



MINISTRY OF INFRASTRUCTURE  
OF UKRAINE

# UKRAINIAN INFRASTRUCTURE: OPEN FOR INVESTORS

August 2017

# TABLE OF CONTENT

INTRODUCTION	3
1.SEA & RIVER	5
2.AIRPORTS	12
3.ROADS	16
4.RAILWAYS	21
5.POSTAL SERVICES	24
PARTNERSHIP	

# UKRAINE AT GLANCE

## Location:

Borders Poland, Romania, Slovakia, Hungary and Moldova in the west, with Belarus and Russia to north and east, and via the Black Sea, Bulgaria, Georgia and Turkey to the south

## Area:

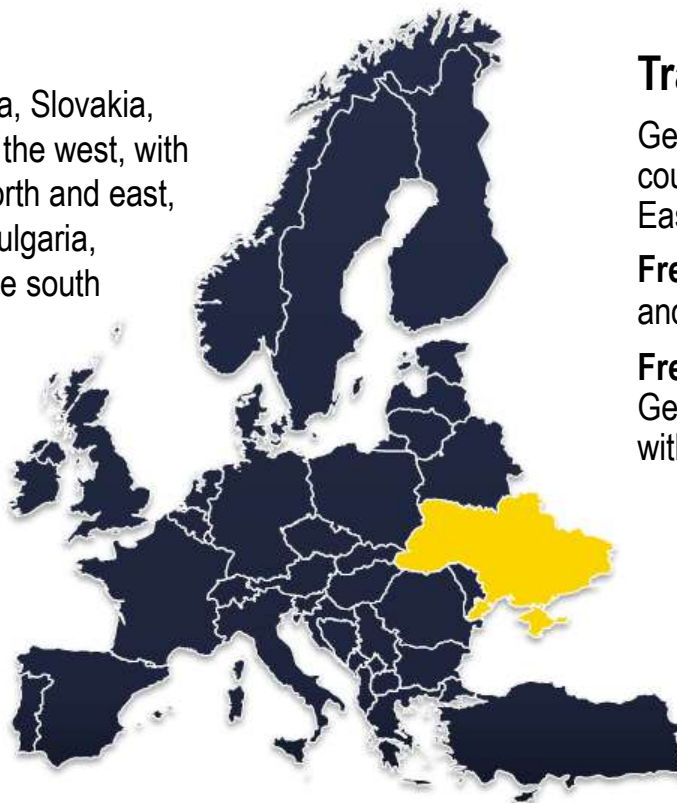
**603 500** square kilometers.  
Largest country within Europe

## Population:

**42.8** million people.  
**70%** urban-based

## Workforce:

**20** million people.  
**#1** country in the CEE by the number of engineering graduates



## Trade:

Geographical **center of Europe**, making the country an ideal trade hub to the EU, Middle East and Asia

**Free trade agreement** (DCFTA) with the EU and member of the WTO

**Free trade:** EU, CIS, Canada, EFTA, FYROM, Georgia, Montenegro. Ongoing negotiations with Israel, Turkey

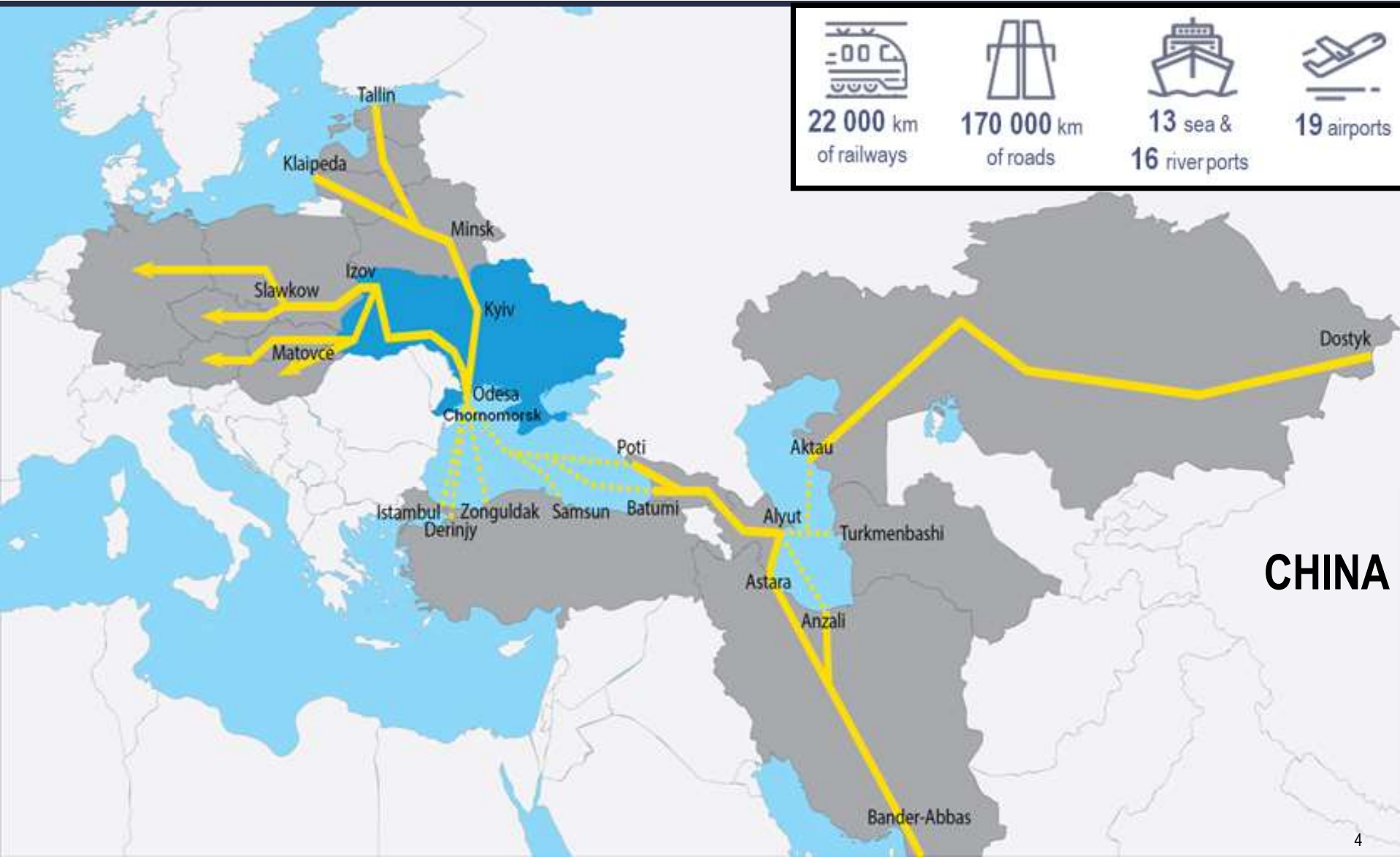
## GDP (PPP):

