



Event	Interview
Interviewee	Mr. Leonid Bogdanov General Director UDC Holding www.unidevelop.com
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Eunite Ukraine (EU): How do you evaluate the situation on hotel infrastructure market of Ukraine? What are the main tasks of UDC Holding in the framework of development of hotel infrastructure of Ukraine in the nearest future?

Mr. Leonid Bogdanov (LB): The hotel market of Ukraine is on the initial stage of its development yet and is significantly behind its European neighbor countries. Ukraine hospitality sector statistics give a clear picture of the current situation:

- ✓ At the end of 2009 1,684 hotels were active in Ukraine (in France – more than 20,000, in Germany – 23,000, in Spain – 17,000);
- ✓ 16 hotel rooms for 10,000 persons of Ukraine population (compared to 36 in Poland, 51 in Hungary, 83 in Czech Republic);
- ✓ 3.6 hotel rooms for 1,000 persons of Kyiv citizens, that is more than 2.5 times lower than in European capitals;
- ✓ Geographic misbalance of hotel development projects;
- ✓ Absence of the networks of brand budget hotels and economy class hotels;
- ✓ Less than 5% of hotels are under the management of International hotel operators (in Europe more than 80% of existing hotel networks belong to international operators).

After conducting a detailed analysis of Ukraine hospitality market the company UDC Holding has decided to launch development projects in a sector of budget and economy hotels, shortage of which is obvious today in Ukraine. Thorough market research proved that this segment is notably in demand among customers, especially taking into account changes in their priorities caused by the financial crisis.

The main task of UDC Holding is the development of at least one network of budget hotels under the stable international brand until middle of 2012, which will fully correspond to international quality standards of hotel services.

EU: Could you please describe in details your projects of two 3-star hotels in Donetsk and Lviv construction that are planned to be operated by French hotel operator Campanile Hotels?



LB: At the moment the land plots for hotels in both cities have been already bought. All design works are on the pre-final stage. Construction works for both projects will be launched at the end of spring 2011.

Both hotels will be standard hotels operated under the *Campanile* brand; they will be similar in design and package of services. Project designs have been developed in exact accordance with exclusive conditions and specifications of the *Campanile* brand.

According to the project documentation the hotel in Donetsk will be 10 storied building with 160 hotel rooms, restaurant a-la-carte for 120 seats, 2 conference halls for 30 seats and above-ground parking for 39 car places.

The Lviv hotel will have 154 hotel rooms. It will be also located in 10 storied building, and operate the restaurant a la carte for 120 seats, 2 conference halls for 30 seats and above-ground parking for 39 car places.

Construction of both hotels will be based on crossbarless monolithic concrete frameworks with concrete stiffening cores.

EU: Did you already decide on general contractors for these two projects? What are the main selection criteria for potential suppliers of products and services for these new hotels?

LB: General contractor for Donetsk hotel is Gertz Company that has won a tender already. Our tender for Lviv hotel general contractor is still going on. Main criteria for selection of potential suppliers are their reliability and professional expertise.

EU: What is the total budget for two your new hotels in Lviv and Donetsk?

LB: The budget of the project in Donetsk city amounts to 8.5 million dollars, in Lviv city – 8.3 million dollars. Projects are being financed by means of investors' pool center. Projects have been designed in such a way that there is a possibility for investors to come into the project on different project stages. The main peculiarity of these projects is that investors can enter into them at the less risky stages, after land plots already were purchased and main project documentation developed.

EU: When these hotels are to be commissioned? Who will train the personnel of these newly built hotels?

LB: Commissioning of hotels is planned for July 2012. According to the agreement signed with the Louvre Hotels (owner of the *Campanile* brand), staff trainings before the hotels' opening as well as appointment of their management team will be carried out under the well-defined governance of the Louvre Hotels.