

ODESSA CITY



INVESTMENT PASSPORT

This document is a comprehensive newsletter that contains the main indicators of social and economic development of the city, as well as other information about the city and provides investors with an idea of its investment climate and investment opportunities.



WELCOME ALL WHO ARE INTERESTED IN DEVELOPMENT AND LIFE OF ODESSA CITY!

The history of our city is an integral part of formation of the Ukrainian state.

During over 220 years of its existence Odessa has turned from a small port village on the Black Sea coast into an industrial, transport, educational, scientific and cultural center of the southern Ukraine, as well as the nationwide recreation center.

Today, the city authorities continue making efforts for establishing Odessa as a multifunctional regional business and tourism center with high quality living standards.

The strategic objective of social and economic development of the city is transformation of Odessa into a city where you want to live.

In order to achieve this goal, powerful scientific and production potential has been concentrated and is developing in the city, enterprises of the city are considerable taxpayers to the state and local budgets.

*Odessa being attractive as a city comfortable for business and living is confirmed by being assigned the **rating of investment attractiveness of Odessa at invA+ grade «High investment attractiveness»** by the leading rating agency IBI-Rating.*

The city is open for further cooperation and establishing of constructive business relationships with investors, representatives of business circles and all who care about development of the city, as well as the country.

We are inviting you to become better acquainted with Odessa!

*Sincerely,
Genady Trukhanov
City Mayor*

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PREAMBLE

The development strategy of Odessa until 2022 is the main document that reflects the most important priorities of the city development. Mission: Odessa is a city where you want to live.

Odessa – 2022



Competitive city

formation and development of a competitive city, convenient for doing business and attractive for investing



Transport hub and business center of the Black Sea region

turning the city into a large transport and logistics hub, as well as an international business center



City of high quality and efficient infrastructure

ensuring comfortable living conditions in the city, improving the quality of housing and communal services, as well as the quality of road and transport provision



Hospitable city

formation and development of a competitive tourist complex, creation and promotion of the city tourist products in the tourism market



Pearl by the sea (history, cultural identity and architectural appearance of the city)

revival of the historical center of Odessa, preserving its cultural identity and architectural appearance



Environmentally safe city. The city of healthy people

ensuring environmental well-being of the city, efficient medical care, active longevity of Odessa residents



«Smart city» (modern technologies of the city management)

creation of an efficient system of management of the city economy, which will simplify interaction with residents and increase their confidence in the city authorities



City of intensive capital construction

providing Odessa residents with decent living conditions



The city of strong community that cares about every Odessa resident

ensuring real participation of Odessa residents in the management and life of the city, providing Odessa residents regardless of their financial status, age and physical state with conditions for a fulfilling life



City of happy childhood

creating decent conditions for up-bringing and education of future generations

Facts about Odessa city

3rd place

by number of residents among cities of Ukraine

1st place

in the rating of the most favourable cities for business in Ukraine



Investment brand of Odessa

uaA

Credit rating

3rd place

in the list of the most beautiful cities in Ukraine

16th place

by the level of living standards in Ukraine

One of the largest transport hubs of Ukraine

invA+

High investment attractiveness

GEOGRAPHICAL CHARACTERISTICS

The city of Odessa is a city of regional importance, administrative, economic and cultural center of Odessa region, located in the far south of Ukraine 30 km from the mouth of the Dniester River on the Black Sea coast. The city foundation date is 2 September 1794.



Map of Odessa region

The city is located within 30 km of the so-called breeze none, which is influenced by the Black Sea. In this zone, the climate is much milder and the weather is less stable. Due to these factors the climate of Odessa city is transitional from continental to marine. The winter is short and not severe, and it begins slowly.

The city comes out to the sea with its eastern and south-eastern borders. In the southwest it borders on Suhy firth, in the north-east it border on Khadzhybey Firth and Kuyalnyk Firth, respectively. The relief of the territory of Odessa is a coastal plateau with a slight inclination (4%) towards the sea.

Odessa is classified as a territory of increased complexity for engineering and building development, which is primarily due to its location on calcareous sediments. Odessa catacombs (network of underground passages and labyrinths), located under the city, are up to three ths km long. By seismic scale, Odessa belongs to the 7-point hazard zone.

The main peculiarity of Odessa geographical location is its seaside and borderline location. The city is located in the territory of the region, which borders with the Republic of Moldova in the west, with Romania in the south, with Vinnitsa region and Kirovograd region in the north, and Mykolaiv region in the east, respectively. The distance to Kyiv is 474 km, Istanbul – 1,100 km, Warsaw – 1,231 km, Berlin – 1,799 km.

Odessa is located at the crossroads of international trade routes from Europe to Asia, particularly, from the Central Europe and the Northern Europe to the Middle East.

The sea port located in the city is multifunctional and meets the largest ports class criteria. In addition to the seaport, the city function of transportation and foreign trade is supported by the available advanced railway, aviation and pipeline infrastructure.

The unique location of the city is enhanced by formation of the unified transport system of the Black Sea Economic Cooperation (BSEC), as well as creation of transport corridors of transcontinental importance within the European transport network. The broad access to the Azov Sea and the Black Sea basins and the major routes of such rivers as the Danube, the Dniester and the Don determine advantages of Odessa city in terms of its transportation and geographical position.

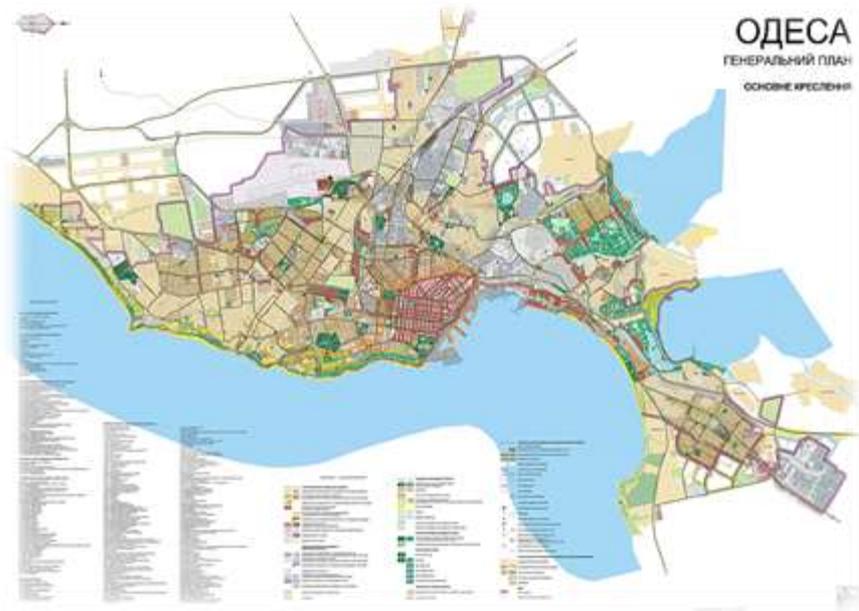
Odessa performs the following functions in the economy of the state and the region:

- main seaport with the powerful port and industrial complex;
- powerful transport hub with the developed transport infrastructure;
- major industrial center with developed engineering, chemical, oil processing, food and light industries;
- center of market infrastructure and business services: mediation, distribution, credit and financial, insurance, consulting and marketing services;
- regional and national center of education and science, research and technical developments and innovation activity;
- sanatorium and recreational tourist center, center of international tourism;
- center of foreign economic activity.

Because of these peculiarities, the city is positioned as a large multi-functional center of the southern Ukraine with the developed industrial complex, the largest seaport of the country, as well as significant tourist and recreational potential.

CITY MANAGEMENT

MASTER PLAN



Master plan of Odessa city

In order to determine the principles of development, planning, construction and other uses of the territory of Odessa city, the city authorities have approved the Master Plan of Odessa, which envisages formation of the city as a multi-functional city integrated into the global economy and the Ukrainian economy, i.e. the main contact center of the Black Sea region, where high quality environment for life of the population in new social and economic conditions will be achieved on the basis of sustainable development.

The main concept of the elaborated Master Plan is the following scenario of the city development:

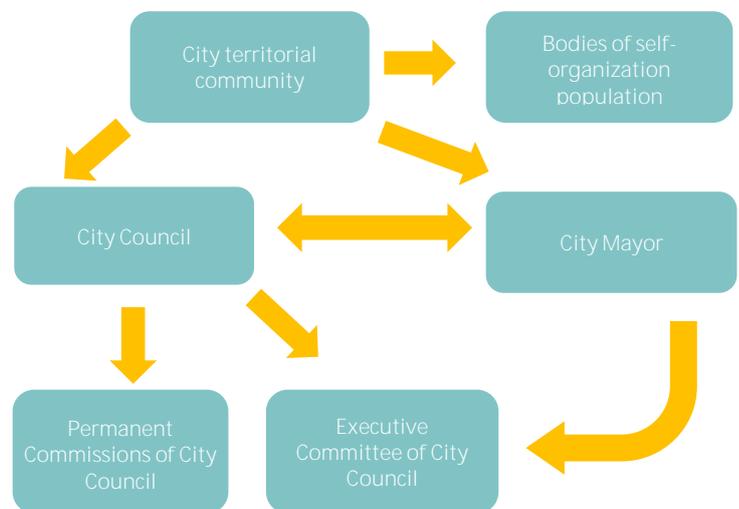
«Odessa is a multifunctional business and tourism regional center»

with the key role being assigned to scientific and information, cultural, tourism and innovation scenarios.

SYSTEM OF LOCAL AND SELF-GOVERNMENT

The system of local government in Odessa is typical for Ukraine. The powers and functions of local government bodies are defined by the Constitution of Ukraine, laws of Ukraine «On Local Self-Government», «On Election of Members of Parliament, Local Councils and Village, Town and City Mayors», «On Bodies of Self-Organisation of Population », the European Charter of Local Self-Government and the Statute of the city.

The system of the administrative-territorial structure of Odessa is composed of its districts. Establishing and abolishing of districts is carried out by Odessa City Council. The city territory is divided into four districts: Kyivsky, Malinovsky, Primorsky and Suvorovsky. District administrations, which are executive bodies of Odessa City Council function in each of these districts.



Organizational and legal form of local self-government of Odessa City

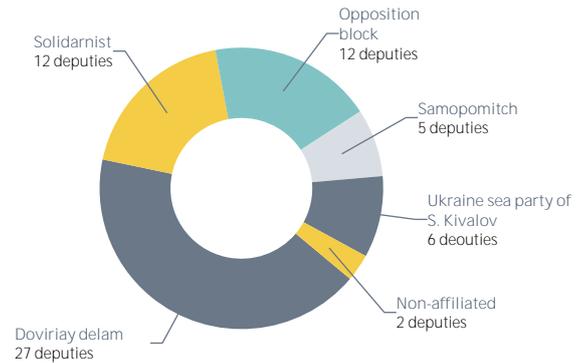


It carries out local self-governance both directly and through the City Council, the city district councils, City Mayor, by electing deputies of the City Council, the city district councils, the City Mayor, as well as by decision-making on the early termination of their powers. Territorial communities comprise all the residents of the city who are citizens of Ukraine and who have voting rights in local elections and are duly registered in the city. Territorial community through local self-government bodies resolves all local issues that are related to the vital activity of members of the city territorial community, as well as the development of the city, which fall within the competence of local self-governments.



It is a local self-government body that represents the city territorial community and carries on its behalf and in its interests functions and powers of local self-government. The City Council resolves all the key issues of the city development, including managing the land and the property owned by the territorial community. The City Council is formed through a free election for a period of five years and is accountable and responsible to the territorial community, it carries out its activities by holding sessions, as well as by conducting meetings of permanent commissions. Deputies of the City Council can unite in deputy groups, factions and other voluntary deputy associations.

The structure of the Odessa City Council includes 64 deputies.

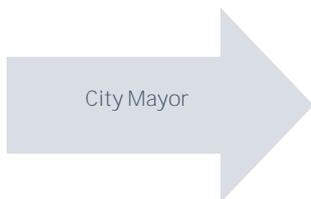


Structure of Odessa City Council



They are formed by the City Council with the aim of studying, preliminary consideration and preparation of matters that fall within its competence, monitoring the implementation of decisions of its board and executive committee, as well as for facilitating the implementation of these decisions.

The following permanent commissions function in Odessa City Council: on planning, budgeting and financial issues; on communal property issues; on economic, investment policy, trade, international relations and information technology issues; on transport, road economy, communications and sea economic complex issues; on social policy and labour issues; on land management and land legal relations; on planning of territorial construction, on urban design and architectural issues; on housing and communal economy, environmental and emergency situations issues; on the rule of law, deputy ethics and implementation of regulatory policy issues; on health care; educational, sports and tourism issues.



He is the main official of the community, presides over its meetings and ex officio heads the City Council Executive Committee. The City Mayor is elected by the territorial community members by a free election for a period of five years. The City Mayor appoints and dismisses heads of divisions, departments, enterprises, institutions and organizations that belong to communal property, except for heads of primary, secondary and extracurricular educational establishments.

By the results of the regular elections of Mayor of Odessa city, which took place on 25.10.2015, Mr. Trukhanov Gennadiy was elected for the City Mayor.



It is an executive body of the City Council, accountable to and supervised by the City Council, and is formed for the period of powers of the City Council. The Executive Committee must include the City Mayor, deputies of the City Mayor on issues of activities of the executive bodies of the City Council, an administrative manager of the Executive Committee. The Executive Committee makes decisions within its competence and its decisions are mandatory for all the enterprises and institutions located in the city, its officials and citizens. Once the term of powers of the City Council has expired, its Executive Committee shall hold office until a new composition is formed.



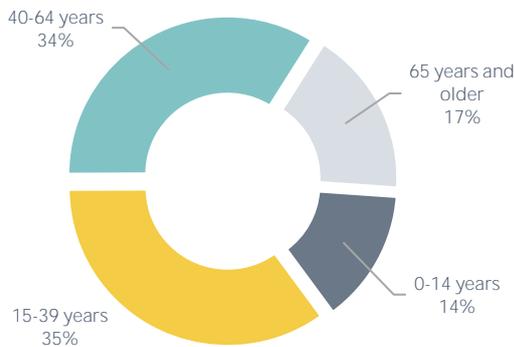
These are representative bodies organized by the city residents in order to promote the creation of conditions for the realization by every city inhabitant of their rights to participate in the local self government.

