

 МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ УКРАЇНИ	 Проект фінансується Європейським Союзом	 Проект впроваджується консорціумом на чолі з WYG International
<i>Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector EuropeAid/126205/C/SER/UA</i>		

Overview of Latest Rural Developments 17 - 23 June 2010

▪ WTO and Neighbourhood Policy

Ukraine's accession to the WTO became a powerful impetus for the country to reform its trade regime, develop transparent and predictable regulatory policies that promote development of domestic business through the access to foreign markets, announced Deputy Minister of Economy of Ukraine Valerij Pyatnyzkij during the round table "First two years in the WTO: Implications for agriculture" during the XII International Agri-Industrial Exhibition. "The WTO membership made it possible for our country to not only become a full fledged player on the world market, but also to take part in formation of qualitatively new global trade parameters in the coming years. General analysis of foreign trade relations of Ukraine shows that the WTO accession had positively influenced the harmonization of Ukrainian trade legislation with WTO regulations and intensified trade relations with WTO member states", said Deputy Minister. According to Pyatnyzkij, after joining the WTO Ukraine has begun to expand its export potential. In particular, exports to EU member-states in 2008 grew by 1.7 times compared to 2007, among other reasons, due to lifting of steel and light industry export quotas. During the quota free period Ukrainian textile exports to EU countries has grown more than twice. In 2008 trade turnover between Ukraine and the U.S. has increased by more than 1.8 times and with African countries - by 1.6 times. Further increase in trade was slowed down due to global financial crisis.

www.me.gov.ua 18.06.2010

Ministry of Agrarian Policy of Ukraine plans to revise the WTO tariffs on meat and dairy products, told the Director of Foreign Economic Cooperation Department Serhij Ivaschuk. "We plan to revise the customs tariff for commodity groups most affected by the WTO accession, such as meat production, some meats and dairy lines", said Ivaschuk.

According to him the ministry is planning to devote this year to collecting evidences of how these products are being affected and discussing relevant issues with the WTO countries. "We certainly will have to make some concessions to the WTO countries. Probably we will make concessions for highly-competitive groups of products", added Ivaschuk.

RBK-Ukraine, 21.06.2010

▪ Food Safety

State Committee of Ukraine for Technical Regulation and Consumer Policy proposes to establish a system to notify public authorities on identified cases of counterfeit and substandard products and consequences their consumption had entailed. According to first deputy head of the committee Vladislav Hizhnyak, these are measures necessary to prevent penetration of dangerous, counterfeit and substandard products into Ukrainian consumer market. "Tools for cooperation with Tax Service, State Security Service and Custom Service have been developed. Cooperation of these structures, in particular, during inspections of business entities that sell the imported goods in Ukraine, will be extremely effective", Hizhnyak said, convincingly.

The aim of the joint project is mutual sharing of information to detect counterfeit and substandard food and non-food products in the Ukrainian market. In particular, relevant authorities (notification system participants) will be notified in advance (in 10 days) that an inspection is planned to be carried out so that they can participate in it. The body that has carried out the inspection (be it State Committee, Tax Service, Custom Service or Security Service) within 10 days after its completion shall inform other system participants of detected violations.

State Committee of Ukraine for Technical Regulation and Consumer Policy, 18.06.2010

▪ Market Infrastructure

Forum "Investments in the agrarian sector of Ukraine: development of agricultural wholesale markets" took place June, 16 supported by the Ministry of Agrarian Policy of Ukraine, Delegation of the European Union in Ukraine and the EU project "Implementation of Ukraine's commitments under WTO and ENP in the Rural Sector". It gave an opportunity for potential investors interested in agricultural wholesale markets and building companies meet together and exchange views on implementation of State Target Program of Agricultural Wholesale Markets` Development, conditions for investment into construction of wholesale markets, discuss existing proposals for creating wholesale markets and current state of wholesale markets` development in Ukraine.

The forum was attended by representatives of the Delegation of the European Union in Ukraine, Ukrainian authorities, international organizations, businesses and NGOs.

During the first phase of State Target Program of Agricultural Wholesale Markets` Development 5-9 such markets will be built, said Deputy Minister of Agrarian Policy Evgenij Lavrov at the Forum "Investments in the agrarian sector of Ukraine: development of agricultural wholesale markets". "We plan to create 5-9 agricultural wholesale markets, whose construction costs amount to 500 million Euro", said Lavrov. According to him, the estimated payback period is 7-8 years.

"The first phase has already begun. There is already a real project implemented in Lviv. The next one will be implemented in Odessa", he said.

RBC-Ukraine, 17.06.2010

The share of grain of 10 biggest agrarian companies in the total output in 2009 amounted to 13.5%, said experts from Ukrainian Agri Business Club (UABC). They also said that according to new research "The Biggest Ukrainian Agrarian Companies: Efficiency and Competitiveness" virtually all of them are to varying extents engaged in grain production. Their share is most significant in maize production, where ten biggest companies account for 27.6% of total output.

