

INVESTMENT PASSPORT OF ZHYTOMYR CITY



2015

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.

ZHYTOMYR CITY WELCOMES ALL WHO ARE INTERESTED IN LIFE AND DEVELOPMENT OF THE CITY!



Zhytomyr is an industrial, transport and scientific center of Polissia area inhabited by hard-working people who are accustomed to honestly and faithfully working for the welfare of their own families, the city and the country.

Hard daily work of the city inhabitants has a positive impact on the dynamics of social and economic development of Zhytomyr and makes a significant contribution to the welfare of the whole country.

Powerful scientific and production potential is concentrated in the city; its enterprises are significant taxpayers to the state and local budgets.

The attractiveness of Zhytomyr as a city suitable for business is confirmed by assigning of the investment attractiveness rating to Zhytomyr at invBBB+ grade, «Sufficient investment attractiveness» by the leading rating agency IBI-Rating.

The city is open to further cooperation and establishing constructive business relationships with investors, businessmen and all who care about development of the city and the country.

You are invited to become better acquainted with Zhytomyr!

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BACKGROUND INFORMATION

GEOGRAPHICAL CHARACTERISTICS

Zhytomyr City is located in the north-western part of Ukraine on the brink of Polissia and forest-steppe zones and plays an important economic and scientific-cultural role throughout Polissia area of Volyn' being its largest city. The city is a part of the Korostyshiv natural area of Zhytomyr Polissya, which is characteristic of its plain relief. Zhytomyr is surrounded by ancient woodlands on almost all the sides, such rivers as Teteriv, Kam'ianka Lisova and Kam'ianka Pol'ova, Kroshenka, Putyatynka flow through the city.



Geographic location of Zhytomyr city

The city's current planning structure reflects its long development history. The city is located on the left bank of the Teteriv river, which flows from the west to the east and its stone banks create a natural barrier prompting the city to develop southward.

Also, an important obstacle directing the city's spatial development southward was the administrative and territorial system that emerged in the early 90s of the last century, and which attributed the territories of "Zarichia" ("areas beyond the river") to the limits of rural territorial communities and which, in accordance with the Ukraine's legislation, are within the exclusive competence of the respective rural councils.

A city master plan has been designed in Zhytomyr, which is the main planning document that sets out the directions and limits of the territorial development, functional purpose and building zoning of the territory, containing fundamental decisions

about the accommodation of facilities of the city importance, organizing street and road network, as well as road traffic, engineering equipment, engineering training and improvement, protection of territories from hazardous natural and technogenic processes, protection of natural resources, as well as historical and cultural heritage.

The city's main street is the Kyiv street, which starts at the eastern entrance to the city and leads to the centre, which houses the main administrative agencies and organizations, cultural, religious, and public institutions.

The city has many parks and gardens. In the city's western outskirts on the banks of the Teteriv water reservoirs there is a hydropark with a total area of 110 hectares.

By its geographic location the city of Zhytomyr is a north-western gate of Ukraine. The city is located in the region, which on the north is bordered by Belarus (Gomel oblast'), by Rivne oblast' and Khmelnytsky oblast' in the west, by Vinnytsya oblast' in the south and by Kyiv oblast' in the east. The distance from Zhytomyr to Kyiv is 135 km, to Moscow – 994 km, to Warsaw – 660 km, to Berlin – 1225 km. The distance from Zhitomir to the nearest seaport by Odessa roads is 500 km, to the nearest international passenger airport "Boryspil" – 176 km.

Zhytomyr is in inherent in the favorable economic and geographical position, supported by the passage through its territory of international highways, the presence of sufficiently developed infrastructure network and transport sector, providing the city with prerequisites for the effective development of both economic and logistics center of northwestern Ukraine.

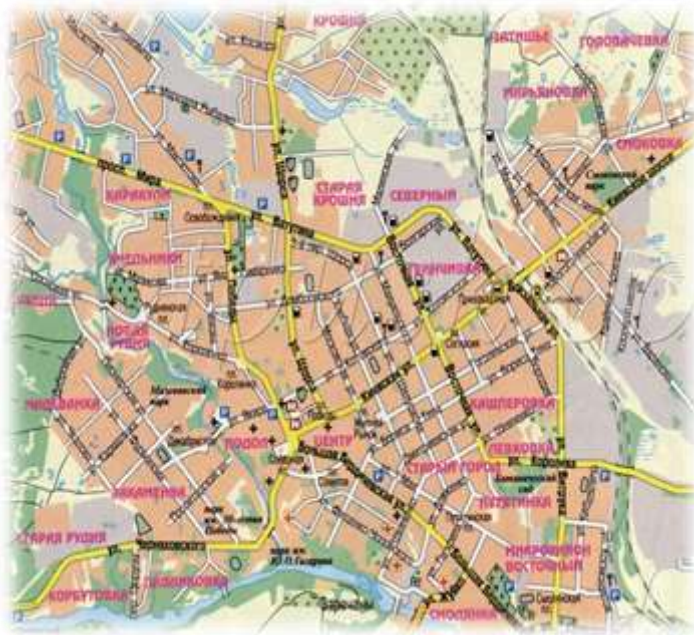
Zhytomyr is located on the line III of the Pan-European Automobile Transport Corridor that connects five European countries, as follows: Spain, France, Germany, Poland and Ukraine, and runs from the Spanish Santiago de Compostela to Kyiv through major European cities, namely, Paris, Frankfurt Main, Berlin, Wroclaw and Krakow.

Zhytomyr's boundary location provides it with certain advantages in cooperation with Ukraine's partner, Belarus, influencing the development of foreign trade. For the rest of its geographical and natural conditions, the city does not have any considerable advantages over other major regional centers of Ukraine.

BACKGROUND INFORMATION

TERRITORIAL DIVISION

The City of Zhytomyr is an administrative center of Zhytomyr region or oblast', an important economic and scientific and technical center of the region, founded in 884 AD. The population of the city is 269 thousand people, its general area totals 61 sq. km.



Map of Zhytomyr city

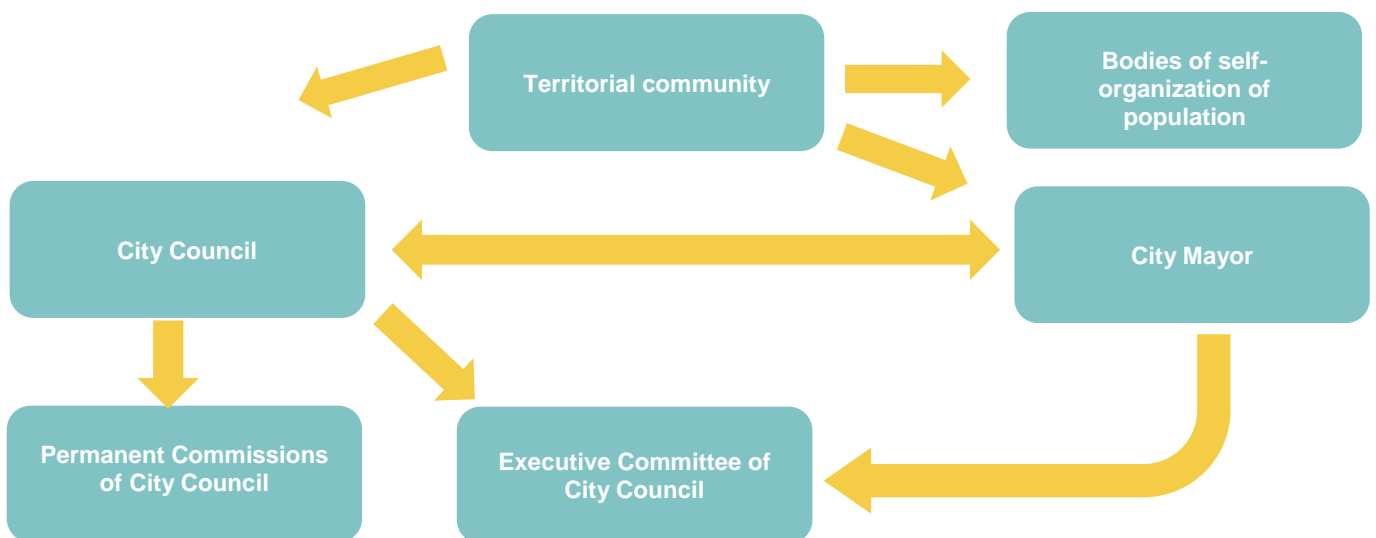
The city area is divided into two administrative districts: Boguns'kiy and Korol'ovski, with an area of 30 sq. km. and 31 sq. km., respectively.

Such settlement areas were formed in the city historically: Central district, Malyovanka-Korbutivka, Bohuniya, Khmel'nyky, Sokolova hora, Kroshnya, Smokivka-Marianivka, the Eastern district, which differ significantly by character and residential area development.

The city's characteristic feature is the uneven settlement of its inhabitants in relation to the major job locations. The former industrial zones were formed mainly in the 1950-1980 and are located in two areas: the eastern and the Northern districts. In recent years, new forms of ownership and public relations have been established, and urban development techniques are being reconsidered. Small but efficient private companies, joint ventures and production enterprises are being created instead of industrial giants. New residential areas are growing on the outskirts of the city and an issue of adjusting the city limits that would take into account their actual state is becoming urgent.

SYSTEM OF LOCAL SELF-GOVERNMENT

The system of local government in the city of Zhytomyr is typical for Ukraine. The powers and functions of local governments of Zhytomyr city 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.



Organizational and legal form of local self-government of Zhytomyr city

BACKGROUND INFORMATION

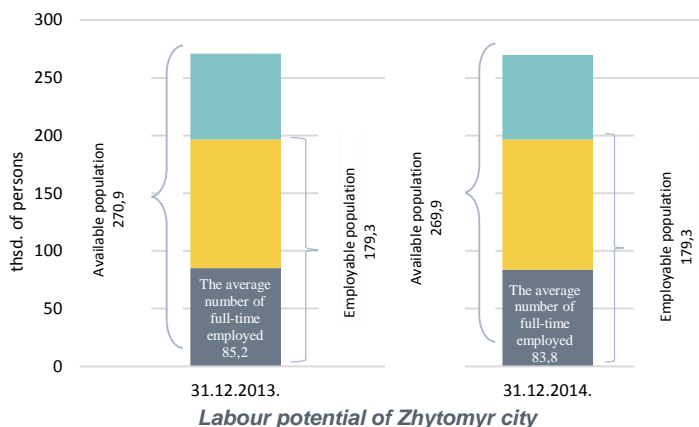


The last elections in Zhytomyr city took place in October 2010. The next election to Zhytomyr City Council and the Mayor election are scheduled for 25 October 2015.

SOCIAL AND ECONOMIC DEVELOPMENT

POPULATION AND EMPLOYMENT POTENTIAL

The city of Zhytomyr has significant employment potential. Its working age population aged from 16 to 59 account for 66% (which is by 4 percentage points higher than the average indicator in Ukraine), and the staff members employed account for 31%, indicating some unengaged human resource potential.

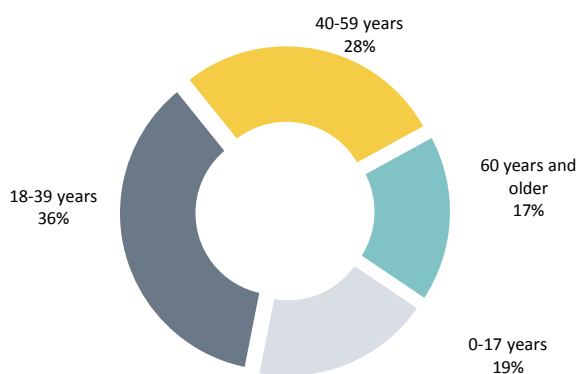


By the age structure the city of Zhytomyr belongs to the cities with the prevailing number of inhabitants aged 20 to 49 years, accounting for 46% of the total population. By gender structure men account for 46%, of these, men of working age account for 31%. The share of women accounts for 54%, of these, women of working age account for 35%.

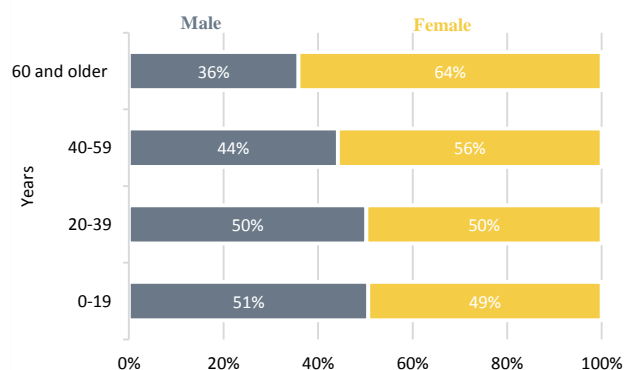
In recent years, the city of Zhytomyr observed reduction in the number of population. During the 2012-2014 the number of population decreased by 0.5% and amounted to 269.9 thousand people as at 31.12.2014. The reduction was the result of the population migration outflow, with the cumulative negative balance amounting to 2.2 thousand people

over the last 3 years.

Conversely, the indicator of natural population movement was positive and amounted to 0.8 thousand people. Migration outflow is the result of the economic recession and decline in business activity, both in the region and in the country, in general, forcing the city institutions to optimize administrative expenses, including by the staff reduction and application of partial employment.



Structure of population of Zhytomyr city by age



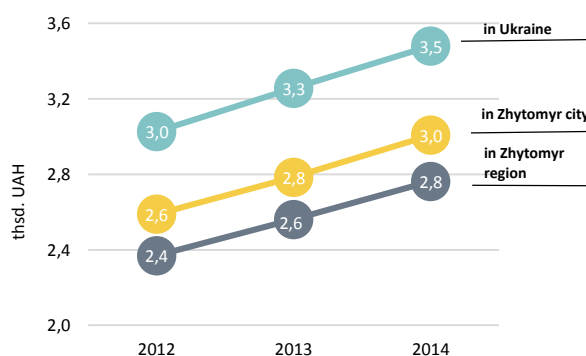
Structure of population of Zhytomyr city by age and sex

Migration of the population is mostly intraregional, in 2014 the share of such flows amounted to about 70%. The structure of migration flows provides the ability to quickly mobilize human resource potential in a period of economic growth.

