



UKRAINE
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UKRAINE HAS EXPORTED OVER 136 MLN TONS OF GOODS THROUGH 'SOLIDARITY CORRIDORS'

"Solidarity corridors" have allowed Ukraine to export more than 136 million tons of products such as grain, ore and steel since 2022 and import more than 52 million tons of goods, including fuel, vehicles, fertilizers, as well as military and humanitarian aid, pap.pl reports, citing the European Commission.

"In 2022, the EC, in cooperation with Ukraine and Moldova, created the so-called solidarity corridors to improve the operation of EU-Ukraine-Moldova transport routes after Russia's invasion of Ukraine. These are alternative logistics routes that allow for the transportation of goods by rail, road, and inland waterway. The corridors, created to circumvent Russia's blockade of Ukrainian grain exports through the Black Sea, now cover trade in all sectors," the European Commission reminded.

"Solidarity Corridors" allow Ukraine and Moldova to export all types of goods to world markets and ensure the delivery of necessary products to Ukraine, the EC explained. These routes pass through the Danube region, Poland, the Baltic States and the Adriatic region. They complement the Black Sea route created by Ukraine in the fall of 2023.

The European Commission is convinced that the Danube Corridor and the Polish-Baltic Corridor are crucial for all imports, while the Adriatic Sea is of particular importance for Ukraine's non-agricultural exports.

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07 June 2024



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COMPANIES OF UKRCEMENT ASSOCIATION INCREASED PRODUCTION BY 46.3%



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CABINET OF MINISTERS APPROVES AGREEMENT WITH US ON \$7.85 BLN IN AID TO UKRAINIAN BUDGET

At a meeting on Thursday, the Cabinet of Ministers approved an intergovernmental agreement with the United States to raise \$7.849 billion in economic aid for the Ukrainian budget.

“Today we are approving a draft agreement between Ukraine and the United States, which will allow Ukraine to receive about \$7.9 billion in financial and economic support. These are funds under the new US aid package that will be allocated to the Ukrainian budget,” Shmyhal said at a government meeting.



According to the text of the agreement, published in Telegram by MP Yaroslav Zheleznyak, another \$50 million will be allocated to prevent and respond to food insecurity, but the list of recipient countries will be determined later.

In addition, Ukraine may be among the countries that will receive another \$1.575 million in economic assistance.

It is noted that the United States provides funds on an interest-free loan with the condition of repayment in one payment 40 years after September 30, 2025. At the same time, the agreement provides for the possibility of writing off part or all of this debt by the US President: after November 15, 2024, up to 50% of the loan may be canceled, and after January 1, 2026, the entire amount of debt may be canceled.

NEW AMBASSADOR OF INDIA TO UKRAINE APPOINTED

Shri Ravi Shankar has been appointed as the new Ambassador of India to Ukraine on May 30, 2024. This was reported the website of the Ministry of Foreign Affairs of India.

Shri Ravi Shankar, who is currently working as an additional secretary in the Ministry, has previously held positions in the Indian government. He is expected to take up his duties in the near future.



India recognized Ukraine's independence on December 26, 1991. On January 17, 1992, diplomatic relations between Ukraine and India were established.

KEY ECONOMIC INDICATORS OF FIRST QUARTER OF 2024 IN UKRAINE AND WORLD FROM EXPERTS CLUB

The article summarizes 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, as well as 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, founder of the Experts Club think tank, 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 cited the National Bank of Ukraine’s data on the improvement of the financial situation in 2023 compared to 2022 and the forecast for 2024.

“Optimistic forecasts for international financing, recovery of supply chains, seasonal business revival and growth in domestic demand, as well as slowing inflation, have contributed to positive expectations for economic stabilization in the near future. However, damaged energy infrastructure, rising logistics and labor costs, and a shortage of qualified personnel due to demographic factors remain constraining factors,” Urakin emphasized.

The expert noted that the risks to the economy also include a possible intensification of military operations in the summer and instability of international assistance.

