



In a speech to parliament this week where he reiterated the importance of more foreign direct investment to boost economic growth, President Petro Poroshenko revealed that Ukraine has risen 61 places in the World Bank's Doing Business rankings.

Economy and Finance >

Ukraine has risen 61 places in the World Bank's Doing Business rankings, President Poroshenko has said.

The steady climb up the important international rankings has been taking place over the past five years, the president added, as reported by Interfax Ukraine. He also reiterated that the Ukrainian economy is still in need of "huge investments" and new jobs to accelerate growth. "Over the past five years, Ukraine has climbed 61 places in World Bank's Doing Business rankings," Poroshenko said, while delivering his annual address to Parliament on the government's most recent progress.

The president added that new laws have had a "direct impact" on the improvement of Ukraine's investment climate – such as legislation on privatization, currency liberalizations, limited liability companies and double liability companies – but such laws had only been adopted over the past year, meaning further improvements can be expected.

Poroshenko also added that investors were noticing the results of Ukraine's anti-corruption strategy and it was building confidence – he cited examples such as the introduction of the ProZorro e-procurement system for state tendering, automatic VAT refunds and "eradicating corruption" in the gas sector. Furthermore,

according to Poroshenko, experts estimate the economic effect of these anti-corruption measures is savings to the state of USD \$6 billion annually.

Bilateral trade between Ukraine and the European Union is growing at almost 16 percent,

Vice PM Kubiv has said at an event in Brussels. Ukraine-EU trade turnover has grown by 15.8 percent since the opening of the free trade area, he claimed, citing official statistics. Ukrainian exports to the EU have increased by 18.7 percent this year, compared to the corresponding period in 2017, he added.

In Germany, Mayor Vitali Klitschko pitches Kyiv and says that his city is open for business

as a promising place for investments. Klitschko said this at a trade conference in the German city of Aachen, where he pitched Kyiv as a good place for Germans to come and do business. «Today, Kyiv, as never before, is prepared and open to cooperation. Kyiv is promising for investments,» Klitschko said, as reported by his press office. The mayor noted that 60 percent of all foreign investments into the Ukrainian economy come to the capital, as transparent management mechanisms are introduced in the city, and the mayor acts personally as a «guarantor» for investors. Klitschko further assured that Kyiv is a reliable partner and a promising

market for business and investment. He stressed that one of the priority directions for Ukraine is the development of relations with Germany, which supports the European aspirations of Ukraine and is one of the main, foreign economic partners of Ukraine.

Agriculture >

Ukraine and Germany discuss the deepening of bilateral cooperation in the agricultural sector,

officials have said. Trade turnover of agricultural products between Ukraine and Germany in 2017 increased by USD \$224m, reaching a total of USD \$847m, but officials are poised to deepen cooperation and strike new deals that will see this increase even further. A deputy minister responsible for agricultural policy said this last week following the annual meeting of the joint German-Ukrainian Agricultural Committee.

Ukrainian Corn harvests will be up 19.4 percent this year but other crop yields could have suffered, the Agricultural Policy and Food Ministry has predicted in a report. They forecast 29.5 million tonnes, almost 20 percent more than last year. At the same time, officials are preparing to see modest decreases in harvest yields across other areas, blaming various factors including drought. The 2018 wheat harvest could be down by 7.6 percent, barley by 13 percent, rye 15 percent and buckwheat by as much as 25 percent.

Ukraine exported more than 10,000 tons of watermelons in August, official reports show. As reported by Ukraine's largest wholesale market of agricultural products,

Shuvar, the last official month of summer saw the years largest harvest and a big boost in international exports. Through the summer side-walks in Kyiv are full of traders selling huge watermelons, usually from farms in Ukraine's south-eastern Odesa region.

«In August 2018, there was a significant revival of international trade for Ukrainian watermelons,» Shuvar reported, as cited by Ukrinform. «In the last month of the summer, Ukraine exported more than 10,000 tons, while in July Ukraine exported 6,500 tons.»

According to Shuvar, Belarus, Poland and the Baltic countries were among the main buyers of Ukrainian watermelons this year.

Infrastructure >

The infrastructure minister has agreed to certify an ambitious Hyperloop transportation project in Ukraine.

Experts of the Technical Monitoring Association of Munich, Germany, will conduct certification of the Hyperloop project in Ukraine, which could be ready before the end of this year. Ukrainian Infrastructure Minister Volodymyr Omelyan disclosed this information after talks with the TÜV SÜD leadership in Munich, Ukrinform reported. «We have started a very important process in implementation of the Hyperloop project – its certification,» he said. «Our German partners said they planned to complete it [the certification] this year. It will be an assessment of an authoritative company. It is famous TÜV, Germany's largest association that unites all manufacturers in terms of certification,» Omelyan added. He noted that the project could not be further implemented without proper confirmation

of security by European institutions. Germany plays a major role in this field, the Ukrainian minister added. According to Omelyan, a preliminary assessment will be made public in the near future. Hyperloop is a proposed mode of passenger and freight transportation that launches capsules through a sealed tube or system of tubes at high velocity. Theoretically, the capsules travel free of air resistance or friction, conveying people or objects at high speed while being very energy efficient. Elon Musk's TESLA and SpaceX companies have been instrumental in developing the theory behind Hyperloop and have sought international partners as they plan to trial and test concepts. Ukrainian engineers and scientists were among the first to get on the Hyperloop bandwagon and are reportedly keen to taking a leading role in taking the idea from blueprint to operational.

