

GENERAL INFORMATION

Building materials industry is based on the local raw materials; therefore industry development depends on mining industry and building trends in the region. One of the biggest cement producers in Ukraine is located in Rivne region. Moreover, leading manufacturers of glass and glass products (mainly for food industry) are also situated in the region.

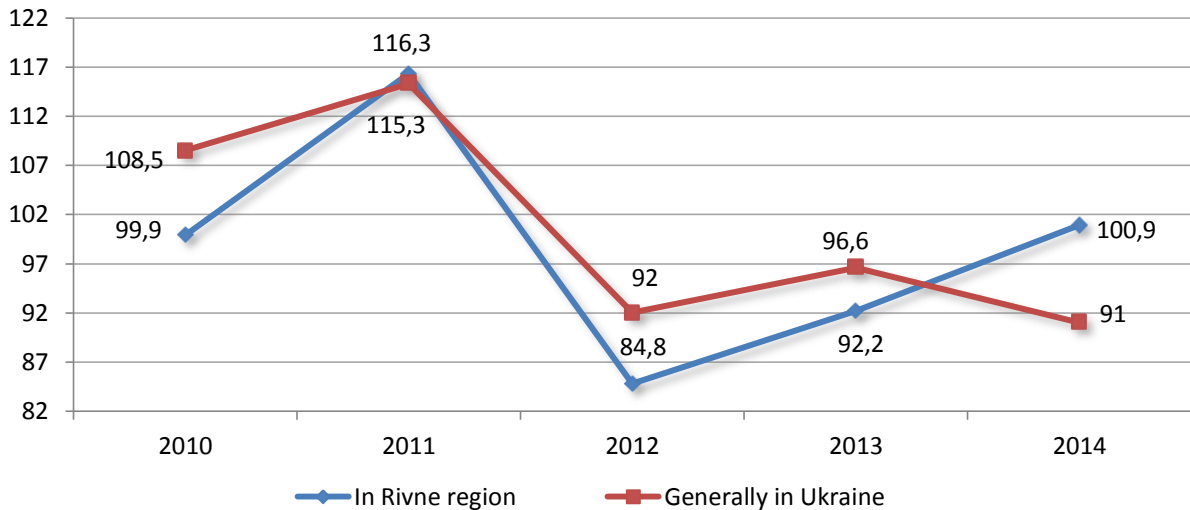
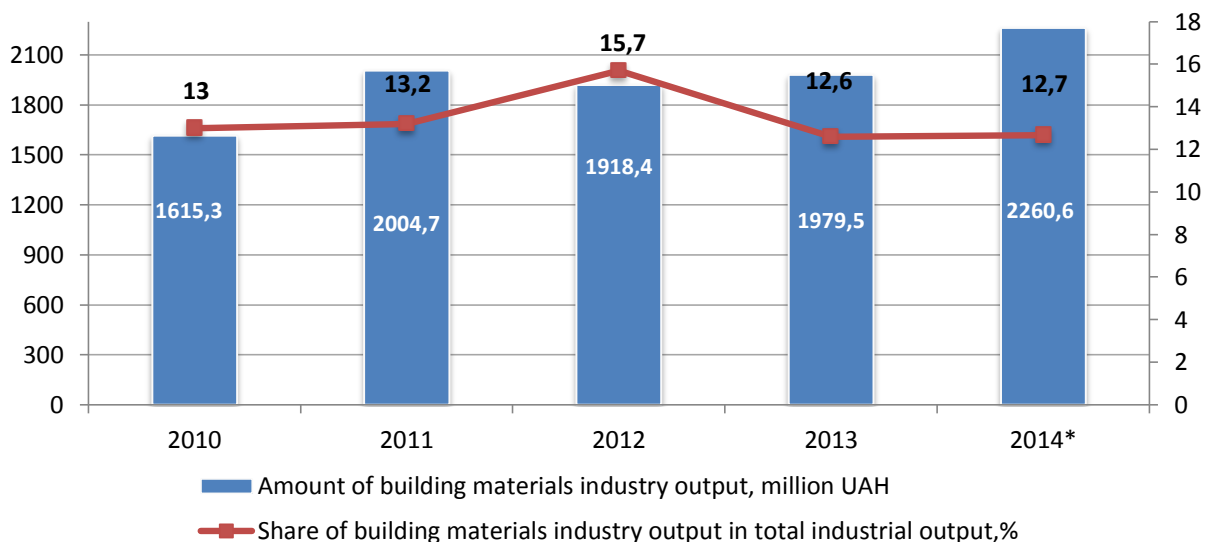


