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USAPEEC Outdoor AI Campaign in Kiev, Ukraine



Ukraine



Ukraine's new government to restore FEZ says Deputy Prime Minister Azarov

Ukraine's new government plans to reinstate tax privileges for certain regions and will consider increasing import customs, the First Deputy Prime Minister said in an interview published Monday, August 7. Both moves would be likely to benefit Ukraine's industrial sector, whose leaders are the dominant force behind new Prime Minister Viktor Yanukovich's Party of Regions, and could help boost the country's economy.

First Deputy Prime Minister Mykola Azarov laid out his top priorities in an interview. He said that three or four of Ukraine's so-called free economic zones will be restored. He didn't specify where, saying it would depend on where "big investment is truly located."

"When I hear speculations that we'll cause a huge hole in the state budget and missed revenues will be in the tens of billions, I want to say in answer: compared to other world economic zones, we are offering very few advantages, a thousand or hundreds of thousands time less than what you

see in, say, China," Azarov said. He added that the government would explore how it could compensate investors who suffered unexpected losses when the zones were canceled. - *Source: Associated Press*

Ukraine government plans tax cuts

Ukraine's new government will cut taxes, restore import tariffs and improve ties with Russia to raise economic growth rates into double digits, its Finance Minister said.

Mykola Azarov, who was also named as First Deputy Premier in Viktor Yanukovich's government, called on the Central Bank to support growth by pursuing a competitive exchange rate policy.

"The new government will start in 2007 to prepare a new tax reform," Azarov said during an interview published on the Web site of his political party, the Party of Regions. "I think 2008 will be the year for a real tax reduction".

Azarov confirmed plans to cut the tax on corporate profits to 20 percent from 25 percent and the value-added tax to 18 percent from 20 percent.

The new team also plans to reverse decisions by the previous government to cut import tariffs, reinstating some, Azarov said. He did not give details. - *Source: International Herald Tribune*

The following billboards were placed in Kiev on August 10th, 2006



USAPEEC Ukraine/Moldova AI Campaign will continue through out the year

The Minister of Agriculture predicts a decrease of the volume of meat imports to Ukraine by 3.7 times

According to Alexander Baranovskiy, meat imports to Ukraine will constitute 70,000 MT during the current year, which is less by 3.7 times in comparison with last year.

Domestic production of meat increased on 18.6%: poultry meat production increased on 33%, and pork on 44%.

State Custom Service reports, that in 2005 Ukraine imported 260,800 MT of meat and by-products to the amount of \$166.5 mln that is less by 26% in comparison with 2004.

According to the State Statistics Committee, 148,000 MT of poultry meat and by-products were produced in Ukraine during the first six months of the current year. The volume of pork production increased by 46,600 MT (+62%), beef by 51,800 MT (+0.2%). - *Source: www.mdoffice.com.ua; Translated & edited by: usapeec.kz*

The cattle and poultry livestock in Ukraine

According to Ukrainian State Statistics Committee the cattle livestock totaled 7,319,800 heads, which is less by 1.8% in comparison with same period of last year. The cow livestock decreased by 6.9% and to the amount of 3,656,900 heads, while pig livestock increased by 12.6% and constituted 7,779,800 heads. Sizeable recession in the number of cattle livestock was in Luganskaya (-14.2%), Kharkovskaya

(-9.3%) and Sumsckaya (-8.2%) regions. The poultry livestock increased by 3.4% in comparison with the same period of last year and totalled 199,046,600 heads. The amount of poultry livestock significantly increased in Kiyevskaya (+22.6%), Ivano-Frankovskaya (+19.2%) and Lyvovskaya (+11.2%) regions. - *Source: AgroNews.ru; Translated by: usapeec.kz*

Ukraine must decide on WTO accession by year's end - Yanukovych

Ukraine's prime minister urged ministers reach a decision on the country's accession to the World Trade Organization by year's end. Earlier, Viktor Yanukovych had pushed for the country's entry to the WTO as quickly as possible, but now says the decision has to be coordinated and thoroughly considered.

"The government's main task in 2006 is to decide on accession to the WTO," Yanukovych said. "We are just a step away from entering the WTO. We must take this step deliberately, together with society and the manufacturing unions."

Ukraine has been pursuing WTO membership for 13 years. Through a national unity agreement signed before a new government was formed two weeks ago, Western-leaning President Viktor Yushchenko persuaded leading politicians to push for WTO membership this year. Yanukovych said that the earlier date for WTO accession must not negatively impact Ukrainian manufacturers. "It would be wrong if we conceded on positions which would damage our market and our manufacturers"

He added that the government intended to consult Ukrainian manufacturers on the country's accession to the world's largest free trade organization. - *Source: RIA Novosti*

US Ambassador to Ukraine states Ukraine's accession into the WTO will bring investment influx

Meeting with Donetsk Governor Volodymyr Lohvynenko, US Ambassador to Ukraine William Taylor stated his conviction that Ukraine's accession into the WTO will be followed by an investment influx. In the Ambassador's opinion, Ukraine's three and a half years free of elections will bring stability to the nation, hence, more investments, Cabinet's press office reported.

Commenting on the Universal of National Unity, Mr Taylor noted that Ukraine's accession to the WTO will spur investments in the Ukrainian economy as only the nation's political stability can secure the advent of investors. Ukraine needs to complete talks with Kyrgyzstan and Taiwan for joining the WTO. -*Source: for-ua.com*

Moldova



Moldovan poultry sector vs. cheap imports

Experts from the Ministry of Agriculture and Food Industry and from the Avicola -Moldova state-run scientific-production association are unanimous in the opinion that the constantly growing imports of poultry meat is a real threat to the very existence of poultry enterprises in this republic.

