



UKRAINE
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SCHOLZ: GERMANY WILL PROVIDE UKRAINE WITH 50 BLN EURO LOAN



Germany, together with the G7 countries, will provide Ukraine with a 50 billion euro loan, German Chancellor Olaf Scholz said.

“Germany is and remains the strongest supporter of Ukraine in Europe. And we are continuing our support with a €50 billion loan that we are launching with the G7. This will allow Ukraine to buy weapons on a massive scale. It can build on this,” the Federal Chancellor wrote on the social network X.

As reported earlier, G7 leaders approved an agreement to transfer \$50 billion of frozen Russian assets to Ukraine.

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05 September 2024



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WORLD BANK APPROVES NEW \$415 MLN PROJECT FOR UKRAINE

The World Bank Board of Directors has approved a new \$415 million systemic project in Ukraine, “Making Education Accessible and Resilient in Ukraine’s Crisis (LEARN),” aimed at improving primary and secondary education in Ukraine, reaching one million students, teachers, and school staff.

“It is critical to mitigate the impact of war on children, especially those from the most vulnerable families, by minimizing disruption to the learning process,” World Bank Regional Director for Eastern Europe Bob Soma was quoted as saying in a World Bank release on Saturday night.

It is specified that the LEARN programs include measures aimed at improving overall school safety conditions, providing free transportation for vulnerable students, conducting teacher training, purchasing textbooks and improving governance in the education sector.



The project also aims to help implement a comprehensive education reform in grades 1-12, known as the New Ukrainian School (NUS), which is aligned with EU standards, the WB pointed out. “The LEARN project will help thousands of Ukrainian students return to a protected learning environment,” Finance Minister Serhiy Marchenko was quoted as saying in the release.

It is specified that the project is implemented using the financial instrument “Program-for-results, Program-for-results” (PforR).

VOLODYMYR ZELENSKY: UKRAINE WILL STRENGTHEN ITS DIPLOMATIC PRESENCE IN ASIA

Ukraine will strengthen its diplomatic presence in the Asian space, President of Ukraine Volodymyr Zelensky has said.

“*The entire Asian space and the Pacific Ocean region is now one of the centers of events where it is decided what the next decades will be like. Ukraine has its own view of global development, and it should be exclusively peaceful development within the framework of a rules-based world order,*” Zelensky said at a meeting of heads of Ukraine’s foreign diplomatic missions.

He noted that Ukraine is ready to join the relevant processes as a security donor and defender of the international order. “We will strengthen our diplomatic presence in the Asian space,” the Ukrainian president said.

Zelensky also emphasized the importance of strengthening ties with Japan. “Japan. We have achieved a true strategic partnership and we must make this model of relations exemplary,” the president said.

Zelensky also outlined other areas of Ukraine’s international diplomatic efforts. “The Euro-Atlantic – every representative of Ukraine must work to strengthen understanding: NATO will be complete only with Ukraine as a member,” he said.

According to Zelensky, the negotiation process with the European Union “should be exactly as dynamic as Ukraine needs it to be.”

As for the Black Sea region: “We have to work with all partners so that it is a region free from the Russian military threat. You must strengthen our initiatives such as Grain from Ukraine, the Crimean Platform, and bilateral cooperation in the region.”

REPRESENTATIVES OF U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) HAVE STARTED WORKING IN UKRAINE ON PERMANENT BASIS

Representatives of the U.S. Corporation for International Development (DFC) have started working in Ukraine on a permanent basis.

“The AmCham Ukraine team held a productive meeting with Caitlin Candee, Project Finance and Political Risk Insurance Specialist, and Anthony Pollak, Investment Advisor, from DFC, who are now represented in Ukraine on a permanent basis,” AmCham Ukraine said in a Facebook post.

According to Pollak’s LinkedIn profile, he has been working in Kyiv on behalf of DFC since July of this year, and a little earlier, in June 2024, he began representing the CrossBoundary group as an investment advisor in Kyiv.

In addition, DFC, the U.S. government’s development finance institution, the successor to OPIC, has launched a special website dedicated to its work in Ukraine. It is noted that before Russia’s full-scale invasion, DFC’s investments in Ukraine amounted to \$800 million, but since the beginning of 2022, they have increased by \$848 million, or more than doubled. Thus, DFC’s total portfolio as of August 12 was approximately \$1.6 billion.

