

EASTERN ECONOMIST

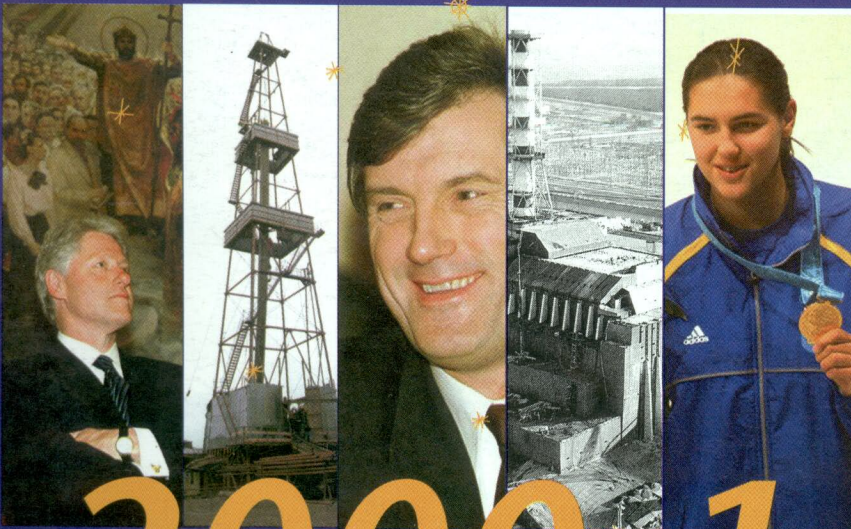
UKRAINE'S FIRST BUSINESS AND INVESTMENT WEEKLY

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Regional survey: Volochysk

A rural backwater

The Volochysk raion of Khmelnytsk oblast is situated about 300 km west of Kyiv near the boundary with Ternopil oblast. Its favorable climatic conditions and fertile soil have allowed a strong agricultural economy to develop over time with a specialization in grain and beet cultivation and livestock-raising for dairy and meat. The first mention of Volochysk dates back to 1463. The settlement was called Volochyshe, because merchants had to drag (volochyty) their cargos across the river Zbruch. In 1545 the settlement became Volochysk. In 1557 a town was founded there as the center of the raion. The first industrial activities in the sixteenth century were a flour mill and distillery. In the second half of 19th century, the first agricultural processing enterprises were founded: in 1860 a brewery was opened, in 1870 – a sugar refinery. The food industry grew rapidly in the 60s-70s of this century: a fruit and vegetable cannery was opened in 1965 and a cheese plant and bakery in 1971.

Agricultural Advances

Currently Volochysk raion has 62 agricultural enterprises, 52 of which have been reformed – 17 as limited companies, 30 as joint production complexes, three as subsidiaries, two are privately-rented.

The raion has 94,700 ha of arable land. In the first nine months of 2000, agricultural enterprises increased the gross harvest and yield of crops [see table]. This was possible thanks to an increase in the area sown and higher productivity.

In the first nine months of 2000, a slight growth in livestock production was observed for all categories of farms compared to the same period of 1999. In particular, the region produced 355,711 kg of milk – a 2.6% increase on 1999; 8,234,300 eggs; 46,298 kg of meat – up 5.3%; 2,500 kg of wool – up 4.2%. The number of cows was 13% higher than in the same period last year. The average yield of milk per cow is 1,403 kg.

The leading farms in the raion are the collective agricultural enterprises Chervona Zirka, Nyva, Ozhyvetskiy and Manashn, and

the agrofirms Avangard and Sluch.

The food processing industry that was established in the 1970s occupies a leading role in the raion economy. It includes the following enterprises: VAT Volochysk sugar refinery, VAT cheese plant, VAT Markevyskiy sugar refinery, the food concentrate plant, the bakery, the fruit and vegetable cannery, and VAT Confectionery factory. These enterprises account for 60% of the region's gross output. In the first nine months, these enterprises produced goods worth Hr 12.55mn. Food-processing output was up 7.3% compared to the same period of 1999. The most substantial growth was seen at fruit and vegetable cannery – 38.8%, and the bakery – 24.4%. This growth was achieved due to Hr 150,000 in state investment and restructuring of these enterprises' debts to the budget – Hr 250,000 and Hr 80,000 respectively. In the first nine months, the raion's food processing-enterprises produced:

product	output, t	growth, %
butter	279	37.3
high-fat cheese	461.9	20.7
whole milk products	126.6	64.2
sugar	388,872.0	12.2
meat products	26.5	34.8
non-alcoholic beverages	9,500.0 bottles	2.4
confectionery	66.6	5.7

Analysis of production indicators shows that Volochysk rayon enterprises are working at only 20%-40% of capacity. In 1985, for example, enterprises of the region produced about 99,590 t of sugar, 2,448 t of whole milk products, 1,148 t of high-fat content cheese. The decline in output over the last 15 years was in part due to the reduction in the purchasing power of the population, shrinking sales markets and raw material base. However, the management failures of enterprise directors under crisis conditions also played their part.