Also, one of the reasons that the city has no positive migratory population increase is a lower indicator of wages in comparison with the average Ukrainian indicator.

A lower level of wages in the city is caused by the structure of distribution of productive forces in the country, in particular, the prevalence in the sectoral structure of the city economy of the budget institutions and organizations, as well as of trade sector, and also enterprises of processing industry, with a low specific weight of wages in the cost structure of production output.

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

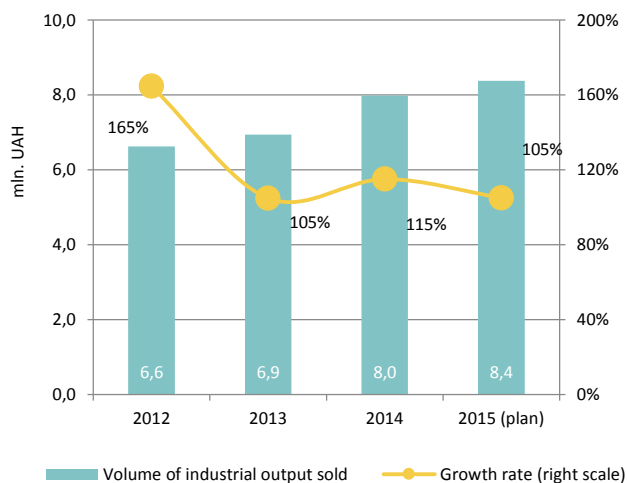


Dynamics of average monthly wages

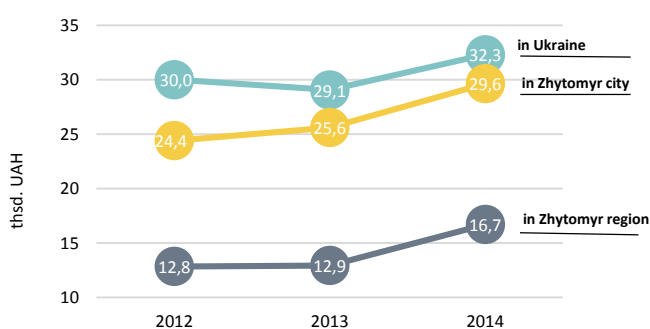
SOCIAL AND ECONOMIC DEVELOPMENT

INDUSTRY

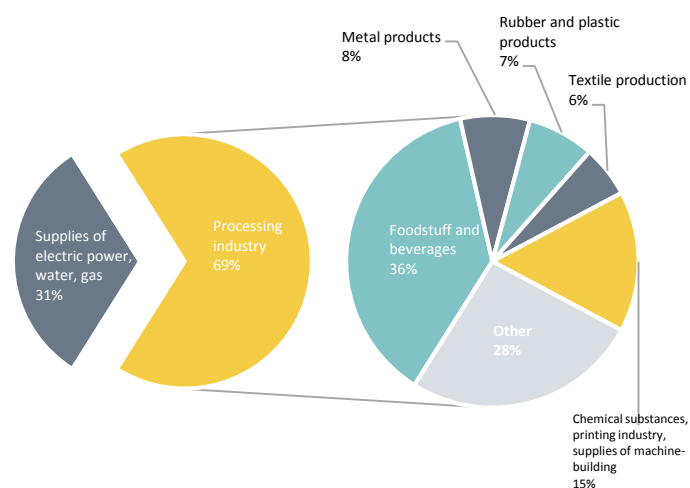
The basis of the industrial sector of Zhytomyr city constitute enterprises of processing industries (food, light, metal production) and electricity, gas and water supplies. More than 100 industrial enterprises of different forms of ownership operate in the city. In addition, there are more than a thousand small industrial enterprises of industrial profile.



Industrial output sold in the city of Zhytomyr



Volumes of sales of industrial products per capita



Structure of industrial output sold in the city of Zhytomyr in 2014

The volume of sales of industrial products in Zhytomyr city increased by 21% or by UAH 1.4 mln. up to 8.0 mln. UAH in 2012-2014. In 2015 the industrial production is expected to increase by 5% to UAH 8.4 mln.

The volumes of sales of industrial products in Zhytomyr city per capita are lower than the average indicator for Ukraine, but in recent years there has been a reduction of such difference.

The city indicator is almost twice as high as the average values for the oblast'.

The most significant enterprises of Zhytomyr are the following:

Industry	Name of enterprise
Electricity, gas and water supplies	"CE Zhytomyroblenergo", "Zhytomirhaz", "Zhytomyrvodokanal", "Zhytomirteplokomunenerho"
Food industry	"Zhytomyr butter plant", "Zhytomyrski delicacy", "Zhytomyr alcoholic beverage plant", "Zhytomyr Meat Processing Plant", "Meat of Polissia", "Golden loaf"
Light industry	"Ukraine", "Ferplast Ukraine", "Teteriv", "TUSMO", "Fashion - group", "Grief Fleksibls Ukraine"
Production of other non-metallic mineral products	"Zhytomyr industrial complex of silicate products", "Biomedsklo", "Zhytomyr factory of roofing and insulation materials", "Obio", "Oberbeton-Invest"
Metallurgical production and production of finished metal products	"Zhytomyr plant of walling", "Plant of metal structures", "Eurogold Industries Ltd.", "Krieger Kotlozavod"
Production of basic pharmaceutical products and chemical industry	"Liktravy", Joint Ukrainian-German enterprise "Zhytomyr Polisaks", "Zherok - Alpha", "Pharmaceutical factory", "Zhytomyr - Pack"
Machine building except repair and installation of machinery and equipment	"Budmash", "Elektrovymiryuvach", "Rec", "EKTA - Prom"

SOCIAL AND ECONOMIC DEVELOPMENT

ENTREPRENEURSHIP

Entrepreneurship is an integral part of the social and economic development of Zhytomyr city. Entrepreneurship contributes significantly to the increase in the volume of product sales and retail commodity turnover, budget revenues, performs a social function creating jobs.

The city has 27,449 business entities, of which 122 are medium-sized enterprises, 2373 are small enterprises and 25,004 are individual entrepreneurs.

39% of the economically active small enterprises and 31% of the economically active medium-sized enterprises of the oblast' covering all sectors of the economy are concentrated in Zhytomyr.

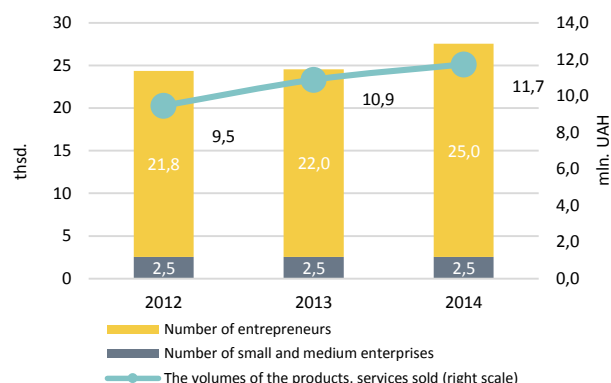
Small and medium-sized enterprises of the city employ about 40 thousand people.

Individual entrepreneurs, working on the single tax basis, employ almost 4 thousand people.

The city authorities provide the infrastructural and scientific and analytical support to small and medium-sized enterprises. The Programme of development of small and medium-sized enterprises for 2013-2015 has been implemented in the city.

The Programme is aimed at creating favourable social, legal, organizational and economic conditions for further entrepreneurship development. The Programme is aimed at creating favourable social, legal, organizational and economic conditions for further entrepreneurship development. Implementation of the policy in this area is carried out in three main areas: regulatory streamlining of entrepreneurship; information, resource and financial and credit support to small and medium-sized enterprises; development of social partnership of entrepreneurship and the City Council.

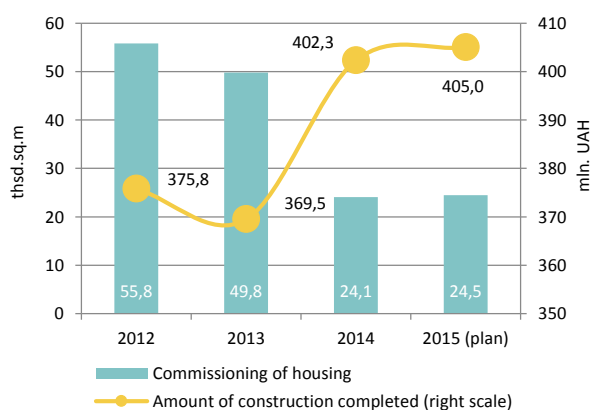
The city authorities carry out active work on a regular basis aimed at conducting training seminars and workshops for people who plan to start their own business. In particular, methodical recommendations for the development of business projects have been prepared, the information concerning the beginning of work of the commission and the terms of applications for participation in the competitive selection for the partial compensation of interest rates on loans granted by banking institutions to small businesses for the implementation of investment projects has been disseminated, etc.



Number of small, medium enterprises, entrepreneurs; volume of products and services sold

CONSTRUCTION

Carrying out of construction works in the city provides work to 17 organizations, while the implementation of design work ensures work for 6 organizations.



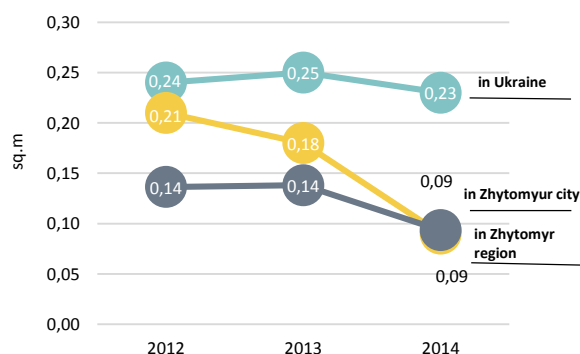
Dynamics of construction of the city of Zhytomyr

In 2014, builders of Zhytomyr city completed UAH 402.3 million worth of works, which accounts for 72.6% of the total indicator for the oblast'. The most significant scope of work was carried out on the construction of engineering structures, accounting for 56.6%. As far as the construction of buildings 43.4% of the scope of work was carried out, including the construction of non-residential buildings with the completed scope of work accounting for 32.1%, the construction of housing buildings with the completed scope of work accounting for 11.3%.

In 2014 housing area commissioned in the city amounted to 24.1 thousand sq. m, which was by 51.6% less than in 2013 accounting for 20.5% of the oblast' volume. 79% of the above-mentioned volume of the commissioned housing areas account for private houses, while 21% account for apartment buildings. In 2015 it is planned to achieve the indicator of 2014.

In the production sector there were commissioned workshops for packing 115 tons of cereals per year, workshops for production of bakery products at 360 tons per year, workshops for production of construction mortar at 21.1 thousand cu. m per year. Also shops with sales area of 4.587 sq m, a café for 57 seats, hotels for 333 seats and wholesale general trade warehouses of 24.0 thousand cu. m were put into operation. Also, two buildings of administrative purposes, a church and a medical office, a building of a higher educational establishment with a total area of 2.4 thousand sq. m, a sports hall with a training area of 1.2 thousand sq. m were built in the city.

SOCIAL AND ECONOMIC DEVELOPMENT



Volume of housing commissioned per capita

Zhytomyr city commissioning volumes per capita are lower than Ukraine's average but are slightly higher than the average values for the oblast'.

The main source of financing of residential development in the city over the past period were the funds of population, funds of enterprises and organizations.

The industry of construction of residential and commercial buildings requires significant investments and, taking into account support provided to an investor by the city authorities, is attractive to the investment capital.

DOMESTIC TRADE

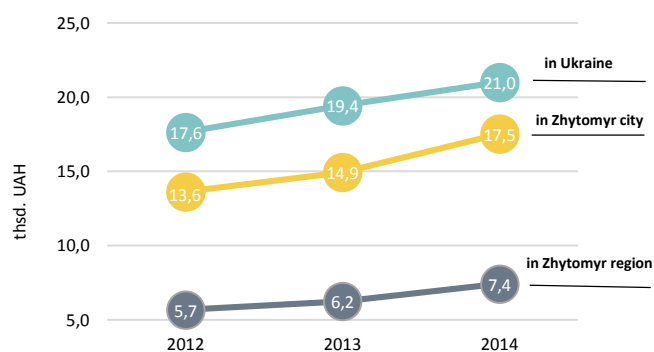
Zhytomyr is inherent in the developed network of trading enterprises, restaurants and service sector.

The city has an extensive retail trade network comprising 1,086 trade enterprises, 392 public catering establishments, 247 service providers, 10 markets for sale of food and non-food products. Branded sales network comprises 72 enterprises of food trade and 9 enterprises of non-food trade.

Turnover of trade network accounts for 98% of the total retail commodity turnover, while the turnover of restaurants accounts for 2%. Retail trade enterprises and restaurants of the city account for an estimated half of the total domestic commodity turnover of Zhytomyr oblast'.

During 2014 the volume of retail turnover increased by 17.5% or by UAH 0.7 bln and amounted to UAH 4.7 mln.

However, due to the excess of the consumer price index for goods and services, which in 2014 accounted for 125.2% for the oblast' as compared to 2013, the volume of turnover in comparative prices in 2014 accounted for 96.8% of the outcome in 2013.



Volumes of retail turnover per capita



Volume of retail turnover in the city of Zhytomyr

Over the past years the retail trade volumes of Zhytomyr per capita were consistently lower than the average indicator for Ukraine, but in recent years a reduction of such difference has been observed.

As compared with the data for the oblast', on average one resident of the city receives goods and services by 2.4 times more, which among other factors is caused by Zhytomyr oblast' inhabitants being oriented on the consumer proposal available in the oblast' center, as well as a low level of penetration of retail chains in the districts of the oblast'.

FOREIGN TRADE

The industrial complex of Zhytomyr city is mainly oriented at the domestic market, but a share of products are also exported, some products are imported from abroad.

