

# INVESTMENT PASSPORT OF SHUMSK DISTRICT, TERNOPIL REGION



2015

## WELCOME ADDRESS

Investment passport of Shumsk district was composed by Shumsk District State Administration. It contains highly-qualified, relevant and comprehensive information about competitive advantages, investment opportunities in the district, and aimed at implementation and realization of its investment potential.

We hope that the publication will not only be a source of information for business, but will also increase the investment attractiveness of the area, be an effective method for establishing business contacts with potential investors, facilitate to adopt decisions on investment in the territory of Shumsk district.

We invite potential investors to cooperate for the further harmonious development of all areas of the district economy. Together we will build a strong, economically developed Shumskland.

*Shumsk district  
state administration.*

## DISTRICT'S COMPETITIVE ADVANTAGES

- **Large reserves of peat**, which will allow residents of the region to reduce dependence on natural gas;
- **Favorable transport location**: the roads of national importance, such as “Kremenets – Bila Tserkva – Rzhyschiv” and “Ostroh – Radyvyliv” that connect the district with Kyiv, Lviv, Rivne, Lutsk, pass through the Shumskland.
- **Availability of free land plots** and real estate objects that are not involved in production;
- **Availability of skilled workforce.**

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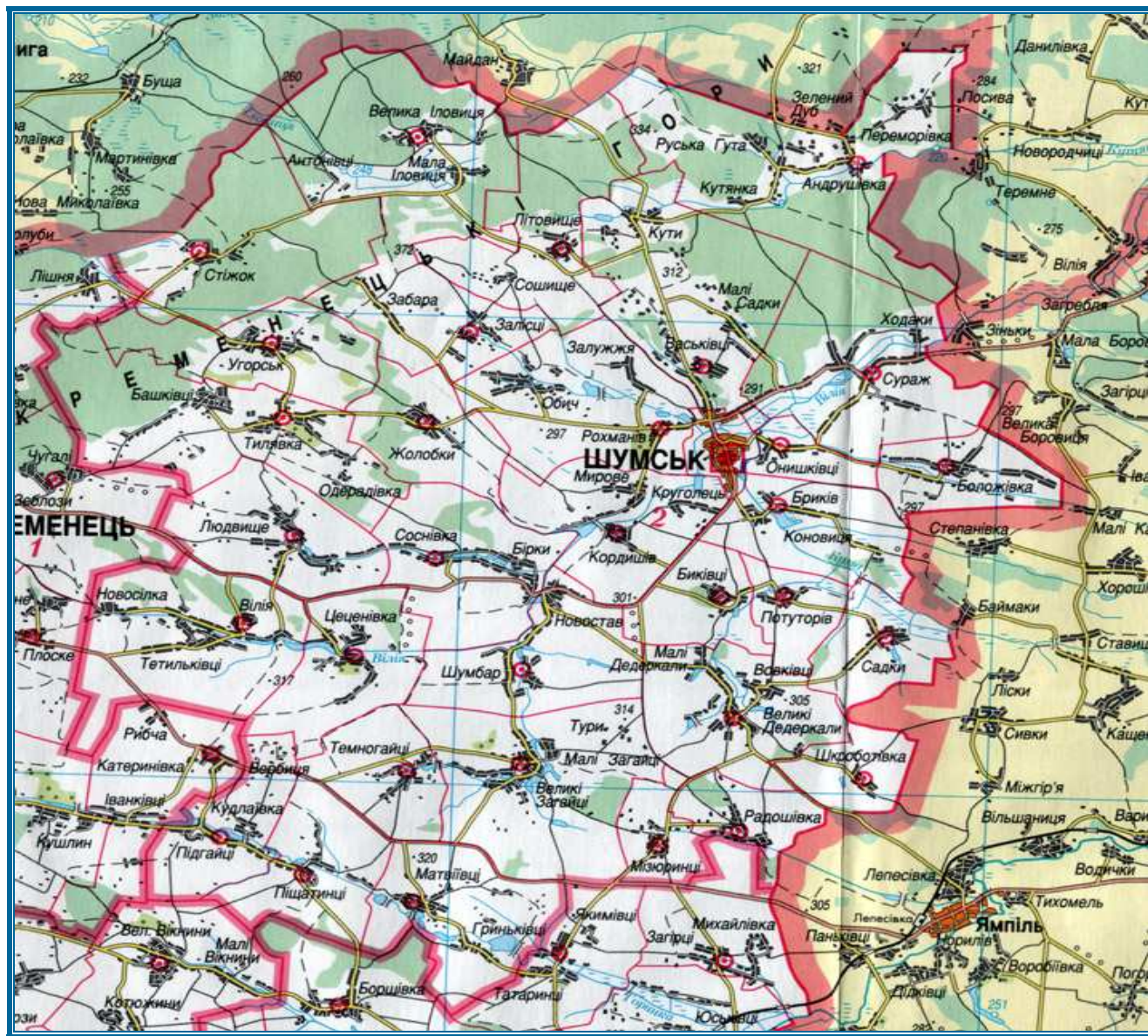
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# SECTION 1. DESCRIPTION OF THE DISTRICT