Figure 1. Index of building materials production in Rivne region and overall in Ukraine, 2010-2014, %

In 2011, building materials production demonstrated increase by 16.3% in Rivne region, however, in 2012 there was considerable decline both in the region (by 15.2%) and overall in Ukraine (by 8%) (Fig. 1). As of year-end 2014, production of building materials decreased by 9% generally in Ukraine, though in Rivne region there was 0.9% growth.

In 2010-2014 dynamics of building materials output was diverse (Fig. 2).



*preliminary data

Figure 2. Building materials industry output in total industrial output in 2010-2014

The rate reached its peak in 2014 and made up almost 2.26 UAH million, that is 14.2% more than in 2013. At the same time the biggest share of building materials industry in total industrial output accounted for 15.7% in 2012.

Glass and glass products, bricks and building products of cement are the main building materials produced in Rivne region (Table 1).

Table 1
Production of some building materials, 2010-2014

| Building materials | Years | | | | |
|--|-------|------|------|------|-------|
| | 2010 | 2011 | 2012 | 2013 | 2014* |
| Non-refractory ceramic building bricks, mln. pcs conventional bricks | 27,3 | 28,3 | 28,1 | 30 | 26,6 |
| Blocks and bricks of cement, artificial stone or concrete meant for building, mln. pcs conventional bricks | 4,8 | 6,4 | 4,9 | 3,1 | 0,7 |
| Lime, thsd.t. | 42,2 | 26,7 | 16 | 8,8 | - |
| Blocks, slabs and similar products of cement, concrete of artificial stone, thsd. m2 | 62,7 | 91,2 | 87 | 86,6 | - |

* preliminary data

Preliminary figures as of 2014 year-end indicate 11.3% decline in building bricks production and 77.4% decline in production of blocks and bricks of cement and concrete. In 2010-2014, building materials production was varying significantly due to changes in amount of building materials (building) for the period (Table 2).

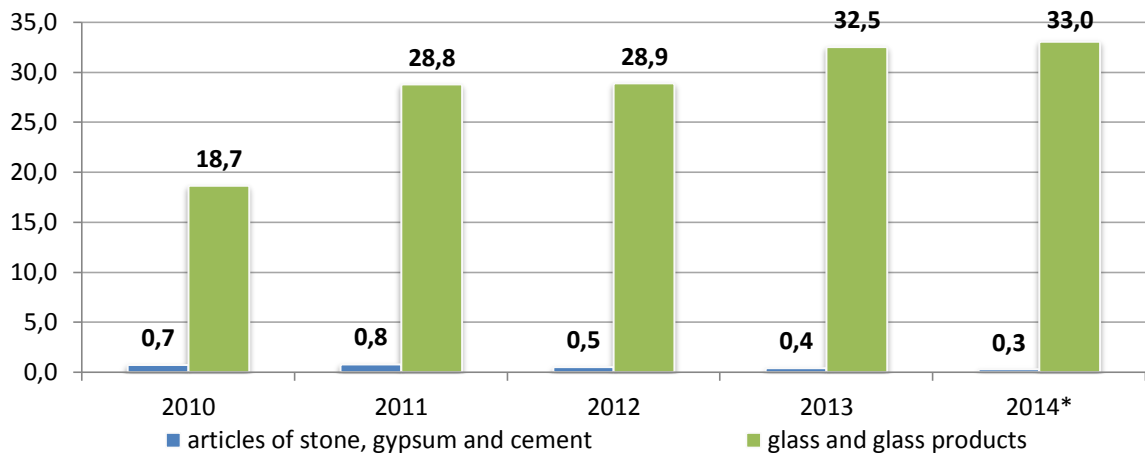
Table 2
Indices of construction output by type, 2011-2014

| Index name | Years | | | |
|----------------------|-------|-------|-------|-------|
| | 2011 | 2012 | 2013 | 2014 |
| Generally in Ukraine | 118,6 | 91,7 | 88,9 | 78,3 |
| In Rivne region | 77,7 | 143,8 | 77,9 | 104,7 |
| Buildings, incl. | 118,3 | 91,6 | 103,8 | 75,1 |
| residential | 100,7 | 118 | 102,4 | 64,3 |
| non-residential | 123,6 | 85,1 | 104,3 | 78,8 |
| Civil engineering's | 67,5 | 166,9 | 71,5 | 114,9 |