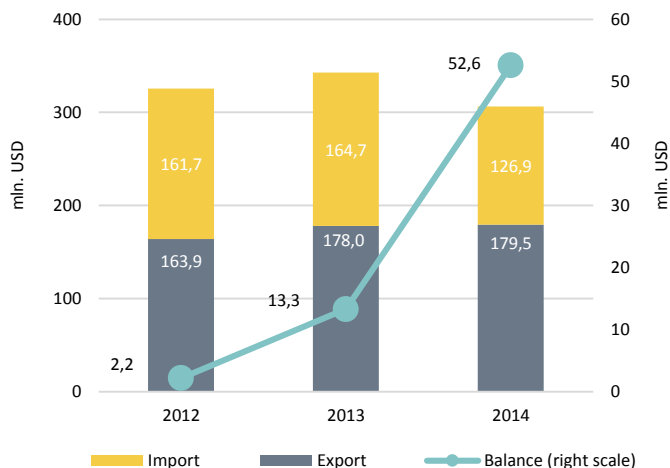
The structure of foreign trade enterprises of Zhytomyr city over the last three years has been changing towards an increase of export volumes of goods and services with a simultaneous decrease in imports. The balance of foreign trade in 2014 was 24 times as high as the indicator of 2012 and amounted to USD 52.6 mln, accounting for 5.8% of the total foreign trade balance of Ukraine.

SOCIAL AND ECONOMIC DEVELOPMENT

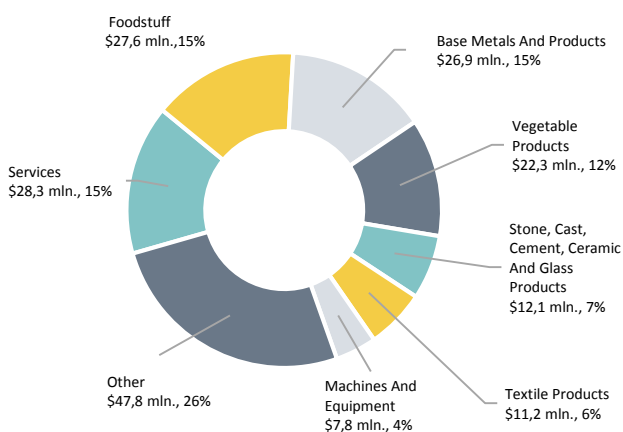
Export-import coverage ratio in 2014 was at 1.4 times against 1.01 times in 2012.

The specific weight of Zhytomyr city of the total exports of Zhytomyr oblast' accounts for 25%, while the specific weight of Zhytomyr city of the total imports of Zhytomyr oblast' accounts for 42%.

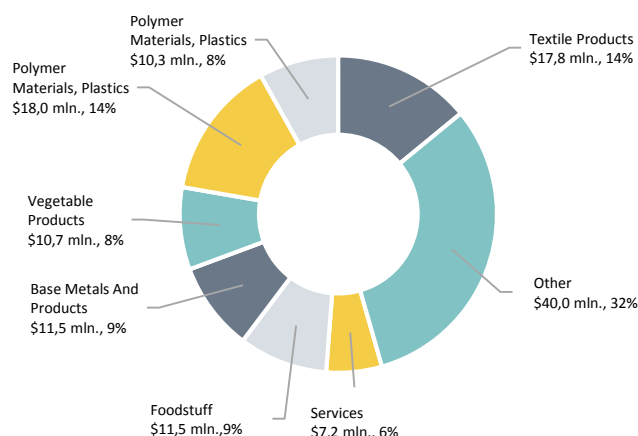
The structure of exports and imports is differentiated by both groups of commodities and by countries of origin. The structure of exports of commodities is defined by the production profile of the city enterprises. Key groups of commodities exported from the city of Zhytomyr are foodstuffs, vegetable products, base metals and their products, as well as services, of which more than one half are transport services. Machines and equipment, polymer materials and plastics, food and vegetable products, as well as services, of which business services account for over one half of the volume of service imports, are mainly imported to the city of Zhytomyr.



Foreign trade turnover of Zhytomyr city

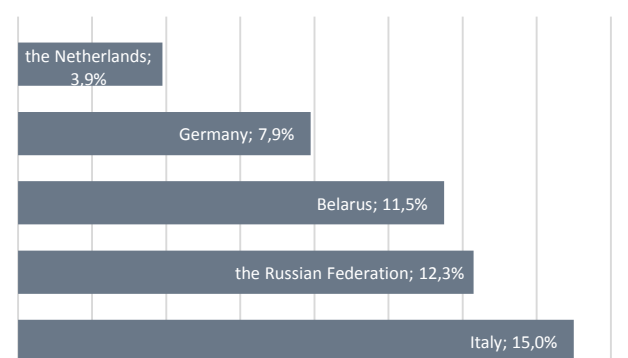


Structure of exports in the city of Zhytomyr by commodity groups in 2014

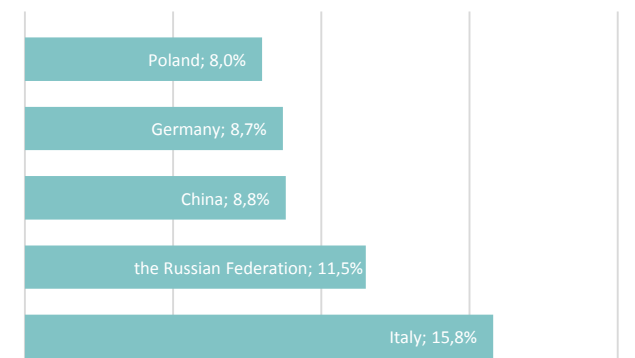


Structure of imports in the city of Zhytomyr by commodity groups in 2014

Enterprises of Zhytomyr city carry out foreign economic operations with 91 countries of the world, the key countries being Italy, the Russian Federation, China and Belarus, which account for more than a half of exports and imports of goods and services.



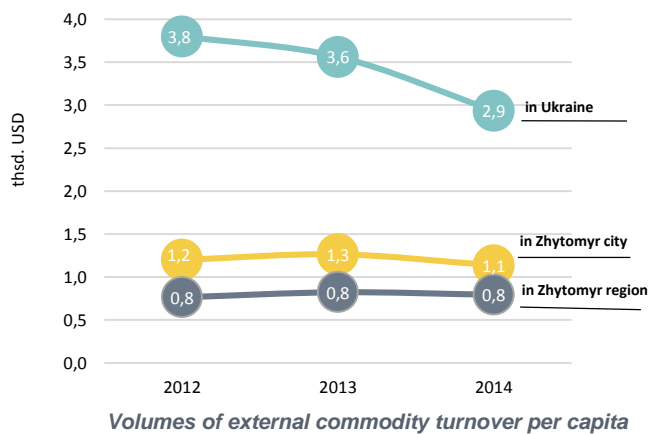
Major exporting countries



Major importing countries

SOCIAL AND ECONOMIC DEVELOPMENT

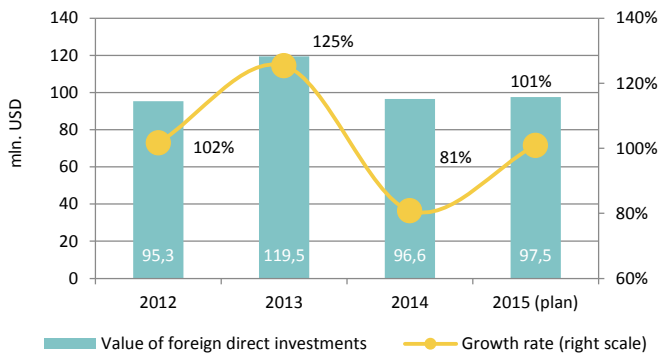
By the indicator of the ratio of the volume of external commodity turnover per capita, the city of Zhytomyr is more than by 2.5 times inferior to the average value in Ukraine, but is by one third higher than the oblast' indicator.



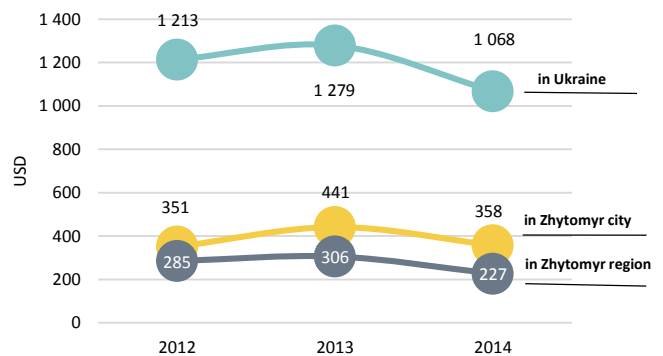
INVESTMENT PROCESSES

FOREIGN INVESTMENTS

The city of Zhytomyr has a sufficiently developed industrial complex and potential for preparing attractive proposals to investors. The city can develop its traditional food industry, light industry, machine building industry, production of other non-metallic products where significant amounts of foreign investment have already been attracted. The industrial complex of the city of Zhytomyr is attractive for investors, who have invested in the industry nearly a third of investments in the oblast'.



Volumes of foreign direct investments in the city of Zhytomyr



Foreign direct investments per capita

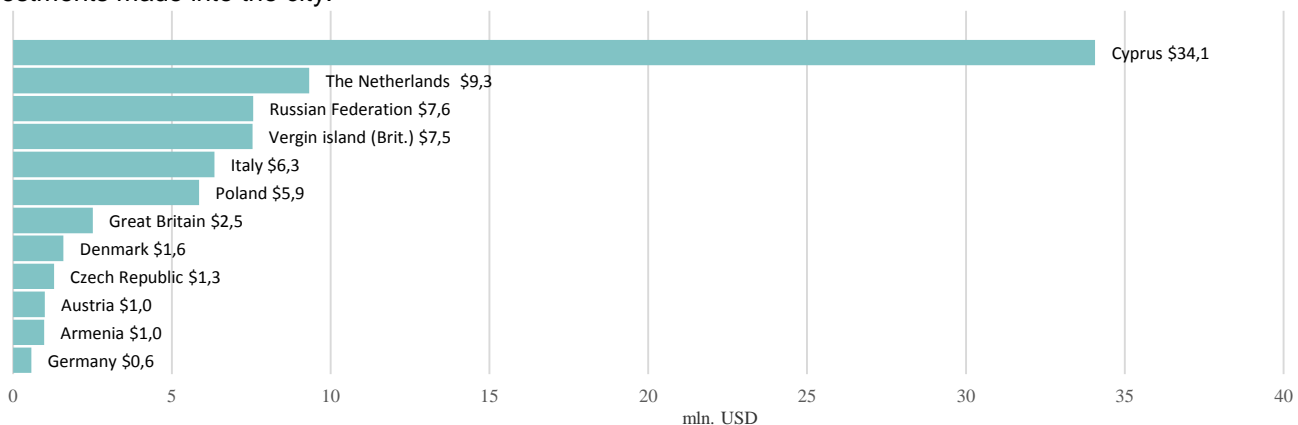
The policy of the city authorities aimed at creating favourable institutional and economic environment to attract foreign capital

led to a significant increase in foreign direct investment during 2010-2013. In particular, in that period the total amount of accumulated foreign investments increased by USD 45.9 mln up to USD 119.5 mln.

In 2014 this indicator decreased by 19.2% and amounted to USD 96.6 mln as at 31.12.2014. It is envisaged to increase it by 1% in 2015. The reduction of foreign direct investments took place as a result of withdrawal of investments (balance of investments attracted and investments withdrawn amounted to (-) USD 1.3 mln) and due to exchange rate differences of the Ukrainian hryvnia against the US dollar, as a result of the more than two-fold devaluation of the national currency.

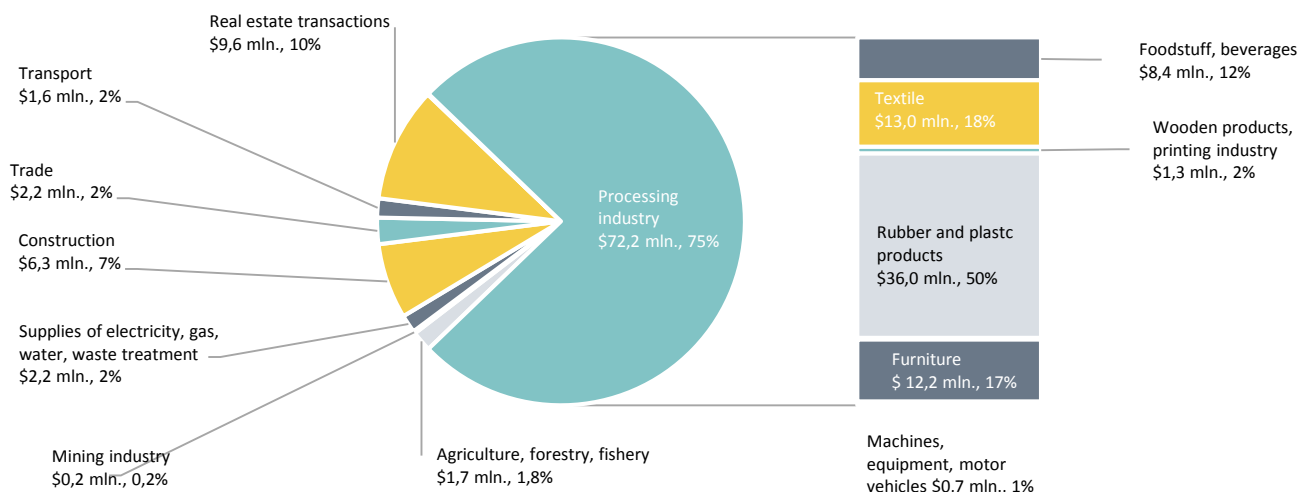
By the volumes of the attracted foreign direct investments per capita the city of Zhytomyr lags almost three times behind an average indicator in Ukraine but is one and a half times ahead of the oblast' indicator.

