

Ladies and Gentlemen,

On behalf of the Governor of Chernihiv region and the Mayor of Chernihiv city let me express my deepest respect to you.

We invite you to Chernihiv region and offer unique opportunities for cooperation in the fields of investment, trade, mining and processing of mineral resources, agriculture, creating and development of industrial parks and others.

Now let me tell you briefly about Chernihiv region.

Chernihiv region is located in northern part of Ukraine and is the second largest region in our country. Its area is more than 3 million hectares. Chernihiv region is the only Ukrainian region that is situated at the border of three countries (Ukraine, Russia and Belarus). Chernihiv City is located in the close proximity to Kyiv which is the capital of Ukraine and its financial and economic centre.

The advantageous geographical location of the region at the intersection of transport routes facilitates the development of its economics and trade. If the port city of Odessa is the sea gate of Ukraine, we are the northern gate of the state.

What gives us confidence to be named like this?

Firstly, the international highways cross the territory of our region toward Moscow, which is located only 700 km. far from Chernihiv, St. Petersburg (about 900 km. from Chernihiv), Minsk, the capital of Belarus (400 km. from Chernihiv) and Odessa (600 km). Second, the city of Kyiv is located only in 140 km. from Chernihiv. The direct highways to the western borders of Ukraine and the EU run through the territory of Chernihiv region and through Kyiv. There is our own Customs service in the region and 16 customs border crossings which considerably speed up the export and import operations and simplify the customs clearance of goods.

There are 1200 rivers in the region with total length of 8.5 ths. km. The largest rivers are the Dnipro and Desna which flow through the whole of Ukraine and make the access to the Black Sea possible.

To put it in few words, the geographical location of Chernihiv region is a most favorable for the development of economy and trade.

Also, Chernihiv region is rich with natural resources. The mineral resources of the region are represented mostly by fuel and energy resources as well as the resources for producing building materials. The most important resources that can support the economy of the region are: peat, phosphorites, bischofite, sands – construction and glassy, high-quality chalk, timber, mineral waters etc.

Now let me focus more on natural resources. Chernihiv region has the largest deposits of bischofite in Ukraine. **Bischofite** is a valuable raw material for manufacturing various products; the most important and most promising of these products we consider metallic magnesium. So, only confirmed reserves of bischofite are estimated as 1.5 billion tons.

Phosphorites. The phosphorites deposits of Chernihiv region are among the largest in Ukraine. Only the confirmed volumes of phosphorites are more than 7 million tons. The chemical properties of phosphorites of Chernihiv region suggest that they can be best suited for the production of fertilizers.

Peat. Peat is a valuable solid biofuel and unique natural fertilizer and it does not require deep processing. Peat resources of Chernihiv region are more than 200 million tons. Heating value of peat is equivalent to 1 trillion cubic meters of natural gas.

Glassy sands. The deposits of high quality sand which is good for glass production are among the largest in Ukraine. On the global market of glass the sand from Chernihiv region with the best properties in Europe is strategically important raw material.

There are the huge reserves of **high quality chalk** in Chernihiv region – more than 1 billion tons. Compared to the amount of other chalk deposits the figure is simply impressive. For example, you can produce about 700 million tons of cement from Chernihiv chalk.

Timber. Forests cover more than 20% of the region. The total area of land for forestry purposes is 750 ths. hectares. Recently there has been a trend to use wastes of wood processing as an alternative fuel. In the region 77 forestries work to restore the timber resources.

The largest reserves of **fresh water** both mineral and artesian make Chernihiv land attractive. In terms of chemical parameters the water in Chernihiv region is one of the highest quality in Europe.

On addition to that, the large areas of **fertile land** are one of the major advantages of Chernihiv region. Thus, **2.1 million hectares of agricultural land** are available in the region, including 1.5 million hectares of arable land. Currently agriculture is the most important factor that provides the growth of Gross Domestic Product rate. That is, Chernihiv land, Chernihiv black soil, the reserves of which are among the largest in Ukraine, are the very important resource. Even in times global food crisis this resource can satisfy not only the needs of domestic food market, but also makes it possible to export surplus agricultural products abroad.

The availability of the unique soil allowed us to harvest more than **3 million tons of grains in 2013**. In the next 3 years the amount of harvested crops will increase to **5 million tons per year**.

