



UKRAINE OPEN FOR BUSINESS

Biweekly news digest

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Draft budget resolution: Ukraine's GDP growth to 3.6% in 2019, inflation 6.5%



The Ministry of Economic Development and Trade and the Ministry of Finance of Ukraine expect the country's GDP will grow by 3.6% in 2019. The corresponding forecast is contained in the draft titled "Main Guidelines of Budget Policy" submitted by the Cabinet of Ministers. The growth of the consumer price index (inflation) by the end of 2019 is expected at 6.5%, the average annual forex rate of the hryvnia against the U.S. dollar is projected at UAH 30.5.

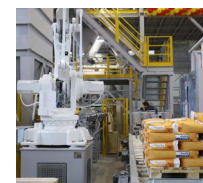
Earlier it was reported that the National Bank of Ukraine predicts the acceleration of GDP growth in 2018 to 3.4% from 2.5% in 2017 and a slowdown in 2019-2020 to 2.9%.

Regarding the consumer price index, the NBU expects inflation to slow to 8.9% by the end of 2018 from 13.7% in 2017, while a forecast for 2019 is set at 5.8%, in 2020 at to 5%.

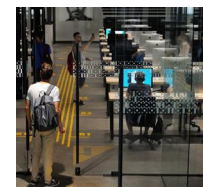
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DANISH CIKLUM FOUNDER
INVESTS IN AVENTURES
CAPITAL



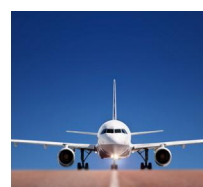
GERMAN FIXIT GRUPPE TO
BUILD DRY CONSTRUCTION
MIXES PLANT IN UKRAINE



K.FUND, KPI TO BUILD
INNOVATIONS CAMPUS IN
KHARKIV



ALSTOM LOOKING
FOR PLATFORM TO
OPEN PRODUCTION IN
UKRAINE



KYIV INTERNATIONAL
AIRPORT SEES 50% RISE IN
PASSENGER FLOW IN Q1



NESTLE INTENDS TO
INVEST IN UKRAINE IN 2018

Ukraine climbs from 99th to 80th position in Quality of Nationality Index in 2017

Ukraine climbed from 99th to 80th position in the Henley & Partners – Kochenov Quality of Nationality Index (QNI) and was included in the list of the top three countries with the most significant growth in the value of nationality, Henley & Partners reported on Friday. According to researchers, in 2017, Ukrainian citizenship received a rating of 36.1%, which is 6.4 percentage points higher than in the previous year's rating. The main reason for this growth is the introduction of a visa-free regime with the Schengen countries, and the number of countries with visa-free entry for Ukrainians increased from 81 to 115 last year, they say.

They argue that Ukraine could have occupied even higher positions in the rating if not for geopolitical issues and armed conflict and recall that the country's position in the QNI five years ago was better than now – 74th in 2013 and 78th in 2014.

Of the 209 countries studied in 2017, for the first time in the last five years, the first place went to France – 81.7%. Germany, the leader of last year's rating, dropped to second place with 81.6%. The top ten countries also include Iceland, Denmark, the Netherlands, Norway, Sweden, Finland, Italy, Ireland, Switzerland, and Austria.

Open data brings over \$700 mln to Ukraine's economy in 2017



Open data in 2017 brought more than \$700 million, or 0.67% of GDP, into the economy of Ukraine, according to a study conducted by the Kyiv School of Economics (KSE) in partnership with the London-based Open Data Institute.



“If Ukraine continues to work with open data, in particular publish datasets from government decree No. 835, then economic benefits from open data until 2025 will be up to \$1.4 billion, or 0.92% of GDP,” said KSE member Artur Kovalchuk.

The study finds that today about 3,000-4,000 people directly work with open data, and its further development will translate into the need for personnel with experience in collecting, analyzing, using data.

In addition, Project Manager of the USAID/ UK aid-funded Transparency and Accountability in Public Administration and Services program /TAPAS Petro Matiaszek says that according to the research, the potential of open data in Ukraine is fully comparable with that of the EU. Thus, a recent study by Capgemini for the European Commission estimates direct effects from opening authorities' data in the EU countries by 2020 vary within 0.37-1.58% of GDP (EUR 55.3 billion).

Lviv hostes the Spring Business Forum. Topic of this year's forum is "Support point"

The Spring Business Forum 2018 event gathered more than two hundred professionals, representatives of state-owned enterprises, banking and business circles. For entrepreneurs, the forum is also a good opportunity to talk about cooperation and business development in an informal atmosphere and meet peers. The forum was opened by Lviv Mayor Andriy Sadovyi, who talked about business confidence and cooperation with the authorities.



