



UKRAINE
OPEN FOR BUSINESS

UKRAINE FEEDS 400 MLN PEOPLE IN WORLD, BUT CAN FEED 600 MLN – PRITZKER



Ukraine currently feeds 400 million people in the world, and the country has the capacity to feed 600 million, said Penny Pritzker, the U.S. Special Representative for Ukraine's Economic Recovery.

"Ukraine's agriculture feeds 400 million people in the world, and it has the capacity to feed 600 million. That's a huge opportunity, and now that the Black Sea is functioning, you're seeing huge exports of not only agricultural products, but also metals, which has also helped to increase government revenues and helped to grow the economy," she said at a briefing in Kyiv, answering questions about sectors that are ready for investment now.

The Special Representative emphasized that the energy sector is another major area of opportunity, as well as construction, transportation and logistics, and technology. In addition, she said, critical minerals are another industry that offers great opportunities in Ukraine. Pritzker named defense industry and technology as two other areas.

HEADLINES

05 August 2024



TURKEY'S DALGAKIRAN KOMPRESÖR HAS INVESTED UAH 400 MLN IN PLANT NEAR KYIV



EIB TO PROVIDE OVER EUR 500 MLN IN LOANS FOR UKRAINIAN ENERGY SECTOR



METINVEST IS READY TO INVEST \$9 BLN IN GREEN TRANSFORMATION AFTER WAR



AMCU APPROVES CONDITIONS FOR CRH'S PURCHASE OF TWO UKRAINIAN CEMENT PLANTS



COMMERCIAL REAL ESTATE RENOVATION PROJECTS ACCOUNT FOR UP TO 20% OF UKRAINIAN CONSTRUCTION MARKET



ISRAEL SUGGESTS THAT UKRAINE FOCUS ON DEVELOPING WASTEWATER TREATMENT AND SEAWATER DESALINATION

INDIAN PRIME MINISTER NARENDRA MODI TO VISIT UKRAINE IN AUGUST

Indian Prime Minister Narendra Modi is expected to pay a historic visit to Ukraine in a few weeks, according to Sidhant Sibal, chief diplomatic correspondent for the Indian publishing house WION, citing his own sources in New Delhi. This visit, which is currently being prepared, is tentatively scheduled for the third week of August, probably on the 23rd.

Earlier this year, Ukrainian President Volodymyr Zelenskyy personally invited the Indian leader to visit the country during a phone conversation. Since then, the two countries have been holding active high-level talks. Indian Foreign Minister Subramanyam Jaishankar and his Ukrainian counterpart Dmytro Kuleba discussed bilateral relations. National security advisors from both countries, Ajit Doval from India and Andriy Yermak from Ukraine, also held talks.

In June, Prime Minister Modi met with President Zelenskyy on the sidelines of the G7 summit in Italy. Discussing the current situation in Ukraine, the Indian leader emphasized the need for dialogue and diplomacy, stressing that India is ready to support a peaceful resolution of the conflict.

This visit will be the first personal contact between the two leaders since the beginning of the war, outside the format of the G7 summits. Prime Minister Modi may travel to Ukraine via Poland, and is likely to hold talks with the Polish leadership before traveling to Kyiv.

JAPAN TO LEND UKRAINE \$3 BLN FROM FROZEN RUSSIAN ASSETS

Japan plans to provide Ukraine with \$3.3bn in support loans using interest from frozen Russian assets, Kyodo has quoted diplomatic sources as saying.

According to the sources, during the summit, G7 members agreed to allocate a total of \$50 billion to support Ukraine.

The US and the EU are expected to allocate \$20 billion each, while Japan, Britain and Canada will “share” the remaining \$10 billion.

The G7 plans to start implementing the project by the end of this year.



ANALYSIS OF ECONOMIC INDICATORS OF UKRAINE AND WORLD FOR JANUARY-MAY 2024 BY EXPERTS CLUB

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, as well as for three months after its termination. 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 and Director of Development and Commerce at Interfax-Ukraine, 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

According to the Center’s founder, Maksim Urakin, gross domestic product growth in May 2024 compared to May last year was approximately 3.7%.

“This figure is lower than the April and March levels, which amounted to 4.3% and 4.6%, respectively, due primarily to a drop in electricity generation. At the same time, the positive value of GDP change is related to exports and demand in the construction industry, as well as the recovery in metallurgy and machine building,” Urakin said.

Also, according to Urakin, the total public debt of Ukraine, after reaching a new historical high in April, decreased by \$0.53 billion (0.3%) in May and amounted to \$150.99 billion. Inflation in Ukraine increased to 0.6% in May compared to 0.2% in April in annualized terms, which is generally in line with the NBU’s target range.