“The baseline scenario for the macroeconomic situation in the country envisages further implementation of prudent monetary and fiscal policies with a focus on maintaining financial stability. Ukraine must consistently fulfill its obligations under cooperation programs with international partners, which will lead to an increase in the public debt to GDP ratio,” the economist said.

Global Economic Outlook

Maksim Urakin also analyzed the global economy, noting a slight improvement in the situation compared to the previous forecast.

“Global economic growth in 2024 may slightly exceed last year’s level, as countries such as India, China and the United States have picked up in recent months. However, the global economic recovery is still constrained by geopolitical conflicts, protectionist policies of major powers and persistent inflation,” the expert explained.

According to the expert, global GDP growth is likely to remain at 2.9% to 3.2% this year and will only slightly accelerate to 3.4% in 2025.

For Ukraine, the main challenges in the coming years will be the need to restore Ukraine after the war and manage the public debt.



HOUSING PRICES IN UKRAINE INCREASED BY 16% – STATE STATISTICS SERVICE

The housing price index in Ukraine in January-March 2024 amounted to 116%, while in the same period in 2023 the figure was 111.4%, the State Statistics Service (Ukrstat) reported.

According to it, in the primary market, housing prices in the first quarter of 2024 accelerated growth to 17.6% compared to 9.8% in the first quarter of last year. Three-bedroom apartments rose in price the most – by 17.9%. The price increase for one-bedroom apartments was 17.8%, and for two-bedroom apartments – 17.5%.

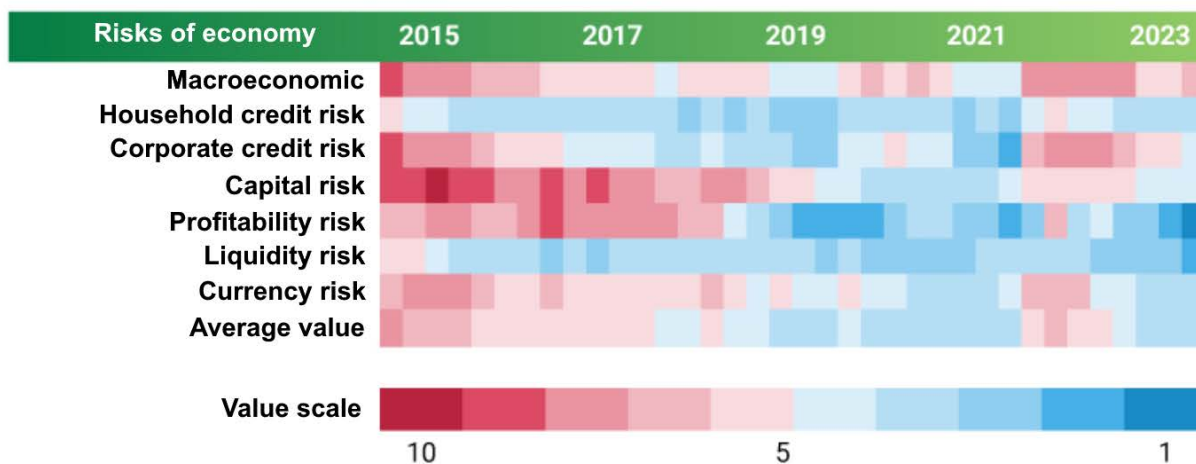
In the secondary market, prices accelerated growth to 15.3% in January-March 2024, up from 12.5% in the same period in 2023. Thus, the growth in prices for one-bedroom apartments amounted to 15.9%, two-bedroom apartments – 15.2%, three-bedroom apartments – 15.5%.

According to the statistics agency, compared to the previous quarter, housing prices rose by 5.7%, with a 5.2% increase in the primary market and a 6% increase in the secondary market.

According to the State Statistics Service, in the first quarter of 2024, prices for primary housing increased by 5.2% for one-bedroom apartments compared to the fourth quarter of 2023, by 5.3% for two-bedroom apartments, and by 4.9% for three-bedroom apartments. In the secondary market, prices increased by 6.1%, 6.2% and 5.9%, respectively.



