



New joint ventures and strategic partnerships can put Ukraine's aircraft manufacturing industry back on track while agriculture continues to fuel economic recovery.

Aviation >

Boeing signs joint cooperation agreement with Ukraine's Antonov.

Antonov and Aviall Services Inc, a Boeing subsidiary, signed the deal at the Farnborough International Airshow in England. Aviall plans to supply materials for producing components that will be used in the manufacturing of new Antonov planes. They also commit to servicing its planes across the world. Antonov has sought new joint cooperation agreements after the cessation of once close trade ties between Ukraine and Russia. Antonov has struggled financially in recent years but new strategic partnerships and joint ventures with European companies are seen as a strong step on the path to recovery for the iconic company that produces the world's largest and most powerful plane, the Mriya AN-225.

Odesa Aircraft Plant partners with two foreign companies to design and produce aircraft in Ukraine. The State Enterprise Odesa Aircraft Plant – part of the state concern Ukroboronprom – the American company Aviastar Invest Corp and Czech DISTAR CZ have agreed on the development and production of aircraft in Ukraine, according to a press release from Ukroboronprom. The company wants to combine Ukrainian design and production facilities with modern Western standards

and advanced avionic technology. "Ukraine is one of the few countries in the world that can produce aircraft, and our task is to combine Ukrainian design and production facilities with modern western avionics, which will effectively integrate the Ukrainian aircraft industry into a global system," the statement said.

Wizz Air will launch two new routes from Kharkiv to Poland in late October, reports the company's press service. The airline plans two direct routes from the Kharkiv International Airport to the Polish cities of Wroclaw and Gdansk. "Now the regular flights to four Polish cities will be performed from the Kharkiv International Airport. We hope that direct air link with cities Wroclaw and Gdansk will open even more opportunities for our passengers in tourism, education, culture, business and others sectors," said Vladyslav Ilyin, the commercial director for Kharkiv International Airport, in a press release.

Agriculture >

Agriculture continued to be the driving force behind Ukraine's economic recovery in 2017, experts have said. Enterprises in farming, fisheries and forestry reached almost 23 percent profitability last year, officials have said, compared to about 9 percent in the Ukrainian economy overall. «In 2017, the

level of profitability of operating activities in agriculture, forestry and fisheries amounted to 22.7% compared to 8.9% in the Ukrainian economy overall," said the director of the Institute of Agrarian Economics, Yuri Lupenko, citing data from the State Statistics Service of Ukraine. Agricultural enterprises reported about UAH 79bn in net profit, as reported by Interfax Ukraine. In comparison, Ukraine's manufacturing industry has reported about UAH 25bn in net profit for last year.

Ukraine's export volumes of berries and nuts have grown by almost 62 percent in 1H18. "Berry and nut exports for the first five months of this year total USD \$83.8m and have increased by 61.5 percent," the Economic Development Ministry and Trade Ministry of Ukraine reported on Twitter. According to them, the biggest importers of Ukrainian nuts and berries are the EU (USD \$51m) followed by Turkey (USD \$8.6m) and Belarus (USD \$5.5m). The 2017/2018 business year marks a new record for exports in this sector. 2017 saw over 40,000 tons of berries sent to the EU, with frozen blueberries and raspberries being the most popular.

Ukraine has a unique opportunity to boost grain exports to Saudi Arabia, analysts say, as reported by Reuters. The diplomatic rift between Saudi Arabia and Canada, coupled with a low harvest in western Europe presents Ukraine with a chance to export much-needed wheat to the Arabian kingdom. Ukraine is currently a major supplier of barley to Saudi but hasn't shipped wheat to the country since 2016. Reuters reports that Germany and Poland are currently the lead exporters of wheat to Saudi Arabia but poor weather could affect their exportable surplus this

year – Ukraine has a chance to step up and fill the breach.

The country has everything it needs to further develop and improve the farming sector, PM Volodymyr Groysman wrote on Facebook. Citing the example of a successful goat farm in Kyiv region, he said that Ukrainian entrepreneurship is helping the sector develop. "This enterprise produces 18 types of cheese using French technology, and not only cheese but also goat's milk. There are almost 1,500 goats on the farm. The company tracks global trends, but develops Ukrainian production," Groysman said.

Banking and Finance >

Ukraine's solvent banks have reported UAH 8.3b in net profit in 1H18, the National Bank of Ukraine has said. "The banking sector remains profitable," the NBU said in a new report. "In the first half of the year, banks received UAH 8.3 billion in net profit. In the second quarter, the sector recorded a moderate loss of UAH 0.4 billion due to significant volumes of the build-up of reserves by one of the major banks. Without taking into account this bank, the financial result of solvent banks in the second quarter amounted to UAH 6.8 billion," read the report.

