UK.* ”

The UK Ministry of Defense will send Ukraine a package of equipment designed to repel a Russian invasion on land, sea and air. The aid package contains 60 boats, including raid and dive boats and naval guns, more than 1,600 strike and anti-air missiles, as well as additional long-range Storm Shadow missiles, more than 400 pieces of equipment, including 160 Husky protected vehicles, 162 armored vehicles and 78 all-terrain vehicles, and nearly 4 million rounds of small arms ammunition.

SWISS PARLIAMENT APPROVES \$5.5 BLN AID TO UKRAINE

A Swiss parliamentary committee voted late on Thursday night in favor of allocating 5 billion Swiss francs (\$5.5 billion) in aid to Ukraine, Reuters reports.

"A Swiss parliamentary committee voted late on Thursday night to allocate 5 billion Swiss francs (\$5.5 billion) in aid to Ukraine as part of a broader package aimed at boosting the defense capabilities of neutral Switzerland. Backed by lawmakers from center-left and center-right parties, the upper house's security committee approved the package, which provides 10.1 billion francs in additional funds for the army, along with the amount for Ukraine," it said.



The plan was adopted by 8 votes to 5, with right-wing parties opposed. It is noted that it will have to pass a number of parliamentary hurdles before the plan becomes law.

"The parliament statement said the multi-billion dollar package was conceived as an extraordinary contribution to Swiss security and 'peace in Europe' in the wake of the war Russia is waging against Ukraine," the statement said.

The parliament also said that the Ukrainian part of the package is aimed at supporting the reconstruction and repair of everyday infrastructure necessary for life in Ukraine.

AS PART OF TYTANOVI PROJECT, NEW REHABILITATION HUB IS BEING BUILT WITH SUPPORT OF ESCULAB NETWORK OF LABORATORIES

In response to the growing need for comprehensive support for wounded who have been seriously injured in the war zone, a modern rehabilitation hub is being built in Kyiv. This project was implemented thanks to the cooperation of the Center for Saving Lives, the Association of Osteo-Integrative Prosthetics and the Esculab Laboratories network.

“*Our center was created to provide our military with the best possible assistance in recovering from severe injuries. We provide not only physical rehabilitation with the help of modern equipment, but also psychological support,*” said Vyacheslav Zaporozhets, director of the Center for Saving Lives charitable foundation.

According to him, the project is unique in that it uses not only the most advanced technologies for physical rehabilitation, but also creates conditions for social adaptation and moral recovery of the military.

“We want every wounded soldier who has undergone amputation to be able to return to a full life,” emphasized Mr. Zaporozhets. In his turn, co-founder of the Esculab laboratory, Serhiy Dyadyushko, also noted the importance of the work for the veterans’ recovery.



“*The network of laboratories “Esculab” is not only about business. We are honored to be a part of this project. Our participation is not limited to financing; we are also actively involved in the process of education and training of specialists, which allows us to maintain a high level of services provided at the center,*” Serhiy Dyadyushko emphasized.

The center will be equipped to the highest standards, including anti-gravity walkways and group exercise spaces that allow patients to feel comfortable and safe during their rehabilitation.

The rehabilitation center is being built on a 500-square-meter area and includes a modern walking laboratory, a wrestling room, a cardio zone, a strength training zone, a dental office, two physiotherapy rooms, a meditation and sleep room, an occupational therapy kitchen, a mini shooting range, locker rooms and showers, etc. The center can accommodate 30 patients at a time.

The project is part of a larger initiative aimed at creating a network of similar centers across the country to ensure access to high-quality rehabilitation services for all victims.

“Esculab is a network of medical laboratories of international quality of diagnostic tests based in Lviv and has one of the largest networks of branches in Ukraine. The network includes more than 100 sampling points in the cities and towns of Lviv, Ivano-Frankivsk, Chernivtsi, Zakarpattia, Khmelnytsky, Ternopil, Rivne, Volyn regions and Kyiv. “Esculab provides patients with the opportunity to take tests at their place of residence and receive highly accurate results. In February 2020, Esculab Medical Laboratory underwent a voluntary assessment of its measurement capabilities in accordance with the requirements of DSTU ISO 10012:2005 “Measurement management systems. Requirements for measurement processes and measuring equipment” to confirm technical competence and received a Certificate of Conformity of the measurement management system. Today, Esculab performs more than 820 types of laboratory tests.

