



Investment opportunities of Odessa

2011



Odessa City
Council

Odessa on the map of Europe





Odessa - administrative center
of Odessa region



Total area: 33 300 sq km

Population: 2 388,4 thousand people

Population density: 72 people per sq km

Number of cities: 19

Number of districts: 26

Cities of the region	Distance from Odessa	Population, thousand people
<u>Odessa</u>	—	1008,5
Kotovsk	260 km	40,2
Ilychevsk	25 km	67,5
Belgorod-Dnestrovsky	90 km	57,4
Izmail	220 km	79,6



Total area - 163 km²

Population (as of 01.01.2011) - 1008,96 thousand people

- **North to South - 35 km**
- **West to East - 10-15 km**
- **Climate – moderate continental**
- **Coldest month – January - 1 C°**
- **Hottest month – July + 22 C°**





7 reasons to invest in Odessa

1. Favorable geographical location

2. Developed transport infrastructure

3. Access to Knowledge and Skills

4. Favorable business environment

5. Cost effectiveness

6. Target markets

7. High quality of life and recreation





Distance to the nearest regional centers of Ukraine by car:

- Nikolayev - 120 km,
- Kherson - 171 km,
- Vinnitsa - 428 km,
- Dnepropetrovsk - 468 km,
- Kiev – 489 km,
- Donetsk – 731 km,
- Lvov - 970 km.

Distance to the big cities and capitals of European countries by car:

- Sofia - 876 km,
- Istanbul - 1055 km,
- Warsaw - 1142 km,
- Moscow – 1382 km,
- Vienna - 1439 km,
- Prague - 1597 km,
- Berlin - 1674 km,
- Rome - 2393 km,
- Brussels - 2429 km,
- Paris - 2627 km.





Odessa is located at the crossroads of major international routes from Europe to Asia, from Middle East to the CIS countries.





1



2



3

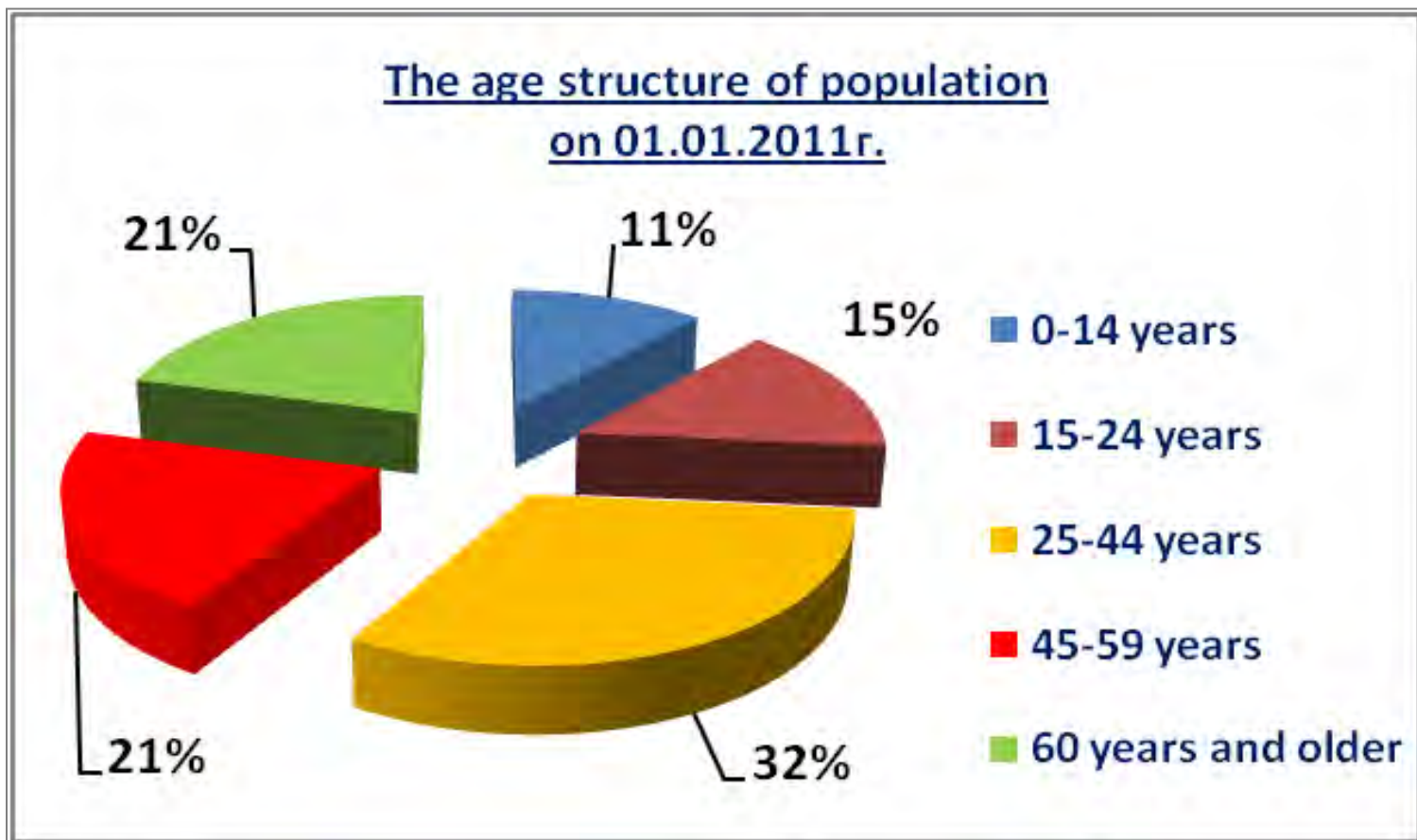
International transport corridors which pass through Odessa:

