

UA EITI

Extractive Industries Transparency Initiative

Ukraine EITI Report

The abbreviated version

Ukraine EITI Report

The abbreviated version
Original in Ukrainian

This report is abbreviated version
of National EITI Report of Ukraine 2020
and intended solely for presentation purpose.
For detailed information use
National EITI Report of Ukraine 2020.

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI): SUMMARY AND HISTORY OF ITS DEVELOPMENT IN UKRAINE

Extractive Industries Transparency Initiative (EITI) —

is a global Standard that has the main purpose of promoting the transparency of revenues of a state from natural resources. The countries implementing the EITI Standard should disclose the information on tax and other payments received by the state from natural resources extractive companies, the procedures for granting permits (licenses) for the use of natural resources and other information related to the use of natural resources.

The governance and control over the EITI implementation in a given country are executed by a Multi-Stakeholder Group (MSG), which includes the representatives of the government, business and civil society. Ukraine also has the EITI National Secretariat, which provides administrative support and coordinates the activities of the EITI implementation in Ukraine.

More information on EITI in Ukraine can be found on websites: www.eiti.org.ua www.eiti.gov.ua

FINANCIAL SUPPORT OF EITI IN UKRAINE

International Renaissance Fundatione



German Government through the "Good Financial Governance" Project implemented by the federal enterprise Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



Implemented by: **giz** Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

United States Agency for International Development (USAID) in Ukraine



THE DEVELOPMENT OF EITI IN UKRAINE

December 2021	Parliament passed the Law of Ukraine No. 1974-IX "On Amendments to Certain Legislative Acts of Ukraine on Ensuring Transparency in Extractive Industries" which provided the disclosure information on concluded contracts (agreements) on subsoil use
February 2021	Launch of the Electronic Reporting and Analysis System (EITI)
January 2021	Publication of Ukraine's fifth national EITI Report
December 2020	Publication of Ukraine's sixth national EITI Report
23 September 2020	Approval by the Cabinet of Ministers of Ukraine of Resolution No 858 of 23.09.2020 "Issues of Ensuring Transparency in Extractive Industries" which approved the EITI reporting forms
June 2020	The second validation of Ukraine by the EITI International Secretariat
May 2020	Publication of Ukraine's fourth national EITI Report
September 2018	Parliament passed the Law of Ukraine No. 2545-VIII "On providing transparency in the extractive industries"
May 2018	Publication of Ukraine's third national EITI Report
July 2017	The first validation of Ukraine by the EITI International Secretariat
February 2017	Publication of Ukraine's second national EITI Report, which covered two calendar years and additional extractive industries
December 2016	Parliament passed the Law of Ukraine No. 1793-VIII «On Amendments to the Budget Code of Ukraine regarding Assignment of the Rental Fee for the Use of Minerals for development of Oil, Natural Gas, and Gas Condensate»: 5% of revenues from royalties for the use of minerals for the extraction of hydrocarbons will be allocated to the local budgets starting from 1 January 2018
December 2015	Publication of Ukraine's first national EITI Report
16 June 2015	Parliament passed the Law of Ukraine No. 521-VIII "On Amendments to Certain Legislative Acts of Ukraine on Ensuring the Transparency in the Extractive Industries"
17 October 2013	Ukraine was accepted as an EITI Candidate Country
10 October 2012	The EITI Multi-Stakeholder Group in Ukraine was created, which includes representatives of the government, business and civil society, on an equal basis
30 September 2009	Ukraine committed to implement the EITI, having approved the Resolution No. 1098 of the Cabinet of Ministers of Ukraine "On Ukraine's Accession to the Extractive Industries Transparency Initiative"

The scope of EITI Report of Ukraine 2020

- coal mining
- oil extraction
- natural gas extraction
- iron ores mining
- titanium ores mining
- manganese ores mining
- fire clays mining
- high-melting clays mining
- quartz sand mining (for glass production)
- building stones mining
- oil and natural gas transmission

In accordance with the MSG decision, the scope of the EITI Report for 2020 covered 54 extractive companies, which paid more than 99% of tax revenues from the extractive industries for the benefit of the state. Also, according to the MSG decision, no reconciliation of payments were made for companies operating in the four mining industries, such as mining of fire clays, high-melting clays, quartz sand and building stones.

BRIEF OVERVIEW OF UKRAINE'S EXTRACTIVE INDUSTRIES

According to Geoinform of Ukraine SRPE, as of the end of 2020, more than 20 thousand ore deposits and manifestations containing 117 types of minerals have been identified in Ukraine territory, of which approximately half are of commercial value and are registered in the State Registry of Mineral Reserves.

CLAYS AND SAND

QUARTZ SAND



FIRE CLAYS



HIGH-MELTING CLAYS



FOSSIL FUELS



METAL ORES



COAL



OIL AND GAS REGIONS

- 1 East oil and gas region
- 2 West oil and gas region
- 3 South oil and gas region

IRON ORES BASINS

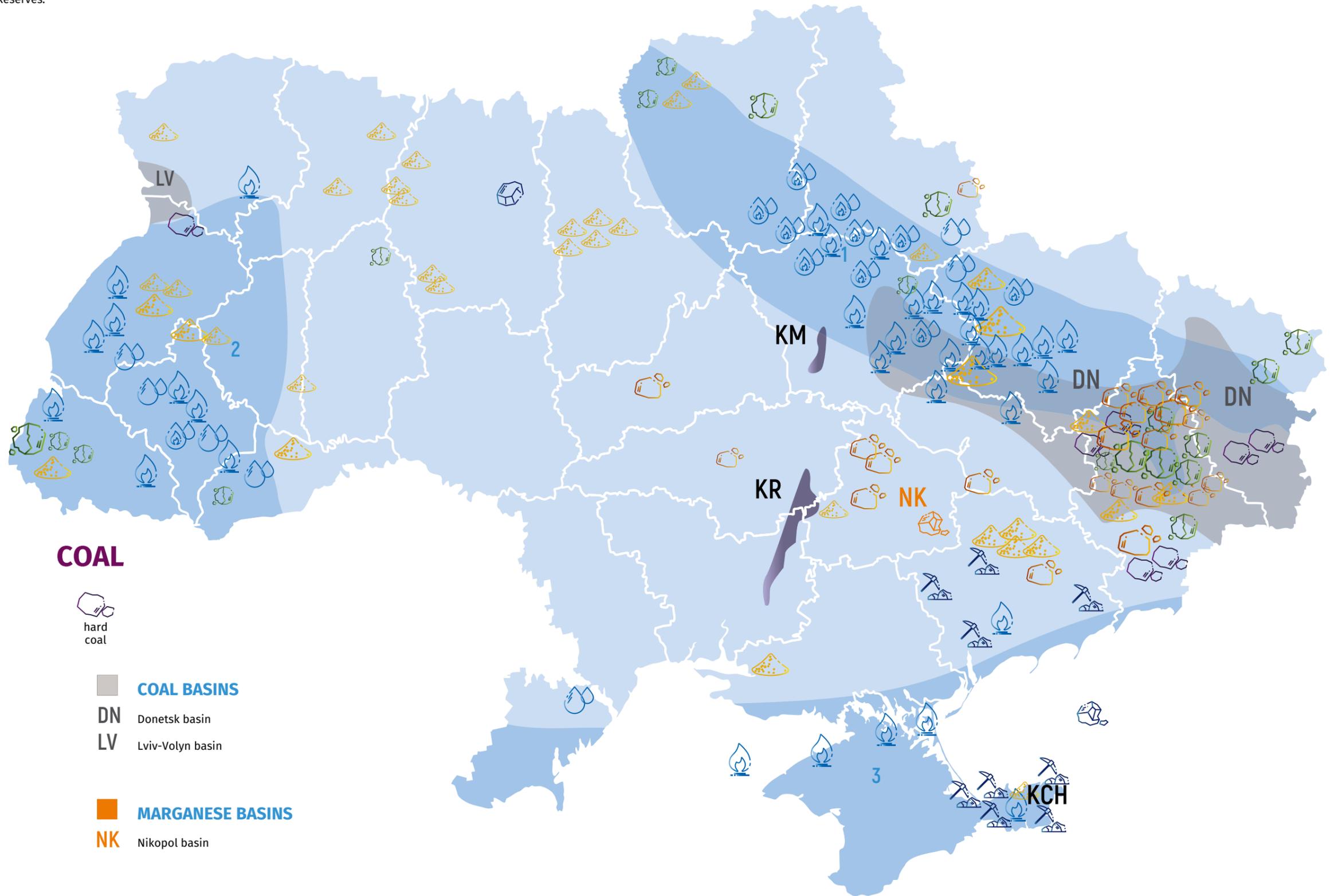
- KM MARGANESE BASINS
- KR Kryvyi Rih basin
- KCH Kerchensky basin