You can learn more about the initiative to build a rehabilitation hub in the video on the Experts Club YouTube channel here: <https://www.youtube.com/watch?v=yi2EZdfXQAAQ>

NBU ANNOUNCES IMPLEMENTATION OF LARGEST PACKAGE OF EASING OF CURRENCY RESTRICTIONS

The National Bank of Ukraine says it is implementing the largest package of easing currency restrictions for businesses since the start of the full-scale war to improve the conditions for doing business in Ukraine and the entry of domestic businesses into new markets, as well as supporting economic recovery and facilitating the inflow of new investment into the country.

“First, all currency restrictions on imports of works and services are abolished. Second, the ability of businesses to repatriate ‘new’ dividends is ensured. Third, the possibility to transfer funds abroad on leasing/renting is provided,” the NBU said in a press release on Friday evening.

“Fourth, restrictions in terms of repayment of new external loans are relaxed. Fifth, the possibility to repay interest on ‘old’ external loans is provided. Sixth, restrictions in terms of transferring foreign currency from representative offices in favor of their parent companies are relaxed,” the regulator added.

“*The regulator believes that this will support Ukrainian producers and provide them with the opportunity to enter foreign markets, which in turn will contribute to a gradual increase in export revenues.*”

It is indicated that repatriation of dividends by businesses will be allowed only for dividends accrued based on performance after January 1, 2024.

“This relaxation does not apply to the payment of dividends at the expense of retained earnings for previous periods or reserve capital,” emphasized the National Bank.

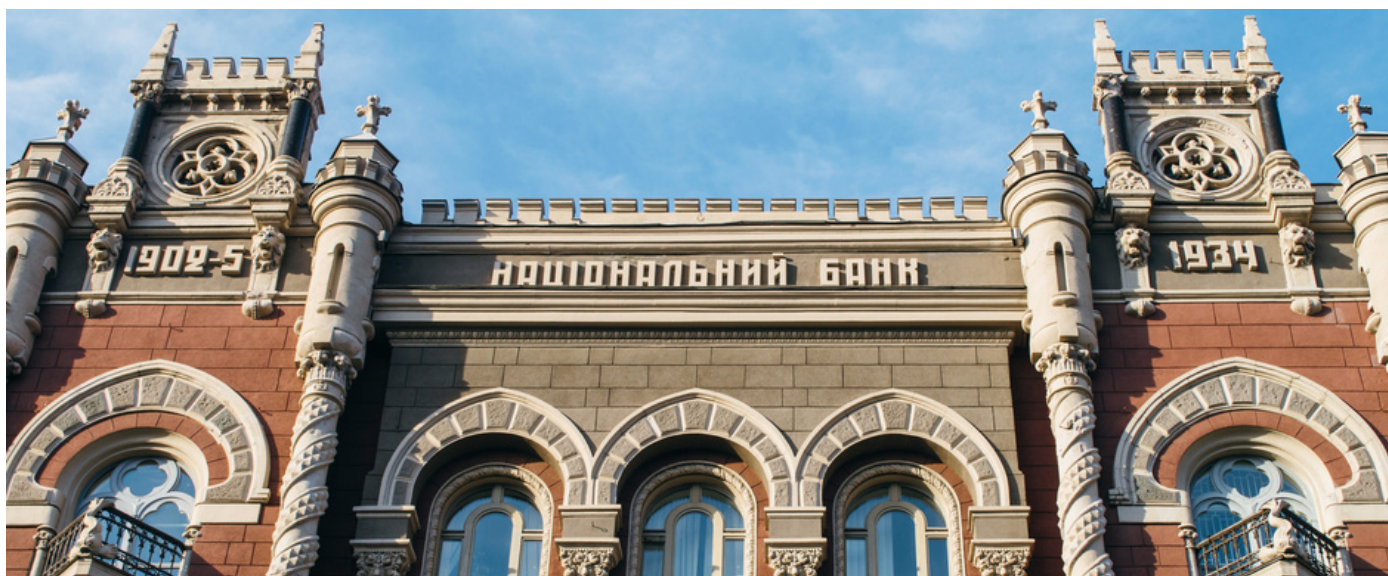
In addition, the regulator set a monthly limit for repatriation of “new” dividends at EUR1 million equivalent in order to minimize risks to macro-financial stability. It is noted that control over compliance with this norm will be ensured thanks to the NBU’s automated information system “E-limits”.