**\$341** billion in 2015.  
Top-50 economy globally

## Average salary:

**\$250** per month.  
Most cost-competitive manufacturing platform in Europe

# UKRAINE – transit bridge between the EU and ASIA

**CHINA**



# SEA & RIVER

An aerial view of a large port facility. In the foreground, there are numerous stacks of colorful shipping containers in shades of blue, red, yellow, and green. Several large gantry cranes with white and blue structures are positioned along the waterfront. A road with a few vehicles, including a white van, runs through the middle of the container yard. In the background, a body of water is visible under a cloudy sky.

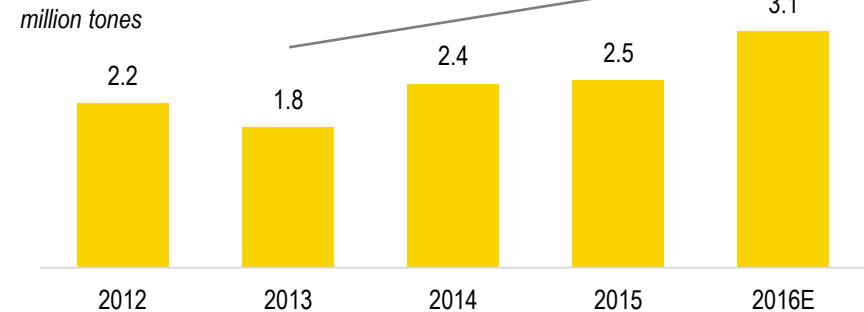
# CONCESSION OF STEVEDORING COMPANY "OLVIA"



## Key facts

- Total area of the seaport: 178.8 ha
- Outdoor storage: 277 200 m<sup>2</sup>; indoor storage: 41 135 m<sup>2</sup>
- Total berth length (7 berths): 1.53 km Depth near berths: 9.75-11.5 m
- Total processing capacity of the port is about 3 mln tones
- Main cargos: construction materials, ferrous metals, grain
- Train station capacity is 828 wagons / day

## Cargo turnover



Revenue (2016)  
**\$15.4 mln**

EBITDA margin (2016)  
**47%**

Cargo turnover (2016)  
**3.1 mln tones**

**Unique opportunity for the concession in Black Sea region**

# CONCESSION OF COMMERCIAL SEA PORT KHERSON



Located on both banks of the Dnieper river (key inland waterway in Ukraine) 15 km away from its mouth, 28 km from the Dnieper-Bug estuary and 90 km from the Black Sea.

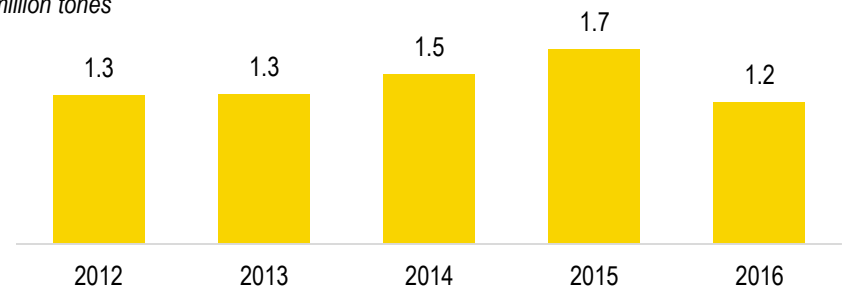


## Key facts

- Total area of the seaport: 47 ha
- Outdoor storage: 38 560 m<sup>2</sup>; indoor storage: 12 328 m<sup>2</sup> including 3 silos of 608 m<sup>2</sup> and 12 000 tonnes capacity
- Total berth length (4 berths): 600 m
- Depth near berths: 6.9-8.2 m
- Total processing capacity of the port is about 2.5 mln tonnes
- Main cargos: grain, construction materials, food products, mineral fertilizers
- The port has a sand pit with total reserves of 12 mln tonnes