"This is mainly due to high intensity of maize production and hence significant resource investments per unit area", said UABC crop market expert Roman Slaktion.

UABC Press Service, 6/17/2010

During I quarter of 2010 an outflow of foreign capital amounting to almost \$ 40 million took place in the the agri-industrial sector of Ukraine. During the first three months of 2010 foreign capital outflow from Ukrainian agri-industrial sector amounted to \$ 39.1 million (\$ 5.4 million from agriculture and \$ 33.7 million from food industry).

According to the Ministry of Agriculture, as of April 1, 2010, since 1992 there were \$ 2 563 million of direct foreign investments attracted to the agri-industrial sector (6.4% of the total direct foreign investments). \$ 1 788.7 million were invested in the food processing industry and \$ 774.3 million - in agriculture.

The following are the main investors:

Agriculture: Cyprus (\$ 251.2 million), Britain (\$ 133.5 million), Denmark (\$ 57.6 million), Germany (\$ 55.4 million), Poland (\$ 29.3 million), Austria (\$ 28.9 million);

Food industry: the Netherlands (\$ 591.1 million), Sweden (\$ 213.6 million), Cyprus (\$ 235.2 million), Britain (\$ 131.9 million), USA (\$ 65.3 million) Switzerland (\$ 88.5 million).

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China has expressed an intention to invest in Ukrainian agri-industrial complex and presented its project of building an agri-industrial park during the negotiations of Ukrainian MP and founder of Ukraine - Middle East Business Centre Pavlo Klymteys, Deputy Minister of Agrarian Policy of Ukraine Maksym Melnychuk with Deputy Minister of Agriculture of PRC Nyu Dun and other representatives of China.

The sides agreed to share new technologies and agrarian knowledge, study supply and demand for agricultural products on the international market and create a base for agricultural companies.

According to the project presented by the Chinese side an agri-industrial park is proposed to be created on the area from 5 000 to 10 000 hectares, with facilities necessary for its operation and cultivation area. The agri-park is proposed to be managed by both Ukrainian and Chinese sides.

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▪ Rural Development

June 16, at the XXII International Agricultural Exhibition "Agro 2010" Minister of Agrarian Policy of Ukraine Mykola Prisyazhnyuk presented Comprehensive State Program of Reforms and Agricultural

Development and Sectoral Program of Socio-Economic Development of Local Rural Communities (New Rural Community model project). The following three main areas are to be reformed according to the Comprehensive Program: agricultural sector's backbone industries: crop, pig and dairy livestock industries; agrarian science and education (which provide reforms with intellectual resources); revision and new approaches to management system – partnership and mutually beneficial and responsible relationships between agri-businesses and public authorities, aimed at promoting and encouraging agricultural enterprises and businesses.

Prysyazhnyuk said that there is an apparent need for a new rural development policy and outlined the main objective of "New Rural Community" model project. Model project aims to develop and implement model programs of socio-economic development for five rural communities in five characteristically different regions of Ukraine: Polissya (Zhytomyr oblast) Carpathian region (Ivano-Frankivsk oblast), Dniipro region (Cherkasy oblast), Donbass (Donetsk oblast) and Crimea.

"The program implementation will bring a valuable experience in rural development programming at the national level. I hope that it will become a common cause for all the managers from agricultural sector, agrarian science, education and NGOs presented here", said Prysyazhnyuk.

MAP Press Service, 06/16/2010

MAP proposes an additional 2 UAH per litre to pay milk producers for first class milk produced according to the new standards. This is provided by the concept of the Comprehensive State Program of Reforms and Agricultural Development, presented by the Minister of Agrarian Policy M. Prysyazhnyuk June 16, 2010.

The document includes the development and introduction of new quality standards for milk meeting European requirements. The quality mark will be assigned to finished dairy products in case processors bought all their raw milk according to new standards.

Interfax-Ukraine, 17.06.2010

According to Article 9 of the Law of Ukraine "On principles of regulatory policy in the sphere of economic activities" State Committee for Land Resources has announced the publication of the draft order of the State Committee of Ukraine for Land Resources, Ministry of Finance of Ukraine, Ministry of Economy of Ukraine "On amendments specifying the amount of the payment for land and cadastral services" in order to obtain comments and suggestions from individuals and legal entities. The draft order aims to bring the amount of the payment for land and cadastral services in line with current legislation of Ukraine and establish economically justified amount of the payment for land and cadastral services.

Individuals and entities can submit their comments and suggestions to the draft order to the State Committee for Land Resources of Ukraine within one month from the date of its publication.

www.myland.org.ua 22.06.2010