

**OXANA SLYUSARENKO**  
**DEPUTY MINISTER**  
**MINISTRY OF ECONOMY OF UKRAINE**

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Ladies and gentlemen!

**First of all, let me express my respect to you and, my gratitude to Economic and Social Council of the United Nations Organization, for invitation to this International Conference and opportunity to make a speech.**

This is an honor for me to be invited and to represent my views on promoting successful public-private partnership.

Foreign investment is the largest source of financing in Ukraine. We are closely working with companies and international financial organizations especially with the World Bank and EDRD.

We understand that while improving successful public-private partnerships we have the potential to generate employment, increase productivity, transfer skills and technology.

Ukraine has to undertake reforms to meet international standards.

Our reforms designed to stimulate domestic investment, attract foreign direct investment, develop the Small Medium Enterprise sector – constitute a solid foundation for steady economic growth.

It is obvious that Foreign Direct Investments and Small Medium Enterprise development are two of the most significant factors for economic growth and job creation.

We consider , that the government's role is to provide the enabling framework, for enterprises to flourish through a strong business climate and Private Public Partnerships.

We strongly support the idea, that investment incentives and mechanisms as free zones, disadvantaged zones, and fiscal investments are only effective in the presence of a favorable business, investment climate and developed PPPs.

Ukraine's aim is to create conditions for a positive and dynamic business and investment climate, economic, legal and regulatory environment supported by good governance including PPPs, transparency, predictability and economic openness.

**That's why this Conference is very important for us.**

**Dear colleagues!**

In our view macroeconomic stability and GDP growth are keys to increase in investment and public-private infrastructure.

At this stage, we should deal with the benefits of economic liberalization and of adopting "open" economic model.

The focus should be made on such macroeconomic issues as a medium-term government economic strategy, a disciplined fiscal policy, strong policy support for international trade and facilitation of international capital flows.

In 1991 we started at the zero point in order to create favorable climate for investments, public-private joint activities and business doing in Ukraine.

We should admit that during the current year the Ukrainian economy has demonstrated a very positive development dynamics, overcoming the negative impact of massive energy prices increase.

**To prove the point, The Main Macroeconomic Indices are**

- real GDP has grown by 7,9 % (over January – April 2007);
- the industrial outputs by 12,5 %;
- gross agricultural outputs by 5% (over January - March 2007);
- retail goods turnover by 26%;
- real state budget revenues by 22%.

In March, since the beginning of the year, consumer price index has grown by 1.3% and person's deposits - by 10%.

### **We understand that Ukraine has to achieve Necessary Pre-Conditions of Investments capital Growth**

Ukraine aims at promote consistent policy.

This is important, to reach broad political consensus, for economic growth and development.

And it would be advisable to reinforce cooperation between public and private sectors of economy.

A special attention should be paid to investment in infrastructure. According to the best experience – good infrastructure attract investments.

Public private partnerships are a great tool for enabling governments to finance infrastructure investment projects.

We should inform you that the government of Ukraine has set a task to study international experience in Public Private Partnership.

First of all Ukraine is very interested in development of public private partnership in reconstruction, and financing of projects, projects of national road-transport network.

**Now I would like to tell you about few Instruments of Investment Attraction that we use**

Currently we are facing various forms of Public Private Partnership, such as:

- concessions;
- lease of state or municipal property;
- leasing;
- agreements on division of products;
- state property management;
- joint activity;
- .

In Ukraine, projects fulfillment, in respect of private investments attraction, is restrained first of all by the following factors:

- lack of budget funds for providing the participation of the state in joint projects and short budget planning cycle;
- a short cycle of budget planning doesn't allow to elaborate the system of strict guarantees of budget co-financing of long-term infrastructure projects during the whole period of project implementation;
- lack of practice in providing preferences to investors financing into high cost and long-term infrastructure projects;
- lack of development of land registration.

Realization of PPP policy should be determined by the following:

- ensure that Public Private Partnership is elaborated in accordance with national strategy of economic development;
- improvement of regulatory and legal framework regulating Public Private Partnership in concession and innovative spheres, agreements on products division, leasing;
- increase the level of rights protection of Public Private Partnership participants;
- clear determination of rights, obligations and responsibilities of the participants of Public Private Partnership;

- formation of institutional environment: foundation of the body of executive power, responsible for controlling and coordination of Public Private Partnership projects.

We believe that adoption of the Law of Ukraine "On public-private partnership" will create favorable conditions for investments attraction in the economy of Ukraine.

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Dear colleagues!

Let me briefly inform you about the biggest large scale project in Ukraine which is sure to develop PPP in our country.

In 2012 Ukraine is hosting UEFA EURO championship 2012, the most significant sport event of our country and Europe.

This is not only the third important event in the world after Olympic Games and the World Football Championship, but it is a challenge for Ukraine that can provide our country with investment potentials for growth of Ukraine's economy.

The championship will be held in Kyiv, Donetsk, Lviv, Dnepropetrovsk and in Kharkiv and Odessa as reserve cities.

Total economic effect from placing of the championship is the following:

- Development of social, tourist's and transport infrastructure;
- modernization of sports centers of the country;
- Promotion of business doing in Ukraine;
- Increase in employment;

The most significant economic effect can be achieved by balancing private and public interests, transparent and equal conditions for investment activities, political stability of the country, and sustained economic development of Ukraine's regions.

According to estimates of experts a scope of attracted investments will reach 9 to 1 to budget financing.

We have already commenced preparation of main sections of this program and searching for new partners for carrying out the following plans:

Firstly

Plan of development of transport infrastructure:

- Construction of highways;
- Renovation of international transport passages at the territory of Ukraine;
- Reconstruction of national roads in the cities where competitions will be held;
- Construction of a ring road in capital;
- Construction of high-speed trunk-railways;
- Reconstruction of airports, bus and railway stations.

Secondly

Construction projects of new sports sites and renovation of current ones:

- Modernization stadiums, sports centers and infrastructure in Kyiv;
- Completion of some new stadiums and infrastructure.

Plan of development of municipal economy and hotel infrastructure:

- Construction of 50 - 70 new hotels (5 – 3 stars) in capital;
- Construction of 20 - 70 new hotels in each of cities where competitions will be held;
- Modernization of municipal economy;

Plan of development of entrepreneurship include:

- Decreasing of regulatory pressure on commencement and business-doing, particularly small and medium business, most of all hotel, restaurant, and tourism areas.

Plan of investment and innovative activities:

- Creation of new mechanisms (development of public and private partnership);

- A “single window ” for investors;
- Carrying out a register of investment and innovative projects;
- Conducting a forum of investment and innovative projects for preparation to UEFA EURO 2012;

So we would like to work closely with you in addressing these challenges.

Ukraine is currently experiencing market transformations and liberalization processes and is optimistic about future perspectives.

**I would like to wish all of you successes and I hope on future cooperation.**

**Thank you for your attention!**