UKRAINIAN PARLIAMENT RATIFIES FREE TRADE AGREEMENT WITH UK

On Thursday, the Verkhovna Rada completed the internal procedures necessary for the entry into force of the Agreement on Political Cooperation, Free Trade and Strategic Partnership between Ukraine and the United Kingdom in terms of trade liberalization: by 2029, all import duties and tariff quotas in bilateral trade are to be abolished, the Ministry of Economy reported.

It is specified that the agreement will be in effect until March 31, 2029, with the exception of two commodity items – eggs and poultry products, the liberalization of trade with which will be extended for two years – until April 1, 2026.

“Ukraine will also have the opportunity to plan export logistics more flexibly and increase exports of high value-added goods in the future,” the Ministry of Economy believes.

The ministry predicts a revival of trade between Ukraine and the UK and an increase in exports of domestic products traditionally supplied to the British market by domestic producers. In particular, these include flour, grain, dairy products, poultry and semi-finished products, tomato paste, honey, corn, wheat, juices, sugar, etc.



JAPAN EXTERNAL TRADE DEVELOPMENT ORGANIZATION TO OPEN OFFICE IN UKRAINE

The Ministry of Economy has registered a representative office of the Japan External Trade Organization (JETRO), which will soon open in Ukraine.

“The opening of the JETRO office in Ukraine is a strategic step, the result of productive negotiations with the government of Japan, and marks the beginning of a new era of cooperation between our two countries,” Taras Kachka, Deputy Minister of Economy and Trade Representative of Ukraine, was quoted on the ministry’s website.

“We strive to create an attractive business environment that will attract Japanese investment and promote a strong partnership between Ukrainian and Japanese companies,” he added.

According to him, Japan plans to provide \$188 million for Ukraine’s economic recovery projects, focusing on energy, utilities, critical infrastructure, humanitarian demining, and business support.

“The establishment of the JETRO office will accelerate the introduction of Japanese technologies in our country and open new markets for Japanese brand products to be manufactured in Ukraine,” Kachka said.

JETRO (Japan External Trade Organization) is an office of the Japan External Trade Organization, an independent administrative body under the auspices of the Ministry of Economy, Trade and Industry of Japan, established to promote trade and economic cooperation with other countries.

UKRAINIAN PARLIAMENT IS PROPOSED TO ADOPT BASIS OF DRAFT LAW ON MULTIPLE CITIZENSHIP

The Parliamentary Committee on Human Rights, De-occupation and Reintegration of the Temporarily Occupied Territories of Ukraine, National Minorities and Interethnic Relations recommends that the Verkhovna Rada adopt in the first reading the presidential draft law on multiple citizenship (No. 11469).

According to the press service of the Verkhovna Rada’s apparatus, this decision was made at a meeting of the committee on Tuesday.

As previously reported, President of Ukraine Volodymyr Zelenskyy submitted draft law No. 11469 “On Amendments to Certain Laws of Ukraine on Ensuring the Exercise of the Right to Acquire and Retain Ukrainian Citizenship” to the Verkhovna Rada.



According to the explanatory note to the draft law, the goals and objectives of the draft law are to update the legal regulation of Ukrainian citizenship, taking into account the need to ensure national security and national interests of Ukraine. The draft law also simplifies the procedure for acquiring Ukrainian citizenship and improves the regulation of the legal status of foreigners and stateless persons who, in accordance with the procedure established by the legislation of Ukraine, are performing/have performed military service under contract in the Armed Forces of Ukraine, the State Special Transport Service, the National Guard of Ukraine or are one of the spouses of such a person or a child of such a person.

EXPERTS CLUB PRESENTED RATING OF COUNTRIES WITH HIGHEST PROBABILITY OF DEFAULT

In its new video on the YouTube platform, the Kiev-based information and analytical center Experts Club has published a rating of countries with the highest probability of sovereign default. The ranking considered both economic and political factors that could lead states to default. As Maksim Urakin, the founder of Experts Club, PhD in Economics, noted, the current economic situation in the world is alarming.

“The world economy is facing unprecedented challenges and many countries are on the verge of financial collapse. Under such conditions, it is crucial to understand which states are at the greatest risk of default in order to take appropriate measures,” he emphasized.

State default is a situation when a country cannot fulfill its debt obligations to creditors. According to Maxim Urakin, default can have catastrophic consequences for the country’s economy and its citizens.

“*Default is not just a technical event. It is a tragedy for millions of people who may lose their jobs, their savings and even access to basic social benefits. That is why we monitor the economic situation in various countries so closely,*” Maksim Urakin added.