- 1. Pan-European Route № 9**, connecting Finland, Russian Federation, Lithuania, Belarus, Ukraine, Moldova, Romania, Bulgaria and Greece.
- 2. Gdansk-Odessa** (the Baltic sea - the Black sea), connecting Italy, Slovenia, Hungary, Slovakia, Ukraine.
- 3. Europe-Caucasus - Asia (TRACECA)**, connecting Ukraine, Moldova, Bulgaria, Romania, Turkey, Georgia, Armenia, Azerbaijan, Turkmenistan, Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan.



Average wage – 2297 Hr (\$ 290)

Employable population – 623,9 thousand people





Odessa is the centre of Odessa urban agglomeration, where more than 1.5 million people live, major center of higher education, science, research and development.

Among world-known scientists who lived and worked in Odessa are: I. Mechnikov (Nobel Prize in Medicine), I. Tamm (Nobel Prize in Physics), S. Waksman (Nobel Prize in Medicine), L. Paster, D. Mendeleev, Nikolay Pirogov.

Out of 6 000 outstanding scientists 159 (2,6%) are associated with Odessa.



61,4 thousand students study in 18 institutions of higher education of III-IV level of accreditation (colleges and universities).

9 institutions of higher education have national status.

Odessa has well-educated English-speaking labour force, which allows to develop in Odessa business that require high standards in human resources (high-tech manufacturing, high quality service) at both local, national and international level.





Odessa is attractive for investment

- **major market for both industrial and consumer products** with more than 1 million inhabitants, 2 million 400 thousand inhabitants of region
 - **developed infrastructure of whole-sale trade**
(*“Avangard” market – the largest in Eastern Europe*)
 - **extensive network of retail** - about 1870 objects.

- **developed transport infrastructure**

- **favorable location**

- **Odessa is a gateway to Europe and the CIS countries**

- **Ukraine** is a member of the **World Trade Organization** (*World Trade Organisation*)



Odessa

a **pilot market** for goods to enter
markets of CIS countries





Promising for investment:

- high-tech products;
- energy-saving technologies;
- transport logistics ;
- new establishments of food and processing manufacture, reconstruction of old ones.
- tourism and recreational complex;
- social and industrial infrastructure;





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Positive experience in investment
mobilization



Lukoil



EUROTERMINAL LLC



Brooklyn-Kiev



Prista Oil



Interchem



Vitmark



METRO Cash & Carry



PALMA GROUP S.A. Ukraine



Billa



Major industries of Odessa :

- food industry,
- transport
- tourism
- mechanical engineering and metal-work manufacturing,
- chemical and oil industry,
- iron industry,
- construction materials industry,
- pharmaceutical industry,
- consumer goods industry.