137 enterprises of Zhytomyr city are involved in investment cooperation. Investments in the economy of the city of Zhytomyr were made by 37 countries. The biggest investments were made from Cyprus (of which, production of rubber and plastic products account for 95%), Switzerland (furniture production accounting for 76%), the Netherlands (textile production accounting for 84%; electricity, gas and steam supplies accounting for 18%), Italy (textile production accounting for 70%; trade accounting for 16%), Russia (food, beverages and tobacco products accounting for 91%) and the British Virgin Islands (real estate transactions accounting for 87%), which accounted for 84% of the volume of investments made into the city.



Foreign direct investments made into the economy of the city of Zhytomyr by country

INVESTMENT PROCESSES



Foreign direct investments made into the economy of the city of Zhytomyr by industry

A substantial part of foreign direct investments were made in the processing industry amounting to USD 72,2 mln or accounting for 75% of the total volume in the city.

Among industrial enterprises, the largest investment volumes are directed into enterprises producing rubber and plastic products, foodstuff and beverages, textile production, wood working industry.

Among the key successful projects involving foreign investors the following projects can be mentioned.

Name and aim of the project	Project participants
Production of consumer goods (ironing boards, clothes dryers, household ladders) Investment amount: more than USD 12 mln. An established company that cooperates with 95 Ukrainian companies, of which 23 are in Zhytomyr. All products are produced from domestic raw materials. Part of products are exported to European countries. Number of employees: about 850 people.	Company name: "Eurogold Industries Ltd". Investor: "Eurogold service Tsymbol & Co. Trade agency", Switzerland
Production of accessories for small domestic animals (1999) Investment amount: about 3.5 mln. Euro. Production was established at the former factory of toys. All products are exported to Western Europe. Number of employees: over 270 people	Company name: Ferplast-Ukraine Investor: FERPLAST, Italy
Production of professional kitchen equipment (2005). Process and assembly of products from Italian materials. The products are sold in Ukraine and exported.	Company name: Chelme Ukraine Investor: C.EL.ME, Italy
Production of medical glassware and container glass. Enterprise is a leader in the production of medical glass, glass containers for alcoholic beverage and food industries. Number of employees: 134 persons.	Company: Bio medical glass. Investor: Uglass Holding Ltd., Greece
Production of visual technology The company is one of the top 5 largest manufacturers of screens in Europe, based on global leader of LEDs, Japanese Nichia Corporation.	Company name: EKTA Group Co., Ukraine
Production of flexible industrial packaging (1995). Production is based on the basis of one of the leaders of the chemical industry "Khimvolokno" ("Chemical Fibre"). The company is one of the industry leaders.	Company name: Grief Fleksibls Ukraine. Investor: GREIF Corporation

For today, priority economic sectors of the city of Zhytomyr for investing are the following:

- construction of logistics centers and residential buildings
- creation of productions in the areas of electronics, IT-technologies
- production of energy-saving equipment and materials
- development of alternative energy
- creation of an industrial park
- machine building.

INVESTMENT PROCESSES

CITY INDUSTRIAL AND INVESTMENT POLICY

The development of the city economic complex, as well as the presence of the foreign capital in the city economy, is due to the local authorities' promoting development of the industrial complex, entrepreneurship and assistance to a foreign investor. Policy documents approved by Zhytomyr City Council introduce a number of measures to improve the business environment in the city, with the main directions and expected outcome being the following.

Main directions of activities	Expected outcome
Industry development	
facilitating the implementation of investment projects of all the industries in the modernization of production processes at the city enterprises and solving problem issues at the regional and national levels; stimulating industrial enterprises to introduce effective models of management of economic activities.	increase in production output and sales of industrial products; increase in the number of employees at the city industrial enterprises.
Development of small and medium entrepreneurship	
eliminating administrative and organizational impediments in starting-up a business and obtaining permitting documents; creating a unified information platform to provide access to information on available premises of communal property, land plots; carrying out tenders for the procurement of goods, works and services at the expense of the city budget; promoting the adaptation of business entities to the technical conditions and standards of the European Union; training and upgrading qualifications in entrepreneurship, establishing effective cooperation of local authorities with entrepreneurs and their public associations; facilitating the creation of business incubator.	creating a favorable environment for development of entrepreneurship; saturation of the city market with goods and services of local producers; improving the quality of providing administrative services; raising the professional level of entrepreneurs on effective doing of business; reduction of unemployment and social tension in the city; increasing the number of employed in small and medium enterprises; an increase in volume of products sold.
Development of investment activities	
creation of favourable conditions for attracting investments and improving the system of providing administrative services to investors; ensuring support of investment projects by resolving the issues within the competence of the executive bodies of the City Council; development of a common investment platform, dissemination of information on the city investment potential, priority investment projects; promoting the participation enterprises of the city in the state investment programmes, holding and taking part in activities on establishing new ties with investors (exhibitions, fora, fairs, business meetings, etc.); continuing work on the creation of the industrial park.	formation of the city's attractive investment image and creating an effective system of information and advertising provision; establishing partnership relations between the city enterprises and foreign partners; attracting investors to the implementation of infrastructural projects of the city; increase in volume of foreign direct investments; increase in volume of accumulated foreign direct investments per capita of the city; increase in jobs.

CITY ADMINISTRATIVE AND INFORMATION SUPPORT TO INVESTMENT PROCESSES

In order to reform the system of rendering administrative services and improve the quality of their provision, the Center of providing administrative services (hereinafter referred to as the Centre) operates in the city, which consists of the Permit center and sector of providing administrative services. The Centre services are provided to both entrepreneurs and citizens.

Issuance of 139 types of administrative services by the local, regional permitting and administrative bodies is organized through the Centre. Documents of permitting character are issued by the principle of organizational unity exclusively through the state administrators.

In order to improve the level and reduce service time for entrepreneurs and population an electronic system of queue management has been installed, which helps to avoid crowds and organize the reception of visitors by using modern information technologies.

Information on the Centre's activities, its work schedule, the order of providing administrative services and issuance of permit documents, samples of application forms are available in the premises of the Centre and on the official website of Zhytomyr City Council.

In order to inform entrepreneurs, the state administrators have developed reference books and booklets on the procedure issuance of permit documents that are distributed to entrepreneurs during consultations.

INVESTMENT PROCESSES

During 2014, 13 thousand consultations on obtaining permit documents were rendered to business entities. 4.3 thousand appropriate permit documents were issued and 1.4 thousand declarations were registered, which give the right to exercise business activity without obtaining permit documents.

Business entities have an opportunity to visit the official site of Zhytomyr City Council (www.zt-rada.gov.ua) and become acquainted with a variety of information on how start up and run a business, namely on obtaining permit documents, samples of application forms, list of regulatory acts valid in the area of economic activities, the city's investment potential, seminars, exhibitions and fairs organized in the city territory and other regions, etc.

Business entities are provided with a free access to the facilities of the city's real estate communal property, which can be leased out, as well as the procedure for issuing a permit for rent. As the information from enterprises, which have on their balance the above objects, comes in, a tender call for their lease is announced.

The Executive Committee of Zhytomyr City Council constantly informs enterprise managers, public organizations of entrepreneurs about seminars and conferences on entrepreneurial issues held in Zhytomyr city at the official website of Zhytomyr City Council, by e-mail or by phone.

Meetings with public organizations of entrepreneurs, as well as meetings with managers of the city enterprises are organized in order to discuss problem issues of doing of business that can be solved at the local level.

The city entrepreneurs constantly take an active part in public discussions of draft regulatory acts, thereby increasing their efficiency.

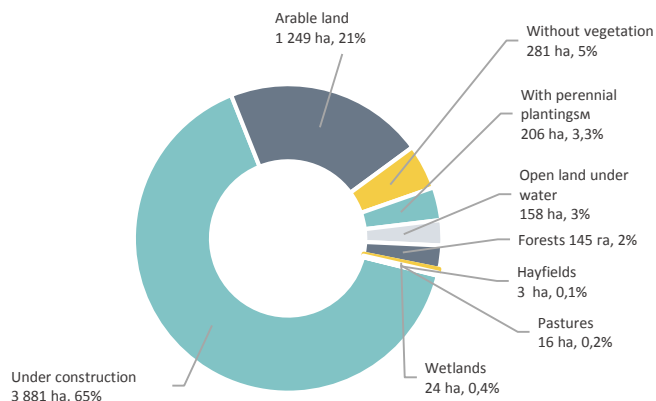
In 2015 the city began introducing measures for the formation of effective system of municipal governance and improvement of the process of providing administrative services through introducing e-governance to increase transparency and efficiency of the authorities.

Within the approved "e-City" programme developed for 2015-2017, it is planned to establish electronic governance, a single automated interdepartmental information infrastructure of interaction of the City Council, municipal enterprises, citizens and business entities. The programme implementation will enable to provide for the positive changes in the life of the community, to increase public participation in the city management, to increase the degree of development of information and telecommunication infrastructure, as well as to promote the quality and availability of providing administrative services.

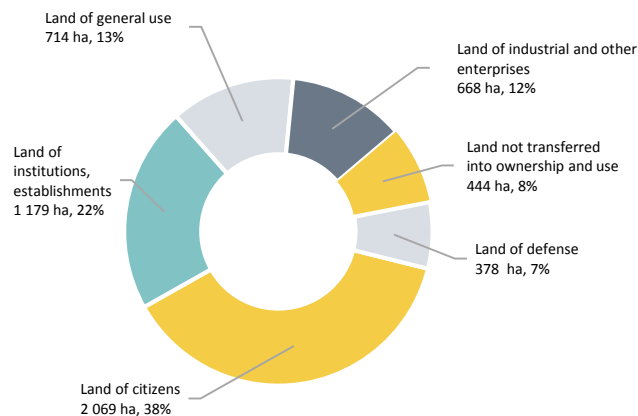
INFRASTRUCTURE OF THE REGION

LAND RESOURCES

Total area of land of Zhytomyr city is 6.1 thousand ha, including 3.9 thousand ha of the built up territory. There is no reserve land in the city, and the land area of the reserve fund is 764 hectares, including the area of 444 hectares of the unallocated land, which indicates the availability of land resources, which can be used by an investor in the event of the start and development of business in the city.



Structure of land fund of the city of Zhytomyr

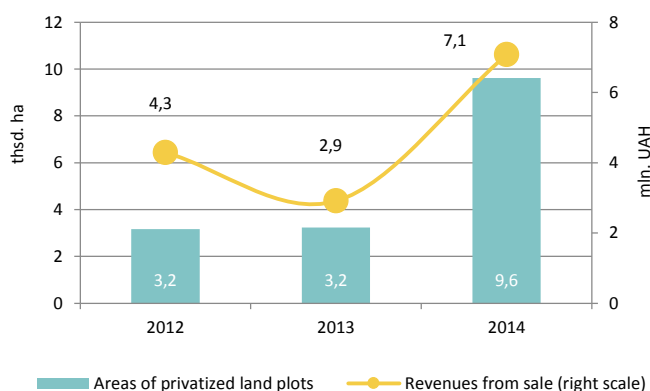


Structure of land fund of the city of Zhytomyr by owners and users

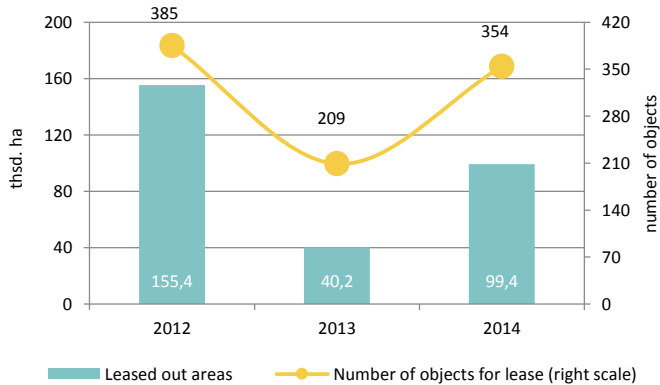
Within the city there is a lot of useless land, access roads, as well as undeveloped land. The city is characteristic of the availability of railway lines, rivers and ravines.

By forms of ownership, 5.5 thousand hectares of land (including 1.0 thousand hectares of the land transferred under a lease agreement) are state-owned and territorial community-owned, while 0.6 thousand hectares of land are privately owned.

The City authorities carry out activities on inventory of land of Zhytomyr city, aimed at creating an information database for conducting an urban cadastre, regulation of land relations and rational use and protection of land resources, as well as effective and objective taxation. Completion of the land inventory will allow to introduce a new mechanism of land management, which will make its stealing impossible. These measures will significantly increase revenues to the budget from both lease and sales of land. Today there is about 64% of the land in the city inventory.



Volumes of privatization of land plots in the city of Zhytomyr



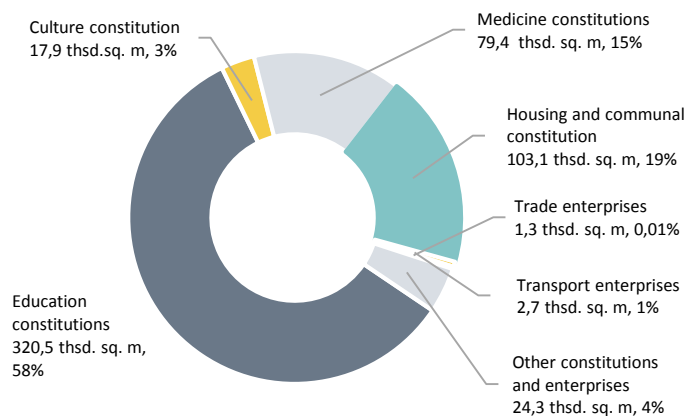
Volumes of transfer of land plots on lease in the city of Zhytomyr

In connection with some reduction in effective demand for land, and, consequently, a decrease in land prices, the executive body of Zhytomyr City Council makes efforts to increase revenues to the city budget through funds generated by use of land assets. In particular, in recent years the number of existing contracts and areas of land lease and sales have been increasing in the city, which, in turn, has a positive impact on the dynamics of budget revenues.