The Experts Club 2024 ranking of countries with the highest probability of default includes Argentina, Lebanon, Sri Lanka and several other countries already facing serious economic problems. These countries are characterized by high levels of external debt, economic instability and political crises.

Experts Club also identified several countries that are at risk in the medium term. Among them are Argentina and Venezuela, which are already facing economic instability and high levels of debt, as well as Greece and Italy, which are dependent on external creditors.

“We see that countries like Argentina and Venezuela continue to be on the verge of default due to internal economic instability and external pressures. Also of concern is the situation in Greece and Italy, which are highly dependent on international loans. The risk of default remains high in these countries,” commented Urakin.

Special attention this year is paid to Lebanon, which, according to the economist, is “in a state of political and economic crisis, with extremely high debt to GDP.” This makes the country particularly vulnerable to a possible default.

In a commentary on the rating, Maksim Urakin noted that the consequences of a default for a country and its citizens can often be devastating.

“For government agencies, default means restricted access to international financial markets, lower credit rating and the need for painful economic reforms. For citizens, it turns into inflation, devaluation of the national currency, rising unemployment and lower living standards,” the expert explained.

You can learn more about defaults and the presented rating from the video on the YouTube channel of Experts Club: <https://www.youtube.com/@ExpertsClub>



COST OF HOUSING IN UKRAINE IN SECOND QUARTER INCREASED BY 10%

The housing price index in Ukraine at the end of April-June 2024 amounted to 110%, while in the same period of 2023 the index amounted to 114.2%, the State Statistics Service reported. According to its data, in the primary market housing prices in the second quarter of 2024 accelerated growth to 12.6% against 11.9% in the first quarter of last year. The growth in prices for one- and two-bedroom apartments amounted to 12.8%, three-room apartments – 12.5%.

In the secondary market, prices slowed down to 8.7% in April-June 2024 against 15.6% in the same period of 2023. Thus, the price growth for one-bedroom apartments amounted to 9%, two-bedroom apartments – 8.8%, three-bedroom apartments – 8.7%.

Compared to the previous quarter, housing prices rose by an average of 0.5%, while in the primary market – increased by 2.1%, in the secondary market – decreased by 0.3%.

According to the State Statistics Committee, since the beginning of the year, the prices on the “primary market” increased by an average of 15.1%, with one-room apartments – by 15.2%, two-room apartments – by 15%, three-room apartments – by 15.1%. In the secondary market, prices rose by 12.4%, 11.9% and 12%, respectively.

The State Statistics Committee pointed out that the figures are given without taking into account the temporarily occupied territories and part of the territories where there are (were) hostilities.



UKRAINE INCREASED STEEL PRODUCTION BY 18%

In July this year, Ukrainian steelmakers increased steel production by 17.9% year-on-year to 709 thousand tons from 602 thousand tons, but decreased by 3.5% compared to the previous month, when they produced 735 thousand tons.

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

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



The top ten steel producing countries in July are as follows: China (82.940 million tons, down 9% by July 2023), India (12.285 million tons, up 6.8%), Japan (7.1 million tons, down 3.8%), the United States (6.931 million tons, up 2.1%), the Russian Federation (6.250 million tons, down 3.1%), South Korea (5, 522 million tons, down 3.4%), Germany (3.1 million tons, up 4.8%), Turkey (3.055 million tons, up 4%), Brazil (also 3.055 million tons, up 11.6%) and Vietnam (1.927 million tons, up 17%).

In total, in July 2024, steel production decreased by 4.7% compared to the same period in 2023 to 152.849 million tons.

PHARMACY SALES IN UKRAINE INCREASED BY 13% IN MONETARY TERMS

Pharmacy sales in Ukraine in January-July 2024 increased by 13.15% in monetary terms compared to the same period in 2023 – up to UAH 110.117 billion, while in physical terms it decreased by 4.25% – to 676.9 million packages, Business Credit reported to Interfax-Ukraine.

According to the company's research, the weighted average price of pharmacy basket items during this period was UAH 162.68, which is 18.18% more than in January-July 2023.

At the same time, pharmacy sales of medicines for the reporting 7 months of 2014 increased by 13.24% compared to the same period in 2023 – to UAH 86.296 billion, but in physical terms decreased by 4.7% – to 473.269 million packs. The weighted average retail price of medicines amounted to UAH 182.34 per unit (+18.82%).