Global economy

Maksim Urakin cited the World Bank’s (WB) forecast, according to which the global economy is expected to grow by 2.6% in 2024 (the earlier forecast assumed growth of 2.4%), and up to 2.7% in 2025-2026.

“In emerging economies, the average annual GDP growth rate in 2024-2025 is expected to reach 4%, which is slightly lower than last year. Growth in low-income countries will accelerate to 5% in 2024 compared to 3.8% in 2023. At the same time, developed countries are expected to grow by 1.5% in 2024 and by 1.7% in 2025,” the expert emphasized.

He also added that the growth prospects of the world’s poorest countries remain ambiguous.

“They face a heavy debt burden, reduced trade opportunities and other factors that negatively affect their economies. These countries need to find ways to stimulate private investment, reduce public debt, and improve education, healthcare, and basic infrastructure,” Urakin said.

According to the founder of the Experts Club, although food and energy prices have declined in all regions of the world, core inflation will remain high in the medium and long term.

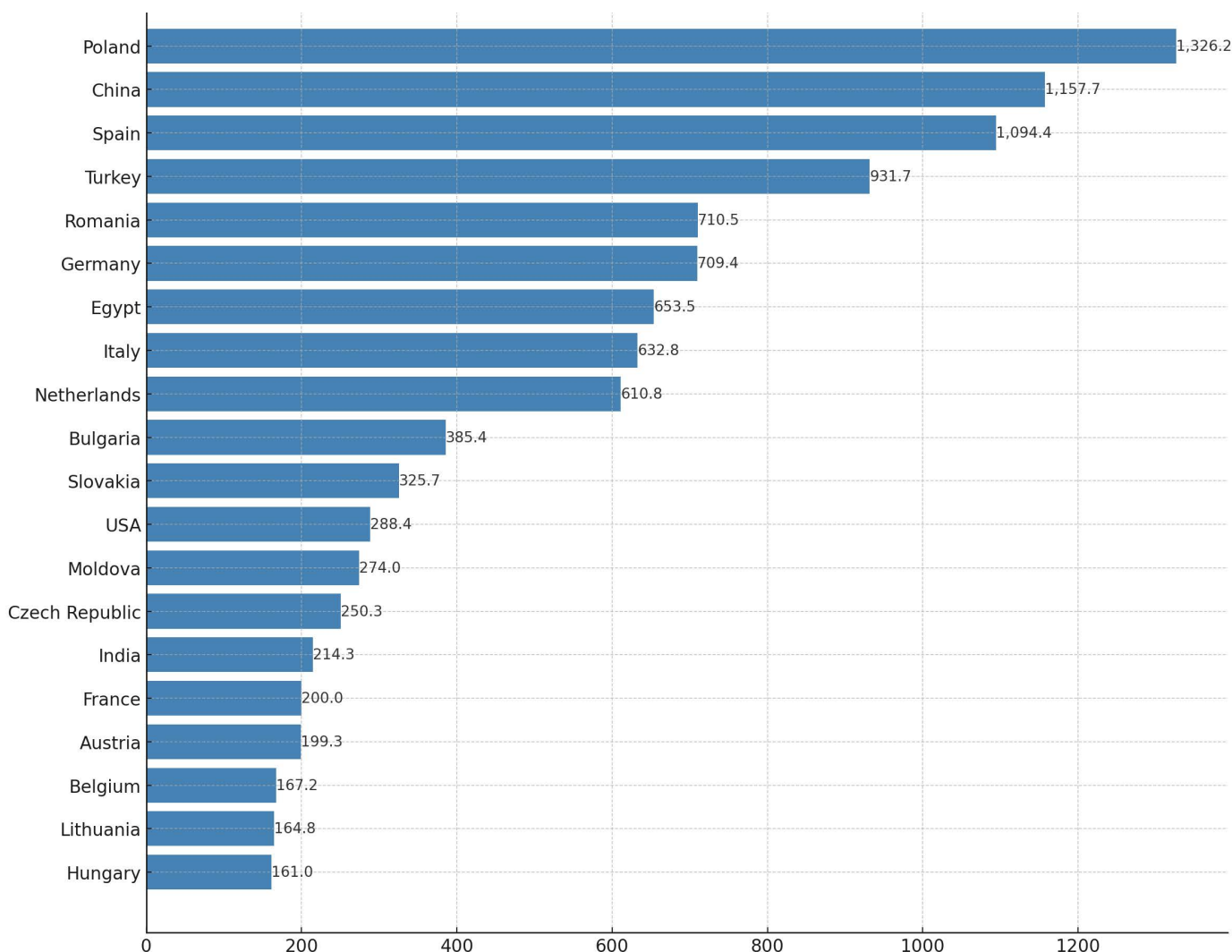
CABINET OF MINISTERS HAS EXEMPTED NUMBER OF GOODS FROM VAT FOR PERIOD OF MARTIAL LAW

The Cabinet of Ministers of Ukraine for the period of martial law has exempted from VAT operations on the supply of components for vehicles (including special and specialized), as well as fuel and lubricants for security and defense forces, said the Cabinet's representative in the Verkhovna Rada Taras Melnychuk following a government meeting on Thursday.

