



INVESTMENT PASSPORT OF ZBARAZH DISTRICT, TERNOPIL REGION



2015

WELKOMING ADDRESS

Investment passport of Zbarazh District was created by the Department of Economic Development and Infrastructure of Zbarazh District State Administration. It contains high-quality, relevant and comprehensive information about competitive advantages and investment opportunities of the district and aims at disclosure and realization of its investment potential.

We hope that the publication will be not only a source of information for business, but will also increase the investment attractiveness of the area, will become an effective tool for establishing business contacts with potential investors, facilitate the adoption of positive decisions on investments in the territory of Zbarazh district.

*Zbarazh District
State Administration*

COMPETITIVE ADVANTAGES OF THE DISTRICT

- **Favorable geographical position:** Zbarazh district is located in close proximity to transit centers of Western Ukraine and border crossings with European countries;
- **Favorable climatic conditions** for realization of investment projects in agro-industrial complex;
- **Unique tourist potential:** architectural memorials and nature reserve fund;
- **Significant natural resource potential:** 60.846 hectares of arable land, 69.86 hectares of mineral deposits;
- **Labour resource potential:** 32.1 thousand of economically active population of the working age.

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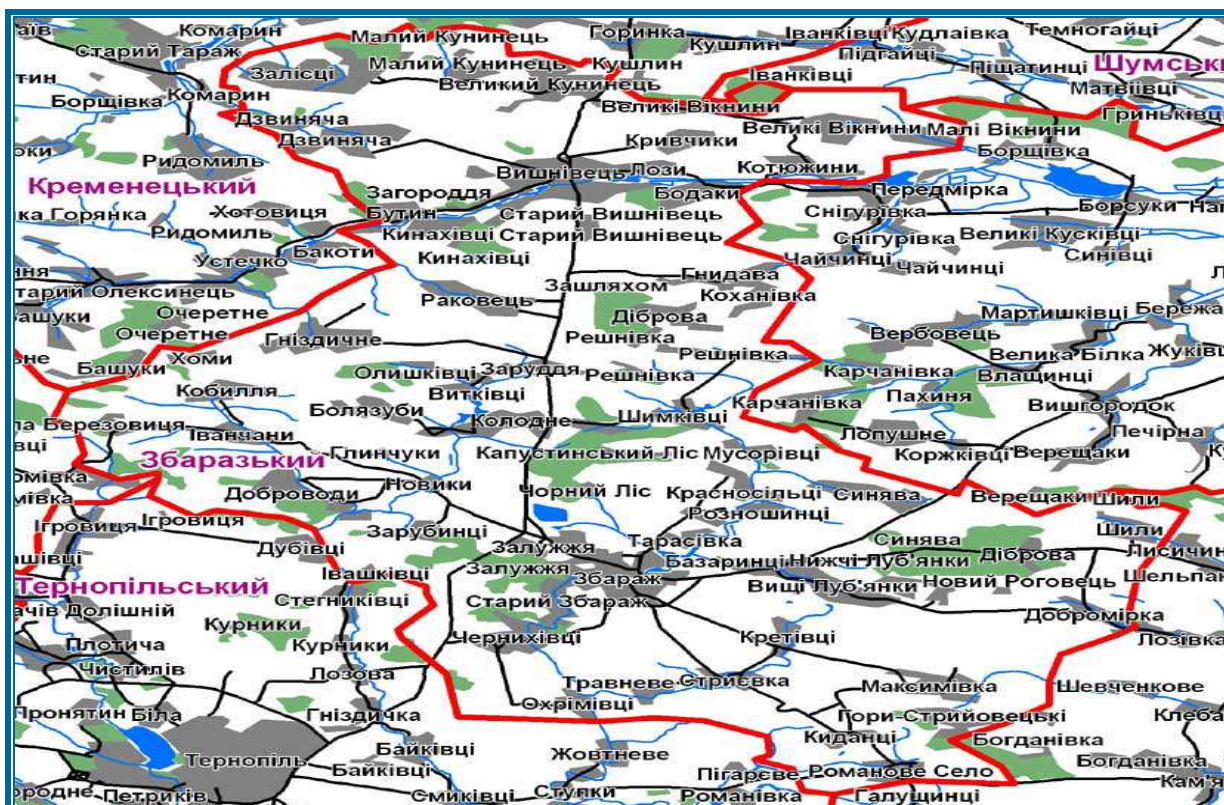
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SECTION 1 DESCRIPTION OF THE DISTRICT