COAL BASINS

- DN Donetsk basin
- LV Lviv-Volyn basin

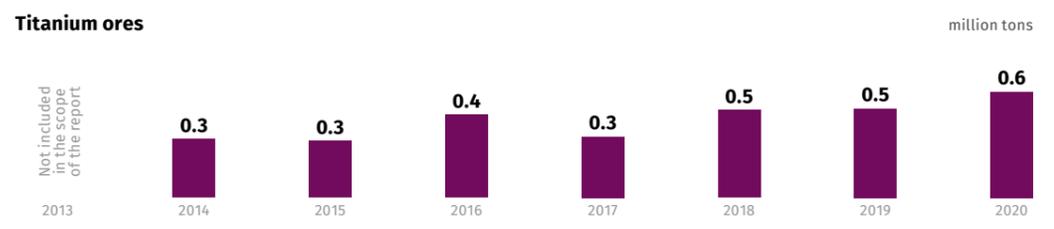
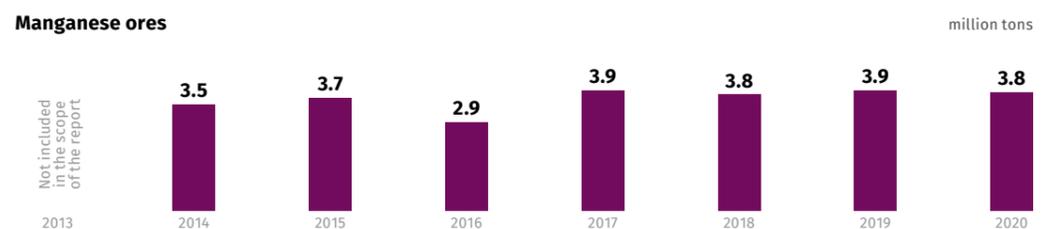
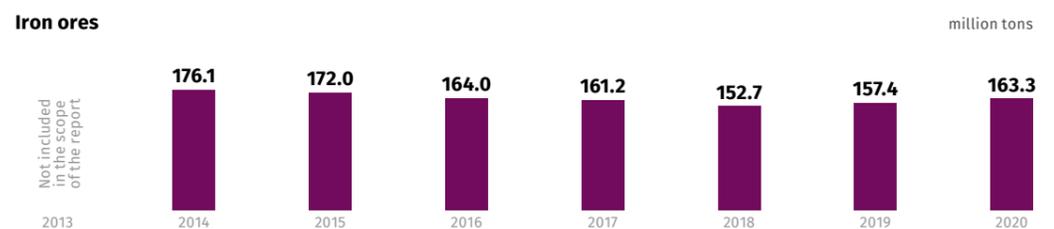
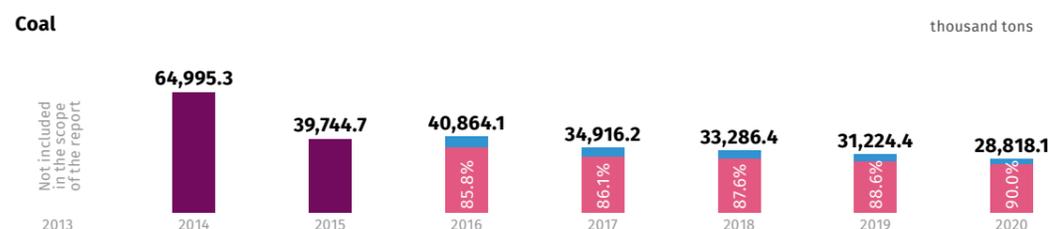
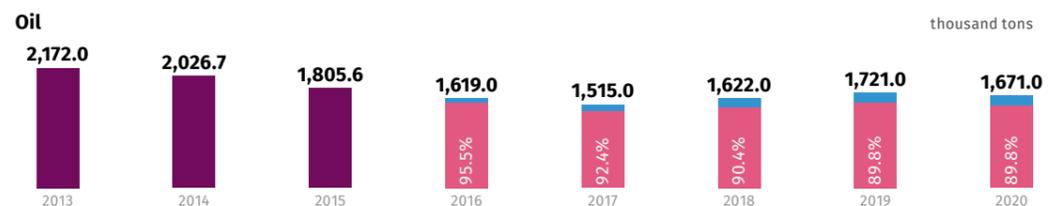
MARGANESE BASINS

- NK Nikopol basin



Volumes of mineral resources extraction in 2013-2020¹

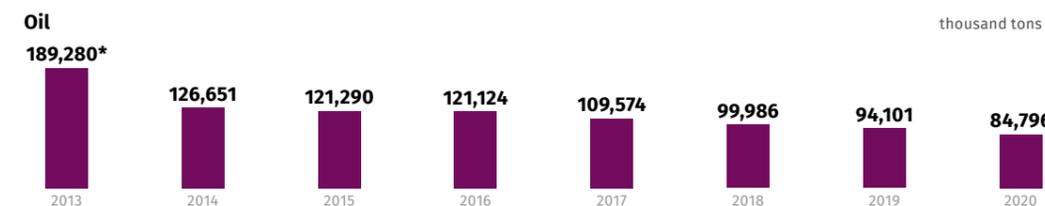
■ Total in Ukraine ■ State-owned enterprise ■ Private companies



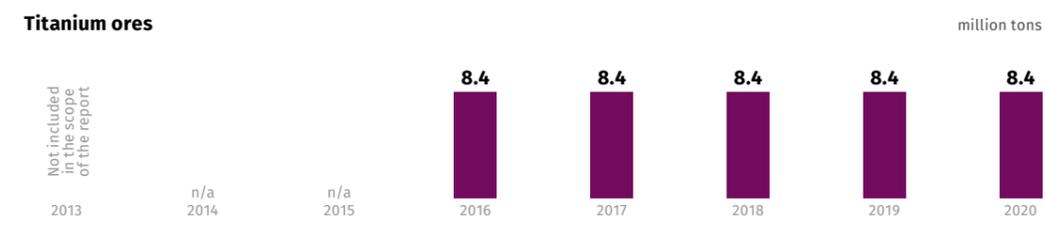
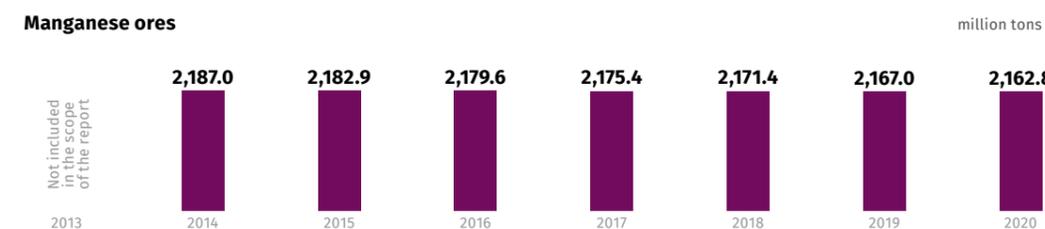
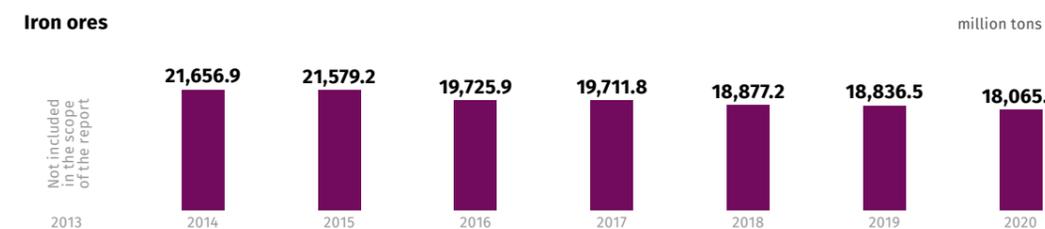
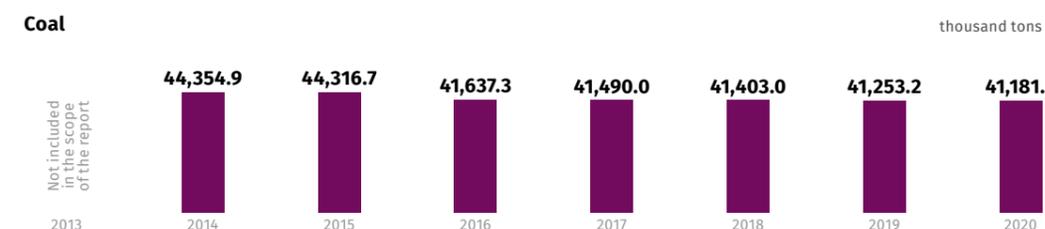
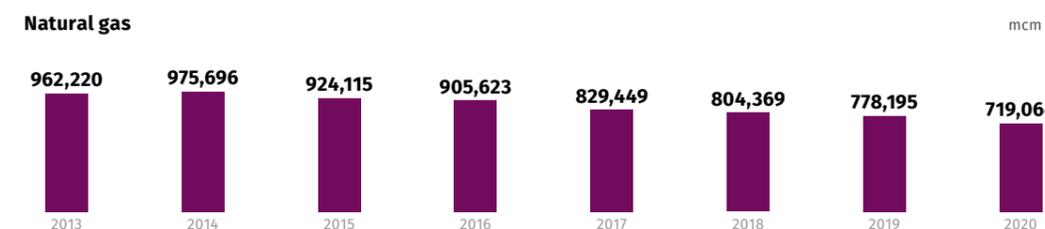
Volumes of titanium concentrate production (ilmenite, rutile)