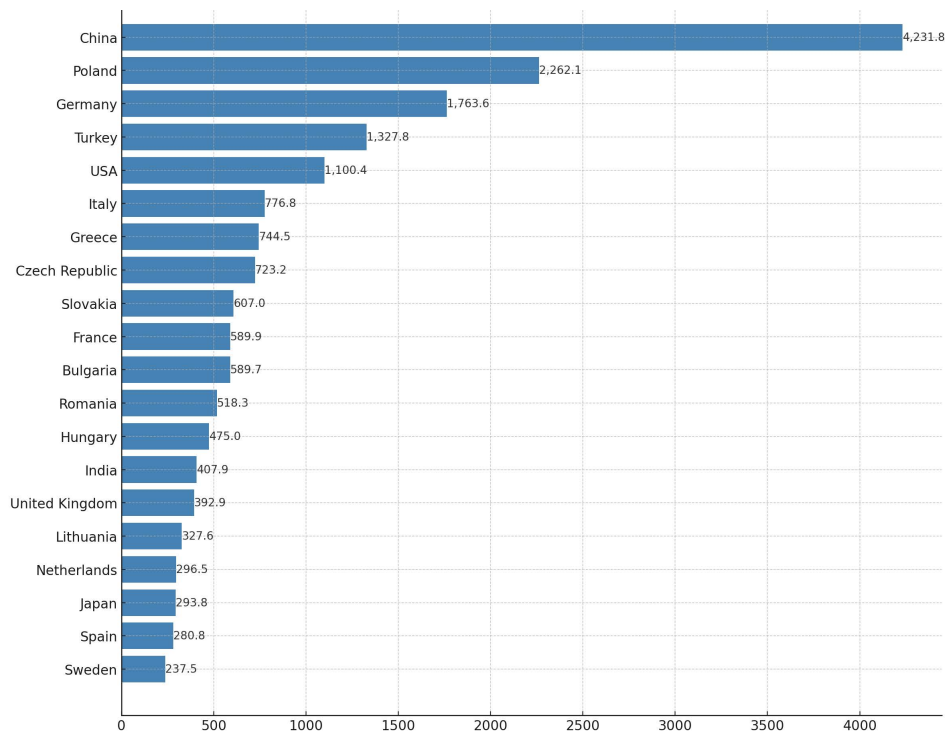
The government's decision is enshrined through amendments to the government resolution from March 2, 2022 N178 "Some issues of imposition of value added tax at a zero rate during martial law".

"It is established that until the termination or abolition of martial law, operations on the supply of goods (spare parts, batteries, car tires, coolants, components, additional equipment, etc.) for vehicles (including special, specialized vehicles), as well as fuel and lubricants ... are subject to value added tax at a zero rate," Melnychuk wrote in Telegram.

GEOGRAPHICAL STRUCTURE OF UKRAINE'S FOREIGN TRADE (EXPORTS) IN JAN-APR 2024, MLN USD



GEOGRAPHICAL STRUCTURE OF UKRAINE'S FOREIGN TRADE (IMPORTS) IN JAN-APR 2024, MLN USD



TURKEY'S DALGAKIRAN KOMPRESÖR HAS INVESTED UAH 400 MLN IN PLANT NEAR KYIV

The Turkish company **Dalgakiran Kompresör** has invested UAH 400 million in the launch of a plant for the production of industrial power equipment in Bilohorodka (Kyiv region), according to a press release from Dalgakiran Compressor Ukraine LLC.

The construction project was started before the start of Russia's large-scale aggression, and now, thanks to investments from the Turkish side, it has been completed. The investment in the production site and office will create 50 new jobs.

The office and new production facility in Ukraine will contribute to the development of enterprises in all industries, enabling them to continue their business activities, save money and resources," said Vyacheslav Dinkov, director of Dalgakiran Compressor Ukraine, as quoted by the press service.

According to him, the plans include further development and localization of production, development and supply of new equipment to restore energy and industrial production in Ukraine.

“*In turn, Dalgakiran Kompresör Chairman of the Board Adnan Dalgakiran noted that scaling up business in Ukraine is a contribution to supporting the country's economy and energy sector in difficult times. “In the face of a power outage, our equipment can ensure the continuity of business processes and production, enable businesses to continue to operate, pay taxes and provide jobs to Ukrainians,” he said.*

“Dalgakiran Compressor Ukraine is a representative office of the Turkish Dalgakiran company specializing in the production and maintenance of generator and compressor equipment, cooling systems and industrial pumps.