ECONOMIC DEVELOPMENT

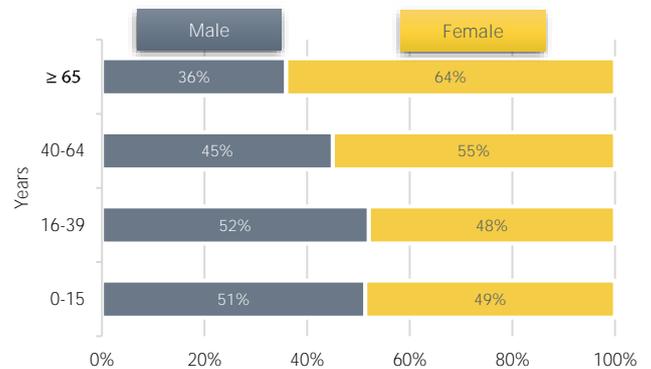
POPULATION AND EMPLOYMENT

The city of Odessa has significant employment potential. Working-age population between 15 to 65 account for about 70% of the population (which is by 2 p.p. higher than the average value in Ukraine), while the average number of full-time employed account for 25%.

By age structure Odessa belongs to cities where residents aged 20 to 59 years prevail, accounting for 59% of the available population. By gender structure, men account for 47% of the population, of them men of working age account for 72%. The share of women is 53%, of them women of working age account for 67%.



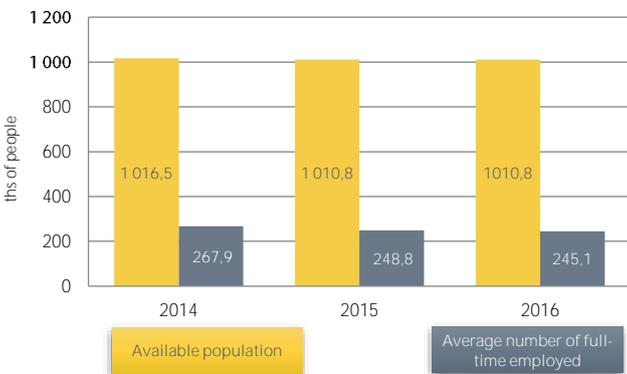
Structure of population of Odessa city by age



Structure of population of Odessa city by sex

By number of population Odessa city is one of the largest cities in Ukraine, and by this indicator ranks the third after such cities as Kyiv and Kharkiv. Odessa is an important industrial city of Ukraine. The city is characterized by a moderate level of **concentration of the city's** labour market both by main industries and by the largest employers.

The recession in the Ukraine's economy and the decline in business activity observed in 2014-2015, left their mark on the **development of the city's labour market, being accompanied by** the migration outflow of the population, a slowdown in wage growth and an increase in arrears on its payment.



Available population in Odessa city

In 2016, there were signs of stabilization in the labour market: the number of vacant posts increased and the number of registered unemployed decreased, the average monthly wage was growing at higher rates than the national average, the migration movement had a positive value. Migration of the population has an intraregional feature for the most part. The structure of migratory flows provides the ability to quickly mobilize human resources in the period of economic growth.

The indicated dynamics also had an impact on the demographic condition being accompanied by a slowdown in the rate of reduction of the population in the city in 2016.

In general, in 2014-2016, the number of population decreased by 5.7 ths people or by 0.6%, amounting to 1 010.8 ths people, as at 01.01.2017, of them 993.2 ths people were permanent population. The decrease in the number of population occurred also as a result of the natural reduction, whose cumulative balance over the last three years has been 8.7 ths people.

Migratory movement is contributed by the amount of wages in the city, which is comparable with the average wages in Ukraine.

The employment potential existing in Odessa city, given relatively low wages, creates additional advantages for investors in terms of launching and running a business in the city.



Average monthly wages

INDUSTRY

Odessa is a modern transport and logistics hub, industrial, scientific, commercial, tourist and cultural center of the southern Ukraine and the Black Sea region, as well as a large center of recreation economy. Its seaside and border position provides the city with considerable opportunities for development of international cooperation and foreign economic activity. The peculiarity of the city is that about 40% of industrial output is sold there, almost 60% of capital investments and over 40% of **foreign direct investments are implemented, over 60% of retail turnover of the region is formed, while the city's population accounts for more than 40% of the population in the region.**

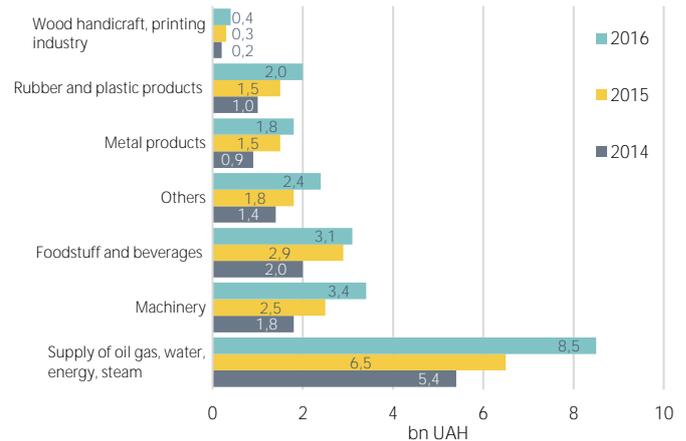
Odessa has a developed industrial complex, whose structure contains predominantly products of the food and chemical industries, machine building, metallurgy and metal processing. About 600 industrial enterprises of different ownership forms operate in the city.



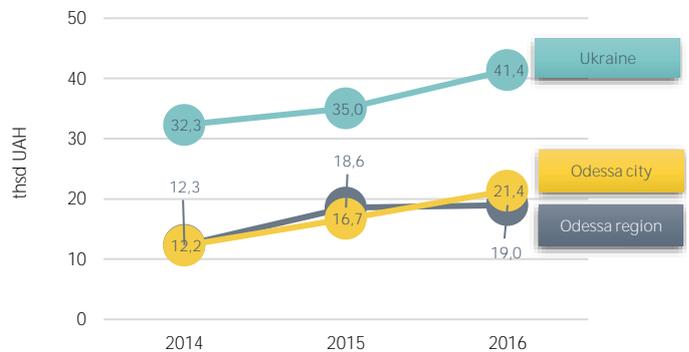
Industrial output sold of Odessa city

By results of 2016, the city's industrial enterprises output sold amounted to UAH 21,612.3 mln, exceeding the indicators of 2015 by 28% in selling prices and by 6% in comparative prices, (the price index of industrial products in the country – 121%), respectively.

The volumes of industrial output sold in Odessa city per capita are twice as less as the average for Ukraine, although in recent years there has been a decrease of this difference.



Industrial output sold of Odessa city by groups



Volume of sales of industrial products per capita

The largest enterprises of Odessa city are the following:

Branch	Name of enterprise
Electric, heating, gas and water suppliers	Odessaoblenergo, Heat supply of Odessa city, branch «Infoxvodocanal» Infox Ltd., Odessagas
Food industry	Odessaconditer, Odessa cognac distillery, Odessa plant of champagne wine, Odessa plant of mineral water «Kuyalnik», Odessa cannery plant, Vitmark-Ukraine, Odessavinprom
Metal products	Stalkanat-Silur
Rubber and plastic products	Consensus, Odessa plant of facing materials
Production of pharmaceutical drugs, chemicals	Interkhim, SUN CLEAN INT
Transport and cargo services	Odessa sea port, Brookline-Kiev, GPK «Ukraine»
Machinery	Odessakabel, Odessa aircraft plant, Neptun, Telecart-Pribor, Iceberg, Tumen

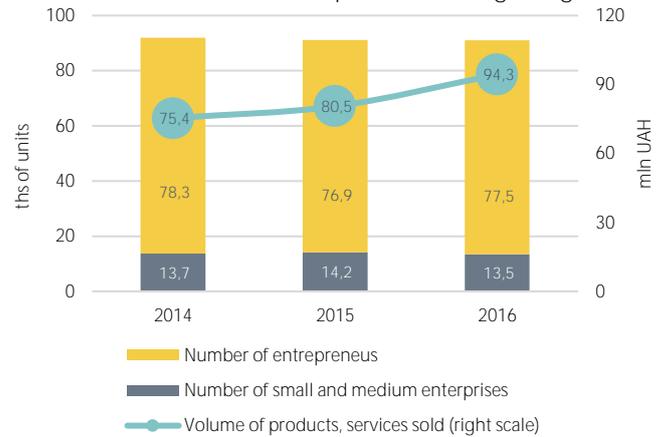
ECONOMIC DEVELOPMENT

ENTREPRENEURIAL BUSINESS

Small and medium business in Odessa city is an integral part of social and economic development, making a significant contribution to the increase in volumes of industrial output sold and retail trade turnover, filling of the budget, performs a social function by creating jobs.

Small and medium-sized businesses employ about 300 thousand people, companies and individuals provide almost 15% of tax revenues to the city budget in a flat tax. As at the end of 2016, in the city 91.0 ths of small business entities carried out business, including 13.5 ths legal entities, 77.5 ths sole traders, respectively. In 2016, they sold goods and services for the amount of UAH 94.3 bn, which was by 17.1% more than in 2015.

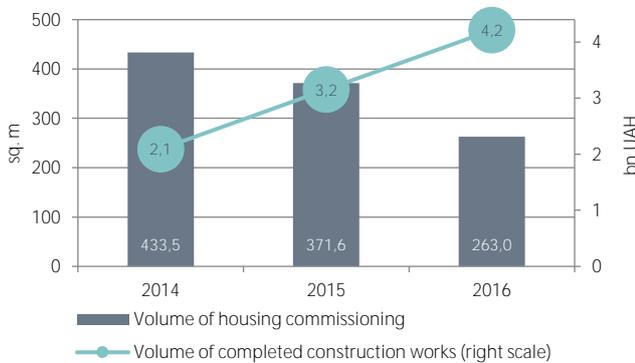
The city authorities create and improve conditions for running of small and medium businesses, which is conducted pursuant to *Programs of support for small businesses*, which is approved every three years and is aimed at creating favourable conditions for entrepreneurship development, ensuring employment of the population, entrepreneurship support and development in priority areas, in particular, the IT-industry, implementation of energy efficiency, innovative technologies, solving of actual problems etc.



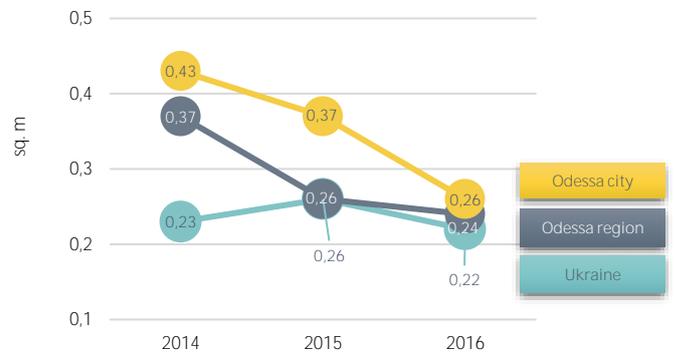
Main indicators of entrepreneurial business

CONSTRUCTION

The status of a resort and business center of the south of the country has always been accompanied by a higher demand for housing as compared with other cities. The industry of residential and commercial construction requires capital investments and taking into account the support, which is provided to an investor by the city authorities, is attractive for investment capital.



Dynamic of construction of Odessa city



Volume of housing commissioning per capita

In 2016, developers of Odessa city put into operation 263.0 ths. m² of housing, which accounted for 0.26 m² per capita. Construction companies completed works for the amount of UAH 4 210.6 mln in 2016, accounting for 134% of 2015 data in actual prices and 122% in comparative prices (price index for construction installation works – 109%), respectively.

During recent periods, funds of population, funds of enterprises and organizations were the main sources of financing of the residential development in the city.

DOMESTIC TRADE

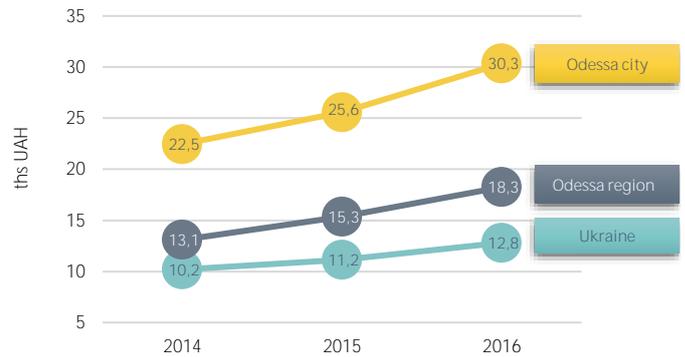
Odessa is well endowed with establishments of trade, restaurant business, as well as establishments providing consumer services. In the city there were 1.5 ths retail outlets with a total area of 456.5 ths m², of which 1.0 ths grocery stores and 0.5 ths non-food stores. During 2015 the network of enterprises of trade, restaurant business and service sector increased by 96 facilities, of these trade enterprises increased by 65 units. The network of supermarkets in the city increased by 10 objects due to expanding of the «brand» retail chains.

ECONOMIC DEVELOPMENT

The dynamics of development of retail trade and services in recent years has been influenced by the gradual recovery of **domestic consumption due to the improved situation of the city's the labour market, and by the development of the recreational complex and tourism.**



Retail turnover and sale of services of Odessa city



Volumes of retail turnover per capita

In 2016, the city trading enterprises sold goods for the amount of UAH 30.7 bn, which exceeded the result of 2015 by 18% in actual prices and by 8% in comparative prices, respectively.

The indicator of retail trade turnover per capita in Odessa city has steadily exceeded the average data in Ukraine, in particular, in 2016, it exceeded by 2.4 times. As compared with the data for the Odessa region, one resident of the city receives 1.7 times more goods, than on average in the region, which, inter alia, is conditioned by the orientation of a part of inhabitants of Odessa region on the consumer proposal presented in the region center, as well as by a low level of penetration of trading networks in regions: the share of retail space in the city accounts for 75% of the region volume.

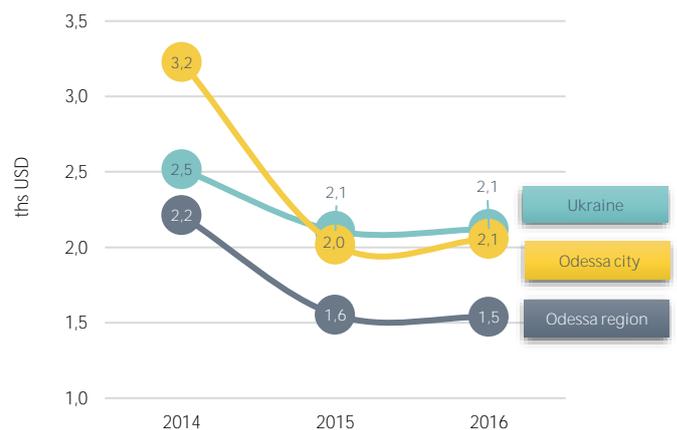
Also, the service industry has been developing dynamically; volumes of provision of services are comparable to the retail trade indicators. In 2016, the amount of services sold in the city was UAH 32.3 bn, accounting for 121% of the indicator of 2015.