"The basis of any entrepreneurial activity is trust. If it is, then there is development. If it is not, then there is trouble. Therefore, this trust can be built up only when there is communication, when there is an exchange of ideas."

An interesting statement was made by Country Director of the European Bank for Reconstruction and Development for Ukraine Sevki Acuner, who noted the importance of attracting investment. "There is one challenge that we can handle. This is an investment. Foreign or domestic. To do this, we must make products more innovative, look for new approaches and compare our products with those on the global market."

A success story of a Ukrainian investor was told by Vitaliy Melnyk, the Chief Executive Officer of UDP, a company with a huge number of implemented projects in Kyiv, which launched the LvivTech.City project in Lviv last year. The project is aimed at the development of an innovative ecosystem in Lviv, which includes the construction of modern office space, social and residential infrastructure. The construction is now under way along with talks with potential residents regarding the location of their facilities.

Danish Ciklum founder invests in AVentures Capital

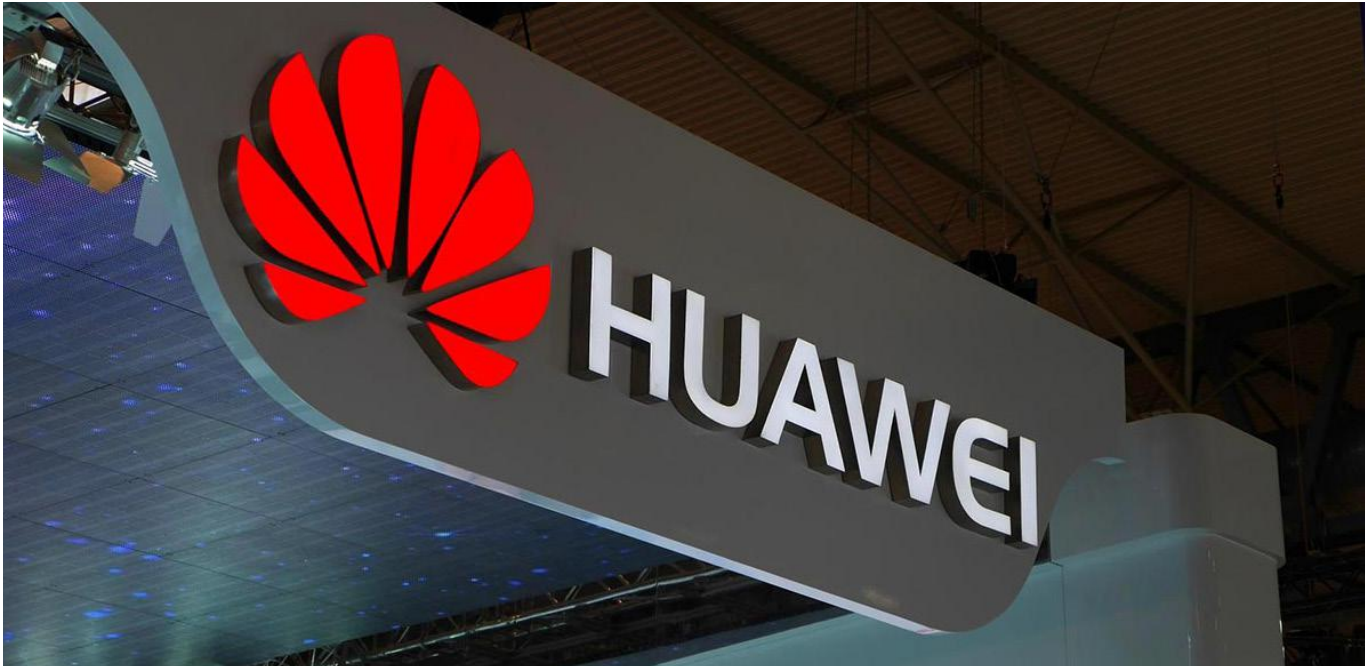


The founder of the Ciklum outsourcing company, Danish entrepreneur Torben Majgaard, has invested in Andriy Kolodiuk's AVentures Capital venture fund, which invests in innovative companies at early stages, and became a financial partner of the fund, the press service of AVentures Capital has reported. The invested funds will be used to finance globally oriented Ukrainian start-ups and IT companies of different stages of development.

"In addition to AVentures Capital, previously Torben Majgaard joined financial partners and other funds from America and Europe, and in Ukraine for the first time. This is the indication that the Ukrainian venture ecosystem is not only competitive at the global level but also increasingly attractive to the world's entrepreneurs and investors. In addition to Torben Majgaard, AVentures Capital's financial partners are also ourselves, managing partners, as well as IT entrepreneurs of Ukraine and the United States," Managing Partner of AVentures Andriy Kolodiuk said.

