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Ukraine



Victor Yanukovich wins presidential run-off election in Ukraine

Leader of the "Regions Party" Victor Yanukovich won the second round of Ukrainian presidential election 2010 held on February 7 with 48.95 percent of votes, according to the announcement of the Central Electoral Commission (CEC) of Ukraine.

Prime Minister Yulia Tymoshenko has gained 45.47 percent of votes. 4.36 percent of voters did not support either of the candidates.

The presidential inauguration of Victor Yanukovich was held on February 25, 2010.

*Source: Ukrinform News Agency
(www.ukrinform.ua)
Edited by: usapeec.kz*

Ukraine might join Common Economic Space which will be created by Customs Union countries

The team of Victor Yanukovich, which won in Ukraine's presidential election in February, is already preparing for the first major foreign-trade initiative of the country - Ukraine's accession to the Common Economic Space of the Customs Union of Russia, Kazakhstan and Belarus.

According to the Draft Decree No. 6049 recently submitted for consideration to Verkhovna Rada (Parliament), Ukraine would like to join Common Economic Space which Russia, Kazakhstan and Belarus are planning to create until January 1, 2012.

According to the explanatory note to the Draft Decree No. 6049, the goal of the CES creation is to provide conditions for stable and efficient development of the economies of participating countries and improve living standards.

This will be achieved, in particular, by removing restrictions on trade between member-countries and deepening of mutually beneficial economic cooperation.

First of all, this will allow to diversify the markets for domestic goods and services and to increase exports to the growing markets of Russia, Kazakhstan and Belarus due to the elimination of many customs and tax barriers, discriminatory pricing and tariffs. This concerns, in particular, products of domestic steel industry and agro-industrial complex.

According to the information provided by the Statistics Committee of Ukraine, 42 percent of all exports from Ukraine worth 10 billion USD are exports to Russia, Belarus and Kazakhstan.

However, according to the First Deputy Head of Presidential Administration of Ukraine Irina Akimova, Ukraine will not join the Customs Union in the nearest future. She said that the Customs Union directly contradicts and will severely complicate Ukraine's membership in the WTO.

*Sources: Verkhovna Rada of Ukraine;
APK-Inform News Agency
(www.apk-inform.com)
Translated by: usapeec.kz*

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Chief Veterinarian of Ukraine dies at 58

Peter Verbitsky, who served as Chief Veterinarian of Ukraine for many years, and was well known to the U.S. industry, has died at the age of 58.

P. Verbitsky died on February 12 after several days in a coma. The Government did not release the cause of death.

The Ukrainian Government stopped issuing import permits, while P. Verbitsky was hospitalized prior to his death.

The First Deputy Chairman of the State Veterinary Medicine Committee of Ukraine Vladimir Gorzheev is assigned to temporarily perform the duties of the Chairman of the State Veterinary Medicine Committee of Ukraine.

Mr. Verbitsky served as Chairman of the State Veterinary Medicine Committee since January 2009. Prior to that, he was Deputy Minister of Agrarian Policy and was in charge of animal health issues.

From 1999-2005, Mr. Verbitsky was Chief State Inspector of the Ukrainian Veterinary Medicine Committee.

Source: State Veterinary Medicine Committee of Ukraine; Translated by: usapec.kz

Myronivsky Hliboproduct 4Q chicken sales increase by 51 percent

In 2009, Myronivsky Hliboproduct's (MHP's) poultry and poultry related operations segment performed strongly despite the challenging economic conditions in Ukraine. During the year the Company increased its monthly poultry production volumes and sales by almost 50 percent compared to the end of 2008 due to the launch of phase 2 of the Myronivka poultry farm, the Company's new state-of-the-art production facility.

During the 4th quarter of 2009 the volume of chicken meat sales to third parties increased by 50.7 percent compared to the 4th quarter of 2008, reaching 80,000 MT. Full year volumes increased by 26.9 percent to 272,900 MT. All the Company's existing poultry production facilities operated at their full production capacity during the year.

During the 4th quarter of 2009, consumer demand for chicken remained high as consumers continued to substitute other meats with locally produced chicken. As a result, the Company was able to sell close to 100 percent of the chicken produced.

Average chicken meat sales prices to third parties through the 4th quarter of 2009 increased by 6.6 percent to UAH 12.37 per kilogram (USD 1.55) of adjusted weight (excluding VAT) when compared to the 4th quarter of 2008. For the full year 2009 prices increased by 6.4 percent to UAH 12.79 per kilogram (USD 1.6) against the year 2008. Poultry production costs in the 4th quarter of 2009 were higher in UAH compared to the 4th quarter of 2008 due to the increase in the market price of corn, which the Company uses to calculate its costs. However, due to the Company's 100 percent self sufficiency in corn and its high level of vertical integration, the higher corn prices in the 4th quarter of 2009 will have a positive effect on the financial performance of the Company's Grain Growing segment.