The Ukrainian representative office sells the equipment and improves it to meet the needs of national consumers. Azov equipment is manufactured in Turkey, where a full cycle of quality control has been introduced and the company has its own design office.

The company has been operating in Ukraine for 19 years. It has representative offices in 11 cities and more than 70 of its own mobile service teams.

EIB TO PROVIDE OVER EUR 500 MLN IN LOANS FOR UKRAINIAN ENERGY SECTOR

The **European Investment Bank** (EIB) Group is planning new loans totaling EUR450 million for Ukrainian energy investments, including the reconstruction of hydroelectric power plants and power grid infrastructure damaged by Russian attacks, as well as the restoration of district heating networks in Ukrainian cities.

According to a press release on the bank's website, another EUR 86 million will go to Ukraine's national power grid operator, NPC Ukrenergo, to build drone shelters for power plants.

"We are stepping up our support to help protect and repair Ukraine's infrastructure before winter," the release quotes EIB President Nadezhda Calvigno as saying, "On July 22, she briefed EU foreign ministers on these measures and held a regular video conference with Ukrainian Finance Minister Sergii Marchenko to discuss progress on ongoing projects, especially in energy infrastructure.

According to her, the bank will also expand its support for Ukraine's economy by facilitating access to finance for businesses and promoting trade with the EU.

In the business finance component of the latest support package, the EIB Group approved three partial portfolio guarantees, which are expected to lead to more than EUR 110 million in new lending to Ukrainian micro, small and medium-sized enterprises through three Ukrainian banks. It is specified that the guarantees are to be signed in the second half of 2024 with the respective banks and will support 550 Ukrainian companies, preserving about 8,250 jobs.

In addition, the EIB Group intends to provide partial portfolio guarantees to five more banks in Ukraine by the end of the year under the EU4Business Guarantee Facility, the release said.

FILATOV INSTITUTE IN ODESSA RECEIVED GRANT TO DEVELOP EARLY DIAGNOSIS OF STRESS-ASSOCIATED PSYCHOLOGICAL CHANGES

Institute of Eye Diseases and Tissue Therapy named after V.P. Filatov of the National Academy of Medical Sciences of Ukraine (Odessa) received a grant from the National Research Foundation of Ukraine to study ophthalmologic biological markers and develop an objective method of early diagnosis of unfavorable stress. V.P. Filatov Institute of the National Academy of Medical Sciences of Ukraine (Odessa) has received a grant from the National Research Foundation of Ukraine to study ophthalmologic biological markers and develop an objective method for early diagnosis of unfavorable stress-associated psychological changes in the human condition.

As Interfax-Ukraine was informed in the Institute, the research will allow early diagnosis of participants of any crisis situations, both global (such as war, man-made or natural disasters, pandemic, etc.) and local (traffic accidents, domestic violence, terrorist acts, etc.).

It is noted that scientists of the Filatov Institute have already conducted a number of studies in the field of hardware-instrumental determination of signs of stress-associated disorders based on ophthalmologic markers: analysis of eye movement data and changes in pupil parameters.

“*Further research combined with the creation of understandable and easy-to-use software for rapid processing of the obtained data should become the basis of a method that will ensure the objectivity of research, the ability to determine the threat of stress-related disorders in the presence of symptoms insufficient for clinical diagnosis,*” commented the institute.

In addition, the short time required for research and data processing will make it suitable for use in mass diagnostic activities (screening), the report specified.

According to the Ministry of Health, more than 15 million Ukrainians will require psychological support after the end of the war. Most of all from psychological trauma suffer direct participants of military operations. The number of victims affected by war syndromes, for example, is from 35% to 70% of all participants of military operations, regardless of whether they were in the combat zone or not.

The Institute of Eye Diseases and Tissue Therapy named after V.P. Filatov of the National Academy of Sciences of Russia. V.P. Filatov Institute of Eye Diseases and Tissue Therapy of NAMNU was founded in 1936. It is a leading scientific and medical institution and a national center of scientific research in the field of ophthalmology.

IN JUNE, UKRAINE RANKED 20TH IN GLOBAL STEEL PRODUCER RANKING

In June this year, Ukrainian steelmakers increased steel production to 735 thousand tons, up 68.4% year-on-year (436 thousand tons), but down 0.4% from the previous month, when they produced 738 thousand tons.

At the same time, Ukraine took 20th place in the ranking of 71 countries that are global producers of this product, compiled by the World Steel Association (Worldsteel).