The press service refused to disclose the amount of investment, but clarified that the matter concerns a seven-digit figure (in dollars). Majgaard stated if investments in joint projects are successful, he is ready to invest even more.

Huawei seeks to increase share of Ukrainian ICT market to 10% in 2018



Huawei Ukraine seeks to increase its share of the Ukrainian information and communication technology market (ICT) from 1% to 10%, the press service of the company has told Interfax-Ukraine, referring to Huawei Ukraine Head Haojie Zhou. "Ukrainian enterprises are ready to introduce modern ICT. We set ambitious goals – to occupy 10% of the market in a year," he said at the first Enterprise Day annual partner meeting in Kyiv.

The company said as of late 2017 they assess the ICT market in Ukraine in the amount from \$100 million to \$200 million, and their share of the market at over 1%.

Huawei is a large Chinese communication company and a large smartphone manufacturer in the world. It was founded in China in 1987. Huawei Ukraine was registered in 2005.

German FIXIT Gruppe to build dry construction mixes plant in Ukraine

FIXIT Gruppe (Germany) would build a dry construction mixes plant in Pustomyty district of Lviv region, the press service of the Lviv Regional Administration has reported. Head of the investment policy department of the Lviv Regional Administration Roman Matis said that it is planned to start building the plant in June and finish in winter before strong frosts. "Within three weeks, the company must provide us with all the documents for permitting them to start construction. If we have any difficulties, we will try to help. Construction will begin in June," he told Interfax-Ukraine.

According to Matis, the plant will produce dry building mixes under the Kreisel trademark, in particular, primers, waterproofing materials, mixes for floors, grout and masonry, glue mixes, plasters, building paints, and other products. He recalled that one plant of FIXIT Gruppe already produces goods under the Kreisel trademark in Fastiv (Kyiv region). This product is in great demand in the market of Western Ukraine, which prompted the company to build a plant in Lviv region.

The new plant near Pustomyty will create about 70-80 jobs, and most of the production processes will be automated. According to the Lviv Regional Administration, FIXIT Gruppe is part of the Hazlberger Group, one of the largest producers of dry building mixes in the EU, primarily in Germany, Switzerland and Austria. FIXIT Gruppe was established in 2006. It has 68 production sites in 19 countries. The headquarters is located in Switzerland.

Parking area near Terminal D in Boryspil airport to be commissioned in due time



Works to complete a parking area near Terminal D of the Boryspil International Airport (Kyiv) will be finished by the contractor – NAN LLC (Kharkiv) – in the approved term – summer 2018, Boryspil Airport Commercial Director Heorhiy Zubko has said. “The contractor had a lot of difficulties with the audit of the works carried out earlier, as the facility was accepted in poor conditions. In addition, long winter upset the schedule, but these are their commitments. We did not lift them,” he said in an interview with Interfax-Ukraine, commenting on the earlier announced possibility of filing a claim to court against the contractor.

Zubko said that Boryspil Airport Director General Pavlo Riabikin presented an option of terminating the contract, as the contractor is behind the schedule. “We held many working meetings. One of the basic conditions was payment of all financial liabilities under bank guarantees, and the contractor met these conditions. We signed the new schedule with the contractors, describing details, and it is obliged to carry out works. We see this now. This does not lift the commitments of the contractor to commission the parking area in line with the contract terms, and this is summer 2018,” he said. Zubko also said that according to the financial plan of the airport for 2018, UAH 200 million is allocated for construction of the parking area this year.

Ukrainian company launches 14th own asphalt-concrete plant in Ukraine and 5th Italy's Marini Fayat plant

Odesa-based Automagistral-Yug has launched an asphalt-concrete plant in the settlement of Derhachi in Kharkiv region, the company's press service has reported. “We are launching the 14th own asphalt plant in Ukraine and the fifth plant of Italy's Marini Fayat Group. Thanks to the construction of a new plant, we can hourly produce up to 320 tonnes of asphalt, which is more than 3,500 tonnes per shift, which today is a record indicator for similar enterprises in Ukraine,” Automagistral-Yug Director General Mykola Tymofeyev said. According to the company, the amount of investment in the new production plant was more than EUR 3 million. According to the report, the plant's products will be sent to the asphalt-concrete coating on the P46 Kharkiv-Akhtyrka road, as well as on the M-03 Kyiv-Kharkiv-Dolzhansky highway and T2104 Kharkiv-Vovchansk road.

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K.Fund, Kharkiv Polytechnic Institute to build innovations campus in Kharkiv



Businessman Vasyl Khmelnytsky's K.Fund and Kharkiv Polytechnic Institute will build and open in Kharkiv the Innovations Campus educational space worth more than UAH 60 million by the end of 2018, the press service of the UFuture investment group has reported.

