



UKRAINE
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EU COUNCIL WILL DECIDE TO EXTEND STAY OF UKRAINIAN REFUGEES IN EU UNTIL MARCH 2027



The Council of the European Union will take a political decision to extend the temporary protection mechanism for Ukrainian refugees in EU countries for another year, until March 2027. This was announced on Friday in Luxembourg by European Commissioner for Home Affairs and Migration Magnus Brunner upon his arrival at the EU Council meeting on home affairs. "Today, we are continuing temporary protection for Ukrainian citizens, but we are also discussing the way forward, a roadmap, because Ukrainians desperately need their people to return to rebuild their country, and that is what we are working on," he said.

The European Commissioner also noted that Ukrainian Deputy Prime Minister Oleksiy Chernyshov will take part in the meeting at the invitation of the European side. "I am very pleased that he accepted my invitation to come here today, because it is always important not just to talk about Ukraine, but to talk to Ukraine and talk with them, that is important," Brunner stressed.

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ICC TO HOLD ROUNDTABLE ON EXPORT FINANCE GUARANTEES IN ROME AS PART OF UKRAINE RECOVERY CONFERENCE

The International Chamber of Commerce (ICC) will hold a roundtable on export finance guarantees as part of the Ukraine Recovery Conference in Rome. This was announced by ICC Secretary General John Denton in an interview. According to him, one of the main obstacles to investment is the lack of risk insurance coverage.

"We have invited banks, governments, and businesses to address this issue," he added.

“ *URC2025 will take place on July 10-11, 2025. It will be the fourth Ukraine Recovery Conference, continuing a series of high-level political events dedicated to the rapid recovery and long-term reconstruction of Ukraine.* ”

The **ICC (International Chamber of Commerce)** is the world's largest business organization representing the interests of the private sector at the global level. Its headquarters are located in Paris. It has more than 170 member countries and over 45 million companies, entrepreneurs, and business associations worldwide.

Status: has observer status at the UN and works closely with the WTO, G20, IMF, and other international organizations

The ICC develops global standards and rules for doing business (e.g., Incoterms®); resolves international disputes through the ICC International Court of Arbitration, one of the most authoritative arbitration bodies in the world; and promotes free trade, sustainable development, and the digitalization of the economy.

INTERNATIONAL CHAMBER OF COMMERCE (ICC) PROMOTES UKRAINIAN BUSINESS BEYOND EUROPE — INTERVIEW

The International Chamber of Commerce (ICC) is helping Ukrainian businesses expand beyond Europe, particularly into Latin America and Africa, ICC Secretary General John W. H. Denton said in an interview with Interfax-Ukraine.

“ *“We have already brought delegations of Ukrainian companies to Bogota and Nairobi. This gives them international recognition and helps attract new partners,” he said.* ”

The **ICC (International Chamber of Commerce)** is the world's largest business organization representing the interests of the private sector at the global level. Its headquarters are located in Paris. It has more than 170 member countries and more than 45 million companies, entrepreneurs, and business associations worldwide.



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REVIEW OF ECONOMIC INDICATORS IN UKRAINE AND WORLDWIDE IN FIRST MONTHS OF 2025

This article presents key macroeconomic indicators for Ukraine and the global economy as of March 1, 2025. The analysis is based on current data from the State Statistics Service of Ukraine, the National Bank of Ukraine, the International Monetary Fund, the World Bank, and the United Nations. Maksim Urakin, Marketing and Development Director at Interfax-Ukraine, PhD in Economics and founder of the Experts Club information and analytical center, presented an overview of current macroeconomic trends.

Macroeconomic indicators of Ukraine

The beginning of 2025 for Ukraine was marked by the continuation of complex but controllable economic dynamics. Amid the ongoing war, uncertainty in external markets, and a growing trade deficit, the Ukrainian economy is demonstrating resilience and gradual adaptation. As Maksim Urakin notes, at the end of 2024, the Ukrainian economy maintained a positive trajectory, although growth rates were more modest than expected:

“Real GDP growth of 2.9% in 2024 is, on the one hand, a positive sign of recovery, but on the other hand, it signals that the structure of the economy remains vulnerable. This growth is not based on profound investment changes or technological breakthroughs, but rather is the result of adaptation to extraordinary conditions. We are dealing with an economy that is surviving but not developing in the full sense of the word,” said Maxim Urakin, founder of the Experts Club information and analytical center.

