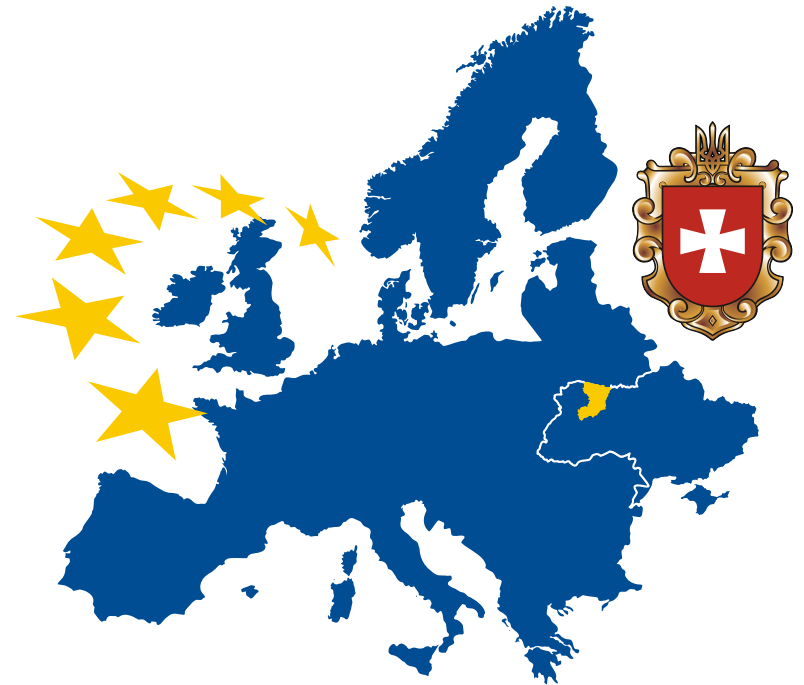


# RIVNE REGION

THE MOST PROSPECTIVE  
INVESTMENT LOCATION IN  
EASTERN EUROPE



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## I. RIVNE REGION IN A NUTSHELL

### 1. Facts and figures

Regional capital	Rivne city
Administrative structure	16 districts

#### DEMOGRAPHICS

<b>Total population:</b>	1.2 million
Urban	47,5%
<b>Age groups:</b>	
0-14 years old	19,4%
15-64 years old	67,2%
65 and older	13,4%

<b>Key cities:</b>	
Rivne	248,2 thousand inhabitants
Dubno	38,1
Kuznetsovsk	39,8
Ostroh	15,3

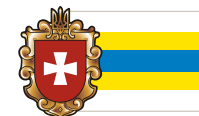
#### GEOGRAPHY

<b>Surface area:</b>	20.1 sq. km
Agricultural land	46 %
Forests	40 %
<b>Infrastructure:</b>	
Main roads	5060 km
Railways	587 km
Airport	1

#### ECONOMY (2006)

Industrial output	1067.5 million USD
Agricultural output	371.3 million USD
FDI (cumulative)	109.4 million USD
Goods export	291.5 million USD
Goods import	459.3 million USD
Average salary	222.6 USD
Unemployment rate	4.7%

Coat of arms and flag of Rivne region and Rivne city





## II. KEY SUCCESS FACTORS

### 1. Excellent location

Located in north-west Ukraine, Rivne region is well positioned to serve the markets of European Union, Russia, Belarus and Ukraine.

Rivne is situated at the crossroads of international motorways and railways connecting Europe with Asia, and the Baltic Sea with Black Sea. The distance to the EU border is just 100 km (1,5 hours drive), and 320 km (3 hours) to Kyiv, the capital of Ukraine.

International transport highways that cross Rivne region:

Pan-European 3 (E373)	Brussels	Dresden	Krakow	Sarny	Kyiv
Pan-European 5 (E40)	Venice	Budapest	Lviv	Rivne	Kyiv
Baltic Sea - Black Sea (E85)	Kaunas	Vilnius	Lutsk	Dubno	Bucharest

In addition, Rivne region enjoys a developed railway system. The operational length of railway lines of general use is 587 km.

You may also use an airport in Rivne that currently services some charter flights. The airport has the capacity to receive and service all types of passenger and transportation aircraft.

Rivne region in Europe

Ukraine



## 2. Cost effective investment

Rivne city and Rivne region have been selected as the Most Cost Effective location by the FDI Magazine (Financial Times) in the European Cities and Regions of the Future 2006/2007 Competition.