HEAT MAP OF RISKS FOR FINANCIAL SECTOR OF UKRAINE



ADONIS MEDICAL GROUP HAS CREATED REHABILITATION PROGRAMS FOR DEMOBILIZED EMPLOYEES OF COMPANIES

ADONIS Medical Group has launched corporate rehabilitation programs for demobilized employees of companies. According to the medical group's press release, ADONIS rehabilitation programs include a wide range of services to restore the physical, psychological and social status of patients.

Specifically, the program includes preparation for prosthetics and rehabilitation after prosthetic fitting, rehabilitation after gunshot wounds, shrapnel fractures of bones, burn injuries, including skin repair, and restoration of movement amplitude for contractures to maximize mobility after injuries.

“Initiatives like this not only contribute to the physical recovery of military personnel, but also impact their overall well-being and integration into active life. Companies like MHP set an example of civic responsibility and caring for their employees,” the medical group reported.

At the same time, ADONIS noted that it is ready to “cooperate with other corporations that value their employees and want to help them during this important period.”

“The return of servicemen to peaceful life is a difficult journey that requires not only physical recovery, but also psychological and social support. We develop programs taking into account the requests of companies,” ADONIS emphasized.

ADONIS is a network of private medical centers for adults and children. ADONIS private clinic was founded more than 25 years ago. Its network includes seven branches in Kiev and the region, including a rehabilitation center and a stem cell laboratory. Doctors at the clinic's branches provide treatment in 65 medical fields. In war conditions, ADONIS branches with surgical units provide quality medical care to military and civilians.

DYNAMICS OF IMPORT OF GOODS IN JAN-FEB 2024 BY MOST IMPORTANT ITEMS IN RELATION TO SAME PERIOD OF 2023, %



Means of land transportation

▲ +49,3% (1240,7 million USD)



Reactors, boilers, machines

▲ +37,8% (846,5 million USD)



Electric machines

▼ -20,7% (995,6 million USD)



Mineral fuels, petroleum and products of its distillation

▼ -51,9% (1280,7 million USD)

DYNAMICS OF EXPORT OF GOODS IN JAN-FEB 2024 BY MOST IMPORTANT ITEMS IN RELATION TO SAME PERIOD OF 2023, %



Ferrous metals

▲ +46,2% (522,5 million USD)



Fats and oils of animal and vegetable origin

▲ +11,8% (1 030,1 million USD)



Cereal crops

▼ -8,1% (1 838,0 million USD)