¹ According to Derzhgeonadra (Geoinform of Ukraine), the Ministry of Economy, the US Geological Survey (for titanium ore)

Volumes of balance reserves of mineral resources as of the end of the year, 2013-2020²



* Amount for 2013 includes crude oil and gas condensate reserves



Titanium ores reserves (ilmenite, rutile)

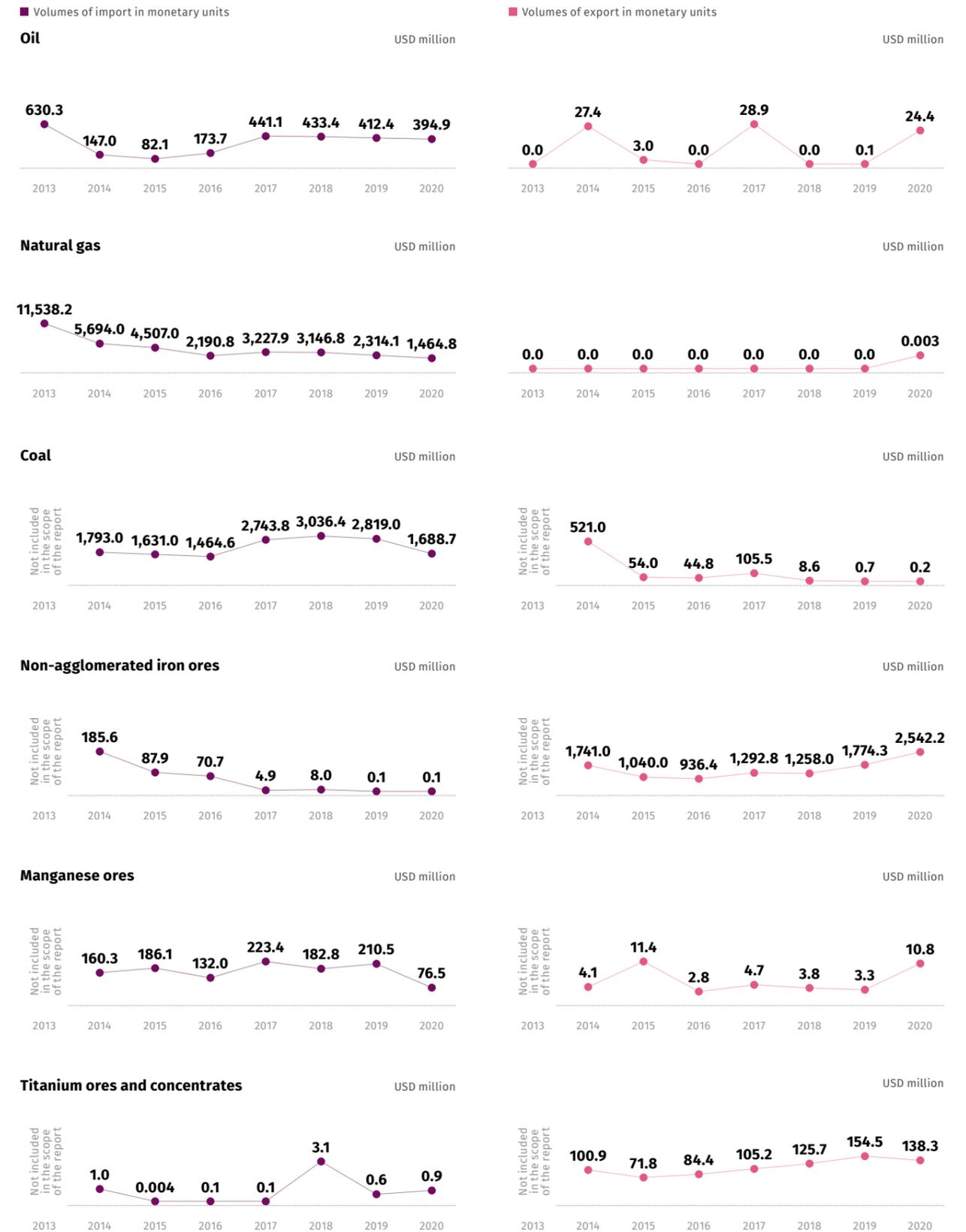
² According to Derzhgeonadra (Geoinform of Ukraine), the Ministry of Economy, the US Geological Survey (for titanium ore)

Volumes of mineral resources import and export in physical units in 2013-2020³



³ According to State Statistics Service

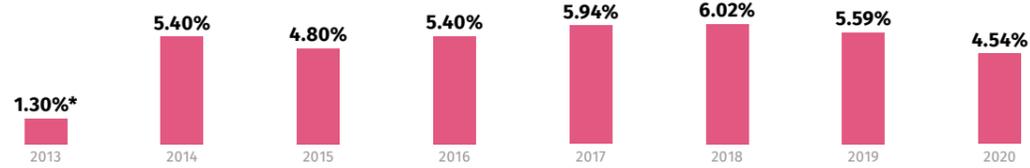
Volumes of mineral resources import and export in monetary units in 2013-2020⁴



⁴ According to State Statistics Service

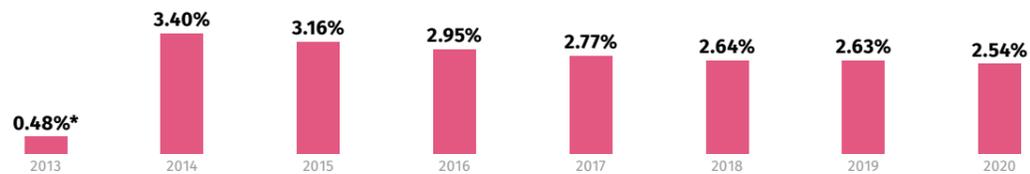
The contribution of extractive industries to the Ukrainian economy in 2013-2020⁵

The share of extractive industries in Ukrainian GDP



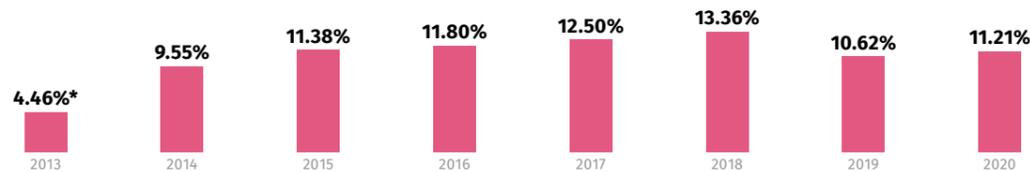
* The share for 2013 is calculated only for the oil and natural gas extraction industry (excluding oil and natural gas transportation); shares for 2014-2020 are calculated for the sectors of the section B «Mining and quarrying» of NACE-2010

The share of employees of the extractive industry in the average number of full-time employees in Ukraine



* The share for 2013 is calculated only for the oil and natural gas extraction industry (excluding oil and natural gas transportation); shares for 2014-2020 are calculated for the sectors of the section B «Mining and quarrying» of NACE-2010