In January–February 2025, consumer inflation remained high. In annual terms, it stood at around 12.6%, remaining close to the level seen at the end of 2024. According to the NBU, price pressures are driven by seasonal factors, higher energy prices, and a weak hryvnia.

Commenting on this trend, Urakin notes that the current level of inflation is not catastrophic, but it does not allow for economic maneuvering. High consumer prices are not only a macroeconomic problem, but also a daily challenge for millions of households. The National Bank is forced to balance between the need to maintain the hryvnia and the impossibility of sharply tightening monetary policy due to the vulnerability of the economy.

The external economic situation at the beginning of 2025 revealed a serious imbalance. In January–February, Ukraine exported \$6.29 billion worth of goods, 13% less than in the same period of 2024. Imports, on the other hand, rose to \$11.3 billion, up 12.3% year-on-year. As a result, the foreign trade deficit reached \$5.01 billion, increasing by more than 76%. The ratio of exports to imports, at only 56%, reveals the economy's critical dependence on foreign goods and energy resources. “This gap between exports and imports is not just a figure. It is a symptom of structural fatigue. We are too dependent on imports: this applies to fuel, equipment, and industrial components. And until we start investing seriously in local production and processing, this deficit will only grow. On the other hand, exports are currently sustained mainly by agricultural products. But this is not enough to ensure currency stability and financial autonomy,” emphasized the founder of Experts Club. Despite trade difficulties, Ukraine's international reserves amounted to \$40.15 billion at the beginning of March 2025. Although this figure is 6.7% lower than in January, the main reasons for the decline were currency interventions by the NBU and servicing of public debt. The total amount of public and guaranteed debt at the end of February exceeded \$147 billion, of which more than \$100 billion was external debt.

Global economy

According to the International Monetary Fund, global economic growth in 2024 was 3.1%, and the forecast for 2025 is 3.2%. However, these figures mask significant regional differences.

According to BEA estimates, the US economy contracted by 0.3% year-on-year in the first quarter of 2025, the first decline since early 2022. The main factor was rapid growth in imports amid fears of new tariffs, which significantly increased the trade surplus. Inflation, according to the latest data, stood at 2.3% (CPI) and 2.6% (core PCE) in April, the lowest levels in recent years. The Federal Reserve is keeping rates at 5.25–5.5%, waiting to see if things calm down before easing. The IMF forecasts China's GDP growth at 4.0% for 2025, although the official target is around 5%. The current low inflation indicates weak domestic demand and the need for structural reforms. In March, at the session of the National People's Congress, the government announced plans to stimulate the economy through consumer support and reforms, but no clear impetus for the real estate market has yet been provided. According to the EC's spring forecast, GDP growth in the European Union will be 1.1% in 2025 and 0.9% in the eurozone. Official statistics for the first quarter showed growth of +0.6% compared to the previous quarter, the best result since 2022. Inflation in the eurozone continues to decline, standing at 1.9% year-on-year in May.

The British economy is showing signs of recovery: GDP grew by 0.7% in the first quarter and by 1.2% compared to a year earlier, with a slight increase of 0.2% in March. The Office for Budget Responsibility (OBR) forecasts that inflation will reach 3.2–3.5% in 2025, falling to the target of 2% only in 2027. The Bank of England has already lowered its base rate from 5.25% to 4.25% and is expected to take two more steps during the year.

“The global economy is showing a clear divide: the US is on the brink of recession due to imports and trade uncertainty, but inflation is falling. The EU is struggling with low growth and deflationary risks. The UK is trying to avoid stagnation, although inflationary risks remain. China is in a phase of structural decline and needs reforms. India is a striking example of rapid growth thanks to rural demand and industry. Turkey is once again on the brink of crisis due to inflation. Brazil is stable but vulnerable to inflationary pressures. Ukraine needs to choose a strategy against the backdrop of these global trends: either adapt or risk remaining on a marginal trajectory,” Maksim Urakin concludes.