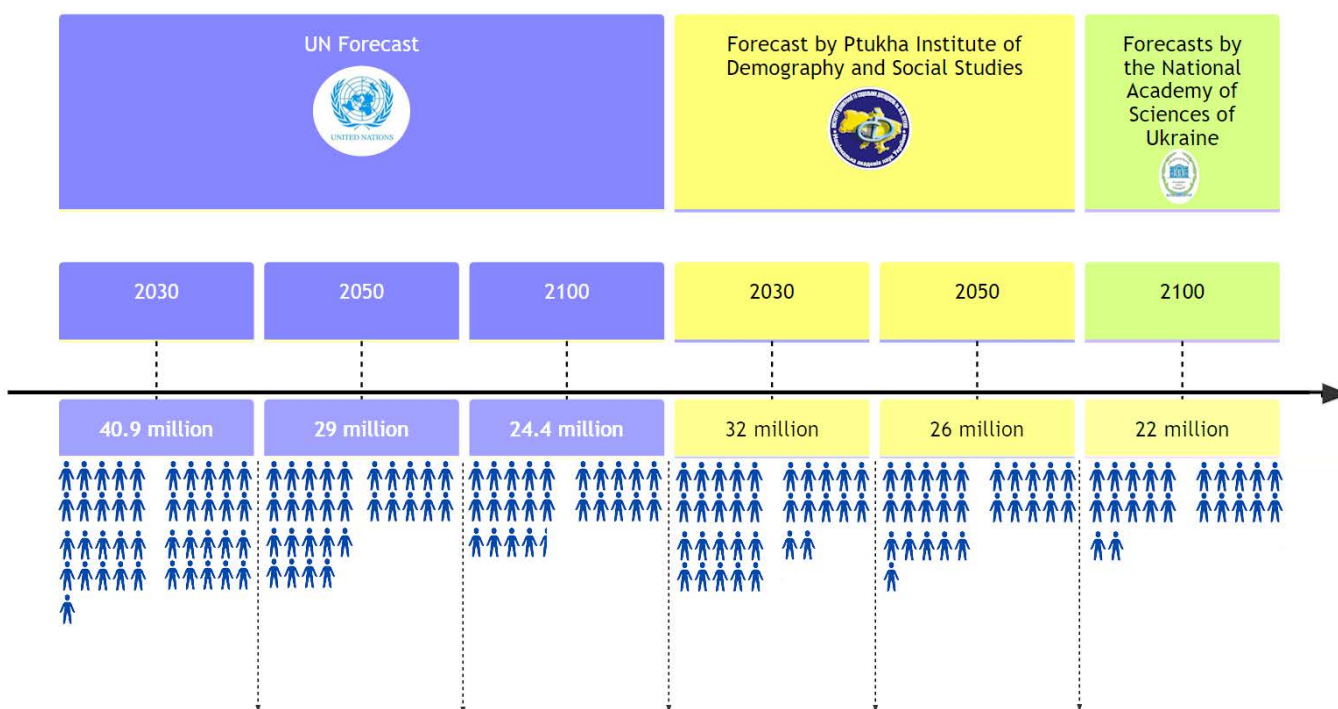


Electric machines

▼ -61,0% (118,5 million USD)

POPULATION FORECAST FOR UKRAINE IN 2030-2100

Population Forecast for Ukraine



ANDY HUNDER: 84% OF AMERICAN CHAMBER OF COMMERCE COMPANIES IN UKRAINE HAVE EMPLOYEES SERVING IN ARMED FORCES OF UKRAINE

84% of the American Chamber of Commerce companies in Ukraine have employees serving in the Armed Forces of Ukraine, said Andy Hunder, President of the American Chamber of Commerce.

“Today, 84% of the American Chamber of Commerce companies in Ukraine have employees serving in the Armed Forces of Ukraine. This means that 9 out of 10 companies have defenders,” he said at the Ministry of Veterans’ Summit “Veteran’s Path from Military Service to Civilian Life” in Kyiv on Monday.

According to him, the issue of veterans’ reintegration is a key one for ATP.

“It is important to create conditions in which these defenders will become economically active again, will be able to realize their knowledge and skills in peaceful life,” Gunder emphasized.



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VODAFONE DOUBLES INVESTMENTS IN ENERGY INDEPENDENCE

Following the attacks on the energy infrastructure in March and April, Vodafone has decided to double its planned investments in energy independence this year. Following this decision, the company plans to purchase additional generating capacity and autonomous power supply systems worth UAH 438 million. Total investments in the network’s energy resilience in 2022-2024 will exceed UAH 674 million.

Vodafone is investing in new types of batteries for its communication facilities. To improve reliability and extend the autonomous power supply time of its base stations, the company has already purchased 13.5 thousand batteries of a new lithium-ferrous type (LiFePO4). Such batteries are much better adapted to harsh operating conditions with frequent and prolonged power outages. Vodafone plans to purchase an additional 4,612 such batteries in 2024.

In addition, Vodafone will increase its generating capacity. More than 1.5 thousand base stations are already powered by generator sets, including the company’s own stationary and mobile generators, as well as generator sets of partners and customers. During the war alone, the company purchased about 500 mobile generators and the auxiliary equipment necessary for their operation. In 2024, the number of generating equipment of various types will increase by another 280 units.