"Construction work is due to begin in April, and the campus will start operating at the end of 2018. The task of the project is to enable Ukrainian specialists to develop and be successful in Ukraine," the report says.

The training will be based on an innovative educational program, which was developed by UNIT Factory specialists in cooperation with Kharkiv Polytechnic Institute and other Ukrainian higher educational establishments. In addition, the Small and Medium Entrepreneurship School will continue its work at the campus, whereas modern co-working will open the possibility for start-ups and creative young professionals to get jobs, qualified professional business support, security, access to knowledge. The organizers also plan to attract investments from the state, enterprises and local business to finance this social and educational project. As reported, First Vice-President of the Ukrainian League of Industrialists and Entrepreneurs (ULIE) Vasyl Khmelnytsky is the majority shareholder of UDP.

In early October 2017, he merged his business projects and social initiatives under the brand UFuture Investment Group (Brussels). The chief managing director of UFuture became the head of the ULIE office in Brussels, Mykola Tymoschuk. The group included UDP, as well as businesses of Khmelnytsky: UDP Renewables, Bila Tserkva industrial park, innovative parks UNIT.City and LvivTech.City. The group is open to the creation of joint ventures and the attraction of new partners. Support of social projects in the sphere of economy and education is provided by Khmelnytsky's K.Fund.

UDP is one of the largest development companies in Ukraine. It has been operating in the market since 2002 and has implemented 11 projects with a total area of 3 million square meters. Among the most famous projects are the development of Kyiv airport, the construction of the Ocean Plaza trade and entertainment center and the RiverStone and Parkove Misto residential complexes in Kyiv.

Prices on primary housing market in Ukraine 5.3% up in Q1 2018

Prices on primary housing market in Ukraine grew by 5.3% in January-March 2018 year-over-year, and by 4.3% on the secondary market, the State Statistics Service has reported. According to the agency, the largest rise in prices in the primary housing market was observed for one-room apartments – by 7.2%, while prices for two-room apartments went up by 4.7%, three-room apartments by 2.1%.

In the secondary market, in January-March 2018, prices for one-room apartments rose by 5.9%, those for three-room apartments rose by only 2%, two-room apartments by 4.6%.

As reported, referring to the State Statistics Service, Prices in the primary housing market in Ukraine in 2017 increased by 4.7% compared to 2016, and in the secondary market by 4.5%.

Euroins Insurance Group acquiring Ukrainian travel insurance business of Munich Re's ERGO



Bulgaria's Euroins Insurance Group (EIG), a large independent insurance group in the Central and Southeast Europe, is acquiring the Ukrainian travel insurance business of Munich Re's Ergo – ERV Ukraine (Kyiv). "The companies have signed acquisition agreements. The deal is expected to be finalized after receiving approval by the regulatory authorities," EIG said in a statement. The agreement provides for further cooperation between EIG and ERGO, including the transfer of know-how of ERV and the opportunity for EIG to sell travel insurance products under the ERV brand or a model of joint branding in Ukraine and other countries where EIG is present.

According to the release, ERV Ukraine is the second largest provider of travel insurance in Ukraine with a market share of 10.7%. In 2017, almost 627,000 customers were provided with the company's services.

"The acquisition of the ERGO insurance business in Ukraine is in line with our strategy of expanding and diversifying our portfolio in Eastern Europe and strengthening our position as the leading insurance group in the region," EIG said citing CEO Kiril Boshov.

According to him, ERV Ukraine will be kept as a separate company outside the Ukrainian EIG subsidiary Euroins Ukraine, in order to concentrate efforts on selling travel insurance products.

Alstom looking for platform to open production facilities in Ukraine

The French company Alstom has arrived in Ukraine and is looking for a platform for opening joint or new production facilities for investments, First Deputy Prime Minister of Ukraine Stepan Kubiv has said. "I've just met Alstom, the world's third largest producer of power equipment and railway transport. The company came to Ukraine with investments and is looking for a platform for opening joint or new production facilities," Kubiv wrote on his Facebook page. In his words, IT partners, engineering solutions, manufacturers of electrical and mechanical equipment, partners for joint production of electric locomotives and spare parts for them are also needed.

"I have assured that Ukraine is the right choice for investment. Work goes on!" First Deputy Prime Minister said, "tagging" (noting) Prime Minister Volodymyr Groysman, Deputy Prime Minister Volodymyr Kistion, Viktor Dovhan (Deputy Infrastructure Minister) and Yevhen Kravtsov (acting CEO of Ukrzaliznytsia). Alstom is one of the world leaders (along with Siemens and Bombardier) in the production of power equipment and railway transport. The company's revenue in 2016-2017 fiscal years was EUR 7.3 billion. Alstom operates in more than 60 countries. Its staff exceeds 32,800 people.