## 1.1. GEOGRAPHICAL AND CLIMATIC CONDITIONS



**Shumsk District is located in the north-eastern part of Ternopil Region.**

It borders with Rivne Region in the north, Kremenets District in the west, Lanivtsi and Zbarazh Districts in the south, and Khmelnytskyi Region in the east.

**Total area of the district is 838 square kilometers**, which is almost 6.5 % of the whole area of Ternopil region.

Geographically, the district is located on the woodland-steppe territory, in the zone of fertile soils and sufficient damping.

Most of the district belongs to the Podillya Uplands, and only the northern part is located within Male Polissya (the plain with absolute highlands of 210-220 meters, including swamps and sands).

The district has a general slope of the surface in the direction from the south-east to the north-east. Kremenets Hill-ridge with absolute aptitude up to 315 metres, are stretching across the Shumskland. The northern slope of the Kremenets mountains is steep and tracty with deep ravines and beams. Above the adjoining of the Male Polissya plain, the Kremenets mountains become higher to 120-130 meters. The northern slope gradually becomes lower and turns into Ternopil plateau.

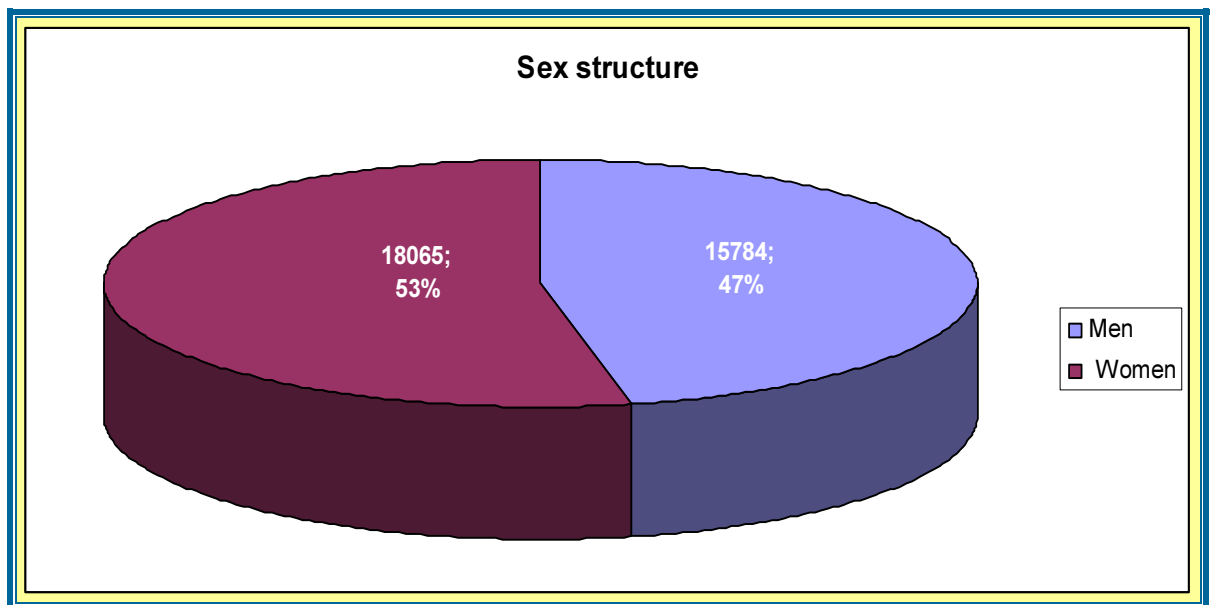
The district is located not far from the border with Poland, Slovakia and Hungary. This location can promote active development of manufactures, the production of which can be exported to the countries of Europe. What is more, in modern conditions of economic transition to market relations, our region is having relatively high degree of providing labour resources, and it can become the district for investments of foreign firms.