The average monthly wage for Ukrainians should increase to UAH 10,000, or about USD \$370 by the end of this year, officials have said. Prime Minister Groysman has called increasing the average wage a top priority and that the government's whole economic policy is currently contributing to achieving this goal. The average wage currently sits at about UAH 8,000, just

under USD \$300. In early May, in an interview with Interfax Ukraine, the prime minister stated that Ukraine couldn't legislate to raise the minimum wage but he predicted that it would reach UAH 10,000, as a result of policy decisions and economic recovery.

Energy >

More companies plan new factories for assembling solar panels in central Ukraine. The panels will be built in central city of Vinnytsia – produced panels will have total output capacity of 400 MW. The factory's construction is scheduled for completion in 2019, the press service of the State Agency for Energy Efficiency reports, as cited by Ukrinform. The solar panel factory will yield an estimated USD \$180m and the plant will provide work for about 400 people. The project is implemented by LLC Ness Estates, a member of the Kness Group of companies. Kness Group has already installed 33 solar power stations with a total capacity of 225 MW in seven regions of Ukraine.

A State Energy Efficiency Fund will soon be launched in Ukraine, the PM writes on Facebook. The Fund will enable the comprehensive modernization of the sector in the country, Ukraine's PM Volodymyr Groysman wrote on his Facebook page, "Soon the State Energy Efficiency Fund will be launched, due to which we will comprehensively carry out modernization in the residential sector."

Manufacturing >

Registrations of new passenger cars are slightly up this summer, compared

to last, official statistics show. The recovering market for new cars is seen as a strong indicator for economic recovery. While the Ukrainian car market is still flooded with cheap, second-hand vehicles from the European Union, most car manufacturers and retailers here in Ukraine are seeing modest but encouraging increases in sales. Compared to June and July last year, registrations are up by 4 percent overall. 6,700 brand new cars have been registered including 725 new Renault cars (12 percent more than last June/July) 723 new Toyota cars were registered, the same as last June/July. Skoda stays stable with 503 new cars while Nissan shows 25 percent increase in new registrations (465 cars) and Hyundai registrations are up 51 percent (451 cars). Sales are expected to keep recovering through the year. PJSC Eurocar in western Ukraine, official Skoda manufacturer and retailer, say they expect to sell 9,000 new vehicles this year, a significant improvement over last year's 6,280.

IT and Science >

Ukrainian Internet remains the world's cheapest, a new study finds. As evidenced by a new study by Numbeo, Ukrainians have access to some of the world's cheapest Web connections. Five Ukrainian cities entered the ranking of world's cheapest access: Kharkiv (the average monthly cost of Internet was USD \$5), Odesa (USD \$4.65), Kyiv (USD \$4.35), Dnipro (USD \$4.34), Lviv (USD \$3.94) and Sumy (USD \$3.02). In comparison, the most expensive monthly Internet connections (USD \$245) are provided in Addis Ababa, the capital of Ethiopia.

The two largest online marketplaces in Ukraine, Rozetka.ua and Prom.ua, will merge. The Internet supermarket Rozetka and the group of EVO companies plan to unite in order to jointly build an ecosystem for buyers and sellers and create more opportunities for Ukrainian entrepreneurs on their platforms. This was reported on his Facebook page by Vladislav Chechetkin, the founder of Rozetka. As a result of the planned deal, Rozetka will buy out the share of Naspers in the group of companies EVO. The share of the founders of EVO is transformed into a share in the combined company. All existing projects will continue their work, and the operational management of businesses will remain unchanged.

Infrastructure >

New General Electric locomotive trains will be put into operation this autumn, PM Groyzman has said. "This autumn, we will start receiving the new rolling stock under the agreement on joint production with General Electric. We have lost a lot (rolling stock) in the occupied territories. But the company is operating and we are moving forward," the Prime Minister said, via a government press release. On February 23, 2018, General Electric and Ukrzaliznytsia signed a 15-year framework agreement worth about USD \$1b on a partnership for renewing and modernising Ukraine's trains.

Qatar is interested in concessions for the seaports of Olvia and Kherson, Ukraine's Infrastructure Ministry has reported on its website. They said the Ukrainian Sea Port Authority has signed a memorandum of understanding with the Qatar ports management company, Mwani Qatar. They envisage that cooperation will boost the cargo flow between Ukraine and Qatar, particularly vital Ukrainian agricultural products from Ukrainian farms to Qatar markets. "The signing of the memorandum opens the way for the further implementation of many projects," the Sea Port Authority said in their statement, as reported by Ukrinform. "First of all, we are talking about the concession of the ports Olvia and Kherson. Qatar is also interested in cooperation in the Yuzhny port, which, according to the strategy of the Ukrainian Sea Port Authority, will start servicing large vessels that can pass the Bosphorus Strait in the coming years," Head of the Authority Raivis Veckagans added.

Ukrtransnafta, the company that manages Ukraine's oil transportation, reports that they carried 12.6 percent more oil in July, when compared to same month last year. The operator carried 1,438,530 tonnes of oil across the country last month. Most of this oil, 1.25 million tons, is transiting Ukraine to other eastern European countries.