FOREIGN TRADE

Odessa enterprises are included in the international movement of goods and services due to significant volumes of imports and exports. The developed transport network and the status of the economic center of the south of Ukraine contribute to the consistently high foreign trade activity of the city enterprises, allowing to keep the indicator of the volume of foreign trade in **goods and services per capita of the city at the level of the country's average value.**



Foreign trade turnover of Odessa city



Volume of foreign trade turnover per capita

In 2015, a reduction of foreign economic activity was observed caused by falling prices, lower demand in the world markets, currency regulation measures taken by the National Bank of Ukraine, as well as the complication of political and economic relations with the Russian Federation, which was the main market for a significant number of exporting companies. The dynamics of 2016 indicates a gradual recovery in this area.

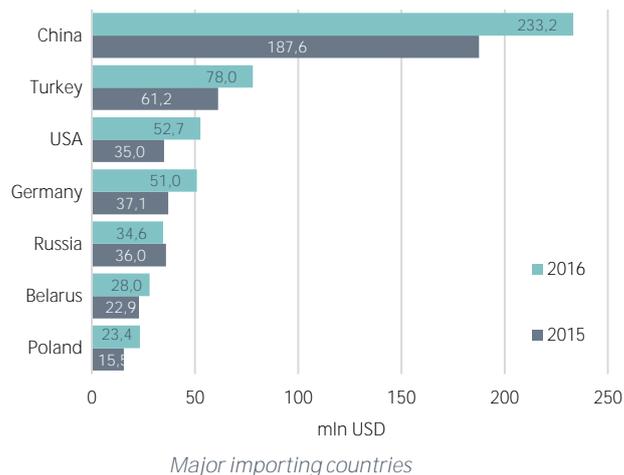
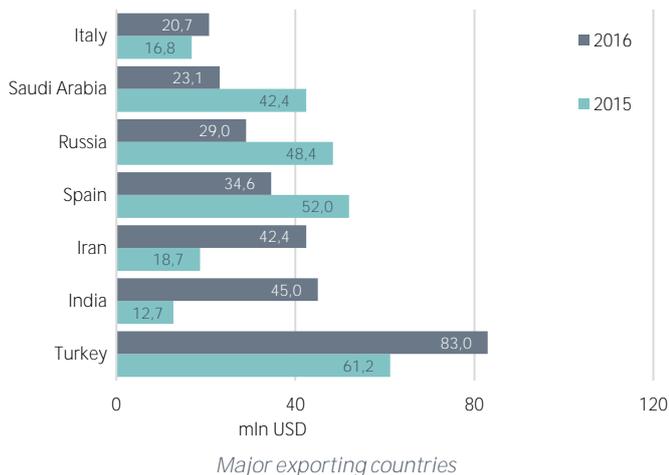
In 2016, the external trade turnover of goods and services in Odessa city amounted to USD 2 078.2 mln, which exceeded by 2% the data of 2015, in which the contraction accounted for 38%. The growth of foreign trade was achieved by an increase in import operations, which took place against the background of further decline in exports, whose pace slowed down significantly.

INVESTMENT PROCESSES

The balance of foreign trade operations in 2015-2016, unlike in the previous years, was positive and amounted to USD 554.3 mln and USD 336.2 mln, respectively.

The structure of exports and imports is differentiated both by groups of goods, and by countries of supply. The commodity structure of export is determined by the production profile of the city enterprises and the agricultural orientation of the region. Key product groups, which are exported through Odessa city, are products of vegetable origin, food products, non-precious metals and articles thereof, as well as services, whereby more than half are transport services. Machinery and equipment, polymer materials and plastics, food products and products of vegetable origin are mainly imported to the city, as well as services, whereby business services account for more than half of the total imports of services.

The geography of supplies of goods and services was expanding, thus, in 2016, enterprises and organizations of Odessa city had foreign economic relations with companies from 169 countries; in 2015, – with 163 countries, respectively.



The key countries being Turkey, China, the Russian Federation, Belarus, Germany, etc.

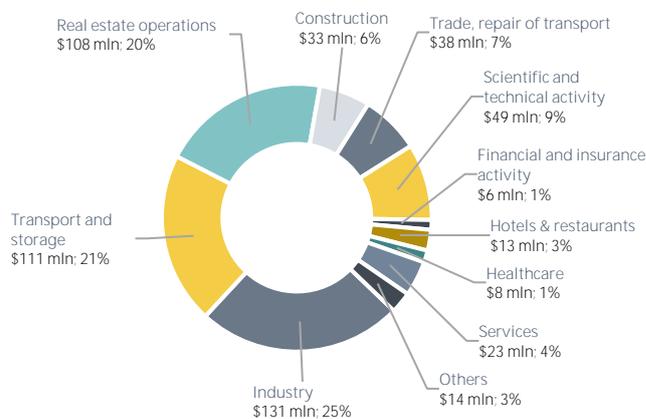
FOREIGN INVESTMENTS

The importance of Odessa as a major port and resort city, its location and development potential contribute to the implementation of capital investments in the economy of the region. The investment activity in Odessa is mainly determined by the policy of enterprises of the transport and industrial complex, aimed at renewal of fixed production assets.

The city of Odessa has a developed industrial complex and potential for the preparation of attractive proposals to investors. The city can develop its traditional branches of processing industry, transport and construction, where significant foreign investments have already been attracted.

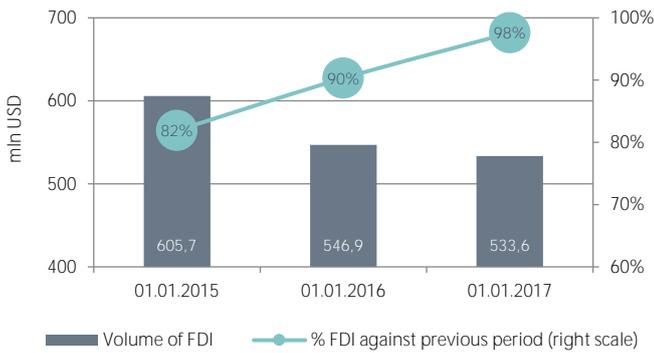
The policy of the city authorities, aimed at creating favourable institutional and economic environment for attraction of foreign capital, led to a significant increase in foreign direct investments during 2010-2013.

This indicator decreased by 24% in 2014-2015 and as at 01.01.2017 amounted to USD 533.6 mln. The reduction of capital in this period also took place due to the recalculation of the exchange rate difference of UAH against the USD, as a result of more than a two-fold devaluation of the national currency.



Structure of FDI in Odessa city by economic sectors

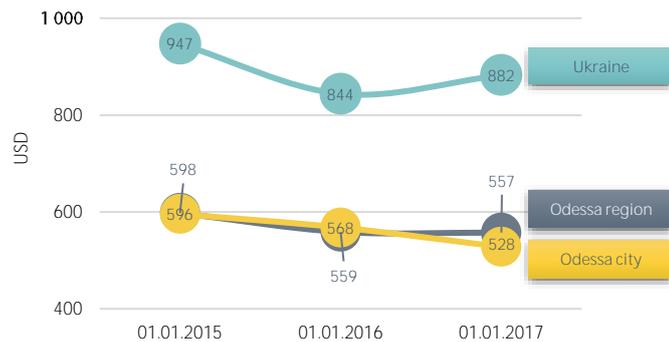
INVESTMENT PROCESSES



Foreign direct investments in Odessa city

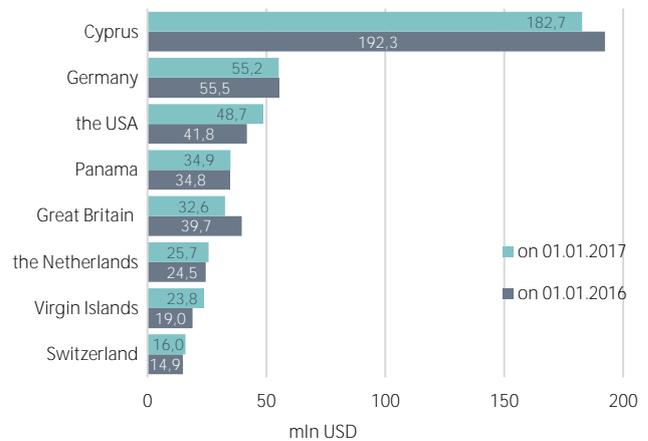
By volumes of the attracted foreign direct investments per capita the city of Odessa and Odessa region lag behind almost twice the average indicator in Ukraine.

Among foreign investors currently operating in the market of Odessa the following are to be mentioned: «Mechaniky-Ukraine» (Greece), «CSS» (JV, Germany), «Prista Oil» (Bulgaria), «PSP FARMA» (Georgia), «Odecell» (Finland), «Brooklyn-Kyiv» (the USA), «SKODA» (Czech Republic), «Tatra-Yug» (Czech Republic – Germany), «Amway Ukraine» (the USA), «Altfater-Odessa» (Germany), «Ruukki Ukraine» (Finland), «Formulab» (Germany).



Volume of foreign direct investments per capita

On 01.01.2017 companies from 67 countries invested in the city's economy, the biggest quantity from them are European countries – 30. The largest volumes of investments have been attracted from Cyprus (accounting for 34% of the total volume), Germany (10%), the USA (9%), Panama (7%), Great Britain (6%), the Netherlands (5%) and Switzerland (3%).



FDI made into the economy of Odessa city by countries

Among the success stories of projects involving foreign investors the following are to be mentioned:

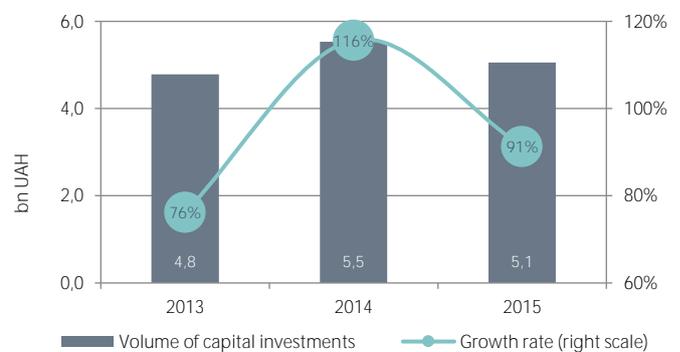
- setting up of production of margarine and edible fats («Puratos Ukraine» LLC, the investor is Belgium, investment amount is USD 7 mln);
- development of water transport infrastructure («Brooklyn-Kyiv» LLC, the investor is Great Britain, investment amount is USD200 mln);
- updating of electric communications network and 3G coverage area («International telecommunications» LLC, the investor is Cyprus);
- reconstruction and expansion of production of dosage forms (the investor is «Interchem» ALC, investment amount is EUR 40 mln).

CAPITAL (DOMESTIC) INVESTMENTS

After a significant reduction in previous years, in 2016, a significant increase in the volume of the disbursed capital investments was observed in the city, which, inter alia, was contributed by the increase in investments made from the city budget and communal enterprises.

By results of 2016, the volume of the disbursed capital investments made in the economy of Odessa city amounted to UAH 8.2 bn, which by 1.6 times exceeded the data of 2015. This dynamics allowed to significantly increase the indicator of the volume of capital investments per capita, which in 2016 exceeded the average value for the country by 1%, amounting to UAH 8.1 ths.

The most significant share of capital investments (96%) is channelled in tangible assets, including 15% - in residential buildings and 26% – in non-residential buildings, 12% - in engineering structures. Investments in the purchase of machinery, equipment



Capital (domestic) investments in Odessa city

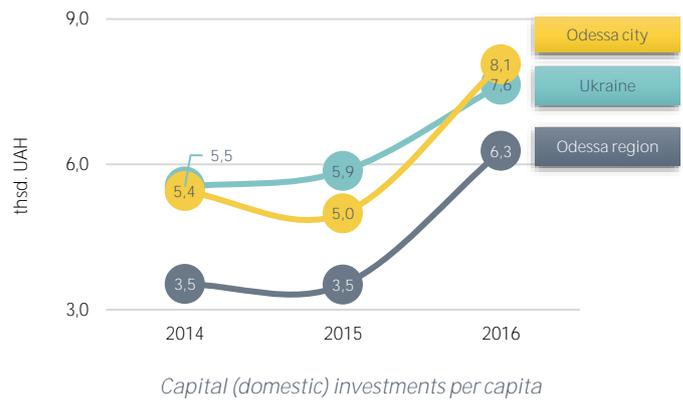
INVESTMENT PROCESSES

and vehicles accounted for 38%, while investments in the acquisition and creation of other tangible assets accounted for 3%, respectively.

The main source of financing of capital investments continues to be own funds of enterprises and organizations, due to which 63% of the total volume of capital investments have been disbursed, or the amount of UAH 5.1 bn (in 2015 – 63% or UAH 3.2 bn).

At the expense of the local budget 14% or UAH 1.1 bn have been disbursed (in 2015 - 10% or UAH 0.5 bn), funds of the population channelled in construction accounted for 12% or UAH 1.0 bn (14% or UAH 0.7 bn.), etc.

The following investment projects, which are priority for the city, are being implemented:



Project title	Enterprise	Investment volume	Volume of disbursed investments	Description
Reconstruction with expansion of production site for manufacturing of dosage forms	«Interhim», DLC	EUR 42 mln	EUR 41 mln	New production sites have been created, which are being gradually put into operation.
Construction of a specialized container terminal of area of 19.3 ha on the newly formed territory on the outer side of the Quarantine Mole	«Odessa Marine Trade Port» SE HHLA-GPK «Ukraine» (Germany, co-investor)	UAH 5,188.9 mln	UAH 3,343.8 mln	In the framework of the project it is envisaged to make a formation (aggradation) of the territory of area of 19.3 ha, to build a 650 m long berth line and a breakwater pier. The estimated capacity of the terminal is 600 ths TEU / a year (the actual capacity is over 1 mln). At present, construction and installation works are under way, scheduled for completion in 2017-2018. The implementation of the project will provide for receiving / shipping cargo containers from vessels with a capacity up to 8 ths TEU and with capacity of one-time storage up to 16 ths TEU.
Construction of pier N35 (1-3) with a grain cargo transshipment complex (GCTC)	«Administration of seaports of Ukraine» SE «Brooklyn-Kiev» LLC (investor of construction of GCTC)	UAH 422.4 mln (berthing facility)	UAH 418.1 mln	At the end of 2016, the construction of the berthing facility was completed, the project expertise is ongoing. GCTC is being constructed, scheduled to be completed in 2017. The implementation of the project will provide for an increase in cargo turnover by 4 mln tons / a year.