## Cargo turnover

million tonnes



**Revenue (2016)**  
**\$7.9 mln**

**EBITDA margin (2016)**  
**14%**

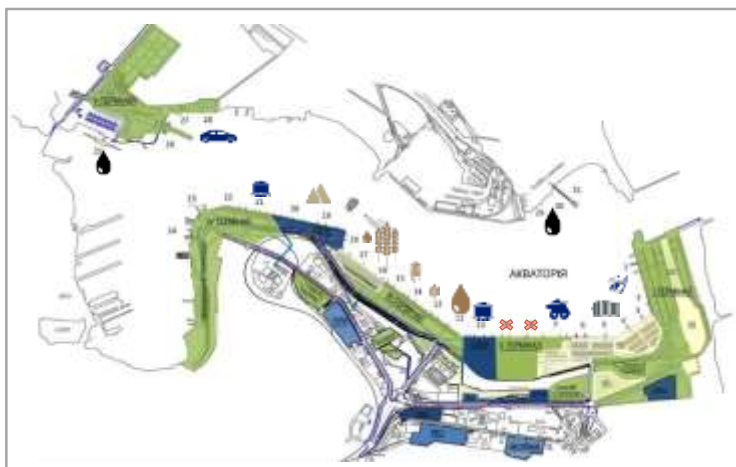
**Cargo turnover (2016)**  
**1.2 mln tonnes**

***Future potential for development of multimodal cargo hub***

# STATE STEVEDORING COMPANY “CHORNOMORSK”



Located at  
Sukhoi  
estuary, 12  
miles to the  
South-West  
from Odessa

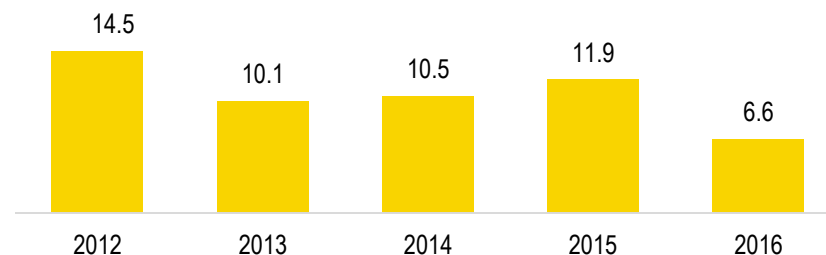


## Key facts

- Total area of the seaport: 302 ha
- Outdoor storage: 356 000 m<sup>2</sup>; indoor storage: 10 000 m<sup>2</sup>
- Total berth length (28 berths): 5.5 km
- The port has 5 deep-water berths with depth of 13-13.5 m, the other berths have depth 4.5-11.5 m
- Total processing capacity of the port is about 30 mln tones, 1.15 mln TEU, 254 000 auto vehicles
- Main cargos: grain, iron ore, autos

## Cargo turnover

million tones



**Revenue (2016)**

**\$44 mln**

**EBITDA margin (2016)**

**24%**

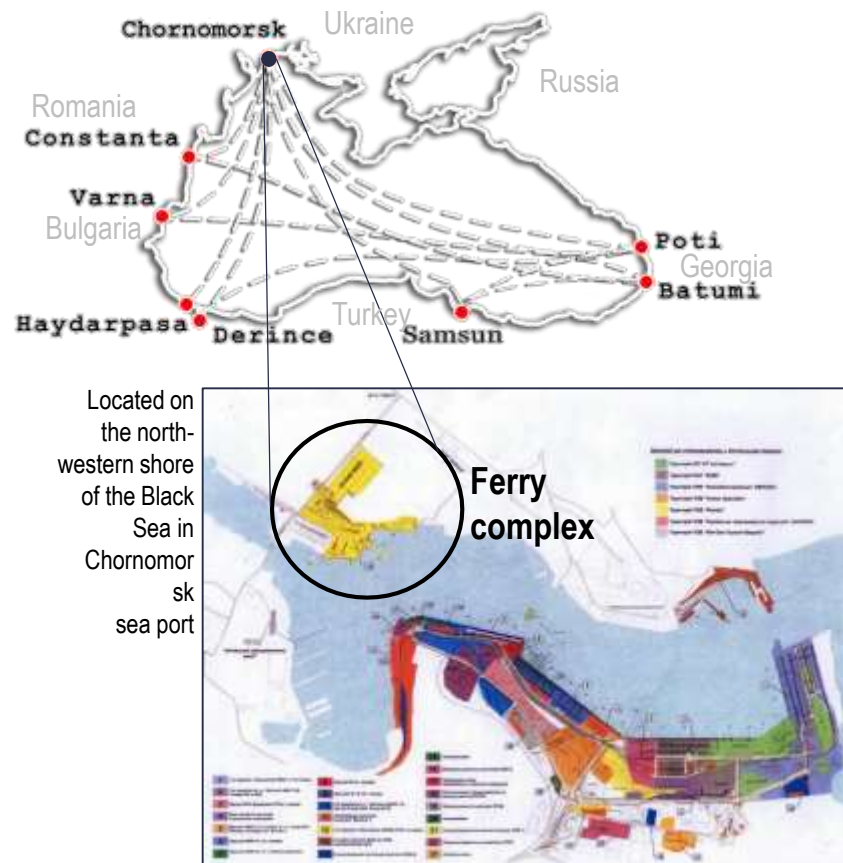
**Cargo turnover (2016)**

**6.6 mln tones**

***Terminal-oriented concession opportunities in the biggest sea port of Ukraine***



# CONCESSION OF THE RAILWAY FERRY COMPLEX OF CHORNOMORSK SEA PORT



## Key facts

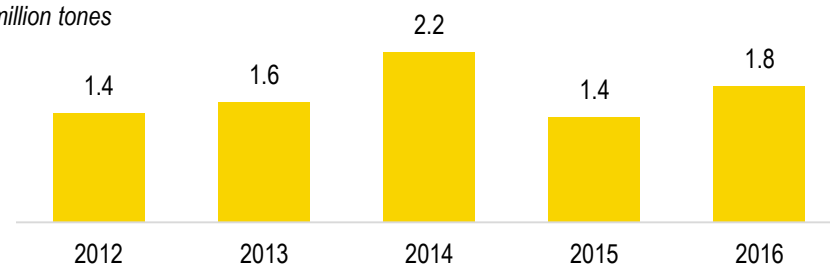
The Railway Ferry Complex is a part of Sea Commercial Port “Chornomorsk”

