

Khmelnytskyi Investment Profile

*Daily*opportunities

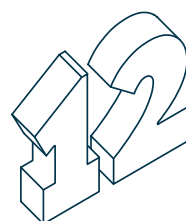
2019

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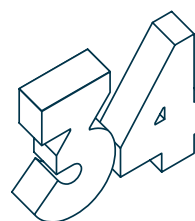
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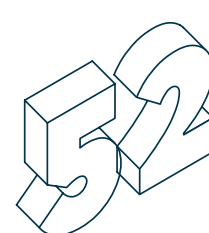
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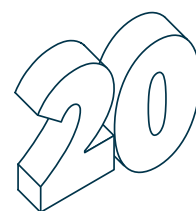
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- Trade and Services
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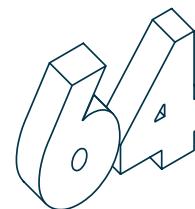
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About Khmelnytskyi

Why Khmelnytskyi?



**Strategic
geographical
location**



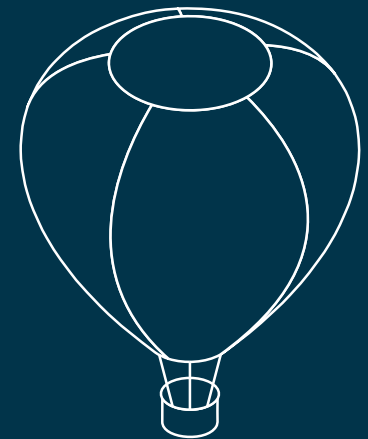
**Qualified
labour force**



**The most
affordable
housing
market**



**The largest
trading center
in Western
Ukraine**



**Vivid
cultural
life**

Summary

Khmelnyskyi is a marketplace for innovation and opportunity. The city is one of the best places for doing business in Ukraine, which has dynamic development, progressive views and foresight of its residents. According to Focus magazine *Khmelnyskyi* was recognized as one of the most comfortable cities in Ukraine – it got second place (after Kyiv) and was ranked first in the Transparency and financial health of cities and regions in Ukraine survey conducted by the International Center for Policy Studies in 2019.

The Parliamentary Assembly of the Council of Europe (PACE) appreciates the efforts of the city of Khmelnytskyi toward European integration, economic development, energy management and international cooperation, and in recognition it recently awarded the city with the Flag of Honour (2017) and the Plaque of Honour (2019).

As an active member of the Eastern Partnership Initiative of the European Union's "Mayors for Economic Growth," the city is a main center of local economic growth in the region. The city promotes long-running businesses and comprehensively supports new business development. Trade and services, clothing production, food industry, construction, logistics, and the IT sector are in rapid development.

A reliable business ecosystem, skilled workforce, low-cost operating space, and excellent connectivity with other cities provide investors with a unique opportunity to tap into the city's potential.

Key Facts

Area	93.05 km²
Time zone	UTC +2
Climate	Temperate continental
Accessibility	By train — from Poland, Slovakia, Romania, Bulgaria and Russia. By bus — from more than 100 European cities.
Population (2019)	273,700
The average monthly gross wages and salaries (2019)	₴ 8,513 / € 288
Average gross monthly salary in industry	€ 400
National currency	Hryvnya (UAH / ₴)
Average exchange rate of the hryvnya to the euro	UAH 29.55 per EUR 1
Number of enterprises (2019)	28,648
The largest sectors of the economy based on the number of enterprises	Trade and Services Engineering Industry Production of chemicals and chemical products Production of building materials Wood products, paper production and printing activities Textile production, clothing, leather goods and other materials Food processing industry
Capital investments	₴ 3,100 mln / € 105 mln
Accumulated foreign direct investment in share capital of companies (2019)	\$ 27.4 mln
Rating of Investment attractiveness of Khmelnytskyi city in 2020 assigned at the level of	invA+
Information about Khmelnytskyi	khn.gov.ua invest.khn.gov.ua



the safest city in Ukraine



the largest trading center in Western Ukraine



city is driven by small and medium enterprises



a junction of important transport routes

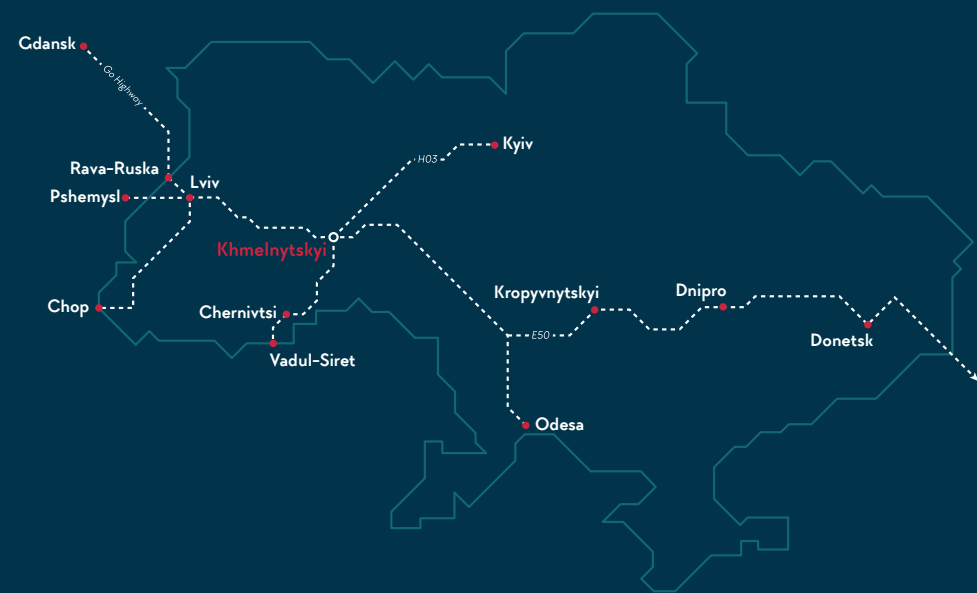


efficient distances
it takes 20 minutes to get from one side of the city to the other



the most affordable housing market
among regional centers of Western and Central Ukraine

Transit Routes



Ukrainian Routes

H02
Lviv
Ternopil

H03
Zhytomyr
Chernivtsi

European Routes

E40
Dunkirk
Brussels
Dresden
Legnica
Krakow
Lviv
Kyiv
Kharkiv

E50
Brest
Paris
Nuremberg
Prague
Uzhgorod
Ternopil
Khmelnyskyi
Kropyvnytskyi
Dnipro
Donetsk

E85
Klaipeda
Kaunas
Vilnius
Lida
Slonim
Kobrin
Dubno
Ternopil
Chernivtsi
Siret
Suceava
Bucharest
Kastanies
Alexandroupolis

Geopolitical Profile of the City



Khmelnytskyi is situated in Western Ukraine within the Podillia Upland on the Southern Buh River at the confluence with the Ploska River. *Khmelnytskyi* is a significant historical and modern economic and cultural center of the Podilla region. The city is the administrative center of Khmelnytskyi Oblast (region) and Khmelnytskyi Raion (district). The significant advantages of the city are its historical location at the crossroads of trade routes and geographical proximity to the eastern border of the European Union. The city is located at a junction of important transport routes from Western Europe leading to Central Asia and from the Baltic states, towards the Black Sea and Turkey. These routes include: E50 (Brest-Makhachkala) and national value H03 (Zhytomyr-Chernivtsi). The city has access to the international routes E40 (Dunkirk-Volgograd) through Lviv, Kiev and Kharkiv and E85 (Klaipeda-Alexandroupolis) through Dubno, Ternopil,

Chernivtsi. *Khmelnytskyi* is part of the Baltic – Black Sea transport corridor "Go Highway" – Odessa – Gdansk in building of which Ukraine is actively involved. In 2017 *Khmelnytskyi* became an associate member of the Silk Road Cities' Alliance. The access to the central and southern regions of Ukraine is convenient due to consistent improvement of transport infrastructure, road and railway junctions. Kyiv is the capital and largest city of Ukraine and is four hours by car from *Khmelnytskyi*. Warsaw, Istanbul, Helsinki, Prague, Berlin, and Budapest can be reached in less than a day by car. One of the largest Ukrainian clothing markets is also in *Khmelnytskyi*. This market is well known throughout Ukraine as well as in Poland, Belarus, Moldova and other neighbors countries for its large territory and low prices. Urban markets are gradually turning into convenient and modern shopping and service complexes.



Kyiv, the capital and the largest city in Ukraine, is only 4 hours away from *Khmelnytskyi*.



Warsaw, Istanbul, Helsinki, Prague, Berlin, Budapest and Bucharest are within 24 hours via road transport.

Border Crossings	Distance	Travel Time	
		Rail	Car
Rava-Ruska	302 km		4 h 34 min
Chop	466 km	10 h 57 min	7 h 21 min
Vadul-Siret	216 km	10 h 56 min	3 h 43 min

International Airports

Vinnitsia <i>Vinnitsia International Airport, VIN</i>	134 km	1 h 48 min	2 h 14 min
Lviv <i>Lviv Danylo Halytskyi International Airport, LWO</i>	255 km	3 h 28 min	4 h
Kyiv <i>Boryspil International Airport, KBP</i> <i>Igor Sikorsky Kyiv International Airport (Zhuliany), IEV</i>	357 km	4 h 16 min	5 h
Odessa <i>Odessa International Airport, ODS</i>	561 km	6 h 29 min	7 h 41 min

Cities in Europe

Warsaw	629 km		9 h 8 min
Bratislava	938 km		11 h 35 min
Budapest	771 km		10 h 18 min
Minsk	671 km		9 h 11 min
Vilnius	826 km		11 h 16 min
Varna	899 km	17 h 46 min	16 h 16 min
Berlin	1173 km		12 h 42 min
Vienna	1039 km		11 h 35 min
Bucharest	683 km	21 h 56 min	10 h 28 min
Przemyśl	343 km	7 h 11 min	5 h 13 min
Kosice	563 km	15 h 32 min	8 h 44 min



Economics and Infrastructure

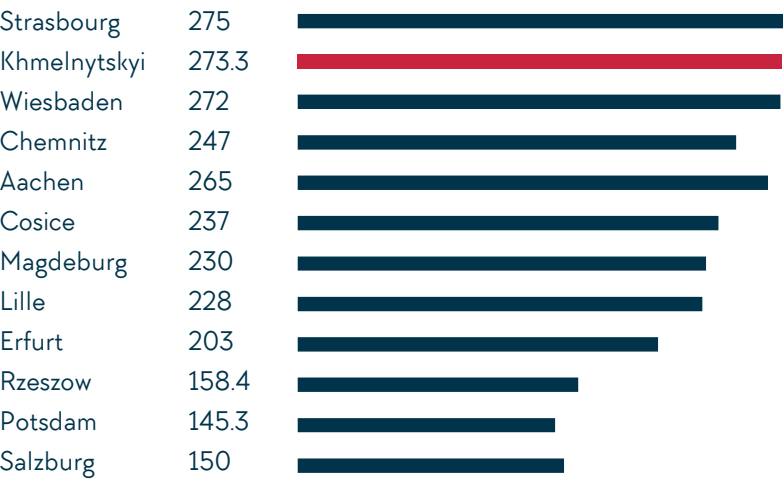
Economic Data

Key Economic Data	2019
Population density	2.917 people/km ²
Population	273,700
Volume of sales (products and services)	₺ 14.87 billion / € 503.2 mln
Retail turnover	₺ 7.07 billion / € 239.3 mln
Volume of construction work completed	₺ 1.9 billion / € 64.3 mln
GDP in Khmelnytskyi region (oblast)	₺ 75.7 mln / € 2.56 mln
GDP per capita in Khmelnytskyi region (oblast)	₺ 59,600 / € 2,000
Consumer price index (for the oblast)	104.4
Number of the registered business entities	28,648
Average gross monthly salary	₺ 8,513 / € 288
Average gross monthly salary in industry	€ 400

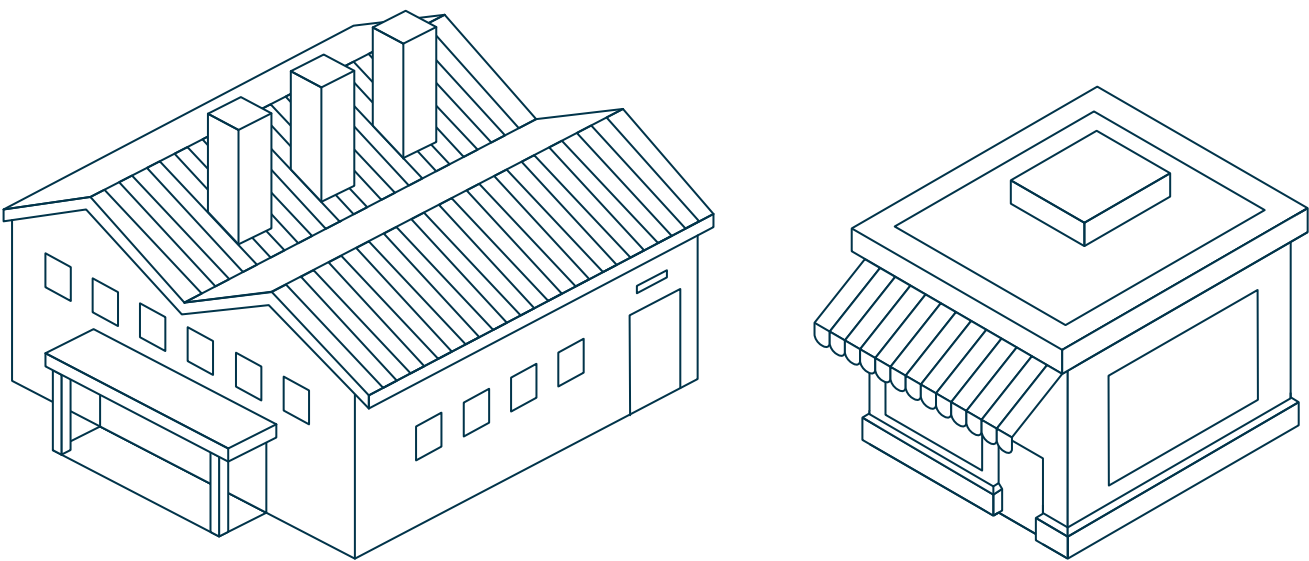
>273,700 inhabitants

>28,600 businesses registered in the city

The population of the city of Khmelnytskyi in comparison with other European cities, thousand people



