



# UKRAINE OPEN FOR BUSINESS

Biweekly news digest

17 October 2018

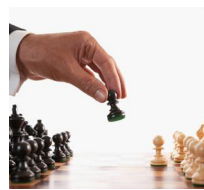
## Kyiv International Economic Forum to be key event of Kyiv Investment Week



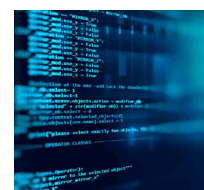
Kyiv Investment Week, a series of business and technological events for investors, business angels, start-ups and entrepreneurs from all over Europe will be held in Kyiv from October 15 to 19, 2018. For five days, the capital of Ukraine will become the main European platform for communication of international and Ukrainian businesses and start-ups. In total, eight events will be attended by about 3,000 participants and 130 speakers from Europe, America and Asia. The objective of Kyiv Investment Week is to represent Ukraine to foreign investors and help participants establish new business contacts and strengthen partnerships.

The fifth anniversary KIEF will be held on October 18-19, 2018 and will bring together world-class economists, famous businessmen, investors and visionaries from more than thirty countries. The leitmotif of the forum will be the future of the countries in the high-tech world. "During Kyiv Investment Week, several promising business events aimed at increasing the investment attractiveness of Ukraine will be concentrated in Kyiv. This is also one of the main tasks of KIEF" comments Yuriy Pyvovarov, Head of the KIEF Organizing Committee.

## HEADLINES



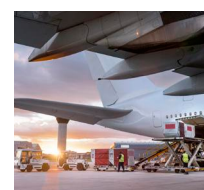
EBRD DEFINES STRATEGIC PRIORITIES IN UKRAINE FOR NEXT FIVE YEARS



UKRAINIAN IT MARKET COULD GROW TO OVER \$4 BLN



SYNGENTA OPENS SIXTH WORLD'S DIGITAL INNOVATION LAB IN UKRAINE IN UNIT.CITY



KYIV INTERNATIONAL AIRPORT PLANS TO INVEST UAH 630 MLN IN RECONSTRUCTION AND TERMINAL AREA EXPANSION



UFUTURE GROUP PLANS TO ATTRACT UP TO \$150 MLN INVESTMENT TO BILA TSERKVA 2 INDUSTRIAL PARK



LARGE IKEA STORES COULD BE OPENED IN KYIV IN THE FUTURE

# EBRD defines strategic priorities in Ukraine for next five years

The European Bank for Reconstruction and Development (EBRD) has defined operational and strategic priorities in Ukraine for the next five years: privatization and improved governance in the public sector, energy security and energy efficiency, as well as strengthening the banking sector and developing capital markets.



***“The EBRD will pay special attention to projects that will integrate investment and policy engagement in areas such as privatization, energy security and efficiency, the financial sector, trade and infrastructure,” the bank said in a statement in connection with the adoption of a new strategy for Ukraine.***

“The EBRD will help stimulate private sector participation across sectors and further commercialization of public sector firms,” a bank press release reads.

“The EBRD’s operational and strategic priorities in Ukraine will rest on the following five pillars: promoting privatization and commercialization in the public sector to increase competitiveness and good governance; promoting the rule of law, fair competition in the private sector and support of companies that use best practice; strengthening energy security through effective regulation, market liberalization, diversified and increased production and energy efficiency; enhancing the resilience of the financial system by strengthening Ukraine’s banking sector, and by developing capital markets and non-bank finance; and improving integration by facilitating trade and investment, expanding infrastructure links, and supporting convergence with EU standards,” the document states.

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## Some international experts propose to add Switzerland and Luxembourg on offshore list