1.1 NATURAL, GEOGRAPHIC AND CLIMATIC CONDITIONS



Zbarazh district is located in the northeast of Ternopil region. It belongs to the northern part of central agro-climatic area of the region, a so-cold Kholodne Podillya. Surface construction of the district is a rolling plain, significantly raised above the sea level. Most of the territory has the absolute height of 350-400 meters.

Tovtry Ridge and Avratynska Height, which are the watershed of the Dniester and the Prypyat river basins, are the most notable elements in the area orography. The highest point is Zubova Mount near the village of Dobrovody with the height of 432 meters, Knyazha Mount – 406 meters, Zamkova Hill – 388 meters.

The main river of Zbarazh district is the Hnizna with the length of 73 km. The Horyn refers to the basin of the Prypyat River, and the Hnizna refers to the basin of the Dniester. The hydrological regime of rivers is connected with the springs depending on the season, atmospheric precipitations and groundwater.

The distance from Zbarazh to the regional centre of Ternopil is 22 kilometers. The motorway and the railway line of national importance towards Kyiv passes through the area.

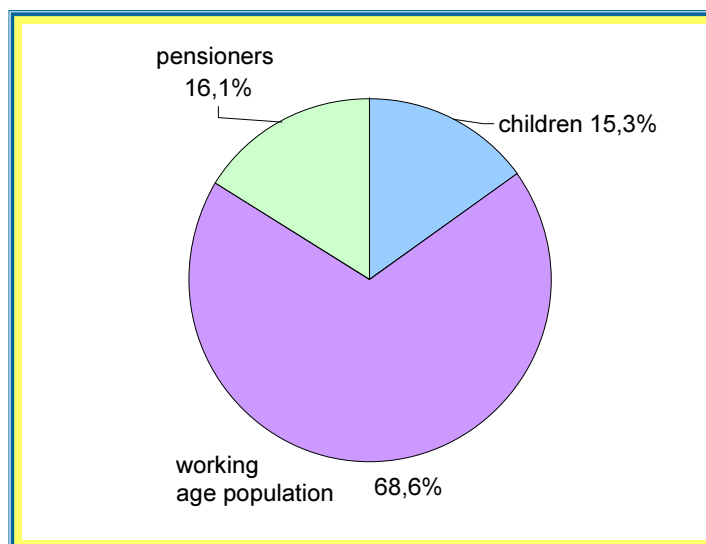
1.2. DEMOGRAPHY AND HUMAN RESOURCES

The population is 58.2 thousand people.

There are 73 villages and 68 hamlets in the district.