Major enterprises in the city:

- State enterprise «**Odessa commercial sea port**»
- OJSC «**Stalkanat**» (production of steel wire ropes, wire)
- CJSC «**Odessa-Conditer**» (production of sweets)
- OJSC «**Odeskabel**» (production of cables, wires)
- Joint venture «**InterChem**» (production of medicines)





- CJSC «**Odessa Champagne Factory**» (wine production)



- PJSC «**Lukoil-Odessa Oil-processing plant**»

- JSC «**Plaske**» (transport and travel services)



ЛУКОЙЛ
НЕФТЯНАЯ КОМПАНИЯ

ПРЕДПРИЯТТІЄ
С ІНОСТРАННИМИ ІНВЕСТИЦІЯМИ
"ЛУКОЙЛ-УКРАЇНА"

- Ltd. «**Telecard-Pribor**» (electrical engineering)



- Ltd. «**Stikon**» (constructing)

- Ltd. «**Micron**» (production of metalworking equipment, equipment for autoservice centers)



- Ltd. «**Novolog**» (stevedoring)



Odessa - is the city open to the world

123 nationalities live in Odessa, there is **World Odessit Club**.

The city has **24 sister-cities**, **14 partner cities** in Europe, Asia and America.

There are **8** general consulates, **5** honorary consulates in the city.



Membership in the following organizations:

- International Black Sea Club (**IBSC**) (1992);
- International Assembly of CIS Countries' Capitals and Big Cities (**MAG**) (2000);
- International Council of Local Environmental Initiatives (**ICLEI**) (2005);
- «**Eurocities**» Association (2006);
- International organization «**The League of Historical Cities**» (2008).



Odessa successfully cooperates with international institutions:

- World Bank,
- EBRD,
- GTZ,
- USAID





Social, educational, sports infrastructure:
More than 1,5 thousand sports facilities
34 sports schools
126 schools
150 kindergartens
76 public and private medical centers



Odessa is a true treasure for art connoisseurs.
30 city museums are situated in luxurious historical buildings.
Odessa Opera and Ballet Theater is on the list of the most unusual sights of Eastern Europe.
(“Forbes” magazine)



PROJECTS



Works of repair and restoration of the housing stock of Odessa using the resources of private and institutional investors - developers

- By giving investors free of charge (or at nominal price - 1 USD) attics for mansard superstructures.

Investors satisfy their economic interests by relatively low costs of mansard construction and receiving attics, usually in downtown areas.





Prime cost of construction of 1 m² of total area of the apartment in the mansards is about 75% compared to the traditional construction.

It is possible to increase the volumes of **housing construction** without the development of new urban areas and at cheaper prices.





Elcars are electric drive vehicles.

Project payback period - less than 1 year

Implementation phase - the initial stage

Investment requirement - 1 300 thousand USD

Project mission:

Organization of urban cycle elcars supplies (cars, pickups and trucks) and the establishment of three interrelated areas:

- direct supplies to Ukraine of "open"- type and urban cycle elcars;
- semi knock-down assemblage of urban cycle elcars of imported parts – with the gradual replacement for domestic production parts.
- organization of elcart maintenance and service in Ukraine.



PE "Elcart" information:

Odessa, Raskydaylovskaya str., 56.

tel. 8 (048) 7733373

E-mail: elcart@elcart.com.ua

www.elcart.com.ua

Director – Shashkin Valeriy

cell. tell. – 8 (067) 4882510



Polycarbonate and plastic wood production.

Various products manufacturing of these materials by extrusion.

Project products	Polycarbonate sheets (fences, roofs, sheds), plastic wood panels (decks,floors, etc.)
Available infrastructure	Automobile interchange, water supply, electricity supply, gas, sewerage, telephone, Internet
Availability of land	2,77 ha
Project type	new production establishment
Implementation phase	preproject offer
Implementation period	Production start in a year
Investment requirement	2500 thousand USD
Own funds	Land, buildings, infrastructure, technology and personnel
Expected form of collaboration	joint venture, lease, sale
Project payback period (years)	4
Project profitability(%)	35
Expected annual profit	600 thousand USD
Job creation (people)	70
Contact information	
Enterprise	Ltd. «Telecart- Pribor»
Address	Marshala Zhukova av., 105
Tel/fax	+38 048 7296070, +38 048 7296075
E-mail, web-site	office@telecard.com.ua ; www.telecard.odessa.ua

Ltd. «Telecart- Pribor» information





The «Telecart» plant is located in 500 meters from the exit to north-western part of circumferential road of the city of Odessa, near the largest transport interchange to Ilychevsk and the fishing port of Ilychevsk, the area where the continuous increase in concentration of production-storage bases is observed recently.