In 2011-2014, indices of construction output were fluctuating significantly in Rivne region. We may observe 43.8% growth in 2012 after 22.3% decrease in 2011. The same situation was in 2013-2014 – 22.1% drop in 2013 and 4.7% increase in 2014. Such results were caused mainly by the dynamics in the civil engineering construction.

PRODUCT EXPORT AND IMPORT

In January –November 2014, share of stone, gypsum, cement, ceramic and glass products export in Rivne region total product export was approximately 8.2%. As compared to January – November 2013, export increased by 17.8% (Fig.3).

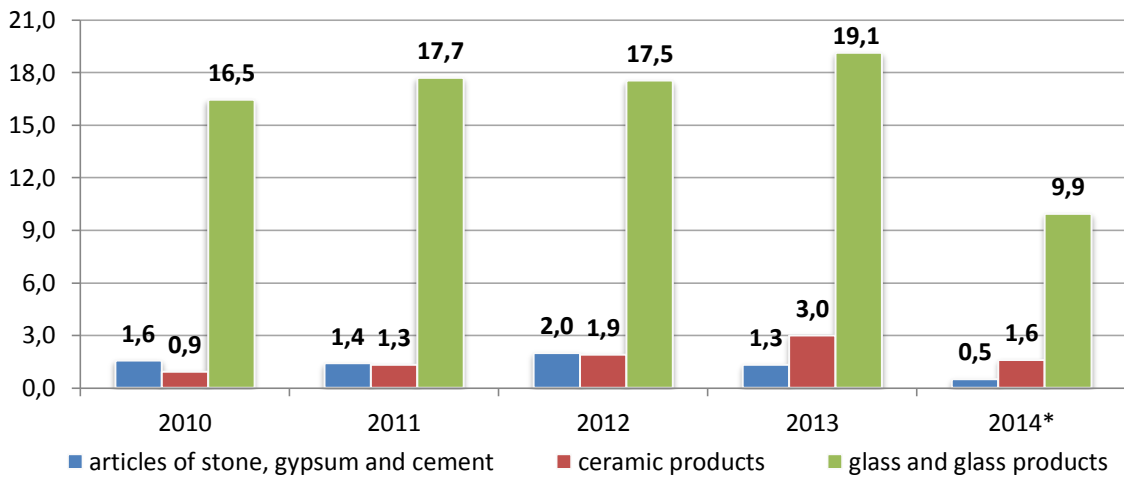


*January – November

Figure 3. Export dynamics of stone, gypsum, cement, ceramic and glass products of Rivne region, 2010-2014, US \$ million

For January – November 2014, glass and glass products was the main export article and amounted to 33 US \$ million (91.8% of total stone, gypsum, cement, ceramic and glass products export).

Share of stone, gypsum, cement, ceramic and glass products in total product import of Rivne region was approximately 5.2%.



*January - November

Figure 4. Import dynamics of stone products, gypsum, cement, ceramic and glass products of Rivne region, 2010-2014, US \$ million

For January – November 2014, glass and glass products were the main import articles and totaled 9.9 US \$ million (74% of industry import).

ENTERPRISES OF BUILDING MATERIALS INDUSTRY

The biggest enterprises of building materials industry in Rivne region: «Volyn-Cement» Public JSC, «Kostopil factory of glass products» Private JSC, «Konsumers-Sklo-Zoria» Private JSC, «Rokytné Glass Factory» Private JSC, «Rivne Plant of heavy-duty concrete structures» Public JSC, «Zdolbuniv plant of building materials materials» LLC, «Rivne DBK» ALC, «Dubno Building Materials» Private JSC, «Skloresurs» LLC and «Universal - Building Materials» LLC are the biggest enterprises of building materials industry in Rivne region.