Age structure of the population of Khmelnitskyi



Number of business entities

474 small enterprises 107 medium enterprises 22,761 individual entrepreneurs 5,306 existing legal entities

₺ 652.9 million / € 22.1 million revenues to the budgets of all levels from small enterprises ₺ 209.6 million / € 7.1 million revenues to the budgets of all levels from medium enterprises 49.4% revenues to the budgets of all levels from small and medium enterprises from the total tax revenues of the city budget

The share of the City in the economy of the region (2019), %

Industrial products sales	34.3
Volume of capital investments	32.6
Exports of goods / services	19 / 26
Import of goods / services	52.5 / 22.5
Retail sales	56.5

Exports of goods / services, USD, mln

2016	71,1
2017	101,7
2018	127,7
2019	125,1

Exports (January–September 2019, mln USD)

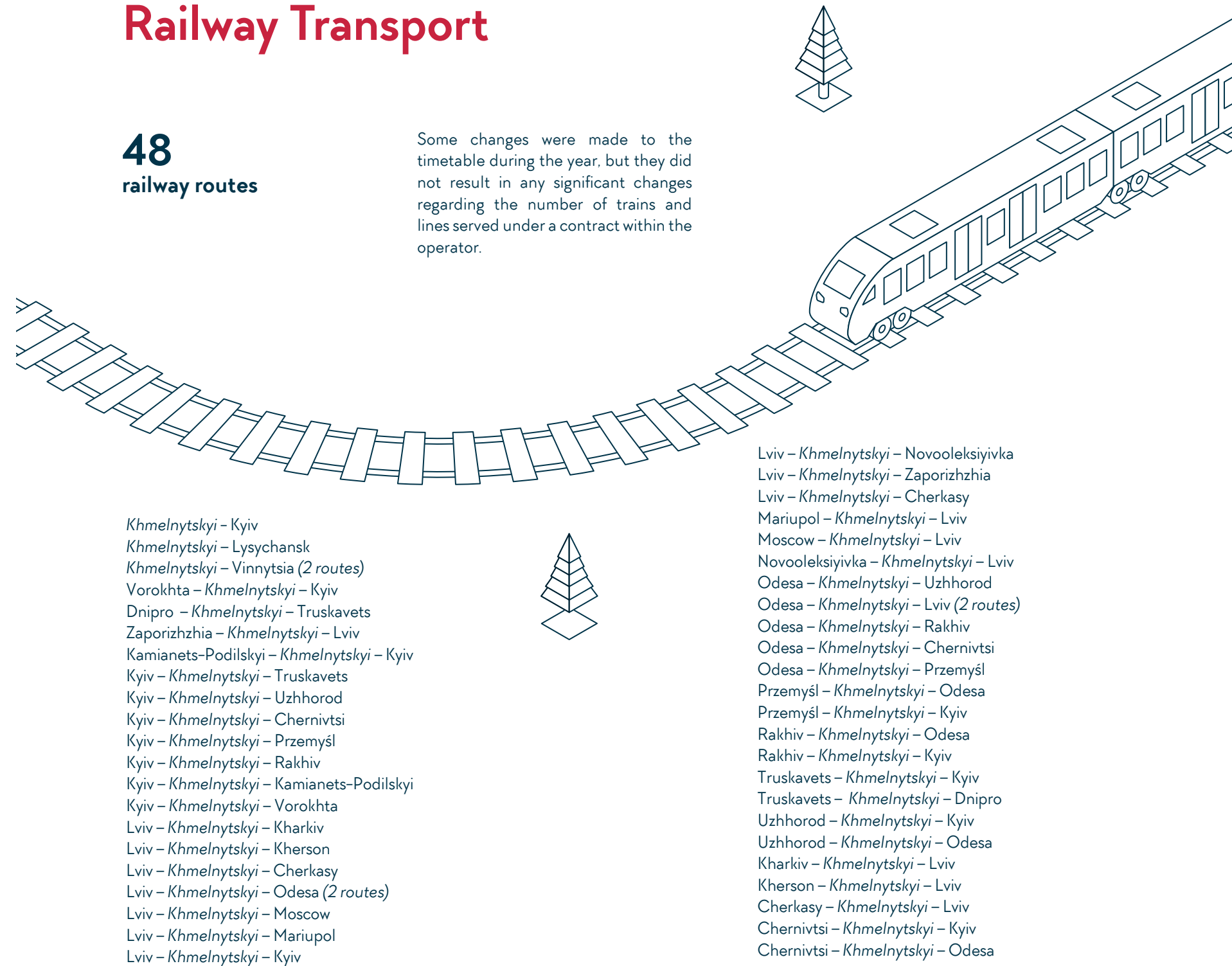
products of plant origin	20.3
textile materials and textile products	17.85
polymeric materials, plastics	13.56
various industrial goods	7.9
machines, equipment and mechanisms, electrical equipment	7.5
non-precious metals	6.1
wood, products made of wood	1.2
chemical industry products	0.15
vehicles, except rail transport	0.13
articles of stone, plaster, cement	0.0075

The foreign trade turnover in the city increased by 3.8% in 2019 compared to 2018 to USD 421.4 mln.

Railway Transport

48
railway routes

Some changes were made to the timetable during the year, but they did not result in any significant changes regarding the number of trains and lines served under a contract within the operator.



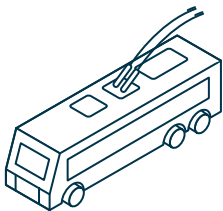
Road Transport

Local road conditions have been greatly improved and the existing road infrastructure is continuously being upgraded. Improvement of the urban transportation system (new parking structures, new overpasses, transport interchanges, reconstruction and repair of city roads) as well as reconstruction and opening of the airport are included in the strategic and operational goals of the Development Strategy of the City of Khmelnytskyi until 2025.

The City authorities continue to work on cycling infrastructure (construction of bike paths, bicycle lanes, pedestrian-bicycle zones, installation of bicycle parking facilities, bicycle parking racks). An automated monitoring system operates in the city to analyze urban electric and motor transport. Trolleybuses and buses are equipped with GPS trackers. There are four "smart" public bus stops with integrated arrival time dashboards, USB ports for recharging mobile devices, and free Wi-Fi.

Municipal Public Transport

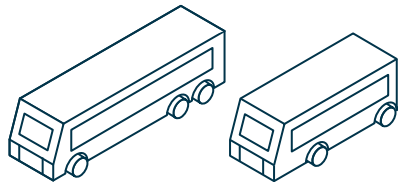
4th
among Ukrainian cities by criteria
«Passengers comfort in public transport 2019»



114
trolleybuses

5
autonomous
trolleybuses

25
routes



304
buses and
minibuses

45
routes

Passengers can use mobile applications and e-ticket cards. Other facilities include a journey planning option and maps showing vehicles online through the service "EasyWay" and "Transport of Khmelnytskyi" showing the city traffic in real time.

www.eway.in.ua/ua/cities/khmelnytskyi
city.dozor.tech/ua/khmelnycky/city

Khmelnytsky municipal enterprise
"Electrotrans" carries out passenger
transportation



Standard of Living in Khmelnytskyi



Quality of Life

According to the safety rating of Rating Sociological Group on behalf of the International Republican Institute's Center for Analysis and Sociological Research in 2019, *Khmelnytskyi* was recognized as the safest city among other Ukrainian cities. *Khmelnytskyi* also holds the leading position with the highest percentage of respondents who responded positively (68 percent) in terms of their own security.

The City is one of the most beautiful and greenest regional centers of Ukraine, lies along both sides of the Southern Buh River. The streets and squares of the City are filled with green chestnuts and linden trees, numerous flowerbeds and fountains.

Khmelnytskyi residents are satisfied with the place where they live, where they work, and how they spend their free time.

239 hectares

a total area of parks, squares, waterfront, with

from 71.6 to 72.3 years

he average life expectancy is gradually increasing during the last five years.

According to the results of the fifth municipal survey of the International Republican Institute in Ukraine in 2019:

80%

of respondents approve the activity of the city authorities, which puts *Khmelnytskyi* on the **1st place** among the regional centers of Ukraine according to the experience of cooperation with the city government

5th place

by the Quality Satisfaction Index

3rd place

by the level of diverse leisure opportunities

3rd place

in terms of opportunities for business

Khmelnytskyi has one of the lowest corruption rate indices in Ukraine

Municipal Services

Khmelnytskyi is recognized as a leader in municipal solid waste management in Ukraine. Landfill gas is now being extracted and used to create green renewable energy. The Ecobus runs through the city's microdistricts to collect hazardous waste. The first underground garbage containers in the city were installed in 2018. Plans are underway to open Ukraine's first mechanical biologic treatment plant. By 2022, it is planned to open the first plant in Ukraine for mechanical and biological waste processing.

The inhabitants of our city are satisfied and have a greater comfort of living than those living in many other Ukrainian cities.

Sports Facilities

1	Stadium	12	Football fields
1	Equestrian base	24	Shooting ranges
2	Athletics arenas	79	Gyms
38	Sports surfaces	113	Fitness facilities
3	Rowing center	232	Planar sports facilities
8	Swimming pools	145	Other playgrounds
17	Tennis courts		

Transportation



3rd

by the level of quality of the roads



3rd

by the level of convenience for pedestrians



3rd

in terms of comfort for people with disabilities



4th

by the level of convenience for public transport passengers



5th

by the level of comfort for people with baby carriages



6th

by the level of convenience for cyclists



6th

by the level of convenience for motorcycle / moped drivers



6th

by the level of convenience for drivers of private cars



6-й

among regional centers of Ukraine by the level of quality of transport infrastructure



>20 %

city residents use cars

Cost of Living

Taxi

₺ 20 / € 0.68 initial fee	₺ 15 / € 0.5 single-journey ticket in paid parking zone
₺ 7 / € 0.24 / km in tariff within city limits	
₺ 13 / € 0.44 / km in tariff outside the city; payment in both directions	

Cinema tickets

₺ 60-80 / € 2-2.7 standard
₺ 50 / € 1.7 reduced

Theatre tickets

₺ 60-100 / € 2-3.4 standard
₺ 35-40 / € 1.2-1.36 reduced

Food

₺ 250-400 / € 8.7-13.5 price of a two-course meal plus appetizer and dessert at an upper-class restaurant in the center of the city of Khmelnytskyi
₺ 150-250 / € 5.1-8.7 price of a two-course meal plus appetizer and dessert at a medium-class restaurant

Municipal transport tickets

Single-journey ticket	Trolleybus monthly ticket	
₺ 3.50 / € 0.12 trolleybus	₺ 130 / € 4.4 standard	₺ 70 / € 2.4 student
₺ 5.00 / € 0.17 bus, minibus	₺ 50 / € 1.7 children	₺ 230 / € 7.8 organisation

Sport

₺ 150 / € 5.1 / hour squash	₺ 150-250 / € 5.1-8.7 / session horse riding
₺ 80-95 / € 2.7-3.2 / hour swimming	₺ 150-230 / € 5.1-7.8 / hour bowling
₺ 250 / € 8.7 / hour tennis	₺ 50 / € 1.7 / hour billiard sports
₺ 50 / € 1.7 / hour table tennis	₺ 30-70 / € 1-2.4 / hour skating

Hotel accommodation

₺ 1000-3000 / € 34-101.5 /night the highest category numbers
₺ 575-900 / € 19.5-30.5 /night middle category numbers
₺ 400-500 / € 13.5-18.6 /night econom category numbers

Accommodation prices

₺ 200 / € 6.8 / night for bed in hostel
₺ 300-400 / € 10.2-17 / night motel (in Khmelnytskyi or on the outskirts of the city)
₺ 400-500 / € 13.5-17 / night room in a private apartment

Municipal Institutions

Polyclinics and hospitals (52)

Public Hospitals
Hospital with the Polyclinic of the Ministry of Interior of Ukraine
Khmelnytskyi Central District Hospital
Khmelnytskyi City Children's Hospital
Khmelnytskyi City Diagnostic and Treatment Center
Khmelnytskyi City Hospital
Khmelnytskyi City Infectious Diseases Hospital
Khmelnytskyi Regional Antituberculosis Dispensary
Khmelnytskyi Regional Cancer Dispensary
Khmelnytskyi Regional Cardiology Center
Khmelnytskyi Regional Children's Hospital
Khmelnytskyi Regional Hospital
Khmelnytskyi Regional Skin and Venereal Diseases Dispensary
Khmelnytskyi Regional Specialized Child Care Center "Berizka"
Khmelnytskyi Regional Veterans Hospital
Khmelnytskyi City Perinatal Center
Military Hospital
Polyclinic of the Ministry of Internal Affairs Department
The Bohdan Khmelnytskyi Health and Sanitary Department of the National Academy of the State Border Guard Service of Ukraine
Public Polyclinics and Ambulatories
Ambulatories of General Practice of Family Medicine (7)
Khmelnytskyi Children's Dental Polyclinic
Khmelnytskyi City Associated Dental Polyclinic
Khmelnytskyi City Polyclinics (4)
Khmelnytskyi Regional Dental Polyclinic
Khmelnytskyi City Centers for Primary Health Care (2)
Khmelnytskyi District Center for Primary Health Care
Khmelnytskyi Regional Blood Transfusion Station
Khmelnytskyi Regional Psychoneurological Dispensary