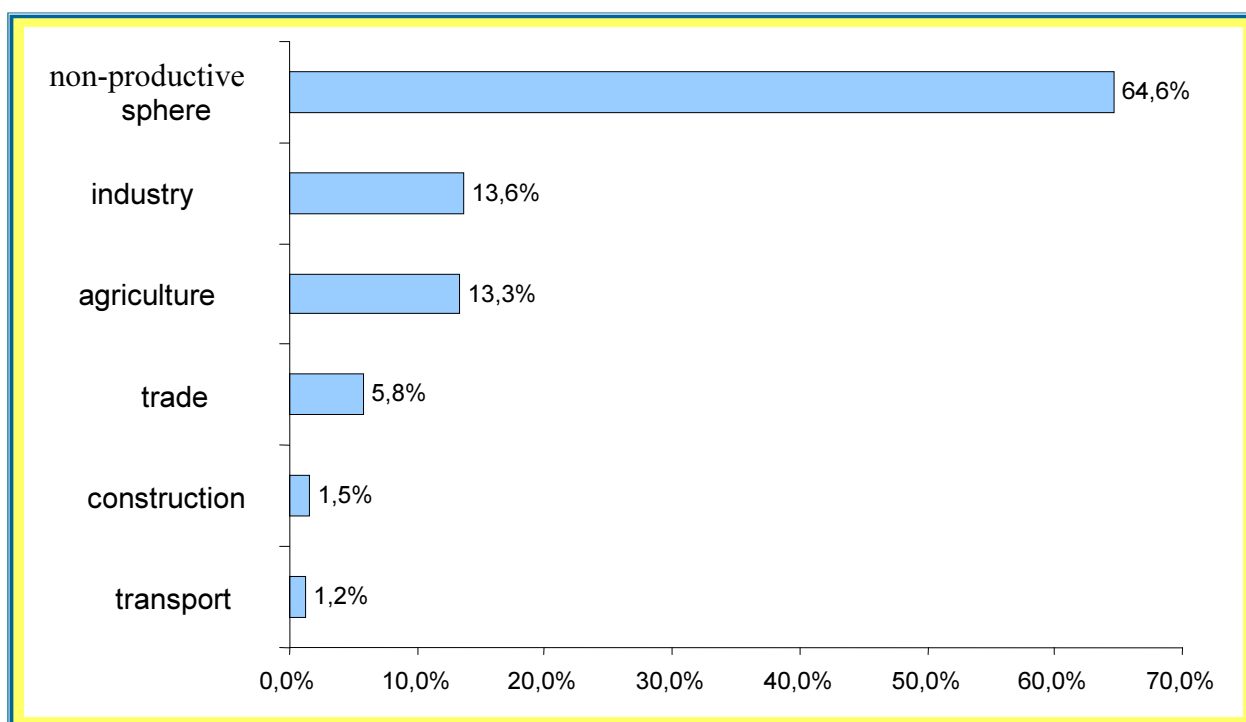
The average salary is 2,211 UAH.

AGE STRUCTURE



6,111 people work on the enterprises of the district: 830 people – in industry, 816 – in agriculture, 352 – in trade, 89 – in construction; 76 – in transport, 3,948 – in non-productive sphere.

The structure of employees by economic activities



1.3 RAW MATERIALS AND RESOURCE POTENTIAL

Land resources

The total land area is 86.3 thousand hectares, including 72.7 thousand hectares or 82% belonging to the farmland. The arable land occupies 71.7% of the total area, perennial plants – 1.8%, hayfields – 1.8% and pastures – 7.6%.

9.4 thousand hectares or 11% of the area accounts for roads, streets, buildings, waters, wetlands, forests, shrubs and other lands.

Forests

The total area of the lands of the district unified state forest fund is 7.9 thousand hectares. In particular, forest lands area occupies 7.6 thousand hectares, and area of shrubs is 0.3 thousand hectares.

The type of the forest cover is deciduous and coniferous. Thanks to forestation and reforestation, forest cover of the district has increased in recent years. The total reserve of timber has increased, too. The species composition of plantations has been improved, including the increased proportion of pin breeds and boled oak.

Water resources

The length of the river Hnizna on the territory of the district is 30 km. 48 streams carry their waters to the river Hnizna. The length of the Horyn river within the district is 19 km. The total area of ponds is 321.5 hectares, and the total area of artificial reservoirs is 28.3 hectares.

Minerals

Natural construction materials, such as carbonate rocks of sandstone, and loess-like loams are the most common among the minerals in the district. Particularly noteworthy are limestone of Tovtry Ridge – organic limestones. The power of limestone sometimes reaches 60 meters. In the northern part of the district there are Sarmatian limestone deposits that are moving further north into chalk.