The occupied area is 2,77 hectares. The site area is 14 677,2 sq. m. The area of the plant facilities is 20 582,4 sq. m.



The production facilities occupy 9985,4 sq. m., the warehouses – 2542 sq. m.

The territory of the plant is paved with asphalt and has three exits: one fire exit, two cargo exits, 3 parking lots for cars and trucks, equipped with balancing platforms, sufficient for parking and maneuvering of large articulated trucks.

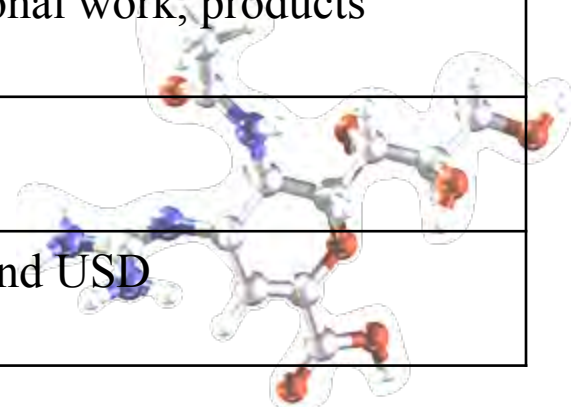


The basic organization of the Technopark — Institute of Bioorganic chemistry and Petrochemistry NAS Ukraine has developed the new materials and technology for energy saving pipes anticorrosive coating. Offered coatings (polymeric basement and glue-melting) allow reaching the certain advantage in contrast with existing (the bitumen, polymeric films and others), possessing the greater resistance to mechanical damages, guaranteed unity, low water assumption, long-lasting non failure usage (40-50 years) and high level of adhesiveness to pipe surface.



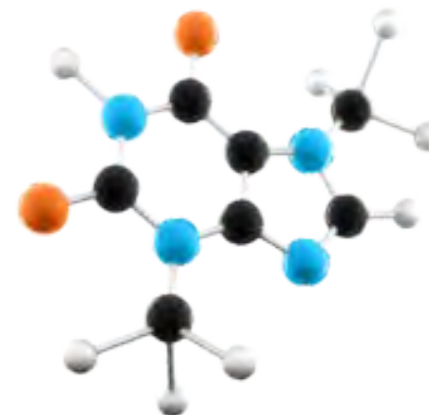
Project products	Anticorrosive coatings of polymeric basement and of gluing-melt that will enable to provide insulation of pipes
Implementation phase	Feasibility studies, innovation project information card, market research, research engineering, patents, production and promotional work, products samples
Implementation period	2011-2016
Investment requirement	1 250 thousand USD

**Ltd. «Technopark Chemo-Pol»
information**





Own funds	250 thousand USD
Expected form of collaboration	Credit, joint venture
Project payback period (years)	5 years
Project profitability(%)	12,0 % (minimum profitability)
Expected annual profit	930 thousand USD (net discount income)
Job creation (people)	70
Contact information	
Enterprise	Ltd. «Technopark Chemo-Pol»
Tel/fax	(048)-784-79-18
E-mail, web-site	a.kolesnik@chemopol.com.ua , http://chemopol.com.ua





Location: Odessa, Primorskaya str., 3b (building of the hotel "Seaman").

The owner of the building - a public joint stock company "Megas-stroy"

Area - 2182.0 sq. m

4-star hotel for 188 rooms with conference facilities





Building characteristic and technical-economic indicators

Name of areas	Area, m2	Notes
Total area	22771,00	
Useful area	21381,00	
Area of the rooms	6867,08	Number of rooms- 188
Parking area	61146,00	Number of parking places- 176
Area of the conference hall	660,00	Number of seats- 330
Restaurants' area	1115,00	Number of persons- 620
Area of cafes and bars	580,00	Number of persons- 320
Area of the restaurant's kitchen	1703,00	
Area of the business area	54,00	
Area of the casino	177,00	
Area of the pool	140,00	
Area of fitness, spa, hair salon	549,00	
Area of the entrances	1269,52	
Area of the commercial premises	372,83	
Area of the household, industrial and utility rooms	3137,57	