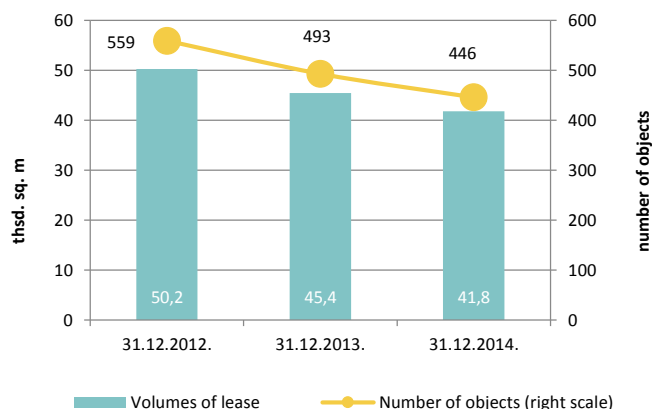
INFRASTRUCTURE OF THE REGION

COMMUNAL PROPERTY

The activities of executive bodies of Zhytomyr City Council to reform property relations are aimed at improving the management and efficiency of use of the property which is in communal ownership of the territorial community. 1.5 thousand real estate objects with a total area of 550 thousand sq. m are in communal ownership of the territorial community of Zhytomyr city. The largest number of objects are the objects of educational establishments and housing and municipal economy, 558 and 645 objects, respectively.



Structure of real estate objects of territorial community of the city of Zhytomyr



Volumes of leased out property of territorial community of the city of Zhytomyr

The city authorities carry out activities on improving the electronic database of communal property, which will allow to produce title documents for property objects of the territorial community.

In order to replenish budget revenues and support functioning of real estate owned by the territorial community, the city authorities undertake measures to transfer rights of use for vacant areas. As at the end of June 2015, there were 324 lease agreements for 459 object of municipal property with the total area of 43.2 thousand sq m.

The web-proposals on available premises for rent are on a regular basis updated on the website of Zhytomir City Council.

TRANSPORT COMMUNICATIONS

Zhytomyr is a significant transportation hub due to its advantageous geographical location and extensive network of highways and railways.

Highways

A key competitive advantage of the city is that it is located on the third line of the Pan-European Transport Corridor (Dresden-Kyiv-Brussels). 13 bridges, including 5 road bridges and 8 road overpasses, play an important role in the transport connection. The length of highways of the national importance is 30.8 km, that of the local importance is 353.9 km.

The city of Zhytomyr performs an important transit function, connecting the adjacent to the region northern areas of the territory of Belarus with the West and the South. The highways of international importance run through the city, namely: M06 - Kyiv-Chop (coincides with a part of the European automobile route E40 and part of the European transport corridors #3 and #5), M07 - Kyiv-Kovel-Yagotyn, M21 - Zhytomyr-Mogilev-Podilsky, H03 - Zhytomyr -Chernivtsi, R18 - Zhytomyr-Popilnya-Skyvra-Volodarka.

Railroad

Zhytomyr provides transport links with other areas of Ukraine. The distance to Kyiv by rail is 165 km. The railway line from Odessa to St. Petersburg, as well as other railways connecting Kyiv with its western and north-western regions run through the territory of the city. The operational length of railway tracks is 44.3 km. The railway connection through the city of Zhytomyr runs through the railway station bearing the same name (Zhytomyr), which forms a part of Kozyatyn directorate of the state enterprise "South-Western Railway".

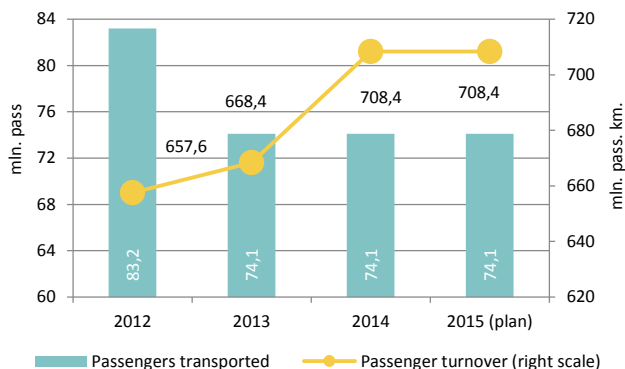
INFRASTRUCTURE OF THE REGION

Airport

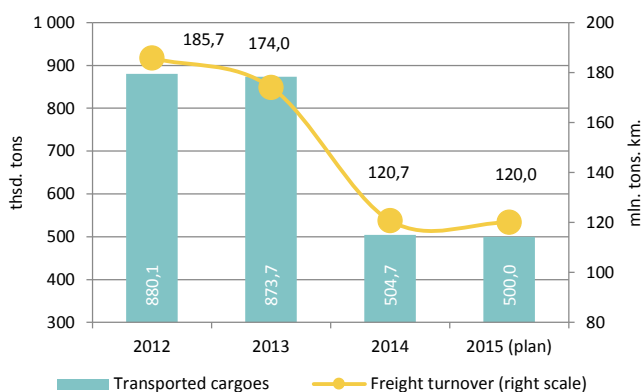
At a distance of 15 km from the city of Zhytomyr there is an active aerodrome "Ozerne", which has a capacity to send and receive bulky cargo aircraft. Cargo customs clearance is done on the spot. The runway is certified according to the international standards and is 2.5 km long.

A passenger airport "Zhytomyr" with an area of 58.5 hectares is scheduled to open in autumn 2015. Flights from the airport "Zhytomyr" will be carried out inside the country, particularly to the city of Odessa. In perspective, after obtaining an appropriate certificate, the airport will get the status of an international airport. Zhytomyr company YanAir, which provides passenger and cargo transportation, is carrying out the construction of the passenger terminal and the reconstruction of the runway. Availability the airport will increase the investment attractiveness of the region and provide for creation of new jobs.

City transport links



Passengers transported in the city of Zhytomyr



Cargoes transported in the city of Zhytomyr

In Zhytomyr city transport servicing is provided by automobile and urban electric transport. The city transport network consists of 24 bus routes, 11 trolleybus routes and 5 tramway routes.

The city of Zhytomyr is one of the first cities of Ukraine to begin running tramways. Today the electrical transport route is about 125 km long.

The annual number of passengers transported by automobile and electric transport in the city of Zhytomyr exceeds 70 mln people per year.

The main city carrier of passengers is the municipal enterprise "Zhytomyr tram and trolleybus management", which provides over 55% of passenger carriage by electrical transport. On the enterprise balance sheet there are 151 trolleybuses and 32 trams. The enterprise operates 113.9 km of the contact network, of which 17.5 km account for trams, 96.4 km account for trolleybuses. Daily passenger carriage is carried out by about 88 transport units, namely, 76 trolleybuses and 12 trams.

In recent years, there has been a gradual renewal of rolling stock of the automobile and electric parc of the city. Major repairs of the rolling stock and a purchase of the used vehicles have been made (23 trolleybuses of SKODA brand were purchased in 2014).

Trams and trolley buses are the only environmentally friendly means of transport in Zhytomyr city. Their safety level is much higher that of the automobile transport, particularly as compared to private carriers.

The city bus network comprises 24 bus routes that are serviced by 224 transport vehicles of fourteen private carriers.

In order to monitor the work of the city passenger electrical and automobile transport, as well as for complying with the regime of traffic, an automated traffic control navigation system has been introduced. Thus, all the buses and trolley buses that run on city routes are equipped with GPS-trackers. The city information center of the City Council carries out data processing.

Cargo transportations in the city of Zhytomyr are made by 42 enterprises, which in 2014 transported 504.7 thousand tons of cargo, their turnover amounted to 120.7 mln t km, which was by 42% and 31% less than in 2013.

ENVIRONMENTAL POTENTIAL

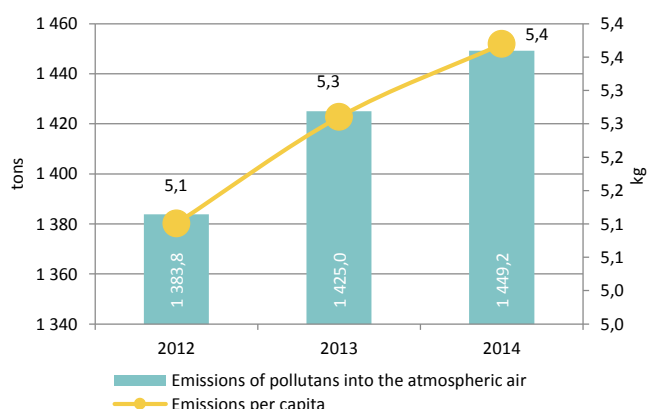
ENVIRONMENTAL STATE OF THE CITY

Atmospheric air

Social and economic development of the city of Zhytomyr and certain peculiarities of its geographical location cause some environmental problems. A part of them is linked to the industrial specialization of the city, another part is due to the presence of powerful transport hub, as well as natural peculiarities, while a number of others have to do with the residential development of the city, thus leading to a decrease in green areas.

The main environmental problem is the city's territory being in proximity to the zone of radioactive contamination, which emerged as a result of the accident at Chernobyl nuclear power plant.

The environmental situation of the air basin of Zhytomyr city is determined by the main sources of pollutants: motor vehicles and industrial enterprises. Emissions of motor vehicles form the bulk of atmospheric pollution.



Emissions of pollutants into the atmospheric air of the city of Zhytomyr from stationary sources

About 1.5 thousand tons of polluting substances per year are emitted from stationary pollution sources to the air basin of Zhytomyr city, while about 20.3 thousand tons are emitted from mobile sources (accounting for 31.08% of the total volume in the region).

The city emissions from stationary and mobile sources amount to about 80 kg per capita, which is one third less than on average in Ukraine.

Nearly 230 enterprises, organizations and institutions are related to the impact on the natural environment. In the city there are over 1.6 thousand stationary sources of emissions of harmful substances.

The leading role of road transport as the main source of emissions into the atmosphere demonstrates, apart from a low specific weight of hazardous industrial production in the

city, also a low dispersion capacity of the atmosphere related to the compact housing development, a characteristic feature of cities of the northwestern Ukraine.

The main directions of reduction of polluting substances emissions in the atmospheric air are primarily environmental protection measures envisaged by drafts of acts for maximum allowable emission norms, introduction of modern technologies of cleaning of industrial emissions.

In 2014 in order to implement environmental measures to protect the city atmospheric air an amount of UAH 4.3 mln was allocated from the city environmental fund for installing equipment at facilities of communal property to reduce the impact of atmospheric air pollution.

Water resources

Zhytomyr oblast' does not have sufficient water resources as compared to other regions of Ukraine. Potential reserves of surface waters in the oblast' are only 1.2 cubic km, i.e., 0.88 thousand cubic m of water per capita in Zhytomyr oblast'. According to the international classification, medium secured regions are those with an indicator of 6.2 thousand cubic m of water per capita.

Water supplies for industrial enterprises and the population of the city of Zhytomyr are made from the Teteriv river. Assessment of water quality by hydrochemical indicators indicates that the state of the river remains stable as compared with the previous years. The works on water abstraction, water treatment, water supply, as well as sewage treatment is carried out by the city utility "Zhytomyrvodokanal". After being treated conditionally clean waters are discharged to the river Teteriv and the river Kam'ianka.

In 2014 an amount of UAH 3.5 mln was allocated from the fund for environmental protection of the city for environmental activities.

Five small rivers flow through the territory of Zhytomyr city, namely, the Rudenka river, the Kroshenka river, the Lisova river, the Kamenka river, the Putyatynka river and the Teteriv river. They are all the receivers of rain and melt waters. Each year funds are allocated from the city fund for environmental protection for measures on improvement of the bank protective lines and clearing of riverbeds of the Kam'ianka river, the Kroshenka river, the Teteriv river. The amount of funding of this direction in recent years has amounted to UAH 0.9 mln.

ENVIRONMENTAL POTENTIAL

The primary tasks of today is to ensure comprehensive water saving, restoration and maintenance in the proper condition of water resources for the implementation of an effective mechanism of the state regulation of water use and water disposal.

Solid household waste

An urgent problem for the city is ensuring proper conditions of collection, storage and disposal of waste. Waste is one of the most important factors of pollution of the environment and has a negative impact on virtually all its components.

The annual volume of waste generation in the city of Zhytomyr is about 80 thousand tons and accounts for 12% of the total waste products of the oblast'. Of these, 95% are low-hazard waste products. A problematic issue for the city is disposal of generated waste products, as only 9.6% of waste is utilized by recycling, while 0.3% is combusted for energy generating.

The sources of waste generation are mostly the city housing fund and business entities located on the city territory (institutions, organizations, enterprises, etc.) Collection of municipal waste is carried out by enterprises that do maintenance work on residential houses and their adjacent territories, at containers placed in garbage collecting boxes of residential buildings and in the sites equipped with containers.

Garbage is delivered to Zhytomyr municipal solid waste landfill, which is located on an area of 21.6 hectares. It has accumulated about 15 mln cubic m of waste, with an annual increase by 0.4 - 0.5 mln cubic m. The landfill is overfull by almost 35%, threatening the ecological state of the environment and needs urgent modernizing.

Environmental legislation

Environmental issues are regulated at both the state and local levels. Among the basic laws are the following: "On Environmental Protection", "On the Basic Principles (strategy) of the State Environmental Policy of Ukraine until 2020", "On Waste", "On Atmospheric Air Protection", "On the Sanitary and Epidemiological Welfare of Population" as well as the Cabinet of Ministers of Ukraine's Resolution "On Approval of the National Action Plan for Environmental Protection in 2011-2015".

At the local level, this includes: the programme of selective collection of solid domestic waste for 2012 - 2016 (aimed at solving key environmental problems related to the inefficient waste management, reduction of waste accumulation in places of its storage, ensuring waste recycling and creation of an integrated system of solid waste management with maximum removal of secondary raw materials), as well as Zhytomyr city beautification programme for 2013-2015.

There are also a number of regional programmes aimed at both resolving particular problematic issues in the region and taking measures for general improvement of the environmental situation in Zhytomyr Oblast', as well as for enhancing its recreational potential.

ENERGY SAVING

The city of Zhytomyr joined the international community in the fight against global warming and irrational use of natural resources. The following strategic goal is planned to be achieved by decreasing consumption of primary and secondary fuel and energy resources in the city that will be developed through modernization and development of the city housing and communal, social and budget infrastructure based on the principles of sustainable energy development.