Head of the Economic Monitoring project, Candidate of Economic Sciences Maksim Urakin

BUS REGISTRATIONS ROSE BY 62% IN MAY

Initial registrations of new and used buses (including minibuses) in Ukraine in May 2025 rose by 62% compared to the same month in 2024, to 210 units, according to UkrAvtoprom on Telegram. Compared to April this year, demand remained unchanged.

According to the association, new vehicles accounted for 43% of this volume, compared to 37% last year.

As in the previous year, the most popular new buses last month were Ataman buses manufactured by the Cherkasy Bus plant, with 27 units registered. (last year – 22 units), followed by Ford with 22 buses (in May 2024, the brand also ranked second, but with seven vehicles), and the domestic Etalon came in third with 13 units (six units).

According to UkrAvtoprom, among used buses, Mercedes-Benz was the most frequently registered, with 41 units, followed by Volkswagen with 17 units and MAN with 13 units. In January-May, a total of 1,030 buses were added to Ukraine's bus fleet (+41% compared to the same period in 2024), of which 459 were new (+11%) and 571 were used (+81%).

ONUR GROUP TO INVEST APPROXIMATELY \$450 MLN OVER FIVE YEARS IN CONSTRUCTION OF 690 MW OF NEW GENERATION CAPACITY IN UKRAINE

Turkish Onur Group plans to build 690 MW of new generating capacity in Ukraine by 2030, investing \$450 million in the Ukrainian energy sector, Onur Group's general manager in Ukraine Emre Karaahmetoglu said in an interview with Forbes Ukraine. According to him, the company already has 150 MW of solar power plants, which were built before the war and are now successfully operating under a "green" tariff until 2030.

“*The construction of 50 MW of solar power plants (SPPs) in the Vinnytsia region is continuing, plus 164 MW of storage (batteries). This is more than \$60 million in investments, which we plan to complete by the end of the year — then there will be about 200 MW of solar power and 164 MW of batteries,” he said.*

According to the CEO, Onur Group plans to build 120 MW of wind power plants (WPP) in the Zakarpattia region with a budget of about €120 million.

“Other companies are already operating WPPs in the Carpathians — we see prospects. A total of 320 MW of wind power is under development,” he added.

In addition, Onur Group has almost completed the construction of the first phase of a WPP in the Volyn region for OKKO.

“Last week, the first turbine parts were delivered and installation began. The second phase, with a capacity of about 190 MW, is planned next. A total of 340 MW of capacity has been initiated in Volyn, and we, as a Lviv-based construction company, are actively working on this,” Karaahmetoglu said.



ZAPORIZHSTAL INVESTS \$75 MLN IN REPAIRS TO THERMAL POWER PLANT

The Zaporizhstal steelworks in Zaporizhia has begun a series of major repairs to key energy equipment.

According to its annual capital investment program, Zaporizhstal will repair key units of the thermal power plant this year, allocating approximately 75 million hryvnias for this purpose.

“The thermal power plant is responsible for the production of three key types of energy resources – steam, blast air, and electricity – and supplies them to the plant’s divisions, ensuring the continuity of the production process at the sintering plant, blast furnace, rolling and other main and auxiliary shops. The overhaul will improve the reliability and uptime of both individual units and the entire energy complex of Zaporizhstal,” said Taras Shevchenko, acting CEO of the company.

It is specified that the plant will repair the power equipment in stages, as the work will be carried out while production continues, maintaining planned production volumes.

Zaporizhstal has already begun a large-scale overhaul of boiler unit No. 5, which is scheduled to be carried out every few years and will last about 100 days. Next in line is turbo compressor unit No. 7, with all planned work to be completed within 80 days. In the fall, major repairs will begin on turbine generator No. 1, which will last 45 days. Preparatory work is currently underway.

The major repairs will be carried out by the company’s own engineering service with the involvement of contractors Inventum Ukraine and Intel Energo.