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The hotel project on Primorskaya str., 3b



Contacts:

PJSC «Megas-stroy»

65009, Ukraine, Odessa, Tenistaya str., 15, office -105

General Director - Tikhomirov Alexander

Tel./fax: +38 0482 429-804

E-mail.: tykhomirov@megas-build.com.ua





Name of the project	Hotel-entertainment complex "Pearl"
Description of the investment project	Hotel on the sea beach with 200 rooms
Brief description of existing infrastructure	Gas, Electricity, Water
Availability of land	2 hectares of land on lease for 50 years
Project type	Construction
Implementation phase	Obtained a building permit
Investment requirement	40-45 mln. USD
Own funds	10 mln. USD
Expected form of collaboration	joint venture
Project payback period (years)	7 years
Project profitability(%)	20%
Expected annual profit	6-7 mln. USD per year





Distribution of investments by years (thousand USD)	
-investor's contributions	evenly during 2 years
-contributions of the project initiator	Already made 10 million USD
Job creation (people)	400
Contact information	
Enterprise	PJSC «Pearl»
postal address	Odessa, Arkadiya 1
Telephone	+380482377093
Fax	+380482377093
Web-site	www.arkadia-project.com.ua
Description of the enterprise activity	Hotel
Contact person	
Surname, name	Bukhmarin Ilya
Tel./fax	+380503167286





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The hotel project in Arkadiya





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PROPOSALS



A proposed production capacity of
the plant:

Recycling of 250 -
300 thousand tons of
solid waste per year.

Under the terms of the
agreement, the client
(the Odessa City Council) provides
a loading capacity of the
plant workers in 100% of solid
waste.



Indicators / Performance (in modern foreign analogues):

The required land area, depending on the power - 2,0 - 15,0 ha.

The total area of about 10 thousand m².

Construction period - 1 year.

Recycling of not less than - 200 tons of waste / day.

Biogas production - 20 thousand cubic meters per day.

Production of electricity - 2,0 MW / day.

Status of the land - the land of urban masses.

The cost - about 25 million EUR.

Payback Period - 5 years.

Conditions for investment: participation in the management of the plant and making a profit - 30%.