The above-mentioned activities will be implemented in accordance with the approved Plan of Action for Sustainable Energy Development of Zhytomyr city in 2015-2024, which aims primarily at increasing the quality and comfort for city residents by 2024 through reducing of energy consumption of the city infrastructure by 20% due to the development and modernization of the latter.

In order to achieve the strategic objectives, priority tasks have been defined, which will ensure the achievement of these objectives, namely, modernization of institutions of public sector and housing fund aimed at energy-saving, reconstruction and modernization of water supply / water disposal system, reconstruction and modernization of heating supply system, reconstruction and upgrading of exterior lighting, development of a network of electric transport, delimitation and optimization of transport circulation, development of bicycle traffic, creation of a system of effective management of fuel and energy resources consumption, raising energy saving awareness of city residents.

System of electricity and gas supplies

There are no production facilities of the power generating companies in the city of Zhytomyr. Supplies of electricity to consumers are provided by PJSC "Electricity supply company "Zhytomiroblenergo" (number of subscribers is 598 thousand, including physical persons), supplies of gas are provided by JSC " Zhytomirhaz "(484 subscribers-legal entities).

ENVIRONMENTAL POTENTIAL

System of water supply and wastewater disposal

Communal enterprise "Zhytomyrvodokanal" of Zhytomyr City Council provides drinking water for 243,800 city residents and 2.4 thousand enterprises and institutions. Capacity of city water supply is 120 thousand cubic m per day. The length of the communal water supply networks is 521 km. The length of the sewerage network is 253 km. There are approximately 12,000 wells and vaults arranged at the sewerage networks.

Production of heating energy

Production and supplies of heating energy in the city of Zhytomyr are provided by the communal enterprise "Zhytomyrteplokomunenerho" of Zhytomir City Council. The communal enterprise supplies heating energy to 963 residential houses, budget agencies and self-supporting organizations of the city, the main consumer of the heat supply service is the population, which accounts for 75% of the total amount of heat supplies.

The main consumers of the boiler fuel are enterprises of processing industries and enterprises that supply electricity, gas, steam and heat power, as well as educational institutions, the main consumers of electricity are enterprises of processing industries and population.

Boiler fuel		Thermal energy		Electric power	
Volume of use, ths. tons p.	% up to 2013	Volume of use, ths. Gcal	% up to 2013	Volume of use, mln. KW / h	% up to 2013
187,4	94,7%	318,2	88,6%	368,5	98,2%

Due to the modernization carried out at some enterprises and the implementation of complex technical measures in the budget sector aimed at restoring and bringing thermal and technical characteristics in line with modern requirements, norms and standards, reducing energy and water losses, and improving working conditions for employees and workers in the buildings, a decreased use of energy resources by all the sources was observed in 2014. Systems of heat and water supplies of the enterprises of housing and communal sector of the city were modernized. Also, measures to establish energy saving equipment and technologies were taken.

In 2024 the city authorities plan to improve energy efficiency indicators in the following areas:

- reduction of consumption of fuel and energy resources, as follows:
 - electricity by 20.0% until 2020, by 26.1% until 2024
 - natural gas by 14.1% until 2020, by 18.4% until 2024
 - fuels and lubricants by 5.0% until 2020, by 12.8% until 2024
 - reduction of CO2 emissions by 16.4% until 2020, by 21.4% until 2024
- improving the quality and reliability of housing and communal infrastructure, and social and budget infrastructure.

In order to perform these tasks Zhytomyr City Council engages international technical and financial assistance for the implementation of energy saving projects. Currently, 8 projects are under implementation, involving the Nordic Environment Finance Corporation, NEFCO (NEFCO), World Bank (WB), the European Bank for Reconstruction and Development (EBRD), Eastern Europe Energy Efficiency and Environment Partnership Fund (EEAS), the German Society for International Cooperation (GIZ), Swiss Cooperation Office in Ukraine and the State Secretariat for Economic Affairs of Switzerland (SECO).

The total cost of these projects amounts to EUR 660.6 million, of which the city budget and communal enterprises funds account for EUR 3.7 million (more information about the projects is given in Appendix).

EDUCATION

The internal social policy is one of major elements of development of any territory. Creating a comfortable environment for living, learning and obtaining necessary social services is, in fact, one of the main tasks of the city authorities.

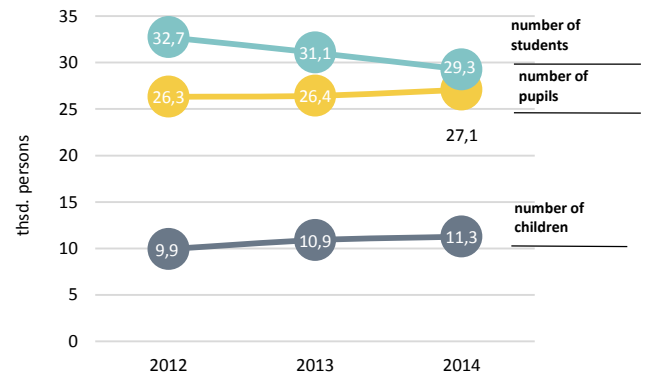
Zhytomyr city is an educational centre of Zhytomyr oblast'.

In the city there are 38 kindergartens, 23 day public secondary schools, 2 evening schools, 3 gymnasiums, 4 lyceums, a collegium, 3 private secondary schools and six after-school educational institutions, and 6 teaching and educational complexes.

There are also 13 higher educational establishments.

Since 2012, in the city there has been a decrease in the number of students in higher educational establishments of all levels of accreditation, primarily due to the reduction of the birth rate nationwide, which was observed in 90th of the last century.

The city's higher educational establishments provide the qualified labour force to the key sectors of the city economy, creating significant intellectual and innovative advantages of Zhytomyr city over the other cities of Ukraine in the context of availability of highly skilled labour resources. Some educational establishments include educational, scientific and industrial complexes, inter-university research and innovation centres and laboratories. The key educational establishments of the city are the following.



Number of children, pupils and students in educational establishments of the city of Zhytomyr

Zhytomyr State University named after I. Franko	The largest educational establishment of the city, which provides education to more than 7 thousand students. Areas of specialization include: foreign languages, pedagogy, philosophy and journalism, history, science, sociology and psychology, physics and mathematics, and physical education
Zhytomyr State University of Technology	Areas of specialization include: engineering mechanics, information and computer technology, economics and management, accounting and audit, mining and environment. Over 4 thousand students study in the establishment.
Zhytomyr National Agroecological University	The only agricultural higher educational institution in Ukraine and the only ecologically-oriented national educational institution in the city of Zhytomyr, which is the base for training of experts for most industries of Polissya of Ukraine. Areas of specialization include: agronomy, technological area, veterinary medicine, engineering and technical area, environment, forestry, accounting and finance, economics and management. About 7 thousand students study at the university.
Zhytomyr Road College of National Transport University	Areas of specialization include: maintenance and repair of motor vehicles and engines; operation of lifting and transport machines and equipment; construction, maintenance and repair of roads and airfields; accounting and economics of enterprise. Over 1.2 thousand students study at the university.
Zhytomyr Agrotechnical Colleges	Areas of specialization include: agronomy, electrification and information systems, water supply, economics, mechanization of agriculture. About 1.5 thousand students study at the establishment.

HEALTH CARE

The health care sector is under careful supervision of the city authorities, which has a positive impact on social and humanitarian development of the territorial community.

Three powerful multi-profile hospital establishments (number of beds is 1095, including 250 children) and 13 establishments providing outpatient care, including 4 polyclinics for adults, 3 children's polyclinics, two antenatal clinics, four dental clinics function in the city. Health care sector of the city is provided by qualified personnel. The total number employed is 3,765 people, including 823 doctors and 1,575 nurses.

The main efforts of the health care sector employees are aimed at developing of outpatient and clinic care, preventing disability, maternal and infant mortality, infectious and social diseases.

The City authorities carry out measures to strengthen material and technical base of the health care sector, improving the provision of medical assistance to women and children, cardiac care and conducting of clinical and diagnostic

BUDGET

research. In particular, medical equipment and transport are purchased, repairs and reconstruction of objects are carried out with the budget funds on an annual basis.

Measures, which were implemented in the city, had a positive impact on the main indicators of the quality of healthcare provision to the population. In 2014 the birth rate increased by 3.7% as compared to 2013 and amounted to 12 per each 1000 of population (total rate of natural increase per each 1000 of population amounted to + 0.4). The overall mortality rate remained at the level of 2013 (883 persons per each 100 thousand of population). Infant mortality rate decreased by 9.8%. The average life expectancy is 68 years, including men – 62 years, and women – 74 years, respectively.

CULTURE AND LEISURE

A wide network of cultural and entertaining establishments has been created in the city of Zhytomyr, which contributes to comprehensive aesthetic development of the population, especially children and young people providing for their mastering of spiritual values and knowledge of art and spiritual culture.

Cultural sphere of the city comprises eight budgetary institutions, namely 6 municipal primary specialized artistic schools (5 music and 1 artistic aesthetic schools), public institutions "Palace of Culture" and "Centralized Library System" (14 Library branches) and 3 self-supporting utilities, namely, "Park of culture and rest named after Yuri Gagarin ", "City United Directorate of Cinema", "Ceremonial palace".

74 artistic groups function on the basis of five music schools. The schools of aesthetic education employ 284 teachers and 2,369 pupils aged from 5 to 14 years old study playing musical instruments by 23 directions.

In order to ensure the state policy of the sector development, increasing the efficiency of culture and art institutions, creating favourable conditions for obtaining the arts education, providing cultural and leisure, and information needs of the population, a complex target Programme of Culture Development of the city for 2015 – 2017 was approved.

Also, considerable attention is paid to the development of sports and involvement of young people in sports sections. The city has 2 city youth sports schools and 12 sports schools, sports sections on the basis of the city secondary schools, with the number of school children involved amounting to more than 6.000. The branches of children and youth sports schools involve 3 380 sportsmen.

With the view of developing physical culture and sports and promoting healthy lifestyles, all in all 78 events in Olympic sports, 39 events in non-Olympic sports, 7 events in non-traditional sports and 3 events for handicapped athletes, as well as 12 citywide mass events on physical culture, were held.

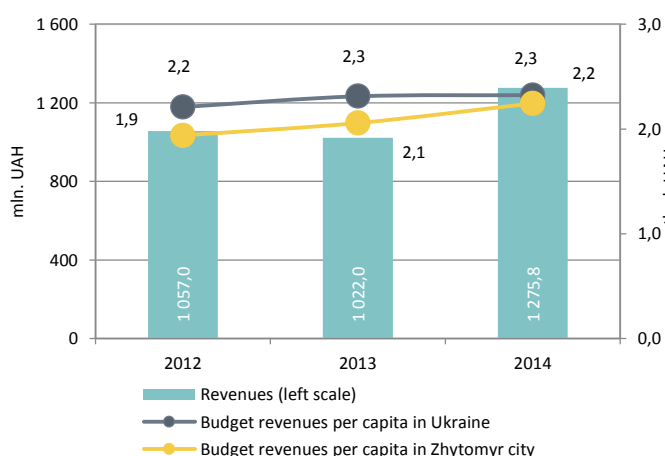
REVENUES

Zhytomyr city budget is divided into general and special funds. Sources of funds formation are determined exclusively by the laws of Ukraine. The general budget fund comprises all revenues, except for those, which are intended for the special budget fund, all expenditures of the general budget fund, which are formed exclusively by the general budget fund revenues and funding of the general budget fund. Special budget fund comprises budget allocations for expenditures by specifically defined revenue sources, grants or gifts (in value) obtained by managers of budget funds for a specific purpose, the difference between revenues and expenditures of the special budget fund.

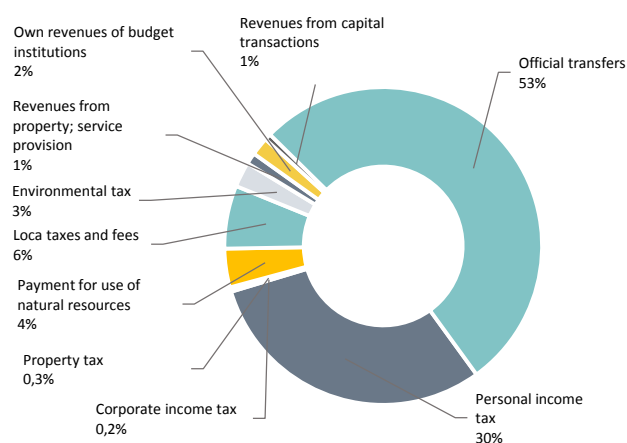
The main sources of revenues to the budget fund of Zhytomyr city in 2015 are, as follows:

TYPES OF BUDGET REVENUES	VOLUME ACCOUNTED
Tax revenues	
Personal income tax	60%
Corporate income tax	10%
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%
Charge for parking of transport vehicles, tourist tax	100%
Payment for use of other natural resources	100%
Rental payment for special use of forest resources, for special use of water	50%
Rental payment for use of subsoil for extraction of mineral resources of national importance	25%
Property tax payable to local self-government budgets	100%
Non-tax revenues	
State duty, payment for the provision of other administrative services at the scene of action and issuing of documents	100%
Payment for licenses for certain types of entrepreneurial activity and certificates issued by the local authorities	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%
Revenues withing aid programmes and grants from international financial institutions and European Union	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%
Transfers from budgets of other levels	100%

The key own sources of revenues to the budget are tax on personal income, local taxes and fees, payment for use of natural resources. The city budget is dependent on transfers from the budgets of other levels, which is typical for most oblast' centres of Ukraine.



Revenues to budget of Zhytomyr city



Structure of revenues to budget of Zhytomyr city in 2014

By the indicator of budgetary provision (the ratio of budget revenues, net of transfers, per capita) Zhytomyr city is slightly inferior to the average indicator for Ukraine, but such a difference is reduced every year. The filling of the budget is differentiated by taxpayers, i.e. seven enterprises and establishments of the city account for 12% of revenues from tax on personal income, and 10 enterprises account for 19% of revenues from payment for land.