ADONIS OFFERS COMPREHENSIVE EYE EXAM AT SPECIAL PRICE

Vision is one of the most important senses, and regular checkups help preserve it for many years. If you have been planning to visit an ophthalmologist for a long time, now is the perfect time! ADONIS offers a comprehensive eye exam at a special price.

Promotion terms

- Validity: from March 1 to June 30, 2025
- Location: Kyiv, 8-B Raïsi Okipnoi St. (Livoberezhna metro station).
- Doctor: Vyacheslav Mykolaiovych Sinenko — ophthalmologist of the highest category
- Package price: 895 UAH (instead of 1,800 UAH)
- The promotion does not apply to persons covered by insurance programs.

What is included in the package?

- Ophthalmologist consultation (with visual acuity assessment and biomicroscopy of the anterior segment of the eye) – 895 UAH
- Pneumotonometry – free of charge (worth 205 UAH)
- Prescription glasses (1 pair) – free of charge (worth 295 UAH)
- Fundus examination – free of charge (worth 405 UAH)

Why is this important?

- Early detection of vision problems
- Control of intraocular pressure
- Selection of optimal glasses for correction
- Diagnosis of the general condition of the eyes

How to take advantage of the offer?

- Make an appointment by phone: 0 800 707 707
- Inform us of your desire to take advantage of the promotional offer when making an appointment

ADONIS – quality medicine for adults and children.

ADONIS is a network of private medical centers for adults and children. The private clinic ADONIS was founded over 25 years ago. Its network includes seven branches in Kyiv and the surrounding region, including a rehabilitation center and a stem cell laboratory. Doctors at the clinic’s branches provide consultations in 65 medical fields. In the current war conditions, ADONIS branches with surgical departments provide high-quality medical care to military personnel and civilians.

BRICK MARKET IN UKRAINE IN 2024-2025 – BRIEF OVERVIEW FROM EXPERTS CLUB

Experts Club has analyzed the brick market in Ukraine and made a number of conclusions and forecasts. The brick market in Ukraine is gradually recovering from the destruction and recession caused by the full-scale war in 2022. In 2024, there was an increase in construction activity, especially in the residential and infrastructure construction segment, which provoked an increase in demand for bricks.

At the end of 2024, the market showed an increase in capacity by 18.5%. In the first half of 2024, production reached ~249 million bricks, up 20.4% compared to the same period in 2023. The annual production volume in 2024 was estimated at 500-520 million bricks, and in 2025 – 535-555 million bricks with a forecast growth of 7%.

The largest Ukrainian producers are concentrated in the central and western regions of the country. Due to the hostilities in 2022-2023, refractory brick factories in the east, such as Bilokamianske and Zymohirske, were destroyed or decommissioned. However, a large part of traditional brick production managed to maintain or resume operations by 2024. Imports.

Due to the destruction of production facilities and rising demand, Ukraine is increasing its brick imports. The main supplier countries are: Poland

- Czech Republic
- Hungary

Based on estimates for 2025:

- Total market volume: 535-555 million bricks.
- Ukrainian producers provide ~75-80% of the volume.
- Imports account for 20-25%.

This makes it possible to compensate for the shortage in some regions and support construction during the reconstruction period.

Prices.

- Full-bodied construction bricks: 6,000-9,000 UAH/m³ (≈€160-240)
- Facing bricks and ceramic blocks: 20-30% more expensive
- In 2024, the price increase was 15-20%, which is due to the rise in the cost of logistics, raw materials and energy.

There are more than 30 brick factories operating in the government-controlled areas, including ceramic, silicate and clinker. **Among the largest are:**



- Kerameya LLC (Sumy) is a major producer of clinker and facing bricks, successfully increasing exports to 40% of its volume.
- SBC-Romny (Poltava region) produces ceramic facing bricks with a capacity of ~120 million units per year.
- "Litos (Ivano-Frankivsk region) is a leader in the field of facing bricks and tiles.
- LAND BRICK is a manufacturer of hyper-pressed facing bricks.
- DZSM (Dnipro) is a historically large silicate and ceramic producer.
- Euroton (Lviv region) produces high-quality clinker and facing bricks.
- Novooleksandrivskyi Plant (Dnipropetrovska oblast) is the region's largest producer of ceramic bricks.
- Eurocegla (Boryspil, Kyiv region), Nemyrovsk, Basan, Malotokmachansky plants, etc.

