

## Kherson region economic and business potential



Slovenian companies should consider Kherson region (total area is 28.500 km<sup>2</sup>, population is 1.050.000) for investing or connecting with local businesses (more than 250 large and SMEs) in both agro and industry sectors as the region attractiveness model is characterized by the following factors:

- 1) Favorable economic and geographical location. Kherson region is situated in the south part of Ukraine, within the Black Sea lowland. It borders on Mykolayiv region in the north-west, on Dnipropetrovsk -in the north, on Zaporizhzhya region in the east and on Autonomous Republic of Crimea in the south. Kherson region is located in the steppe zone, on the lower flow of the Dnipro river. It is washed by the Black and Azov Seas, and also by Sivash (Rotten Sea) and Kakhovka Reservoir. On the territory of the region there are 19 rivers, the largest of which are Dnipro (178 km long) and Ingulets (180 km long).
- 2) The region has favorable climatic conditions: moderate-continent arid climate and 240 sunny days per year.
- 3) Developed infrastructure:
  - Kherson region is a transit area with a powerful branched transport system, which includes rail, sea, river, automobile and aviation transport;
  - developed network of public highways of 5002.0 km long, among which 5002,0 km, the roads of the state value is – 1430,4 km, of local value – 3571,6 km;
  - there are 2 international transport corridors (Euro-Asian (M17) 226 km long and the Black Sea EU (M14) 114 km) long);
  - International airport “Kherson”;
  - 2 sea and 2 river ports;
  - railroad connection.
- 4) Favorable conditions for agro-industrial production development:
  - the largest irrigating system in Europe 427.000 hectares;
  - the area of agricultural lands of the region is – 1.969.400 hectares, arable land is – 1.777.900 hectares;
  - fertile lands;

- 2.0 million tons of cereals and more than 500.000 tons of technical crops annually and the highest in Ukraine index of soybean yield – 36.1 centners per hectare;
- Kherson region is the leader in Ukraine in the production of vegetables and melon products;
- Well-developed wine region;
- The basis of the industrial potential of the region is formed by the following industries: engineering, metallurgy, wood processing and paper production, light industry, production of non-metallic mineral products, food processing industry, and agricultural machinery manufacturing enterprises.

#### 5) Significant base of minerals

- In the region significant reserves of drinking and technical groundwater are concentrated for mining in 20 fields located within its administrative-territorial boundaries;
- among natural resources in the territory of the region predominantly lay cement and brick-tiling clay, marl, limestone, salt, peat, gas;
- the most popular for usage in the region are limestone, varied by age, technological and chemical properties.

The main trading partners are: Turkey, Germany, Kazakhstan, China, Poland and the Netherlands.

Regional export structure is as follows:

- Agricultural products – 39,5% (grain crops – 20,8% seeds and fruits of oil-bearing crops -14,7%);
- Ready foodstuff – 16,1%
- Non-noble metals and metal products – 17,5% (ferrous metal-4,6% ferrous metal products -4,3%)
- Machinery, tools and electric equipment – 7,4%
- Wood and wood products – 6,6%
- Other goods – 17,5%

217 million USD of foreign direct investments were invested in the Kherson regional economy as of 1 January 2018.

Geographic breakdown of the FDI (share capital) in the regional economy from the countries-investors in 2017:

- Cyprus – 119,8 million USD (55,2%)
- Great Britain – 24 million USD (11,1%)
- Belize – 17,8 million USD (8,2%)
- Germany – 7,6 million USD (3,5 %)
- Turkey – 4,7 million USD (2,2%)
- USA – 3,4 million USD (1,6%)
- Panama – 3,1 million USD (1,4%)
- Russian Federation – 2,9 million USD (1,3%)
- Canada- 2,4 million USD (1,1%)
- The Netherlands – 1,9 million USD (0,9%)

Available investment proposals in the following sectors:

- Tourism
- Agriculture processing
- Industry (Kherson Industrial Park, Hydro Power Plant Kakhovka-2)
- Transport Infrastructure (Concession of SE Kherson Commercial Sea Port, International Airport Kherson, Public-Private partnership SE "Skadovsk Commercial Sea Port")

To discover more on tourism, economic and investment potential of Kherson region by visiting:

<http://kherson.travel/>

[www.investinkherson.gov.ua](http://www.investinkherson.gov.ua)