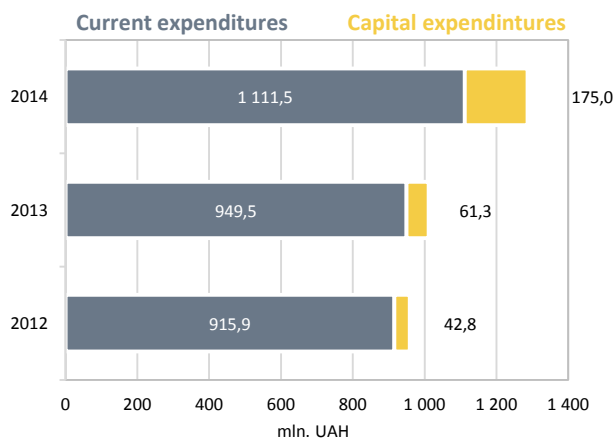
The biggest budget payers are "Zhytomyr Butter Plant", CE "Zhytomyroblenergo", "Zhytomyr confectionery "Zhytomyrski Lasoshchi" (sweets and chocolates), "Eurogold Industries Ltd.", "Zhytomyrvodokanal", "Zhytomyr Furniture Manufacturing Complex".

BUDGET

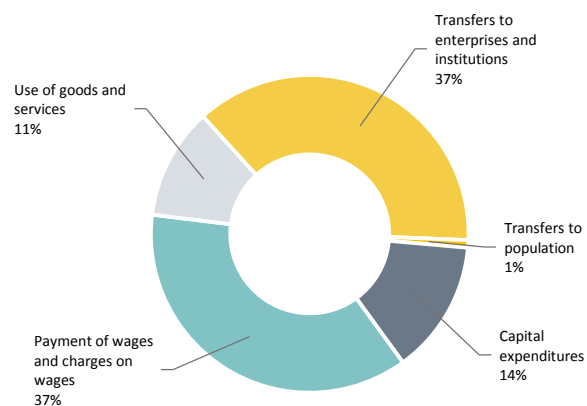
EXPENDITURES

The expenditures of the city budget are formed and allocated for the implementation of programmes and activities provided for by Zhytomyr City Council. During 2012-2014 in the structure of the city budget expenditures by economic classification, about 90% of budget allocations accounted for current expenditures, primarily by the protected items, the dynamics of increase of the mentioned items was based on the need for revising minimum social standards for budget sector employees and inflationary component in the cost of goods and services.

At the same time, the deliberate policy of the City Council in the area of realization of land resources and communal property, the proceeds of which are directed for the city development, as well as changes in the budget legislation, enable to support quite a significant amount of capital expenditures of the territorial community, i.e. about 10% of all the budget expenditures (UAH 175 mln. in 2014).



Structure of budget expenditures of Zhytomyr city



Structure of budget expenditures of Zhytomyr city in 2014

Each year the city increases contributions to the development budget, which is formed and used for the implementation of programmes of social and economic development, improvement of material and financial base of the city. In 2015 twice as much is planned to be spent on the development, an amount of UAH 251.6 million.

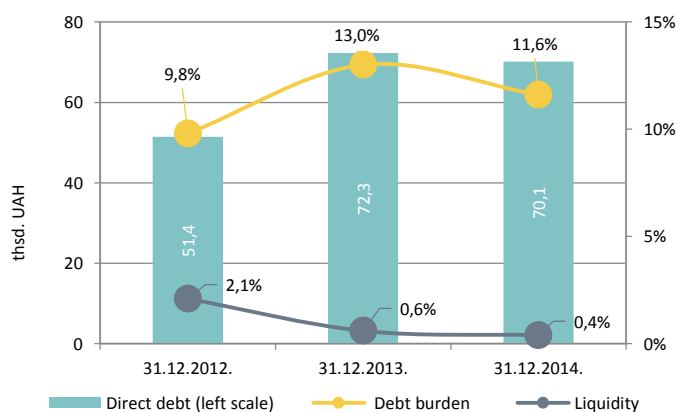
CITY AT CAPITAL MARKETS

Zhytomyr city is not an active participant in international capital markets, so direct debt burden on the budget revenues (net of transfers) is low accounting for 11.6% as at 31.12.2014.

Direct debt obligations of Zhytomyr City Council during the 2012-2014 were:

- debts to the State Treasury of Ukraine
- current payables
- obligations to the international financial institution NEFCO for the loan for the project "Improving the energy efficiency of municipal and public sector of Zhytomyr city".

Budget liquidity indicators (the ratio of account balances to current expenditures) are low and fluctuate within 0.4% - 0.6%.



Indicators of debt burden on the budget of Zhytomyr city

REFERENCE DATA

MAIN INDICATORS OF SOCIAL AND ECONOMIC DEVELOPMENT OF ZHYTOMYR CITY IN 2012-2014.

INDICATOR	UNIT OF MEASURE	2012	2013	2014	GROWTH RATE 2014 /2013
Demography and labour market					
Number of actual population	thsd. people	271,3	270,9	269,9	99,6%
Average number of full-time employees	thsd. people	86 504	85 156	83 775	98,4%
Number of registered unemployed	thsd. people	1,2	1,6	1,8	12,5%
<i>Average monthly wages in Zhytomyr city</i>	<i>UAH</i>	<i>2 589</i>	<i>2 785</i>	<i>3 008</i>	<i>108,0%</i>
<i>Average monthly wages in cities of Ukraine</i>	<i>UAH</i>	<i>3 026</i>	<i>3 265</i>	<i>3 480</i>	<i>106,6%</i>
Arrears of wages	mln. UAH	5,8	2,7	3,3	122,2%
Industry					
Volume of industrial output sold	mln. UAH	6 621,8	6 939,1	7 978,9	111,6%
<i>Volume of industrial output sold per capita in Zhytomir city</i>	<i>UAH</i>	<i>24 407,7</i>	<i>25 615,0</i>	<i>29 562,4</i>	<i>112,0%</i>
<i>Volume of industrial output sold per capita in cities of Ukraine</i>	<i>UAH</i>	<i>30 002,8</i>	<i>29 070,4</i>	<i>32 303,9</i>	<i>113,8%</i>
Investments and construction					
Foreign direct investments	ln. USD	95,3	119,5	96,6	80,8%
<i>Foreign direct investments per capita in Zhytomyr city</i>	<i>USD</i>	<i>351,3</i>	<i>441,1</i>	<i>357,9</i>	<i>81,1%</i>
<i>Foreign direct investments per capita in cities of Ukraine</i>	<i>USD</i>	<i>1 212,8</i>	<i>1 278,5</i>	<i>1 067,8</i>	<i>83,5%</i>
Commissioning of housing	thsd. sq. m.	55,8	49,8	24,1	48,4%
<i>Commissioning of housing per capita in Zhytomyr city</i>	<i>sq. m.</i>	<i>0,21</i>	<i>0,18</i>	<i>0,09</i>	<i>50,0%</i>
<i>Commissioning of housing per capita in cities of Ukraine</i>	<i>sq. m.</i>	<i>0,24</i>	<i>0,25</i>	<i>0,23</i>	<i>92,0%</i>
Volume of completed construction works	mln. UAH	--	369,5	402,3	108,9%
Transport					
Cargoes transported (by all means of transport)	thsd. tons	880,1	873,7	504,7	57,8%
Cargo turnover	mln. t. km.	185,7	174,0	120,7	69,4%
Passengers transported (all means of transport)	mln. pass.	83,2	74,0	74,1	100,1%
Passenger turnover	mln. pass. km.	657,6	668,4	708,4	106,0%
Domestic and foreign trade					
Retail trade turnover	mln. UAH	3 698,6	4 047,1	4 731,2	116,9%
<i>Retail trade turnover per capita in Zhytomir city</i>	<i>UAH</i>	<i>13 632,9</i>	<i>14 939,5</i>	<i>17 529,5</i>	<i>117,3%</i>
<i>Retail trade turnover per capita in cities of Ukraine</i>	<i>UAH</i>	<i>17 641,4</i>	<i>19 437,5</i>	<i>21 011,9</i>	<i>108,1%</i>
Exports of goods and services	mln. USD	163,9	178,0	179,5	100,8%
Imports of goods and services	mln. USD	161,7	164,7	126,9	77,0%
Foreign trade turnover	mln. USD	325,6	342,7	306,4	89,4%
Balance of foreign trade activities	mln. USD	2,2	13,3	52,6	395,5%
Budget provision					
<i>Budget provision per capita in Zhytomyr city</i>	<i>UAH</i>	<i>1 938,8</i>	<i>2 067,4</i>	<i>2 287,5</i>	<i>110,6%</i>
<i>Budget provision per capita in cities of Ukraine</i>	<i>UAH</i>	<i>2 210,2</i>	<i>2 312,0</i>	<i>2 323,2</i>	<i>100,5%</i>

REFERENCE DATA, AS AT JULY 2015

City communal property:	1.5 thousand real estate objects of a total area of 550 thousand sq. m.	
City land fund:	6.1 thousand hectares	
Cost of land lease:	not exceeding 12% of normative monetary value of land	
Land tax:	0.03% of normative monetary value of land for the city citizens (household plots) 1% of normative monetary value of land for other taxpayers (other land categories) average basic cost of one square meter of land in Zhytomyr city from 01.01.2016 amounts to 249.8 UAH	
Real Estate Tax:	0.5% of minimum wages (UAH 63.9) per sq. m: – for apartments of area of over 60 sq. m. – for private houses of area of over 120 sq. m 0.1% of minimum wages (UAH 12.8) per sq. m of non-residential real estate of non-commercial purpose: 0.1% of minimum wages per sq m of non-residential real estate of commercial purpose	
Transport tax:	UAH 25, 000 for cars, which have been used for up to 5 years with an engine of over 3,000 cubic cm	
Tariffs for electricity, kW / UAH. VAT excluded:	I class	II class
Industrial consumers:	131,72	150,2
Electrified city transport:	52,5	52,5
Electrified rail transport, non-industrial consumers, agricultural consumers-producers:	131,72	150,20
Electricity sold for exterior lighting of human settlements:	32,93	37,55
price of natural gas for legal persons and other economic entities, 1.000 cu m/UAH, VAT included (without transport expenses and surcharges):	UAH 7 920,0	
Retail price of natural gas for budget institutions, 1.000 cu m/UAH, VAT included (without transport expenses and surcharges):	UAH 7 920,0	
Tariffs for centralized water supply, 1 cu m / UAH, VAT excluded:	UAH 3,33	
Tariffs for centralized water disposal, 1 cu m / UAH, VAT excluded:	UAH 5,16	

REVENUES TO THE BUDGET OF ZHYTOMYR CITY IN 2012-2014, TARGET FOR 2015, UAH THOUSAND

Indicator	2012	2013	2014	growth rate 2014 against 2013	2015 (target)
Tax revenues	460 643,3	502 256,6	556 719,8	110,8%	460 469,4
<i>share of tax revenues in the amount of budget revenues</i>	43,6%	49,1%	43,6%	--	36,0%
Personal income tax	330 996,5	357 207,5	386 460,2	108,2%	313 000,0
Corporate income tax	4 557,7	5 950,9	2 419,3	40,7%	4 601,4
Property taxes	4 583,2	4 573,0	3 361,9	73,5%	4 350,0
Payment for use of natural resources	43 497,3	46 002,1	50 107,5	108,9%	46 000,0
Local taxes and fees, incl.:	49 567,6	67 422,0	81 789,6	121,3%	
- single tax	43 018,0	61 222,4	75 237,0	122,9%	60 200,0
- excise tax	0,0	0,0	0,0	0,0%	31 500,0
Other taxes	27 487,1	21 097,1	32 581,3	168,7%	818,0
Non-tax revenues	55 478,8	47 934,6	40 609,5	84,7%	29 741,1
<i>share of non tax revenues in the amount of budget revenues</i>	5,3%	4,7%	3,2%	--	2,3%
Income from property and entrepreneurial activities	16 268,5	15 148,0	10 084,1	66,6%	2 468,9
Administrative fees and charges, revenues from non-commercial and incidental sales	10 082,1	8 574,4	4 610,7	53,8%	8 700,0
Other non-tax revenues	8 299,9	4 152,0	2 325,1	56,0%	1 709,1
Own revenues of budget institutions and organizations	20 828,3	20 060,1	23 589,5	117,6%	16 863,1
Revenues from capital transactions	9 417,6	7 141,4	8 336,4	116,7%	12 000,0
<i>share of capital transactions in the amount of budget revenues</i>	0,9%	0,7%	0,7%	--	0,9%
Funds from sales of fixed capital	2 920,2	4 741,2	3 166,2	66,8%	2 000,0
Funds from sales of land	6 497,4	2 400,4	5 170,2	215,4%	12 000,0
Total revenues	525 539,7	557 333,1	605 665,8	108,7%	502 210,4
Transfers	531 429,2	464 671,3	670 160,3	144,2%	729 065,4
<i>share of transfers in the amount of budget revenues</i>	50,2%	45,5%	52,5%	--	57,1%
Subsidies	155 996,3	133 077,1	202 890,4	152,5%	--
Subventions	375 432,9	331 594,2	467 269,9	140,9%	--
Grants from governments of foreign countries and international organizations	0,0	0,0	0,0	0,0%	46 500,0
<i>share of grants in the amount of budget revenues</i>	0,0%	0,0%	0,0%	--	3,6%
TOTAL REVENUE WITH TRANSFERS	1 056 968,9	1 022 000,2	1 275 826,0	124,8%	1 277 775,8

BUDGET OF ZHYTOMYR CITY IN THE FORMAT OF BUDGET BALANCE IN 2012-2014, UAH THOUSAND.