The top ten steel-producing countries in June are as follows: China (91.610 million tons, up 0.2% by June 2023), India (12.258 million tons, up 6%), Japan (7.022 million tons, down 4.2%), USA (6.659 million tons, minus 1.5%), Russian Federation (6.030 million tons, down 4.1%), South Korea (5.132 million tons, down 7.2%), Germany (3.187 million tons, up 8.9%), Turkey (3.071 million tons, up 4.3%), Brazil (2.874 million tons, up 11.8%) and Iran (2.612 million tons, down 8.5%).

In total, in June 2024, steel production increased by 0.5% compared to the same period in 2023 to 161.399 million tons.

In January-June 2014, the top ten steel producing countries were as follows: China (530.570 million tons, down 1.1% compared to January-June 2023), India (74.184 million tons, up 7.4%), Japan (42.696 million tons, down 2.6%), the United States (39.960 million tons, down 2.4%), and the Russian Federation (36.815 million tons, down 3%), South Korea (31.526 million tons, down 6.4%), Germany (19.360 million tons, up 4.5%), Turkey (18.615 million tons, up 16.9%), Iran (16.647 million tons, up 5.9%) and Brazil (16.433 million tons, up 2.4%).

METINVEST IS READY TO INVEST \$9 BLN IN GREEN TRANSFORMATION AFTER WAR

Metinvest Mining and Metallurgical Group plans to carry out a large-scale green transformation of its Ukrainian assets – GOKs, Kametstal and Zaporizhstal – worth about \$9 billion within 5-10 years after the end of the war. According to a report by dsnews.ua, this will require external financing.

It is specified that as soon as the hostilities end, the group will increase production (currently, its enterprises are 65-70% utilized), so the equipment needs to be prepared for operation in advance, which is being done now.

“ *At the same time, the strategy remains unchanged: to create a global company with Ukrainian roots based on green and digital transformation of production facilities. This requires high-quality raw materials, semi-finished products and sufficient clean energy sources.* ”

Meanwhile, the large-scale green modernization of enterprises in Ukraine has been put on hold due to an acute shortage of electricity of any origin. However, Metinvest can help develop Ukrainian assets by investing in cleaner production. For example, the construction of a green rolling plant in Italy with a capacity of about 3 million tons of products per year will increase the utilization of the group's Ukrainian iron and steel plants, which can no longer sell products in Ukraine after the occupation of Mariupol's steel mills. The Italian plant is to be built jointly with partners in three to four years with up to \$2 billion of credit and partnership funds.

In addition, the GOKs that receive orders will be able to modernize their production to produce high-quality pellets. In particular, Northern GOK is currently competing in the European market thanks to its upgraded production of pellets with improved characteristics.

Metinvest's strategy for transitioning to green steel production long before the war included the conversion of blast furnaces at its steelmaking facilities to DRI (direct reduction of iron) technology. This process requires improved pellets as raw materials. Successful tests of the production of such DRI pellets were carried out at Central GOK at the beginning of the war.

**Business Partner
Compliance Check**
Apply to the only
authorized partner of
D&B
+38 (067) 232-00-42
urakin@interfax.kiev.ua
Make your business safe!

STATE PROPERTY FUND OF UKRAINE HAS ANNOUNCED AN AUCTION FOR PRIVATIZATION OF ZAPORIZHZHYA PRODUCTION ALUMINUM PLANT

The State Property Fund of Ukraine (SPFU) announced an auction on 6 August to privatize a 97.5458% stake in the authorized capital of Zaporizhzhya Aluminium Smelter (ZALK). According to the SPF press release, an online auction for the privatization of 607 million 446,012 thousand shares is scheduled for August 6. The auction will be held in the electronic trading system Prozorro.Sale with a starting price of almost UAH 151.9 million, and the deadline for submitting bids is August 5. It is noted that ZALK is an excellent brownfield project, as it is located in Zaporizhzhia, next to the national highway H08. The facility's advantages include a large total area of premises and land. The new owner may consider the facility for business or its relocation.

The JSC's balance sheet includes 1497 registered units of real estate and infrastructure with a total area of 370,929.85 square meters. The property also includes 291 units of vehicles and special equipment. The real estate owned by the JSC is located on 25 registered land plots with a total area of 216.0856 hectares.

As of May 31, 2023, part of the company's real estate with a total area of 6,755.6 sq. m. was leased out under eight agreements with the maximum term of validity until September 1, 2065.

The company's balance sheet includes 18 state-owned objects that were not included in the company's authorized capital and remained in state ownership (two shelters, instruments, radio stations, engineering networks, roads, etc.) The company has debts, including overdue accounts payable of UAH 6.44 billion.

Under the terms of the auction, the new owner is obliged to ensure repayment of wage arrears and budget arrears within 18 months from the date of transfer of ownership, as well as to prevent dismissal of ZALK employees within six months, in accordance with the requirements of Articles 40 and 41 of the Labor Code of Ukraine.