The only facility in Ukraine, which handles rail and auto ferry lines, as well as “ro-ro” vessels

- It has two berths (#26, 27) with total length of 210 m and one “ro-ro” berth with total length of 269 m (#28)
- The depth of port berths is 9.7 m
- Total handling capacity is 4.5 mln tones of cargoes in wagons, 150000 trucks and 250 000 vehicles per year
- The complex is a part of rail ferry lines functioning on the Black Sea and the “New Silk Road” trade corridor

## Cargo turnover

million tones



**Revenue (2016)**

**\$3.7 mln**

**EBITDA margin (2016)**

**37%**

**Cargo turnover (2016)**

**1.8 mln tones**

***Niche and unique potential for development of Silk Road logistic***

# CONCESSION OF YUZHNIY SEAPORT

*The deepest port of Ukraine with export orientation*



Located on the northwest coast of the Black Sea, in Small Adzhalyk (Grigorievsky) estuary, 30 km north-east from Odessa

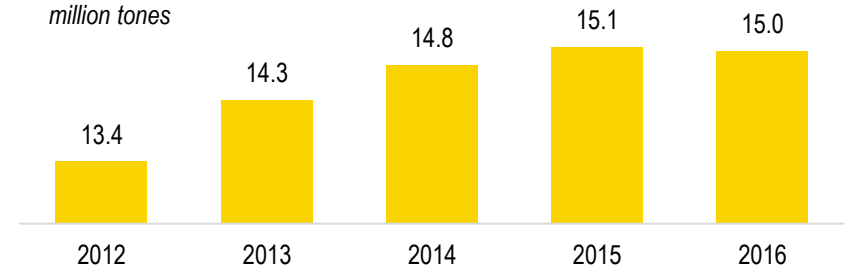


## Key facts

- Totally handled in the port 48.6 mln tones in 2015, including 15 mln tones by the state seaport operating company
- The depth of the main piers is 14 meters, there are two deep-water berths with a depth of 18.5 meters capable of accommodating Capesize vessels
- It has 7 berths with anchorage capacity of 24 vessels
- Open storage yards cover 185 500 m<sup>2</sup>, sheltered warehouses – 2000 m<sup>2</sup> (1 mln tones storage capacity)
- Loading intensity is 40 000 tones/day, 650 cars/day
- Main cargos: chemicals, ore and general cargoes including coal, metal, cast iron, pellets, palm oil, carbamide, ammonia, methanol, crude oil and grain

## Cargo turnover

million tones



Revenue (2016)

**\$68 mln**

EBITDA margin (2016)

**49%**

Cargo turnover (2016)

**15 mln tones**

*\* 20 April 2017 China Harbour Engineering company Ltd. has won the tender on dredging at berths № 23, 24, 25 on total \$40,2 mln.*

# PRIVATIZATION OF UKRAINIAN DANUBE SHIPPING COMPANY



## Key facts

- Danube Shipping Company is one of the largest shipping companies both in Ukraine and in the Danube region.
- It has sea and river vessels, operates close to Reni, Izmail and Ust-Danube ports, which allows it to create a transportation hub on the Black Sea
- The Company's fleet consists of 75 self-propelled and 245 non-self propelled vessels, including:
  - River barges with carrying capacity 1 000-2 300 tones
  - River push-tow boats with the capacity of 1 050-3 000 hp
  - Self-propelled vessels with the capacity of 1 814 tones
- It also operates a fleet of foreign JV companies consisting of 125 vessels
- Handles 2.7m tones of cargo per year and provides 20% of all Danube shipping

**Revenue** (2016)  
**\$25 mln**

**EBITDA margin** (2016)  
**3.6%**

**Cargo turnover** (2016)  
**2.8 mln tones**

***One of the largest shipping companies in the region***

# AIRPORTS

An aerial photograph of a large airport terminal building with a long, curved, glass-and-metal facade. Several aircraft are parked at gates along the terminal, with ground service equipment visible. The tarmac is paved and marked with yellow lines. In the background, there are green fields, trees, and some urban buildings under a clear sky. The word "AIRPORTS" is overlaid in large, bold, black capital letters on the left side of the image.



# CONCESSION OF BORYSPIL AIRPORT

The airport is located 18.5 km east from Kyiv city at an intersection of many air routes running from Asia to Europe and America



**Revenue (2016)**  
**\$131 mln**

**EBITDA (2016)**  
**73%**

**Passengers (2016)**  
**8.6 mln**

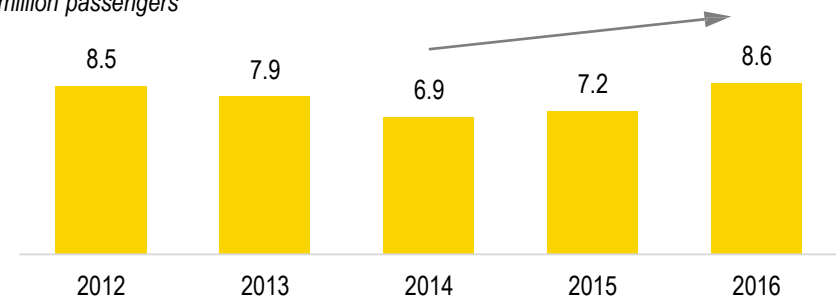
**The largest airport in Ukraine**

## Key facts

- The largest by volume airport, serving 65% of passenger air traffic, all intercontinental flights and a majority of international flights
- It is among the top-3 best airports in East Europe
- It has 2 runways, 4 passenger terminals with total capacity of over 5000 passengers per hour and 1 cargo terminal with 9 warehouses and total area of 14 580 m<sup>2</sup>
- Facilities are used by 33 airlines, which provide 76 regular flights
- Passenger flow reached a record of 8.6 mln passengers in 2016
- Short-stay car parking facilities available at the terminals B and F, first multi-storey car park at the biggest terminal D is under construction