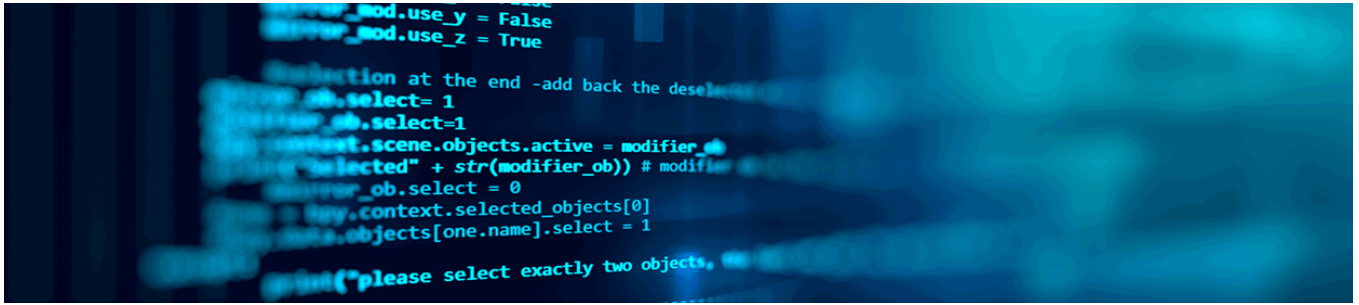
Some international experts believe that Switzerland and Luxembourg should be added to the list of offshore countries. They propose changing transfer pricing laws and toughening control over exports and increase transparency of the State Fiscal Service of Ukraine to reduce the removal of profits from Ukraine. These are the conclusions of the authors of a study, titled “Profit flows from Ukraine’s iron ore exports” conducted with the support of the European United Left – Nordic Green Left (GUE/NGL) European Parliamentary Group initiated by independent trade unions of Kryvy Rih. The study presented in Kyiv said Ukraine’s economy loses about \$3 billion annually because profits are removed from Ukraine. When exporting iron ore, prices were allegedly deliberately lowered by an average of 20%, as a result. In 2015–2017, tax losses and the withdrawal of profits from the country amounted to \$520 million per year. Based on other studies, prices for agricultural products and metal exports are undervalued by more than 20%.

Chief researcher Oleksandr Antoniuk said macro-financial assistance of the European Union at that time was \$460 million per year. According to him, this study was presented at a press conference in the European Parliament last week and its results were published in the Spiegel publication.

The authors also support the control of all major export operations, regardless of the export geography and the exporter’s connection with the importer, return Switzerland and Luxembourg to the list of offshore zones and analyze tax rates in other countries importing Ukrainian goods in detail.



## Ukrainian IT market could grow to over \$4 bln



GlobalLogic IT company, the largest software designer in Ukraine, expects that the Ukrainian IT market would grow by 20% in 2018, to over \$4 billion, Head of the company's office in Lviv and Vice-President for Engineering at GlobalLogic Denys Balatsko has told Interfax-Ukraine on the sidelines of Lviv IT Arena 2018.



***"We know the number of people working in this industry –about 120,000. The amount of funding coming to Ukraine from the sale of IT services abroad is about \$3.5 billion, but there is still an internal market, so I think that the figure of \$3.5 billion is rather understated," he said.***

According to Balatsko, this year the market is developing very dynamically, and there is very high demand for qualified personnel. "The market growth this year will be about 20%," he said.

GlobalLogic Ukraine is the largest software developer in Ukraine. It has offices in Kyiv, Kharkiv, Lviv and Mykolaiv.

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## Latvia's Lattelecom plans to occupy 12% of Ukrainian cloud service market



Latvia's Lattelecom plans to occupy 12% of the Ukrainian cloud service market in 2018, Director for Business Development Data Processing Centers Maris Sperga has told. "The market growth of cloud services in 2018 is planned at the level of 12-13% – not as large as last year. We plan that this year we will grow to 12% of the Ukrainian market," he said.

According to Sperga, the company has been active in Ukraine for five years and during this time has reached volumes of 10% of the cloud services market in Ukraine.

"Last year was very positive for us: on the Ukrainian market we grew by about 40%, taking into account the fact that the market itself grew by 27%, which means that we outstripped its growth and were able to gain an additional share in the market," he said. Sperga also said that according to the International Data Corporation (IDC) research company, the Ukrainian market of cloud technologies is about \$16 million.

## Introduction of BIM technologies in construction industry could reduce costs by 30%

The system implementation of BIM (Building Information Modeling) in the construction industry of Ukraine could help reduce the cost of building and operating facilities by up to 33%, Olena Shuliak, a member of the board of the Better Regulation Delivery Office (BRDO), the co-owner of Midland Development Ukraine, has stated. "The use of BIM for design, construction and operation of industrial, infrastructural, civil construction objects has become a de facto mandatory practice in the developed countries. As international practice shows, the use of BIM allows optimizing construction terms by 20%, increasing control over expenses by 30% and more, reducing construction costs by 20%, and in some cases up to 33%," the expert believes.