Indicator	2012	2013	2014
Tax revenues	417 625,3	441 034,6	481 482,8
Payments, fines and other operating revenues	51 142,1	39 710,5	40 609,5
Obtained transfers net of internal transfers	531 429,2	464 671,3	670 160,3
Operating revenues total	1 000 196,6	945 416,4	1 192 252,5
Current expenditures	574 296,6	572 328,7	621 143,7
Subsidies and current transfers	421 059,5	377 192,6	490 316,3
Operating expenses total	995 356,1	949 521,3	1 111 459,9
Operating balance	840,5	(-) 4 104,9	80 792,7
Financial revenues	4 336,8	8 224,1	0,0
Payment of interest on liabilities, debt servicing	0,0	69,3	83,1
Financial balance	4 336,8	8 154,8	(-) 83,1
Current balance	9 177,3	4 049,9	80 709,6
Capital revenues	52 435,6	68 359,7	83 573,4
Capital revenues total	52 435,6	68 359,7	83 573,4
Capital expenditures	33 674,0	36 169,5	86 294,2
Capital transfers	9 124,8	25 124,0	88 666,6
Capital expenses total	42 798,8	61 293,5	174 960,8
Capital balance	9 636,8	7 066,2	91 387,3
Balance after capital expenses	18 814,1	11 116,1	10 677,8
Providing soft loans to citizens (including repayment)	-19,7	-13,4	- 397,7
Surplus / deficit	18 833,8	11 102,7	-11 075,4
Financing	-18 833,8	- 11 102,7	11 075,4
BALANCE	0,0	0,0	0,0

KEY STRUCTURAL UNITS OF ZHYTOMYR CITY COUNCIL

Name	Main functions and tasks	Contacts
Zhytomyr City Council Executive committee	Address: 4/2 Maydan S.P. Korol'ova, Zhytomyr city, 10014 Tel: (0412)-48-12-19 E-mail: mailto:uzq@zt-rada.gov.ua Web: http://zt-rada.gov.ua	
Department of Economic Development	Development of programmes of economic and social development, strategic plan of the city economic development and other programmes of the city economy, monitoring of their implementation; preparation of proposals to the city budget, economic analysis and forecasting of basic indicators of economic development of the city; promoting attraction of foreign and domestic investments in the city's economy, implementation of the state policy in the sphere of international technical assistance and external relations; coordination of support of investment projects.	Address: 4/2 Maydan im. S.P. Korol'ova, Zhytomyr city, 10014 Tel: (0412) 48-11-94 E-mail: der@zt-rada.gov.ua
Department of Budget and Finance	Implementation of state policy in the sphere of the city finance; compilation of calculations to the draft city budget and submitting it to the City Council; preparation of proposals for financial provision of social and economic development of the city; implementation of the general organization and management of the execution of the city budget; carrying out coordination work to ensure compliance with the law on procurement of goods, works and services using state funds by administrators of the city budget, communal enterprises.	Address: 4/2 Maydan im. S.P. Korol'ova, Zhytomyr city, 10014 Tel: (0412) 48-12-25 E-mail: fin@zt-rada.gov.ua
Department of property and market regulation	Providing conditions for sustainable economic development of the city; in accordance with the decisions of City Council is entitled to own, use and dispose of rights of objects of communal property, including to implement all property transactions, sale and purchase, use as collateral, as well as to make decision regarding their alienation.	Address: 4/2 Maydan im. S.P. Korol'ova, Zhytomyr city, 10014 Tel: (0412) 48-12-02
Department for City Planning, Architecture and Urban Environment Design	Implementation of the state policy in the field of city planning and architecture; analysis of urban development in the city territory, organization of development of expertise and submission for approval of the general plan of the city, other city-planning documentation, as well as the city development regulations; coordination of activities of urban development entities on the integrated development of the city territory, improving its architectural appearance; ensuring compliance with the city planning legislation, state standards, rules and regulations, rules of the city building, as well as of the approved city building documentation and projects of particular objects, rational use of local resources, preservation of the historical environment of the city.	Address: 6 Shchorsa St, Zhytomyr city, 10014 Tel: (0412) 47-27-86 E-mail: uma@zt-rada.gov.ua
Department of Regulation of Land Relations	Providing for implementation of land reform, aimed at deregulation and privatization of land within the city limites taking into account interests of the state and territorial community; exercising self-control over the use and protection of land resources within the city limites; accounting of land, land monitoring, land management; realization of the state programmes and development and implementation of the city programmes of rational land use and protection, improving the natural environment.	Address: 6 Maydan im. S.P. Korol'ova, Zhytomyr city, 10014 Tel: (0412) 37-50-39 E-mail: urzv@zt-rada.gov.ua
Centre for providing administrative services	Providing business entities with informational, consulting and practical assistance related to obtaining of permit documents; development and implementation of measures for facilitating of mechanisms and reducing the time of obtaining permit documents; organization of work of representatives of allowing services for issuance of permit documents.	Address: 4 Mykhailivska St, Zhytomyr city, 10014 Tel: (0412) 47-06-15 E-mail: edo412@ukr.net
Department of Management and Privatization of Communal Property	Implementation of powers for exercising of the right of the city communal property on use, ownership and disposal of such property; taking part in conducting tenders for the right to conclude long term leases of real estate property; preparation of proposals and draft decisions of the City Council, Executive Committee and resolutions of the Mayor on formation of communal property of the city, acceptance and transfer and alienation of property, reorganization, liquidation and creation of enterprises of of the city communal ownership; preparing documents for consideration by the City Council of the issue of the list of the city communal property, which shall be and shall not be subject to privatization; implementation of sale of the city communal property; establishment and coordination of the tender commissions on privatization of communal property objects; approval of reports of independent valuation of privatization objects.	Address: 4/2 Maydan im. S.P. Korol'ova, Zhytomyr city, 10014 Tel: (0412) 48-11-93 E-mail: privat@zt-rada.gov.ua

PROJECTS OF INTERNATIONAL TECHNICAL AND FINANCIAL ASSISTANCE, COMPLETED AND UNDER IMPLEMENTATION IN ZHYTOMYR CITY AS AT 01.07.2015

Name of international organization	Name	Project participants / project objective	Period	Cost	Contribution of international organization	Contribution to local budget / CE	Outcome
Nordic Environment Finance Corporation, NEFCO http://www.nefco.org/ru	Improving energy efficiency of municipal and public sector Zhytomir city	CE "EMZO" Misksvitlo "Kindergarten №21 Replacement of lamps with incandescent bulbs to LED lights, thermo-upgrading of kindergarten№21	2011-2014	UAH 3,98 mln.	UAH 3,0 mln. (credit)	UAH 0,98 mln.	1769 incandescent lights replaced with LED lights. Capital repairs of DNZ №21
European Bank for Reconstruction and Development http://www.ebrd.com Eastern Europe Energy Efficiency and Environment Partnership Fund http://eeas.europa.eu	Development of heat supply system of Zhytomyr	CE "Zhytomyrteplokomunenerho" Installing individual heating points. Placing gas turbine cogeneration unit and biofuel inits.	2015-2017	EUR 15,7 mln.	EUR 10,0 mln. (EBRD credit) EUR 5,7 mln. (grant of E5P Fund)	0,0	- Reduction of gas consumption 15.0 mln. Nm3 per year; - Reduction of power consumption 12 GWh per year; - Reduction of cost of repairs and maintenance; Payback period - 5.5 years
Nordic Environment Finance Corporation, NEFCO http://www.nefco.org/ru Eastern Europe Energy Efficiency and Environment Partnership Fund http://eeas.europa.eu	Improving energy efficiency of public sector Zhytomyr city	Installing individual heating points. Thermo-upgrading of 22 public buildings of Zhytomyr city (hospitals, kindergartens, schools)	2015	EUR 4,75 mln.	EUR 3,0 mln. (credit) EUR 1,55 mln (grant of E5P Fund)	EUR 0,16 mln.	- Saving thermal energy 9.1 GW per year; - Reduction of CO2 emissions 2,711.7 tons per year Payback period - 7 years
German Agency for International Cooperation (GIZ) http://www.giz.de/ukraine	Termorenovation of kindergarten №63 in Zhytomyr city	Pilot project for trying out design and technical solutions termorenovation of public sector facilities. Reduced heat consumption of kindergarten №63	2014-2015	UAH 3,6 mln.	UAH 2,4 mln. (grant)	UAH 1,2 mln.	Educational establishment hermo-modernized in accordance with European standards of building thermal insulation, installed heliocollector for hot water heating installed
Nordic Environment Finance Corporation, NEFCO http://www.nefco.org/ru	Introduction of innovative technologies in heat supply system of Zhytomyr city	CE "Zhytomyrteplokomunenerho" Creating energy efficient residential area at 30 Dombrowski street.	2012-2015	EUR 595,2 mln.	EUR 249,0 thsd. (credit) EUR 245,0 thsd. (SIDA grant)	EUR 101,2 thsd.	Reduction of gas consumption, 190.0 ths. Nm3 per year; reduction of electricity consumption, 12 MW per year; Payback period - 7 years
World bank http://www.worldbank.org	Development of water supply/ water disposal system of Zhytomyr city	CE "Zhytomyrvodokanal." Replacing energy-intensive equipment, engineering networks, introduction of automated control systems	2015 -2020	USD 30,0 mln.	USD 30,0 mln. (credit)	0,0	Electricity saving - 21.6 GWh per year
German Agency for International Cooperation (GIZ) http://www.giz.de/ukraine	Introduction of effective management and control of the consumption of energy resources in the public sector	Introduction of electronic energy monitoring (purchasing and installing of software, staff training)	2014-2015	EUR 300 thsd.	EUR 210,94 thsd. (GIZ)	UAH 200,0 thsd.	Monitoring of energy consumption, management and control of consumption, Expected energy consumption savings - 14%
Swiss Cooperation Office in Ukraine http://www.swiss-cooperation.admin.ch/ukraine/ State Secretariat for Economic Affairs of Swiss Confederation (SECO) http://www.swiss-cooperation.org.ua	Energy efficiency in the city of Zhytomyr	Creating the system of management, control and monitoring to support energy efficiency measures and programmes of municipality (receiving European Energy awards). Partial modernization of central heating in selected areas, as well as measures in five municipal buildings. Support to CE«Zhytomyrteplokomunenerho» and Municipality for improving institutional and administrative capacity, improvement of their financial standing, reliable and competent coordination and implementation of project.	2015-2017	CHF 18,61 mln.	CHF 15,1 mln.	CHF 3 mln (CE«Zhytomirtepl ocomunenerho») CHF 0,41 mln. (City Council)	- Reconstruction of city district heating system and some public sector buildings (kindergartens); - Obtaining European Energy awards; - Reduction of 611 tons of CO2 emissions.

INVESTMENT PROPOSALS

PROJECT OF «ZHOVTEN'» CINEMA RECONSTRUCTION

Project title:	Reconstruction of «Zhovten'» cinema into a cinema and concert complex
Direction of investment:	Construction works, purchase of modern cinema and concert equipment
Total project cost:	UAH 50 mln.
Form of investor participation in the project:	Negotiated
Projected payback period:	10-15 years
Project resources provided:	Land plot: 0,4699 ha
Basic and auxiliary production buildings:	Total area - 1 854,2 sq. m, production facilities - 480,1 sq. m



Project implementation stage: Available the sketch design of architectural space-planning solution for reconstruction of the cinema and concert complex. Preparation of project design and estimate documentation is underway.

Available communications:

- ✓ **electric power supply:** TP- number 5 RU-04 kW, power - 130 kW, distance to the source - 20 m;
- ✓ **heating:** centralized;
- ✓ **water supply and disposal:** centralized water supply and disposal system,
- ✓ **transport communication:** highway.

Distance to the centre of the city: 100 m, the building occupies a dominant place in the urban organization of the city centre, Korolyova Maydan.



Distance to the highway: distance to motorway is 3 km, distance to the railway line is 7 km, distance to the city of Kyiv is 135 km



Contact information:

CE «City United Cinema Directorate», 10-a Mykhailivs'ka St. Zhytomyr city,
tel/fax: (0412) 47-39-45

PROJECT OF RECONSTRUCTION OF «COSMOS» CINEMA

Project title:	Sales of cinema "Cosmos" with the right of reconstruction	
Direction of investment:	construction works, purchase of modern cinema and concert equipment	
Investments required:	UAH 15-20 mln.	
Form of investor participation in the project:	100% private capital	
Projected payback period:	10-15 years	
Project resources provided:	Land plot: 0,5266 ha	
Basic and auxiliary production buildings:	Total area – 2 405,3 sq. m, production facilities – 1 481,6 sq. m	

Project implementation stage: inception.

Available communications:

- ✓ **electric power supply:** from ТП-75, PY-04 kW, capacity - 183 kWt, distance to the source - 100 m;
- ✓ **heating:** centralized;
- ✓ **water supply and water disposal:** centralized system of water supply and water disposal;
- ✓ **transport communication:** highway.
- ✓ **distance to the city centre:** 2,5 km.

Distance to highway: distance to motorway is 6 km, distance to the railway line is 5 km, distance to the city of Kyiv is 135 km

Contact information:

CE «City United Cinema Directorate», 10-a Mykhailivs'ka St. Zhytomyr city.
tel/fax: (0412) 47-39-45

PROJECT OF USED TYRES RECYCLING

Project title:	Project of used tyres recycling
Industry:	Alternative energy sources
Brief description of project:	<p>Objective: use of new energy-saving technologies to bring them to the cost-effective level and expansion of spheres of use.</p> <p>Purpose: to build a plant for processing of worn car tyres.</p> <p>Expected outcome:</p> <ol style="list-style-type: none"> 1) production of pyrolysis gas (used as fuel to cover the cost of heat and pyrolysis process and electricity generation); 2) production of pyrolysis liquid (can be used as additives to boiler fuel or can undergo processing either with crude oil or its fractions); 3) production of solid carbon residue of pyrolysis of tires (used as a substitute for technical carbon in several rubber mixtures, in construction, in industry).
Description and volume of demand:	Products can be used by enterprise of construction, metallurgical industry. Volume - 10 000 tons per year
Value (total investment amount):	USD 2,5 mln.
Project profit margin (IRR, PI):	IRR - 20,7%, PI - 1,7
Payback period (simple or discounted):	4 years
Duration and implementation stages:	1 year



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