

News from Ukraine: *End Feb 2009*

Nestle boosts sales in Ukraine by 16% in 2008

One of the largest world's food producers, Nestle, in 2008 increased sales by 16% year-over-year in Ukraine, to UAH 2.66 billion.

According to a company press release, last year the company retained leading positions in food categories presented in Ukraine.

Sales in the cookery sector under the Torchyn trademark last year were estimated UAH 871 million, which is a 24% rise year-over-year.

The release says that the company's share of the ketchup market in 2008 was 63.5%, that for mayonnaise – 25%, mustard – 45%, ready-cooked sauces – 52.1% and seasoning – 32.3%. Last year, the company also increased coffee and beverage sales by 13%, to UAH 760 million. Its share of the Ukrainian instant coffee market in monetary terms was 31.7%, and that for the coffee mixture market – 18.1%.

In 2008, Nestle sold confectionary worth UAH 531 million in Ukraine.

UKRAINE SUNFLOWER EXPORTS ON THE RISE OVER FIVE MONTHS

Kyiv, February 19 (Interfax-Ukraine) - Ukraine from September 2008 to January 2009 exported 162,000 tonnes of sunflower seeds, which was 2.2 times up on the whole 2007-2008 marketing year, according to Ukrrolyaprom.

In particular, in January 2009 Ukraine exported 76,000 tonnes of sunflower.

According to Ukrrolyaprom, if sunflower exports remain at this level, supplies to foreign markets over the 2008/2009 marketing year will be 600,000-700,000 tonnes.

The experts link the active sunflower exports from the country with a favorable price conjuncture on foreign markets.

As reported, currently parliament is viewing a draft law that calls for the temporary cancellation of sunflower export duty.

As February 1, 2009, sunflower seeds stocks in Ukraine were 3.2 million tonnes.

Last year, Ukraine harvested 6.5 million tonnes of sunflower, which was 56.2% up on the 2007 indicator.

Ukraine and Russia railways may cut tariffs for transit transportation between Europe and China

The railways of Ukraine and Russia are mulling the possibility of cutting tariffs for the transit transportation of container cargos between Europe and China, according to a press release of state railways administration Ukrzaliznytsia.

The issue was one of the priority points in discussions held last week at a meeting of Ukrzaliznytsia representatives with the heads of Russian Railways and Hungarian carrier MAV Cargo.

According to the press release, last year Russian Railways organized 20 container trains from China to Austria, and Ukrzaliznytsia one train from Europe to China.

Ukraine to retain meat production at 2008 level in 2009, says ministry

Meat production in Ukraine this year will remain at last year's level of 2.7 million tonnes live weight, according to Ukrainian Agriculture Minister Yuriy Melnyk.

"We don't expect a fall in meat production this year. It will stay at last year's level," he told the press in Kyiv on Friday.

The minister also said that it is expected that meat imports would fall from 530,000 tonnes last year to 250,000-280,000 tonnes this year.

He said that this year, Ukraine continues to actively import meat. He said that in January, imports were 25,000 tonnes, and in the first 18 days of February the country imported 22,000 tonnes.

As for meat exports, the minister said that this year they could be 30,000-50,000 tonnes. He said that at present, the price situation on the Ukrainian market is more favorable for selling meat

inside the country.

"The factor that now impacts exports is the situation on the domestic market. The price on the domestic market makes it more attractive than exporting," the minister said.

He said that the existing mechanism for VAT reimbursement to exporters hinders meat exports. Melnyk said that currently the agriculture ministry is studying the possibility to make meat exports to United Arab Emirates and Saudi Arabia. He did not rule out that this could start this year. The minister also said that last year, Ukraine exported poultry to Kazakhstan, China, and South-East Asia, and the country plans to develop these directions in the future.

Ukraine to start poultry exports to EU in 2010

Ukraine plans to start poultry exports to the European Union in 2010, the chairman of the State Committee on Veterinary Medicine, Petro Verbytsky, told journalists in Kyiv on Friday.

"We hope that our poultry production enterprises are inspected [by EU specialists] this year. If everything goes through, in 2010 we could actually export poultry. We are competitive in price," he said.

He added that that committee was currently engaged in negotiations with its European counterparts.

Ukraine currently has the right to supply EU countries with live horses, fish, egg powder and honey.

According the chairman of the Soyuz of Ukrainian Poultry Producers, Alexander Bakumenko, the country last year produced a record 1.04 million tonnes of poultry in live weight, a 16% increase from 2007. The increase in production was driven largely by enterprises specializing in poultry production, which boosted output by 20% to 854,000 tonnes.

The committee also said that Ukraine had reduced overall meat production in 2008 by 1.5% to 2.728 million tonnes (in live weight). Meat output shrank, however, at household farms. Agricultural enterprises increased their meat output by 4.5%.

Parliament annuls import duties for PVC, haulers, semi-trailers, and semi-trailer-container trucks

The Verkhovna Rada, Ukraine's parliament, has annulled import duties for polyvinylchloride (PVC), haulers, semi-trailers, and semi-trailer-container trucks.

Some 247 of 434 registered MPs voted for a law amending the Customs Tariffs of Ukraine.

The law decreases import duty for polyvinylchloride, not mixed with other substances, from 6.5% to 0%.

The law also decreases import duty for truck tractors, semi-trailers, and wheeled tractors for semi-trailers from 5% to 0%.

It also decreases import duty for drop-side semi-trailer-refrigerators and semi-trailer-container trucks from 12% to 0%.

According to an explanatory note to the law, the changes are needed to change Ukrainian vehicles to vehicles corresponding to the Euro-3, Euro-4 and Euro-5 standards. The changes will also assist in increasing the competitiveness of Ukrainian carriers

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