



<b>Event</b>	Interview
<b>Interviewee</b>	Mr. Ivan Vasyunyk Vice Premier Minister of Ukraine responsible for the Euro 2012 issues
<b>Date</b>	26 February 2009

**Eunite Ukraine (EU): For the whole its history the European Championship has never been held in the conditions of such economic crisis. Taking into account this fact, did the Parliament review the level of state financing of Euro 2012 and rectify the index of its profitability for the country?**

Mr. Ivan Vasyunyk (IV): I consider the preparation for the Championship as a long term project. During the time that is left before the staging Euro 2012 we will build airports, hotels, transport infrastructure, that will stay and work for Ukrainian citizens after the Championship. As for the financing of the construction of the objects for Euro 2012, the figures are known. The State program for financing of the Championship was reaffirmed before autumn 2008. The total amount of the state investments in it is approximately 10 bln. dollars and 20 bln. dollars are private investments. Does the State make corrections? The thing is that State made and will make the corrections in relation with the process of fulfillment of construction objects. Lately, we received the first information on concluding the subcontracting agreements with "Kyvmiskbud" (general contractor of NSC "Olympiyskiy"), that during the open tender procedures on attraction of subcontracting companies for purchasing of materials the prices, in comparison to the primary prices, were decreased by 8-10%.

Besides, the State will increase its share in those objects, where there are problems with the attraction of foreign investments in order to ensure the fulfilment of its liabilities for UEFA. After UEFA will determine 4 main host cities (13 May 2009), the state financing will be divided between these cities. But I will insist that all the objects, initiated by the state in both host and reserve cities are finished.

**EU: A lot of objects were planned to build for the costs of the investors. What is the sum of the investments, the country can count on today? Where is the investments from?**

IV: The main sphere of attraction of private investments is hotel industry. At the moment of announcement of Euro 2012 there were some hotels in Ukraine (4-5\* hotels), besides Kiev. In general Ukraine should have approximately 270 (4-5\*) hotels for hosting Championship. Taking into account primary calculations needed investments amounts to 50 bln. grivnas. The situation with the hotels is different in each city. There are no special restrictions to Kiev. The situation with the hotels is quite good in Lvov and Odessa.

Only in the second half of 2008 the investment projects were launched. The majority of the projects are on the stage of looking for an investor. We held a lot of investment forums with European states. Now we are conducting the negotiations on attraction the investments from USA with the help of line of credit in Ukreximbank of Ukraine. We also intend to discuss the possibility of joint investments in Ukrainian objects for Euro 2012 together with Polish investors. Thus, one of the large-scale projects of such cooperation is the project of the first concessional road on a paying basis from the West board of Krakivets to Lvov and further to Brody and Kiev. We are talking about the investments at the extent of several bln. dollars.



Besides, we are planning to spread the automotive concessional practice on the terminal part of the airports. First of all, the tender for the construction of the terminal in Lviv airport will be announced. The same situation will be with state airport Borispol. I think that the most effective way to get back the state investments in "Borispol airport" (200 million dollars only for D terminal) is with the help of concession. The management of the airports by professional company is the normal world-wide practice.

At present not a single project, the fulfillment of which was agreed with International financial institutions (EBRD, EIB, WB) is not finished. This is the answer on the criticism of those, who told that the crisis beat back the readiness to invest. Moreover, Ukraine receives new offers from these institutions. For example, Lvov signed the new agreement with EBRD for appropriation of funds at the extent of 50 million Euros for the preparation and purchasing of new overland transport and road construction.

**EU: Please indicate the rating of readiness of each host city for Euro 2012 taking into account the present situation?**

IV: All the cities have both: advantages and disadvantages. But in general we can see that for the last 6-8 months each out of 6 cities made obvious progress. All the cities demonstrated onward movement in stadium construction or reconstruction. We ensure that till 2012 the stadiums will be built. The only stadium that is in high risk zone is NSC "Olympiyskiy". But till May 2009 the situation with it will stabilize. Regarding airports, all the works in Borispol airport in Kiev are going smoothly. Regarding "Airport Zhulyany" it is necessary that Kyiv State City Administration defines its participation in the construction of the terminal, because the State has practically built the runway. The project of runway in Kharkov is at its final stage, and the investor started the construction of the terminal. The construction of the runway in Lviv will start in 1-2 weeks, and the tender for the construction of the terminal will be announced within several months. Odessa airport is on the stage of preparation of investor agreement. In order to start the works in Dnepropetrovsk airport, it is necessary to wait until there will be a statement from National Security Council of Ukraine on cancellation of the prohibition for its privatization. There is no investor in Donetsk, but we hope that he will appear soon and start the construction of the terminal as the runway is ready. Regarding the hotels, there are no great risks in Kiev, Odessa, Lvov and Dnepropetrovsk. There are certain questions in Kharkov and Dnepropetrovsk regarding the construction of the 4star hotels.

Besides, each city actively develops so-called alternative strategy regarding the preparation of the airports and hotels. It includes the allocation of extra hotels and airports on the distance of 100 km from the main city of conduction of Championship football matches (one hour drive by bus). Poltava will be an extra city for Kharkov, Zaporizhya will be an extra city for Dnepropetrovsk, recreational zones of Truskavets, Morshin and the airport in Ivano-Frankovsk will be extra places for Lvov, and highly comfortable ships will be extra places for Odesa, etc.