Shuliak explained BIM assumes the collection and complex processing during the design process of all architectural, design, technological, economic and other information about the building, when the building and everything related to it are considered as a single object.

According to her, BIM allows exporting design services of Ukrainian companies abroad, and in future the export of these services could grow by 1.5-2 times. "Foreign investors entering or planning to work in the Ukrainian market are interested in a fast and high-quality project implementation with transparent control over all processes.

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## Goldman Sachs and Dragon Capital buy 68,800 SQ meters business center in Kyiv

The Antimonopoly Committee of Ukraine (AMC) has allowed Dragon Capital Investments Limited (Nicosia, Cyprus) and The Goldman Sachs Group (New York, the United States) to acquire indirect joint control over the Horizon Park office center with a total area of 68,800 square meters in Kyiv. According to the AMC, the committee, in particular, permitted Dragon Capital Investments Limited to indirectly acquire assets in the form of an integrated property complex located at 12 Amosova Street and 12 Hrynchenko Street. "This concentration takes place along with concentration in the form of the mediated (through the subsidiary Horizon Park, Kyiv) acquisition by The Goldman Sachs Group, Inc. of assets in the form of a single property complex owned by Ukrsofsbank joint-stock company," the regulator said. According to the unified state register, as of October 3, 2018 the owner of 100% in the charter capital of the subsidiary Horizon Park is Melador Investments Limited. The ultimate beneficiary is Tomas Fiala, the owner of Dragon Capital Investments Limited.

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## Leading textile fabric seller and producer in Ukraine to invest UAH 100 mln in new fabric production in 2019

Textile-Kontakt Group, a leading textile fabric seller and producer in Ukraine, in 2019 plans to invest up to UAH 100 million in a new enterprise that will produce fabric in Chernihiv. Its opening is scheduled for December 2018.



***"To create new production facilities, Textile-Kontakt plans to invest up to UAH 30 million this year, and up to UAH 100 million by the end of 2019," the company's press service reported.***

In September, the group began repairing workshops with a total area of 3,500 square meters and installation of new equipment. The capacity of the plant will be 2-3 million meters of fabric per year. The launch of the new production site will allow creating up to 80 jobs and with reaching the full production capacity by the end of 2019 the enterprise will employ up to 100 more people. According to a press service, the main assortment will be fabrics made from 100% cotton: twill, bleached calico and printed cotton, as well as blended raincoat fabric "Greta". The company also plans to produce a special fabric for the Ministry of Defense of Ukraine.

## Creating the Future in a High-Tech World



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120  
More than speakers

### Syngenta opens sixth world's digital innovation lab in Ukraine in UNIT.City.

Syngenta, one of the world's largest producers of plant and seed protection agents, has opened a Digital Innovation Lab in Kyiv, the sixth platform in the company's global network of laboratories. "Our laboratories in other countries focus on researching and studying consumer demand for digital products, developing concepts and creating prototypes of products. The Ukrainian laboratory will complement their work by offering a full cycle of developing solutions – from research and modeling of test samples of digital products to creating working versions ready for launch with real users and integrated with Syngenta systems," Benjamin Ninio, the head of the global direction of digital technologies at Syngenta, said during the opening of the company's laboratory.

According to him, over the past year and a half Syngenta has launched five similar projects in different countries of the world. Now the laboratories operate in the United States, China, India, Singapore, and the UK.

The laboratory office in Kyiv is located in the innovative and technological park Unit.city. Syngenta is one of the world leaders in plant protection and seed production. The company employs 28,000 people in more than 90 countries of the world.

### Cohen Group plans to build trade and exhibition center worth \$500 mln near Kyiv

Cohen Group LLC (Kyiv) plans to build a trade and exhibition center worth \$500 million near Kyiv in four years, head of the company Naum Cohen has said at a press conference. According to him, the complex will be located on a plot of 105 hectares 13 km from Kyiv on the Odesa highway. The project includes a wholesale market with a parking lot for 10,000 cars, as well as a large exhibition center with three hotels. The start of the project is January 2019. It is planned to open the wholesale market in two years, while the implementation of the exhibition center will take another two years.



***"We also plan to build a large concert hall for 7,000 seats. There will be three complexes – a trade one, exhibition and a concert hall," he told Interfax-Ukraine.***

According to him, the investor in the project could be Cyrus Poonawalla, the head of Poonawalla Group vaccine manufacturer. "I am interested in this project, but I should study it better and then make a decision on investing," the expert said.