According to Avicola Deputy Director Pavel Shevchok, 50,000 MT of poultry meat was imported to Moldova in 2005, and this was a heavy blow on the 25 poultry-growing factories in Moldova. "You see, the cost of the foreign-made meat delivered to the local market is 11 lei a kilo (all customs duties and the like inclusive), and this meat is retailed here at a price of 21 lei. Moldova-made meat is of a much higher quality, but the cost of its production is 18-19 lei/kg, so it is retailed at minimum 25 lei/kg", Shevchok explained. He is convinced that if the Moldovan Government really wants the poultry sector to survive, it should

undertake urgent measures to protect domestic producers. In particular, the association proposes to introduce an import duty of 300 euros per ton of foreign-made meat, "which is at no odds with the WTO requirements".

The Deputy Director said, "We cover the nation's demand in eggs completely. And we are quite able to fully meet the country's demand for poultry meat; as such technical facilities are available with our enterprises. ". This year, the Moldovan poultry sector is expected to produce 45,000 MT of meat and 800 mln eggs – which is 10 thousand tons of meat and 50 mln. eggs more against the year 2005.

According to the governmental program of poultry sector rehabilitation, by the year 2010 the annual meat output is to reach 70,000 MT, and egg production - 950 million, which is even more than enough to cover the small republic's domestic needs.

Production of chicken meat is planned to increase up to 75,000 MT by 2010. In 2005 Moldova produced 35,000 MT of chicken meat, planning to increase output to 40-50,000 MT in 2006. - *Source: Infotag*

Embargo for import of frozen products of animal origin came into force in Moldova

The resolution concerning steps of protection of consumers' rights accepted by the government in the end of July, 2006 which came into force after publication in "Monitorul Oficial" presupposes restriction of import of non-packed poultry meat and other stock raising production without label and inscriptions, information of the producer, licensed importer and also includes frozen production of animal origin which quality is impossible to estimate on the basis of national standards and which fitness term is less than 2/3 from the term presupposed by the producer.

According to the decision of the Moldovan Government import of sub products (liver, tongue, heart) is allowed only for the industrial processing according to the production programs of meat products or with the contracts coordinated with Ministry of Agriculture.

Sale of animal origin production will be allowed only in specially equipped places with control-cash machines.

Such steps are taken for protection of local producers and health of consumers. Import to Moldova mostly included sub products with the limited storage term. Besides this sausages were imported in frozen condition and not in proper packing. At the same time the products with quality not possible to define because of the absence of special equipment didn't have any information of the producer. The Deputy of the Minister of Agriculture and Food Industry noted that decision taken by the government would be valid after publication in "Monitorul Oficial". According to Custom Services in 2005 Moldova imported 50,000 MT of meat at the average price of 6850 lei per ton. (\$515/ton). Annual import of sub products constitutes 3 000 MT. - *Source: InfoMarket.md*

Decision N 966 of the Government of Moldova "On some consumer protection measures" – unofficial translation

To ensure better protection of consumers, the Government decrees:

- imports of all food products of animal origin are allowed only for the purpose of further industrial processing, in accordance with output plans for meat products and contracts agreed on with the Ministry of Agriculture and Food Industry;
- the Customs Department shall perform customs clearing of imported animal products solely in authorized warehouses in accordance with the legislation in effect after the products have been tested for compliance with current norms;
- products of animal origin will be marketed solely only by authorized commercial shops equipped with cash registers.

The following types of import are banned hereby:

- poultry and other products of animal origin which are not packed, do not have corresponding labels or information about producer and authorized importer in accordance with the legislation in effect;
 - frozen products of animal origin (cooked/scalded sausage, link sausages and wieners);
 - refrigerated products of animal origin whose quality can not be assessed based on national standards and/or technical regulations as well as those with less than two thirds of their shelf life/expiration.
- The Ministry of Agriculture and Food Industry shall re-examine the conditions for transportation,

storage and marketing of the products of animal origin by meat importers.

In accordance with the annex, two more items are added to the Register of Products Subject to Mandatory Certification adopted by the Government Decision N 1469 on December 30, 2004*

The Ministry of Agriculture and Food Industry, Ministry of Economy and Trade, Ministry of Health and Social Protection, the Customs Department, the Service of Standards and Metrology which shall control the execution of this decision and submit quarterly reports to the Government.

* The Annex adds two more lines to the existing list of sub products, including neat's and pork tongues, hearts, stomachs, other sub products, and same items for the poultry. - *Source: FAS Sofia Office*

The cattle and poultry livestock in Moldova increases.

An increase of domestic production in poultry farming remains in this year. 3,500 MT of poultry meat were produced during 5 months in the current year. New poultry farms were provided a subsidy (at the rate of 3.8 mln.lei) to import chicks of high quality. As a result, 14,700 MT of poultry meat, 305 mln. eggs offered for sale and 7.9 mln. eggs for hatchery were produced in these farms.

The poultry livestock increased from 22.5 to 25.4 mln. heads. in comparison with same period of last year. These positive changes were due to renewal of large cattle and poultry breeding farms in the regions. - *Source: APK-inform.com*

Moldova appoints new Ambassador to U.S.

Government approved the appointment of Nicolae Chirtoaca as Ambassador Extraordinary and Plenipotentiary of Moldova to the US.

Nicolae Chirtoaca, 53, had acted as presidential adviser on political affairs during 1991-1993. Since 1994 he headed the Euro-Atlantic Center Moldova. In 1999 he was consultant of Prime Minister Ion Sturza, and director of the Invisible College. In 1993 he was among the founders of the Liberal Party of Moldova. - *Source: www.moldova.org*