Industrial Growth

16 large and medium industrial enterprises are registered in Volochysk rayon, 15 of which are collectively-owned and one is state-owned. The net output of industrial enterprises during the first nine months of 2000 was Hr 26.11mn. Production of consumer goods was Hr 18.80mn, up by 14.6% on the corresponding period of 1999; food products – Hr 12.54mn; non-food products – Hr 62.53mn, up 22.1% on 1999. In the first nine months, production growth was observed at nine enterprises and was 9%. Among the enterprises that recorded growth are VAT Meteor, VAT Keramik, VAT Nominal, where growth was 30%.

During the first nine months,

industrial enterprises sold products worth Hr 13.52mn, Hr 8.1mn, or 60.1%, of which went for barter. The share of barter was down by 10.7 percentage points compared to the same period of 1999. The plants with the biggest share of barter in their operations are Meteor, where it is 92.6%, and Keramik. The share of barter exceeds the average level for the raion at ten enterprises. These enterprises made a loss of Hr 3.75mn in the first nine months. Only ten enterprises made a profit. The total profit was Hr 163,000. The net losses of the raion's enterprises were Hr 3.91mn.

Among the most profitable enterprises are the food and vegetable cannery, bakery, Meteor and Budivelnik. The net profit is Hr 89,000.

As of Oct. 1, 2000, enterprises' payables were Hr 34.94mn, an increase of Hr 1.76mn. Receivables were Hr 86.69mn, an increase of Hr 86.69mn.

Receivables are 2.5 times higher than payables. The enterprises with the highest payables are Teplovyk – Hr 5.76mn, Volochyskiy sugar refinery – Hr 22.99mn, Bubnivske – Hr 18.88mn.

Social Sphere

The average monthly wage this year is Hr 181. The average wage in industry is Hr 230, or 12% more than in 1999; in construction – Hr 69, or 8% less; transport – Hr 114. The wage fund of raion industrial enterprises was Hr 7.79mn. The average wage of education and health sector was Hr 117 and Hr 118.

The total wage debt as of Oct. 1 was Hr 7.84mn. At industrial enterprises it was Hr 922,90; at construction enterprises – Hr 79,500, 10.6% lower than at the same time in 1999; in education – Hr 213,300, 46.3% lower.

Unemployment is on the increase. As of Oct. 1, 795 unemployed persons were registered at the employment center – 10% more than twelve months earlier. Meanwhile, the total number of job vacancies was just 46. So, there are 17 job-seekers for every one job vacancy.

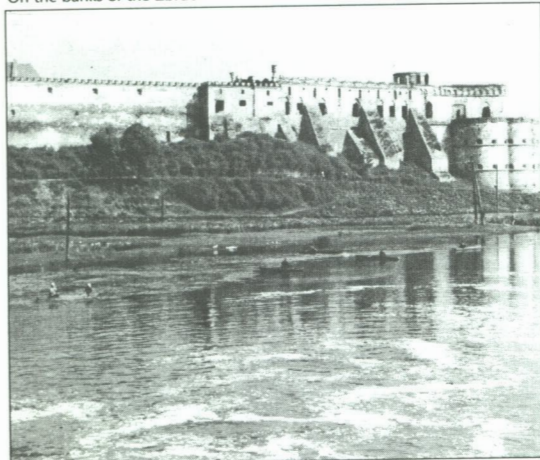
There are positive tendencies on the consumer market. Retail trade turnover in the raion in the first nine months was Hr 8.19mn, up 37.8% on the same period of 1999. The average monthly turnover per capita is Hr 14.

During the first nine months, the value of paid services provided was Hr 347,300, including: domestic services – for Hr 320,400; communal services – for Hr 14,800; housing services – for Hr 3,600. •

–Y. Bridum, O. Fedotov

On the banks of the Zbruch

Photo: V. Falin



Net harvest, Volochysk raion

crop	area harvested, ha	gross harvest, centner	yield, centner/ha	
			2000	2001
grains	33889	890,946	25.0	23.6
sugar beet	7176	859,633	222.4	200.0
potato	3832	597,598	46.2	44.0
vegetables	753	70,364	45.1	26.0