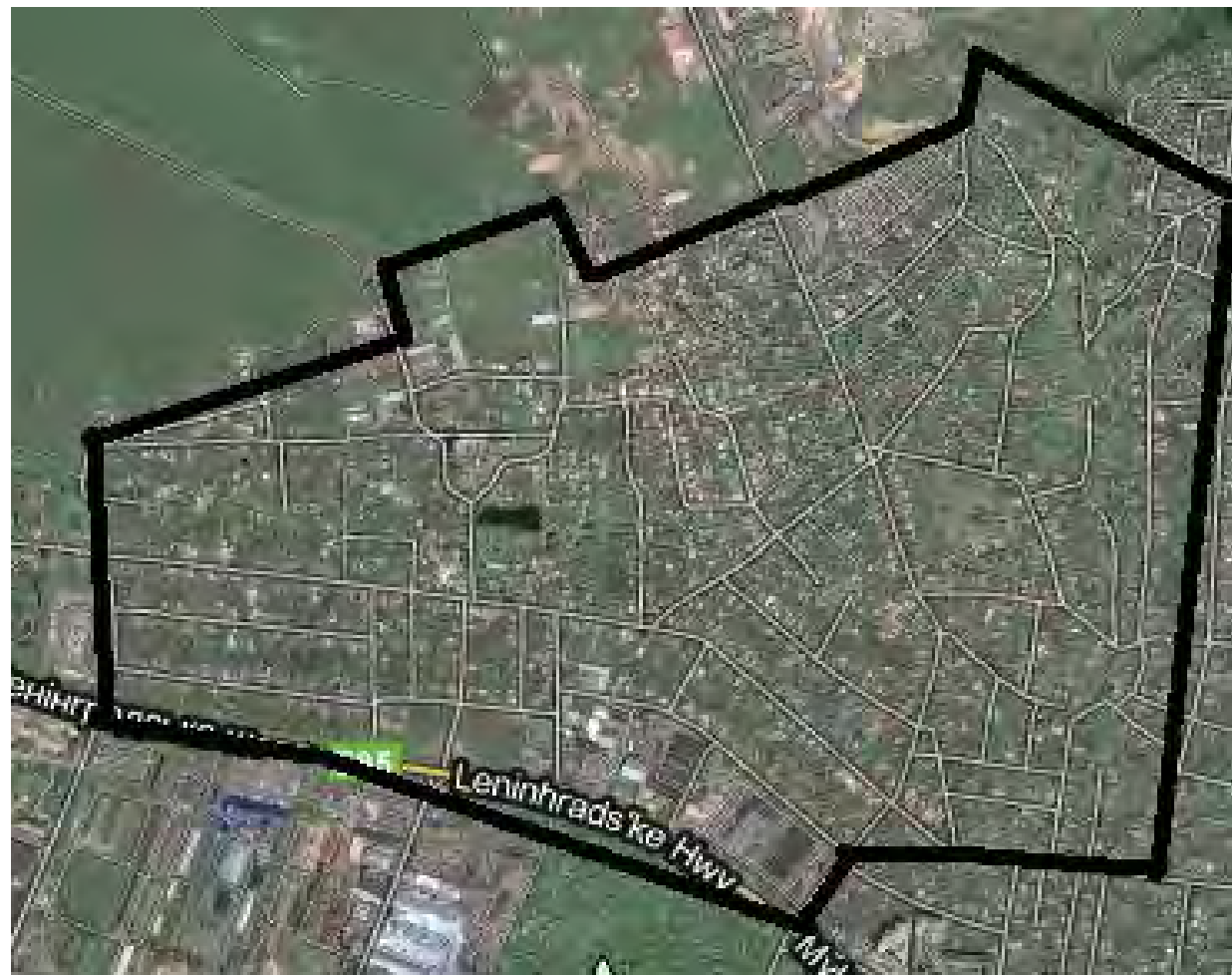




The project of construction of water drawdown system

Hydro geological conditions of “Krivaya Balka”

- increase of level of groundwater with increasing capacity water saturated soil, in consequence of long-term development of the district;
- flooding of streets, communication networks, erosion phenomena urgently require engineering solutions to protect the territory of the area;
- old, single-storey buildings, it is necessary to resettle about 7,0 thousand citizens.





The project of construction of water drawdown system

Engineering measures to protect the area from flooding are presented with:

- horizontal imperfect drainage;
- drainage system;
- hatchway issue of drainage water;
- regulation of the stream.

Implementation of these activities in the future will allow to use about 75 ha of urban area near the center of Odessa for the construction of the housing stock and recreational facilities.



The essence of the project: Commercial project.

The project envisages the construction of above & below ground light rail line from the village named Kotovskogo to the central part of the city.

Summary: Construction of light rail lines, "st. Paustovskogo - Grecheskaya sq. - Kulikovo Field" with the arrangement of stopping complexes on a concession basis.



Implementation period: 2011-2015

Project value:

5.5 billion UAH = 690 million USD
(according to NBU rate \$ 100 = 797 UAH).

Current status: 5%.

There is a project feasibility study made by Ltd. "PKF Elektrotransodessa"



The essence of the project: Commercial project.
Construction of the multi-storey facilities intended for temporary keeping the passengers' vehicles in Odessa.

Summary: It is planned to place the modern multi-storey car parks on the appropriate areas or existing venues in various parts of Odessa .

Implementation period:
2011- 2015



Current status: 5%, identified the possible location of parking places





The essence of the project:

Commercial project. Reconstruction of the existing facilities and placement of the new construction objects for the creation of a large business, scientific, cultural and industrial center

Summary:

The project envisages construction of office, cultural, educational, shopping and entertainment facilities, community centers, port facilities and transport infrastructure, as well as modern enterprises, which do not require sanitary protection zone.



Implementation

period: 2011- 2020

Project value:

5 billion UAH = 627 million USD
(according to NBU rate

100\$ = 797 UAH)

Current status: 2%.

Defined the priority areas for the development of the area. there are companies on the territory subjected to removal or reconstruction.



The investment project development of property complex located in the city of Odessa on the street. Stolbovaya, 28.