Khmelnytskyi City Antituberculosis Dispensary
Polyclinic of the Security Service of Ukraine
Private Medical Centers
“Peremoha”, Medical Practice PSE
“Podillia”, Medical Practice PSE
“Prestyzhmed”, Medical Practice PSE
“Pryzma on”, Medical Center
“Maliatko Plius”, Private Children's Polyclinic
Other
Khmelnytskyi Regional Center for Medical and Social Assessment
Khmelnytskyi City Ambulance Station
Khmelnytskyi Regional Center for Emergency and Disaster Medicine
Khmelnytskyi Regional Center for Prevention and Control of AIDS
Khmelnytskyi Regional Narcological Dispensary
Khmelnytskyi Regional Office of the Chief Medical Examiner
Khmelnytskyi Regional Special Medical Supply Base
State Anatomico-Pathological Center of Ukraine

Police departments (5)

Head Department of National Police in Khmelnytskyi Region
Zarichansky Police Office in Khmelnytskyi
Pivdenno-zahidny Police Office in Khmelnytskyi
Khmelnytskyi City Police Office of Ukrainian National Police
Khmelnytskyi District Police Office of Ukrainian National Police

Fire & Rescue Stations (4)

Main Department of the State Emergency Service of Ukraine in Khmelnytskyi Region
Independent State Fire Departments (2)
A part of a special fire machinery emergency rescue squad of the special purpose of the Main Department of the State Emergency Service of Ukraine in Khmelnytskyi Region



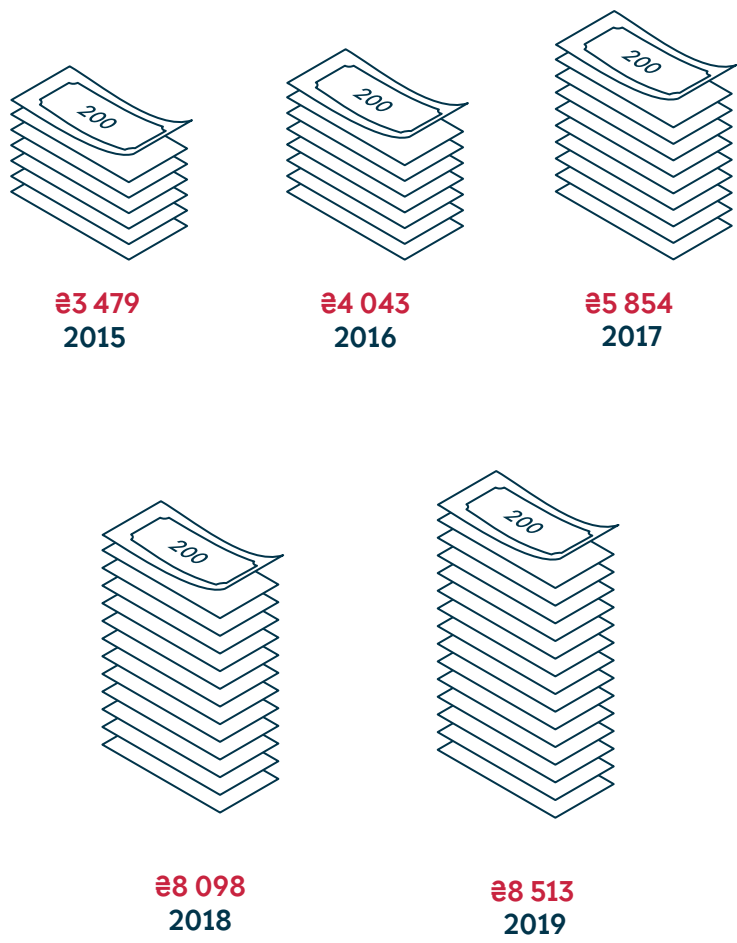
Labour Market and Education

Labour Market

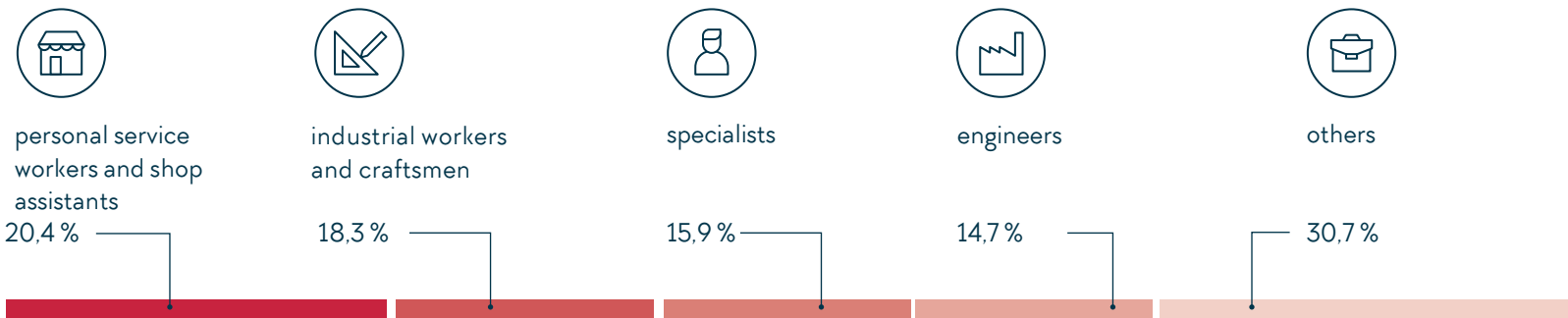
Sectors including trade and services, transport, logistics and storage, engineering industry, garment industry, IT possess the highest employment potential in *Khmelnyskyi*. The highest employment growth is currently expected in food services, construction, transport, industry and logistics segments. Approximately 14 percent of the city's population is actively searching for a job. In 2019, the average monthly salary in the city amounted to ₾ 8 513 (2018 – ₾ 8 098), which is 163 UAH less than that in the region (9 515 UAH) and 1 990 UAH less than the average salary in Ukraine (10 503 UAH). An additional advantage is the possibility to use the assistance of the labour market institutions, as they match employers with job seekers. The website of Khmelnytskyi Regional Employment Center (khm.dcz.gov.ua/) and a special service for job and personnel search, HeadHunter.UA, (khmelnitsky.hh.ua), work.ua (www.work.ua/jobs-khmelnyskyi/) contains useful information about vacancies, employees and featured jobs. Regional centers of the state employment service regularly publish reports on the current situation of the labour market in *Khmelnyskyi* and in the region. What may encourage the opening of a business in *Khmelnyskyi* are relatively low labour and employment costs.

~14 %
of the city population is
actively searching for a job

Dynamics of Average Monthly Salary of Full-Time Employees, UAH



In 2019, most vacancies in Khmelnytskyi were offered for



Majority of the new jobs in the period mentioned above were offered in the following spheres



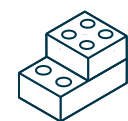
The most wanted specialists searched by employers are



Education

Khmelnytskyi's human capital is another advantage. The City's higher education institutions provide study programs on hotel and restaurant business management, marketing, entrepreneurship, trade and stock exchange activity, service management, and tourism and trade. All of the institutions are open for cooperation with business entities, e.g. in the field of improving students' practical knowledge as it will help prepare them for the modern workplace.

According to the IRI research, in 2018, *Khmelnytskyi* ranked sixth among regional centers of Ukraine for quality education opportunities in different specialties and levels. Moreover, the City is ranked third for the quality level of school education and second in Ukraine for the quality of preschool education.



52
pre-schools

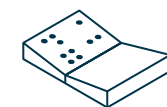
13,356
children were enrolled
in pre-schools in 2019



41
general education
institutions of
different types

lyceums, colleges, gymnasiums,
specialized secondary schools

35,213
pupils were enrolled
in secondary schools in 2019



5
out-of-school
educational
institutions

2
schools for children with
visual impairments and
mental and physical disabilities



4
specialized
preschool
institutions

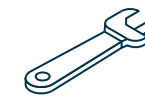
305
number of
groups in
pre-schools



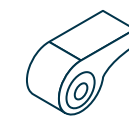
111
number of
workshops in
pre-schools



7
art and music
schools



11
institutions of
vocational
education



12
sport
schools

Universities

Because of the high level of quality of life in the City and wide range of educational opportunities in technology, engineering, economics, social sciences and many others students choose *Khmelnytskyi*. Despite the decline in the total number of students in Ukraine, the number of students in *Khmelnytskyi* has remained steady. In total, there are more than 18,000 students enrolled in higher education institutions.

The City's universities are interested in improving the quality of educational services, attracting foreign students and offering wide range of training courses to provide the labour market with a capable workforce.

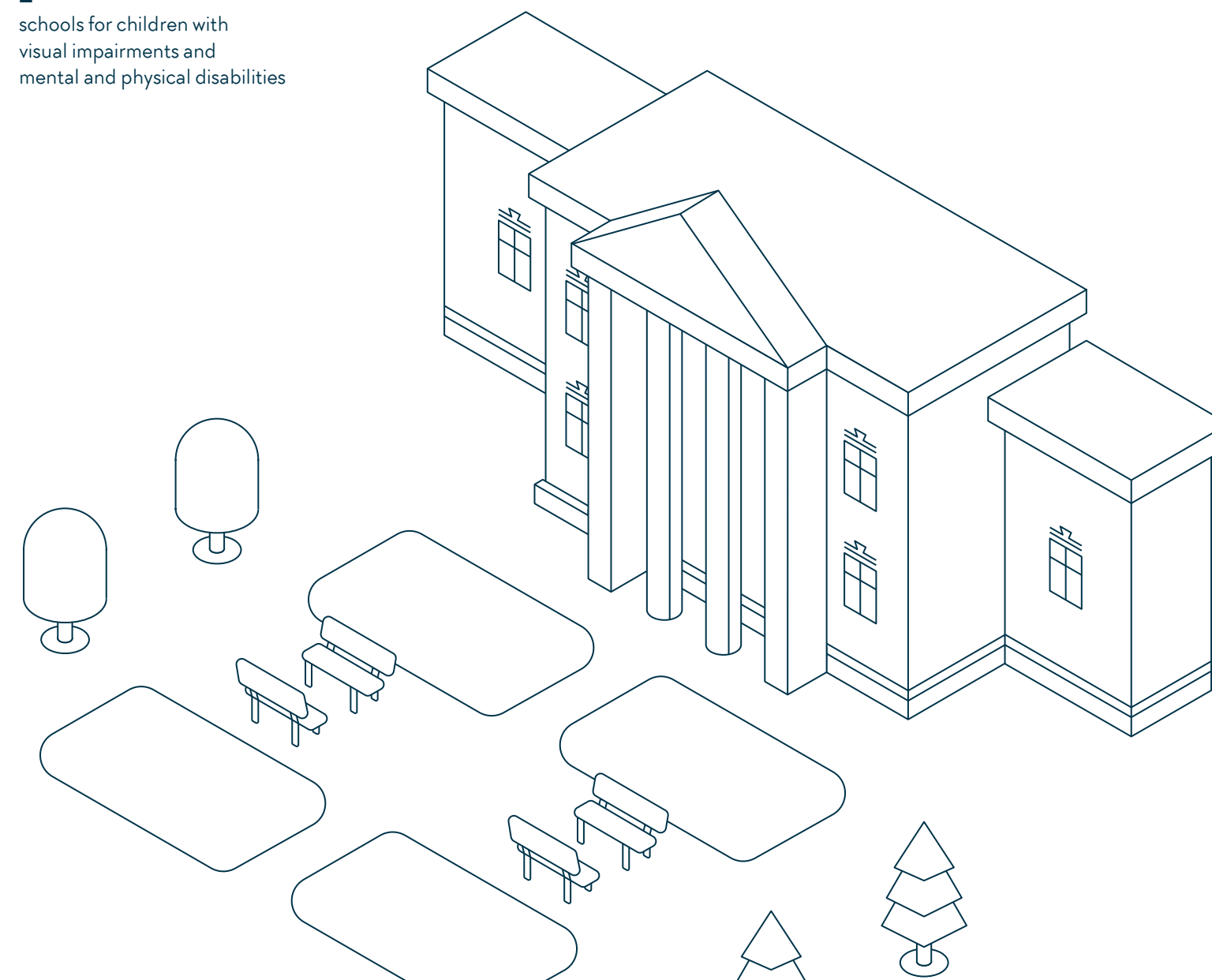


18
higher education
institutions

9
colleges, technical
schools

30 000
students

9
universities, academies,
institutes



Universities

Public Universities

**Khmelnyskyi
National University**



Economics

- hotel and restaurant business
- business economics and analytics
- business Economics
- economic Cybernetics
- accounting and taxation
- entrepreneurship, trade and stock market activity
- public administration
- finance, banking and insurance
- economic security

Management and marketing

- HRM and labor economics
- marketing
- customs business
- management of organizations
- business management and administration
- management of foreign economic activity
- management of innovation activity

International relations

- international relations, public communications and regional studies
- International Economic Relations
- international logistics and customs
- international business
- tourism

Engineering mechanics

- road transport
- agricultural engineering
- architecture and urban planning
- industry mechanical engineering
- industry mechanical engineering (light industry machinery and equipment)

- electricity, electronics and electromechanics
- material science (restoration and technical service of cars)
- applied mechanics (instrumental production)
- applied mechanics (metal cutting machines and systems)
- applied mechanics (engineering technology)
- industrial labor protection
- energy management
- electrical appliances
- engineering technologies

Computer systems

- automation and computer-integrated technologies
- software engineering
- cyber security
- computer engineering
- programming and protecting computer systems and networks
- data analytics and mathematical modeling
- computer science and information technology
- telecommunications and radio engineering

Technology and design

- design (clothing design, graphic design and advertising design, interior and furniture design)
- fashion in light industry
- chemical technology and engineering
- light industry technologies (design and construction of footwear and haberdashery goods)

**Khmelnyskyi
University of
Management
and Law**



- economy
- management of organisations and administration
- management
- administrative management
- finance, banking and insurance
- public administration
- tourism
- law
- international law
- social welfare

**Khmelnyskyi
Cooperative Trade
and Economic
Institute**



- finance, banking and insurance
- accounting and taxation
- entrepreneurship, trade and stock activities
- law
- marketing
- hotel and restaurant business
- computer engineering
- management (business services, tourism and trade)

The City's universities are interested in improving the quality of educational services, attracting foreign students and offering wide range of training courses to provide the labour market with a capable workforce.