Currently, the products of these plants cover more than 70% of domestic demand for bricks in construction.

Major brick importers to Ukraine

To compensate for the deficit and ensure high quality in some market segments (refractory, clinker, facing), Ukraine imports products from

- Austria – Wienerberger (ceramic and clinker bricks).
- Belgium and the Netherlands – Vandersanden NV (facing bricks).
- Czech Republic – hand-molded brands such as Exberg.
- Poland, Czech Republic, Hungary – a wide range of ceramic and silicate bricks (no specific brands).

In 2024, the Ukrainian brick market entered a phase of active recovery. Domestic production provides the bulk of the output, but the share of imports remains significant and is growing. Restoration of the destroyed infrastructure, support from the government and international funds will continue to stimulate the market, and prices will stabilize closer to 2026.

UKRAINE EXPORTED ALMOST 100,000 TONS OF BIOETHANOL IN 2024

Ukraine exported 99,300 tons of bioethanol in 2024, with private producers accounting for 62% of this export, and three private bioethanol plants accounting for 38,100 tons. According to Nina Yuzhanina, a member of the Verkhovna Rada Committee on Finance, Tax and Customs Policy, the key factors for the development of bioethanol production in Ukraine were the replacement of Russian methanol with Ukrainian bioethanol by oil and gas companies.

She noted that of the 17 bioethanol plants operating in Ukraine, with a production capacity of over 420,000 tons per year, 12 have been privatized in recent years.

According to her, the key factors for the development of bioethanol production in Ukraine were the replacement of Russian methanol with Ukrainian bioethanol by oil and gas companies; the supply of consolidated batches of bioethanol (min. 10,000 tons) to the EU market; logistical features of bioethanol exports by tankers to EU oil refineries with return delivery of gasoline to Ukraine; the abolition of quotas on bioethanol exports to the EU (as of today, the quota of 100,000 tons of ethyl alcohol per year has already been restored) and the introduction of a mandatory 5% bioethanol blend in gasoline in Ukraine.

The MP also criticized the government for failing to protect foreign markets for one of Ukraine's most promising processing industries.

As reported, the European Commission has approved quotas for Ukrainian agricultural products, which will be in effect from June 6 until the end of 2025 as part of the Deep and Comprehensive Free Trade Area Agreement. According to a document published on the EU website, by the end of 2025, Ukraine will be able to supply the EU market under the Deep and Comprehensive Free Trade Area in a 7/12 month regime (7 out of 12 months of the year) with wheat, flour, and meslin – 583,330 tons, corn – 379,167 thousand tons, barley – 204,167 thousand tons, poultry meat – 52,511 thousand tons, beef – 7 thousand tons, eggs – 3,500 tons, milk and cream – 5,833 tons, dry milk – 2,917 tons, butter – 1,750 tons.

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“INTERCHEM” SUPPORTED RECREATION OF ALLA GORSKA’S MARIUPOL PAINTING “BORIVITER”

Interchem Pharmaceutical Company has joined the initiative “Boriviter. Restoration” initiative, a large-scale art project to preserve cultural memory, in which 15 artists recreated the mosaic of Alla Gorska’s Sixty Saints in Mariupol, which was probably destroyed by Russian shelling.

According to the company in a press release, the symbolic part of the new panel, the head of the legendary bird, became a sign of InterChem’s participation in the initiative – the company will keep it as a talisman of invincibility and freedom.

“We joined this project not only as philanthropists, but first and foremost as Ukrainians who care about their heritage. We don’t know if the original of this magnificent mosaic has survived, but we will make every effort to preserve what it symbolized: the thirst for freedom and the strength for revival,” commented Anatoliy Reder, CEO of the company.

Participation in the initiative to restore cultural heritage has become another opportunity for Interchem to support the state and citizens of Ukraine in times of war. Since the first days of the full-scale invasion, the company has focused its efforts on helping the military, medics, IDPs and regions affected by the hostilities. In total, since the beginning of 2022, InterChem has donated over UAH 250 million to charity.