The project involves - the development of the territory of the integral property complex, with area of 12.6 ha, by the reconstruction of an existing group of industrial and warehouse and office buildings with total area of 69 thousand m², the construction of new buildings of modern warehouse complex, technological facilities and transportation and distribution, office and commercial and leisure infrastructure

The purpose - the creation of large format office and logistics park with total area of 90 thousand m²

Contact information:

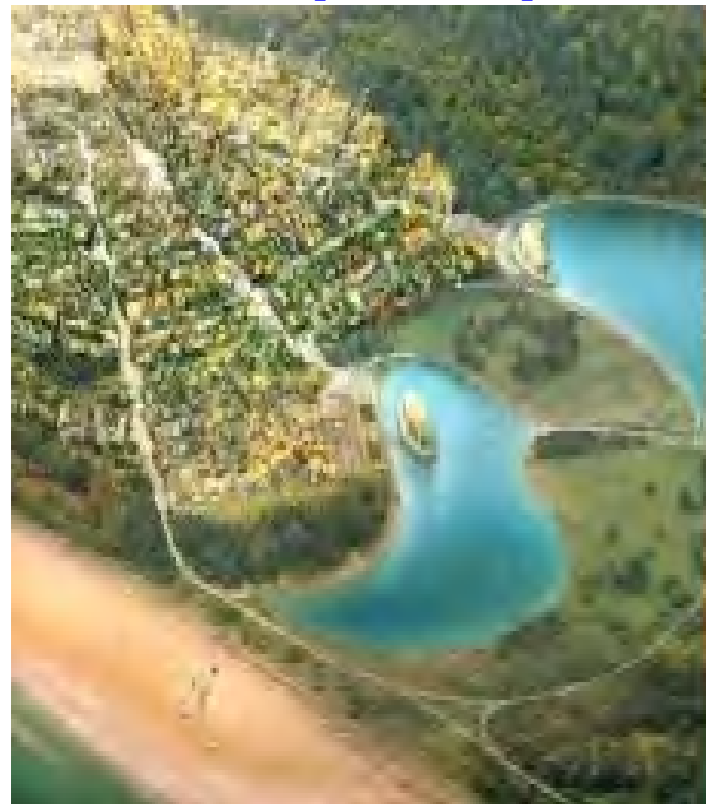
Real Estate Development Group
Ukraine, Odessa, Zhukovskogo, 33,
Business Center Pokrovsky, of. 707
Tel.: +38 (050) 316-57-73
E-mail: red.develop@gmail.com



*Information is given by Real Estate
Development Group*

The project has the following advantages:

- land area of 12.6 ha is located near center of Odessa at the distance of 7 km from Odessa Sea Port
- complex of four single-story industrial and warehouse buildings with a total area of 69 thousand m² and a ceiling height of 15-17 meters and industrial premises with the area from 5 millennium 30 thousand m²
- all necessary engineering services for high-tech warehouse and production activities operating at the object



-all properties owned by a legal entity, the intended purpose of the real estate corresponds to the operation of administrative buildings and facilities with the right of redemption or with the right of long term rental.

-convenient traffic intersection



Restoration and rehabilitation project of the building “Odessa Palace of sailors” and its conversion into a hotel - apartment complex with the construction of additional buildings.

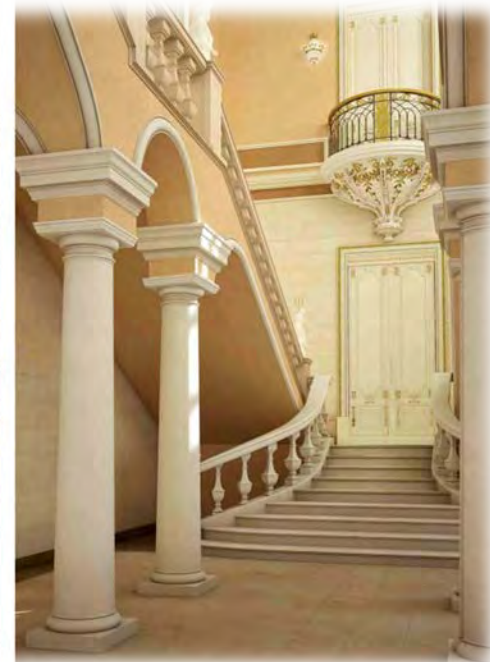
Location: Odessa, Primorskiy *boulevard*, 9.

