



Event	Interview
Interviewee	Mr. Marat Yakupov Acting as Director of Euro 2012 Department of Odessa Municipality
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Eunite Ukraine (EU): How do you evaluate the current situation of the city preparation for hosting Euro 2012, initiated by you?

Mr. Marat Yakupov (MY): As of today Odessa city, as the candidate for hosting matches of Euro 2012, overcame the most crucial and important risks of the preparation.

First of all, in the beginning of April 2009 Mr. Gurvits, mayor of Odessa, issued an instruction to closed joint stock company FC "Chernomorets" on leasing of Spartak stadium. FC started the full-scale reconstruction of the stadium in Shevchenko Park; the matches of the Ukrainian Championship will be carried out on Spartak stadium. This fact let us within short term, less than 3 months, reduce the risk level of the stadium to moderate level (conclusion of UEFA taking into account the results of the last meeting with the experts on stadiums and safety issues as of 06.04.09). Also joint-stock commercial bank-creditor "Impexbank" obtained the refinancing from the National bank of Ukraine, including for the construction of the stadium. The issue with the leasing of land site for the stadium has been solved.

Second of all, on 22-23 January 2009 we have finished the tender on the selection of the strategic partner for reconstruction and modernization of International Odessa airport. Limited Liability Company Gepard Plus (in Odessa) was declared as the winner of the tender. The founder of the company is TS Trans Siberia Co Ltd that is registered on Cyprus. The specialization of the company is construction and putting into operation of the airports. The company participated in the reconstruction and putting into operation of the following airports: "Tolmachevo" (Novosibirsk), "Balandino" (Chelyabinsk), "Astrakhan", "Chita", "Barnaul". The company is also the shareholder of Alma-Ata airport.

The company "Novaport" manages the assets of TS Trans Siberia Co Ltd. It will also participate in the modernization and management of Odessa airport. Both these companies are the part of group of companies AEON Corporation. Thus, end of April – beginning of May the agreement on joint activity will be signed between the communal enterprise "International Odessa airport" and the winner of the tender "Gepard Plus LLC. The termination of the reconstruction is planned by the end of 2011. The reconstruction of the airport includes the construction of additional runway (3600x60 meters), the construction of the new terminal with the passenger handling capacity 1500 passengers per hour, reconstruction of the existing terminal with passenger handling capacity 800 passengers per hour, the construction of the trade areas (temporary terminal for hosting Euro 2012 (1200 passengers per hour), development of the aerodrome complex (taxiways, parking areas, apron, etc.), development of the airport land side (parking areas, office and hotel complexes). After the reconstruction the International Odessa airport will meet twice UEFA requirements on passenger handling capacity (The required passenger handling capacity is from 1100 to 2100 passengers per hour, as of today the passenger handling capacity is 600 passengers per hour, after the reconstruction the capacity will be 3750 passengers per hour).



Moreover, good condition and development of transport infrastructure in Odessa also contributes to increasing of Odessa chances at the UEFA executive committee meeting, which is to be conducted on 13 of May 2009. According to the experts conclusion on transport issues there is a developed road infrastructure in Odessa, however, City Council declared about the plans of road construction for Euro 2012 at the total amount of 1, 5 billion grivnas. The mobile stock of public transport will be renewed: about 140 units of trams and trolley-buses will be bought.

Besides, as of today it is registered by TUI Travell PLC, the official accommodation agency UEFA for Euro 2012: 172 rooms of category 5star (16%), 942 rooms of category 4star (72%), and 1228 rooms of category 3star (584%). For coverage of the shortage of required rooms the construction of the hotels for 1700 rooms of category 5star, 1650 rooms of category 4star is planned. The cruise ships of 4star and 5star class, which are moored to the passenger terminal of Odessa Sea Trade Port, will be used as the alternative options for accommodation. They will add 1800 more rooms to the number of rooms of category 5star and 950 rooms of category 4star. In total about 27000 rooms (in Odessa and Odessa region) of different categories for accommodation of the fans, including 13 000 rooms in Odessa, exist. According to the forecasts it will be sufficient for accommodation of the fans. As a result Odessa is in "green" risk zone regarding hotels (risk level - low).

Since UEFA combined in one group the development of the airport, accommodation (hotels) and transport infrastructure, Odessa also wins owing to the "green zone" of the hotels. According to UEFA concept, developed hotel infrastructure as well as the great number of rooms in the hotels contributes to the arrival of the fans several days before the game. This fact also brings down the requirements to passenger handling capacity of the airport and the load on the land transport.

EU: Is the current pace of preparation for Euro 2012 sufficient for observance of the works schedules, confirmed by UEFA?

MY: The construction of the stadium goes in full accordance with the schedule of works, confirmed by UEFA. The present pace and the volumes of works provide for the fulfillment of the schedule. The term of putting the stadium into operation is March 2011. 20 million Euros, out of 80 million required for the reconstruction of the stadium, is already spent.

Works are conducted in International Odessa airport due to the private funds of the airport (design of the runway and terminals, all licenses and agreements are obtained, works on the aerodrome are carried out, the reconstruction of the pipelines and networks and access roads to the airport is done). In the presence of the funds of strategic partner it is technologically possible to terminate the full-scale reconstruction till 2012. Reserve plans are foreseen in the case of non-fulfillment of the certain types of works.

The percentage of the fulfillment of the General Plan on development of hotel infrastructure within the period of preparation is defined on the level of 80-85 %; the general condition of the preparation is 25-30%.

The fulfillment of the plans on the construction of the new transport infrastructure amounts to 25%. However, it is significant that hotel and transport infrastructure in Odessa is sufficiently developed.



EU: What are the main factors of influence on the success of program fulfillment in the preparation of the city infrastructure for hosting Euro 2012?

MY: The economic crisis, undoubtedly, bring certain changes into the plans for Euro 2012 and we had to turn down several ambitious projects. However, the required minimum will be ready and the schedules have already been revised. Nevertheless, the investors are interested in the projects for Euro 2012, new developers build the hotels, and banks are looking for the new market niches, including Euro 2012. On the written requests of numerous developers it is advantageous to build the new objects just now, because designers, sub-contractors and suppliers reduce the prices on the products and services. This fact, in its turn, decreases the cost of the projects. The crisis will end sooner or later, the period of growth will begin, within which current developers will get profits, cover the costs and start new projects.

Unfortunately, the crisis influenced on the sizes of the budgets of all levels, state refused to finance many local projects (roads, medical infrastructure and transport). However, the City Council does not resign from the fulfillment of the key projects.

Many legislative measures could improve the situation with the city preparation to Euro 2012; however, their “unexamination” by the Parliament negatively affects the preparation. Till today the bill that assumes benefits for the hotel owners, which are involved in the preparation to Euro 2012, has not been passed. This bill could make more active the development of the accommodation market. The National program of preparation and hosting Euro 2012, which was primordially supposed as the concept, is not still confirmed as the bill. The list of the duty-free goods that must be imported to the territory of Ukraine is not confirmed by law.

Finally, few steps are undertaken from the side of executive power for the improvement of the investment climate in Ukraine, and not enough efforts are made from the side of the local authority for attraction of private investors.

The General Plan of the city development, which could much simplify the procedures of obtaining the licenses for the construction, is not yet approved through executive authorities fault.