The key areas of the company’s charitable activities include the provision of medicines, the purchase of machinery and equipment for military units, and support for humanitarian initiatives. The company donated almost UAH 70 million worth of medicines and medical devices to the Ministry of Defense, the National Police, hospitals, orphanages and communities affected by the war. At the initiative of InterChem, mobile shelters were installed in Mykolaiv, Kherson, Chernihiv, and Odesa, and the company financed the purchase of marine drones, warning systems, and evacuation medevacs as part of United24 projects.

The company provides ongoing assistance to more than 40 combat units of the Armed Forces of Ukraine, and pays special attention to supporting air defense forces. “Interchem financed the creation of the RPS-7 Inhul electronic intelligence station, provided FPV drones for the Defence Intelligence of Ukraine, Deltaquad Pro UAVs for the Armed Forces of Ukraine, night sights and night vision devices for air defense and naval units, etc. In general, since the beginning of the full-scale invasion, Interchem has donated dozens of powerful motor boats, hundreds of unmanned aerial and ground vehicles, vehicles, including evacuation and reanimation vehicles, equipment for mobile air defense groups, searchlights and electronic warfare systems to the Defense Forces.

INITIATIVES TO COMPENSATE INDUSTRIAL INVESTMENTS THROUGH TAXES WILL REQUIRE TRANSPARENCY AND CONTROL – BARRISTERS

Legislative initiatives to compensate industrial investments through taxes (draft laws 13414 and 13415) will require a transparent mechanism for applying for and controlling the targeted use of funds, said Taras Onyshchenko, lawyer at **Barristers** Commercial.

“*These draft laws promise to be a “historic step” in stimulating investment, in particular, in the construction of new industrial facilities. The initiative envisages the introduction of a mechanism for partial compensation of investment costs through tax benefits, which is a common and successful practice in the European Union. At the same time, there are certain challenges and implementation risks that will require careful attention,” he told Interfax-Ukraine.*

Among the positive expectations from the adoption of the draft law, Onyshchenko mentioned, in particular, a significant stimulation of economic growth, “since the proposed investment compensation mechanisms can significantly reduce risks and increase the profitability of projects, encouraging investment in the manufacturing sector.”

“The successful experience of the EU shows the effectiveness of such instruments, which can help both attract new capital and return investments that have been withdrawn or relocated. In addition, new and modernized production facilities will inevitably lead to the creation of new jobs and employment growth. Compensation for equipment costs will stimulate the introduction of modern technologies and increase the competitiveness of Ukrainian products on the global market,” he said.

At the same time, Onishchenko emphasizes that for the effective implementation of the proposed mechanisms, “it will be important to carefully calculate the potential fiscal impact on state budget revenues, especially in the short term.”

“For successful implementation, it is necessary to develop the most transparent, efficient and non-bureaucratic mechanism for submitting applications, reviewing them, verifying expenditures and monitoring the targeted use of investments, as the complexity of the procedures may offset all the benefits of compensation. It is also crucial to have clear definitions, in particular, the definition of “processing industry” and “equipment according to the UKTZED” to avoid ambiguities and abuses,” he said.



ELEVATOR AND DRY PORT PLANNED TO BE BUILT IN LVIV REGION

An elevator that will be able to store up to 30,000 tons of grain at a time, as well as a dry port, will be built in the Lviv region, according to Maksym Kozytskyi, head of the Lviv Regional Military Administration.

“This is the beginning of a large-scale project that includes hundreds of grain storage facilities throughout Ukraine, a network of dry ports, modern logistics hubs, deep processing plants, bioclusters, new export opportunities, and technological upgrades for the agricultural sector,” he wrote on his Facebook page.

A memorandum of cooperation was signed by the Lviv Regional State Administration, the Lviv Regional Council, the Belz City Council, and AgHoldCo, which, with the support of the UAF Partners investment fund, will finance 80-85% of the project's cost. The Danish State **Export Agency EIFO** is also expected to contribute to the financing, thanks to which AgHoldCo intends to secure a \$12 million loan for the construction of each elevator.