For more information about ZALK JSC, please follow the link: <http://surl.li/oyxgsp>

COMMERCIAL REAL ESTATE RENOVATION PROJECTS ACCOUNT FOR UP TO 20% OF UKRAINIAN CONSTRUCTION MARKET

Commercial real estate restoration projects account for up to 20% of Ukraine's construction market, Andriy Ozeychuk, director of Rauta engineering and construction company, told Interfax-Ukraine.

"Despite the military risks, the owners of most of the destroyed commercial real estate are investing in their restoration to restart their businesses, which allows companies to continue to operate efficiently. In particular, about 80% of commercial facilities destroyed during the full-scale invasion and located far from the war zone have already been rebuilt or are in the process of being rebuilt," he said.

According to Mr. Ozeychuk, the figure is lower in the segment of industrial and warehouse buildings, at about 40%.

"For most of these facilities, the owners are looking for financing," explained the Rauta director.

“ According to Andriy Ozeychuk, director of Rauta engineering and construction company, among the restoration projects Rauta was involved in were the Retroville shopping center (Kyiv), the production shop of the Chernihiv Automobile Plant, and the Novus supermarket in Bucha (Kyiv region).

Rauta's experience in restoring commercial real estate shows that often an additional requirement of investors during the restoration of facilities is to improve their energy efficiency and architectural attractiveness, which allows them to optimize costs during the operation of buildings.

According to the World Bank, as of February 2024, Ukraine's reconstruction needs were estimated at \$486 billion, of which about 25% were commercial real estate.

Rauta is a leading provider of reliable construction solutions in Ukraine and the European Union.

According to Opendatobot, Rauta Group LLC was registered in Ukraine in 2014. Its authorized capital is UAH 388 thousand, and its revenue for 2022 is UAH 102.396 million.

AMCU APPROVES CONDITIONS FOR CRH'S PURCHASE OF TWO UKRAINIAN CEMENT PLANTS

The Antimonopoly Committee of Ukraine (AMCU) has set the transfer of 25-28% of shares in PrJSC Dickergoff Cement Ukraine to an independent investor as a condition for CRH to buy two Buzzi cement plants, the committee's website reports.

As reported, in June 2023, the Italian cement producer Buzzi, listed by the National Agency for the Prevention of Corruption as an international war sponsor, through its subsidiary Dyckerhoff GmbH, reached an agreement to sell part of its Eastern European business to the Irish CRH group, including Ukrainian assets in the form of two cement plants – Volyn Cement (Zdolbuniv, Rivne region) and Pivden Cement (Vilshanske, Mykolaiv region).

According to the published terms, CRH must, within nine months from the date of the announced concentration, sell or otherwise transfer shares (stakes) in the amount of 25% to 28% of the authorized capital to a third party not related to CRH UKRAINE B.V. with veto rights (to ensure blocking of key management decisions of the supreme management body of the holding company). It is expected that the European Bank for Reconstruction and Development will become such an investor, as in December 2023 CRH signed a mandate letter with the EBRD on the joint acquisition of the assets of the Italian company Buzzi in Ukraine.

“ It is expected that CRH will invest in the acquired plants, expanding and modernizing their production facilities, preserving jobs and improving working conditions for employees.

As reported, in 2023, the total volume of cement produced in Ukraine increased by 37% year-on-year to 7.4 million tons. In January-March 2024, the companies that are members of the Ukrcement association increased their cement production by 46.3% compared to the same period in 2023, up to 1 million 477.9 thousand tons of cement.

According to the **Ukrcement** Association, Ukraine's cement production potential is currently 13.6 million tons of cement, while current financial and human resources suggest consumption of 12.5 million tons. He believes that despite the ability of Ukrainian enterprises to fully cover the market's needs, it makes sense to plan to expand production.



UZHHOROD IS MOST EXPENSIVE CITY IN UKRAINE IN TERMS OF RENTAL HOUSING COSTS

Uzhhorod is now the most expensive city in Ukraine in terms of rental housing costs, followed by Lviv and Kyiv, according to the LUN real estate portal.

“In the first two years of the war, Lviv was considered the most expensive city for renting apartments, but now the situation has changed. In July, Uzhhorod became the most expensive city – a one-bedroom apartment here costs an average of UAH 17.7 thousand per month. This is more expensive than in the capital or in Lviv,” the press release says.

According to LUN, the average cost of renting a 1-room apartment in Lviv as of July is 16.5 thousand UAH/month, in Kyiv – 15 thousand UAH/month.

