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**Ukraine panel**

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# The Agribusiness sector offers various opportunities

- **Commodity prices** are soaring and are expected to remain at a high level in the medium term
- This situation represents a threat to consumers but also an **immense opportunity** for the EBRD region
- By returning 13 million hectares of unused farm land and increasing yields by 52%, Russia, Ukrainian and Kazakhstan could increase their grain production by 80%
- The EBRD region with 400 million consumers shows a strong growth in GDP and purchasing power as well as an increasing demand in high quality products



# Agribusiness represents a growing sector in the region and within the EBRD

- EBRD has experience of 350 projects worth EUR 4.9 billion
- In 2007: 40 projects signed with EUR 517 million committed investments
- Ukraine: 6 projects with a total volume of EUR 104 million representing 47% of the total EBRD portfolio in the corporate sector in 2007
- 27 bankers from 18 nationalities in London and resident offices
- Client network of leading global and regional players



# A variety of companies in Ukraine has benefited from the support of the EBRD

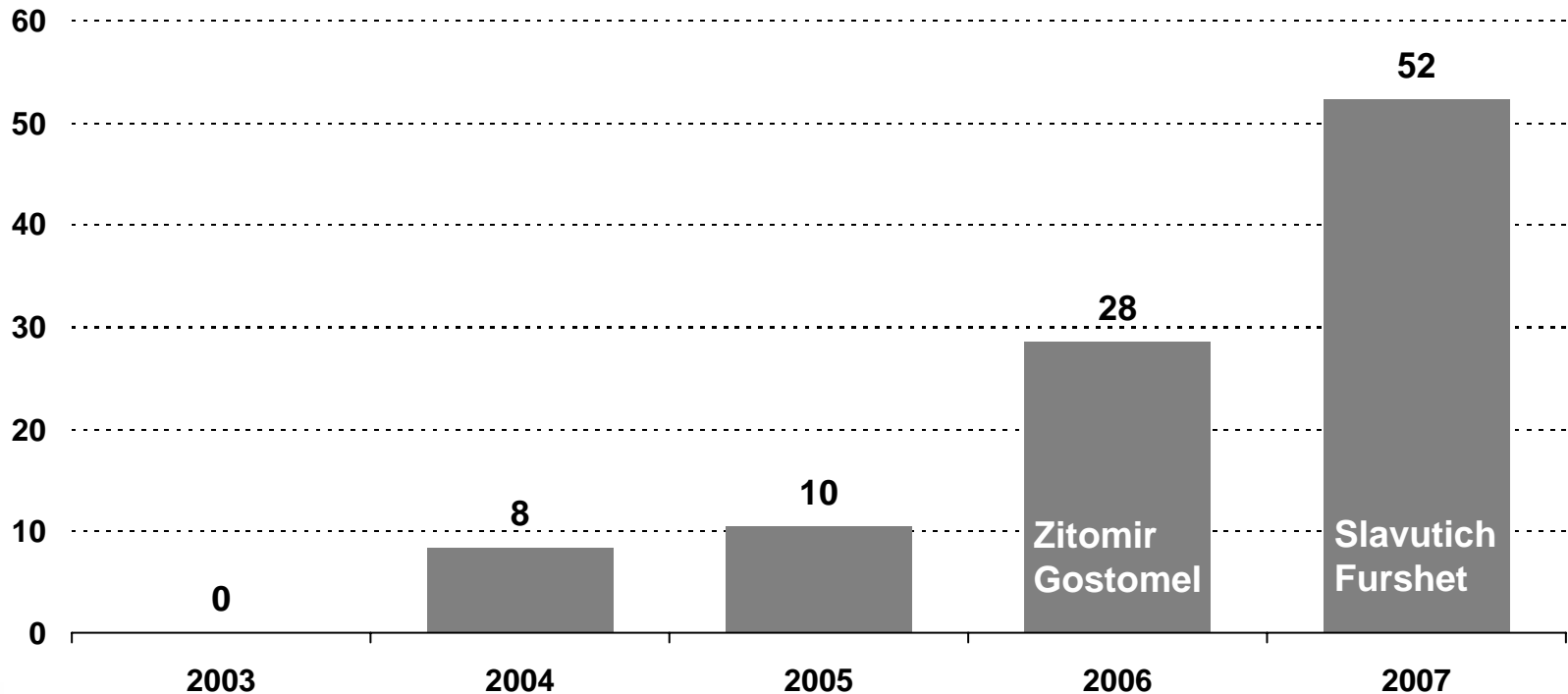
Sector	Local companies	Foreign sponsors
<b>Food distribution and Retail</b>	Furshet	Billa
<b>Food Packaging</b>	Gostomel	Zitomir Vetropack
<b>Food Processing</b>	Chumak Evrotek	Svitoch Confectionery Shostka/Bel Cerealia
<b>Crop production and processing</b>	Astarta Agroinvest	Toepfer, Cargill, Bunge, Lesaffre, ADM-Risoil, Nidera
<b>Breweries and Malt</b>	Obolon	Soufflet, Malteurop, Efes, Slavutich



# Syndications plays an increasing role in the Agribusiness portfolio in Ukraine

## *EBRD Agribusiness – syndication volume*

EUR millions



## Example *Furshet*

- ***Furshet***: the second largest Ukrainian supermarket operator, owned by Ukrainian founders with a 20 per cent participation of Auchan Group of France
- \$90 million loan to open modern supermarkets in Ukraine and Moldova
- Out of this amount, \$30 million has been syndicated to commercial banks
- The project is expected to contribute to the development of modern retail formats, quality products and retail standards



## Example *Slavutich* brewery

- **OJSC “*Slavutich Beer and Non-Alcoholic Beverages Plant*”**: one of the largest breweries in Ukraine, owned by Baltic Beverages Holding (BBH), a joint venture between Carlsberg and Scottish & Newcastle
- \$97.2 million loan to expand production capacities, launch new products and packaging
- \$48.6 million of the loan amount has been syndicated to Danske Bank
- This second loan to Slavutich is a result of the long term regional cooperation between BBH and the EBRD



# Ukrainian agribusiness sector shows attractive opportunities

## Opportunities

- Retail and distribution sector will continue to grow strongly
- Primary production with development of large industrial farms will benefit from high commodity prices
- Also the related food and crop processing industry will benefit
- Attractive export opportunities (also in comparison to Russia)

## Threats

- Distortive government policies (e.g. export quotas and price controls)
- WTO accession: various exemptions in agriculture sector (e.g. government support)
- Land moratorium and related speculation
- Lack of appropriate infrastructure investments



# Contact

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