



<b>Event</b>	Interview
<b>Interviewee</b>	Mr. Igor Potapenko Director of SMF System + Service
<b>Date</b>	17 April 2009

**Eunite Ukraine (EU): Please, describe the current state of the traffic management sphere in Ukraine (material and technical basis, production potential of the country, opportunities for development, etc.).**

Igor Potapenko (IP): In Ukraine, the total amount of objects of signal control is about 4,5 thousand. Herewith, the number of objects in big cities is about the same as the number of objects in other settlements in Ukraine. 60% of the technical devices of traffic control currently used are outdated equipment, designed and produced in USSR. The problem of obsolete equipment is the most pressing in small towns and villages.

It should be noted that recently central and local authorities started to pay more attention to the problem of roads in general and technical outfit of the transport networks in cities and settlements of Ukraine in particular. A significant part of traffic control equipment (road controllers, traffic lights) in big cities has already been replaced with modern devices, mostly produced locally. However, it is not enough to claim the Ukrainian roads have been upgraded to the upper technical level. The actual problems are coordination of city traffic, outfit of intercity roads and, again, obsolescence of material and technical basis of district centers and small settlements. Sufficient and competent funding is needed to solve these problems. The Ukrainian government faces a complicated task: under conditions of world financial crisis, the government has to ensure financing of development programs for roads and traffic management, in order to adjust the roads in accordance with European security standards, before EURO 2012. No doubts, Ukraine will put maximum efforts to reach this goal; however, in my opinion, it cannot be done without the assistance of Western partners. The assistance on any level – from profile ministries to the business partners, active in traffic management organization can be very helpful. It is important to make the Western companies believe in long-term perspectives of the development of this business in Ukraine and come with their experience and investments. Our company is ready to the close cooperation with foreign partners. It is obvious for us that the market of traffic management and organization will be growing rapidly in the next 2-3 years, and large-scale projects of complex traffic automation will appear.

**EU: What is the professional experience of System+Service on traffic control market of Ukraine (the completed projects, client cities)?**

IP: The Company System + Service operates in the area of industrial automation under KOMKON trade mark for more than 20 years, and for the last 10 years is active on the market of traffic management systems. During this period we designed several types of road controllers, a line of traffic lights, and a complex of peripheral equipment for the support of light-signal objects. Our equipment is run in more than 70 cities and settlements of Ukraine and Russia. In Ukraine, our major clients are Kharkov, Kiev, Donetsk, Lviv, Lugansk, Simferopol, Poltava, Chernigov. As of today, more than 1200 traffic lights and 1150 road controllers of our production are run, including 875 controllers in Ukraine.



Since 2004 we are working on the development of complex automated traffic management system. The system implementation projects have already been completed in Lugansk, Donetsk, Chernigov, Mariupol and Russian cities Kursk and Riazan.

**EU: In your opinion, what is the keystone to success of the private business in cooperation with local authorities?**

IP: It is not easy to gain the local authorities' trust in new supplier, even when the technology and service are of extremely high quality. The successful cooperation can be reached by continuous systematic work, including presentations, explanations, demonstration of the fulfilled projects, etc. The recommendations of other cities which already work with this company also play an important role. This process can last for a long time.

Obviously, the continuous work with existing clients is important as well: offering new equipment, new services, consultations, warranty and post-warranty service. Based on our experience, I can tell this is constant and individual work, and without this work it is not possible to win and maintain the market position on the Ukrainian traffic management and control market.