Today, more than 700 partner generators ensure the network’s operation during outages, and this number is constantly growing. Vodafone is open for further cooperation – companies that have a diesel generator set and are ready to share its capacity to provide communication for their company and other subscribers within the base station coverage area can send a letter to no_blackout@vodafone.ua. Vodafone experts will be happy to discuss the details of possible cooperation.

During previous emergency outages, the company has already used more than 1,094 tons of diesel and gasoline. Vodafone’s power engineers have also ensured sufficient diesel and gasoline reserves to generate electricity to keep the grid running during the blackouts. To minimize the risks of a shortage of certain types of fuel and diversify fuel supplies, including on a regional basis, the company has increased the number of wholesale fuel suppliers with whom it has signed contracts and made significant fuel reserves.

PRESENTATION OF INNOVATIVE TRADING HOUSE MENA TRADE HOUSE TOOK PLACE

On May 15, 2024, a solemn presentation of the innovative trading house MENA TRADE HOUSE took place. The opening of the project, created to intensify business processes between Ukraine and the MENA countries, a region that traditionally includes the Middle East and North Africa, was attended by more than 80 guests, representatives of the legislative and executive authorities of Ukraine, the diplomatic corps accredited in Ukraine, heads of large and medium-sized businesses seeking to develop international business projects with the countries of the Middle East and North Africa, representatives of domestic and foreign media.

“ *The initiators of MENA TRADE HOUSE were Dr. Emad Ballak (member of ICC Ukraine) and Oleksiy Hrynevych, experts in business development in the global market. Alyona Rymaruk, Secretary General of ICC Ukraine, welcomed the participants of the meeting, Volodymyr Mykhailov, Vice President of ICC Ukraine, delivered a welcoming speech on behalf of ICC Ukraine President Volodymyr Shchelkunov and informed the distinguished gathering about the benefits and prospects of business cooperation with the ICC Ukraine.*

The presentation of the innovative trade house MENA TRADE HOUSE was made by Dr. Emad Ballak and Oleksiy Hrynevych, who outlined the main activities of MENA TRADE HOUSE: among the main strategic tasks and goals that Ukraine currently faces in the region is the expansion of markets for its products and services. The MENA market has a large capacity and significant demand for goods that are produced or can be produced in Ukraine. The activities of the innovative trade house MENA TRADE HOUSE will be aimed at determining the practical form of Ukraine's optimal presence in these markets, developing appropriate strategic business programs with the provision of certified consultants and experts to provide consulting support to companies entering the MENA market. A key condition for successful actions will be a clear understanding of the interests, capabilities and potential of key players in various industries and networking opportunities for international business.

The strategic directions of Ukraine's business presence in the MENA countries and the main goal of the innovative trade house MENA TRADE HOUSE is to comprehensively represent Ukraine in the region, through commercial ties between business unions, associations and individual large state corporations, to expand opportunities for mutually beneficial trade and economic activities of all parties. Detailed information about the innovative trade house MENA TRADE HOUSE, a list of forms of cooperation, methods of ensuring successful activity is available on the official website:

– MENA TRADE HOUSE MENA TRADE HOUSE

– Your Gateway to MENA Markets and on the website of ICC Ukraine – www.iccua.org

UKRAINE EXPORTED 4 MLN TONS OF GRAIN IN MAY

As of May 24, Ukraine exported 45.402 mln tonnes of grains and pulses since the beginning of 2023/24 marketing year (MY, September 2023 – August 2024), of which 3.997 mln tonnes were shipped in May, the press service of the Ministry of Agrarian Policy of Ukraine reported, citing the State Customs Service.

According to the report, as of the same date last year, the total shipments amounted to 44.593 mln tons, including 2.707 mln tons in May.

In terms of crops, since the beginning of the current season, 16.949 million tons of wheat have been exported (in May, the figure was 1.163 million tons), 2.363 million tons of barley (161 thousand tons), 1.4 thousand tons of rye (0.2 thousand tons), 25.563 million tons of corn (2.662 million tons).