CITY ADMINISTRATIVE AND INFORMATION SUPPORT TO INVESTMENT PROCESSES

The development of the city economic complex, and the presence of foreign capital in the city economy is inter alia due to contributing of the city authorities. According to the Program documents approved by Odessa City Council a number of measures on improving business environment in the city are implemented, whose main areas of activity and expected outcomes are the following:

Main areas of activity	Expected outcomes
Development of industry and investment activity	
<ul style="list-style-type: none"> ✓ contribute to attraction of investments into the city enterprises and enhancement of their investment and innovative direction; ✓ create an attractive investment climate, assisting to investment activities; ✓ develop economic cooperation by dissemination of information on the socio-economic and cultural potential of Odessa; ✓ create favorable conditions for improving the export potential of industrial enterprises, providing conditions for their participation in trade fairs, forums and other events, including international events; ✓ facilitate the implementation of energy saving technologies in production; ✓ increase production and export of high-tech products, master manufacturing of innovative products; ✓ create conditions for formation and development of clusters (transport, tourism, sewing, processing of agricultural products, mass media and IT areas). 	<ul style="list-style-type: none"> ✓ increased industrial output volumes and sales; ✓ increased number of employees in the city enterprises; ✓ improved conditions for investment activity on the city territory; ✓ establishment of the city image as reliable, stable and predictable partner; ✓ ensured positive dynamics of increase in foreign direct investments; ✓ established partnership relations of the city enterprises with foreign partners.
Development of Small and Medium Business and Entrepreneurship	
<ul style="list-style-type: none"> ✓ provision of financial and credit support to entrepreneurs; ✓ formation of entrepreneurship support infrastructure; ✓ resource and information provision of business entities; ✓ implementation of projects and investment proposals; ✓ provision of activity of the city coworking center; ✓ implementation (co-financing) of international technical assistance projects on entrepreneurship development and support. 	<ul style="list-style-type: none"> ✓ improved competitiveness of innovative technologies implementation; ✓ created favourable conditions for solving economic and social problems; ✓ application of financial and credit mechanisms of business support; ✓ increased number of business entities up to 130 ths units, that of small enterprises up to 15.0 ths; ✓ created conditions for increase of the number of people employed in small and medium enterprises by 5-7%; ✓ increased share of SMEs to account for 75-80% in the volumes of products and services sold.

SUPPORTING OF INVESTMENTS PROCESSES

The city authorities of Odessa on an ongoing basis implement measures aimed at improving the investment climate in the city, the quality of the city management and provision of administrative services.

In order to reform the system of administrative services and to enhance the quality of their provision the Center of administrative services works in the city, which includes the permit center and the sector for provision of administrative services. The Center provides its services to both entrepreneurs and citizens. The main principles of providing services to visitors at the Centre are electronic system of queue management, high level of computerization, software and logistic support services, the available consulting and legal center.

The number of service types rendered in 2016 amounted to 265 types (in 2015 – 256 types of services, respectively), of them, 128 types of services are state administrative services, 72 types of services are local administrative services. Also, 65 types of permitting documents are issued.

The Programme of support of investment activity in the territory of Odessa city for 2016-2018 has been approved in the city, aimed at ensuring comfortable conditions for investing and establishing a dialogue with potential investors and those investors who are already implementing investment projects in the city territory.

The procedure of co-operation of executive bodies of Odessa City Council with investors has been developed according to which the procedure of actions of the city authorities when contacted by a potential investor has been approved. Individuals or organizations willing to implement an investment project have to apply to the [Department of Economic Development](#), which **within 10 days shall examine the materials, evaluate and coordinate the investor's proposal with the city authorities.**

INVESTMENT PROCESSES

Measures aimed at improving the city's investment climate and promotion of the city's potential are implemented. In 2016, for this purpose and upon the initiative and financial support of Odessa City Council the following events took place:

- The first international business forum **«Odessa 5T Summer Business Days»** (01.07.2016), at which a new investment strategy for the city development «Odessa 5T» was presented. **«Odessa 5T» is a new investment brand of the city, which combines five key areas: transport, trade, technology, tourism and trust (finance and banking).** In addition, it is a platform for creating a favourable business climate and conditions for the economic development, free inflow of investments to Odessa. The event was attended by more than 380 people from 18 countries of the world. Among them there were businessmen from the city and the country, foreign investors, analysts, representatives of embassies and consulates. This event is planned to be held annually.
- The Second Annual International Conference on Technology and Innovation in Odessa «Black Sea Summit 2016» (10.09.2016), whose main objective is the implementation of international experience in the development and formation of an innovative ecosystem, as well as the opportunity to present investment attractiveness and opportunities for development of the IT industry in Odessa city and in Ukraine. The Forum created conditions for development and implementation of best practices in the use of information and communication technologies, gathering more than 1000 participants from Ukraine and other countries of the world.



In April 2017, a newly created web platform «Socially active citizen» (www.citizen.odessa.ua) was presented, which expands the possibilities of electronic interaction between the authorities and the city residents and allows them to participate in the city development and improvement, as well as to take into account the opinion of the entire community in solving socially important issues. The platform comprises 3 online platforms for interaction of the territorial community and the local authorities, as well as active participation of Odessa residents in the development of the city and implementation of social projects, such as: the community budget; service of filing of e-petitions, i.e., collective appeals of citizens to the executive bodies of Odessa City Council; a public discussion, i.e., the use of e-resources for public hearings allowing to take into account the bigger number of views and opinions of Odessa residents.

Within the framework of the approved *«Electronic Open City»* program envisaged for 2015-2017 it is planned to achieve the European standards of administrative services, openness and transparency of the city authorities, targeted on the needs of the city residents, which provides for maximization of information openness of the authorities, increasing the degree of the city community participation in governance processes, streamlined rendering of services to citizens and legal entities through the use of information and communication technologies, as well as the improved efficiency of management and interaction of structural subdivisions of the City Council.

In 2015 Odessa City business incubator on the basis of co-working began its operations. By the results of the competition, 21 entrepreneurs were granted an opportunity to rent a business office on a free of charge basis for the implementation of their investment projects. Preference was given to start-ups in IT-field, energy saving technologies, social entrepreneurship.

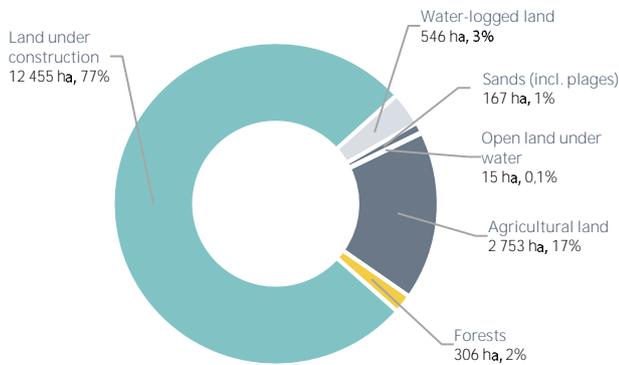
At the same time, Odessa City Council on the permanent basis holds the following activities:

- ✓ public awareness and mass media informing on the development status of Odessa city and public events, including investment events carried out by structural subdivisions of Odessa City Council www.omr.gov.ua;
- ✓ conducting of regular work on updating of the information on territories attractive for investors and implementation of investment projects in the city www.mapster.od.ua;
- ✓ support of the Credit rating and the Rating of investment attractiveness of Odessa city, updated on a semi-annual basis;
- ✓ preparation of presentation materials on the investment potential of Odessa city;
- ✓ implementation of constant renewal of the city portfolio of investment projects taking into account proposals of the interested enterprises;
- ✓ holding business meetings with representatives of diplomatic missions and business structures of foreign countries;
- ✓ improvement of managerial capacity and practical skills experts on investment issues;
- ✓ preparation of applications for project financing by international financial institutions and grant organizations, their monitoring.

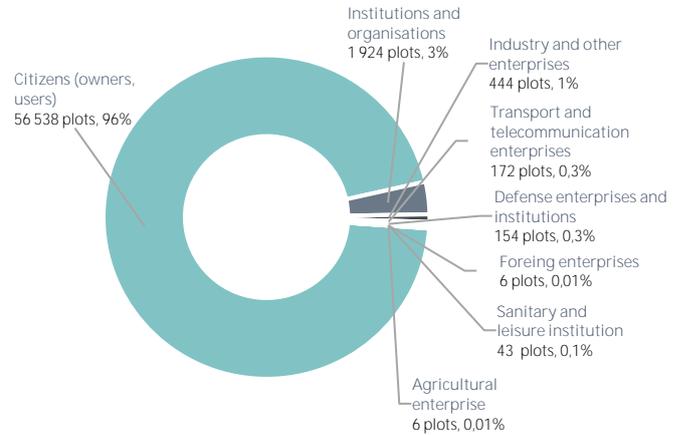
LAND RESOURCES

The total land area of Odessa is 16.2 ths ha, of which the build-up area accounts for 12.5 ths ha. The city residential area, which includes residential neighborhoods, green plantations of public use, social infrastructure facilities, street and road network, accounts for 53%.

Manufacturing areas occupy over 19% of the territory, external transport – 7%, landscape and recreational areas – over 8%.



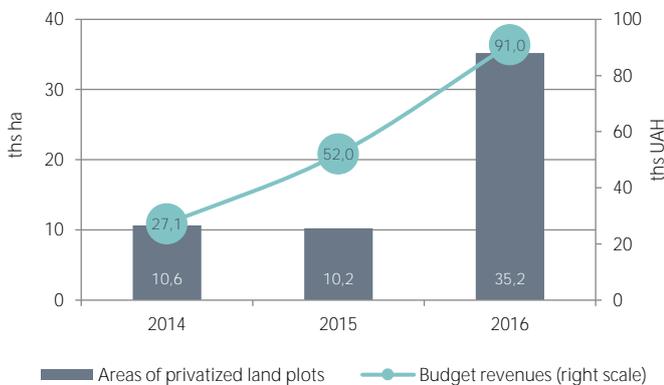
Structure of land fund of Odessa city



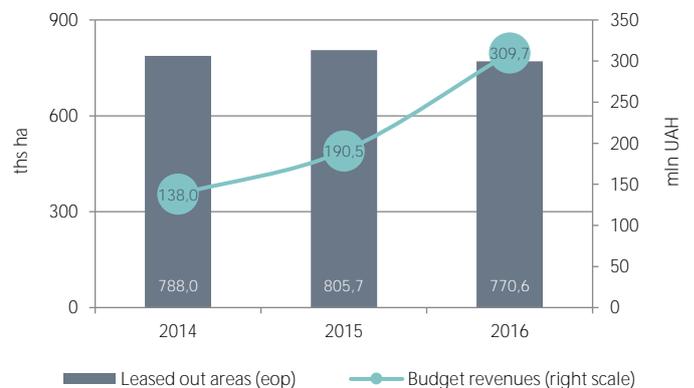
Structure of land fund of Odessa city by owners

At present the city has little reserve of free territories, i. e. the territories which are not under development, within the existing city boundaries. Of these, the urban lands, which are not used by the city account for 9%. The lands used according to functional purpose account for 92% of the city territory.

The territory of Odessa city creates constraints for further development of the city and deployment of new enterprises. The total demand in areas for all types of construction amounts roughly to 5.2 ths ha.



Volumes of sales of land plots of Odessa city



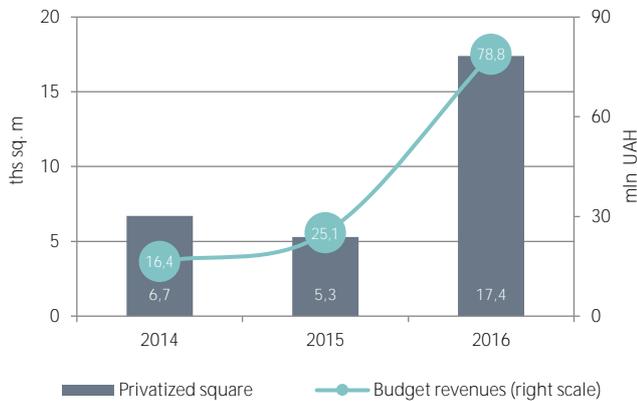
Volumes of transfer of land plots of lease of Odessa city

In connection with some reduction in effective demand on land resources, the executive body of Odessa City Council makes efforts to increase the city budget revenues of funds generated from the use of land assets, which, in turn, has a positive impact on the dynamics of the budget revenues.

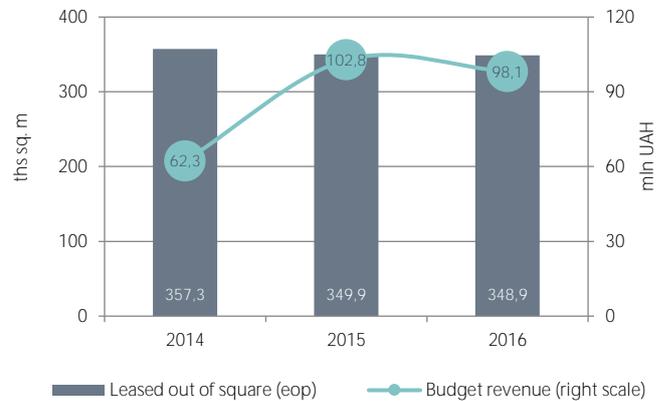
INFRASTRUCTURAL DEVELOPMENT

COMMUNAL PROPERTY

The activities of Odesa City Council regarding the reform of property relations is aimed at improving the management and efficiency of use of the property which is in the communal ownership of the territorial community. *The City program «Electronic Open City» for 2015-2017* envisages creating an electronic register of communal ownership facilities. Currently, work is underway on the inventory of technical and program means, their interaction and integration with the existing electronic register of communal property, a single investment window, information and analytical system of management of housing stock.



Volume of privatized real estate objects of Odessa city



Volumes of transfer of real estate objects of lease of Odessa city

The city authorities, aiming at replenishing the budget revenues and supporting the functioning of the real estate owned by the territorial community of Odessa, undertake measures of transferring rights to use free areas, as well as conduct the privatization of such facilities. As at the end of 2016 the number of the concluded rental contracts amounted to 1,677 by which real estate of the total area of 348.9 ths m² was transferred for use.