**Khmelnitsky
Polytechnic
College of Lviv
Polytechnic
National University**



- software engineering
- applied mechanics
- industry-specific engineering
- automobile transport
- computer engineering
- management
- economy
- software engineering

**Khmelnyskyi Branch
Campus of Vasyl Stus
Donetsk National
University "Business
Innovation Center
"DonNU-Podillya"**



- management
- law
- administrative management

**Khmelnyskyi
Institute of Social
Technologies
of the Higher
Educational
Institution "Ukraina"**



- psychology
- social work
- law

Private Universities



**University of
Economics and
Business**

- accounting and taxation
- entrepreneurship, trade and exchange activities
- economics
- finance and credit
- management



**Khmelnyskyi Institute of
"Higher Educational Institu
tion "Interregional Academy
of Personnel Management"**

- economics
- finance, banking and insurance
- law
- tourism



**Khmelnyskyi
Economic
University**

- accounting and taxation
- tourism
- finance, banking and insurance
- entrepreneurship, trade and stock activities



Key Sectors



Trade and Services

In recent years, the network of trade, restaurants and entertainment, and consumer services (Spas centers, barbershops, cosmetic services and many other kinds of services), including those operating under the terms of a franchise agreement, have grown rapidly.

One of the City's priorities is to develop the market infrastructure, shopping centers, and hotel and restaurant network, creating favourable working conditions for employees and improving the level of customer service.

The local market's basis is the driving force behind its development.

Strengths



new methods of trade



new technologies



growing number of supermarkets and shopping malls

Khmelnytskyi Clothing Bazaar. Key Facts

Khmelnytskyi Clothing Bazaar is considered one of the largest in Ukraine and Eastern Europe. Its total area is more than 30 ha.

The market opened in 1987, grew into a large market complex and is one of the well-known continuously operated whole sale and retail clothing markets in Ukraine.

In the context of the crises of the 1990s, the market played an increasingly important role in contrast to trade in stores, and for thousands of the inhabitants of *Khmelnytskyi* as well as for representatives of other cities and regions of Ukraine, Belarus and Russia, it often was the only way to avoid unemployment.

In the 1990s, the Khmelnytskyi Clothing Bazaar was the most stable working and growing enterprise in the City of *Khmelnytskyi*, and thus a large urban employer contributing greatly to the city's budget.

Gradually, the presence of the large market positively influenced the development of other industries in the City, in particular, contributed to the rise of the local garment industry, manufacturing, and construction industry.

Khmelnytskyi Clothing Bazaar is a place of business for more than 7500 entrepreneurs, merchants and employees.

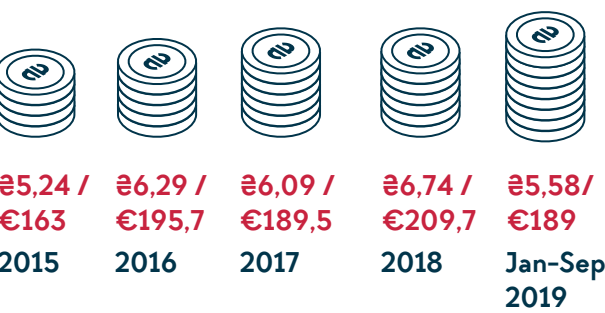
Today the market includes 24 independent profile consumer markets (according to the types of the consumer goods).

The most popular goods are clothing (winter coats and wedding dresses above all), footwear, tulle and other textiles, as well as wedding accessories and goods for arrangement of home place.

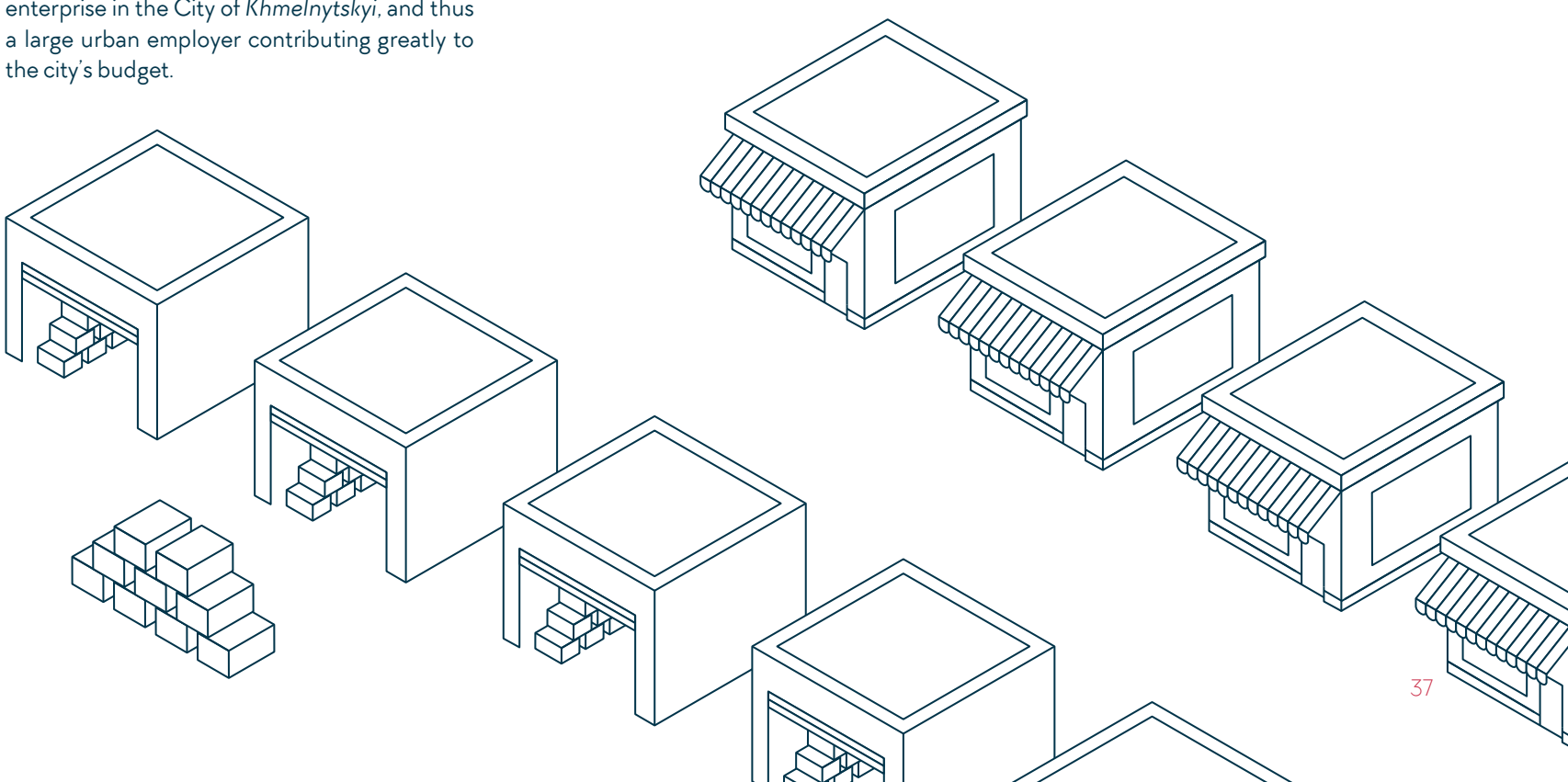
As of 2019 there are

1,900	496	429	41	45 ha
shops	restaurants and catering establishments in the City	household services	markets	the area of markets in the city

The Volume of Retail Turnover, billion UAH / million EUR



Sales Volume in Services, billion UAH / million EUR



Garment Industry

Strengths



accessible education facilities



qualified and experienced personnel



talented fashion designers



geographic proximity of the Eastern and Central European markets

The Clothing and Textile Industry belongs to the industries in which the City traditionally has a strong competitive position. In order to stimulate its further development, one of the strategic objectives of the City Development Strategy by 2025 is the development of an ecosystem of apparel and agro-processing industries.

The City continues to promote and popularize apparel of the local clothing industry and host fashion festivals and shows. *Khmelnyskyi* has a huge potential for the export of garments internationally. There are many talented designers in the City and the city government supports the local producers, encouraging them to unite efforts for the joint promotion of clothing products to foreign markets.

In 2019, as part of the Modni project the City hosted an inaugural fashion show for kids and adults, aiming to support the local producers. The fashion show will be planned annually in *Khmelnyskyi*.

Khmelnyskyi trademarks are grouped into a cluster of 15 trademarks. Twice – in 2019 and 2020, local fashion industry representatives have presented their collections at Kyiv International Fashion Festival under the same brand as «Podillya Women Apparel Cluster».

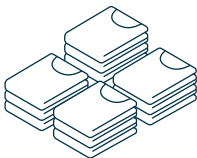
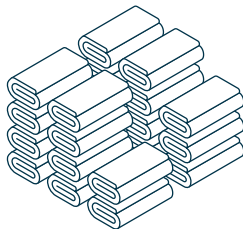
Khmelnyskyi is a strong center for apparel production. The local enterprises produce:

- dresses
- coats, short coats, capes, raincoats, anoraks, windbreakers, windproof jackets, including skiing sportswear and other articles
- trousers and breeches of wool or fine animal hair, synthetic or artificial fibers
- knitted underwear.

€ 1.05 billion
€ 35.3 million

the volume of industrial production of light industry, which amounted to

13,3%
of the city processing industry

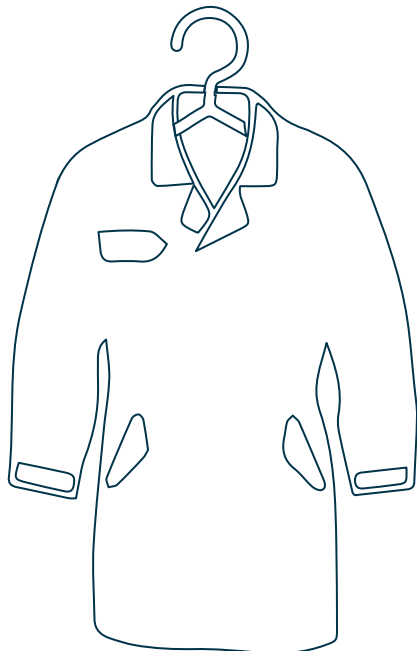
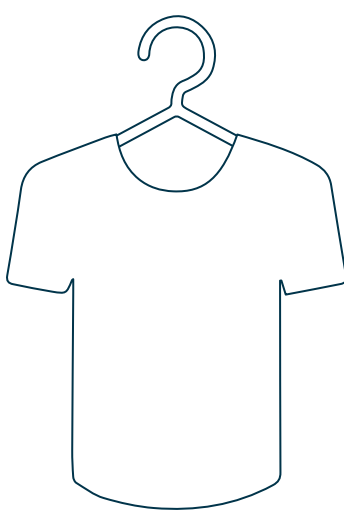


Educational Institutions

The strong garment industry in *Khmelnyskyi* encourages many young people to choose technical education during upper secondary school, as they seek training in garment manufacturing technology, technology of garment production, design of clothing and related subjects.

The garment industry is supported by technical and infrastructure facilities and professional staff, largely graduated from *Khmelnyskyi* Center for Professional Services Education, *Khmelnyskyi* Professional Lyceum, and *Khmelnyskyi* National University.

Field of study	Number of students 2018/2019	Number of graduates in 2019
Tailor, cutter	158	137
Sewing Machine Operator	269	54
Technology of the garment industry products	288	54



Food Processing

Khmelnyskyi region is rich in land suitable for cultivation of all kinds of plants of the moderate climate zone and is one of the regions with the highest insolation levels in Western Ukraine.

Khmelnyskyi region ranks sixth by agricultural production volume in Ukraine with 5.6 percent of all products in the country. *Khmelnyskyi* is surrounded by highly-efficient orchards ideal for fruit and vegetable processing.

Khmelnyskyi region ranks third in Ukraine in sugar beet production and the number of sugar factories in the country.

In 2018, the total sown area of all types of farms in the region was 1.181 million hectares, which is 15 thousand hectares more compared to the previous year.

The Main Department of the State Service of Ukraine for Food Safety and Consumer Protection, which is located in the City, is an executive body responsible for implementing of the state policies in the field of veterinary medicine, safety and specific indicators of food quality, quarantine and plant protection, animal identification and registration, sanitary legislation, etc.