The share of payments from extractive companies in favour of the state

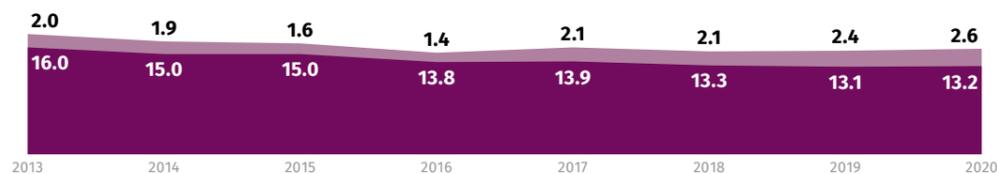


*The share for 2013 is calculated only for the oil and natural gas extraction industry (incl. oil and natural gas transportation); shares for 2014-2020 are calculated for the industries of oil and natural gas extraction (incl. oil and natural gas transportation), coal and metal ores mining (iron, titanium and manganese ores)

Volumes of natural gas and oil transmission and transit in 2013-2020⁶

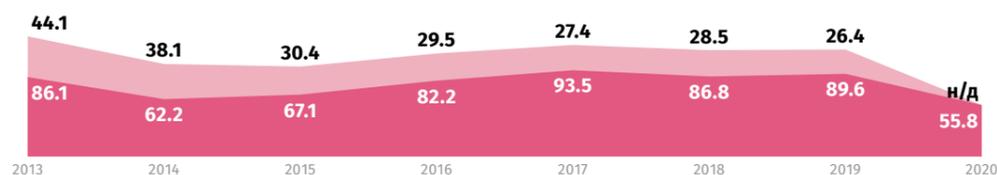
Oil

■ Volumes of oil transmission, million tons ■ Volumes of oil transit, million tons



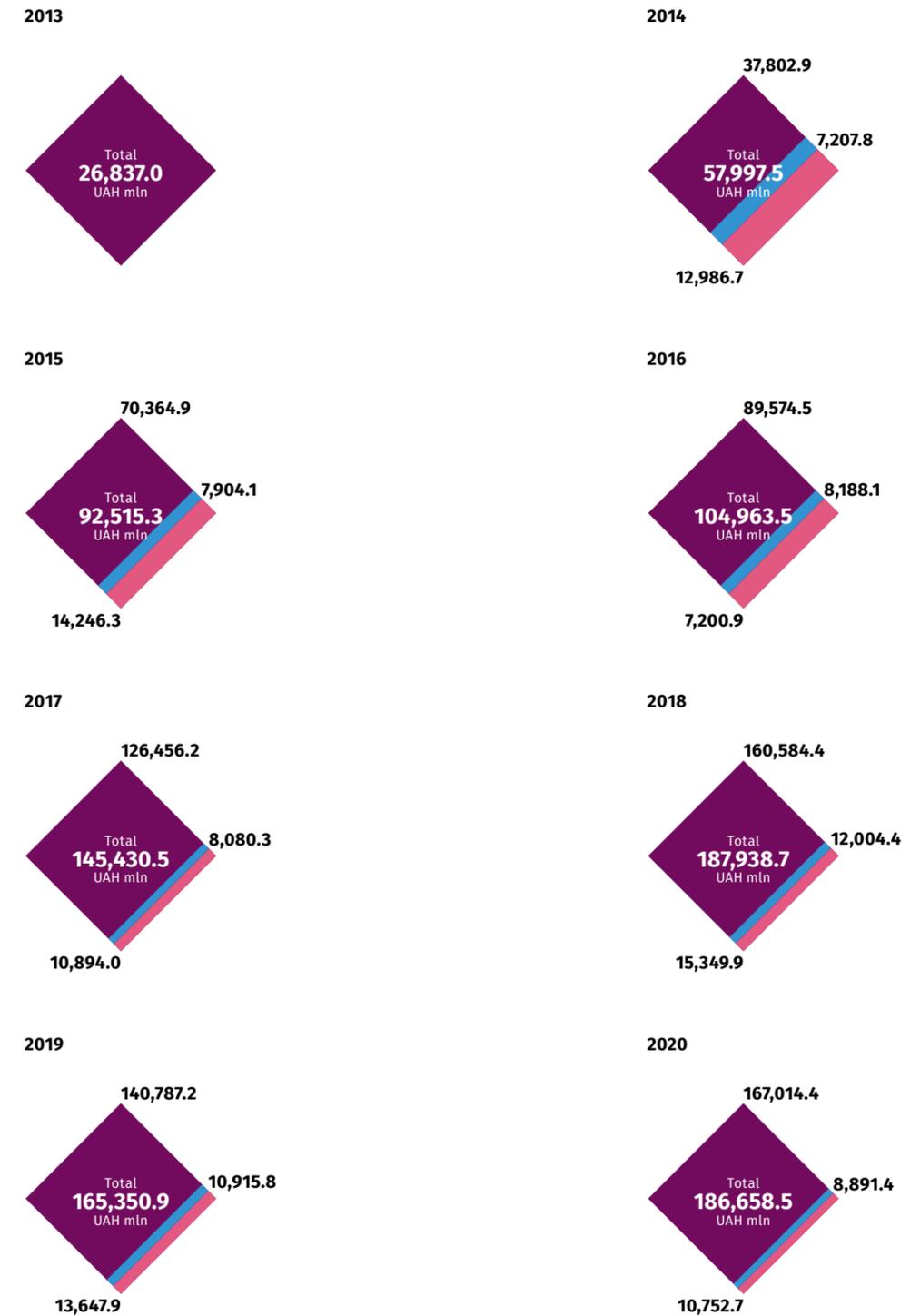
Natural gas

■ Volumes of natural gas transmission, bcm ■ Volumes of natural gas transit, bcm



Revenues in favour of the state from reporting extractive industries, 2013-2020⁷

■ Oil and natural gas, including transportation ■ Coal ■ Metal ores



⁵ According to State Customs Service of Ukraine and State Tax Service of Ukraine (previously – State Fiscal Service of Ukraine), State Treasury Service of Ukraine, State Statistics Service of Ukraine

⁶ According to information of operator of the gas transmission system of Ukraine (from 2020 – Gas Transmission System Operator of Ukraine LLC, previously – Ukrtransgaz JSC) and operator of main oil pipelines system – Ukrtransnafta JSC, and Naftogaz of Ukraine NJSC

⁷ According to State Customs Service of Ukraine and State Tax Service of Ukraine (previously - State Fiscal Service of Ukraine), Ministry of Economy, Derzhzheonadra