## Passengers flow

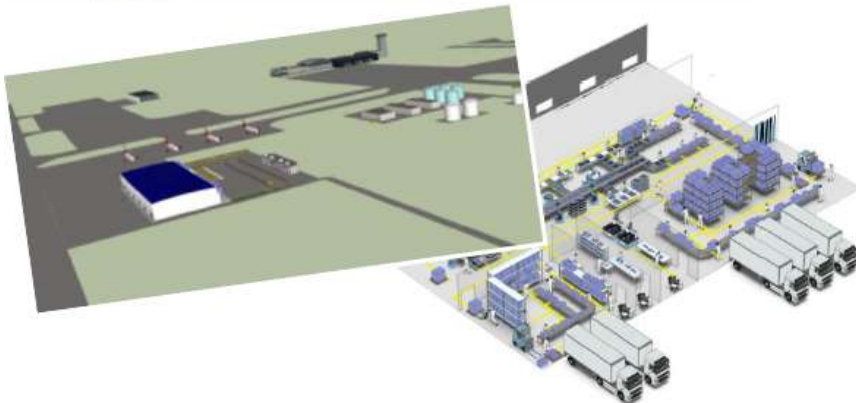
million passengers





## SUBPROJECT IN BORYSPIL AIRPORT

### Cargo terminal



### Key facts

- Total existing area of 14 580 m<sup>2</sup>
- 9 warehouses with total area of 5 072 m<sup>2</sup> Cold storage area of 450 m<sup>2</sup>
- Current capacity: 2 686 pallets, 805 tones/day
- Cargo transportation requires construction of new modern cargo terminal with:
  - New road access to the terminal
  - Parking places for TIRs
  - Special temperature storage facilities
  - Appropriate infrastructure for clients
  - New automated control system
  - IT systems, CCTV system, to comply with airlines requirements

**Investments**  
~\$900 per m<sup>2</sup>

**1<sup>st</sup> stage**  
up to 10 000 m<sup>2</sup>

**Cargo turnover**  
30 100 tones

**Development of modern cargo facilities in the biggest airport of Ukraine**

# LVIV AIRPORT



Located 6 kilometers from central Lviv, close to the western border of Ukraine

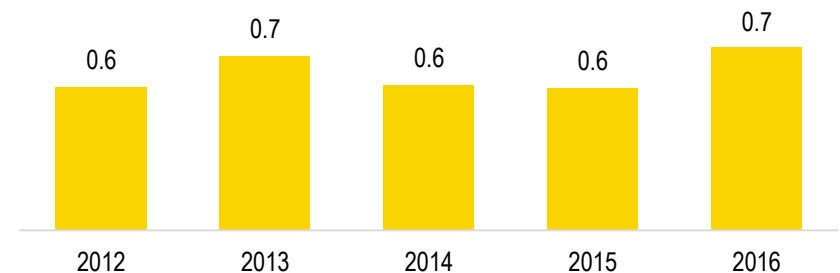


## Key facts

- Lviv Airport is the biggest airport in the Western part of Ukraine with terminal area of 47 233 m<sup>2</sup> and runway of 3 305 m
- Airport has 9 departure gates and 1 125 parking places Hour
- capacity: 2 000 PAX
- 32 regular flights go through Lviv Airport and it provides up to 80% discount for new regular flights
- In 2013 Lviv Airport was awarded with the “Best CIS Airport” title on the forum “Development of Airports in Russia and CIS”
- Car parking has 238 parking spots