Annually Odessa City Council approves a list of communal property facilities owned by the territorial community of Odessa, which are subject to privatization. In particular, during last year 67 objects with a total space of 17.4 ths m² were sold.

TRANSPORT COMMUNICATIONS

The city of Odessa is one of the largest administrative, industrial and cultural centers of Ukraine. The main peculiarity of the city location is its seaside and borderline location at the crossroads of major international routes from the Central Europe to the Middle East. The modern transport infrastructure of the city consists of the external transport system and domestic passenger transportation. The external transport includes: railway, bus and maritime transport, air transport.

The wide outgate of Odessa to the Azov and the Black Sea basins as well as to the major river routes – the Danube, the Dniester, the Dnieper determines its advantages in the transportation and geographic location. Air lines connect the city with many cities of Ukraine, countries of the CIS, Europe and Africa. Effective waterways lead potential connections of the city to almost all parts of the world.

Routes



The key competitive advantage of the city is its location on the line of international highways.

Parts of transport corridors including the international ones run through the territory of the city:

- «the Baltic Sea - the Black Sea - Europe - Asia » (continuation of the transport corridor N 5): Gdansk - Warsaw - Kovel - Odessa.
- «the Black Sea Economic Cooperation» (BSEC): Ankara - Yerevan - Tbilisi (Baku)- Rostov-on-Don - Donetsk - Odessa (Chisinau) - Bucharest (Tirana)- Dimitrovgrad (Athens) - Istanbul.
- «Eurasian»: Odessa - Tbilisi (Yerevan) - Baku - Ashgabat.
- « North – South »: Kharkiv - Poltava - Kropivnitskiy - Odessa.

INFRASTRUCTURAL DEVELOPMENT

Railroad



Odessa – is a large railway junction, the center of the Odessa railway, which is one of the largest railway lines of Ukraine. An extensive network of railway lines connects Odessa with cities of Ukraine, as well as countries of the CIS and Europe. The railway lines are 4.2 ths km long, while the electrified tracks are 1.7 ths km long. It provides for transportation needs Odessa, Mykolaiv, Kherson, Kirovograd, Cherkassy regions and partly Vinnytsia region, i. e. it serves the territory of 138 ths km² with 10 mln population. Eight sea ports, three river ferry crossings and three international ferry crossings Illichivsk-Varna, Illichivsk-Poti and Odessa-Thessaloniki are located in the operative area of the Odessa railway. External transport and economic links with more than 70 countries are supported through them. The Odessa railway accounts for about 20% of cargo turnover and more than 16% of passenger turnover of Ukraine's railways. The railroad borders on the railways of Moldova at the stations of Kuchurgan, Slobidka and Bessarabska.

The railroad ways from Podilskiy and Ismail directions converge in the city. All in all in Odessa there are nine railway stations: (from the north to the south) Odessa - Eastern, Odessa - Sorting, Odessa -Transshipping, Odessa -Port, Odessa – the Main, Odessa - Commodity, Odessa - customs-I, Odessa - customs-II and Odessa - Western. Of these, two stations are stub: Odessa – the Main passenger station and the station in Odessa sea port, namely, Odessa -Port. Two stations: Odessa - Sorting and Odessa - customs-I have gravity sorting yards.

Seaport



Odessa Marine Trade Port is one of the largest ports of the Black Sea and Azov Sea basin, located in the northwestern part of the Black Sea at the crossroads of the historically established trade routes between the East and the West. The port is the leader by volume of cargo transshipment among ports of Ukraine and the largest passenger port at the Black Sea. Odessa port is linked to more than 600 of 100 countries of the world by transport lines.

Eight production and transshipment complexes of dry cargo processing, passenger complex, oil terminal and two container terminals, complexes for transshipment of vegetable and industrial oils function on the territory of the port, there are specialized berths for receiving Ro-Ro cargoes, for transshipment of grain cargoes.

The developed transport infrastructure allows to deliver cargoes to the port by road, railway, sea and river transport. Its technical capabilities allow the port to tranship over 21 mln tons of dry cargoes and 25 mln tons of liquid bulk cargoes annually. Container terminals are designed to tranship over 900,000 TEU a year. Passenger complex is able to serve up to 4 mln tourists a year.

The area of the port is 141 ha, the number of berths is 54, the mooring line is over 9,000 m long. Maximum parameters of accepted ships: up to 330 m long, up to 40 m wide, water draught is up to 13 m. Today the port is a form of public-private partnership, whose participation comprises over 400 small and medium enterprises, which perform a wide range of port services.

In the port, within the artificially embanked and aggraded territory in the Black Sea aquatic area – the Quarantine mole of the area of 32.5 ha, there is «Porto Franco» special (free) economic zone, which will be operational until 2025. For this territory a special legal regime of economic activity has been established, defined by the Law of Ukraine «On general principles of creation and functioning of special (free) economic zones».

The volume of cargo processing of Odessa Marine Trade Port in 2016 amounted to 25.3 mln tons, accounting for 19% of the general indicator for Ukraine.

Airport



International airport «Odessa» is one of the largest airports in Ukraine linked by air lines with many cities of Ukraine, the CIS, as well as countries of Europe, Asia, Africa. The annual passenger flow of the airport exceeds 900 thousand passengers.

Its airfield has 57 aircraft parking areas, and is equipped with air traffic control means. Its artificial runway measures 2800 x 56 m, equipped with an instrument landing system equipment (ILS), avioation light signal system, aviation meteorological equipment, providing for around the clock operation at the minimum meteo (metar) of the 1 **category of ICAO from two** courses. The airfield complies with all the necessary legal requirements, imposed on the civil airfields of Ukraine. The airport is **capable of receiving aircraft of 4D code and lower, including: A320, A319, Boeing 737 (-300 / -400 / -500 / -600 / -700 / -800), Boeing 757 (-200 / -300), E135, E145, E175, E190, AN-124, AN-70, AN-148, AN-140, IL-76, IL-62, TU-154, TU-204, helicopters of all types and more lightweight aircraft.**

The strategy of economic and social development of Odessa city envisages implementation of a large-scale reconstruction project of «Odessa» international airport, which will enable to increase the transit passenger and cargo flows through the city.

INFRASTRUCTURAL DEVELOPMENT

Within the framework of the project, a four-story terminal of the total area of 29 ths m² has already been constructed, being by 3.5 times bigger than the area before the reconstruction, with a capacity to serve 3 mln passengers per year, as well as an airport apron for 4 aircraft of Boeing-737 and Boeing-767-200 types. For this purpose, the City Council passed 260.6 ha of land for permanent use for needs of the airport. The construction of the new terminal was completed at the end of 2016 and in April 2017 the terminal had its first passengers.

During 10 months of 2016, the passenger flow of «Odessa» airport amounted to 869.1 ths passengers, having increased by over 5%, as compared to the similar period of 2015. The number of flights made amounted to 9 842 flights; 675.7 ths passengers took international flights, 193.3 ths passengers took local flights, respectively.

Freight traffic



The status of Odessa city as a significant transport hub leads to the high volume of freight traffic, whose share in the structure of the total freight traffic in Ukraine accounts for nearly 6%.

In 2016 the volume of freight traffic amounted to 34.7 mln tons, of which railway transport accounted for 90% or 31.4 mln tons, the others provided by motor and sea transport accounted for 2.6 mln tons and 0.6 mln tons respectively.



City transport



Odessa has a developed system of transport service, which is provided by automobile and urban electric transport, and includes the city electric transport routes and bus routes of public use, including: 84 bus routes, 24 tram routes and 12 trolleybus routes. The bus network is 2,840 km long, the tram network is 418.5 km, the trolleybus network is 240.4 km long.

At the beginning of 2016 transport complex of the city consisted of 1,769 units of rolling stock, including 427 units of rolling stock of the city electric transport (of these – 253 trams, 174 trolleybuses), and 1,342 automobile transport units (of which 30 large capacity buses).

The main means of transport in the city is electric transport, which provides for more than half of passenger traffic. Functions of its

maintenance and provision of passenger transport are assigned to «Odesmis'kelektrotrans», which is in communal ownership of the city. Servicing of the city bus routes of public use is carried out by 10 enterprises.

Odessa City Council has approved the City target *programme for the development of electric transport for 2016-2018*; within its framework it is envisaged to purchase 7 trams and 55 trolleybuses, of which 45 trolleybuses will be purchased with the loan funds of the [European Bank for Reconstruction and Development \(EBRD\)](#). At the end of 2016, a loan agreement amounting to EUR 8 mln was concluded with the European Bank for Reconstruction and Development. The total amount of UAH 1,410.2 mln is envisaged to be used within the framework of the programme implementation, of which the amount of UAH 361.7 mln are funds of the local budget.

[The Road Fund](#) has been created, which is replenished at the expense of certain local taxes. The funds of the Fund are directed to financing the construction, reconstruction, repair and maintenance of roads of common use of local importance, streets and roads in the settlements belonging to communal property, as well as needs of the road economy. As at 01.01.2017, an amount of UAH 417.7 mln was allocated from the Road Fund, in 2017 an amount of UAH 415.5 mln is envisaged to be disbursed, of which the amount of UAH 144.1 mln was used as at 01.06.2017.



INFRASTRUCTURAL DEVELOPMENT

MUNICIPAL SERVICES AND ENERGY EFFICIENCY

Odessa city has joined the world community in combating against global warming and unsustainable use of natural resources. It is envisaged to achieve this goal by reducing consumption of primary and secondary fuel and energy resources on the city territory, which will take place through modernization and development of the city housing and communal, and social and budget infrastructure based on sustainable energy development principles.

The indicated measures will be implemented in accordance with the [European Initiative «Covenant of Mayors»](#), which the city authorities joined in 2015, approving in 2016 the *Action Plan for the Sustainable Energy Development of the City until 2030*. According to this document, the city authorities have committed to reduce greenhouse gas emissions down to 40% as compared with 2008, to increase the use of renewable energy sources accounting for at least 20% of the total consumption, to reduce the share of losses in the heating system to 10%, etc.

In April 2015 pursuant to the Memorandum of Understanding between the [German Society for International Cooperation \(GIZ\)](#) and the Executive Committee of Odessa City Council and within the implementation of «Creation of energy agencies in Ukraine» project, Odessa Municipal Energy Agency (OMEA) was established on the basis of the communal enterprise «Agency for Development Programs of Odessa». The aim of creation of OMEA is the assimilation of potential of energy saving and energy efficiency and as a result, reduced greenhouse gas emissions at the local level.

With the participation of OMEA a system of energy monitoring and energy management in communal establishments of Odessa has been implemented by using the «Energy balance» software and the online access to database; a project on energy efficiency measures for thermal upgrading of three kindergartens and secondary schools of Odessa city with reconstruction of heat and hot water supply systems was developed and agreed with [North Environmental Finance Corporation \(NEFCO\)](#), as well as measures for major overhaul and replacement by energy efficient lighting products in health care establishments of Odessa City Council.

System of electricity and gas supplies

On the territory of Odessa city there are no production capacities of energy generating companies. Electricity Supply to consumers is carried out by «Odessaoblenergo EC» PJSC, which serves the area of 33.6 ths km² (5.5% of the territory of Ukraine), the number of subscribers is about 1 mln individuals.

Exploitation of electrical networks of exterior lighting **and lighting design is carried out by «Odesmis'ksvitlo» utility company**, which serves 77.3 km of external electrical grids, 1,277 km of exterior lighting networks.

Gas supply is carried out by «Odessagas» PJSC. The total volume of gasification of the city amount up 92%, total length of gas pipelines is 12.1 ths km and comprises 419 gas distribution points, 1 865 cabinet-type gas control points and 913 stations of cathodic protection.

System of water and wastewater disposal

In Odessa city services of water supply and wastewater disposal are performed by «Infoks» LLC, a branch of «Infoksvodokanal». The enterprise purifies the water of the Dniester River and supplies it to the distance of 40 km, collects and purifies wastewater, using the infrastructure comprising water treatment plant, pumping stations, network of supply and distribution of potable water, sewerage collectors and pumping stations, biological treatment stations. The company has available seven water discharge outlets.

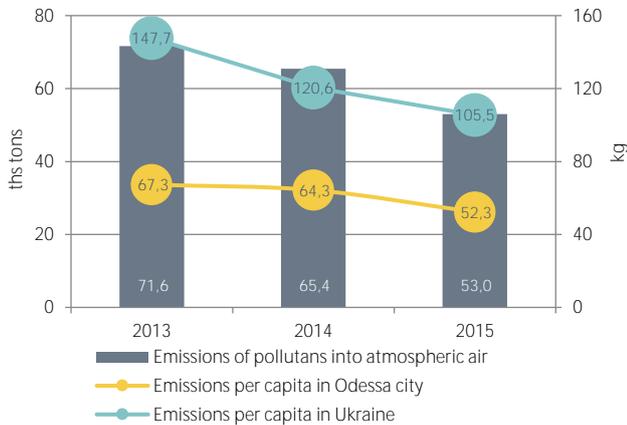
Production of heating energy

In Odessa city production and supply of heat energy is carried out by «Heat supply of Odessa city» utility company. The enterprise sells heat energy to residential houses, budgetary institutions and self-sustaining organizations of the city, the main consumer heat supply services is population. Number of boiler houses that are in its economic competence amounts to 143 units, of which 135 units are gas boiler houses, and 8 coal boiler houses.

ENVIRONMENTAL STATE OF THE CITY

Atmospheric air

The determining factor forming anthropogenic load on the natural environment of Odessa city are the development of industrial and transport complexes in the region and the use of outdated technologies at a number of enterprises. The city industrial enterprises, heat energy enterprises, as well as transport remain major pollutants of atmospheric air.



Emissions of pollutants into atmospheric air of Odessa city

The key source of air pollution is transport, which accounts for 85% of the total volume of emissions. Unlike most large industrial cities, the pollution by industrial enterprises is much smaller and accounts for 15% (20 industrial enterprises of the city have been defined as hazardous).

The intensity of air pollution by road transport increases due to the unsatisfactory state of roads, increased number of private motor vehicles, as well as a substantial increase of motor vehicle transit flow, and in recent years as a result of the transfer of traffic to the Odessa region from the Autonomous Republic of Crimea.