## Kness to launch first own solar power plants for 33 MW



The Kness Group, a large Engineering, Procurement, Construction (EPC) contractor on the Ukrainian alternative energy market, this year started building own solar power plants and soon intends to launch the capacity of 33 MW, Kness Director General Serhiy Shakalov has said.

***"To a large extent, we started building our own capacities only this year. Now we are commissioning 33 MW. These are our capacities," he told Interfax-Ukraine.***

Shakalov said that the group mainly acts as an EPC contractor in projects, building solar power plants for clients according to different financial models.

He said that Kness has already implemented projects with a total capacity of more than 200 MW. "And now about 200 MW are being built, and the plans are great," the general director said.

Speaking at the Ukrainian Financial Forum organized by the ICU investment group recently, he pointed out the high interest of investors in solar power plants for the period before the introduction of auctions.

## Dutch Bank FMO considers crediting of Scatec Solar plant building

The Dutch development bank FMO is considering the issue of up to EUR13.5 million for the construction of a solar power plant by Norway's Scatec Solar in Ukraine, according to the website of the financial institution. FMO said the funds can be allocated within a syndicated loan, which is organized by the European Bank for Reconstruction and Development (EBRD). Scatec Solar plans at the expense of credit funds to build a solar plant with an installed capacity of 30 MW.

As reported, previously Scatec Solar signed an agreement with Rengy Development (Kyiv) on the joint implementation of projects for the construction of solar plants with a total capacity of 47 MW in Mykolaiv region. Scatec Solar has already built and operates 322 MW solar stations in various countries, while another 434 MW of photovoltaic plants are under construction.

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## Enerparc AG-Rodina Energy Group Plans to expand solar plant capacity in Chernobyl zone

The consortium Enerparc AG-Rodina Energy Group plans to increase the capacity of its solar power plants in the Chernobyl exclusion zone from 1 MW to 100 MW, CEO of Rodina Energy Group Yevgeniy Variagin has said at a press conference in Kyiv. "We have plans to develop this project, to expand it to about 100 MW. And we are working on this with our partners," he said.

Enerparc AG-Rodina Energy Group has recently officially put into operation a pilot solar station with a capacity of 1 MW near Chernobyl nuclear power plant. As reported, the construction of a pilot solar plant was completed in early 2018, in summer it got a feed-in tariff.

Solar Chernobyl LLC (Kyiv) in 2017 rented part of a concrete platform near the facility "Chernobyl NPP's second phase switchgear" with an area of 1.7 hectares for the implementation of the solar plant construction project by Enerparc AG-Rodina Energy Group.

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## State-owned Ukrenergo wants to build new facilities to balance renewable energy



National Energy Company Ukrenergo has urged Ukraine's Energy and Coal Industry Ministry to announce a tender to build new highly maneuverable generating facilities to balance operation of renewable energy facilities, the company has said on its website. Ukrenergo recalled that in case of further rapid growth of green generation and an increase in its share, problems with its balancing may arise. "According to the results of the analysis, we modeled several scenarios for the development of events, provided that measures were not taken to properly balance green energy. In particular, the main negative consequences will be the restriction of renewable energy sources with the compensation of the feed-in tariff for unproduced electricity or the increase in the volume of coal generation and the restriction of nuclear power, given the need to increase opportunities for balancing. Both scenarios will be a significant obstacle to overcoming dependence on fossil fuels and improving the environment in the country," the company said.

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## Electricity exports from Ukraine in Jan-Sept estimated at \$237 mln

Ukraine in January-September 2018 exported electricity worth \$237.385 million, including \$24.005 million in September alone. Hungary bought electricity worth \$139.952 million, Poland \$54.863 million, Moldova \$37.01 million, other countries \$5.559 million, Ukraine's State Fiscal Service has said. Exports of Ukrainian electricity in monetary terms in January-September 2018 increased by 25.2% compared to the same period in 2017 (\$189.608 million).

Over the period under review, Ukraine imported electricity worth \$1.133 million, in particular, electricity imports from the Russian Federation were estimated at \$1.075 million, from Belarus at \$0.052 million, from Moldova at \$0.006 million.