Interpipe and French Vallourec announce partnership to produce pipes for EU market

The Interpipe international vertically integrated pipe and wheel company and the leading manufacturer of seamless pipe in Europe Vallourec (France) have announced its plans to start joint production of steel pipes for the European market. According to a press release, cooperation would not apply to oil and gas pipes. Mainly linear pipes, pipe for general use and products for engineering.



“Interpipe-made pipes will undergo finishing and quality control at the finish line, which will be built on the basis of Interpipe Niko Tube and will be managed by Vallourec. The line will be created within the joint venture of Interpipe and Vallourec,” press release.

“Interpipe-made pipes will undergo finishing and quality control at the finish line, which will be built on the basis of Interpipe Niko Tube and will be managed by Vallourec. The line will be created within the joint venture of Interpipe and Vallourec,” press release. According to the press release, the beginning of production is planned for the autumn of 2018. The pipes will be sold under the Vallourec brand in the European market.

Kyiv International Airport sees 50% rise in passenger flow in Q1 2018



The Sikorsky Kyiv international airport (Zhuliany) serviced 442,000 passengers in Q1 2018, which is 50.4% more than in Q1 2017. The airport's press service told Interfax-Ukraine that the number of passengers serviced at the international flights totaled 423,900 and on domestic flights – 18,100. The number of flights in Q1 2018 totaled 5,499 (arrivals and departures), which is 23.3% more than a year ago, including 4,519 international flights and 980 domestic flights.

The most popular international destinations in the first quarter of 2018 are Dubai (the UAE), Minsk (Belarus), Ankara (Turkey), Warsaw (Poland), Budapest (Hungary), Memmingen (Germany), Rome (Italy); and internal – Odesa, Zaporizhia and Lviv. Kyiv International Airport (Zhuliany) is located in the business center of the capital, seven km from the city center. It is the second largest airport in Ukraine in terms of the number of flights and passenger traffic.

The airport has three terminals with a total area is 21,000 square meters. Terminal B is separate facility for business-class service, it is part of the Fixed Base Operator (FBO) system. The airport's runway is able to handle B-737 and A-320 aircraft.

IFC, EU and Germany to finance EUR 53 mln fund to improve energy efficiency in Ukraine

Ukraine, the International Finance Corporation (IFC), the European Union and Germany have signed an agreement on the establishment of a fund to improve energy efficiency in Ukraine, the Ukrainian Finance Ministry has reported on its website. "In accordance with the agreement, up to EUR 53 million of financing provided by the EU and Germany will be under the management of IFC at the initial stage," the Finance Ministry said. The multi-donor fund with the Ukrainian Energy Efficiency Fund will jointly finance energy efficiency projects in apartment buildings in Ukraine and provide expert support for the development of the market, the Finance Ministry said.

According to Finance Minister Oleksandr Danyliuk, the project will contribute to the creation of about 75,000 new jobs for engineers, builders and workers in the energy sector.

Scatec Solar from Norway puts 150 MW solar power plants' construction in Ukraine into its portfolio



Norway's Scatec Solar has included into its project portfolio the construction of solar power plants with a total capacity of 150 MW in Ukraine, the company's press service reported. The company has not disclosed any other details regarding the construction of stations. As reported with reference to Cherkasy Regional Administration, Scatec Solar planned to build a solar power plant with the installed capacity of 25 MW in Kamiianka, Cherkasy region. Scatec Solar has built solar power plants with a total capacity of 322 MW in different countries. The company is in the process of building plants with the capacity of 434 MW.

Scatec Solar operates in the Czech Republic, South Africa, Ruanda, Honduras and Jordan.

Ukraine's retail trade turnover in Q1 grows by 7.6%

Ukraine's retail trade turnover, excluding the temporarily occupied territory of Crimea, Sevastopol and Donbas, grew by 7.6% in comparable prices in January-March 2018 (Q1) year-over-year, the State Statistics Service said on Friday. In particular, retail trade turnover in March-2018 increased by 13.1% compared to February this year and by 7.6% compared to March 2017, it said.

The largest growth in retail trade turnover in January-March 2018 compared to the same period in 2017 was observed in Vinnytsia region (12.3%), Zakarpattia (11.8%), Mykolaiv (10.8%), Sumy (9.9%), Lviv (9.7%), Chernihiv (9.6%), Cherkasy (9.4%), Odesa (9.2%), and Kherson (8%) regions.