According to Business Credit, in monetary terms, sales of disinfectants demonstrated the highest dynamics in January-July. In monetary terms, their pharmacy sales grew by 21.47% compared to the same period last year to almost UAH 16.855 million, but decreased in physical terms by 7.58% to 155.738 thousand packs. The weighted average price in this segment amounted to UAH 108.23 (+31.44%) over seven months.

Sales of dietary supplements through pharmacy chains in January-July 2024 increased by 16.2% in monetary terms to UAH 11.367 billion, but decreased by 1.3% in physical terms to 57.421 million packs. The weighted average price in this segment increased by 18.73% to UAH 197.97 per unit.

TARASIVSKE TITANIUM ORE DEPOSIT IN KYIV REGION TO BE PUT UP FOR AUCTION

Tarasivske titanium ore deposit (Kyiv region, see news image) has been included in the draft list of subsoil areas of strategic importance to be provided for use through auctions for the sale of special permits for subsoil use. NADRA.INFO reports.

As soon as the Cabinet of Ministers of Ukraine approves this list, the State Service of Geology and Subsoil of Ukraine will be able to put the right to use the Tarasivske field up for online bidding. This is the only site with strategic subsoil from Kyiv region included in the draft list.

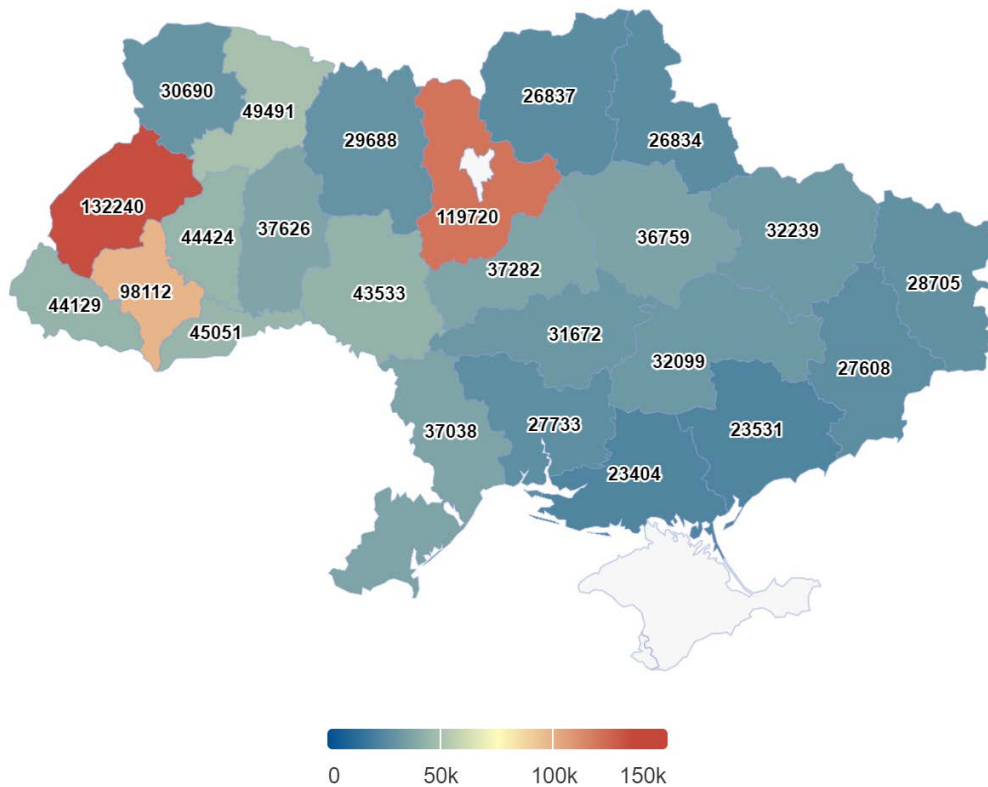
“Tarasivske deposit is interesting because it is a polymineral deposit. There are mono-mineral titanium placer deposits, such as Irshanske and Birzulivske. This one is polymineral: ilmenite, staurolite, zircon, rutile, etc. ... From an economic point of view, I also think that there would be an investor for such an object. Although there are pros and cons. For example, a high degree of exploration with high categories of reserves, i.e. readiness for development. At the same time, given the amount of minerals, additional technological research may be required,” Natalia Baryatska, Doctor of Geology, founder of Softmine service company, SCC expert, told NADRA.INFO.

The Tarasivske field has already been provided for use. The special permit No. 5471 for the extraction of zircon-rutile-ilmenite ores and related components (vanadium oxide, scandium) has been held by Rutile-Ilmenite Company LLC* (RIKO LLC) since 2012.