“Providing an opportunity to repatriate “new” dividends will contribute to the inflow of new investments in Ukraine, minimize the risks of curtailing the activities of enterprises with foreign capital and support the economy,” the National Bank believes.

In addition, the NBU will allow businesses, regardless of the period of use of “new” loans to buy foreign currency to pay interest on them.

Regarding the permission for representative offices of foreign companies to transfer foreign currency to the accounts of parent companies, it is specified that the central bank will allow international card payment systems and foreign airlines to buy and transfer foreign currency abroad to the account of a non-resident legal entity, but for such operations will be set a monthly limit of EUR5 million in equivalent.

According to the regulator, this will contribute to further development of cashless settlements in Ukraine.



EBRD'S MANAGING DIRECTOR FOR UKRAINE AND MOLDOVA HAS BEEN REPLACED

The European Bank for Reconstruction and Development (EBRD) has appointed Arvid Türkner, who has held a similar position in Turkey since November 2017, as its new Managing Director for Ukraine and Moldova from May 1, 2024, the bank said in a press release on Wednesday.

“Ukraine is a priority area for EBRD investments, with EUR4.1 billion sent there during the wartime period. Türkner will replace Matteo Patrone, who after five years of work (in Ukraine) will hold the position of EBRD vice president for the banking sector,” the release stated.

The EBRD notes that future wartime and reconstruction investments in Ukraine will be underpinned by the EUR4bn paid-up capital increase approved by shareholders late last year.

“Arvid Türkner’s outstanding performance in his previous role in Turkey gives us great confidence that this vital portfolio is in safe hands,” the statement quotes EBRD First Vice President Jürgen Rigterink as saying.

It is indicated that Türkner will oversee the development of the EBRD’s program for Ukraine, focusing on five wartime investment themes: support for energy security, vital infrastructure, food security, trade and the private sector, as well as political dialogue to help Ukraine and Moldova move towards EU membership.

It is reported that Türkner, a German national, joined the EBRD in January 2009 from the German development bank DEG as a senior banker in the financial institutions group in Moscow. In October 2013, he was promoted to regional development director and deputy head of the Moscow office, and became head of the office in April 2015.

After moving to London in early 2017 as director of corporate debt, Türkner was appointed to his current role as managing director in Turkey in November 2017, where he successfully led the bank’s crisis response to the devaluation of the lira in 2018. Under his leadership and despite recurring macroeconomic volatility, the bank’s business in Turkey has continued to grow significantly: the portfolio is currently valued at EUR7.5bn, with 246 active projects and EUR5.8bn of operating assets. In 2023 alone, the bank signed 48 projects worth EUR2.48bn.

FERREXPO DOUBLES PELLET PRODUCTION

Ferrexpo plc, a mining company with major assets in Ukraine, produced 3.814 million tonnes of pellets in January-March this year, up twice year-on-year (0.901 million tonnes) and 2.9 times more than in the previous quarter (0.627 million tonnes).

“Our operations delivered exceptional results in the first quarter, with total production up 203% quarter-on-quarter to over two million tonnes of iron ore pellets and concentrate. This is our best quarterly result since the full-scale invasion of Ukraine,” Executive Chairman Lucio Genovese said in a release on Tuesday.