For the full year 2009, sausage and cooked meat production volumes increased by 53.8 percent to 24,600 MT compared to 16,000 MT in the year 2008. In the 4th quarter of 2009 sausage and cooked meat production volumes increased by 20.8 percent to 6,400 MT compared to 5,300 MT during the 4th quarter of 2008.

Source: FeedInfo News Service (www.feedinfo.com); Edited by: usapec.kz

Poultry plants of Ukraine stop operating because of active imports of US poultry

Cheap US CLQs rushed into unprotected market of Ukraine after they have run into quotas and tariffs in Russia and China. Domestic producers can not compete with US producers on price and one by one stop their production.

The Government seeking cheaper poultry meat for the consumer in a difficult time of crisis has increased supplies of US poultry meats. Thus, during the year 2009 imports has increased 2.5 times. As a result, in the end of 2009, poultry farm of Fozzy Group company located in Uzhgorod (stores "SILPO", "Fora", "Dnepryanka", "Fozzy") and "Ruby Rose Agricole" (TM "Morozivsky kurchata) stopped operating.

According to the Chairman of the Board of Directors of the Association “Ukrainian Poultry Producers Union”, Alexander Bakumenko, undisputed leader of the market “Myronivsky Hliboproduct” company is also facing financial difficulties. “As of now the company continues operating only due to being a vertically integrated holding company”, he said.

However, this year the situation is getting worse, because the world’s largest importer - Russia - decided to establish its own production, gradually abandoning the cheap US CLQs. Another importer, occupying the sixth place in the world in import of poultry meat - China - in the beginning of February imposed temporary anti-dumping duties on products of US production. Ukraine has also been conducting antidumping investigation for one and a half year already. In spite of this Ukraine, unprotected neither by quotas nor by tariffs became the only market for export-oriented US poultry industry.

According to analysts, the situation for domestic companies is getting worse, because the cost of production continues to increase. Therefore, 1 kilogram of domestic poultry can not cost less than UAH 13 (USD 1.63/kilogram). In addition the cost is constantly rising due to increase of prices for forage, soybeans, natural gas and other goods. At the same time US poultry can be bought at the price of 11-12 UAH/ kilogram (1.38-1.5 USD/kilogram).

Simultaneous refuse of Russia and China to buy US poultry has led to reduction of prices for US products imported into Ukraine. Alexander Bakumenko forecasts that the prices will fall at least 2 times.

Source: Economic News Daily Newspaper (www.eizvestia.com)

Translated and edited by: usapeec.kz

Ukraine has banned imports of poultry from China, Myanmar, Nepal

Ukraine has banned imports of poultry from China, Myanmar and Nepal due to outbreaks of bird flu in these countries. The ban was introduced on February 19, 2010.

Source: State Veterinary Medicine Committee of Ukraine; Translated by: usapeec.kz

Moldova



Customs duties on imports of poultry meats to Moldova have increased from 100 to 300 Euro/MT, while on livestock - from 200 to 450 Euro/MT

On February 18, 2010 the Government of Moldova adopted a decision to increase customs duties on imports of beef and pork from 200 to 450 Euro/MT and for imports of poultry from 100 to 300 Euro/MT.

The Cabinet of Ministers has approved a relevant Draft Law initiated by the Ministry of Agriculture in order to protect domestic market and local producers from bulk imports of livestock products that are delivered to Moldova at low prices (due to the fact that production of these products are subsidized in the countries of origin). This leads to disloyal competition at the Moldavian market and the bankruptcy of domestic producers.

The Minister of Agriculture and Food Industry, Valeriy Kosarchuk, noted that despite the fact that the quality of domestically produced meat is much higher than the quality of imported ones, it fails to find a market because it can not compete on price. In this situation, some of the local meat producers, who have received loans from banks at high interest rates and invested them in reconstruction, equipment, modernization of livestock farms, are forced to reduce prices for the products, which leads to bankruptcy and failure of business.

The Head of the Ministry of Agriculture of Moldova said that importers of meat cause significant damage to the budget by deliberate undervaluing the cost of goods at customs. According to him, the increase in customs duties on imports of livestock products from 200 to 450 Euro/MT will not lead to inevitable increase in prices of meat for final consumers since even with high import duties the imported products will be cheaper than local ones.

Valeriy Kosarchuk pointed out that if the Government will not take measures to protect local producers, more than 50 companies, producing meat of the highest quality, will go bankrupt.

And as a result more than 25,000 people will be deprived of their means of livelihood and the country's budget will lose about 200 millions lei in taxes (about USD 16 million) per year. The goal of increasing of customs duties on imports of livestock products in Moldova is to restore economic balance between local meat producers and importers, stimulate production of animal products, so that to gradually replace imports, to increase budget allocations, to promote development of livestock industry in rural areas and to create new jobs.

The final decision will be taken by Parliament.

Source: Salut News Agency (www.salut.md); Translated by: usapeec.kz

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