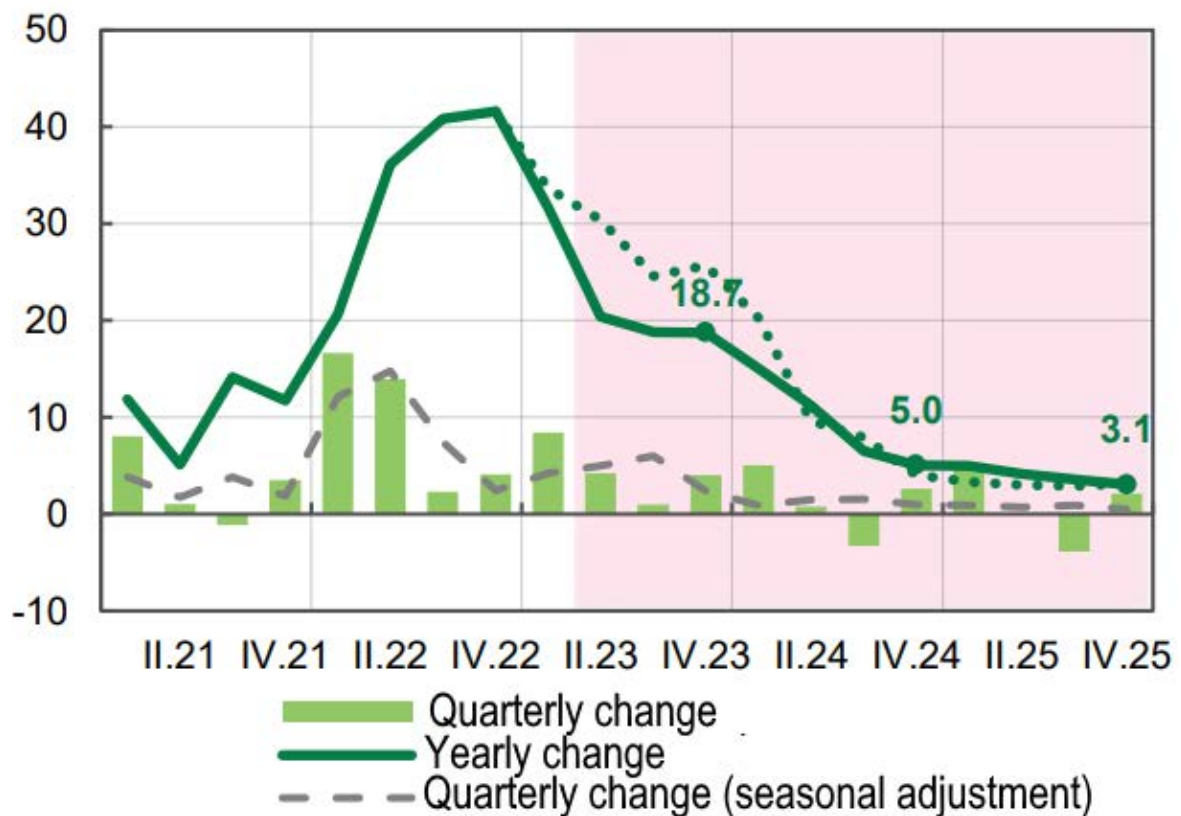
In October 2020, the company updated the Subsoil Use Agreement, and the preparation of the deposit for open-pit mining and the start of production were scheduled for 2022. However, RIKO did not have time to start production – in the summer of 2021, the permit was revoked by the NSDC.



AVERAGE PRICE PER HECTARE OF LAND IN 2023, UAH



CHANGE IN PRICES OF FOOD RAW MATERIALS FROM UKRAINE (FORECAST UP TO 2025), %



USE OF SANDWICH PANELS MADE IN UKRAINE INCREASED BY 15% IN FIRST HALF OF 2024

The use of Ukrainian-made sandwich panels increased by 15% in the first half of 2024, while sales of imported products decreased by 12%, Andriy Ozeychuk, director of the engineering and construction company Rauta, told Interfax-Ukraine.

“*In the first half of 2024, the volume of the Ukrainian sandwich panel market in absolute terms amounted to just over 1 million square meters, which is similar to the figures for 2023. At the same time, the use of Ukrainian-made panels increased by 15%, while sales of imported products decreased by 12%,” Andriy Ozeychuk said.*

Ozeychuk also emphasized the change in the structure of sandwich panels: their share of mineral wool is decreasing, while the demand for panels with PIR (polyurethane foam – a fire-resistant insulating material based on polyurethane) filler is growing, which has the highest thermal insulation properties and a lower price.