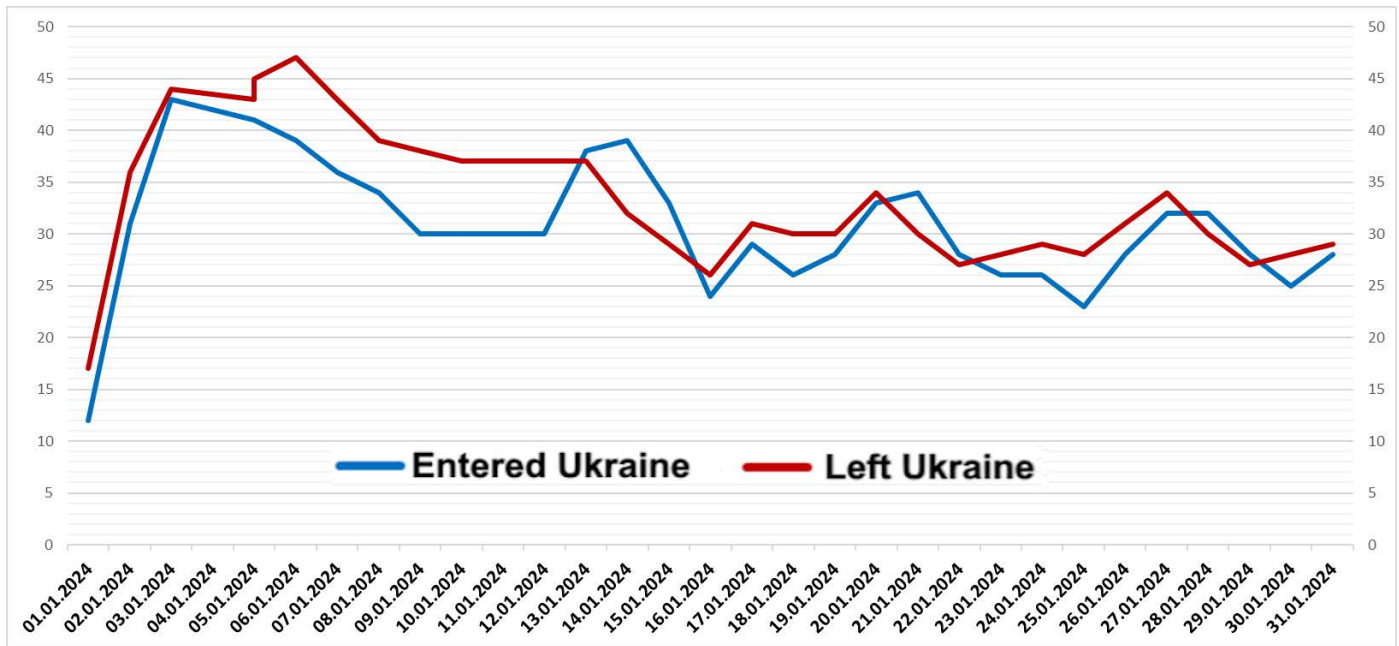
It is specified that the total production of commercial products (pellets and iron ore concentrate) in the first quarter of this year amounted to 2.054 million tons, which is 2.1 times higher than in the first quarter of 2023 and 3 times higher than in the previous quarter. In particular, the production of saleable concentrate in January-March 2024 amounted to 241 thousand tons, compared to 53 thousand tons in January-March 2023 and 50 thousand tons in October-December 2023.

Genovese noted that Ferrexpo was able to export products from Ukrainian ports again during the quarter, which allowed it to supply larger volumes to Europe and resume sales to customers in the Middle East and North Africa and Asia.

According to him, the company is currently seeing an increase in the conscription of its employees: 669 Ferrexpo employees are serving in the army, which is the highest figure since the start of the full-scale invasion, while 67 employees have returned and a veterans’ reintegration program is underway.

“While we consider the level of risk acceptable given the ongoing war in Ukraine, we will continue to utilize all available export capacity to ensure that the interests of all stakeholders are supported,” Genovese concluded.

PASSENGER FLOW THROUGH WESTERN BORDER OF UKRAINE IN JANUARY 2024, THOUSAND



UKRAINE INCREASED STEEL PRODUCTION BY 16% IN MARCH

Metallurgical enterprises of Ukraine in March of this year increased steel production by 15.8% compared to the same period in 2023 – to 611 thousand tons from 527 thousand tons.