## Kyiv International Airport plans to invest UAH 630 mln in reconstruction and terminal area expansion



Kyiv Sikorsky International Airport (Zhuliany) is planning to reconstruct the main Terminal A with an area of 14,000 square meters and expand it by 9,500 square meters, estimating investment in this project at UAH 630 million.



***“The expansion of the terminal area by 9,500 square meters will help double its capacity,” the airport’s press service reported.***

The airport’s press service told Interfax-Ukraine that the current airport capacity is about 700 people per hour.

Kyiv International Airport (Zhuliany) is located in the business center of the capital, seven kilometers 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. In the first nine months of 2018, the airport serviced 2.165 million passengers, which is 57.3% more than in January-September 2017.

## Kyiv Sikorsky Airport plans to boost passenger traffic by 30% next year

Kyiv Sikorsky International Airport (Zhuliany) in 2019 plans to boost passenger traffic by 25-30% compared with the current year, when it plans to serve 2.6 million people. “We plan passenger traffic will grow by about 25-30% next year from the current level,” Chairman of the airport’s Board of Directors Denys Kostrzhevsky said at a conference at the airport. The previously announced forecast for 2018 set at 2.8 million passengers was reduced because flydubai (the UAE) had switched flights to another airport while the density of the schedule of Estonia’s Nordica had decreased.

As reported, Kyiv Sikorsky International Airport plans to complete the reconstruction and expansion of its main Terminal A from 14,000 to 23,500 square meters by until May 2019. The project is estimated at UAH 630 million.

Kyiv Sikorsky International Airport 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 being 21,000 square meters. The airport’s runway is able to handle B-737 and A-320 aircraft.

In the nine months of 2018, the airport serviced 2.165 million passengers, which was 57.3% up on January-September 2017. In September 2018 alone, passenger traffic grew by 30.6%, to 307,500 people.



# UFuture Group plans to attract up to \$150 mln investment to Bila Tserkva 2 industrial park



The UFuture Group of businessman Vasyl Khmelnytsky plans to attract around \$150 million of investment in the Bila Tserkva 2 industrial park registered by the Economic Development and Trade Ministry last week, creating a food industry cluster on its territory, Director of Bila Tserkva industrial park Volodymyr Khmurych has said. "But this amount of investment is no more than forecasts. It is difficult to predict which customer will enter," he told the Interfax-Ukraine, commenting on the need to create a second industrial park in the territory of the Shakrivka Village Council of Bila Tserkva district, where in April 2018 the first Bila Tserkva industrial park of the UFuture group was registered. According to Khmurych, the decision to create a second park was dictated by the interest of food industry companies.



***"We see the intentions of food processing companies. Today, two memorandums have already been signed, and we want to place these clients separately in the food cluster, taking into account the fact that they have special requirements for the sanitary zone and environmental requirements. And since we have a vacant land parcel, we have decided create a new industrial park on it," he said.***

As reported, the first Bila Tserkva industrial park in the territory of the Shakrivka Village Council was registered by the Economic Development and Trade Ministry in April 2018, the construction of the first plant for the production of Plank Electrotechnic electrical installation systems is currently being completed on its territory.

Khmurych said that if the main focus of the second park is the food industry, then the first one will be focused on other industries.

"Of course, if some customers of the food industry will meet the conditions of the first park, we will not deny them, but we will offer the second one first of all," he said.

He also said that in the first Bila Tserkva park, in addition to completing the construction of Plank Electrotechnic, the signing of an agreement with another client is at the final stage, but he did not name it. "Activity is high, almost every day meetings with new clients are held, but projects are complex and decisions are not made quickly," the park director said. According to him, it is planned to attract at least \$100 million of investment in both parks. "Only for buildings: this is 10–15 hectares of 35 hectares of the park's area. This is already \$50 million, and plus equipment and other things," Khmurych said.

## Metro Cash & Carry Ukraine to open another format of stores



Metro Cash & Carry Ukraine LLC (Kyiv) plans to start opening the Beri-Vezi store with an area of 1,500-2,000 square meters from 2019. The stores will be small wholesale bases for traders, Metro Cash & Carry Ukraine CEO Olivier Langlet has said.

***“We decided that from 2019 we will continue our expansion in the country and will open satellite stores. These are small shops under the METRO brand, which will provide goods for clients-traders,” he said at a press conference.***

According to Langlet, the cost of opening one store of the new format will be EUR 150,000-300,000. These stores are already operating in Lutsk and Ternopil under the METRO Base brand.