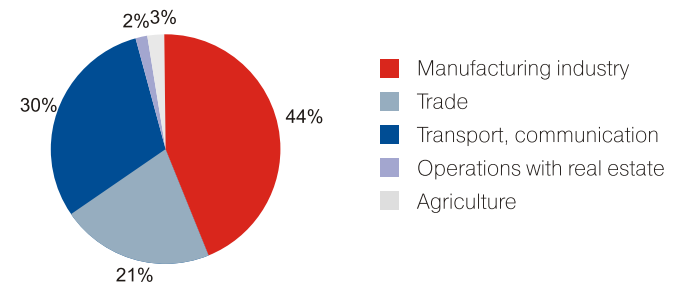
Rivne region has traditionally welcomed foreign investment. Investors from more than 20 countries already enjoy the Region's many advantages. Many foreign companies operate in the region and their success proves that the region has a positive business environment and favorable conditions for doing business.

Major foreign investors in Rivne region

Name		Industry
<b>Saint Gobain</b> France		Glassware production
<b>AES Corp.</b> USA		Electricity distribution
<b>Raiffeisen Group</b> Austria		Chemical industry (fertilizers)
<b>Dyckerhoff</b> Germany		Building materials
<b>Lafarge</b> France		Building materials

The total volume of foreign direct investments into the economy of Rivne region as of 01.01.2007 amounts to 109.4 million USD.

Structure of foreign investment in Rivne region

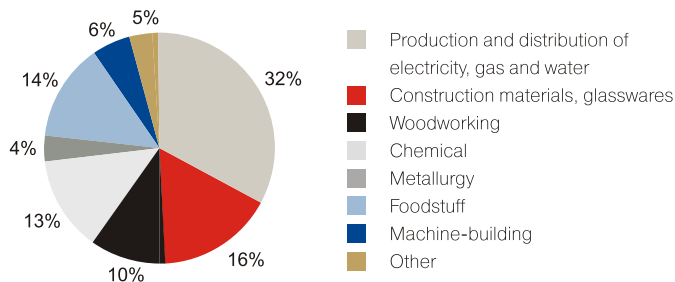




### 3. Dynamic and growing economy

Positive macroeconomic indicators and a strong growth in demand make the Ukrainian market an attractive choice for investors, and the Rivne region is the perfect place for entering the market. Regional industry growth rates are markedly higher than the national average (+8.9% in 2006).

Share of production by industry (2006), %



### 4. Industry clusters

#### Wood-processing

Wood-processing in Rivne region plays an important role and demonstrates an accelerated development. Based on the availability of raw materials and high qualification of labor force, the wood-processing industry is prepared to compete successfully with other furniture industries in Europe and Asia.

#### Construction materials and Glassware

The enterprises of glassware and construction materials sectors constantly modernize and increase their production capacities. The dynamic growth of the food industry contributes to the stable development of the glassware industry. Considerable deposits of high quality and low cost raw materials as well as highly skilled and effective labor force make building materials production a very attractive sector for investment.



#### Food industry

Stabile development of food industry is supported by the local agricultural production. Constantly growing demand in the domestic market as well as export opportunities spur the growth of the production volumes. It is expected that the domestic market will continue to develop quickly, and the growing income of population will increase the demand for high quality food products.

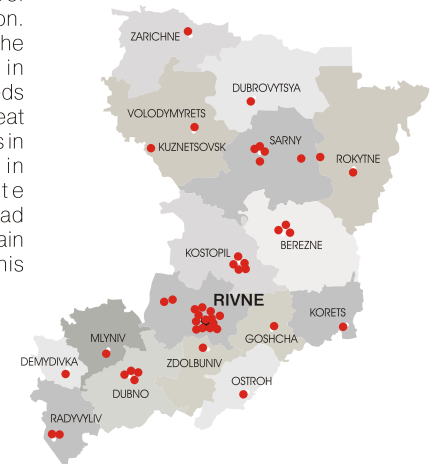
#### Machine building

The machine-building sector of Rivne region is represented by enterprises, which produce equipment for agricultural machines. During the last years the sector is developing quite dynamically due to increased export and steadily growing domestic demand. The industry enjoys the locally available skilled and experienced labor force. Considerable production capacities, which are not being used, and profitable enterprises striving to extend their capacities can give investors additional advantage.

#### Natural Resources

The extraction of energy and non-energy materials in Rivne region might be a future business area for foreign investors because of the considerable volume of high quality natural resources. More than 600 deposits of 18 types of minerals are located in region. Among these deposits is the only deposit of amber in Ukraine as well as unique beds of basalt. The reserves of peat amount to 18% of all deposits in Ukraine. Rapid growth in industrial and private construction as well as road building will serve as the main reasons for growth in this sector.

Industrial clusters in Rivne region





## 5. Highly skilled workforce

### Education

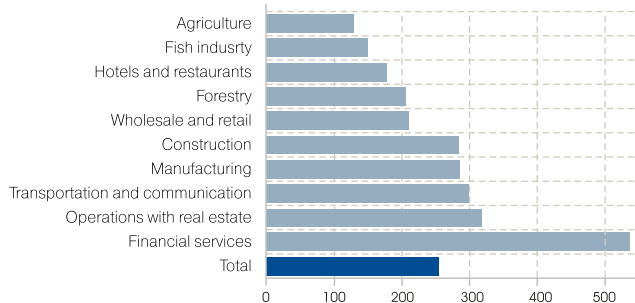
Rivne region holds a wealth of local talent. Workers are highly qualified, productive and driven to develop their professional skills. Each year more than 5000 students graduate from Rivne region's 33 universities and institutions of higher and professional education.