## Passengers flow

million passengers



**Revenue (2016)**

**\$11 mln**

**EBITDA (2016)**

**40%**

**Passengers (2016)**

**738 000**

***The biggest airport in Western Ukraine with close proximity to the EU***



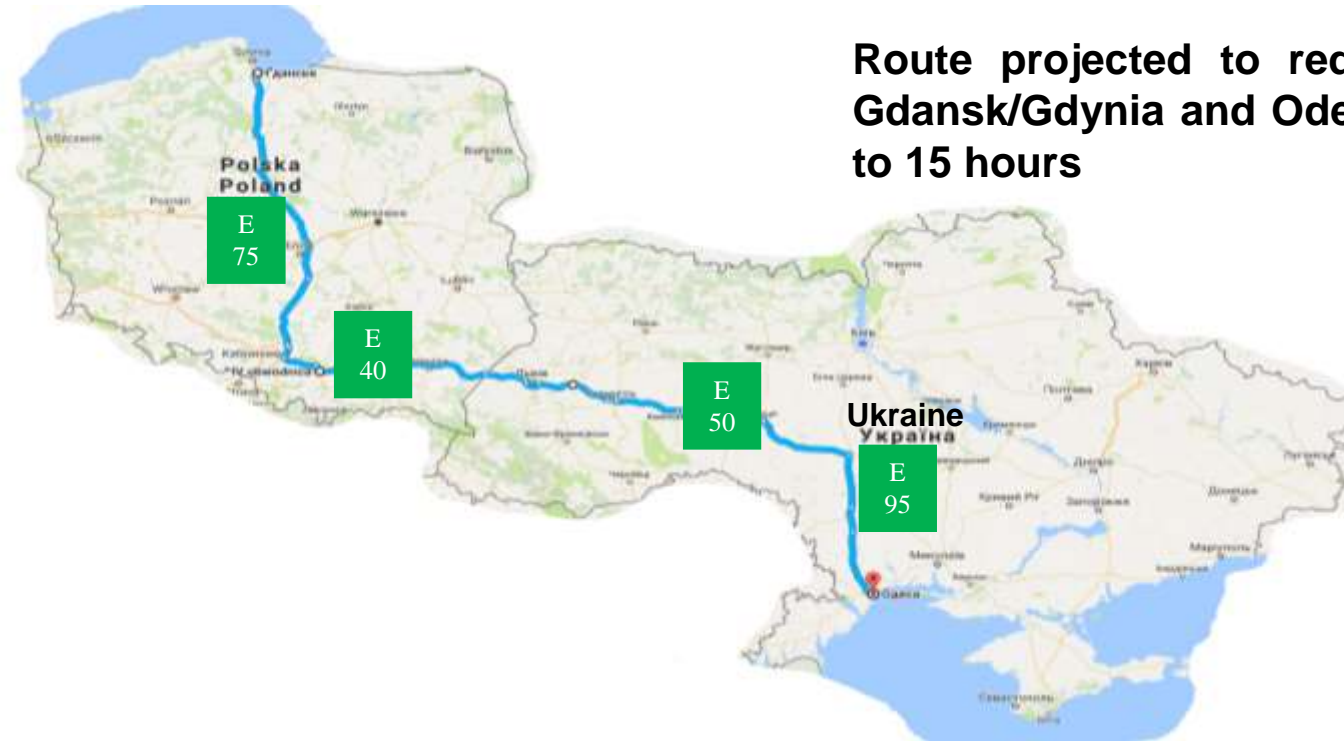
**ROADS**



## ROAD CONNECTIONS

### GO 'GDANSK/GDYNIA-ODESA' HIGHWAY PROJECT

Route projected to reduce transit time between Gdansk/Gdynia and Odesa seaports from 23 hours to 15 hours



#### Benefits

- Improves speed rate for cargo flows
- Reconstruction of road from Category-2 upgrading to Category-1
- Includes construction of bypasses around residential areas

**Total project cost:**  
**1 889.3 mln. EUR**

# KYIV RING ROAD CONSTRUCTION



**Total length**  
**149 km**

**Timeline**  
**4 years**

**Investments required** (2009 est.)  
**\$6.8 bln**

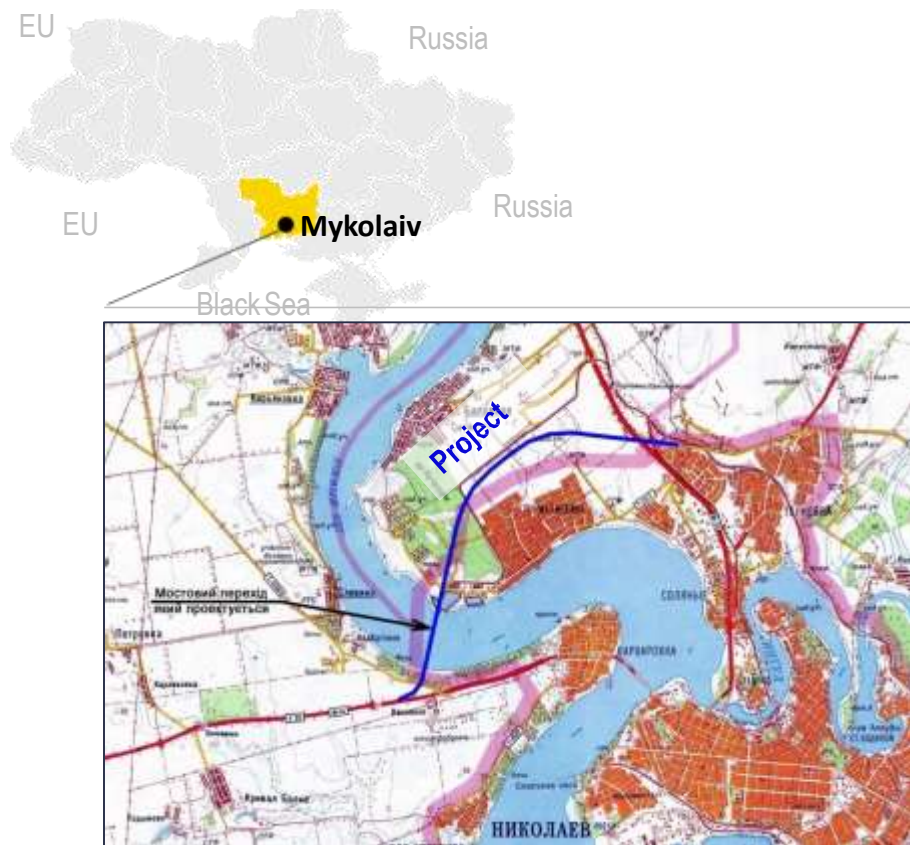
## Key facts

- Kyiv region has the most intensive traffic
- The traffic flow across Kyiv reached 30 000 cars per day (2011 estimated)
- Today the freight traffic is moving from Odessa and Yuzhnyi seaports via Kyiv to Europe
- The 1<sup>st</sup> stage of the project will connect Odessa direction with the airport Boryspil, with the total road length of 93.5 km, category 1A with 4 lines, 3.75 m width, 12 transport interchanges in two levels, 1 bridge across Dnipro river and 3 small bridges
- Total road length to be build is 149 km with 35 interchanges, 50 overpasses, Norther and Southern bridges over the Dnieper river, Bridge over the Desna river, 42 roadside services
- The project is expected to unload Kyiv from freight transit transport