At the same time, Ukraine took 21st place in the ranking of 71 countries – global producers of these products, compiled by the World Steel Association (Worldsteel).

According to Worldsteel, in March an increase in steel production was recorded by March 2023 in most countries of the top ten, except China, Japan and South Korea.

“ *The top ten steel-producing countries at the end of March are as follows: China (88.270 million tons, a decrease of 7.8% compared to March 2023), India (12.709 million tons, an increase of 7.8%), Japan (7.197 million tons, decrease by 3.9%), USA (6.906 million tons, at the level of March 2023), Russia (6.640 million tons, increase by 0.8%), South Korea (5.282 million tons, down by 9.5%), Germany (3.510 million tons, up 8.4%), Turkey (3.202 million tons, up 18%), Brazil (2.787 million tons, up 5.6%) and Iran (2.774 million tons, up 2%).*

In total, in March 2024, steel production decreased by 4.3% compared to the same period in 2023 – to 161.190 million tons.

In January-March 2024, the top ten steel producing countries are as follows: China (256.550 million tons, a decrease of 1.9% compared to January-March 2023), India (37.327 million tons, an increase of 9.7%), Japan (21.452 million tons, down 0.8%), USA (19.936 million tons, down 1.6%), Russia (18.680 million tons, down 0.2%), South Korea (16.245 million tons, down 2 .5%), Germany (9.704 million tons, an increase of 6%), Turkey (9.533 million tons, an increase of 28.4%), Brazil (8.293 million tons, an increase of 6.2%) and Iran (7.616 million tons, higher by 16.3%).

In general, over the 3 months of 2024, steel production increased by 0.5% compared to the same period in 2023 – to 469.060 million tons.

At the same time, Ukraine produced 1.687 million tons of steel in 3 months of 2024, which is 36.6% higher than the volumes for the same period in 2023 (for 3 months of 2023 – 1.235 million tons). The country is in 22nd place based on the results of 3 months – 2024.

NOVAPAY HAS FORMED NETWORK OF 2.8 THOUSAND POS TERMINALS IN UKRAINE

NovaPay, a financial company of the Nova group of companies, has installed 2.8 thousand of its own POS terminals in 1.9 thousand Nova Poshta offices across Ukraine, except for the temporarily occupied territories, the company said in a statement on Tuesday.

“Our goal is to provide all Nova Poshta branches with NovaPay POS terminals,” the release quotes NovaPay Chief Innovation Officer Oleksiy Ruban as saying.

According to him, the installation of its own POS terminals increases the speed and security of service, and also allows you to quickly resolve problematic issues in case of equipment failures and not to seek help from partner banks.