There are deposits of quartz sand on the lands of Chernyhivtsi, Zarubyntsi, Novyky and Ivanchany village councils, and deposits of building stone in Dobryvody and Kokhanivka village councils. Ternopil Karrier Management JSC deals with the development of Sarmatian limestone in carriers on the territories of Kydantsi and Staryy Zbarazh.

Significant deposits of clay are effectively used in the production of bricks. Currently, it is carried out at Vyshnivets brick factory of building materials and Zaruddya brick factory.

1.4 MAIN INDICATORS OF ECONOMIC AND SOCIAL DEVELOPMENT OF THE DISTRICT

Basic indicators of social and economic development of Zbarazh district			
Name of indicator	Units of measurement	2013	2014
1	2	3	4
Volume of industrial products sales	mln UAH	102.7	383.4
Volume of livestock production	mln UAH	131.8	129.4
Volume of crop production	mln UAH	395.5	388.1
Volume of foreign direct investments	thousand USD	433.6	443.4
Volume of capital investments	mln UAH	58.2	73.9
Volume of completed construction works	thousand UAH	2556	4096
Volume of export	thousand USD	1052.5	303.4
Volume of import	thousand USD	883.3	764.7
Volume of retail turnover	mln UAH	104.6	115.0
Volume of service sales	mln UAH	19.8	12.0
Size of the average monthly salary	UAH	2,060	2,211

1.5. ECONOMIC POTENTIAL

The industrial sector of the district is represented by 14 enterprises of different industries.

The largest industrial enterprises are Zbarazh Sugar Plant LLC, Ternopil Carrier JSC, Zbarazh institution VC-63, Ahrovita Ltd. LLC, and Hraphit PE.

36 farms and 37 limited liability companies operate in the agricultural sector of the district economy.

The Yevishovitse-Ukraine enterprise with foreign investments, which utilizes 4.9 thousand hectares of agricultural land, successfully operates in the district. In recent years there has been a tendency to increase domestic investments in agricultural area. From year to year, good results are reached by Kolosok AF and Good Samaritan PAP, which cultivate 2,900 and 2,800 hectares of land respectively.

9 enterprises with foreign investments are registered in the district, 6 of which are engaged in production activities. There are 204 employees on these enterprises.

Direct investments in the area are 430 thousand USD.

The volume of capital investments is 43.9 million UAH, and 6.4 million UAH are invested in housing construction.

District foreign trade turnover is 1068.1 thousand USD.

Export is 303.4 thousand USD, import – 764.7 thousand USD.

The production of alcohol and sugar constitute the main group of products that form the structure of export.

1.6. TRANSPORT INFRASTRUCTURE

Zbarazh district is located in a favorable economic environment. Motorway Brest-Chernivtsi is the main corridor connecting the western part of Belarus with Romania, the Balkan countries and Mediterranean countries.

The length of motorways is 374.5 km, including paved roads with the length 262.3 km and dirt roads – 112.2 km. The roads of national importance occupy 37.8 km, local roads – 231.9 km.

The length of railway track is 26 kilometers. Distance from the district center to Ternopil by the motorway is – 24 km, by railway – 22 km.

1.7 EDUCATION

25 community-owned pre-schools and 51 secondary schools are fully functioning in the district. 5,458 students study in secondary schools. Zbarazh regional boarding school for children with small and damped forms of tuberculosis functions in the district. The educational process is provided by 977 teachers. Three extracurricular educational institutions work in Zbarazh: the district municipal house of children and teenagers, the station of young technicians and the children and youth sports school.

1.8 SOCIAL AND CULTURAL SPHERE




There are two hospitals, a center of primary medical and sanitary care, 14 ambulatories, 9 rural medicinal ambulatories, 42 first aid stations in the district. Bed fund of hospitals has not changed for the last six years, and amounts to 285 beds, as per 10 thousand population – 48.5. There are 848 staff positions employed in the health care sector. In order to reform the brunch, the registration of Zbarazh district center of primary medical and sanitary care was conducted in 2014. All licensing and accreditation documents are prepared.