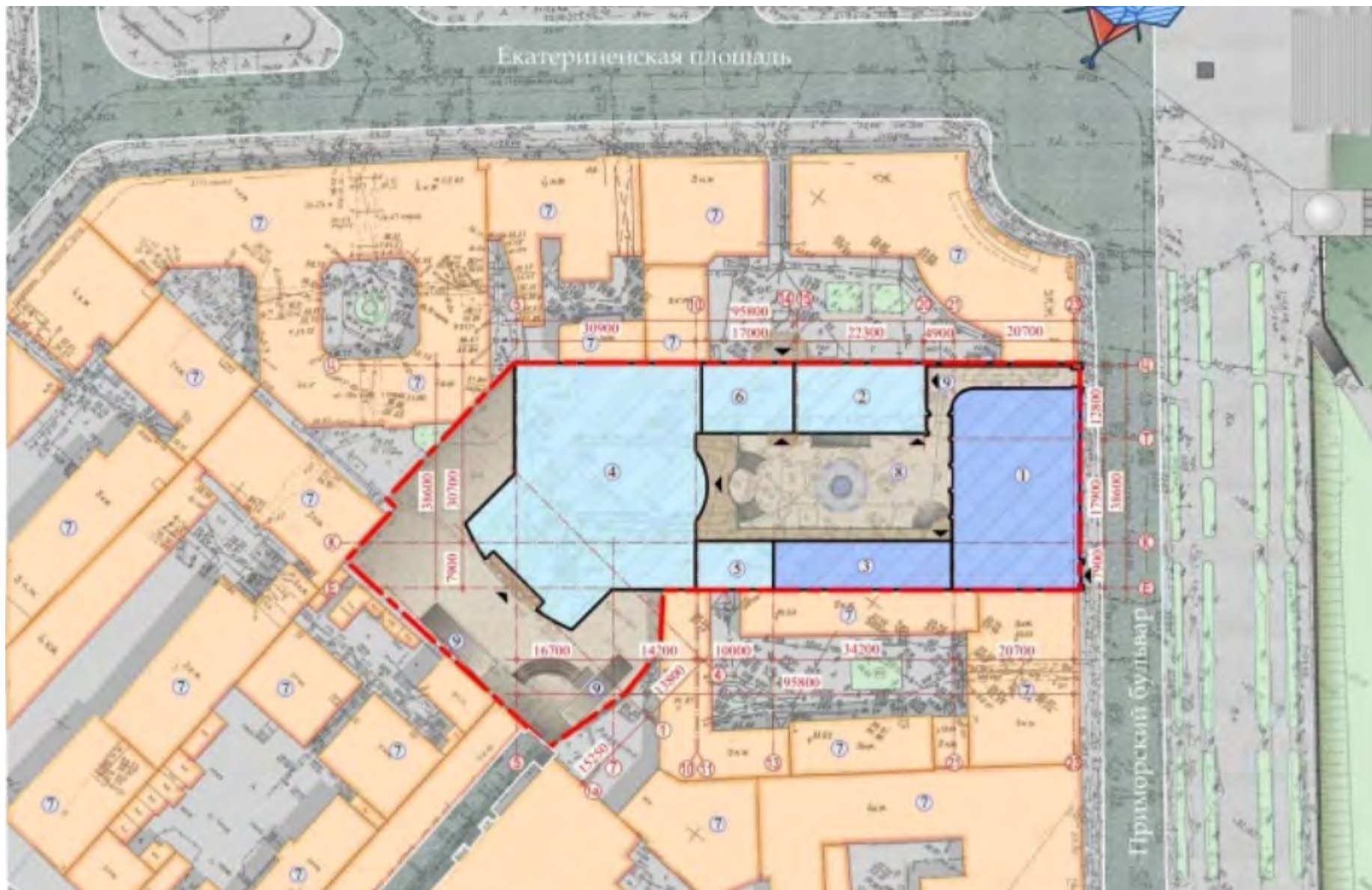
Total area – 32529,7 sq. m



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The hotel project «Palace of sailors»







IDEAS



The purpose of the project

Building of the complex that includes offices, conference room, Internet cafe, cafe, bar, restaurants, etc.

Expected results

Increase of business activity in the city, holding of different activities to attract foreign partners, exhibitions of industrial, cultural and social issues.





Odessa city council

Dumskaya sq., 1

City web-site - www.odessa.ua

Mayor - Alexei Kostusev

Tel.: (+38048) 725-00-39

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Thank you for your attention!

***P.S. We look forward to fruitful
cooperation!***