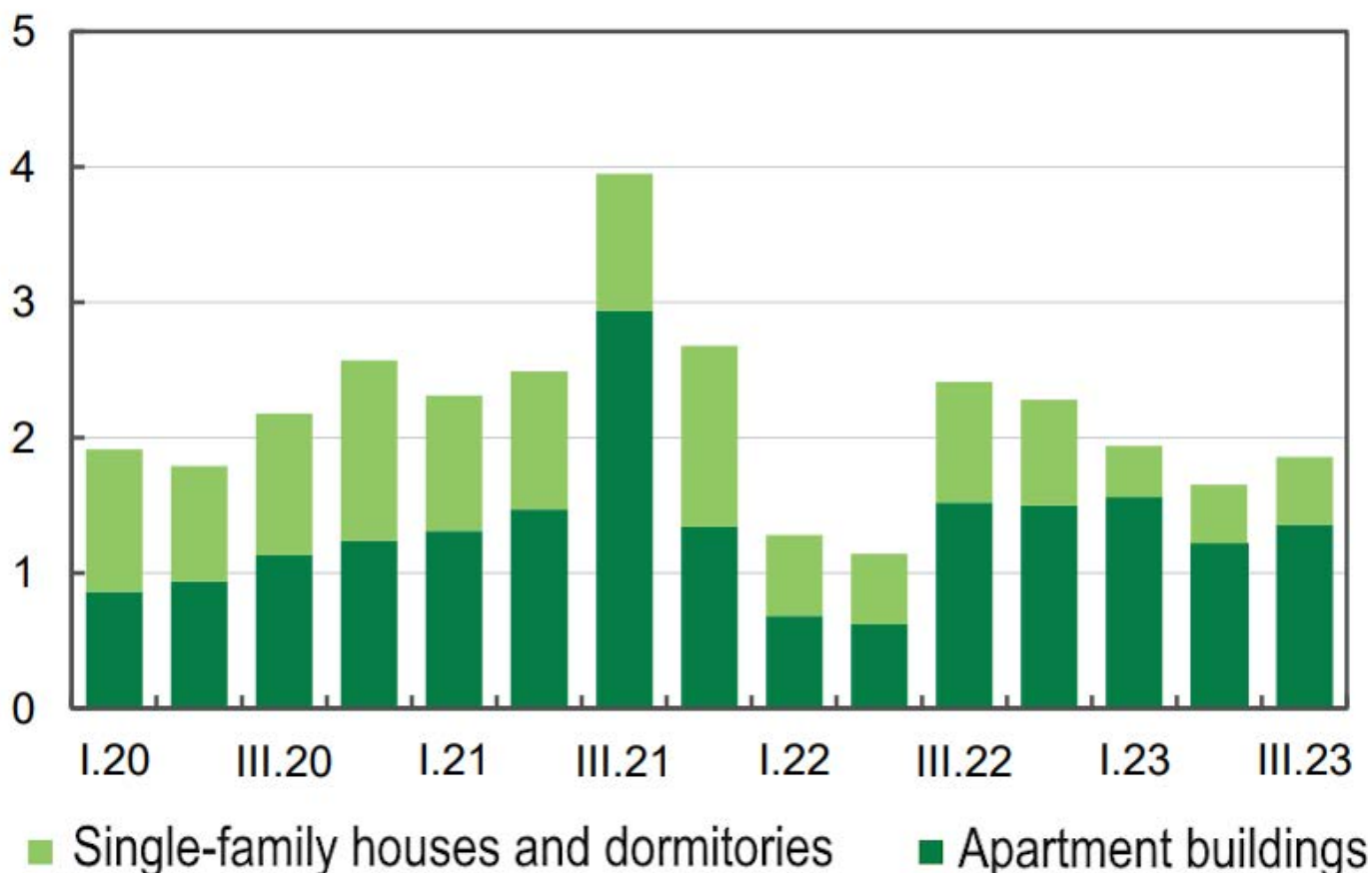
At the beginning of this year, Nova Poshta’s network in Ukraine consisted of 11.46 thousand branches and 15.59 thousand post offices in more than 10 thousand settlements throughout Ukraine.

As reported, NovaPay plans to install 10 thousand POS terminals in Ukraine by 2025.

NovaPay is an international financial service founded in 2001, part of the Nova group, which provides online and offline financial services at Nova Poshta offices. According to its website, the company employs about 13 thousand people in more than 3.6 thousand Nova Poshta offices across Ukraine. According to the National Bank of Ukraine, the company accounts for 35% of the total volume of domestic money transfers.

The total number of transactions through NovaPay in 2023 reached 354 million, which is 31% more than in the previous year, and their amount increased by 41% to UAH 235.5 billion.

COMMISSIONING OF HOUSING IN UKRAINE, MLN SQ M



DIM APARTMENTS CAN NOW BE BOUGHT UNDER “EOSELA” PROGRAM

Bank-partner of the state program on affordable lending SKY Bank accredited for participation in the program “eOselia” housing complexes of DIM company, houses No. 4 and No. 6 in LCD LUCKY LAND and house No. 3 of LCD “Metropolis” in Kiev, reported in the press service of the developer.

“SKY BANK JSC welcomes the beginning of cooperation with the leading developer of the capital’s real estate market and continues to implement the strategic mission of the state preferential mortgage lending program “eOselia”, making it affordable for citizens to buy housing at the construction stage,” – quoted in the release Director of Retail Business, member of the Board of SKY BANK JSC Vladimir Chernenky.