***Traffic growth requires the construction of new roads and bridges to unload the city***



# CONSTRUCTION OF THE BRIDGE ACROSS THE SOUTHERN BUH RIVER IN MYKOLAIV



## Key facts

- Existing road runs through Mykolaiv city across Southern Buh river by the city drawbridge
- The drawbridge was built in 1964 and is located on the main road M-14 Odessa-Melitopol-Novozovsk
- It hinders the traffic in the city while opening for ships passing and has limited capacity for cargo and urban traffic combined
- The nearest bridge across the river is 90 km upstream
- The axis of the new bridge is planned outside Mykolaiv city that will provide traffic unload
- The total length of the bridge with access roads – 13.2 km including 2.05 km of the bridge
- Category of the road is I (B) with: 4 traffic lanes, 2 road junction, 10 bridges
- Estimated total construction cost: \$130 mln (estimated based on average FX rate: 27.2 UAH/USD)

Total construction costs

**\$130** mln

Timeline

**5** years

Traffic

**34 175** cars/day

***An important bridge to bypass the city center designed to relieve commercial traffic***

## CONSTRUCTION OF THE BRIDGE AND M-22 APPROACH ROAD IN KREMENCHUK (POLTAVA OBLAST)



Road Network in the Project Area

Estimated construction costs

**\$330 mln**

### Key facts

- 21 March 2017 MoU between State Road Agency of Ukraine and China Road and Bridge Corporation on project was signed
- Ukrainian side considering obtaining preferential loans and preferential PRC government export consumer loan to implement the project



Bridge Position over Dnieper River

***An important bridge to bypass the city center designed to relieve commercial traffic***



# RAILWAYS

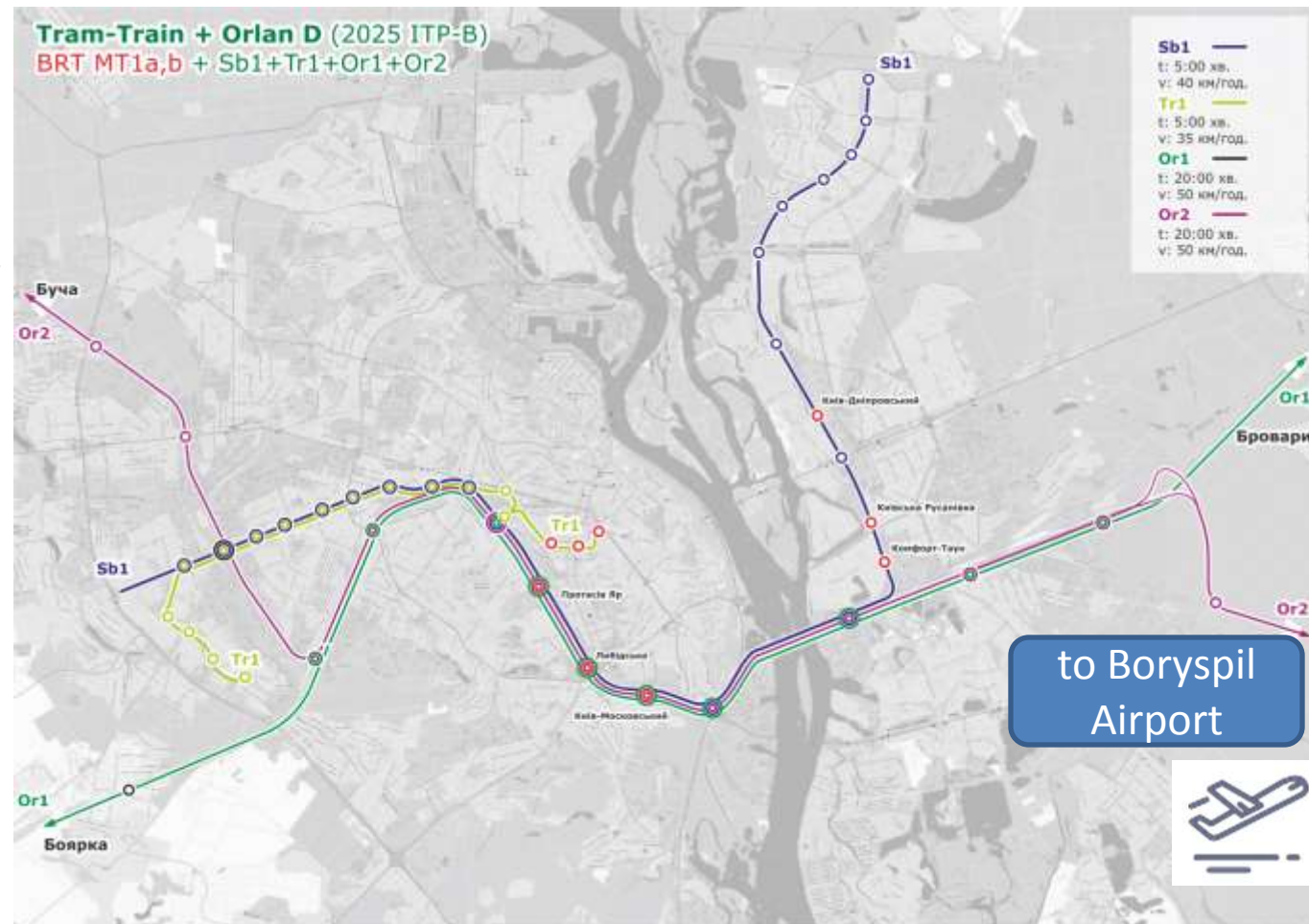


## RAILWAY CONNECTIONS

### Organization of passenger rail connection between Kyiv city and International Airport “Boryspil” – “Air Express”

#### Updated solution:

- Implementing the Light Rail Public Transport System in Kyiv
- +
- Connection with satellite towns and Boryspil International Airport