In terms of atmospheric emissions the situation in the city has been improving in recent years, which is primarily due to the decline in business activity of the industrial enterprises and population, and also due to the implementation of measures on

improving the city environmental state by local authorities. The density of emissions of pollutants into the atmospheric air from stationary and movable sources of pollution in 2015 per 1 km² amounted to 327.4 tons (in 2014 – 403.5 tons), per capita amounted to 53.3 kg (64.3 kg), which is almost 2 as less as the national average.

Environmental authorities conducted the work on improving the city environmental situation, including by switching to other types of fuel, introduction of dust and gas purifying installations and structures, improving the efficiency of existing purification plants, modernization and reconstruction, liquidation of pollution sources. During 2014-2016 at the cost of the state and local budgets, as well as other sources, the amount of over UAH 40 mln was directed at protecting and improving of the natural environment of Odessa city.

Water sources

The problem of potable water is typical for most Ukrainian port cities. In this respect Odessa is no exception. In the region, in the wastewater disposal and sanitation area, there has to be noted a high degree of anthropogenic pollution of the Dniester River, which is the main source of fresh water supply to the city. Also sewage treatment networks are highly obsolete. One of the measures to minimize the impact of the water supply problem has been the implementation of technologies to use water of artesian boreholes from the Upper Sarmatian aquifer, which are 120 m deep. In order to provide residents of Odessa city with potable water, well-room complexes have been set up in all districts of the city. Also, in order to ensure qualitative potable water for the city residents, potable water additional purification systems are installed in preschool, school and health care establishments.

Since 2000 until 2014, the indicator of water intake from natural objects for use per capita decreased from 298 m³ to 143 m³ per capita, the total water intake decreased from 311.4 mln m³ to 145,2 mln m³. Maximum capacity of sewage treatment plants during the year increased from 207.9 mln m³ to 220.4 mln m³. The level of polluted return waters discharged into the surface water bodies decreased from 164.5 mln m³ to 32.9 mln m³.

The City and regional authorities note the environmental condition of the Kuyalnik Firth as critical (it is located within 5 km distance from Odessa city), which is caused by catastrophic shoaling of the Firth, decreasing water and depth levels (to 40 cm), as well as the stemming from that increase in salinity of the brine (to 390-321%), threatening the complete disappearance of the Firth and loss of reserves of unique therapeutic muds and the brine, as well as peculiar flora and fauna of the water body.

Hard domestic waste

The problem of the negative impact of waste on the environment is one of the most painful in Odessa city. The volume of the waste accumulated increases annually, unauthorized dump sites appear, the problem of handling hazardous waste has not been solved.

The sources of waste generation are mainly the city housing stock and business entities located on the territory of the city (establishments, institutions, enterprises, etc.), which are obliged to conclude agreements with specialized enterprises for removal of municipal solid waste (MSW) and transfer of resource valuable waste.

Annually, about 400 thsd tons of municipal solid waste (MSW) are generated in the city and, as at beginning of 2015, 9.8mn tons were accumulated.

Municipal solid waste generated in the city of Odessa, are removed to the only active MSW landfill of the city, namely, «Dalnytski quarries» - MSW landfill-1.

A permanent source of waste being the threat to the environment and human health are medical institutions, as their waste contains infected, toxic materials, thus defining them as the most dangerous in sanitary-hygienic, epidemiological and ecological aspects.

In order to solve the problem of utilization of especially hazardous waste, Odessa City Council plans to build a complex, which will also allow the sorting of municipal solid waste in the landfill MSW-2. In 2017, a feasibility study for the project is envisaged to be developed.

Environmental legislation

Environmental issues are regulated both at the state and the local levels. Among the basic laws the following have to mentioned: «*On Environmental Protection*», «*On the basic principles (strategy) of the State Environmental Policy of Ukraine until 2020*», «*On Wastes*», «*On the atmospheric air protection*», «*On ensuring sanitary and epidemiological well being of population*», «*On the environment audit*», «*On the plant life*», «*On the animal world*», «*On the natural-reserved fund*», the Act of Cabinet of Ministers of Ukraine «*On approval of the schedule of business asctivities relative to environment-oriented restrictions*».

At the local level, these are the following: *the Strategy of economic and social development of Odessa until 2022 in a part of «Clean Odessa»*, *Program of protection and improvement of the environment condition in Odessa city for 2017-2021*.

There are also a number of regional programs, aimed at addressing certain issues in the region, including the regional *program for the preservation and recovery of water resources in the basin of the Kuyalnik Firth*, as well as measures, concerning the overall improvement of the environmental situation in Odessa region.

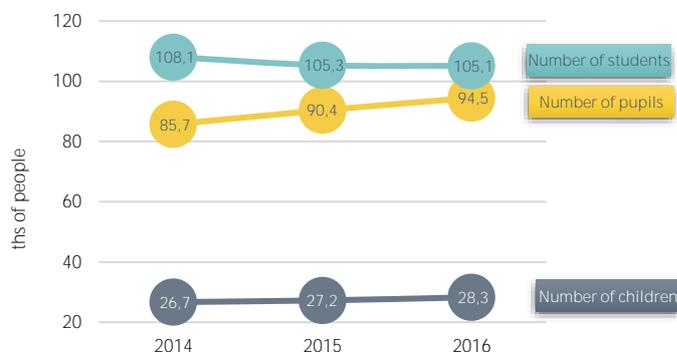
SOCIAL DEVELOPMENT

EDUCATION

The internal social policy is an essential element of the city development. Creation of comfortable conditions for living, education and receiving the necessary social services is one of the main tasks of the city authorities.

Odessa is an educational and scientific center of the southern part of Ukraine.

273 educational establishments function in the city, of these: 125 preschool establishments, 17 after-school childcare establishments, 123 general educational establishments, 4 evening schools, 3 interschool training and production centers and 1 orphanage. 21 schools of aesthetic education, among which there are 11 music schools, 5 schools of arts, 1 choreographic school, 2 fine art schools, 1 choral art school and 1 theatre school function in the city. As at the beginning of 2015/2016 school year the number of pupils of schools of aesthetic education amounted to 8.2 ths people. Also, there are 28 higher educational establishments of I-IV levels of accreditation in Odessa.



Number of children, pupils, students in educational establishments of Odessa city

During last years, reduction in number of students of higher educational establishments of all levels of accreditation has been observed in the city, which is primarily due to the nationwide dynamics of decreasing birth rates, observed in the 90-s of the last century. Instead, the number of preschoolers and pupils of schools has been increasing.

The city higher educational establishments provide skilled labour force to the key sectors of the city economy, creating important intellectual and innovative advantages of Odessa over other cities of Ukraine in the context of available highly qualified human resources. Part of the educational establishments comprise training and educational, scientific and industrial complexes, inter-university scientific and research, and innovation centers and laboratories.

The key higher educational establishments of the city are the following:

Odessa Mechnikov National University	It provides education in such areas, as: biology; geography and geology; law, economics and management; history; philology; physics and astronomy; philology; philosophy; chemistry; mathematics and mechanics; sociology. It was founded in 1865. Number of students: ~ 20 ths.
National University « Odessa Academy of Law »	It provides education in such areas, as: law; sociology and social work; political science and international relations; journalism, publishing and printing. It was founded in 1997. Number of students: ~ 15 ths.
Odessa National Polytechnic University	It provides education in 54 areas, such as: information technology and cybersecurity; engineering and mechanical engineering; transport; physics and astronomy; chemistry and bioengineering; economics, management and marketing; energy, cultural studies and sociology; electronics and telecommunications. It was founded in 1918. Number of students: ~ 10 ths.
Odessa National Marine University	It provides education to professionals in coastal infrastructure of marine and river transport in 12 areas, such as: ships and ocean machinery, IT management systems and technologies, ship energy plants and equipment, operation of ship power plants, lifting and transport, building, road, reclamation machines and equipment, hydraulic engineering, transportation systems, organization of transportation and transport management, project management, business economics, law. It was founded in 1930. Number of students: ~ 6 ths.
Odessa State Agrarian University	It provides education in such areas, as: agrarian sciences and food, health care and pharmacy; economics, management and marketing; a geodesy and land management. It was founded in 1918. Number of students: ~ 6 ths.
Odessa State Academy of Construction and Architecture	It provides education in such areas, as: architecture; fine arts; mechanical engineering; construction; hydraulic engineering (water resources); geodesy; cartography and land management, business economics; marketing and management. It was founded in 1930. Number of students: ~ 4 ths.
Odessa National Medical University	It provides education in such areas, as: health care and pharmacy. It was founded in 1900. Number of students: ~ 3,5 ths.

HEALTH CARE

The city authorities pay close attention to the health care sector, which positively affects the social and humanitarian development of the territorial community.

The network of health care institutions of Odessa city presented by 102 medical institutions with different forms of incorporation, including 51 medical preventive institutions, of which: 10 – multi-profile inpatient units (including 2 multi-profile inpatient units for children), 5 polyclinics for adults, 11 centers for primary medical and sanitary care, 7 ambulatory and polyclinic institutions for children, 1 antituberculosis dispensary, dermatovenerologic dispensary and psychiatric dispensary, 2 children's homes, Center for prevention and fight against HIV and AIDS, 5 maternity hospitals, 1 children's sanatorium, 4 dental clinics, information and analytical center of medical statistics and the city health center.

The provision of population with stationary beds is 94 beds per 10 ths population, while on average in Ukraine it is 78 beds (the Ministry of Health's standard is 60 beds, in the countries of the European Union it is 53 beds), respectively. In the health care system of the city, the number of staff positions of a medical doctor was 3.6 ths, the staffing with medical doctors accounted for 91%, while the staffing with specialists with basic and incomplete higher education accounted for 87%, respectively.

The priority tasks of the city authorities is implementation of measures on improving the demographic situation, preserving and strengthening of health of the population of Odessa city, improving the quality, efficiency and timeliness of medical and sanitary assistance, dissemination of standards of healthy lifestyles and disease prevention, aimed at preventing, reducing the risk of deviations in health state and diseases, as well as slowdown of disease progression, reducing adverse effects of disease and providing access of residents to high quality health care services.

The city authorities carry out measures aimed at strengthening the material-technical base of health care institutions, improving the provision of health care assistance for women and children, cardiac care and conducting of clinical and diagnostic research. In particular, budget funds are allocated annually and medical equipment and vehicles are purchased, repairs and reconstruction of facilities are carried out.

TOURISM

Tourism and recreation industry is one of the strategic directions of development of Odessa city. The city has all the prerequisites for intensive development of domestic and foreign tourism: peculiarities of geographic location, favourable climate, the largest seaport of Ukraine, developed industry, resort and recreational complex, transport, financial, social and cultural infrastructure.

Odessa has strong recreational resources: aquatic and beach area of the seashore, green plantations of public use. The total area of city beaches is 56 ha, the total area of green plantations system is 742 ha. In Odessa region, there are over 700 institutions of rehabilitation, treatment and recreation, allowing to simultaneously accommodate about 100 ths people, including: 87 sanatoriums, rehabilitation institutions, 558 recreation centers.

Located within the city limits health care and recreational resources, which include reserves of mineral waters from the **following sources: «Odessa», «Kuyalnik» та «Chernomors'ke», as well as therapeutic muds: «Kuyalnik Firth» and «Khadzhybey Firth»** (requires regenerating) contribute to implementing of recreational potential.

About 350 tour operators and agents operate in Odessa city and Odessa region. Most of them work for outbound tourism and only one fifth work for inbound tourism. About 20 companies are engaged in servicing cruise ships. In order to promote the city in the international arena and to increase the tourist flow 5 branches of «Tourist information center of Odessa city» utility company have been set up (www.tic.in.ua).

During 2012-2016, the number of institutions of temporary accommodation increased by 95 units up to 255 units (of them – 16 units in 2016), the capacity increased from 7.4 ths beds up to 16.2 ths beds (of them 1.6 ths in 2016) or 6,714 rooms.

The results of 2015-2016 set new records for the number of tourists visiting the city, contributed by the stabilization of the political situation in the region and the redistribution of tourist flows from Crimea to Odessa and Odessa region.

In 2015, over 1.5 mln people visited Odessa city for business, tourism and work-related purposes, which was one and a half times more than in 2014, while by results of 2016 – over 2.0 mln people, respectively. During the summer period, the loading of hotels exceeded 90%.

Traditionally, recreation at the seaside ranks the 1st purpose of visits to the city, while cultural tourism ranks the 2nd, and event tourism ranks the 3rd, respectively. Among visitors of the city, Ukrainians prevail (about 60%), followed by Belarussians, and then, visitors from the Western Europe, the USA, Turkey and the Russian Federation.

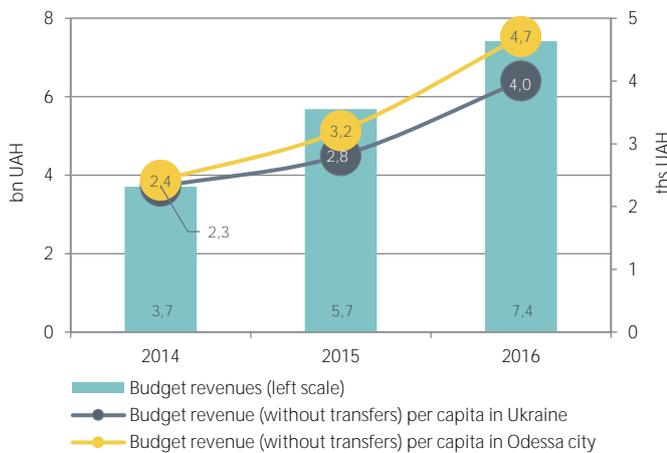
BUDGET

BUDGED REVENUES

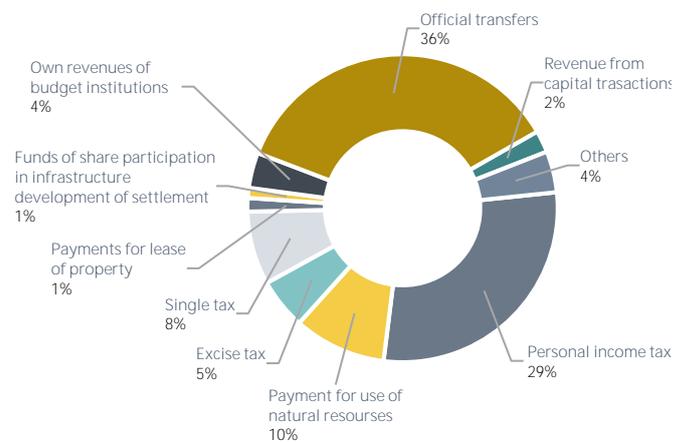
The budget of Odessa city is divided into general and special funds. Sources of funds formation are determined exclusively by the laws of Ukraine. The general fund of the budget includes all revenues except those that are intended for the special fund, all expenditures of the general fund that are formed solely by revenues to the general fund and financing of the budget general fund. The special fund of the budget includes budget allocations for expenditures by specifically designated revenue sources, grants or gifts (in value) obtained by managers of budgetary funds for a specific purpose, the difference between revenues and expenditures of the special fund of the budget. The main sources of revenues to the funds of the budget of Odessa city are as follows:

TYPES OF BUDGET REVENUES	VOLUME ACCOUNTED
Tax revenues	
Personal income tax	60%
Corporate income tax and financial institutions of communal property tax	100%
Single tax	100%
Environmental tax	25%
Excise tax on entities' sale of retail excise goods	100%
Property tax payable to local self-government budgets	100%
Tourist tax	100%
Rent payments for use of nature resources	100%
Non-tax revenues	
State duty, payment for the provision of other administrative services at the scene of action and issuing of documents	100%
Revenues from rent payments for use of property of communal ownership	100%
Part of net profit (income) of municipal unitary enterprises and their associations	100%
Own revenues of budgetary institutions financed from relevant local budget	100%
Funds of share participation in infrastructure development of settlement	100%
Funds from alienation of property of communal ownership, including funds from sale of non-agricultural land plots or rights thereto	100%
Local borrowings	100%
Transfers from budgets of other levels	100%

Key own sources of budget revenues are personal income tax, local taxes, fees for use of land. The city budget is dependent on transfers from budgets of other levels, which is typical for most regional centers of Ukraine.