COAL

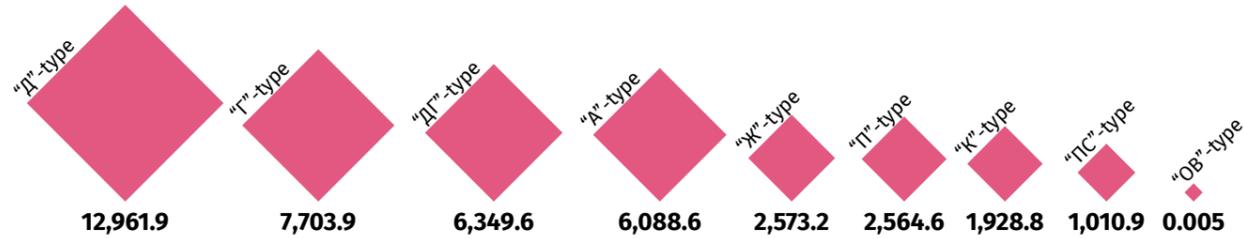


1,429 YEARS⁸

Reserves for extraction

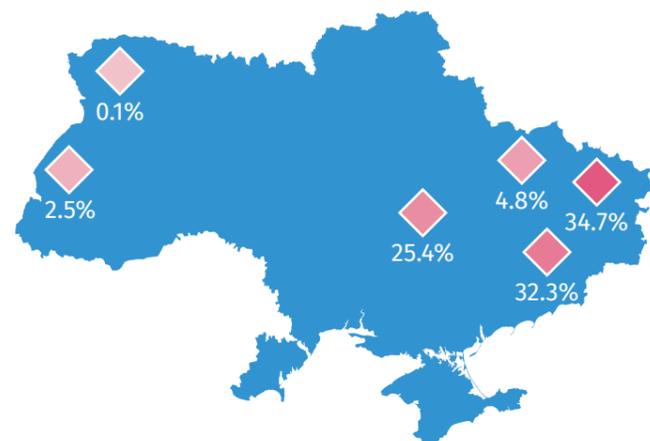
Balance reserves of coal in Ukraine

by types as of 01.01.2021, mln tonnes⁹



Balance reserves of coal

by the regions of Ukraine as of 01.01.2021, mln tonnes¹⁰



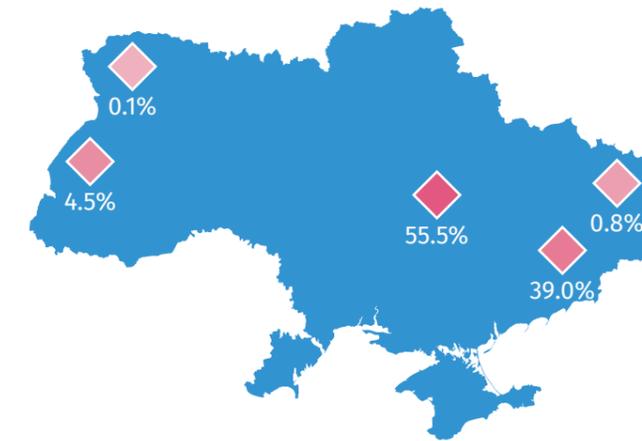
Region	Value (mln tonnes)	Share (%)
Lugansk region	14,308.8	(34.7%)
Donetsk region	13,312.4	(32.3%)
Dnipropetrovsk region	10,464.5	(25.4%)
Kharkiv region	1,987.1	(4.8%)
Lviv region	1,045.2	(2.5%)
Volyn region	67.4	(0.1%)

41,185.4

Overall balance reserves in Ukraine, mln tonnes

Volumes of coal mining

by the regions of Ukraine in 2020, thousand tonnes¹¹



Region	Volume (thousand tonnes)	Share of total volume (%)	Year-over-year growth (%)
Dnipropetrovsk region	16,000.9	55.5%	-12.1%
Donetsk region	11,249.7	39.0%	-0.1%
Lviv region	1,307.8	4.5%	-3.8%
Lugansk region	225.5	0.8%	-31.4%
Volyn region	34.2	0.1%	-51.0%

28,818.1

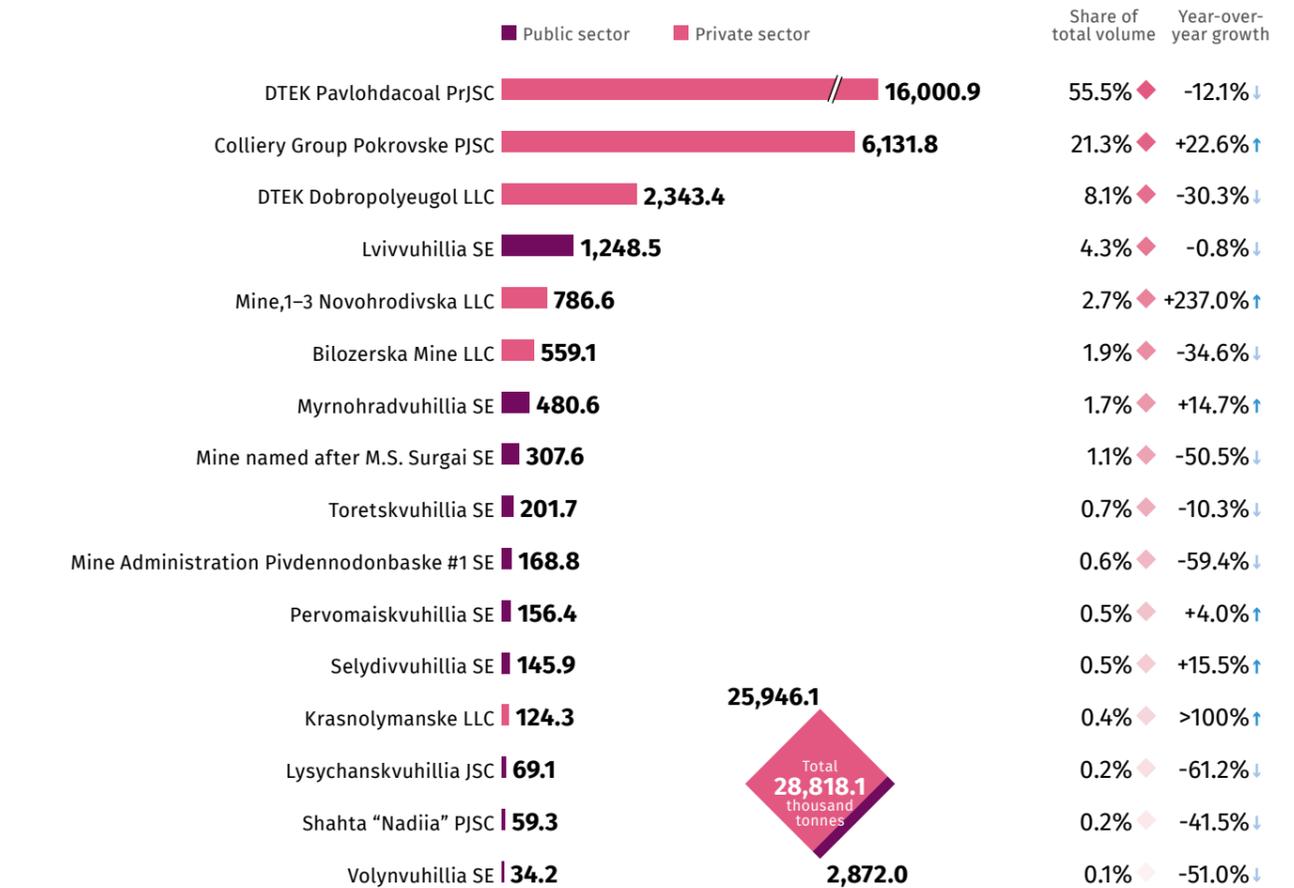
Volumes of coal mining in Ukraine, thousand tonnes

-7.7%

The overall growth compared to 2019

Volumes of coal mining in Ukraine

by companies in 2020, thousand tonnes¹²



⁸ Balance reserves of coal will cover extraction for 1,429 years, if the volumes of extraction are on the same level as in 2020

⁹ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Coal (issue 22), 2021

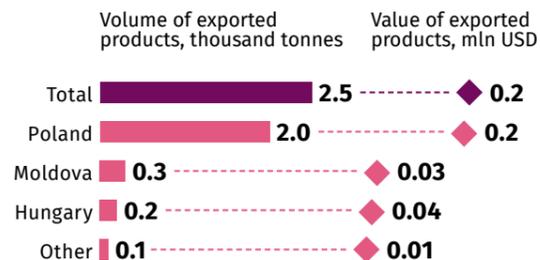
¹⁰ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Coal (issue 22), 2021

¹¹ Minenergo, Coal extraction in Ukraine in December 2020, http://mpe.kmu.gov.ua/minugol/control/uk/publish/article?art_id=245510811&cat_id=245183238

¹² Minenergo, Coal extraction in Ukraine in December 2020, http://mpe.kmu.gov.ua/minugol/control/uk/publish/article?art_id=245510811&cat_id=245183238