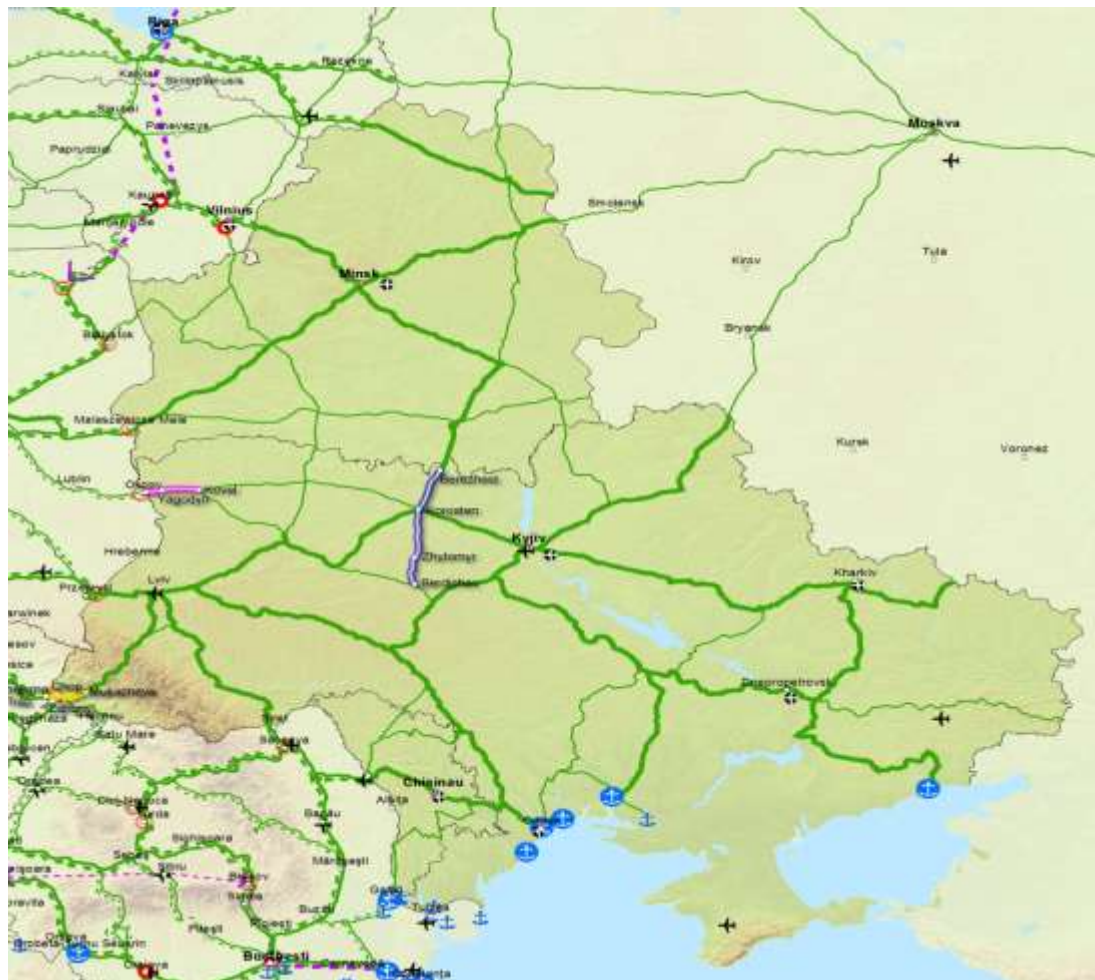


Estimated construction costs

**\$300** mln



## RAILWAY CONNECTIONS



**Electrification of the railway section Berdychiv – Korosten – Berezhest**

**Cost – 139,6 MLN. EUR**

**Modernization of the railway gauge 1435 mm on the section Kovel – Yagodyn – state border with further electrification**

**Cost – 50 MLN. EUR**

**Restoration of passenger connection Mukachevo – Chop – Zahony (Hungary)/Chierna-nad - Tisoj (Slovak Republic)**

**Cost – 6,4 MLN. EUR**



# POSTAL SERVICES

A high-angle, wide shot of a large, industrial postal sorting facility. The space is filled with rows of blue metal carts, each loaded with large orange mailbags. Workers in orange uniforms are seen moving through the aisles, managing the flow of mail. The facility has a high ceiling with industrial lighting and structural beams. The overall scene conveys a sense of organized, large-scale logistics.

# NATIONAL POST OPERATOR “UKRPOSHTA”

## The biggest retail in Ukraine...

- 11 700 branches
- 28 mln clients out of 44 million population
- #1 company in parcels and letters
- \$1 bln of communal payments
- \$4 bln of retirement payments



**Computerization of  
the network is crucial**  
CAPEX  
up to **\$15 mln**

## ...with huge growth potential...

- 76 000 employees
- 3<sup>rd</sup> largest employer in the country
- 3 600 cars and trucks



**Truck fleet  
renovation is needed**  
CAPEX  
up to **\$100 mln**

## ...and investment needs

- 1.3 mln m<sup>2</sup> of real estate in the smallest villages of Ukraine



**New sorting centers  
required**  
CAPEX  
up to **\$150 mln**





**PARTNERSHIP**

# STRATEGIC INVESTORS ARE COMING...

## ALREADY



GLENCORE



BUNGE



Louis Dreyfus  
Commodities

## IN PROGRESS





# **MINISTRY OF INFRASTRUCTURE OF UKRAINE**

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