

UKRAINE NEWSLETTER Q3/Q4 POLITICAL AND ECONOMIC NEWS



Photo credit: Press service of the President of Ukraine

During an official visit to the Republic of Austria, **President of Ukraine Volodymyr Zelenskyy** took part in the **Ukrainian-Austrian business forum at the Federal Economic Chamber of Austria**.

"Every detail is important to us; every company is important to us. I would like someday all the companies represented here, and those companies that are in Austria, to appear in Ukraine," the President of Ukraine noted in his speech. Volodymyr Zelenskyy called for **intensification of bilateral trade and economic cooperation** and noted the **success stories of Austrian companies in Ukraine**.

The Federal President of Austria stressed that Austrian business is represented in all Eastern European countries. "We are connected by long-standing intensive economic cooperation. **200 branches of Austrian companies exist in Ukraine. I am grateful to all companies that want to find a place in the Ukrainian market,**" Alexander Van der Bellen said. (www.president.gov.ua)



Photo credit: WKO Austria

During the official visit, a **special meeting Ukrainian-Austrian Joint Commission on Trade and Economic Relations** with the representatives of Austrian business took place. **Minister Oleksiy Chernyshov** and **Federal Minister Florian Frauscher** discussed **investment opportunities in Ukraine, development perspectives** as well as further cooperation with the representatives of Austrian businesses.

Minister Chernyshov assured that "Ukraine is interested in bringing **cooperation between our countries to a new level**. We propose to consider Ukraine as a reliable partner and to develop various sectors of the economy, offering investment opportunities in each region of the country. Such cooperation also raises the level of work of national companies, as Austria traditionally adheres to **high European standards and promotes sustainable and environmental-friendly development, which is one of Ukraine's priorities.**" (www.minregion.gov.ua)

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INTERESTING OPPORTUNITIES IN UKRAINE

The following key assets will soon come to auction according to the State Property Fund of Ukraine:

Electrovazhmash

located in Kharkiv, manufactures turbo and hydro generators and other large electric equipment, holds a few interesting patents, **ready for sale in spring 2021**.

www.privatization.gov.ua/en/product/dp-zavod-elektrovazhmash/

Dniprovsky Electric Plant

Located in Dnipro, produces locomotives for Ukraine and other former Soviet Union countries. www.devs.com.ua

Distilleries

Ukraine has recently abolished its state monopoly on ethanol production. **Between October 2020 and July 2021, 78 distilleries will be sold** to the private sector. Not all of the distilleries produce alcohol, some sell their product to pharmaceutical companies and a large number are outfitted to produce biofuel. www.privatization.gov.ua/en/alcohol-industry-2/

Grainmills

The Fund intends to sell **2 grainmills** (Dunayevetskiy and Radyvilskiy) **before the end of the year** and an **additional 4 in the first half of 2021**.

MORE NEWS AND FIGURES OF INTEREST

- The Ukrainian Parliament has amended the State Budget for the year 2020 with regards to the provision of **UAH 5 billion of state guarantees on a portfolio basis**, which were developed by the Ministry of Finance in cooperation with the Members of Parliament. The proposed instrument is designed to provide **government support to micro, small and medium businesses**. (Ministry of Finance of Ukraine)
- **The Consumer Confidence Index (CCI) equals 68.5** in August, which is **1.8 points higher** than in July (the values of indices can vary from 0 to 200), according to the data provided by Info Sapiens.
- Ukraine called on Austrian companies to **invest in building rolling stock for Ukrzaliznytsia**, the state railroad company, amid growing demand for transportation despite the coronavirus pandemic. **Infrastructure Minister Vladyslav Kryklyi**, who joined the Ukrainian delegation, led by **President Volodymyr Zelensky** to Austria, said **Austrian companies** had implemented similar projects in the region and **would be best positioned** to lead the effort in Ukraine. (www.ukrainianjournal.com)
- **State-owned banks** continue to reduce their portfolio of non-performing loans. In the first half of 2020, the **NPLs decreased by UAH 6.1 billion**. Their share in the state-owned banks' loan portfolio decreased to 63.1%. In the first half of 2020, **public sector banks restructured NPLs by UAH 14 billion**, reduced overdue debts by UAH 2.6 billion, and **wrote off UAH 26 billion in non-performing loans** from reserves. (Ministry of Finance of Ukraine)
- **S&P Global Ratings** affirmed its **global scale long-term foreign and local currency sovereign ratings on Ukraine at 'B'** and its Ukraine national scale ratings at 'uaA'. S&P also affirmed the short-term ratings at 'B'. **The outlook is stable**. The prediction 'stable' reflects, on the one hand, the risk of the negative influence of the unfavorable economic conditions for the economy of Ukraine and the possibility of the spread of the reforms; on the other hand – the increased volume of the international reserves. The current **foreign exchange reserves are 'airbag'**, which **allows to mitigate the risks** of the possible worsening conditions of the external financing. (Interfax Ukraine)