Chernihiv soil is perfect for growing **potato and flax** of the highest quality. Potato grown in Chernihiv region is sold in more than 30 countries of the world due to its excellent quality. As far as flax is concerned there is an opportunity to grow up to 15% of the world's flax market capacity in Chernihiv region. Our flax is used for producing cloth, natural clothes etc.

Also our region offers the exceptional opportunities for the development of animal husbandry. There are more than **600000 hectares** of free grasslands for cattle grazing.

In addition to that Chernihiv region has significant **industrial potential**. In particular, in addition to already existing enterprises there is a large amount of free sites (brownfields), and land (greenfields). All major utilities are connected to the land and sites which make it possible to place the production capacity on their territory. First of all, for businessmen who want to start business in our region, we offer these sites on preferable terms. Also, on 09.08.2012 President of Ukraine signed the Law of Ukraine "On Industrial Parks", which ensures their development and equipping at public expense. Chernihiv region has initiated

creation of 2 large industrial parks that will create even more favorable conditions for the location of manufacturing facilities in the region.

The further advantage of our region is the availability of qualified and relatively cheap workforce. There are 5 higher educational establishments owned by state, 20 technical schools and colleges, 22 vocational schools that prepare qualified personnel in various specialties. There is a considerable amount of highly qualified engineers, architects, constructors, programmers, lawyers, economists, travel business experts looking for job opportunities in the region. The average salary in Chernihiv region is around **200 USD**.

As I mentioned at the beginning of my report, the geographical location of the region promotes the **commercial sector**. About 8,000 trade companies provide their commercial services and they have extensive experience of dealing in Ukraine and abroad. On the slide you can see the main foreign trade indicators of Chernihiv region. In 2013, our region had trade relations with 36 countries. The most of them are Russia, Georgia, Turkey, India, Germany, China and others. One of our main tasks today is to increase foreign trade at least 5 times. Our companies are ready to supply high quality products to the foreign markets. But we also are open to foreign goods which can enter the markets of Russia, Belarus and the EU through our region.

Signing of an international treaty on free trade within the CIS, which was ratified by the Ukrainian Parliament on 09.08.2012, will significantly contribute to development of trade with the CIS countries. This agreement provides duty-free trade and the considerably simplifies the procedure of export from Ukraine to CIS countries. Another major agreement, which has been signed recently, is the Association Agreement between European Union and Ukraine. The agreement provides vast opportunities for expanding the export of goods produced in Ukraine to the countries of the EU.

Now you can see main commodity groups, which are exported from Chernihiv region around the world. They are: grain, paper and cardboard, tobacco, timber and timber products, milk and dairy products, seeds and oilseed plants products. Main import commodity groups are: Fast moving consumer

goods, glass products, rubber products, ground transport vehicles, polymer material and plastics, machines and mechanical devices, energy materials: oil and oil products.

Ladies and gentlemen, on the slide you can see the short list of successful enterprises of the region, including enterprises with foreign direct investment. Brand "Chernihivske beer" is known in the whole world. The world-famous company "British American Tobacco" manufactures its product in the region. Also other industrial and agricultural enterprises successfully operate in the region. Much of this success was made possible by foreign funds invested in these enterprises and administrative support of local authorities.

To summarize the briefly made review of the economic development of Chernihiv region, we can say that the most promising fields of doing business are: agriculture, food processing industry, trade, mining and processing of minerals, placing the industrial facilities in the region, and tourism.

Chernihiv City as one of the most ancient cities in Ukraine also has enormous **tourism potential**. Absolutely all tourists who come to Chernihiv express their admiration to its beauty and credit to millennium history.

Ladies and gentlemen, finishing my report I would like to focus your attention on something very important. Our region is open to different forms of cooperation with foreign partners. The Governor of Chernihiv region and Chernihiv City Mayor will provide the full administrative and information support to any businessmen. The location of the region, natural resources, the skilled labour available and other factors make Chernihiv region attractive for doing different forms of business. Now I am ready to listen to each of your questions that you may have. I'm sure we will find the best options for cooperation for every foreign partner regardless of business scope. We always welcome you in Chernihiv region and are open to different form of cooperation.

Thank you.