The area of the stores of the new format will be 1,500-2,000 square meters, the number of commodity items – no more than 3,000 SKU. The range will include groceries, pastries and beverages.

According to him, the company does not plan to develop large formats like hypermarkets in Ukraine.

“I can’t say now which cities we will probably go to, but we believe that we will open about 15-20 stores of this format... It is better to open more than 20 stores in the regions than one big one, since these are large costs that do not provide return on investment in a short time,” Langlet said.

## Pharmacy sales in Ukraine 32% up in Jan-Aug

Pharmacy sales in Ukraine in monetary terms in January-August 2018 increased by 32% compared to the same period in 2017, to UAH 55.233 billion. Business Credit company told Interfax-Ukraine sales in natural terms for the specified period rose by 2%, to 1.005 million packages, while the weighted average price increased by 29%, to UAH 55 per unit of goods.

According to the company, retail sales of medicines in January-August in monetary terms grew by 34%, to UAH 45.42 billion, in natural terms by 13%, to 679.897 million packages.

As reported, in the first half of 2018 pharmacy sales in Ukraine in monetary terms were up by 36% compared to the same period in 2017 and amounted to UAH 43.011 billion, while sales in natural terms by 5%, to 780.737 million packs.

Retail sales of drugs in the first half of the year in money terms increased by 38%, to UAH 35.454 billion, in natural terms by 16%, to 530.846 million packs.

## Large IKEA stores could be opened in Kyiv in the future



Sweden's IKEA company, the largest furniture and household goods retailer in the world, plans to open stores in Ukraine, including large ones (30,00 square meters) in the future shopping and entertainment centers of Mandarin Plaza, the founder of the company Vagif Aliyev has said. "We have been negotiating with H&M and with IKEA for 16 years... After the store with an area of 5,000 square meters the opening in the Ocean Mall shopping center of which is scheduled for the end of 2019, we will open IKEA stores with an area of 30,000 square meters throughout Kyiv in our large shopping and entertainment centers," Aliyev, who creates a network of 10 shopping and entertainment centers, said at a press conference in Kyiv.

According to him, after the construction of the Ocean Mall shopping center and the Blockbuster Mall shopping center is completed, the developer intends to start implementing the Lesnaya shopping mall (opening in 2020) and the Hippodrome (Yuzhny) shopping and entertainment center, where IKEA can also be opened.

Aliyev said that three or four stores of the Swedish retailer in his mall will have 5,000-7,000 square meters, another three – 30,000 square meters. At the same time, he said that IKEA will not be opened at the Lavina Mall shopping center and the Blockbuster Mall shopping center.



***In turn, the representative of IKEA South-East Europe Vladyslav Lalich neither confirmed nor refuted the words of the developer, saying only that the company "We really plans to stay in Ukraine for a long time, but develop step by step."***

"We want to combine the opening ceremony of our first IKEA store with the opening of the Ocean Mall shopping center at the end of summer next year. At the time of opening, the store will have 3,600 SKU (product names), but their number will double in half a year," Lalich said.

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## Football club Shakhtar earns over UAH 1.7 Bln in 2017 pays UAH 504 mln in taxes

The total revenue of the Shakhtar Donetsk football club in the 2017-2018 season, including VAT, amounted to UAH 1.732 billion, the club said in its traditional annual report. The club's total income in the previous season was UAH 877 million. In particular, income from the sale and rental of football players in the 2017-2018 season amounted to UAH 108 million, which is almost twice more than in the previous season.

However, the report does not reflect Brazilian Fred's transfer to Manchester United in the summer off-season, which was a record amount in the club's history. According to British media, 52 million pounds was paid for the player.

Club revenues from UEFA and FIFA amounted to UAH 888 million. This is UAH 600 million more than in the 2016-2017 season. Last season, Shakhtar successfully competed in the Champions League group stage and made it to the last 16, where it lost to Italy's Roma. FC Shakhtar's revenues from commercial activities amounted to UAH 736 million.