Exported in 2019 (mln USD)



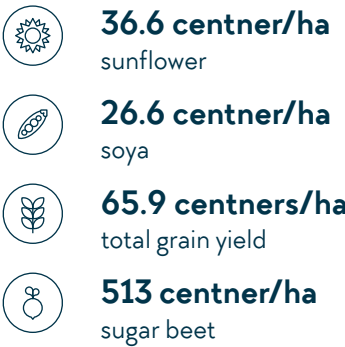
45
food and processing industry enterprises have been certified in accordance with the requirements of the international quality management systems and food safety, the ISO 9000 series, ISO 14000 series, ISO series 22000, international HACCP system.

The City has considerable potential to become a logistics center of agro-processing and the food industry, as well as the location for an agro-industrial cluster.

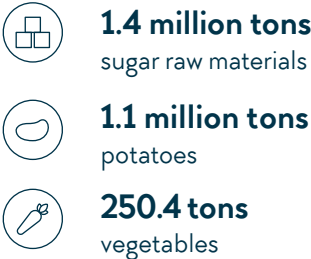
Crop area



Average crop yield in 2019



Gross production of individual crops



Of all categories of stockbreeding farms were sold



Production of food and processing industry



Food Processing



The head offices of large agro-industrial companies located in Khmelnytskyi

Svarog West Group Corporation

Svarog West Group Corporation is a rapidly growing agrarian company. At the present time the corporation consolidates companies, which operate in all spheres of agriculture (crops, livestock and horticulture) in *Khmelnytskyi*, Chernivtsi and Zhytomyr regions.

Svarog West Group Corporation offers plant growing, livestock farming, and horticulture services. The company produces grains and pulse crops, including wheat, oats, barley, sugar beets, corn, silage corn, sunflowers, soybeans, and rapeseed; fruits, including apples, pears, and plumps; juices; seeds; sugar; milk; and beef. Additionally, it offers dairy farming; grain, fruit, and vegetable storage; agricultural machinery distribution services.

svarog-agro.com/en/home



Agroholding 2012 LLC

Agroholding 2012 LLC unites enterprises specializing in the cultivation of grain crops (except rice), legumes and oilseeds; growing vegetables and melons, root crops and tubers; growing of spice crops.



Dubovo-agro LLC

"Dubovo-agro" is a company with more than 10 years of experience in trading of fresh fruits and vegetables. In 2013, the company started to expand greenhouses aiming at growing local vegetables. Today the company grows cucumbers, tomatoes and salads. However, the production covers only a part of the local market needs. Therefore, the company is actively working on further expanding its greenhouses.

dubovo-agro.com/en/pro-nas/



Proskuriv-agro LLC

Proskuriv-Agro LLC is a successful modern meat processing plant founded in *Khmelnytskyi* in 1999. In 2000, it started production under the trademark "Khmelnytskyi Delicacies". Over the past 17 years, the company has established itself as a leading producer of quality sausages, smoked sausages, and semi-finished products.

The production capacity of the company is one of the largest in the region. "Khmelnytskyi Delicacies" delivers their products to most regions of the Western Ukraine and Kyiv.

delikates.com.ua



"Evromost-EXIM" and "Ukr-Walnut" Group

"Evromost-EXIM" and "Ukr-Walnut" Group is one of the leading companies engaged in sale of walnuts.

The companies supply customers from Ukraine and other countries.

The products are subject to a strict quality control to meet international standards.

The main advantages of "Evromost-EXIM" and "Ukr-Walnut" companies are:

- all products meet state standards and UNECE DDP-02;
- quality packaging fully preserves the taste and useful properties of the products;
- the best price and quality;
- constant availability of fresh products in stock;
- fast execution of orders;
- possibility of goods delivery by road to Europe;
- flexible system of discounts for regular customers.

ukr-walnut.com



PJSC "Khmelnytskyi Maslosyrbaza"

Company produces more than 10 varieties of cheese, including Parmesan cheese, processed cheese and other cheese products, soft cheese, butter and spreads, whole-milk products, dairy drink powder.

msb.km.ua/en/about-company



PJSC "Khmelnytskyi Maslosyrbaza"

PJSC "Khmelnytskyi Maslosyrbaza" is one of just a few breweries in Ukraine built in the pre-revolutionary period. The company uses ingredients grown in fertile lands of *Khmelnytskyi* region. Their "live" beer is produced without the use of preservatives and pasteurization, and is bottled exclusively in environmentally friendly packaging.

khmelnytskyi.com



Family House of Exquisite Sweets "Nasoloda"

"NASOLODA" is a family business, a modern enterprise, and a regional leader in the production of cakes and cookies.

The products of "NASOLODA" are made from high quality natural materials and do not contain any preservatives. The technological process is carried out under the constant and strict quality control of the products. The high quality is guaranteed. Great taste, original and unique design are the main attributes by which it is easy to identify the "NASOLODA".

nasoloda.com.ua



Cheese Dairy "Iberia"

Cheese Dairy "Iberia" guarantees the production of products only with the status "Natural product". Great care is taken to insure that the natural raw materials are of the highest quality. The use of preservatives, dyes, emulsifiers, stabilizers, vegetable fats and other types of food additives is not allowed for the production of products.

iberia.biz.ua/index.php/ua

Construction

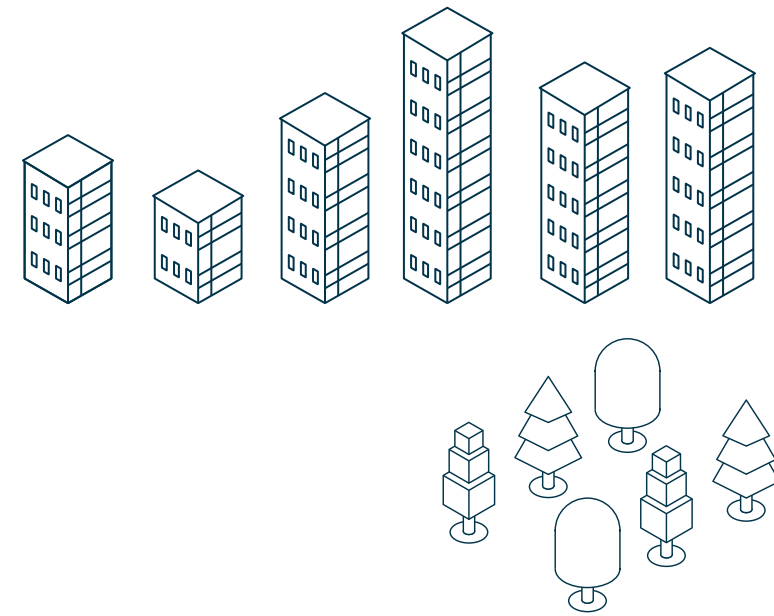
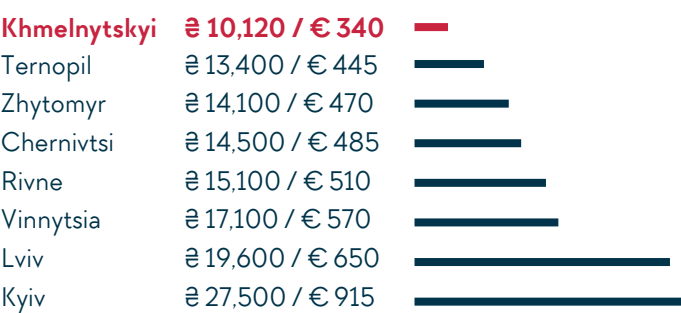
The construction industry in *Khmelnyskyi* is booming and trying to meet rising demand for commercial and retail space, building thousands of new homes and apartments.

The majority of the City's residential areas are connected to municipal utilities. There is a tendency toward the development of autonomous heating systems.

Khmelnyskyi construction industry also benefits from available labour and low-cost building materials.

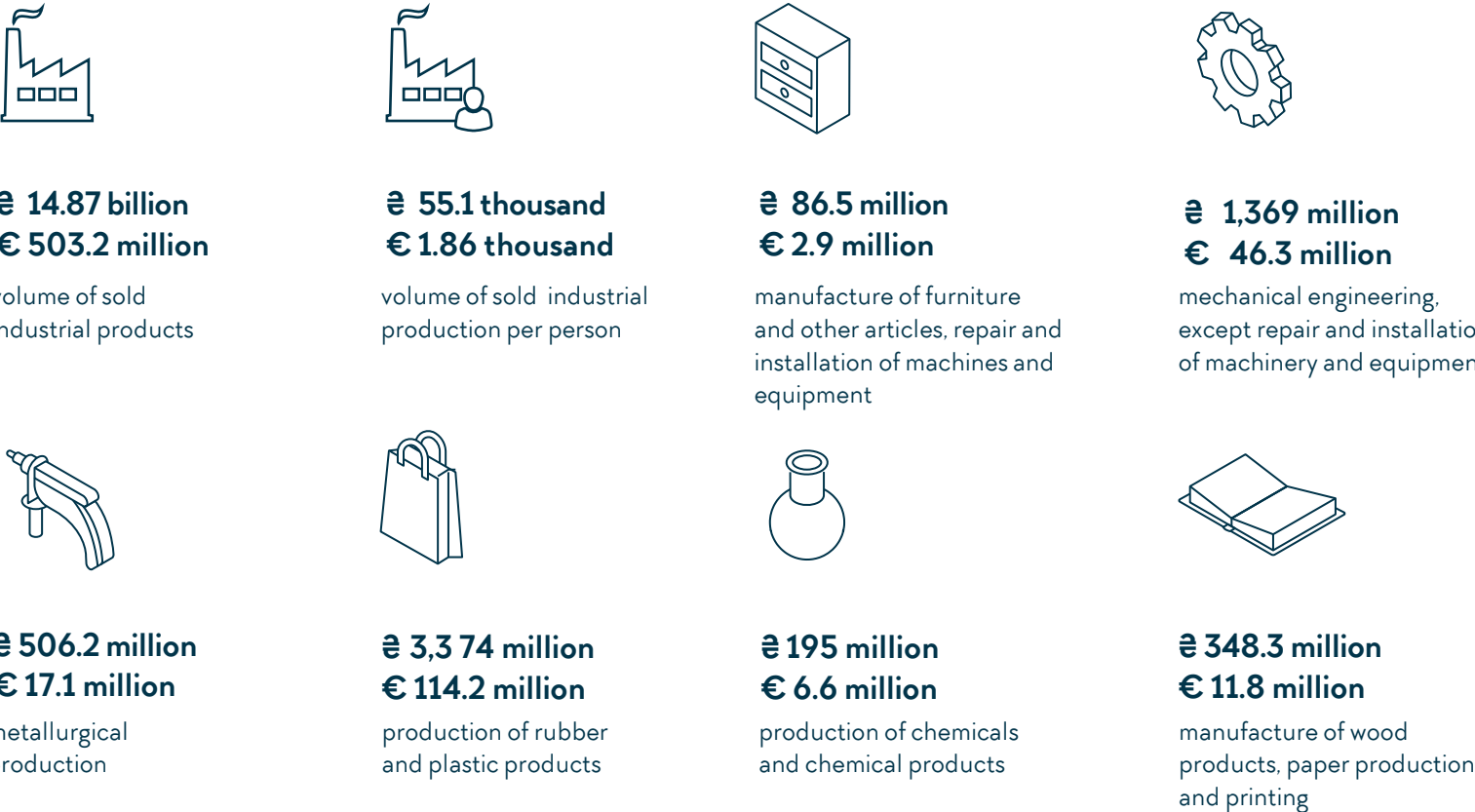


The average cost of housing in new buildings in Khmelnyskyi and other regional centers
UAH / EUR / m2



Industries and Logistics

Khmelnyskyi is a center of engineering industry – local enterprises manufacture products such as electric transformers, electroplating equipment, equipment for printed circuit boards production, pipe welding equipment, metal products, concrete mixing equipment, agricultural equipment, trailers, and dairy equipment.