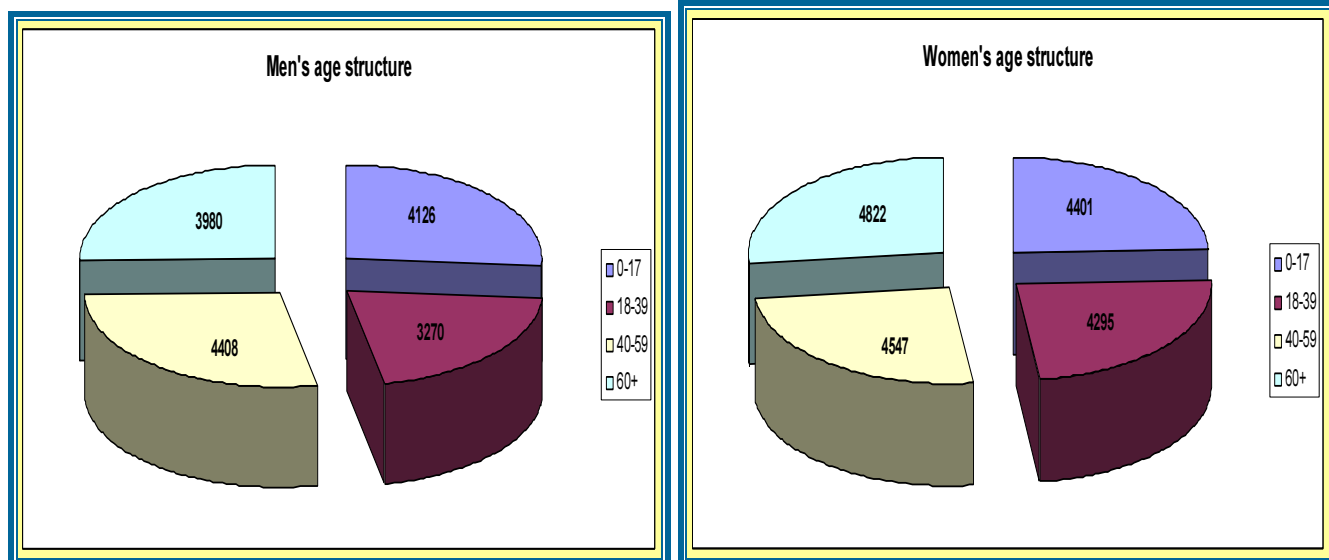
**As for the administrative and territorial division, Shumsk District is divided into 32 villages and one town.**

The town of Shumsk is located on the right bank of the river Viliya, which is the tributary of Horyn. The distance to Ternopil is 105 km. The population of the town is 5.3 thousand inhabitants.