Export of coal

by countries in 2020¹³



Import of coal

by countries in 2020¹⁴

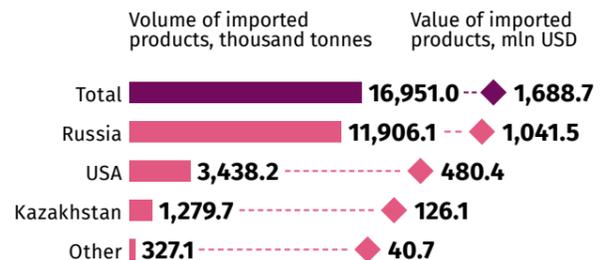


Photo: Envato Elements

NATURAL GAS

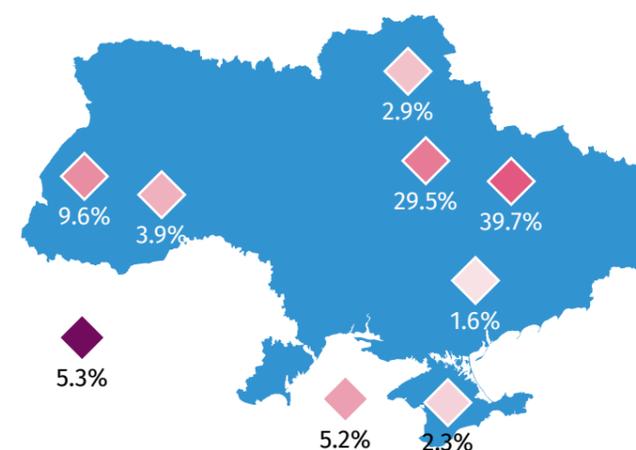


35 YEARS¹⁵

Reserves for extraction

Balance reserves of natural gas

by the regions of Ukraine as of 21.01.2020, mcm¹⁶



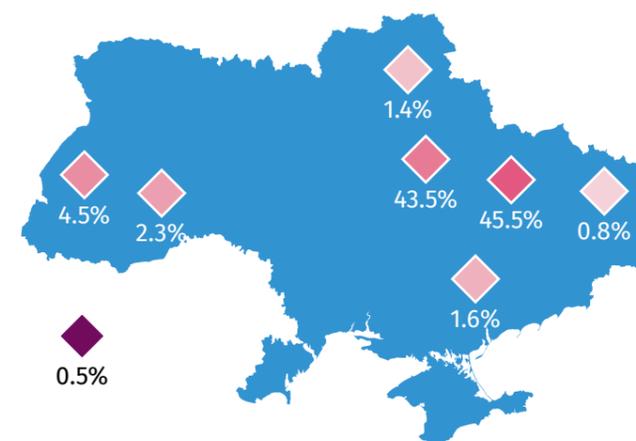
Kharkiv region	285,816	(39.7%)
Poltava region	212,119	(29.5%)
Lviv region	68,692	(9.6%)
Black Sea Shelf	37,506	(5.2%)
Ivano-Frankivsk region	28,117	(3.9%)
Sumy region	20,708	(2.9%)
Crimea	16,761	(2.3%)
Dnipropetrovsk region	11,203	(1.6%)
Other regions	38,142	(5.3%)

719,064

Overall balance reserves in Ukraine, mcm

Volumes of natural gas extraction

by the regions of Ukraine in 2020, mcm¹⁷



Region	Volume (mcm)	Share of total volume (%)	Year-over-year growth (%)
Kharkiv region	9,238	45.5%	-5.0%
Poltava region	8,829	43.5%	+1.4%
Lviv region	906	4.5%	+6.2%
Ivano-Frankivsk region	474	2.3%	+4.4%
Dnipropetrovsk region	322	1.6%	-16.8%
Sumy region	289	1.4%	-8.5%
Lugansk region	156	0.8%	-17.5%
Other regions	94	0.5%	0.0%

20,308

Volumes of natural gas extraction in Ukraine, mcm

-2.0%

The overall growth compared to 2019

¹³ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

¹⁴ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

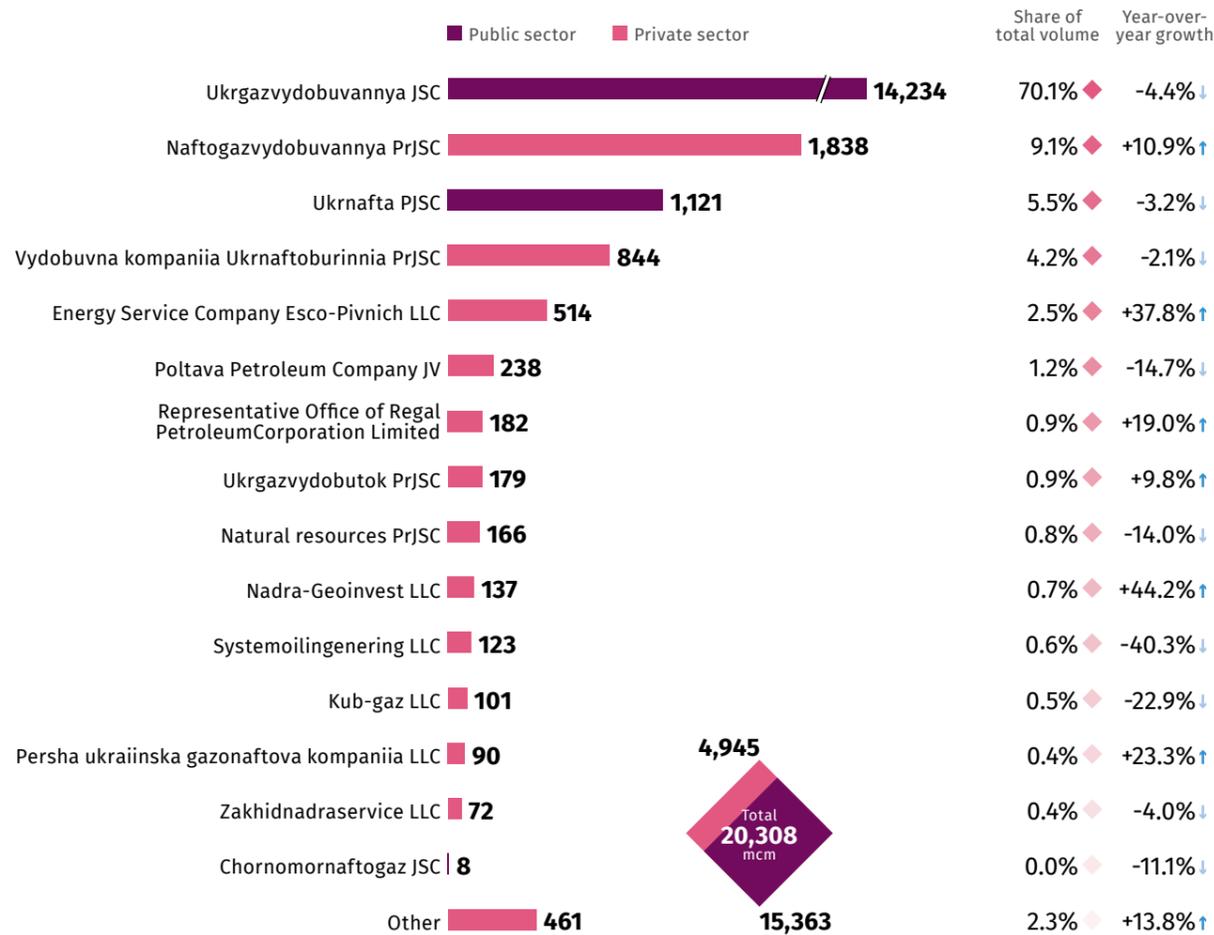
¹⁵ Balance reserves of natural gas will cover extraction for 35 years, if the volumes of extraction are on the same level as in 2020

¹⁶ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Natural Gas (issue 23), 2021

¹⁷ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Natural Gas (issue 23), 2021

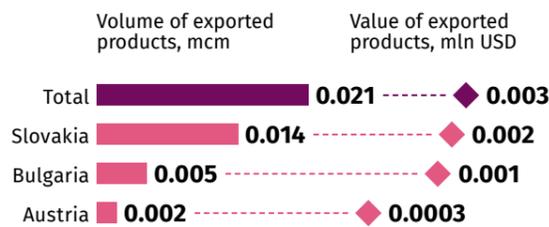
Volumes of natural gas extraction in Ukraine