Industries and Logistics

Turnover
over
€ 100 million/
€ 3,34 million

Production of building materials

ALC "Khmelnyskzalibeton" hzb.com.ua	Production of building materials
"Tin-Impex" tinimpex.com	Production of aluminum foundry alloys
"Nail" Ltd. uk.nail.com.ua	Production of nails by European standards
“Dortrade Podillia” Ltd.	Production of non-metalic mineral products

Engineering Industry

State Enterprise “Novator” novator-tm.com	Production of special equipment, automatic switches, r ailway equipment, automatic control system and accounting of energy carriers, meters, led lamps, medical equipment
PJSC “Ukrelektroaparat” uea.com.ua	Production of electrical products
“Transformer Service” Ltd. transf.com.ua	Electric transformers production
Khmelnyskyi branch of SE Bordnetze Ukraine LLC	Wiring harness and cable products

Production of chemicals and chemical products

“Sirius Extrusion” Ltd. sirius.pro	Production of industrial and individual polymeric packaging
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Textile production, clothing, leather goods and other materials

“Karat” Ltd. karatcarpet.com	Production of carpets and rugs
Private Enterprise “Aslan-Tekstil” aslantekstil.prom.ua	Production of knitted fabric

Wood products, paper production and printing activities

Private Enterprise “Pryvatna Drukarnia” drukar.com.ua	Printing services
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Food production

PJSC «Khmelnyska Maslosyrbaza» msb.km.ua/ua	Milk processing, butter and cheese production
“Trade House “Khmelnyskkhlib””	Manufacture of bread and bakery products; production of flour confectionery, cakes and short-term cakes

Turnover
€ 10.1-100.0
mln /
€315,000
– 3,34 million

Engineering Industry

“Valon – A” Ltd. valon-a.org	Production of transformer substations
Ukrelcom Ltd. ukrelcom.com	Production of transformers
Private industrial and commercial firm “Bdzhilka gesal.com.ua	Production of molds for thermoplastic machines
"Valder" Ltd. www.walder-ltd.com	Production of concrete mixing equipment
PJSC “Zavod “TEMP”” www.temp-mash.com.ua	Production of electroplating equipment, equipment for printed circuit boards production, pipe-welding equipment, metal products
“Duvelsdorf Ukraine” Ltd. duevelsdorf.com.ua	Production of hinged agricultural equipment
Scientific and production firm “Advismash” www.advismash.com.ua	Production of spare parts for sugar industry equipment
“Santey” Ltd. santey.com.ua	Production of trailers
“PRYGMA-PRES” Public Company prigma.km.ua	Production of equipment for wire products manufacturing
PJSC for technical operation and service of dairy equipment “Tesmo-M” tesmo-m.com.ua	Production, operation and service of dairy equipment
“R.I.N.O” Ltd. tov-rino.com.ua	Production of agricultural machinery

Production of chemicals and chemical products

“SCIENTIFIC-MANUFACTURING ENTERPRISE “ARTHIM”” Ltd	Production of soap and detergents, facilities for cleaning and polishing
“Ecoplast” Ltd.	Production of goods out of polymeric materials
“Poli-pak” poli-pak.km.ua	Production of other plastic products
“2K” Ltd.	Production of soap and detergents, facilities for cleaning and polishing

Production of building materials

“Europe – Export plus” Ltd. europaexportplus.com	Production of foundry alloys
Khmelnyskyi branch of “Arsenal-center” Ltd. arsenal-center.com.ua	Production of metal building constructions

“STEELART.UA” Ltd. steelart-ua.com	Production of metal building constructions
ALC “Khmelnyskyi plant of building materials”	Production of building materials
Khmelnyskyi unit of “Plant of Hydroarmatura” Ltd. gidroprom.com.ua	Production of building materials
“Mriya Zabudovnyka” Ltd. mz.km.ua	Production of building products out of plastics
“Budmaterialy” Ltd.	Production of building materials
“Vesnyanka” Ltd. vesnyanka.com.ua	Production of metal plastic windows
Private Enterprise “Novi tekhnolohii” novit.com.ua	Production of building products out of plastics
Private Enterprise “Window systems EM” wsem.com.ua	Production of building products out of plastics
“CLEVER PRODUCTION GROUP” Ltd. clever-decor.com	Production of plastic plates, sheets, pipes and plastic profiles
Private research and production enterprise “Corpuscula”	Production of additives to building mixtures, metal plastic windows

Wood products, paper production and printing activities

“Ena” Ltd.	Production of printed products
“Crass” Ltd.	Production of corrugated cardboard, paper and cardboard packaging
“CNE.T” Ltd.	Production of paints, varnishes and similar products, printing inks and mastics
“Polihraphist – 2” poligrafist.com	Production of cardboard packaging and printing products

Textile production, clothing, leather goods and other materials










"Litma" litma.com.ua	Production of footwear
Commercial and Industrial Enterprise “Universal” Ltd. universal-ua.com	Production of garments
“Bembi” Ltd. bembi.ua	Production of children's clothing from the first days of life and up to 7 years

Other industries

State Experimental Prosthetic and Orthopedic Enterprise protez.km.ua	Production of prosthetic and orthopedic products
“Metalservice” Ltd.	Disassembly of machinery and equipment, recycling of sorted waste




Industries and Logistics

Industry development is supported by technical and infrastructural facilities as well as by professional staff, largely graduated from Khmelnytskyi National University. More than 1,000 students are currently enrolled in the fields of study related to this sector.

	Field of study	Number of students 2018/2019	Number of graduates in 2019
	Software engineering	108	16
	Computer engineering	265	24
	Applied mechanics	118	30
	Material science	106	27
	Industry engineering	142	23
	Electricity, electrical engineering and electromechanics	161	25
	Telecommunications and radio engineering	132	14
	Light industry technology	288	21
	Chemical technology and engineering	41	41

Many young people choose technical education during upper secondary school in the field of automotive technology, machine science and related subjects.

Vocational and technical educational institutions

	Number of graduates in 2019
 Locksmith, fitter	278
 Electrician	73
 Welder	155

Industries and Logistics



The network of roads Kyiv-Lviv, Odessa-Lviv, Chernivtsi-Kyiv, highways Zhytomyr-Chernivtsi (H03) and a part of the international route E50 – the road Stryi – Ternopil – Vinnytsia – Kropyvnytskyi – Znamianka makes *Khmelnyskyi* an ideal location for the development of the TFL (Transport, Forwarding, Logistics) sector.

Khmelnyskyi also has an excellent geographical position for businesses that want to combine development within Ukraine and expansion to the markets of the EU, Russia, Belarus, and other Eastern Partnership countries, Turkey, Central Asia and China.

Kyiv, the capital and the largest city in Ukraine, is only four hours away from *Khmelnyskyi*. Within

24 hours via road transport, you can reach Warsaw, Moscow, Istanbul, Helsinki, Prague, Berlin and Bucharest.

Khmelnyskyi has the potential to become the main logistical center of the Western Ukraine. The principal reasons are its favourable geographical position and developing transport infrastructure network, as well as the accessibility of resources necessary to implement large-scale logistic investments.

The region also offers space for construction of the warehouses at relatively low prices. The City continues to advance infrastructure development making the region more investment-friendly.

Logistic Centers in the city



Nova Poshta LLC, a leader in express shipping in Ukraine, received 9.5 million euros funding from the European Bank for Reconstruction and Development (EBRD) for construction of infrastructure facility in *Khmelnyskyi*. The sorting terminal in *Khmelnyskyi* is modernly equipped, the average throughput is approximately 8,500 parcels per hour. The total capacity of sorting is 18,000 shipments per hour. Implementation of the automated sorting terminal in *Khmelnyskyi* helped to increase the efficiency of loading cars by 20 percent and reduce emissions of atmospheric CO2 by 1,200 tons per year. The facility is the second largest innovative terminal in Western Ukraine.

novaposhta.ua/en

Hrechany is a central district station of the Directorate of the South-Western Railway of Zhmerynka. The Hrechany Station is a large junction for railway transport and provides transit, cargo and passenger transportation. From the station, depart lines run to Ternopil, Starokostiantyniv, Zhmerynka and Yarmolyntsi. The station is a transit point and has six main tracks, seven receiving-departure tracks and 10 sorting-departure tracks.

BPO / SSC / IT sector

According to the Khmelnytskyi Development Strategy by 2025, the ecosystem of IT sector and creative industries will be formed in the City. A special platform is being designed for various IT initiatives and synergies between them, providing new opportunities to bring together the efforts of the City administration, local businesses and the community for the City sustainable development.

€ 118,800

valuation of the City exported services in the field of IT in 2019

>35

city enterprises specialize in providing IT and SMM services and business outsourcing services. Some of them are enterprises with foreign investments

Strengths



rapidly growing office space market



office rental rates up to 20% lower than in central and western Ukraine



availability of qualified staff



friendly business climate

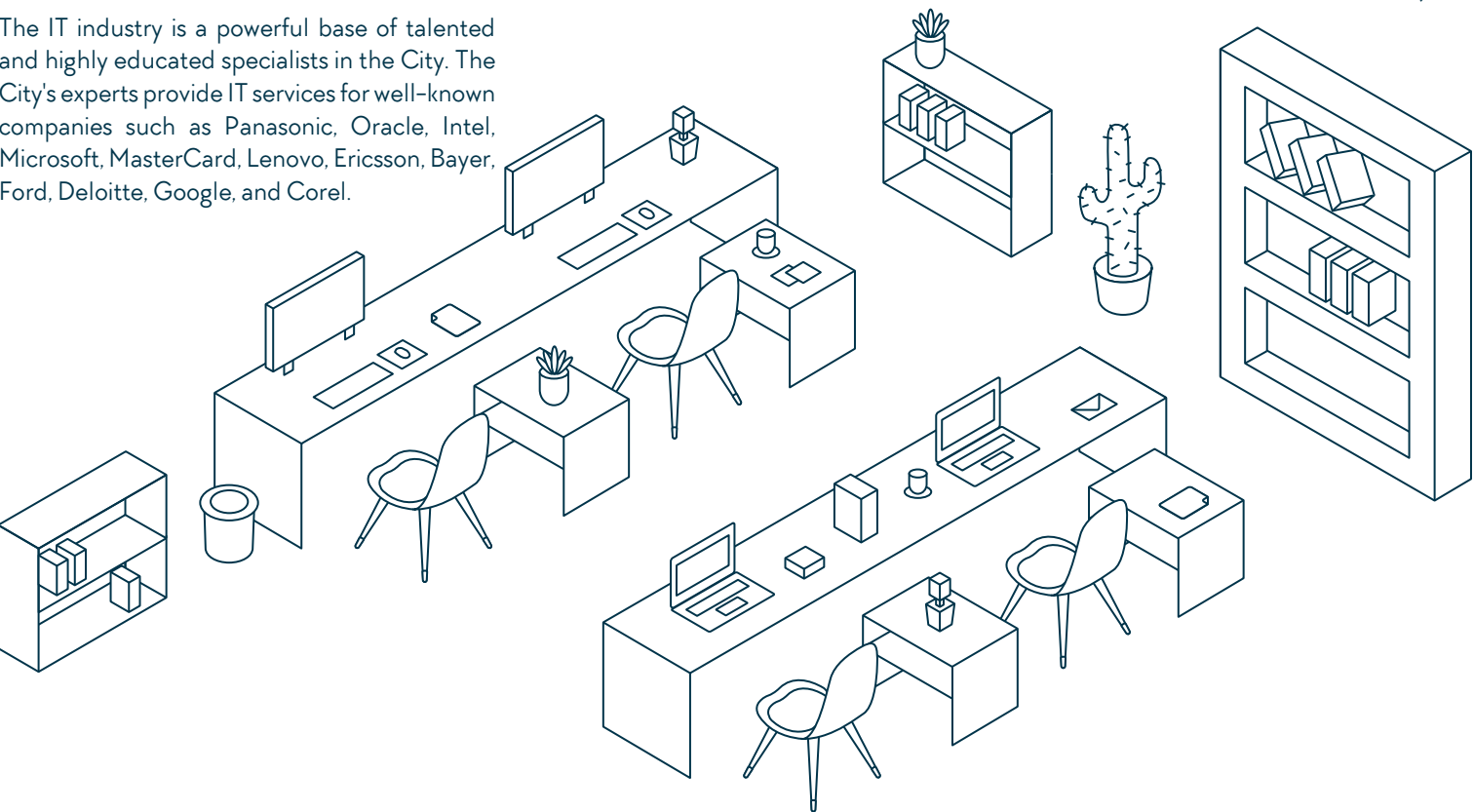


city authorities are ready to support ideas



relatively low labour costs (the average salary in the city's IT sector is about € 340 a month)

The IT industry is a powerful base of talented and highly educated specialists in the City. The City's experts provide IT services for well-known companies such as Panasonic, Oracle, Intel, Microsoft, MasterCard, Lenovo, Ericsson, Bayer, Ford, Deloitte, Google, and Corel.



A large industrial textile machine, likely a spinning or weaving loom, is shown in a factory setting. The machine is composed of numerous spools of thread, arranged in rows, and a complex system of mechanical components including bobbins, spindles, and various levers. The entire machine is painted in a light blue or grey color. The background shows the industrial environment with structural beams and lighting.

Business Environment

Business Environment

€ 2,3 mln
€ 77,8

funds were available to reimburse
14 businesses for interest on new loans in 2019

The official site of the City Council <https://khm.gov.ua/en> is modern, well-structured and useful for business representatives. There is a section that publishes all documents approved by the local authorities: decisions of the City Council and the Executive Committee, orders of the mayor, regulatory acts, etc., as well as draft decisions. News is regularly updated. Different thematic sections such as "For Citizens" and "For Business" can be found. In particular, the section "For Business" contains the strategy and plans of the city development, business development programs, information about the main enterprises of the city, information about administrative services for economic entities, information on competitions, auctions and rent of municipal property, links to Khmelnytskyi investment profile. Registration of a new business is free of charge and takes place within one day at a single location. The cost of registering a property is UAH 190 – 9,610 and can take from 2 hours to 5 working days. Construction permits are free of charge and are approved within 10 working days. In order to increase the access of local producers to participation in exhibition and fair events, in 2019 the City Council approved the “Procedure for partial compensation of participation of local

>3,500 business entities are registered annually	20% legal entities	58 small enterprises on
	80% private entrepreneurs	10 thousand people

producers in fair events from the city budget”. For 2019, 3 companies were compensated for participation in exhibition activities in the amount of 133 thousand UAH. (50% of participation). In Khmelnytskyi, the information provision for businesses is constantly being improved, namely, the open unrestricted access to the General Plan, the zoning plan of the City, the town-planning cadastre and other city-planning documentation. Key administrative bodies of the Khmelnytskyi region are located in the City, as well as a system of providing administrative services; 217 administrative services and issuance of 23 types of permits are available. Potential investment objects are identified and accessible; information and terms are available at <https://invest.khm.gov.ua/en>. Service infrastructure for business has a sufficient level of development. Total budget revenues in 2019 amounted to UAH 3.15 billion/ EUR 106.6 mln, of which 61% are own revenues. Part of the money is steadily channeled to infrastructure development. In order to develop and popularize entrepreneurial activity, to form the knowledge necessary for young people to start their own business, the City Council has created projects of the School of Financial Literacy and Business English “Smart Finance” and “Young Entrepreneur School”.