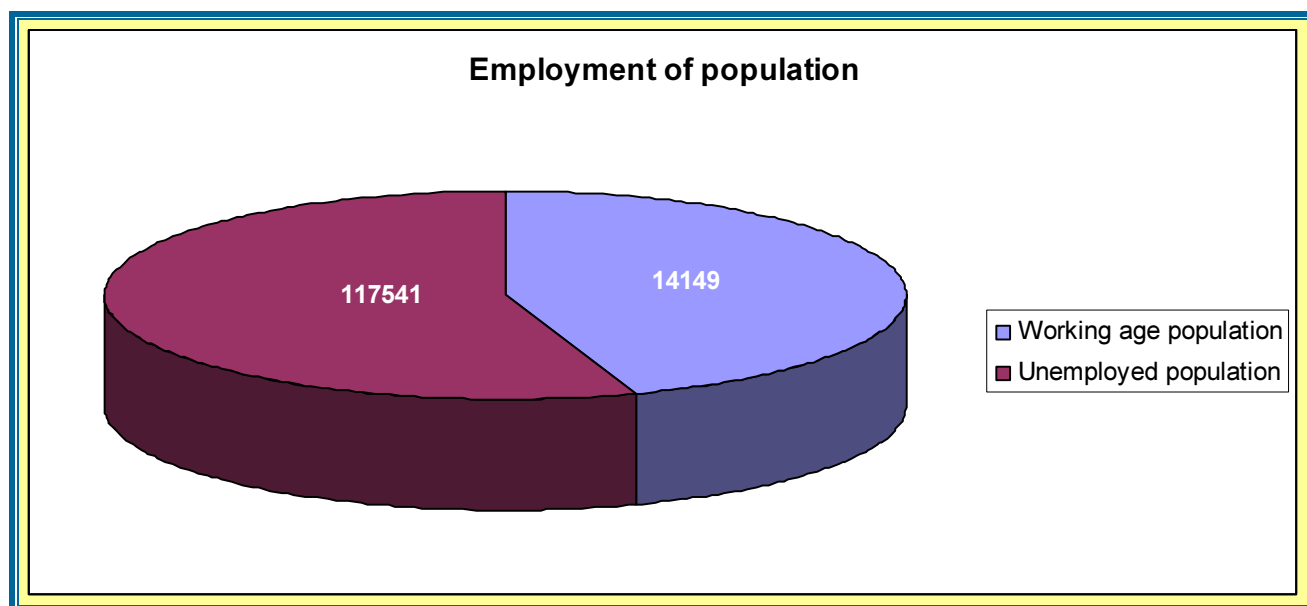
## 1.2. DEMOGRAPHIC AND HUMAN RESOURCES

**The distribution of the population according to gender and age**





### Employment of the population



Out of the total working-age population, 51% (7,878 people) are men and 49% (8,917 people) are women, and among unemployed population 47% (7,793 people) are men and 53% (9,533 people) are women.

### Divisions of labor force according to the sectors

No	Name of the sector	Number of people	% to working-age population	% to general population
1.	Agriculture	3,166	19.8	9.2
2.	Industry	305	1.9	0.88
3.	Construction	48	0.3	0.14
4.	Transport	92	0.6	0.26
5.	Communication	73	0.45	0.21
6.	Forestry	75	0.47	0.22
7.	Trade	975	6.1	2.83
8.	Public service	169	1.06	0.49
9.	Education	1,084	6.8	3.14
10.	Food industry	97	0.6	0.28
11.	Health care	651	4.08	1.89
12.	In the collective sector	530	3.3	1.53
13.	In the private sector	2,726	17.1	7.92
14.	In the public sector	2,149	13.47	6.24
15.	Private entrepreneurs	1,305	8.2	3.79
16.	Farmers	25	0.15	0.07
-	Among all working-age population work:	-	-	-
1.	- in the given settlement	4,040	25.3	11.73
2.	- in the district centre	2,695	16.9	7.82
3.	- in the regional centre	52	0.32	0.15
4.	- move outside Ukraine	3,064	19.2	8.9
4a	a) to Russia	560	3.5	1.62
4b	b) to other countries	2,504	15.7	7.27

## 1.3. RAW MATERIALS RESOURCE POTENTIAL

Rocks that were formed during the “Geogenic system” are spread on the territory of Shumsk district. They are sand, limestone, carbonaceous clay, brown coal, sandstone. These deposits are spread almost around the whole district. Only on the banks of the river Viliya valley and close to its area there are sediments of “Mesozoic age”, such as sand, sandstone, clay, marl, limestone.