Next in the ranking are Chernivtsi – 12.3 thousand UAH/month on average for renting a one-bedroom apartment, Ivano-Frankivsk, Kropyvnytskyi, Poltava, Rivne – 12 thousand UAH/month, Cherkasy – 10 thousand UAH/month, Khmelnytskyi – 9.5 thousand UAH/month, Ternopil – 9.4 thousand UAH/month.

“LUN” notes that Odesa, which was previously expensive for renting housing, now ranks 14th with 7 thousand UAH/month.

OPEN4BUSINESS LAUNCHES SPANISH-LANGUAGE VERSION OF ITS WEBSITE

Open4Business, Ukraine’s leading economic and business information portal, is now available in five languages.

The new language version of the website is **Spanish**. The move, according to the portal’s editorial team, will significantly improve access to the Ukrainian market for foreign companies and help them find business partners.

Open4Business, created to meet the needs of foreign investors, specializes in providing consulting services for companies seeking to enter the Ukrainian market. The company uses an individualized approach to each project, engaging internal and external experts in the required fields.

“*This step is an important milestone in our efforts to provide foreign companies with easy access to the Ukrainian market and strengthen international business ties, as 28 Spanish-speaking countries are now home to more than 500 million people and millions of business projects, many of which could become investors in the Ukrainian economy,*” said Maksim **Urakin**, Open4Business Project Manager.

The new Spanish-language version of the website is aimed at facilitating interaction with Spanish-speaking clients and partners, as well as providing a deeper understanding of the unique opportunities offered by the Ukrainian market.

This initiative reflects the expansion of the international presence of the Open4Business project and its ability to promote global integration and development of the Ukrainian business environment.

Thus, the launch of the Spanish version of the Open4Business website opens up new opportunities for Spanish-speaking businessmen interested in entering the Ukrainian market.



ISRAEL SUGGESTS THAT UKRAINE FOCUS ON DEVELOPING WASTEWATER TREATMENT AND SEAWATER DESALINATION

To restore the reclamation system in southern Ukraine, after the destruction of the Kakhovka hydroelectric power station, Israel proposes to focus on the development of wastewater treatment and desalination of sea water

To restore the reclamation system in southern Ukraine, after the destruction of the Kakhovka hydroelectric power station, Israel proposes to focus on the development of wastewater treatment and desalination of sea water. This was announced by Denis Gamzin, designer of the Israeli Water Authority, during the conference “Israeli Water Supply and Agricultural Technologies – Experience for Ukraine” held at the Ukrainian Chamber of Commerce and Industry.

“Israel has turned an environmental threat into a valuable resource. The country, which is located in the desert, reuses about 450 million m³ of treated wastewater, which is half of the water needs of agriculture, and 90% of treated wastewater is used for irrigation. In general, treated wastewater covers 25% of all Israel’s water needs, another 25% is desalinated water and 50% is fresh water,” said Denis Gamzin. According to him, in the next 25 years, the share of treated wastewater in Israel’s agricultural consumption will increase to almost 70%. “Israel is strengthening control over the quality of wastewater treatment and expanding the practice of secondary and tertiary use of treated wastewater,” added Denis Gamzin.

“ Israel is also actively developing seawater desalination plants. “There are currently three large seawater desalination plants in Israel with a capacity of 400 million m³. In the next 10 years, 4 more plants will be launched, and the processing capacity will increase to 1200 million m³,” said the designer of the Israel Water Authority.

Yonatan Tsadka, Director of the Department of Economic Affairs for Asia and Eurasia at the Israeli Ministry of Foreign Affairs, noted that modern water treatment technologies have emerged thanks to Israel’s policy of developing innovations. According to him, Israel is focused on innovative areas, especially in the circumstances in which Israel found itself. “There are national plans that allow the entire population to focus on creating breakthrough technologies that will be very important in the future. One of the driving factors is climate change. In this area, Israel has a certain advantage, and new challenges strengthen our resilience. Now we are facing the issues of migration of foreign workers and changes in supply chains,” said Yonatan Tsadka.

“ Gennadiy Chyzykhov, President of the Ukrainian Chamber of Commerce and Industry, noted that Israel has shown one of the best results during the war. “This country’s experience will be very useful for Ukraine,” he said.

Israeli Ambassador to Ukraine Michael Brodsky said that the Watec Israel conference will be held in Jerusalem on September 16-19, 2024.

“ This is a unique opportunity to see different technologies that have been working in different countries for many years and can be useful for Ukraine,” said Israeli Ambassador to Ukraine Michael Brodsky.



According to the State Agency of Ukraine for the Development of Land Reclamation, Fisheries and Food Programs of Ukraine, the destruction of the Kakhovka HPP left 94% of irrigation systems in Kherson, 74% in Zaporizhzhia and 30% in Dnipropetrovs’k regions without a source of irrigation for a long time. In total, more than 350 irrigation pumping stations and about 1.1 thousand kilometers of reclamation canals cannot be used.