Universities and businesses in the region have a long history of cooperative relationship. It ensures the competitive advantage of the local workforce.

### Labor costs

Wages and all other payments in Ukraine have to be paid in Ukrainian hryvna (UAH). As of 01.01.2007 the average monthly gross salary in Ukraine amounted to 1277 UAH (or 253 USD), in Rivne region 1124 UAH (or 222 USD).

Average salary by economic activity in Ukraine, USD



### Unemployment

In Rivne region, the official registered unemployment rate amounts to 4,7% as of 01.01.2007.



## 6. Investor support services

### InvestInRivne Agency

Foreign investors can obtain professional support on decision making, site selection and settlement from the InvestInRivne Agency, which is a specialized investor and business support agency for Rivne region. The Agency was founded by the local authorities and Rivne Chamber of Commerce and Industry with the support of the Organization for Security and Co-operation in Europe (OSCE), Project Co-ordinator in Ukraine.

InvestInRivne acts as a one-stop-shop for foreign investors and provides a wide range of professional services to investors and businesses wishing to set up or expand their presence in the region.

One-stop-shop for investors

Investment Preparation	Investment Realization	Post-Investment Support
Provide information and analysis about region, country, etc	Support in administrative procedures (registration, licenses, certificates, etc.)	Relationship management between investors and local authorities
Search for and demonstration of investment opportunities	Support in legal issues, taxation, accounting	HR support (visas and work permits)
Market research and feasibility studies	Assistance in identification and selection of engineering and construction companies	Support in taxation, accounting, customs
Identification of land plots and industrial premises	Personnel and executive search, work permits	Support in relationship management with opinion leaders
Organization of site visits	Support in negotiations	Support in public relations
Search for potential suppliers	Translation and interpreting services	Consulting services

You may find more information about Rivne region, investment opportunities, and services of the Agency at our webpage: [www.InvestInRivne.org](http://www.InvestInRivne.org)

### Business Friendly Government

The local authorities in Rivne region have a strong commitment to improving the business environment by simplifying administrative procedures, developing infrastructure, fostering cooperation between public and private sectors. The local government welcomes foreign investors and stands ready to resolve any issues the investors may face in the region.



### III. STRATEGIC INFORMATION FOR INVESTMENT

InvestInRivne Agency is constantly producing and updating information materials about Rivne region. We hope you will find it useful for the adoption of an informed decision on your investment in Rivne region.

Agency provides a wide range of analytical and research materials:

#### 1. Business and Investment Guide (BIG)

The BIG includes information about Ukraine and Rivne region, business climate, labor force and investment environment, e.g. legal issues, taxation, custom regulations, profit repatriation.

#### 2. Investment Passport of Rivne region

The Investment Passport presents information on economic development of Rivne region and its administrative districts. It provides analysis of industrial, agricultural and services sectors, foreign-trade activities, and foreign investment trends in Rivne region.

#### 3. Greenfield and Brownfield Investment Profiles

Profiles provide information opportunities for investors wishing to set up or expand in Rivne region. It includes land lots characteristics, location, designation, available utilities and infrastructure, forms of acquisition or lease.

BUSINESS AND INVESTMENT GUIDE (BIG)



INVESTMENT PASSPORT OF RIVNE REGION



GREENFIELD AND BROWNFIELD INVESTMENT PROFILES



### 4. Industry Reports

Industry reports provide specific industry description, including main products, market structure and market development, consumer structure and needs, supply structure as well as market players. Furthermore, the Industry Reports review the political, legal and social environment, and the innovation power of the respective sector.

Currently, following industry profiles are available:

- a) Wood-processing
- b) Food-processing
- c) Machine-building
- d) Textile industry
- e) Construction materials and glassware
- f) Natural raw materials
- g) Agriculture
- h) Transport

INDUSTRY REPORTS



COMPANY PROFILES



### 5. Company Profiles

Company Profiles include specific information about companies searching cooperation with investors. The profile contains information on company activities, location, infrastructure, market, investment policy and partnership option.

You may visit our website [www.investinrivne.org](http://www.investinrivne.org) to download this information, or request it by sending an email to [invest@investinrivne.org](mailto:invest@investinrivne.org)



**IV. RICH CULTURE AND HISTORY**

Rivne region is widely known for its hospitality and its versatile and rich cultural life. Festivals, art events and concerts are regular features for the region, and its large number of restaurants, coffee shops and clubs provide plenty of choice for places to relax and socialize.