On the whole territory of the district quaternary sediments are deposited. They cover other formations and exfoliate in the carriers, river valleys, beams and ravines. They are commonly used as the raw materials for producing building materials.

Among the mineral resources of the district, natural construction and raw materials for their production take the leading place. They are deposits of sedimentary origin: chalk, quartz sand, concrete clay. Besides, the district has peat and brown coal deposits.



Shumsk deposit of brown coal is the part of Kremenets brown coal district. It was exploited from 1946 to 1950 for the needs of local population.

On the territory of the district considerable deposits of peat are discovered, which are used as fuel, as well as for the agricultural needs.

In the village of V. Dederkaly the wells of mineral water are found. It is perspective for further study according to the hydrodynamic condition and balneological value.

One of the main natural riches of Shumsk district is its land resources. The total area of agricultural lands, that are included into the administrative and territorial division of the region, is 58531.9 hectares.

There is a total 56418.7 hectares of agricultural land of significant economic value, such as arable land – 40197.9 hectares, perennial plantations – 2.2, hayfields – 72.8, pastures – 13976.9, fallow areas – 8.8 hectares. Forests and other areas covered with trees – 21013.0 hectares, including forest lands – 20408.8 hectares, and shrubs – 604.2 hectares.

Water resources are another mineral riches of Shumsk district, which are also important. 1,093 hectares are occupied with water. The area of rivers is 155.4 hectares, 720.0 hectares are occupied with the ponds. Swamps occupy 273.3 hectares of our district.

Forest resources of the district have soil and water protective and recreational value. 20290.0 hectares are occupied by forests, out of which 4727.0 hectares are the forests of the forestry possession. There are 3 state forestries on the territory the district: Surazh, Volyn, Zabara, which belong to the Kremenets state foresry.

Bowels of Shumsk district also contain useful fuel minerals: brown coal, peat. The deposit of brown coal is located in the outskirts of Brykiv village. At present, its production is considered unprofitable.

There are such carriers in the district:

- 19 sandy (26.87 hectares);
- 6 clay (5.9 hectares);
- 4 chalk (10.2 hectares);
- 8 stone (43.42 hectares);
- peat deposits (460.8 hectares).

## 1.4. MAJOR INDICATORS OF ECONOMIC AND SOCIAL DEVELOPMENT

Major indicators of economic and social development of the district			
Indicators	Units of measurement	2013	2014
1	2	3	4
Volume of sold industrial output	mln. UAH	13.4	16.3
Volume of livestock production	mln. UAH	2.8	3.1
Volume of crop production	mln. UAH	241.0	315.0
Volume of direct foreign investments	mln. USD	2.8	1.9

Volume of capital investments	mln. UAH	28.2	38.6
Volume of completed construction works	mln. UAH	0.6	1.2
Volume of export	mln. USD	3200.0	4300.0
Volume of import	mln. USD	5300.0	5500.0
Volume of retail turnover	mln. USD	51.3	65.0
Volume of service sales	mln. USD	6.9	2.2
Volume of average monthly wage	UAH	2302.0	2593.0
Amount of administrative services provided by the Centre of administrative services	units	665	2,247

## 1.5. ECONOMIC POTENTIAL

**Priority branches of economic activity in Shumsk district are:** light industry, the production of bread and agricultural production.

The industrial sector of the district is represented by five enterprises, one of the biggest is Sehesh-Ukraine LLC – an enterprise with foreign investments, which works on tolling raw materials. In 2014 foreign trade turnover of Sehesh-Ukraine LLC amounted to 14.0 mln. UAH, export of production was 10.5 mln UAH.

**The largest agricultural enterprises of the district are** Shumsk-Ahro LLC, Ahro-Lan ALLC, Ahrariya PE, Mikohgen-Ukraine LLC.