60 clubs and 28 arts groups with the titles “national” and “exemplary” operate in the district.

There are 9 NGOs of physical culture and sports orientation of different legal forms in the district, which are active and provide accessible services. They are:

- District Council of Kolos AF,
- Municipal District Children and Youth Sports School,
- Champion Sports Club,
- District Football Federation,
- Halych and Avanhard Football Clubs,
- District Federation of Weight Lifting,
- Sport for Everyone Center of physical health in Staryy Zbarazh.

1.9 SUCCESS STORIES

Name and characteristics of the company	Picture
<p>Yevishovitse LLC</p> <p>The Company deals with land tillage. Foreign direct investment is 8 million USD.</p>	
<p>Yaytse-raytse LLC</p> <p>The main activities are:</p> <ul style="list-style-type: none"> - Poultry breeding and eggs production, - Mediation in food products trade, - Wholesale trade of food products. <p>Foreign direct investment – 4.5 million USD.</p>	
<p>Iskra JSC Zbarazh branch (since 2013).</p> <p>Two lines for the manufacturing of electric lamps with the output of 50 thousand items of bulbs per shift were put into operation.</p> <p>The production process is served by 40 employees. Monthly wage fund is 80 thousand UAH. The average salary is 2 thousand UAH.</p> <p>The installation of the third line for the manufacturing of electric lamps has been completed.</p>	

SECTION II. OFFERS FOR INVESTORS

2.1. PRIORITY AREAS FOR INVESTMENT

The priority areas of investments into the development of the district are:

- **Development of agro-industrial complex** (processing of agricultural products);
- **Development of tourist infrastructure facilities and recreational infrastructure;**
- **Extraction and processing of local mineral resources.**

The district is attractive in the sphere of tourist industry, which is associated with the availability of numerous monuments of nature, culture, history and architecture. The National Historical and Architectural Reserve “Castles of Ternopil”, NGO “Fund for Development of Zbarazh in the XXI century”, the executive committees of Zbarazh City Council and Vyshnivets Village Council are involved in the development of tourism infrastructure.

Competitive advantages of investing the economy of the region:

- Advantageous transport location of the district;
- Favorable natural and climatic conditions;
- Free real estate objects and land plots;
- Unique historical, architectural and natural heritage;
- Significant reserves of raw materials;
- Untapped potential of the workforce;
- Available educational base for training of specialists.

2.2. STRATEGIC INVESTMENT PROPERTIES

No	Name of the project	Initiator	Approximate cost (mln.UAH)	Payback period	Short description
1	Construction and putting into operation of Dovbush Mount Tourist and Entertainment Complex	Zbarazh District State Administration	21.4	5 years	There is a land plot available for the project on the territory of Zaluzhzhya Village Council
2	Development of Dobryvody lime deposit	Dobryvody Village Council	1.5	2 years	Situated on the territory of Dobryvody Village Council Possible extraction of stone for construction industry.

VACANT LAND PLOTS AND REAL ESTATE OBJECTS

Area	Location	Short description
<i>Ground sections</i>		
2 ha	56, D.Halytsky Str., Zbarazh district	Land plot for industrial activity. Distance to the motorway (Kyiv-Ternopil) – 0.5 km, to the nearest railway station – 1.7 km, to the city of Ternopil – 19 km.
12.7 ha	Zaluzhzhya, Zbarazh district	Land plot for industrial activity. Distance to the nearest railway station is 0.5 km, to the city of Ternopil – 20 km.
3 ha	Bazaryntsi, Zbarazh district	Land plot for construction. Distance to the motorway (Kyiv-Ternopil) – 2.5 km, to the nearest railway station – 0.3 km, to the city of Ternopil – 20 km.

SECTION III. CONTACT INFORMATION

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