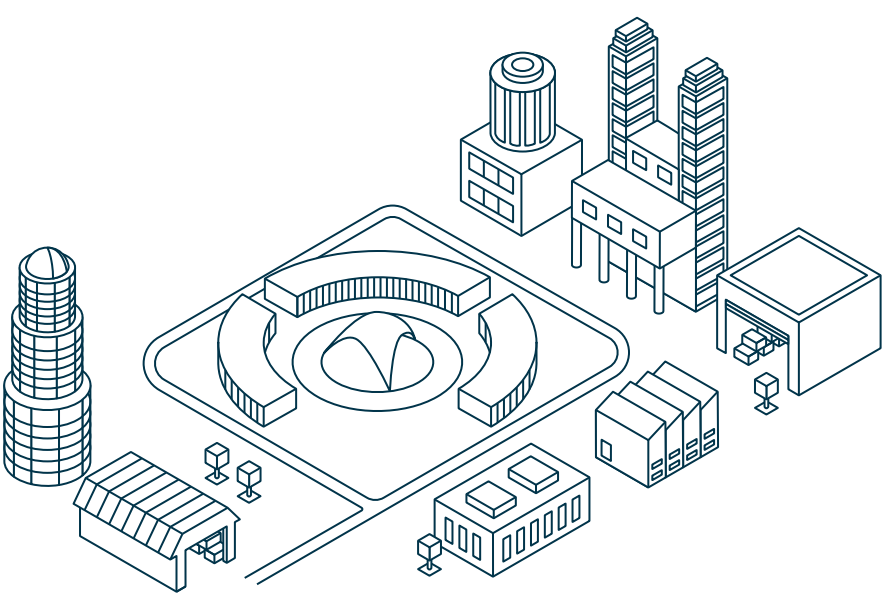
The network of banking institutions serves the city business

Name of the bank	Number of offices
PJS CB “Pryvatbank”	20
JSC “Oshchadbank”	19
PJSC “Alfa-Bank”	5
PJSC “A – Bank”	4
JSC “Ukrsybbank”	3
PJSC “Credobank”	2
JSB “Radabank”	2
JSC “Raiffeisen Bank Aval”	2
PJSC “Pumb”	2
JSC “UKREXIMBANK”	2
JSB “UKRGASBANK”	2
PJSC “TAKSOMBANK”	2

Name of the bank	Number of offices
PJSC "CB"AKORDBANK"	2
PJSC “UKRSOTSBANK”	1
JSB “PIVDENNYI”	1
JSC “OTP BANK”	1
PJSC “Sberbank”	1
PJSC “UNIVERSAL BANK”	1
PJSC “PROMINVESTBANK”	1
PJSC “CREDIT AGRICOLE BANK”	1
PJSC “OKCI BANK”	1
PJSC “IDEA БАНК”	1
PJSC “MEGAБАНК”	1
PJS CB “PRAVEX-BANK”	1
PJSC “SBERBANK”	1

Industrial Park

According to the decision of the session of the Khmelnytskyi City Council № 15, the Concept of the Khmelnytskyi Industrial Park was approved and the Khmelnytskyi Industrial Park was established. By the order of the Ministry of Economic Development dated 18.02.2019 №188 the industrial park "Khmelnytskyi" is included in the Register of industrial parks. A detailed survey of the soil of the land plot for the industrial park was carried out. Preparations are underway for project works on the arrangement of transport infrastructure. Preparations are underway for a competition to select a management company. Establishment of the industrial park “Khmelnytskyi” provides new opportunities for industrial development, strengthening cooperation between companies, investors, local governments, economic development institutions and other stakeholders.



Location: Khmelnytskyi,
18 Vinnytske Shosse Str.

Total area: 90.9324 ha

Establishment of an industrial park has a lot of advantages

tax incentives

- duty exemptions for equipment used during industrial park arrangement;
- duty exemptions for equipment used for business activities within the industrial park¹

1 Part 6 of Article 287 of the Customs Code of Ukraine

2 Clause 9 of Article 27 of the Law of Ukraine “On Industrial Parks”

government support

- interest-free loans
- irrevocable target financing for industrial park arrangement².

Structure of the local budget

Share of the major budgetary sources in the structure of own revenues, 2019 (UAH mln)

Income Tax of Individuals	1003.6	55%	<div></div>
Single tax	274.3	15%	<div></div>
Excise tax	148.7	8%	<div></div>
Payment for land	147.5	8%	<div></div>
Own revenues of budgetary institutions	129.2	7%	<div></div>
Fee for administrative services	30.5	2%	<div></div>
Real estate tax	19.7	1%	<div></div>
Deposit fee	12.5	1%	<div></div>
Equity funds	10	0.5%	<div></div>
Others	49.6	3%	<div></div>

Development budget (UAH mln)

Department of Housing and Communal Services	154.2	64%	<div></div>
Department of Communal Construction	53	22%	<div></div>
Department of Education	13.1	5%	<div></div>
Department of Social Protection of the Population	7.5	3%	<div></div>
Department of Health	5.5	2%	<div></div>
Executive Committee of the City Council	1.7	1%	<div></div>
Department of Youth and Sports	1.4	1%	<div></div>

Local Taxes and Fees

Tax on real estate other than land

Residential property tax is 0.5 percent of the minimum wage per 1 square meter of residential property owned by one owner:

- for apartments, total area of which equals up to 300 square meters
- for residential houses, total area of which equals up to 500 square meters
- for different kinds of residential property, total area of which equals up to 500 square meters.

The tax base is reduced by 60 square meters for apartments and by 120 square meters for houses regardless of their number.

The tax period is one calendar year.

If the area is larger than indicated (more than 300 square meters for apartments and more than 500 square meters for houses) the amount of tax increases by UAH 25,000 / EUR 778 per year for each object of residential property.

Non-residential real estate tax depends on the property type

Objects of non-residential property	Tax rate
Hotel buildings (hotels, motels, campsites, boarding houses, tourist centers, camps for rest, holiday homes)	
in the central part of the city	0,25
in other parts of the city	0,125
Office buildings:	
1) financial service buildings (banks, credit unions, pawnshops, leasing companies, trust companies, insurance companies, institutions for accumulation of pensions, investment funds and companies and other legal entities that provide financial services)	
in the central part of the city	0,5
in other parts of the city	0,25
2) administrative buildings	0,125
Trade buildings (shopping malls, department stores, shops, pavilions and halls for fairs, bases and warehouses of trade, catering enterprises, buildings of consumer service companies, automobile repair shops)	
in the central part of the city	0,25
in other parts of the city	0,125

Objects of non-residential property	Tax rate
Buildings of public catering establishments (restaurants, bars, cafes, dining, snack bars, etc.)	
in the central part of the city	0,25
in other parts of the city	0,125
Medical institutions of private ownership:	
in the central part of the city	0,25
in other parts of the city	0,125
Covered markets	0,1
Garages (ground and underground) and covered parking lots	0,05
Stations, bus stations	0,05
Other buildings:	
in the central part of the city	0,25
in other parts of the city	0,1

Other taxes and fees

Land tax	1 percent of the normative monetary valuation of land
Land rent	from 3 percent of the normative monetary valuation, depending on the purpose of the land plot
Transport tax	cars older than 5 years that have a value of more than 750 minimum monthly wages are required to pay transportation tax. The tax rate is set at the rate of ₾ 2,500 / € 77.8 per calendar year for every car that is subject to tax
Tourist tax	differentiated rates depending on the cost of hotel accommodation: <ul style="list-style-type: none">for domestic tourism – from 0.15% (the cost of living per day up to UAH 300) – up to 0.5% (over UAH 1,800 per day) at the maximum rate of 0.5% according to the Tax Code of Ukrainefor inbound tourism – from 1.5% (up to 300 UAH) – up to 5.0% (over UAH 1,800) at the maximum rate of 5% according to the Tax Code of Ukraine.
Parking fee	0.05% of the minimum wage set for January 1 of the tax (reporting) year (with a maximum rate of 0.075% according to the Tax Code of Ukraine)
Single tax for small business entities	the rates of the single tax for the first group of payers are set at 10 percent of the subsistence minimum (as of 01.01.2020 – UAH 2,027 / EUR 76.7), for the 2nd group of payers – 15 percent to the minimum wage (as of 01.01.2020 p. – UAH 4,723/ EUR 178.8). for the third group of natural persons – entrepreneurs according to the Tax Code of Ukraine, the tax rate is set at 5 percent of the income (VAT) or 3 percent of the income (excluding VAT).

Groups of single tax payers

1st group

natural persons – entrepreneurs who carry out exclusively retail sales of goods from trading places in the markets and / or conduct economic activities for the provision of household services to the population

2nd group

natural persons – entrepreneurs who carry out economic activities in providing services, including household services to single tax payers and / or the population, production and / or sale of goods, restaurant services

3rd group

natural persons – entrepreneurs and legal economic entities of any organisational and legal form

Trading and Office Centers

The City is one of the most beautiful and greenest regional centers of Ukraine, lies along both sides of the Southern Buh River. Public green areas include parks, squares, waterfront, with a total area of 113 hectares. The streets and squares of the City are filled with green chestnuts and linden trees, numerous flowerbeds and fountains. According to the safety rating of the regional centers, which was published by the Institute of Public and Economic Research in May 2017, *Khmelnyskyi* was recognized as the safest city among other Ukrainian cities.

~110,000 m²
the resources of modern trading and office spaces in Khmelnytskyi in total

Building	Address	Trading and office floor space, m ²	Construction year
Mega Shopping Center	1 Proskurivskoho Pidpillia Str.	858.5	2003
Rico Shopping Center	69 Prospect Myru Str.	820.4	2002
Epicenter Shopping Center	11/4 Zarichanska Str.	19316.2	2007
Oasis Shopping and Entertainment Center	2A Stepana Bandery Str.	27983.9	2008
Magnit Shopping and Office Center	21 Podilska Str.	1444.2	2005
LM Shopping Center	11 Soborna Str.	864.3	2008
Trade House LM	17/4 Vaisera Str.	677.4	2002
Passage Shopping Center	11 Soborna Str.	2293.6	2008
Mandarin Plaza Trading Center	11 Soborna Str.	2800.0	2013
Dytiachyi Svit Shopping Center	4/3 Proskurivska Str.	1440	2000
Agora Shopping Mall	2/1B Starokostiantynivske Shosse Str.	6573.5	2014
Atrium Business Center	63 Proskurivskoho Pidpillia Str.	3034	2004
Kvartal Shopping and Entertainment Center	17 Kamianetska Str.	13000	2016
Lybid Plaza Shopping and Hotel Center	21 Kamianetska Str.	3231.9	2008
EL Shopping Center	42/1 Nyzhnioberehova Str.	4500	2015
Promenad Oleksandrivskyi Shopping Mall	16 Proskurivska Str.	3124.6	2011
SV Recreation and Entertainment Center	1A Svobody Str.	9000	2009
WOODMALL Shopping Center	6A Trudova Str.	9 100	2018
PARUS Business Center	1/1 Stepana Bandery Str.	5200	2018

Event and Exhibition Facilities

Khmelnytskyi has a rapidly developing business support infrastructure. There are 16 hotels and conference centers operating here, such as “Lybid Plaza” Hotel, “Colisei” Hotel and Restaurant Complex, “Panskii Mayetok” Hotel and Restaurant Complex.

16 hotels and conference centers

Hotel	Address	Conference Halls: number, capacity
Vic Zhan Hotel Complex	5/1 Berezneva Str.	conference hall for 40 persons
Eneida Hotel	8 Heroiv Maidanu Str.	conference hall for 50 persons
Lube Plus Hotel and Restaurant Complex	18 Yevropeiska Str.	conference hall for 65 persons
Panskii Mayetok Hotel and Restaurant Complex	11 Verkhnia Berehova Str.	2 conference halls for 250/50 persons
Tsentrалnyi Hotel	5 Haharina Str.	conference hall for 70 persons
Lybid Plaza Hotel	21 Kamianetska Str.	conference hall for 80 persons
Shotlandia Hotel Complex	50 Zahidno–Okruzhna Str.	panoramic hall for 35 persons
Podillia Hotel	34 Shevchenka Str.	conference hall for 50 persons
Colizei Hotel and Restaurant Complex	1A Chkalova Str.	conference hall for 100 persons
Imperia Hotel and Entertainment Complex	3/1 Kuprina Alley Str.	conference hall for 100 persons
Park-Hotel	103/3 Prospect Myru Str.	restaurant room is available for 50–60 persons
Yanisol Hotel and Restaurant Complex	40a Svobody Str.	conference hall for 30 persons
Sobkoff Hotel and Restaurant Complex	15/1 Prybuzka Str.	conference hall for 100 persons
Arena Hotel and Restaurant Complex	20 Proskurivska Str.	restaurant room is available – for 250 persons on the ground floor, for 100 persons on the first floor
SV-Club Health and Entertainment Center. Business Center	1A Svobody Str.	summer terrace is available for 35 persons 2 conference halls for 240/50 persons

Investments

The national rating agency “IBI-Rating” assigned to the city of *Khmelnytskyi* the investment attractiveness rating at invA+ level. A rating object with an invA+ rating is characterized by high investment attractiveness compared to other rating objects. The city is featured by a significant activity of investors providing the growth of most basic indicators in the socio-economic area. In addition, for the first time, the city's credit rating was determined, according to which *Khmelnytsky* was rated at the level of uaA. This means that the city is characterized by high creditworthiness. Based on the results of Transparency International Ukraine's annual report, in 2019, *Khmelnytskyi* ranked third in Ukraine in transparency in investment and economic development among Ukraine's 100 largest cities.

Capital Investments

In 2019, the volume of mastered capital investment amounted to UAH 3.1 billion / EUR 105 million. Capital investment per capita in 2019 amounted to UAH 11,600/ € 393.