**In 2014 foreign trade turnover of Mikohen-Ukraine LLC added up 9.6 mln. UAH, export – 6.4 mln UAH.**

## 1.6. TRANSPORT INFRASTRUCTURE

**Transport network of general use  
operational length /km/**

- railways - 0.00 km;
- roads - 541.2 km;
- paved roads - 303.6 km;
- unpaved roads - 237.6 km;
- proportion of paved roads - 56.0%

## 1.7. EDUCATION

**In the 2014-2015 academic year there were:**

- Comprehensive educational institutions – 43 (number of students – 3670), including:
  - Secondary High schools – 2 (number of students – 671);
  - Secondary Middle schools – 4 (number of students – 258);
  - Primary schools – 7 (number of students – 129);

- lyceum – 1 (number of students – 83);
- educational institutions “Secondary High School-gymnasium” – 1 (number of students – 354);
- preschool – 28 (number of students – 2,177);
- forms – 316, including forms-complexes – 310;
- afterschool groups at 8 schools – 11 (number of students – 294);
- part-time forms – 5 (students - 84).

## 1.8. SOCIAL AND CULTURAL SPHERE

There are two communal institutions in Shumsk district: Shumsk central district hospital for 185 beds and V. Dederkaly district municipal hospital for 40 beds.

There is also a communal institution “Shumsk district center of primary medical and sanitary care”, which includes four medical ambulance stations and 54 rural medicinal ambulatories. Operating capacity of ambulatory and clinical institutions is 555 patients’ visits per shift.

### **Culture:**

Total number of cultural institutions	90;
- houses of culture	8;
- clubs	34;
- museums	2;
- historical and cultural memorials	82;
- libraries	44;
- schools of art and music	2;
- number of groups, which were awarded the title “Folk”	10;
- number of employees in cultural institutions	182;
- tourism destinations	7.

There are two children and youth sports schools (Shumsk CYSS for 230 students and communal children and youth sports schools in Velyki Dederkaly for 134 students). There are 123 sports facilities, including 119 in the communal property (80 planar sports facilities, including 21 grounds with fitness equipment, 8 football pitches and 51 other sports grounds. Also there are 24 gyms with the area not less than 162 m<sup>2</sup>, 7 shooting ranges).

In order to create a center of “green” (rural) tourism, an awareness campaign is being conducted among the population of Ilovytsya and Stizhok.

The department of Shumsk district museum of regional ethnography “Antonivtsi Republic” functions in Stizhok, which has a collection of the materials about struggle for liberation in 40-50 years of 20th century. It also has ethnographic materials, which tell about the life, culture and art of the population. Stizhok became a center of tourism, as every year thousands of visitors come to the historic site of the UPA “Volyn-South” County Military camp.

## 1.9. SUCCESS STORIES

Name and nature of the project	Project initiator
<p>On June 19, 2006 the Ukrainian-Polish company Mikohen-Ukraine LLC was created. The company produces mycelium compost for growing mushrooms. Sales market – Ukraine, Moldova, Belarus. In addition to core activities, Mikohen-Ukraine grows crops on an area of 120 hectares in Viliya village council without the use of synthetic fertilizers and plant protection chemicals by organic farming technology. Environmentally clean products are sold abroad.</p>	<p>MYTSENA INTERNATIONAL LIMITED, Cyprus</p>
<p>Sehesh-Ukraine LLC is an enterprise with foreign investment, was founded in 2003 and is currently the main industrial enterprise of the district.</p> <p>Specialization of the company: sewing garments (men's jackets, working trousers, other working clothes, hats, gloves, shirts, shawls, scarves, table linen).</p> <p>The main sales markets are Estonia and Sweden.</p>	<p>SEGERS-EESTI LLC, Estonia</p>

## SECTION II. PROPOSAL FOR INVESTORS

### 2.1. PRIORITY BRANCHES OF INVESTMENT

- Manufacture of peat blocks;
- Agro-industrial complex (development, introduction of intensive technologies of crops growing, livestock development, food processing);
- Development of mineral deposits;
- Tourism and recreation.