Pharm companies to increase investment in innovation and quality



Pharmaceutical companies at the global level will increase investment in innovation and support for a high level of quality of medicines, international expert in GMP Wolfgang Schumacher has said. "In the early 1990s there was rather a broad understanding of what quality is. Over the years, this understanding has become more formulated and detailed, supported by more stringent rules and regulatory government policies," he told Interfax-Ukraine as part of a master class "Integrity of Data for Laboratories and Production" for employees of Farmak Pharmaceutical Company (Kyiv) involved in the pharmaceutical quality system.

According to the expert, now, due to the presence of an increasing number of regulatory requirements, the concept of "quality of medicines" is also becoming increasingly regulated. "Back in the 1990s, we could produce a quality product without having a large number of regulatory requirements, but in recent years the requirements have become more detailed. New regulatory documents are issued. New regulatory documents are about ten times larger than the previous ones," he said.

"European pharmaceutical companies are most focused on quality products. The American market is more documented, with lower quality in its products. In the U.S. market the documentation and the process of documenting are better than in Europe, but in practice there is not everything as good as in Europe," he said.

At the same time, the expert noted Farmak's responsible approach to the issues of quality and innovation. "It is very noticeable that the Farmak team is dedicated to its work and very motivated, which is very good. The life of each company lies in its team," the expert said. The expert also noted that small and medium-sized pharmaceutical companies are "more pragmatic in their approach to quality, while large companies very often follow the rules."

Pharmacy sales in Ukraine increases by 43% in three months of 2018

Pharmacy sales in Ukraine in January-March 2018 in monetary terms increased by 43% compared to the same period in 2017, to UAH 22.886 billion. Business Credit told Interfax-Ukraine pharmacy sales in natural terms for the first quarter increased by 8%, to 411.515 million packs. According to the company, in particular, retail sales of medicines in monetary terms increased by 45%, to UAH 18.976 billion, in natural terms by 24%, to 287.662 million packs.

The average weighted price of goods in the pharmacy basket for the first quarter of 2018 was UAH 55.6 per package, medicines some UAH 66 per package. Pharmacy sales in March 2018 amounted to UAH 7.752 billion, which is 36% more than a year earlier, drug sales grew by 39%, to UAH 6.416 billion.

As reported, in 2017 pharmacy sales in money terms increased by 19% compared to 2016, to UAH 68.271 billion, in natural terms by 12%, to 1.513 billion packs.

Grain exporter Nibulon plans to start building cargo sea vessels

Nibulon plans to start building cargo sea vessels in summer 2018, Director General of Nibulon Olekskiy Vadaturtsky has said in an interview with the Ports of Ukraine publication.



“In March this year, for the first time at our shipyard, building of a dry cargo ship with a length of 100 meters was launched. And in the summer, after the reconstruction of the shipyard facilities, we will be able to build full-sized cargo ships of 140 meter length. We plan to build a specialized marine vessel with deadweight of 10,000 tonnes as a transshipment raid station,” he said.

According to Vadaturtsky, the vessel will be equipped with two cranes, which can handle up to 20,000 tonnes of grain per day. The deadline for its delivery is July 1, 2019. “As we build our own marine fleet, we will extend the transport chain from the agricultural producer to the final consumer on the Nile,” he said.

The general director of Nibulon said that for the 12 years since the beginning of the implementation of infrastructure projects, to date, \$1.76 billion has been invested, in particular about \$100 million over the past year.

Ukraine fully uses quotas for exporting honey, malt gluten, preserved tomatoes, grape and apple juices, wheat and corn to EU

Ukraine as of April 17, 2018 fully used six quotas for duty free exports of goods under the agreement on the Deep and Comprehensive Free Trade Area with the EU (DCFTA), in particular for honey, malt and wheat gluten, preserved tomatoes, grape and apple juices, as well as wheat and corn. According to a report on the website of the Ukrainian Agribusiness Club (UCAB), Ukraine also used the second quarterly quota for export of poultry and the six month quota for butter. The quotas for cereals and flour have been used by 95%. “This year there was a revival in the pace of using the quotas: as of the same date in 2017, the volume of wheat had not yet been used, and the quota for malt and wheat gluten had not been used in the past year. The fact that along with six key quotas four more are closed indicates the intensification of trade relations with the EU,” an analyst of the foreign trade in agricultural products of the UCAB, Daria Hrytsenko, said.

Milk Alliance wants to invest UAH 148 mln in development this year

The Milk Alliance Group preliminarily plans to boost investment by over 20% in 2018 compared with 2017, to UAH 148 million. “Last year, we spent UAH 122 million on capital investments and the development of our enterprises. This year we planned UAH 148 million, but I see that we will spend about UAH 170 million. We have not yet invested in line with the capital investment plan, since the appetite comes with eating Chairman of the Supervisory Board of the Group Serhiy Vovchenko told reporters. Total capital investments of the group since 2012 have amounted to UAH 485 million. “Under the order of the Arab countries, we have started making mozzarella, which is subject to deep freezing, in blocks for their pizzerias. Now they also asked for grated frozen cheese and mozzarella. This equipment for slicing and shock freezing will cost about EUR 70,000. We have already ordered the equipment. It was made for us under an individual order,” Vovchenko said.