Total exports of Ukrainian flour as of May 24 are significantly lower than last year's figure (138.9 thousand tons) and are estimated at 90.9 thousand tons (4.3 thousand tons in May), including 85.9 thousand tons of wheat (3.9 thousand tons).

COMPANIES OF UKRCEMENT ASSOCIATION INCREASED PRODUCTION BY 46.3%

In January-March 2024, companies belonging to the Ukrcement association increased cement production by 46.3% compared to the same period in 2023, up to 1 million 477.9 thousand tons of cement, the Ukrcement press service reports.

“According to the association, the figure for January-March this year almost reached the same period in pre-war 2021, when the volume of cement produced amounted to 1.56 million tons.

At the same time, clinker production in the first quarter of 2024 decreased by 8.5% compared to the first quarter of last year and amounted to 878.5 thousand tons.

As reported, in 2023, the total volume of cement produced in Ukraine increased by 37% compared to the previous year and amounted to 7.4 million tons.

The Ukrcement Association was established in January 2004 through the reorganization of the Ukrainian Concern of Enterprises and Organizations of the Cement Industry Ukrcement. The Association comprises five groups of companies including nine cement enterprises.

OTP BANK STARTED SELLING DOMESTIC GOVERNMENT BONDS FROM ITS OWN PORTFOLIO

JSC OTP BANK has introduced a new service – sale of domestic government bonds from its own portfolio in the OTP Bank UA application. From now on, customers have the opportunity to purchase domestic government bonds at any convenient time, regardless of the date of the Ministry of Finance of Ukraine's auctions.

“The new functionality opens up even more opportunities for investing in government securities, as well as allows you to choose the optimal bond rate and maturity. The service is already available online to all individuals who have opened a securities account in any branch of the Bank,” said Valeria Ovcharuk, product owner of OTP Bank.

According to her, the process of buying government bonds is convenient and fast. “The OTP Bank UA app offers an easy interface for purchasing government bonds. Just a few clicks and the securities are in your bond portfolio. It is a reliable and profitable investment in the future, as the repayment of domestic government bonds is 100% guaranteed by the state,” emphasized Ovcharuk.

Investing in domestic government bonds is not only an opportunity to support the financial stability of Ukraine in times of war, but also a good opportunity to diversify your savings and receive additional income in both hryvnia and foreign currency.

Last fall, OTP BANK opened the opportunity to buy domestic government bonds directly at auctions of the Ministry of Finance through the OTP Bank UA application. During 2023, the Bank's customers purchased domestic government bonds for a total amount of UAH 6.3 billion in equivalent, which is 153% more than in 2022.

As a reminder, in 2023, OTP Bank was ranked fourth among Ukrainian banks in the overall rating of primary dealers, according to the Ministry of Finance of Ukraine.

The status of a primary dealer provides the exclusive right to participate in the placement of domestic government bonds conducted by the Ministry of Finance, both on its own behalf and for clients of individuals and legal entities, as well as banks and financial companies that do not have such a status.

To learn more about investing in domestic government bonds through the OTP Bank UA app, please follow the link.



UKRAINE TO INTRODUCE QUOTA FOR POULTRY EXPORTS TO EU

The Ukrainian government has introduced a quota for exports of poultry and poultry by-products to the EU in the amount of about 137,000 tons starting July 1.

According to Cabinet of Ministers Resolution No. 612 of May 30, published on the government portal, the quota for the supply of poultry meat and edible offal to the EU, including chickens, geese, ducks, guinea fowl (UKTZED code 0207), is set at 133.28 thousand tons, and turkey meat and edible offal (UKTZED code 0207 24-27) at 3.76 thousand tons.

The Ministry of Economy will consider applications for licenses to export these goods to the EU within 10 days. Permits will be issued on the basis of applications and approvals provided by the Ministry of Agrarian Policy.

For the period of martial law, applicants shall prepare and submit documents electronically through the relevant information and communication systems (the Ministry of Economy's electronic services portal, the Unified State Web Portal of Electronic Services).