### 2.2. STRATEGIC INVESTMENT PROJECTS



The list of strategic investment projects


No	The name of the project	Initiator	Approximate cost (mln. UAH)	Payback period	Brief description
1.	Renovation of industrial capacities on Shumsk peat plant affiliated company of Podillyatorf SE	District State Administration	20.0	3 years	The project aims at implementation of measures for the development of the peat industry in the district, rational use of the local energy resources, meeting customer needs and needs of social sphere institutions with a local fuel - peat, budget cost saving and creation of new working places.
2.	Organization of business activity (growing of medicinal herbs) on the territory of Andrushivka village council	District State Administration, Andrushivka village council	6.0	3 years	Currently the land plots for investment project activity are not processed.
3.	Organization of business activity (gardening) on the territory of V.Ilovytsya village council	District State Administration, V.Ilovytsya village council	7.0	5 years	Currently the land plots for investment project activity are not processed.

4.	Creation of spiritual and cultural museum complex “Antonivtsi – county” and the development of cognitive tourism infrastructure on the territory of Ilovytsya and Stizhok village councils in Shumsk district	Department of Culture, Religions and Nationalities of Regional State Administration, Shumsk district administration	8.185		The northwestern part of Shumsk district combines powerful natural and recreational resource. There are 3 nature reserves, 7 monuments of nature. 87.5 % of Stizhok and 67.0 % Ilovytsya village councils are covered with forests, ecological cleanliness of air and water of these territories are confirmed by the existence of a number of rare species of flora and fauna and rich historical and cultural heritage. On the outskirts of Stizhok, Antonivtsi, and v.Ilovytsia there are famous and memorable places: an open-air museum “UPA Camp” and “Volyn-South” (reconstructed by memories of witnesses) and museum of G.M. Petruk-Popyk – the poet, political and public figure.
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## 2.3. FREE LAND PLOTS AND REAL ESTATE OBJECTS

Area	Location	Brief description	
Free areas			
950 m <sup>2</sup>	Shumsk	<p>The building of Myr former cinema.</p> <p>Purpose of the project – redevelopment and setting up of commercial activities. The total area of premises is 950 m<sup>2</sup>. Availability of water- and electricity supply systems. Municipal ownership, communal land ownership.</p> <p>Sale is proposed, price – according to the results of the auction.</p> <p>Distance to the railway station – 35 kilometers. Land plot area – 2,500 m<sup>2</sup>.</p>	
Land plots			
2 ha	M.Ilovytsya, Shumsk district	<p>The land plot is located in the area of Volyn forestry, rich in mushrooms, berries, medicinal plants, hunting fauna, unique clean air. There is a pond and pointed mountain on the territory. This area is rich in historical monuments. Nearby is Antonivtsi, the history of which is associated with the deployment of the UPA-South staff during the war. In this part of the land the creation of recreational complex that includes a cafe, a museum, a mini zoo, hunting grounds, ski trails are possible.</p>	
1.5 ha	Bykivtsi, Shumsk district	<p>The land plot is located outside Bykivtsi, near the central road. There are farm buildings mixed fodder plant in the area.</p>	

1,918 m <sup>2</sup>	1, Ivan-Franko Str., Shumsk	The land plot is located in the central part of Shumsk, near the central road, in the area of residential, administrative and commercial buildings. This area is characterized by high intensity of human and traffic flows.	
13,1 hectares	V.Dederkaly, Shumsk district	The land plot is located outside V. Dederkaly, there is paved area of the former airfield on the territory.	

## **SECTION III. CONTACT INFORMATION**

### **SHUMSK DISTRICT STATE ADMINISTRATION**

59, Ukrainska Str., Shumsk, Ternopil region, 47100

tel. +38 (03558) 2-11-98, 2-12-78

e-mail: [rda@shm.tr.ukrtel.net](mailto:rda@shm.tr.ukrtel.net)

web-сайт: <http://www.oda.te.gov.ua/shumska>

### **DEPARTMENT OF ECONOMICS AND BUSINESS OF SHUMSK DISTRICT STATE ADMINISTRATION**

59, Ukrainska Str., Shumsk, Ternopil region, 47100

tel. (03558) 2-15-52

e-mail: [shumsk\\_ekonomika@ukr.net](mailto:shumsk_ekonomika@ukr.net)