The area boasts considerable recreational possibilities. The region is home to two historical and cultural state reserves in the form of the ancient towns of Dubno and Ostroh, whose 15th and 16th-century architecture and landmarks provide a glimpse of the region's history.

The region is also home to three historical museums and seven of local lore. Unique landscapes, wildlife preserves, basalt columns, amber deposits and activities such as hunting, and rafting are just a few of the amazing attractions that the region has to offer.



For more information please visit website [www.tourism.rv.ua](http://www.tourism.rv.ua), which contains information about history and culture of Rivne region as well as tourist attractions..

For notes

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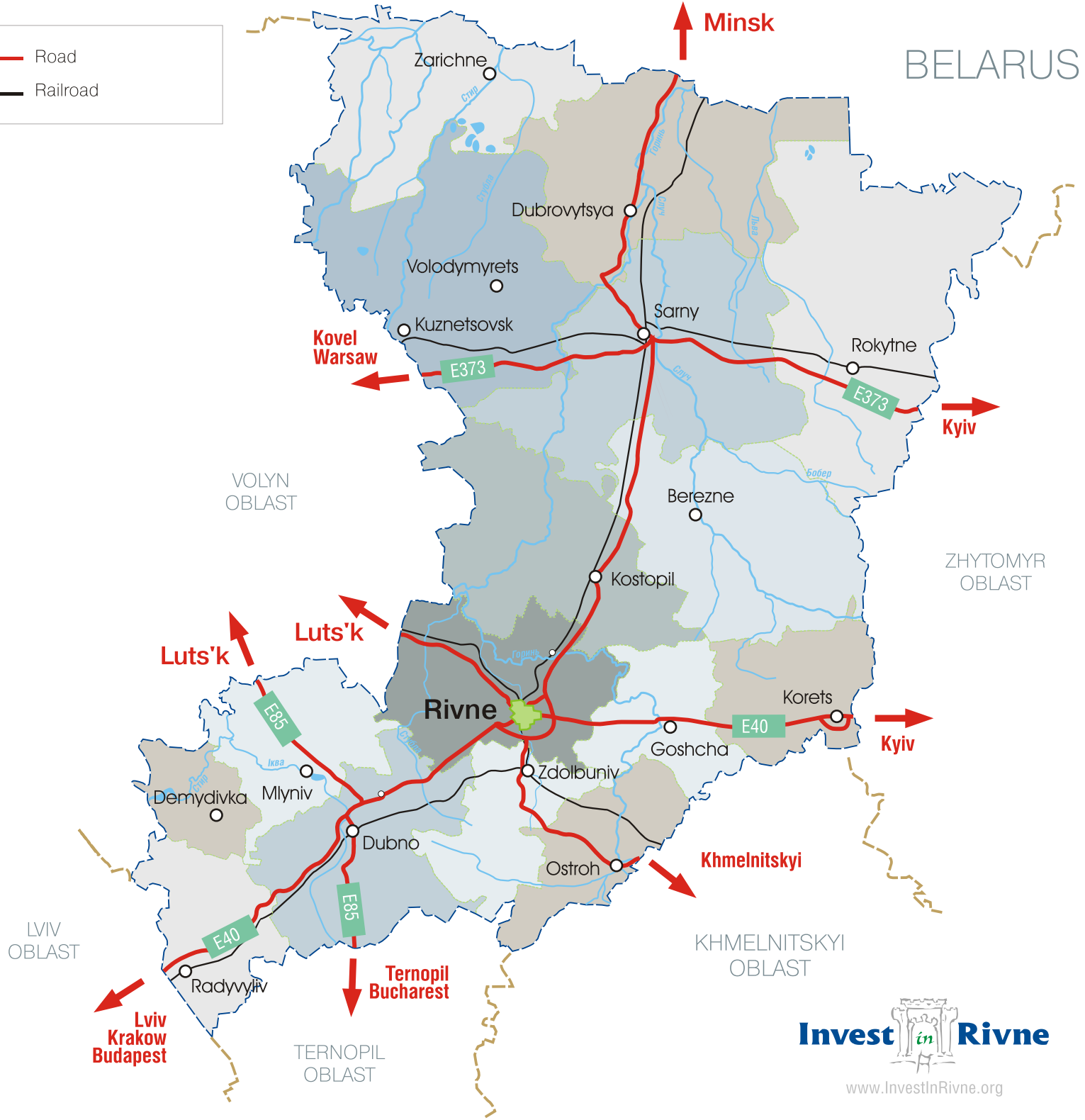
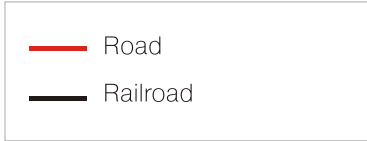
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