Managing partner of DIM companies Alexander Nasikovsky said that DIM regularly receive requests from clients about the possibility of buying an apartment under the state program “eOsel”.

“Everyone should have a house – we are sure of it. Since the beginning of the year we have commissioned more than 1,000 apartments and are actively working on developing comfortable conditions for the purchase of housing for our clients, including working with the state program of affordable housing loans,” said Nasikovsky.

Lucky Land (Berkovetskaya Street, 6) is a residential complex of comfort class, designed as a multifunctional district with developed infrastructure. It assumes 23 buildings 13-14 floors high, 5183 apartments in total, with guest parking for 2,5 thousand and underground parking for 356 cars. Under the program “eOsela” available for mortgage one, two- and three-bedroom apartments with the area from 41 sq.m. in the house № 3, which has already received a certificate of readiness, and houses № 4, № 6, which are scheduled for commissioning in the third and fourth quarters of this year.

You can also buy an apartment under the “eOsel” program in building No. 3 of the Residential Complex “Metropolis” (ak.Zabolotnogo, 1), its planned date of commissioning in the third quarter.

Also available on “eOsela” apartments in the completed housing estate “New Autograph” (Kn. Roman Mstislavicha (Generala Zhmachenko), 26).

MORE THAN 22 THOUSAND NEW CARS SOLD IN UKRAINE IN JAN-APR

Initial registrations of new passenger cars in Ukraine in January-April this year increased by 35% compared to the same period in 2023 – up to 22.2 thousand units, the Ukravtoprom association reported on its Telegram channel. Thus, the growth rate of demand for new passenger cars slowed compared to the same period last year and amounted to 48% in the first quarter.

At the same time, in April, according to the Association, more than 5.7 thousand new passenger cars were registered in Ukraine, which is 11% more than in the same month in 2023, but compared to March this year, registrations decreased by 14%.



The TOP-5 leaders in new car sales in Ukraine include Toyota, Renault, Volkswagen, BMW, Skoda According to Ukravtoprom, the Japanese brand Toyota holds the market leadership with 856 registrations (805 units in April last year), Renault is second with 536 cars (543 units), Volkswagen is third with 468 cars sold, which was fourth with 417 cars in April 2023.

In addition, BMW with 405 units and Skoda with 317 cars were in the TOP-5 in April.

The bestseller in the Ukrainian new car market remains the compact crossover Renault Duster, which sold 484 units in April.

As reported with reference to the Ukravtoprom Association, in 2023, the first registrations of new passenger cars in Ukraine increased by 60.6% compared to 2022, to almost 61 thousand units.

UKRAINIAN CHEESE MAKERS FACE DECLINE IN SALES DUE TO IMPORTS

Ukrainian cheese makers are facing a decline in sales due to both the high price of Ukrainian cheese and rising imports, according to Infagro, an industry news and analysis agency.

“*In March, cheese imports increased by more than 40%, and in April this figure may increase by another 15-20%. That is, the share of European cheeses again accounts for about a third of total cheese sales in Ukraine,” the analysts said.*

They emphasized that the share of imports in Ukraine’s domestic market is still lower than before the war, but this should force producers to take measures to stay in their own market.

“Due to the devaluation of the hryvnia, cheese exports are becoming even more profitable. At the same time, exports of cheese products, for example, to Kazakhstan, are falling rapidly. Ukrainian cheese products have already been practically pushed out of the Kazakh market by Russian producers. If exports of cheese products to Kazakhstan stop, production will have to be significantly reduced,” Infagro predicts.

SALES OF AGRICULTURAL LAND INCREASED IN UKRAINE, LAND PRICES INCREASED BY 11.2%

In January-March 2024, the capitalization of the agricultural land market in Ukraine increased by UAH 202.5 billion, due to a 7% increase in the number of agricultural land sales transactions and an 11.2% increase in land prices, said Vice President of Kyiv School of Economics (KSE) for Economic Education, Professor Oleg Nivievsky at the seminar “Land Market: New Players, New Challenges, New Prospects” organized by KSE and the USAID AGRO program.