Exports of fruits and berries from Ukraine 68% up in Q1 2018



The cost of exports of fruit and berries from Ukraine totaled \$57 million in January-March 2018, which is 68% more than a year ago. According to the Ukradprom association, the key exported fruit were walnuts (\$42 million), frozen berries (\$10 million), apples and pears (\$5 million). "Out of these groups of fruit and berries only for frozen berries the volume in kind and in cost declined. The volume of walnuts exported from Ukraine grew from 7,000 to 13,000 tonnes, and apples and pears from 6,000 to 14,000 tonnes," the association said.

Ukrainian fruit and berries are of greatest demand in the EU countries (60% of revenue of Ukrainian exporters).

Ukrainian apples are mainly sold in the CIS and EU, in particular, Belarus, Moldova, Sweden (85% of the cost of their exports). Average export price of apples this year exceeded \$320 per tonne.

"Major purchases of fruits and berries were carried out by France in the amount of \$6.9 million, Turkey – \$6.5 million, Poland – \$4 million, Belarus – \$3.7 million, Greece – \$3.5 million, Germany – \$2.8 million and the Netherlands – \$2.7 million," Ukradprom said.

At the same time, imports of fruit and berry products in Ukraine in January-March 2018 amounted to \$143 million.

According to the report, it is mainly formed of exotic fruits (citrus fruits, bananas and other fruit). If one takes into account only traditional fruits and berries for Ukraine, the total foreign trade surplus was \$40 million. At the same time, the association pointed out a surplus in the trade in pome fruits, which in recent years has been negative.

Ukrainian grain harvest could grow by 3% in 2018/2019 agri-year, exports could be 43.3 mln tonnes

Grain harvest in Ukraine in the 2018/19 agricultural year (July-June) could grow by 3% compared with the previous year, to 61.85 million tonnes, according to projections of the Ukrainian Grain Association (UGA). "In the 2017/18 agri-year exports of grain will be 40.6 million tonnes, and next agri-year we forecast growth of exports by 6%, to 43.3 million tonnes," UGA President Mykolav Horbachev said.

In particular, wheat harvest in the 2018/19 agri-year could expand by 2.2%, to 27.1 million tonnes, that for corn – by 9%, to 27 million tonnes, and the barley harvest could narrow by 9.3%, to 7.8 million tonnes.

The association said that in the 2018/19 agri-year wheat exports could grow by 5.8%, to 18 million tonnes, corn – by 10.5%, to 21 million tonnes, and barley exports could fall by 6.5%, to 4.3 million tonnes.

As of April 24, 2018, Ukraine exported 15.4 million tonnes of wheat, 4.1 million tonnes of barley and 13.8 million tonnes of corn, according to the UGA.

Nestle intends to increase investments in Ukraine in 2018



Nestle, one of the world's largest food producers, intends to invest about UAH 390 million in Ukraine in 2018, Nestle Director for Ukraine and Moldova Ansgar Bornemann has said. "In 2017 Nestle invested more than UAH 128 million in Ukraine. And investments were used in certain parts at each of the three factories. And in 2018 we plan to triple investments to UAH 390 million," he told Interfax-Ukraine.

He said total sales in 2017 reached UAH 7 billion. "The most significant contribution to this figure was made by the culinary business (Torchyn and Mivina), confectionery products (Svitoch, Lion, KitKat) and beverages (Nescafe). The business of baby food, animal feed, NestleProfessional, ready-to-eat breakfasts also demonstrated a significant growth," he said, adding that in 2018 the company expects sales growth.

The company's exports in 2017 increased by 10%. The company supplies goods to 17 countries, including Great Britain, Germany, Spain, Holland, Poland, France, Hungary, the Baltic States, Georgia, Armenia, and Azerbaijan. In addition, in small quantities the products are exported to the United States and Canada.

Nestle began operations in Ukraine in 1994. The Nestle business in Ukraine is represented by the following directions: coffee, drinks, confectionery goods, cooking (cold sauces, seasoning, soup), fast food products, baby and special meals, ready meals, and pet food.