“From 2021 to 2024, the price in euros of PIR-filled sandwich panels decreased by 18%, while mineral wool-filled panels increased in price by 37%,” he said.

At the same time, the Rauta director stated that today the construction of new facilities is actively developing only in western Ukraine, while in other regions it is limited to spot projects and the reconstruction of destroyed buildings.

According to him, the main problem of the construction market, in particular the sandwich panel segment, is a large market decline of 60-70% compared to 2021. Most investors take a wait-and-see attitude and do not risk investing in new projects.

“For some positions, we have to look for specialists for several months, and sometimes train employees ourselves. That’s why salaries and, accordingly, the cost of construction are rising. Blackouts, which last from two to six hours a day, reduce the productivity of builders, increase the time and cost of construction by 20-40%,” he said.

“In general, by the end of 2024, we expect the sandwich panel market to remain at the level of 2023 with a possible growth of up to 10%,” Ozeychuk summarized.

Founded in 2014, Rauta Group LLC (Rauta) is an engineering and construction company engaged in the design, supply and installation of sandwich panels, ventilated facades and prefabricated buildings. It is the exclusive importer of commercial products from the Finnish concern Ruukki to Ukraine, as well as the developer of a number of innovations that reduce the cost and time of construction.



"ENERGOATOM" OFFICIALLY RECEIVED LAND IN CHERKASY REGION FOR NPP CONSTRUCTION

Deputies of the Chigirinsky city council granted permission to develop a land management project for allotment of land plots for permanent use by NAEK Energoatom, the company reported in Telegram. The matter concerns the transfer of land plots with a total area of 38.1493 hectares in the village of Orbita in Cherkassy region, where it is planned to build four units using AP1000 technology.

“*“Energoatom” intends to revive Orbita, making it one of the most modern towns like Netyshyn, Yuzhnoukrainsk or Varash. The successful realization of these plans, of course, represents a significant investment in the post-war recovery and support for the energy security of the state,*” – said the head of NAEK Petro Kotin.

As reported, the site for the construction of a power plant in this area of Cherkassy region was prepared in the 1960s, and the decision to build a nuclear power plant there was made in the mid-80s, but was never realized.

In accordance with the Energy Strategy until 2050, Energoatom plans to build units No. 3-4 with VVER-1000 technology and No. 5-6 with AP1000 technology at the Khmelnytsky NPP site.

In September 2021, Energoatom and Westinghouse signed a memorandum on the construction of five NPP power units in Ukraine. In June 2022, the companies signed agreements to increase the number of nuclear power units to be built using AP1000 technology in Ukraine from five to nine units and to establish a Westinghouse engineering and technical center in the country. In July 2022, the companies signed a contract to develop an updated feasibility study for the construction of two AP1000 units at the Khmelnytsky NPP site. In December 2023, Energoatom and Westinghouse signed a contract for the purchase of a reactor plant for Ukraine's first nuclear power unit based on AP1000 technology.



UKRAINE'S AGRICULTURAL SECTOR GENERATES 17% OF GDP AND EXPORTS 70% OF PRODUCTS – MINISTRY OF AGRARIAN POLICY

Ukraine's agricultural sector made a significant breakthrough in development in 2010-2021, employing 17% of Ukrainians and generating 19% of GDP, while 70% of its products are exported, which is one of the highest rates in Europe, said Acting Minister of Agrarian Policy and Food Taras Vysotsky.

According to him, Ukraine's production is enough to feed almost 400 million people.

"Ukraine's role in international food security is very important. After the full-scale invasion of the aggressor country, Ukraine was unable to export its products for four months. This led to a 35% increase in the global food price index in 2022. In African countries, hundreds of millions of people were forced to significantly reduce their food consumption," the press service of the Ministry of Agrarian Policy and Food quoted Vysotsky as saying in his speech at the national educational and professional course for young people "State Builder: the Way to Restore the State."



Vysotsky noted that Ukraine has traditionally exported grains and oilseeds and many other products. In particular, Ukraine ranks 4th in the world in corn exports, and first in sunflower oil. In addition, it ranks 7th in poultry exports. Ukrainian dairy farmers are among the top ten exporters of butter. In addition, Ukraine ranks 4th in walnut production and is one of the world's leading exporters of honey.

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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