The contribution of the Belz community is estimated at no less than \$3 million for each of the subprojects. This assistance will also include the selection and allocation of land plots, connection of the facility to engineering networks, and tax incentives.

The head of the Lviv Regional State Administration expressed confidence that the construction of the elevator and dry port in the region will provide jobs, help reduce grain transportation costs, and strengthen food security in the Lviv region. In addition, it will be easier for small and medium-sized farms to store grain.

STATE INTERVENTION MAY CURB BREAD PRICE RISES IN UKRAINE, SAYS HEAD OF ALL-UKRAINIAN BAKERS' ASSOCIATION

The **All-Ukrainian Bakers' Association** (VAP) and the Union of Millers of Ukraine In 2024, for the second year in a row, they refused to sign a memorandum with the Ministry of Agrarian Policy and Food and grain associations due to disregard for the interests and arguments of processors, said VAP head Alexander Taranenko in an interview with Interfax-Ukraine.

“*A memorandum is a document for which no one bears legal responsibility for violating. In addition, the VAP and the Ukrainian Millers' Union opposed the volumes specified in the memorandum (a limit on grain exports of 16.2 million tons), as this leads to the export of very large volumes of food grain from Ukraine, which significantly affects domestic bread prices,” he explained.*

Taranenko emphasized that processing enterprises insist on distinguishing between food and feed grain when fixing grain export volumes. At the same time, they have nothing against the export of feed grain in any quantity, since Ukraine grows more than enough of it.

Speaking about food grain, the expert noted that in recent years, as a result of various events – climate change, military actions and economic situations – the quality of the grain harvest in Ukraine has significantly deteriorated.

“While in 2020, food wheat accounted for 57% of the harvest, in 2024 it will account for only 27%. Accordingly, the volume of grain suitable for processing is even smaller, because the aforementioned 57% and 27% include wheat of the first, second, and third grades. Not all third-grade wheat is suitable for processing into flour. This means that less than 20% of the total harvest in 2024 was suitable for processing into flour,” Taranenko stated.

According to him, these nuances are completely ignored by grain experts. At the beginning of the harvest, the first wave of exports to foreign markets includes a large amount of food wheat, which causes an increase in domestic bread prices.

If the authorities had taken certain measures, such as introducing export segmentation, forming domestic reserves, creating state reserves or financing their creation, the rise in bread prices would not have been so significant and sharp, the head of the industry association is convinced.

FLOUR EXPORTS TO EU UNDER THREAT DUE TO NEW TRADE QUOTAS

Flour and cereal producers are concerned about a reduction in flour exports to the European Union after the expiry of autonomous trade measures on June 6, as 75% of their exports currently go to the EU, Rodion Rybchinsky, director of the **Ukrainian Flour Millers Association**, said in an interview with Interfax-Ukraine.

“Starting from June 6, we have the opportunity to supply a total of 583,300 tons of wheat and wheat flour to the EU market by the end of the year. But since the quota is combined, I am not sure that we will be able to fill it. It is much easier for wheat exporters to find buyers in the EU and fill their quota,” he said.

Rybchinsky added that the industry association continues to use all possible communication channels to convey to European officials the need to allocate a separate quota for Ukrainian flour for export to the EU or to remove it altogether.

“ *The head of the Ukrainian Flour Millers Association stated that before the war, there were 678 enterprises specializing in grain processing in Ukraine, but in 2022, 192 enterprises were destroyed and remained in the occupied territories. As of the end of 2024, 88 enterprises have been restored.*

At the same time, according to his information, exports of flour and cereals have fallen by 50% since the start of the war. Among the reasons, the expert cited a reduction in production and changes in logistics: whereas exports used to be mainly by sea, since the start of the war they have been forced to switch to road and rail transport, which are more expensive than sea transport.

Due to problems with transporting products across the Black Sea, container shipping has not yet been fully restored. As a result, the geography of grain processing product sales has changed significantly since the beginning of the war: 75% of products are exported to the European market, of which 55% go to EU countries, 15% to the Middle East, 4% to Africa, and 2% to Asia, according to the head of the Ukrainian Flour Millers Association.