Budget revenues of Odessa city



Structure of budget revenue of Odessa city in 2016

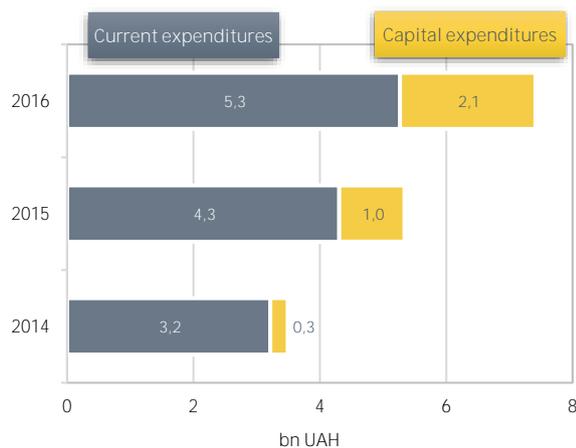
The city is inherent in a high level of the budget provision (the ratio of the budget revenues net of transfers per capita), which is higher than the average value in the country. The filling of the budget is differentiated both by industry and by taxpayers, namely: 8 industrial sectors of the city account for 79% of all budget revenues net of transfers, 10 major enterprises of the city account for 6% of the amount of tax revenues.

The major tax payers to the budget are the following: «Brooklyn-Kyiv» (transport freight handling), «Pivdenniy» bank (financial services), Odessaoblenergo (electric energy supply), «Odessa Marine Trade Port» (provision of services to water transport), SGS Ukraine (services of freight inspection and certification), HPC «Ukraine» (transport freight handling), Tavria-V (retail trade), Odessa cable factory (industry), Branch «Infoxvodocanal» (water supply and drain) and Aerorukh (transport).

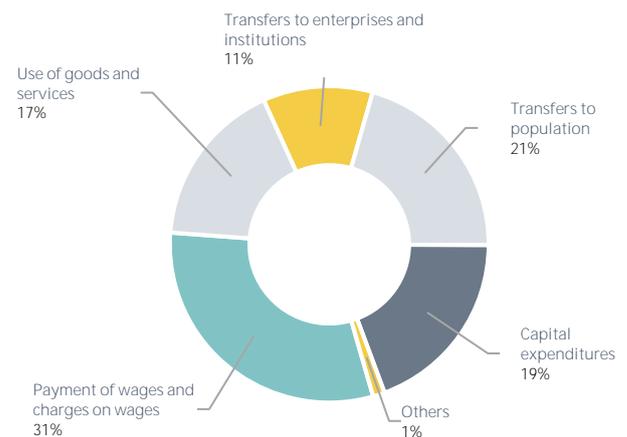
BUDGET EXPENDITURES

Expenditures of the city budget are formed and allocated to the implementation of programmes and measures provided for in the Budget Code of Ukraine and resolutions of Odessa City Council. Until 2015, current expenditures, primarily protected articles (of social orientation), whose dynamics of increase is based on the need to review minimum social standards for budget sphere employees and inflationary component in the cost of goods and services, accounted for 90% of budget allocations in the structure of the city budget expenditures by economic classification. Others – capital expenditures using for development of city infrastructure.

At the same, the reasonable policy of the City Council in the realization of land resources and communal property, whose proceeds are allocated to the city development, as well as changes in the budget legislation from 2015 allow to maintain quite a significant amount of capital expenditures of the territorial community, i. e. about 19% of total expenditures or UAH 1 031.1 mln in 2015 and 29% or UAH 2 139.9 mln in 2016.



Structure of expenditures of Odessa city



Structure of expenditures of Odessa city in 2016

The city annually increases allocations to the development budget which is formed and used for implementation of social and economic development programmes, strengthening of material and financial base of the city. In 2016 the development budget received UAH 2 104.9 mln, by 2.2 time higher than in previous year.

CITY AT CAPITAL MARKET

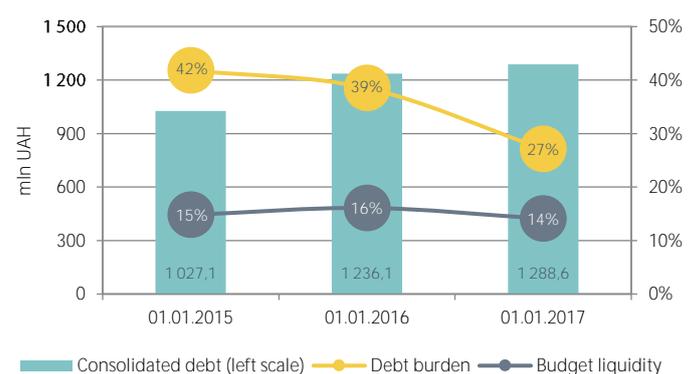
Odessa city is an active participant in the market of external borrowings. The debt policy of the local authorities is determined by the need for attracting of additional funding for implementation of projects on restoration of the city infrastructure. Credit funds are attracted to both the city development budget, and utility companies, including under the guarantees of the local authorities.

The city authorities conduct reasonable and effective debt policy, maintaining a moderate level of debt and high liquidity indicators of the budget (the ratio of balances of funds on accounts to current expenditures).

Liabilities under borrowings attracted to the city development budget are fulfilled in full volume according to the signed agreements and arrangements with creditors on the possibility of early repayment.

On 01.01.2017 consolidated debt burden of Odessa City Council consist of obligation to State Treasury Service of Ukraine, debts of communal enterprises for bank loans, including loan of International Bank for Reconstruction and Development, issued under guarantee of Odessa City Council.

As at 01.01.2017 the consolidated debt burden of Odessa City Council on budget revenues net of transfers accounted for 27%, which is a moderate indicator. The liquidity indicator (ratio of balances of funds on accounts to current expenditures of the budget) accounted for 14%, which is a high value.



Indicators of debt burden on the budget of Odessa city

REFERENCE DATA

REFERENCE DATA

MAIN INDICATOR OF SOCIAL AND ECONOMIC DEVELOPMENT OF ODESSA CITY IN 2014-2016

INDICATOR	UNIT OF MEASURE	2014	2015	2016	GROWTH RATE 2016/2015
Demography and labour market					
Number of actual population (eop)	ths people	1,016.5	1,010.8	1,010.8	100.0%
Average number of full-time employees	ths people	267.9	248.8	245.1	98.5%
Number of registered unemployed (eop)	ths people	3.3	2.9	2.1	72.4%
Average monthly wages in Odessa city	UAH	3,305	4,089	5,051	123.5%
Average monthly wages in Odessa region	UAH	3,129	3,893	4,809	123.5%
Average monthly wages in Ukraine	UAH	3,476	4,195	5,070	120.9%
Arrears of wages (eop)	mln UAH	17.4	46.2	45.1	97.6%
Industry					
Volume of industrial output sold	mln UAH	12,444.9	16,947.7	21,612.3	127.5%
Volume of industrial output sold per capita in Odessa city	UAH	12,239.9	16,718.7	21,381.1	127.9%
Volume of industrial output sold per capita in Odessa region	UAH	12,321.5	18,556.1	18,957.3	102.2%
Volume of industrial output sold per capita in Ukraine	UAH	32,303.9	35,022.1	41,375.2	118.1%
Investments and construction					
Foreign direct investments	mln USD	605.7	546.9	533.6	97.6%
Foreign direct investments per capita in Odessa city	USD	595.7	567.8	527.9	93.0%
Foreign direct investments per capita in Odessa region	USD	597.7	558.8	557.4	99.8%
Foreign direct investments per capita in Ukraine	USD	947.1	843.8	882.4	104.6%
Capital investments	mln UAH	5,534.9	5,055.3	8,153.4	161.3%
Capital investments per capita in Odessa city	UAH	5,443.7	4,986.9	8,066.1	161.8%
Capital investments per capita in Odessa region	UAH	3,526.6	3,513.3	6,275.3	178.6%
Capital direct investments per capita in Ukraine	UAH	5,538.8	5,861.9	7,643.4	130.4%
Commissioning of housing	ths sq. m	433.5	371.6	263.0	70.8%
Commissioning of housing per capita in Odessa city	sq. m	0.43	0.37	0.26	70.3%
Commissioning of housing per capita in Odessa region	sq. m	0.37	0.26	0.24	92.3%
Commissioning of housing per capita in Ukraine	sq. m	0.23	0.26	0.22	84.6%
Volume of completed construction works	mln UAH	2,091.7	3,152.2	4,210.6	133.6%
Transport					
Cargoes transported (by all means of transport)	ths tons	30,928.6	34,540.0	34,681.2	100.4%
Cargo turnover	mln tons km.	63,250.0	66,750.8	59,190.1	88.7%
Passengers transported (all means of transport)	mln pass.	290.5	313.8	308.2	98.2%
Passenger turnover	mln pass. km.	9,096.1	9,180.0	11,844.7	129.0%
Domestic and foreign trade					
Retail trade turnover of enterprises	mln UAH	22,832.7	25,935.3	30,671.9	118.3%
Retail trade turnover per capita in Odessa city	UAH	22,456.6	25,584.8	30,343.7	118.6%
Retail trade turnover per capita in Odessa region	UAH	13,095.5	15,347.5	18,253.4	118.9%
Retail trade turnover per capita in Ukraine	UAH	10,194.6	11,155.7	12,811.5	114.8%
Exports of goods and services	mln USD	1,438.1	1,300.9	1,207.2	92.8%
Imports of goods and services	mln USD	1,845.9	746.1	871.0	116.7%
Foreign trade turnover	mln USD	3,284.0	2,047.0	2,078.2	101.5%
Balance of foreign trade activities	mln \$	- 407.8	554.8	336.2	60.6%
Foreign trade turnover per capita in Odessa city	USD	3,229.9	2,019.3	2,056.0	101.8%
Foreign trade turnover per capita in Odessa region	USD	2,212.2	1,552.5	1,539.7	99.2%
Foreign trade turnover per capita in cities in Ukraine	USD	2,518.4	2,108.4	2,121.9	100.6%
Ecology					
Emissions of pollutants into atmospheric air	tons	65.4	53.0	n/a	--
Emissions of pollutants per capita in Odessa city	Kg	64.3	52.3	n/a	--
Emissions of pollutants per capita in Odessa region	Kg	63.6	65.1	n/a	--
Emissions of pollutants per capita in Ukraine	kg	120.6	105.5	112.9	107.0%
Budget provision					
Budget provision per capita in Odessa city	UAH	2,418.4	3,207.1	4,708.4	146.8%
Budget provision per capita in cities of Ukraine	UAH	2,323.2	2,811.6	3,999.0	142.2%

REFERENCE DATA

REVENUES TO THE BUDGET OF ODESSA CITY IN 2014-2016, UAH THOUSAND

Indicator	2014	2015	2016	Growth rate 2016 / 2015
<i>Tax revenues</i>	2,117,565.5	2,612,534.5	3,937,046.9	150.7%
<i>share of tax revenues in the amount of budget revenues</i>	57.1%	46.0%	53.0%	--
Personal income tax	1,460,858.3	1,429,381.0	2,124,665.9	148.6%
Corporate income tax	12,558.9	76,019.5	-11,777.9	--
Property taxes	1,570.3	42,793.2	108,785.8	254.2%
Payment for use of natural resources	299,068.2	379,322.6	716,712.0	188.9%
Transport tax	0.0	26,197.8	10,617.1	40.5%
Single tax	297,822.9	376,907.0	571,945.0	151.7%
Excise tax	0.0	265,819.8	395,144.7	148.7%
Ecological tax	8,951.0	2,002.1	2,147.5	107.3%
Other taxes	36,735.9	14,091.5	18,806.8	133.5%
<i>Non-tax revenues</i>	296,177.2	516,606.3	651,937.7	126.2%
<i>share of non tax revenues in the amount of budget revenues</i>	8.0%	9.1%	8.8%	--
Part of income of communal enterprises	18,826.2	18,509.1	9,720.8	52.5%
Interests on a deposit	806.7	0.8	53,307.7	66.6 thsd
Administrative fees and charges, revenues from non-commercial and incidental sales	0.0	27,466.4	41,543.1	151.3%
Revenues from rent payments for use of property of communal ownership	62,267.5	102,795.0	98,101.0	95.4%
State duty	2,153.5	21,822.1	18,829.2	86.3%
Funds of share participation in infrastructure development of settlement	30,068.0	68,137.3	78,600.7	115.4%
Own revenues of budget institutions	167,909.1	218,497.2	275,461.3	126.1%
Other revenues	14,146.2	59,378.4	76,373.9	128.6%
<i>Revenues from capital transactions</i>	43,573.6	77,109.9	169,926.0	220.4%
<i>share of capital transactions in the amount of budget revenues</i>	1.2%	1.4%	2.3%	--
Funds from sales of fixed capital	16,432.3	25,075.1	78,942.7	314.8%
Funds from sales of land	27,141.3	52,034.8	90,983.3	174.9%
<i>Target funds</i>	1,563.6	825.8	403.1	48.8%
<i>share of target funds in the amount of budget revenues</i>	0.0%	0.0%	0.0%	--
Total own revenues	2,458,879.9	3,207,076.8	4,759,313.6	148.4%
<i>Transfers</i>	1,250,562.8	2,476,080.4	2,662,796.6	107.5%
<i>share of transfers in the amount of budget revenues</i>	33.7%	43.5%	35.9%	--
TOTAL	3,709,442.7	5,683,157.2	7,422,110.2	130.6%