CHINA INTENDS TO INCREASE GRAIN IMPORTS FROM UKRAINE

China intends to increase grain imports from Ukraine and will support the smooth operation of logistics channels, assured Foreign Minister of the People's Republic of China (PRC) Wang Yi at a meeting with Ukrainian Foreign Minister Dmytro Kuleba.

“*In recent years, China has been Ukraine's largest trading partner and largest exporter of agricultural products. The volume of bilateral trade has shown rapid growth in the first half of this year, demonstrating the space and potential for cooperation between the two countries,*” the Chinese Foreign Ministry's press service quoted him as saying.

The Chinese minister emphasized that both sides should fully realize the role of the cooperation mechanism and strengthen practical cooperation in various fields.

“China will continue to expand grain imports from Ukraine and jointly maintain uninterrupted logistics channels and international food security,” Wang Yi assured.

UGA LOWERED FORECAST OF GRAINS AND OILSEEDS HARVEST TO 71.8 MLN TONNES

The Ukrainian Grain Association (UGA) has lowered its estimate of the potential harvest of grains and oilseeds in 2024 by 2.8 million tons compared to the previous forecast, to 71.8 million tons, the association's press service reports.

“*The current forecast is based on the average weather conditions over the past five years, so the improvement or deterioration of these conditions in spring and summer make adjustments. Another decrease in the harvest forecast for the new season was caused by the hot and dry weather in Ukraine in July this year, which negatively affected the potential yield of late grains and oilseeds,*” the report says.

According to experts, under such conditions, exports in the new season 2024/2025 will amount to 41 mln tons, which is 2.5 mln tons less than the previous forecast. Last season, which ended on June 30, according to the UGA, the export of grains and oilseeds amounted to 57.5 mln tons of grains and oilseeds. Thus, the drop in exports compared to the previous season could be more than 16 million tons.

The UGA estimates the wheat harvest in 2024 at 19.8 mln tons (22 mln tons in 2023). Potential exports of wheat in 2024/2025 MY may amount to about 13 mln tonnes, taking into account that at the beginning of the season carry-over stocks amounted to almost 1 mln tonnes.

The UGA pointed out that the consumption of wheat in Ukraine has decreased due to the war and significant outflow of population abroad. According to the Ministry of Agrarian Policy of Ukraine, wheat consumption decreased from 8 mln tons to just over 6 mln tons.

According to the UGA, the barley harvest in 2024 may reach 4.95 mln tonnes, which is 350 thsd tonnes more than the previous estimate (5.8 mln tonnes in 2023), and potential exports in 2024/2025 MY are expected to reach about 2 mln tonnes (last year barley exports amounted to almost 2.5 mln tonnes).

Expectations for the corn harvest in the new season are deteriorating due to the prolonged dry period in a number of regions. The UGA estimates the corn harvest at 23.4 million tons, which is 2.1 million tons lower than the previous estimate and 6.2 million tons less than last year's harvest of 29.6 million tons. At the same time, potential exports may amount to about 18.5 mln tons (last season, exports amounted to 29.3 mln tons, in particular due to carry-over corn stocks). The sunflower harvest in 2024 can be expected at 12.8 mln tons, which is 0.9 mln tons lower than the previous estimate (2023 – 14.2 mln tons). Potential exports could reach up to 250 thsd tonnes, while sunflower crushing for vegetable oil could reach 12.5 mln tonnes.

USAID AGRI-UKRAINE HAS RAISED \$860 MLN TO SUPPORT UKRAINIAN FARMERS

The U.S. Agency for International Development (USAID) has raised more than \$510 million from the private sector and international donors to support Ukrainian agricultural producers over two years as part of the Agricultural Resilience Initiative in Ukraine (AGRI-Ukraine), with the U.S. government contributing another \$350 million to the program, the donor organization said.



“AGRI-Ukraine, founded in July 2022, has already helped more than 14 thousand Ukrainian farmers, which is 32% of registered agricultural producers in the country, to obtain the necessary resources, such as seeds, fertilizers, plant protection products, access to storage facilities and financial resources. This made it possible to harvest crops and provide additional income of more than \$90 million due to an increase in corn and sunflower production by 430 thousand tons,” the statement said.

When Russia tried to block the export of Ukrainian agricultural products through the Black Sea ports, AGRI-Ukraine helped to prepare alternative export routes, in particular through ports on the Danube River and land border crossings.

Thanks to these measures, 62 million tons of agricultural products were exported, bringing more than \$17 billion to the Ukrainian economy, USAID stated.

According to the donor organization, contributions of \$510 million provided by the private sector and international donors tripled the original target set by USAID.

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.

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).

SUBSCRIBE FOR UPDATES