## Ukraine increases exports of agri products in Jan-Aug, key buyers are Asian countries and EU

Exports of Ukrainian agricultural products in January-August 2018 grew by \$65.6 million year-over-year, reaching \$11.5 billion or 37.3% of total exports of Ukraine. According to a press release of the Agricultural Policy and Food Ministry issued on Friday, in January-August 2018 foreign trade with agricultural goods reached \$15 billion. "Ukrainian agricultural export grew by \$65.6 million. The growth of indicators occurred mainly thanks to such items as rapeseed, wheat, meat and poultry byproducts, eggs, nuts, butter, chocolate and other goods," the press service said, citing Deputy Agricultural Policy and Food Minister for European Integration Olha Trofimtseva.

According to her, in the top three exported Ukrainian agricultural products remain grain crops – 36.6% of total agricultural exports, vegetable oils – 25.1% and oilseeds – 9.4%. Key buyers in the regional export structure are Asian countries with a share of 43.6%, the European Union – 31.4% and Africa – 13.3%.

During this period, exports of agricultural products to Asian countries increased by \$259.1 million compared to the eight months ending August 2017, to \$5.04 billion.

"It is important to say that the first place among the key countries-importers of our products is India, to the markets of which Ukrainian food products were supplied in the amount of \$1.3 billion. China took the second place with \$698.8 million, Egypt – the third place with \$ 685.5 million," Trofimtseva said, adding that the Netherlands was among the five largest importers of Ukrainian products as compared with eight months of 2017 with \$671.9 million and Spain with \$551.3 million.

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## Vinn-Agro-Export invests \$12 mln in building elevator in Vinnytsia region

Vinn-Agro-Export LLC (Vinnytsia region) has begun the construction of an elevator with a capacity of 65,000 tonnes in the village Makharyntsi (Vinnytsia region). According to a report on the website of Vinnytsia Regional State Administration, in an hour the elevator will be able to accept up to 600 tonnes of grain and ship up to 300 tonnes. In addition, the company plans to build a railway track branch. In future, the elevator will ship up to 50 wagons a day.

The company also plans to build a laboratory to determine grain chemical and biological composition. The expected investment is \$12 million.

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## Grain company Nibulon to invest \$19 mln in river terminal construction

Nibulon will invest \$19 million in construction of a river transshipment terminal in Ternivka (Zaporizhia region). According to a posting on the company's website, the launch of the terminal is scheduled for June 2019.

Along with the terminal, the project envisages construction of a berth of over 3 km long and dredging works on the Ploska Osokorivka River. The company said that the terminal will hire 120 employees and will pay over UAH 2.7 million of taxes to the local budget a year. The terminal will be third for the company in Zaporizhia region.

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## USDA improves forecast for corn exports from Ukraine to 25 million tonnes

The U.S. Department of Agriculture (USDA) improved its forecast for corn exports from Ukraine in the 2018/2019 marketing year (MY, July-June) by 500,000 tonnes compared with the August forecast, to 25 million tonnes. According to a report on the website of the U.S. department, the forecast for corn harvest for 2018 has been maintained at the level of 31 million tonnes. The USDA also kept the forecast for wheat exports from Ukraine in the 2018/2019 MY at the level of 16.5 million tonnes with the yield standing at 25.5 million tonnes, which corresponds to the figures released in August.

# Dutch Development Bank FMO and Diligent Capital Partners acquire share in large Ukrainian vegetable oil producer



The Dutch Development Bank FMO and Diligent Capital Partners (DCP) jointly acquired 16% in Allseeds S.A. (Luxembourg), the holding company of a large Ukrainian vegetable oil producer and exporter – Allseeds Group.



***“We needed to attract additional investments. FMO responded to the proposal and during the year we implemented the deal,” Allseeds Group CEO Viacheslav Petryshche said at a press conference in Yuzhne (Odesa region).***

The deal was closed on September 19. According to a press release from Allseeds, FMO and DCP jointly acquired shares, providing funding for the implementation of the Allseeds development strategy, which includes expanding the capacity for processing oilseeds, transshipment for the export of oils and meal and increasing added value. As reported, the Antimonopoly Committee of Ukraine allowed the Dutch Development Bank FMO to indirectly enter the capital of Allseeds.

Kyiv International Economic Forum – KIEF – is a new major international conference focused on the future of economic development. Held annually in Kyiv, it is not just an event about or for Ukraine, but an innovative forum that covers the global agenda. KIEF has been envisioned to become a leading discussion platform at an intersection of civilizations based in the capital of the biggest country in Europe.

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

Forum Organizing Committee:

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