“ *The licensing regime for the export of quota goods to the EU is also mandatory if the non-resident counterparty is registered in the EU under a foreign economic agreement (contract).* ”

At the same time, the volume of quotas approved for the commodity item “Meat and edible offal of poultry: poultry chickens, ducks, geese, guinea fowl”, excluding the reserve quota of 1400 tons for new exporters, and for the commodity “Turkey meat and edible offal of turkeys” is distributed by the Ministry of Agrarian Policy among exporters in proportion to the actual volume of their exports to the EU in the first quarter of 2024. Information on the actual export volumes of these products for the first quarter of 2024 must be provided by exporters to the Ministry of Agrarian Policy with supporting documents by June 25, 2024.

The reserve quota of 1400 tons will be distributed among exporters who did not export these products in the first quarter of 2024.

JUNE 12 – FORUM “GRAIN. PIGS. MEAT” – NEW BUSINESS OPPORTUNITIES

Forum “Grain. Pigs. Meat” will be held on June 12 and will bring together many experts.

The new pig industry of Ukraine means 20 million pigs (a 4-fold increase) and an additional 6 billion euros of added value annually!

Ukraine's economic achievements are now more important than ever!

“ *At the Forum “Grain. Pigs. Meat” Forum on June 12, 2024, producers and processors will gather to formulate a common strategy for development and maintaining profitability.* ”

The main issues of the forum:

- Ways to overcome the blocking of pork exports
- Eradication of ASF in Ukraine through ASF vaccine prevention
- Strategy for implementing the New Pig Production Program in Ukraine
- Investment opportunities in the pig business
- New equipment and innovations in meat processing
- New products and innovations in pig breeding

Interfax-Ukraine is the official media partner of the event.

Registration by the link: <https://meatindustry.com.ua/>



IN 2023, UKRAINE BECAME SECOND LARGEST SUPPLIER OF HONEY TO EU AFTER CHINA

Ukraine in 2023 supplied the European Union market with 45.8 thousand tons of honey, which was the second result and accounted for 28% of all imports of this product by the Commonwealth countries, Eurostat reports.

According to the report, the largest supplier of honey in 2023 was China with 60.2 thousand tons and 37% of the market share, the third place belonged to Argentina with 20.4 thousand tons (12%), the fourth – Mexico with 10.7 thousand tons (7%), the fifth – Cuba with 4.7 thousand tons (3%).

“ *The largest importer of honey in 2023 was Germany, which imported 41 thousand tons of honey from outside the EU, accounting for 25% of all EU imports. Belgium was the second largest importer with 31.4 thousand tons (19%), followed by Poland with 23.3 thousand tons (14%), Spain with 15.7 thousand tons (10%) and France with 7.7 thousand tons (5%).*

In total, EU members imported 163.7 thousand tons of natural honey from non-EU countries in 2023, worth EUR359.3 million. At the same time, EU member states exported 24.9 thousand tons worth EUR146.0 million.

The UK was the leading buyer of honey produced in the EU in 2023 with 4.3 thousand tons (17% of all non-EU honey exports). This was followed by Saudi Arabia with 3.5 thousand tons (14%), Switzerland with 3.4 thousand tons (13%), USA with 3.3 thousand tons (13%) and Japan with 2.5 thousand tons (10%).

Spain was the largest exporter. It sent 7.1 thousand tons of honey to countries outside the EU, which amounted to (29% of all exports of this product from the EU). It is followed by Germany with 5.5 thousand tons (22% of all exports), Romania with 1.7 thousand tons (7%), Hungary with 1.6 thousand tons (6%) and Greece with 1.5 thousand tons (6%).

This digest is a mutual project of the Interfax-Ukraine News Agency and the Open4business.com.ua. Maksim Urakin is a project director of the Biweekly news digest of Open4business.com.ua.

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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.



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The List of Main Services:

- Market information and market intelligence
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- 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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