According to his information, in the first quarter of 2024, 25.7 thousand transactions of purchase and sale of agricultural land plots with a total volume of 58.8 thousand hectares were concluded in Ukraine, which is 7% higher than in the fourth quarter of 2023, which recorded a record number of transactions of purchase and sale of agricultural land for the entire time after the start of the full-scale invasion.

In the first three months of this year, the weighted average price of a hectare of agricultural land increased by 11.2%. While in the fourth quarter of last year it amounted to UAH 37.7 thousand, in January-March 2024 it increased to UAH 42.0 thousand per hectare. Thus, the capitalization of the agricultural land market has increased by UAH 202.5 billion since the beginning of this year, stated Nivievsky, and attributed these phenomena, in particular, to the opening of access to the land market for legal entities from January 1, 2024.

“Despite the full-scale war and a rather limited model, the agricultural land market in Ukraine is developing successfully. A clear indication of this is the recent decision of the National Bank to increase the liquidity ratio of agricultural land from 0.35 to 0.5. This has already opened up the possibility for the agricultural sector and landowners to attract additional funding worth \$25 billion, which is comparable to the annual financial needs of farmers and landowners,” said the KSE Vice President.

Ksenia Sydorkina, USAID AGRO Program Director, said that the development of the agricultural land market is increasingly affecting the public finance system of communities after the personal income tax paid by military personnel was redirected to the state budget. Since January 2024, the increase in revenues related to agricultural land has offset the decline in other community tax revenues by a quarter. For example, in February of this year alone, taxes related to agricultural land accounted for 13% of all community tax revenues, compared to 10% in February 2023, and reached UAH 3 billion, which is 20% higher than the same period last year.

“The agricultural land market is an additional resource for the restoration of territories, the potential of which has yet to be realized by joint efforts of the government, lawmakers and communities,” said USAID AGRO Chief of Party and expressed confidence in the need to implement the reform of spatial development of territories and a number of other projects on land consolidation, irrigation development, affordable lending for small and medium-sized agricultural producers, including with the support of the Partial Guarantee Fund for Agricultural Loans, as well as with the support of the Fund.

EXPORTS OF SUNFLOWER OIL FROM UKRAINE IN SEPTEMBER-APRIL 2023-2024 AMOUNTED TO OVER 4.4 MLN TONNES

The exports of sunflower oil from Ukraine in September-April of 2023-2024 marketing year (MY) totaled over 4.4 mln tonnes, up 17% compared to the same period of the previous season, and became the second largest export volume in the history after 2019-2020 MY, when the exports reached 4.49 mln tonnes in the same period, APK-Inform news agency reported.



“The demand for this product in the current season from the key global importers was boosted by the more attractive price of sunflower oil compared to other vegetable oils, which resulted in the active increase of sunflower processing by the Ukrainian plants,” the analysts explained.

They also pointed out that an important factor is ensuring relatively stable shipments of oil by sea.

The agency’s experts reminded that they estimated the export of sunflower oil for the season-2023/24 at 5.6 mln tonnes (+4% compared to April estimates; -1% compared to 2022-2023 MY). However, given that about 79% of the forecast has already been exported, a significant decline in monthly shipments is expected by the end of the season.

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Contact info: info@open4business.com.ua

<https://www.facebook.com/ukraineopen4business>,

<https://twitter.com/uaopen4business>

+38(044) 270 65 74

PhD in Economics, Maksim Urakin

Open4Business helps foreign businesses to search for opportunities and expand to Ukrainian market

Open4Business is a platform created to help foreign businesses to search for opportunities and expand to Ukrainian market.

The platform and related organizations provide a holistic set of services needed to successfully penetrate the Ukrainian starting from establishing foreign trade relations with local companies and up to establishing a subsidiary or acquiring a company in Ukraine.



You are welcome to contact:

info@open4business.com.ua

tel./fax: +38(067)970-52-59

The List of Main Services:

- Market information and market intelligence
- Searching trade partners and organizing fact finding trips
- Governmental relations
- PR campaigns
- Full range of M&A services
- Production outsourcing project management
- Legal advisory services including licencing and certification, etc. (together with associated companies).

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