Ukraine's first highway of "European standard" could be in Donbas, if

Germany follows through with funding the road, officials have said this week. If a planned joint project with Germany on the creation of modern infrastructure in Donbas is launched, the first highway in Ukraine that meets all European standards could appear in the troubled eastern region, Ukrainian media is reporting. «Currently, we're considering the possibility of developing roads in eastern Ukraine, in particular a Zaporizhzhia-Mariupol highway, for which the draft state budget for 2019 stipulates allocation of about UAH 1 billion at the initiative of the President. In addition, it is expected to attract additional funds loaned from the German government," Ukrainian Infrastructure Minister Volodymyr Omelyan told an

Ukrinform correspondent, having met in Berlin with German partners, in particular, with Federal Minister for Economic Affairs and Energy Peter Altmaier and the State Secretary to the Federal Minister of Transport. He specified it would be about EUR 90 million for construction of roads, primarily in Donetsk and Luhansk regions. Currently, the project agreement is being negotiated and is finalized by the German side. «It will be an interesting project. If it is implemented, it will be the first road in Ukraine which meets all the European standards, including environmental norms, wildlife crossings, etc., which we often see in the EU but we have not got yet,» Omelyan added.

Ukrzaliznytsia, Ukraine's state railroad, will welcome twenty General Electric locomotives before year-end,

officials stated this week. Ukraine will receive 20 of the American General Electric locomotives before the end of 2018, Director for Economics and Finance at Ukrzaliznytsia Andriy Riazantsev said during a forum at the European Business Association on Tuesday, as reported by Ukrinform.

«About 20 locomotives will arrive by the end of the year. We will most likely get 15. The others will come in January-February 2019,» Riazantsev said.

According to him, the first locomotive that Ukraine has already received is undergoing an additional technical upgrade at a Ukrainian enterprise. The first locomotive TE33AS manufactured by General Electric has already arrived at the port of Chornomorsk in September 2018.

Energy >

The European Union is to provide EUR 54m to Ukraine's Energy Efficiency Fund.

The European Union is ready to provide the second tranche of financial assistance worth EUR 54 million to support the Energy Efficiency Fund of Ukraine, according to the press service of Deputy Prime Minister and Minister for Regional Development, Construction, Housing and Utilities of Ukraine, Hennadiy Zubko. «The European Union is ready to provide the second tranche of financial assistance worth EUR 54 million to support the Energy Efficiency Fund of Ukraine. As soon as the agreement is signed, the funds will be transferred to the Multi-Donor Fund.»

The Houston-based SigmaBleyzer investment company has announced the creation of a new International Fund for Ukrainian Energy LP (IFUEL) of USD \$250m, which will focus on investments in the energy sector of Ukraine.

«We will consider everything, including alternative energy. But, of course, we are interested in oil and gas, energy saving,» SigmaBleyzer President Michael Bleyzer told Interfax-Ukraine on the sidelines of the 15th YES forum organized by the Victor Pinchuk Foundation in Kyiv. According to the company, during the first closure, which took place in September 2018, more than \$100 million has already been approved.

«SigmaBleyzer cooperates with highly-capitalized and very experienced energy companies in Texas to create this fund,» the document says.

Bleyzer added that for investment of funds both greenfield, and brownfield

projects can be considered. According to him, significant potential is concentrated in energy-saving projects, as the level of energy efficiency in Ukraine lags behind the best world indicators.

Windkraft Ukraine LLC will increase the installed capacity of its wind farms in Kherson region to 170 MW, and the company is mulling the next project to boost them by another 150-170 MW,

Windkraft Ukraine Director Carl Sturen has said. «By the end of the year there will be 170 MW: 100 MW have been added,» he told Interfax-Ukraine on the sidelines of the recent YES Conference organized by the Victor Pinchuk Foundation in Kyiv, commenting on the development of the company in 2018.

Sturen said that this year the company used its own funds and bank loans. According to him, to implement plans for further expansion, Windkraft Ukraine will consider various financing options.

Editor's Note – The Business Week is produced by researchers and editors who monitor Ukraine's most important business news headlines during the week so you don't have to. This week, we have sourced some leads from **Ukrinform** and **Interfax Ukraine**. Business Week also sources information from reliable public domain sources like company statements, government press releases and social media posts. Thank you for reading.