REFERENCE DATA

BUDGET OF ODESSA CITY IN THE FORMAT OF BUDGET BALANCE IN 2014-2016, UAH THOUSAND

Indicator	2014	2015	2016
Tax revenues	1,819,742.7	2,612,534.8	3,937,046.9
Payments, fines and other operating revenues	297,394.6	439,187.6	510,893.0
Obtained transfers net of internal transfers	1,194,419.0	2,462,782.6	2,601,215.8
<i>Operating revenues total</i>	<i>3,311,556.3</i>	<i>5,514,504.9</i>	<i>7,049,155.7</i>
Current expenditures	1,983,799.6	2,602,811.2	2,972,151.8
Subsidies and current transfers	1,217,967.1	1,702,894.0	2,298,084.5
<i>Operating expenses total</i>	<i>3,201,766.7</i>	<i>4,305,705.2</i>	<i>5,270,236.3</i>
OPERATION BALANCE	109,789.5	1,208,799.7	1,778,919.4
Financial revenues	806.7	0.8	53,307.7
Payment of interest on liabilities, debt servicing	15,981.6	3,106.8	0.0
<i>Financial balance total</i>	<i>-15,174.9</i>	<i>-3,106.0</i>	<i>53,307.7</i>
CURRENT BALANCE	94,614.6	1,205,693.8	1,832,227.0
Capital revenues	340,935.9	155,353.6	258,066.2
Subsidies and transfers for capital expenditures	56,143.8	13,297.8	61,580.8
<i>Capital revenues total</i>	<i>397,079.7</i>	<i>168,651.4</i>	<i>319,646.9</i>
Capital expenditures	263,685.7	933,636.0	1,876,878.0
Capital transfers	10,047.7	97,080.1	263,028.8
<i>Capital expenses total</i>	<i>273,733.4</i>	<i>1,030,716.2</i>	<i>2,139,906.8</i>
<i>Capital balance</i>	<i>123,346.3</i>	<i>-862,064.8</i>	<i>-1,820,259.9</i>
BALANCE AFTER CAPITAL EXPENCES	217,961.0	343,629.0	11,967.2
Providing soft loans to citizens (including repayment)	-54.3	-171.8	42.9
SURPLUS / DEFICIT	218,015.3	343,457.2	11,924.3
<i>Financing</i>	<i>-218,015.3</i>	<i>-343,457.2</i>	<i>-11,924.3</i>
BALANCE	0.0	0.0	0.0

KEY STRUCTURAL UNITS OF ODESSA CITY COUNCIL

Name	Main functions and tasks	Contacts
Odessa City Council Executive committee	Adress: 65004, Ukraine, Odessa, Dumskaya square, 1 Phone: (048) 779-14-15 E-mail: press@omr.gov.ua Web: http://omr.gov.ua	
Department of economic development	Development of programs of economic and social development, strategic plan of the city economic development and other programs of the city economy, monitoring of their implementation; preparation of proposals to the city budget, economic analysis and forecasting of the key indicators of economic development of the city; promote the attraction in the city economy of foreign and domestic investments, implementation of state policy in the area of international technical assistance and external relations; coordination of supporting of investment projects.	65026, Odessa, Pushkinskaya st., 6 (048) 722-22-70 depeconomy@omr.odessa.ua
Department of finance	Implementation of the state policy in the area of the city finance: drafting calculations for the draft of the city budget and submitting it to the City Council; preparing of proposals on financial provision of actions aimed at social and economic development of the city; implementation of general organization and management of execution of the city budget; coordination of work on ensuring compliance with legislative requirements of procurement of goods, works and services for state funds administrators of the city budget funds, public utility companies.	65026, Odessa, Zhukovskiy st., 13 (048) 722-70-68 findep@dfogs.gov.ua
Department of Architecture and town planning	Implementation of state and local policies in the city territory in the area of planning, development and other use of territories as well as in the area of architecture, design of city environment and landscaping; organization of territorial planning at the local level, the analysis of urban development status in the city territory, organization of development, expertise and submission for approval in order established by law of urban development programs, master plan of the city, other town-planning documentation; coordination of activities of urban development entities of the city integrated development and building, improvement of the city architectural and aesthetic appearance.	65082, Odessa, Gogol st., 10 (048) 723-07-35 uag3@omr.odessa.ua
Department of supply of administrative services	Providing economic entities with information, advisory and practical assistance related to the obtaining of permit documents; development and implementation of measures for simplifying the mechanisms and reducing the time needed to obtain permit documents; organization of work of representatives of permitting authorities/services for the issuing of permit documents.	65082, Odessa, Preobrazhenskaya st., 21 (048) 720-70-21 admin.center3@omr.odessa.ua
Department of communal property	It carries out unified policy of management of communal property owned by the territorial community; does accounting, inventory of communal property, controls its use; exercises powers of communal property lessor, agrees transfer of property for lease, holds tenders of transfer of property for lease; prepares draft programs of privatization, alienation of communal property during which carries out pre-privatization preparation; organizes auctions for sale of communal property.	65039, Odessa, Artereliyskaya st., 1 (048) 63-02-82 reception_dks@omr.odessa.ua
Department of land resources of Department of communal property	It undertakes measures for implementation of land reform in the city, contributes to the development of the land market, organizes conducting of works concerning introduction of the automated land information system of the city land records; exercises powers concerning administering expropriation (buy-out/redemption) of land plots, provision of land plots for construction and other purposes, transfer of land plots into ownership of citizens and legal entities; coordination, organization and implementation of landscaping management in the city territory.	65039, Odessa, Artereliyskaya st., 1 (048) 63-02-82 uzr@omr.odessa.ua
Department of international links	Representation of Odessa city council and its executive bodies in relations with international organizations, municipalities of twinned cities and partner cities, diplomatic missions of foreign states in Ukraine and diplomatic missions of Ukraine abroad; promotion of the international image of Odessa, execution of programs and measures aimed at implementing international standards in various spheres of life	65004, Odessa, Dumskaya sq., 1 (048) 724-70-09 ird@omr.gov.ua
Department of major construction	Fulfillment of tasks on construction of buildings, facilities for education, health care, communications, transport, trade, public catering, communal economy, culture and household and other purposes and effective use of capital investments aimed at achieving this objective.	65091, m. Odessa, Komitetskaya st., 10-a (048) 711-14-01 ukb@omr.odessa.ua

INVESTMENT PROPOSALS

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Project title	High speed tram
Goal:	<ul style="list-style-type: none">✓ Replacement of tram tracks of high-speed connection between the city center, Kievskiy and Suvorovskiy districts✓ Creation of modern comfortable conditions for passengers✓ Unloading of highways in direction to «Kotovskiy» residential area✓ Increased passenger flow and revenues from passenger transportation
Cost, including:	EUR 24 mln
- replacement of tram tracks	EUR 12.4 mln
- acquisition of 17 trams	EUR 11.6 mln
Collateral /guaranty:	City property / conclusion of the Public Private Partnership agreement / joint enterprise with the city
Payback period:	Up to 10 years

Project title	Industrial park
Goal:	Creation of an industrial park in the city territory with the aim of deployment of new productions (packaging production, production of food products, light industry, etc.), provided with energy supplies, infrastructure and the required administrative and legal conditions.
Terms:	Odessa City Council plans to do all the necessary utility works at the expense of the city budget once the decision on site for the project has been made.
Cost:	From EUR 11.6 mln (depending on the size and production capacity)
Collateral /guaranty:	City property / co-investment
Reference data:	Two land plots are under consideration for creation of the industrial park, where several independent enterprises of different industries will carry out their activities: filtration fields of an area of 150 ha or the land plot at M. Borovsky street of an area of 26-32 ha.

Project title	Industrial and logistics park
Goal:	<ul style="list-style-type: none">✓ Creation of an industrial and logistics park in filtration fields✓ Organization of production of products of light industry, food industry at the level of leading technologies (assembling production, packaging, food products processing, etc.)✓ Organization of the logistics park (warehouses, container terminals, complexes of international reloading and handling of cargoes, etc.)
Terms:	NPV – EUR 111.2 mln, preferential taxation
Cost:	EUR 585 mln including funds of the project initiator for creation of basic infrastructure (fencing, customs posts, installing gas, electricity and water supply networks).
Collateral /guarantees:	City property / possibility of attracting a co-investor
Reference data:	Currently, implementation of other projects in the fields of filtration (such as, construction of multistorey apartment buildings, recultivation of filtration fields) are impossible from a technical point of view due to sanitary standards

INVESTMENT PROPOSALS

Project title	Technical re-equipping of street lights on the basis of LED- technologies
Goal:	<ul style="list-style-type: none"> ✓ Ensuring of street lighting quality by European standards ✓ Reduced energy consumption of each light point by 2-4 times ✓ Reduced budget expenditures for 1 light point and maintenance of street lighting facilities (~42 thousand lamps) ✓ Reduced emissions into the environment
Cost:	EUR 10-60 mln
Payback period:	10-15 years
Terms of cooperation:	On the terms of ESCO contract / concession agreement / joint activity enterprise / credit

Project title	Thermo-modernization of preschool and school educational establishments
Goal:	Carrying out of thermal insulation in more than 130 preschool educational establishments, 130 school educational establishments and 50 medical institutions by implementing energy efficient technologies (heat insulation of facades, basements, roofs; installation of an individual heating point, heat meters, etc.)
Cost:	EUR 74 mln
Collateral /guarantees:	City property / possibility of attracting a co-investor / ESCO contract
Repayment period:	Up to 10 years
Repayment terms:	City budget

Project title	Airport: terminal and runways
Goal:	<ul style="list-style-type: none"> ✓ Construction of new terminal building ✓ Modernization of existing runways ✓ Construction of new runways
Cost / terms	On request

Project title	Odessa Expo Center «365»
Goal:	Construction of the International Sports and Exhibition Center in Odessa to host sport events, exhibitions and fairs, conjcerts and other events all year round
Cost:	From EUR 15 mln
Payback period:	Up to 5 years
Collateral /guarantees:	City property / co-investments

INVESTMENT PROPOSALS

Project title	Disposal of municipal solid waste
Goal:	Construction and commissioning of production of energy resources and other products from municipal waste in commodity products with complete processing cycle and provide services of full utilization, zero waste production and autonomous energy supply
Project description:	Recycling of 94%-98% of waste obtaining output of low cost ready for consumption products. The complex required capacity ranges from 150 thousand to 1.0 mln tons a year
Cost:	From EUR 0.3 mln (depending on the processing capacity and product of production)
Payback period:	Up to 12 years
Collateral /guarantees:	The object under construction / city property / possibility of attracting co-investors
Cooperation terms:	Joint activity agreement with municipal enterprise
Reference data:	Waste recycling activity shall be exempted from corporate income tax, VAT (as regards material and technical costs) until 2019

Project title	Biogas power station at municipal solid waste landfill
Goal:	<ul style="list-style-type: none"> ✓ Increased energy independence of the city by electricity generation by degassing of municipal solid waste landfill, reduced greenhouse gas emissions ✓ Production up to 45.0 thousand kW / h per day of «green electricity»
Cost:	EUR 4 mln
Payback period:	Up to 4 years
Collateral /guarantees:	The object under construction / city property / possibility of attracting co-investors

Project title	System for collecting and disposal of vegetable and cooking fats
Goal:	Construction of recycling plant of wasted vegetable and cooking fats, with an estimated capacity of up to 30 thousand tons a year
Project description:	<ul style="list-style-type: none"> ✓ Creation of up to 70 jobs ✓ Environmental component – reduced emissions up to 30 thousand tons a year ✓ Saving on repairs of pipelines (as a result of hardening of fat in pipes) – up to UAH 20 mln a year
Cost:	Up to EUR 5 mln (depending on recycling capacity)
Duration period:	2 years

Project title	Intensive care units
Goal:	To create ICU facilities in the city hospitals equipped with modern medical equipment
Cost:	to EUR 3.5 mln
Payback period:	Up to 5 years
Collateral /guarantees:	City property / possibility of attracting co-investors

INVESTMENT PROPOSALS

Project title	E-ticket
Goal:	<ul style="list-style-type: none"> ✓ Switching from cash to cash-free payment services ✓ Automation of the fare-payment process ✓ Promoting the culture of public transportation use and its fort to the passengers ✓ Increasing the level of control over the work of transport ✓ Increasing the incomes of carriers' enterprise
Description:	Installation of 426 terminals on the board of electric transport and 426 portable terminals for fare-collectors and WiFi access points, 220 terminals placement at transportation stops, 11 portable terminals for controllers
Cost:	EUR 3-4 mln
Collateral /guarantees:	City property / conclusion of the Public Private Partnership agreement / joint enterprise with the city

Project title	Odessa Silicon Valley
Goal:	<ul style="list-style-type: none"> ✓ Creation of Technopark with a unique scientific and production territory, which will incorporate venture capital, scientific, educational and business components with complete infrastructure (business centers, research centers, shopping and entertainment and sports and health club complexes, comfortable accommodation, etc.) ✓ Involvement of Ukrainian and foreign companies engaged in IT industry for organization of work in this territory ✓ Introduction of preferential taxation in the project territory
Description:	For maximum convenience and efficiency, data center, business incubator, venture capital funds, banks, patent offices, law firms, accounting firms, etc. will be located in business centers along with office premises.
Cost:	EUR 50 mln
Payback period:	From 7 to 10 years
Collateral / guarantee:	City property / conclusion of the Public Private Partnership agreement / possibility of attracting co-investors

Project title	Architectural masterpieces' facades and rooftops repairs and restoration in the center of the city
Goal:	To revive the most beautiful and glorious buildings that will instantly affect the city image
Cost:	From EUR 25 mln
Duration period:	2 years
Collateral /guarantees:	City property
Cooperation terms:	Credit funds / grants



CONTACTS FOR COOPERATION:

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Odessa City Council

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Odessa, 65026

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Investment passport of Odessa city has been prepared by Rating agency «IBI-Rating» Ltd. on request of the Executive Committee of Odessa City Council. Official data of the State Statistics Service in Odessa region and materials provided by the Executive Committee of Odessa City Council have been used for its preparation.

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