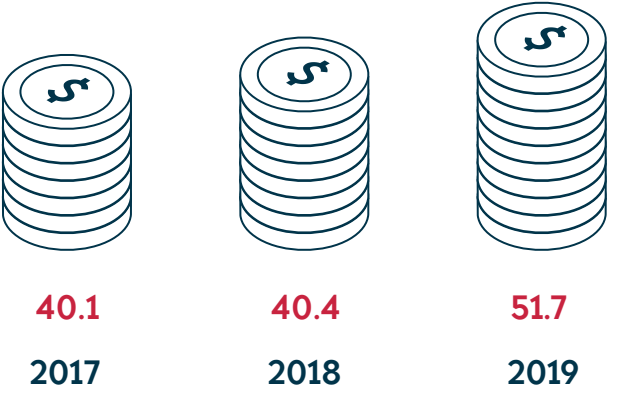
Foreign Direct Investments

As of 31.12.2019, the total amount of foreign direct investment attracted to the City's economy was \$33.75 million (\$ 26 million as of 12.31.2018). The volume of the direct foreign investments per capita in 2019 was \$125.1 (\$101.5 in 2018)

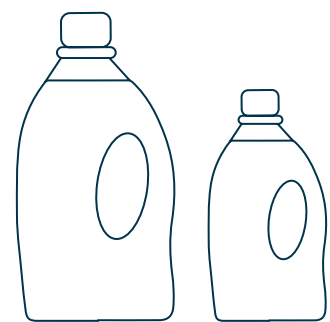
20 investment countries

Considering foreign direct investments by the type of activity, it should be noted that investors tend to invest in the sectors with faster turnover and high profitability (wholesale and retail trade, real estate transactions), as well as in already developed sectors. Thus, about USD 21.5 million of foreign direct investment is concentrated in the enterprises of wholesale and retail trade, accounting for 63.8 percent of their total volume. About USD 11.5 million is directed towards development of the city industrial enterprises, which is 34.1 percent of the total volume, including USD 3.2 million to the production of rubber and plastic products, other non-metallic mineral products, and USD 7.2 million to production of food products, beverages, and tobacco products.

Direct investments (equity and debt instruments) in Khmelnytskyi's economy, mln. USA



Success Stories

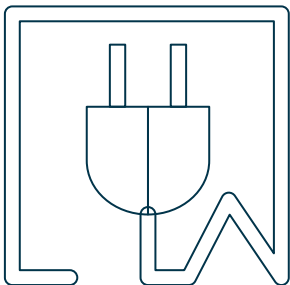


2K Joint Ukrainian-German Enterprise

- household chemicals, cosmetics
- European quality

2K is a joint Ukrainian-German enterprise that produces household chemicals: powders on a phosphate-free basis, cosmetics from natural ingredients, in particular, gels for washing, liquid soap, fat and stains removing agents, etc. The quality of the products is constantly controlled by the German laboratory and meets all EU standards. The products are sold in Ukraine, and are also exported.

More information: 2k.company

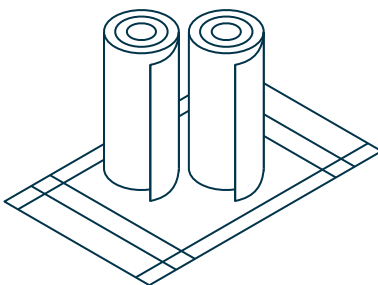


SEBN UA

- high-voltage bundles
- German investments EUR 5-6 mln
- Wire harness production for such global brands as BMW, Mercedes-Benz, Volkswagen, etc.

Four continents, 14 countries, more than 39 locations, and *Khmelnyskyi* is among them. Working at Sumitomo Electric Bordnetze (SEBN) means networking. With colleagues, partners and customers. With the future of the automobile. But also with a very special corporate culture. Our company stands for stability and continuity and is valued worldwide for its fairness.

More information: 2k.company

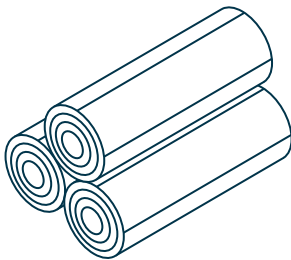


Karat

«Karat» is a modern successful company and is the leader in the development of carpet production in the textile industry in Ukraine. The company exports products to more than 30 countries worldwide. «Karat» focuses on increasing profitability and risk diversification by developing its own line of textile raw material production, which minimizes its dependency on raw materials and opens up a new market for synthetic fibers production.

More information: karatcarpet.com

Success Stories

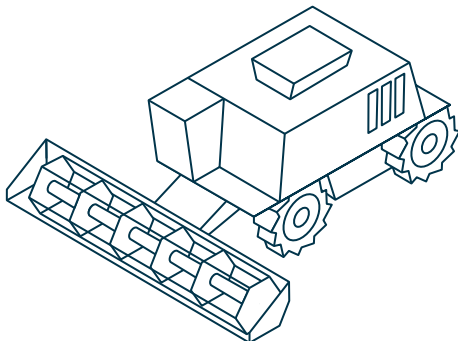


Sirius Extrusion Company

- polymeric packaging
- export to the EU countries

Sirius Extrusion Company was founded in 2000 in *Khmelnyskyi* City. For 19 years, the company has succeeded in becoming one of the largest producers of polymeric packaging products in Ukraine. The success of Sirius Extrusion is supported by the constant expansion of product markets, by establishing cooperation with foreign clients from Russia, Azerbaijan, Kazakhstan, Lithuania, Latvia, Poland and other countries of central and Eastern Europe. Sirius professionals managed to complete the development of an innovative product – the 31-layer Colchuga film, which is the most durable and economical polymeric packaging, and has no analogues in Ukraine.

More information: sirius.pro



Duevelsdorf Ukraine LLC

Düvelsdorf Ukraine LLC is an enterprise with a 100 percent German investments, which produces equipment for agriculture and forestry. The first products were shipped at the end of 2012 and sales have grown ever since. Finished goods are exported to Germany, Austria, Denmark, France, Luxembourg, and Switzerland. In 2016, the production area was tripled, new equipment installed, and the number of jobs increased.

More information: duevelsdorf.com.ua



Other Relevant Information



Interesting Facts about Khmelnytskyi

Khmelnytskyi has

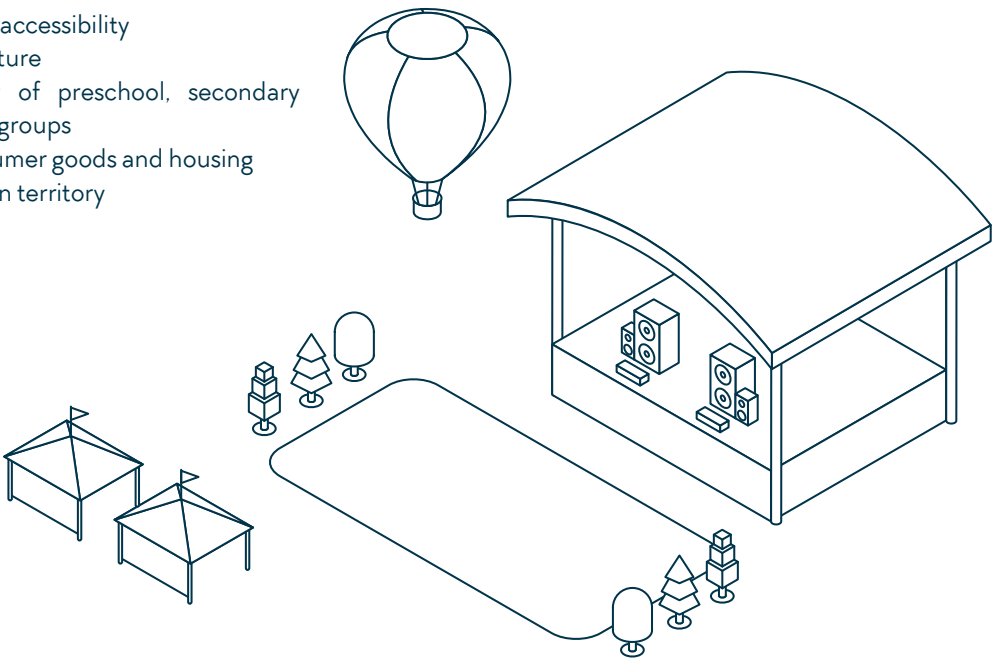
- the largest number of the monuments to the Ukrainian hetman Bohdan Khmelnytskyi in the world
- unique scrap metal sculptures by the artist Mykola Mazur in the city
- 10 museums in a line in the main street
- the only museum-studio of photo art in Ukraine
- the only Kut mono-theatre in Ukraine
- unique monument to Baron Munchausen
- *Khmelnytskyi* is in the top five cities in Ukraine by the number of gas stations for electric trucks

In 2019, the IRI ranked *Khmelnytskyi* the third place among Ukrainian cities by the level of diverse leisure opportunities. Broad access to public services, plenty of greenery within the City, various entertaining and catering establishments along with numerous places where you can spend quality time – it all makes *Khmelnytskyi* a truly unique city. There is an indoor water park "The 7th Ocean" in the City, equipped with nine swimming pools, six adult slides and a water complex for children. There are 893 monuments and 122 cultural heritage sites in the City, including 115 architectural objects representing the buildings from the beginning the last century.

Cultural Life

The most positive aspects of the quality of life in *Khmelnytskyi*, which make the City a great place to live in are:

- security
- quality of services
- convenient city travel
- public transport accessibility
- sports infrastructure
- availability of preschool, secondary education, interest groups
- affordable consumer goods and housing
- a clean and green territory



>200
citywide and 10 large-scale cultural and artistic events are held in the City each year.

Annual Key Events in Khmelnytskyi



Christmas Fair



Jazz Fest Podillia
festival



RockBuh
rock festival



City Day



Translatorium
festival



Khmelnytskyi economy development forum



Hlushenkov Folk Fest
– International folk dance festival

RESPUBLICA
festival



The MoDni Project



ArtMajorShow

February 20 – March 3	Khmelnytskyi Chamber Fest – International festival of chamber music
April 11 – May 10	Easter Fair
May 16-17	Europe Day
May 23-24	Nova Poshta half marathon
May 30-31	Rock&Buh festival
May 31	Twins Parade
June	Echo International one-man Show festival
June 13-14	Jazz Fest Podillia Festival
June 20	Strong Men Games with V. Virastiuk
June 20-21	MyFest youth festival
June 27-28	American Picnic
July 5-6	Celebration of Ivana Kupala

August 8	Tolocar and scooter racing
August 14-15	Fashion Days in Khmelnytskyi – the MoDni Project
August 22-24	Vyshyvanka Parade and ethnic jamboree on Ukrainian Independence Day
August 22-24	Tour of Starodub Brothers bicycle race
August 28-30	Respublica International festival
September 6	Peak of Freedom cycling and uphill run
September 26-27	City Day
September 26-27	Pidpillia Kavy coffee festival
October 2-4	Translatorium – all-Ukrainian literary and translation festival
October 14	Knight's Cross festival of the rebellious spirit
November 6-8	Singing Assembly
December 1 – January 19	Christmas Fair

Achievements

The Parliamentary Assembly of the Council of Europe (PACE) highly appreciates the efforts of the City of Khmelnytskyi's to work towards European integration, economic development, energy management and international cooperation and has awarded the City with the Flag of Honour (2017) and the Plaque of Honour (2019).

In 2017, the City joined the European Union's Mayors for Economic Growth Initiative (M4EG).

A Memorandum of Cooperation was signed between the Sid Forum Ukraine International Charity Fund and the Khmelnytskyi City Council to fund an iHUB Innovation and Entrepreneurship Support Center.

In November 2018, a Memorandum of Understanding between the Silk Road Alliance and the City of Khmelnytskyi was signed.

In January 2019, an agreement was signed with the European Bank for Reconstruction and Development on credit financing of the project for the modernization of the municipal solid waste infrastructure in the city.

In 2019, Khmelnytskyi was recognized the first in nomination "The Most Successful Ecological City" on the Eco Triumph contest within the fifth ecological forum "V Lviv Eco Forum 2019".

Twin Cities



Rustavi



Modesto



Karmel



Silistra



Manises



Beltsy



Shiauliai



Bor



Akvaskalientes



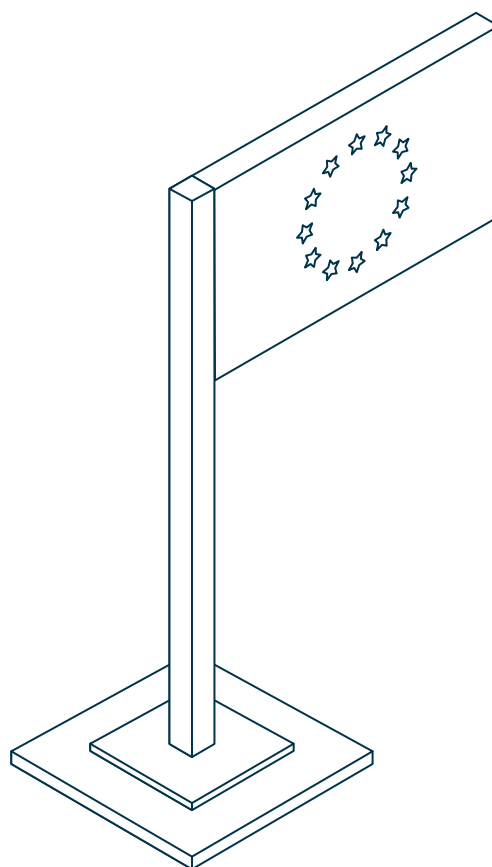
Ciechanow



Shytsiachzhuan



Kramfors



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