by companies in 2020, mcm¹⁸



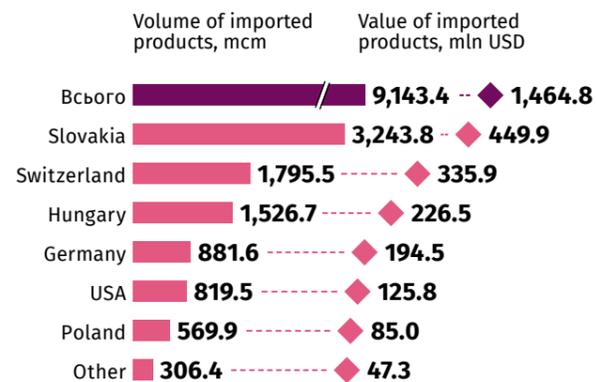
Export of natural gas

by countries in 2020¹⁹



Import of natural gas

by countries in 2020²⁰



OIL AND GAS CONDENSATE

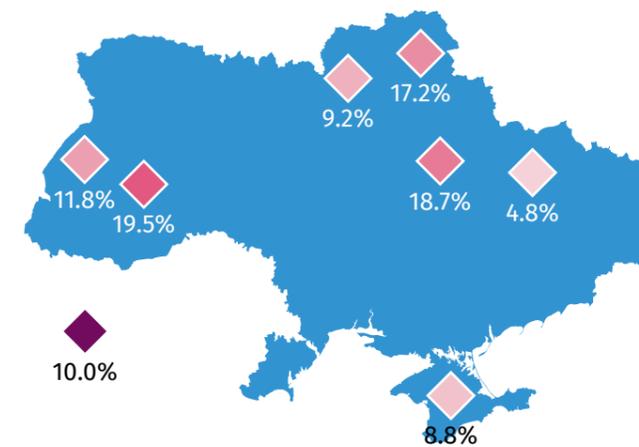


51 YEARS²¹

Reserves for extraction

Balance reserves of oil

by the regions of Ukraine as of 01.01.2020, thousand tonnes²²



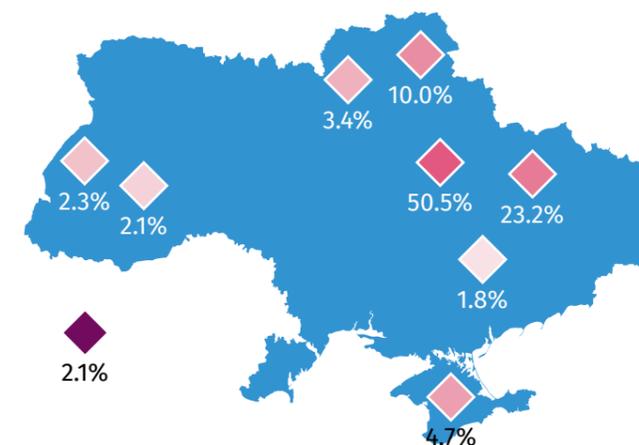
Ivano-Frankivsk region	16,542	(19.5%)
Poltava region	15,843	(18.7%)
Sumy region	14,622	(17.2%)
Lviv region	9,996	(11.8%)
Chernihiv region	7,821	(9.2%)
Crimea	7,464	(8.8%)
Kharkiv region	4,054	(4.8%)
Other regions	8,454	(10.0%)

84,796

Overall balance reserves in Ukraine, thousand tonnes

Balance reserves of gas condensate

by the regions of Ukraine as of 01.01.2020, thousand tonnes²³



Poltava region	15,936	(50.5%)
Kharkiv region	7,322	(23.2%)
Sumy region	3,146	(10.0%)
Crimea	1,476	(4.7%)
Chernihiv region	1,079	(3.4%)
Lviv region	721	(2.3%)
Ivano-Frankivsk region	666	(2.1%)
Dnipropetrovsk region	556	(1.8%)
Other regions	660	(2.1%)

31,562

Overall balance reserves in Ukraine, thousand tonnes

¹⁸ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Natural Gas (issue 23), 2021

¹⁹ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

²⁰ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

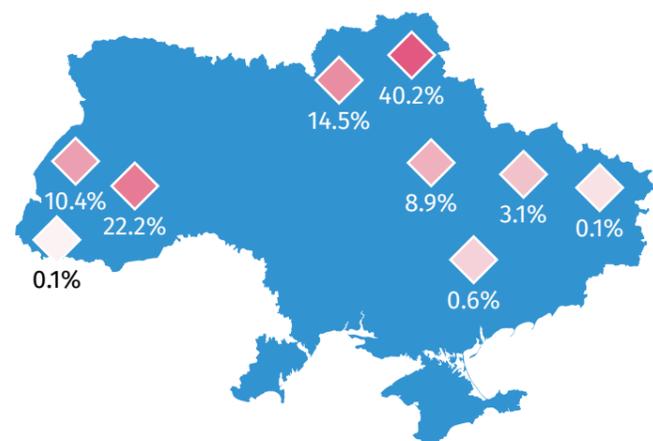
²¹ Balance reserves of oil will cover extraction for 51 years, if the volumes of extraction are on the same level as in 2020

²² The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Oil (issue 60), 2021

²³ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Gas Condensate (issue 47), 2021

Volumes of oil extraction

by the regions of Ukraine in 2020, thousand tonnes²⁴



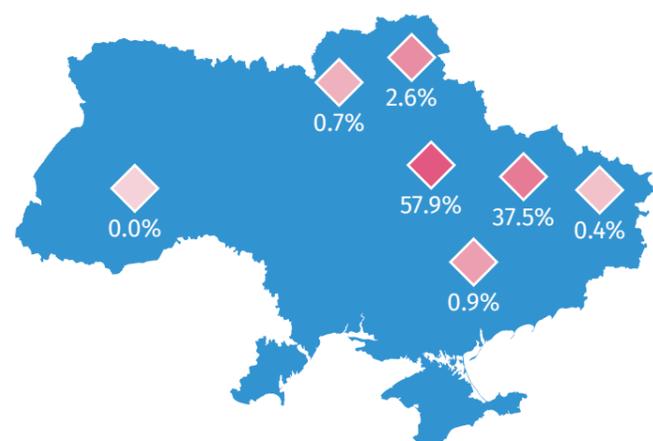
Region	Volume (thousand tonnes)	Share of total volume	Year-over-year growth
Sumy region	672	40.2%	-2.0% ↓
Ivano-Frankivsk region	371	22.2%	+0.8% ↑
Chernihiv region	243	14.5%	-7.6% ↓
Lviv region	174	10.4%	+2.4% ↑
Poltava region	148	8.9%	-9.8% ↓
Kharkiv region	51	3.1%	-12.1% ↓
Dnipropetrovsk region	10	0.6%	0.0%
Luhansk region	1	0.1%	0.0%
Chernivtsi region	1	0.1%	0.0%

1,671
Volumes of oil extraction in Ukraine, thousand tonnes

-2.9%
The overall growth compared to 2019

Volumes of gas condensate extraction

by the regions of Ukraine in 2020, thousand tonnes²⁵



Region	Volume (thousand tonnes)	Share of total volume	Year-over-year growth
Poltava region	439	57.9%	-2.2% ↓
Kharkiv region	284	37.5%	+6.8% ↑
Sumy region	20	2.6%	+17.6% ↑
Dnipropetrovsk region	7	0.9%	+16.7% ↑
Chernihiv region	5	0.7%	0.0%
Luhansk region	3	0.4%	0.0%
Ivano-Frankivsk region	0	0.0%	-100% ↓

758
Volumes of gas condensate extraction in Ukraine, thousand tonnes

+1.5%
The overall growth compared to 2019

Volumes of oil extraction in Ukraine

by companies in 2020, thousand tonnes²⁶

Company	Volume (thousand tonnes)	Share of total volume	Year-over-year growth
Ukrnafta PJSC	1,438	86.1%	-1.4% ↓
Ukrgezvydobuvannya JSC	63	3.8%	-26.7% ↓
JV Ukrkarpatoil LTD LLC	58	3.5%	+3.6% ↑
Poltava Petroleum Company JV	32	1.9%	0.0%
Kashtan Petroleum LTD JV	30	1.8%	-3.2% ↓
Boryslavska Petroleum Company LTD JV	15	0.9%	0.0%
Yusenko Nadra LLC	14	0.8%	0.0%
Vydobuvna kompaniia Ukrnaftoburinnia PrJSC	9	0.5%	-25.0% ↓
Energy Service Company Esco-Pivnich LLC	4	0.2%	-42.9% ↓
Ukrainska Burova Company LLC	4	0.2%	0.0%
Eastern geological union LLC	3	0.2%	0.0%
Nadra-Geoinvest LLC	1	0.1%	+100% ↑



Volumes of gas condensate extraction in Ukraine

by companies in 2020, thousand tonnes²⁷

Company	Volume (thousand tonnes)	Share of total volume	Year-over-year growth
Ukrgezvydobuvannya JSC	382	50.4%	-2.8% ↓
Energy Service Company Esco-Pivnich LLC	82	10.8%	+64.0% ↑
Vydobuvna kompaniia Ukrnaftoburinnia PrJSC	77	10.2%	-3.8% ↓
Naftogazvydobuvannya PrJSC	66	8.7%	+3.1% ↑
Ukrnafta PJSC	47	6.2%	-7.8% ↓
Representative Office of Regal Petroleum Corporation Limited	28	3.7%	+12.0% ↑
Natural resources PrJSC	25	3.3%	-28.6% ↓
Poltava Petroleum Company JV	13	1.7%	-18.8% ↓
Nadra-Geoinvest LLC	12	1.6%	+100% ↑
Ukrgezvydobutok PrJSC	5	0.7%	0.0%
Systemoilingenering LLC	4	0.5%	-60.0% ↓
Kub-gaz LLC	3	0.4%	0.0%
Other companies	14	1.8%	+55.6% ↑



Export of oil

by countries in 2020²⁸

Country	Volume of exported products, thousand tonnes	Value of exported products, mln USD
Total	80.0	24.4
Belarus	80.0	24.4