As reported, First Deputy Minister of Agrarian Policy and Food Taras Vysotsky said in comments to journalists that one of the government's strategies in negotiations with the European Commission will be to request that the established quotas be divided by commodity codes.



TWO NEW GRAIN PROCESSING PLANTS BEING BUILT IN UKRAINE

Two flour processing plants will be built in Ukraine in 2025 – flour will be produced in western Ukraine, and cereals in the Poltava region, according to an interview with **Interfax-Ukraine** by Rodion Rybchinsky, director of the Ukrainian Flour Millers Association.

“Currently, a plant for the production of hard wheat flour with a capacity of up to 150 tons per day is being built in western Ukraine, with further processing of pasta, and in the Poltava region, a cereal plant with a combined capacity of up to 100 tons per day is expected to be launched,” he said.

According to the head of the industry association, there are niches in the flour milling business that are worth paying attention to.

“When we talk about grain processing, we must remember that it is not just flour or cereals. There are also combined products: dry breakfasts, energy bars, starch, dry gluten, enzyme preparations based on grain processing products — a very wide range of processed products,” Rybchinsky emphasized, adding that the main priority in the construction of such a production facility is the availability of buyers.

According to him, the cost of building a mill or a cereal plant in Ukraine starts at \$3 million, but there are examples of businesses in Ukraine with a higher price tag of \$15 million. This amount includes the cost of equipment and buildings (fixed assets), excluding working capital, which can reach 50% of the project cost. After all, in order to launch an enterprise, it is necessary to purchase raw materials, actively enter the market, and anticipate marketing costs, etc.

Rybchinsky also does not rule out the prospect of building a number of flour mills on the Black Sea coast, following the example of Turkey.

“Uzbekistan and Egypt have followed the same path as the Turks. The Uzbeks buy Kazakh grain, grind it, and have become the main exporter of flour to Afghanistan, from where they have ousted Kazakhstan. Egypt buys Ukrainian and Russian grain and has become the leading supplier of flour to the African market, partially displacing both the Turks and the French. All this points to the existence of a state policy,” he stressed, adding that the first step towards such a development of processing in Ukraine should be the interest of the state.

CHINA MAY OPEN ITS MARKET TO UKRAINIAN FLOUR IN 2025

The State Service for Food Safety is making efforts to open the Chinese market to Ukrainian flour in 2025, according to Vadym Chaykovsky, Deputy Head of the State Service for Food Safety and Chief Phytosanitary Inspector of Ukraine.

“We plan to sign protocols with our Chinese colleagues this year to open the market for Ukrainian wheat flour,” he said at the Agro Ukraine Summit in Kyiv on Friday.

He recalled that the State Service initiated procedures to promote the supply of wheat, millet, and sorghum from Ukraine to the Chinese market and is systematically working to open this market for Ukrainian peas.

Chaykovsky added that the phytosanitary authorities of both countries are currently preparing to launch a service such as video inspection of crops from the fields of enterprises that intend to supply products to China in the 2025/2026 season.

The chief phytosanitary inspector called on export-oriented enterprises to promptly contact the regional offices of the State Service of Ukraine for Food Safety and Consumer Protection to conduct phytosanitary inspections of their fields.

SINCE BEGINNING OF YEAR, UKRAINE HAS EXPORTED WOOD AND WOOD PRODUCTS WORTH ALMOST \$700 MLN

Since the beginning of the year, exports of wood and wood products from Ukraine amounted to 1.42 million tons worth \$671.8 million. Compared to the same period in 2024, when 1.34 million tons were exported for \$593.9 million, the volume of exports increased by 81,700 tons, or 6%. At the same time, in monetary terms, there was an increase of \$77.9 million, or 13%.



Pine products account for the largest share, 68.6%, indicating high demand for this type of wood on foreign markets. Spruce timber ranks second with 19%, followed by oak with 6.6% of the total volume.

At the same time, since the beginning of the year, customs authorities have detected violations amounting to over UAH 31.4 million.

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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

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