Ukraine increases agri exports to EU by 28%, but the largest importer of Ukrainian agrarian is India

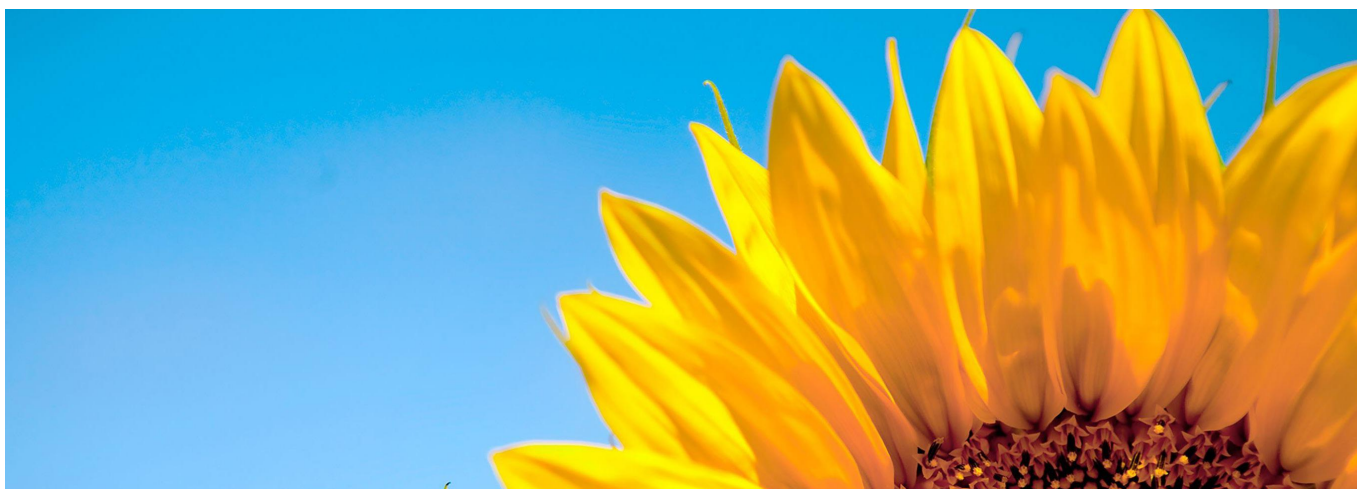
Exports of Ukrainian agrarian products to European countries in January–February 2018 increased by 28.1%, or by \$224.7 million, and amounted to \$1.025 billion compared to the same period of 2017, the Ministry of Agrarian Policy and Food reported referring to the deputy minister for European integration, Olha Trofimtseva. "Thus, at the moment, the EU accounts for 36.5% of our agricultural exports," she said.

On the whole, the foreign trade in agricultural products in the first two months of 2018 amounted to \$3.7 billion, of which \$2.8 billion fall for the export of Ukrainian agrarian and food products.

"In the first two months of this year, Ukrainian agrarian exports increased by \$102.1 million compared to the corresponding period of 2017 and reached \$2.8 billion. Our traditional export leaders are cereals with a 35.3% share, vegetable oil with 24.1% and oilseeds with 12%," the deputy minister added. During this period, export of Ukrainian poultry meat grew by \$29 million, eggs by \$11.4 million, butter by \$20 million, chocolate by \$7.5 million, grape wines by \$6.1 million, she said.

According to Trofimtseva, in January–February 2018, the largest importer of Ukrainian agrarian and food products was India, which imported Ukrainian products worth \$335.9 million. The top five trade partners included Spain with \$201.1 million worth of imported Ukrainian products, the Netherlands with \$199.3 million, Egypt with \$189.6 million and Italy with \$185.6 million.

Largest sunflower oil exporter Kernel sees decline in grain sales, fall in sunflower oil sales



Kernel, a large Ukrainian agrarian group, cut grain sales by 21.8% in the third quarter of FY2018 (July 2017-June 2018), to 1.088 million tonnes. According to a company report posted on its website, bulk sunflower oil sales in January-March 2018 fell by 14%, to 252,740 tonnes, and bottled oil sales decreased 24.4%, to 26.16 million liters. Over the period the holding crushed 848,860 tonnes of sunflower seeds, which is s1.4% less than in Q3 FY2017.

According to the document, the throughput volumes at the company's export terminals fell by 6.1%, to 1.515 million tonnes.

In 9M FY2018 Kernel cut grain sales by 25.1%, to 3.074 million tonnes, bottled oil sales by 6.9%, to 85.8 million liters and boosted bulk oil sales by 14%, to 914,680 tonnes. Grain sales stemmed from a countrywide harvest decline, delayed harvesting campaign, and low willingness of farmers to sell crops waiting for better prices.

Kernel is the world's largest producer and exporter of sunflower oil, the leading producer and supplier of agricultural products from the Black Sea region to the world markets.

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This year Kyiv International Economic Forum supported by the Prime Minister will take place on October 18 – 19, 2018.

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