Import of oil

by countries in 2020²⁹

Country	Volume of imported products, thousand tonnes	Value of imported products, mln USD
Total	1,245.6	394.9
Azerbaijan	873.8	254.2
USA	290.1	98.6
Libya	81.3	42.0
Latvia	0.4	0.1

²⁴ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Oil (issue 60), 2021
²⁵ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Gas Condensate (issue 47), 2021

²⁶ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Oil (issue 60), 2021
²⁷ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Gas Condensate (issue 47), 2021
²⁸ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm
²⁹ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

IRON ORES

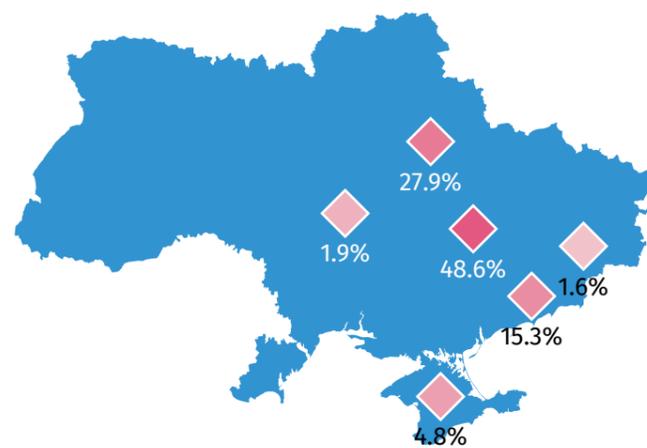


111 YEARS³⁰

Reserves for extraction

Balance reserves of iron ores

by the regions of Ukraine as of 01.01.2020, mln tonnes³¹



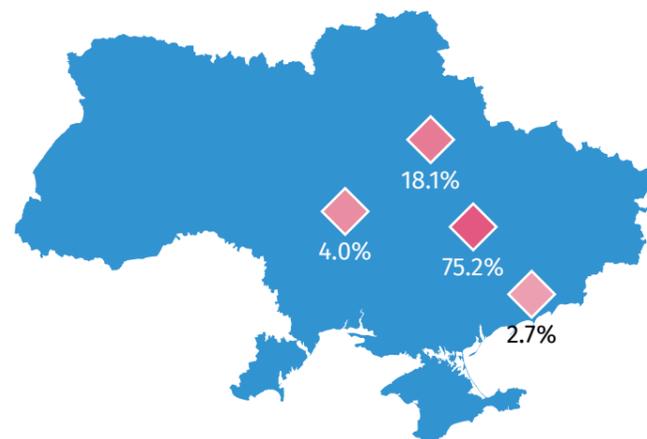
Dnipropetrovsk region	8,781.5	(48.6%)	◆
Poltava region	5,038.7	(27.9%)	◆
Zaporizhia region	2,755.1	(15.3%)	◆
Crimea	868.7	(4.8%)	◆
Kirovohrad region	337.5	(1.9%)	◆
Donetsk region	283.5	(1.6%)	◆

18,065.0

Overall balance reserves in Ukraine, mln tonnes

Volumes of iron ores mining

by the regions of Ukraine in 2020, mln tonnes³²



Region	Volume (mln tonnes)	Share of total volume	Year-over-year growth
Dnipropetrovsk region	122.9	75.2%	◆ +3.1% ↑
Poltava region	29.5	18.1%	◆ +5.9% ↑
Kirovohrad region	6.5	4.0%	◆ +8.2% ↑
Zaporizhia region	4.4	2.7%	◆ +0.2% ↑

163.3

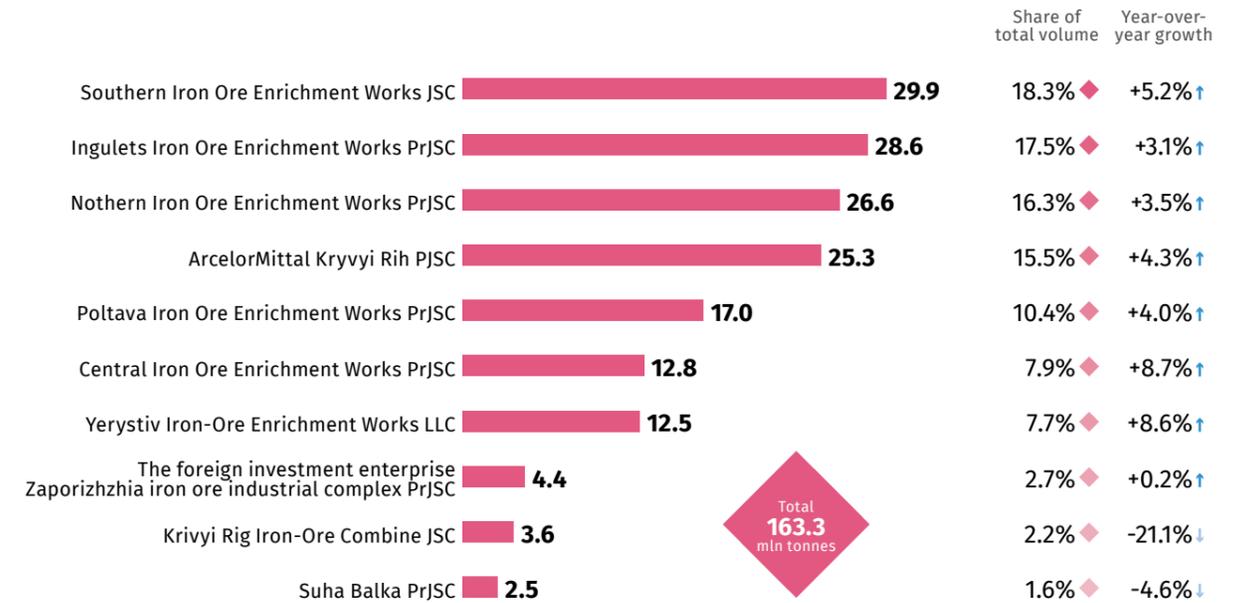
Volumes of iron ores mining in Ukraine, mln tonnes

+3.7%

The overall growth compared to 2019

Volumes of iron ores mining in Ukraine

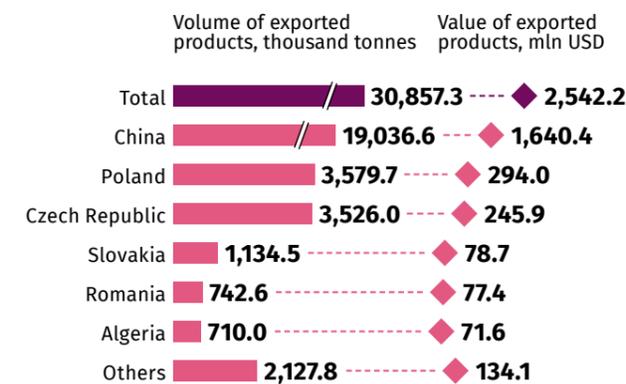
by companies in 2020, mln tonnes³³



Total **163.3** mln tonnes

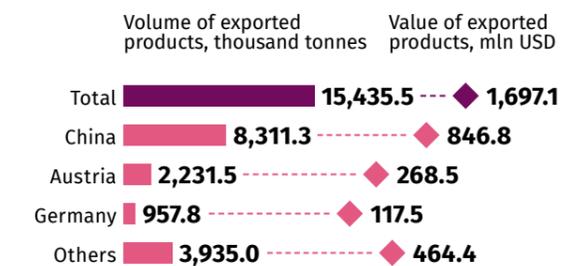
Export of iron ores and concentrates (non-agglomerated)

by countries in 2020³⁴



Export of iron ores and concentrates (agglomerated)

by countries in 2020³⁵



³⁰ Balance reserves of iron ores will cover extraction for 111 years, if the volumes of extraction are on the same level as in 2020

³¹ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Iron Ores (issue 34), 2021

³² The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Iron Ores (issue 34), 2021

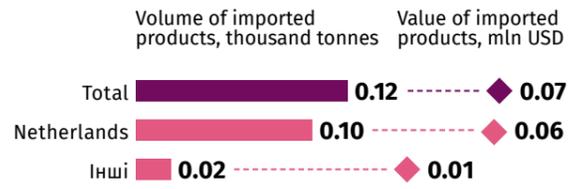
³³ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Iron Ores (issue 34), 2021

³⁴ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

³⁵ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

Import of iron ores and concentrates (non-agglomerated)

by countries in 2020³⁶



Import of iron ores and concentrates (agglomerated)

by countries in 2020³⁷

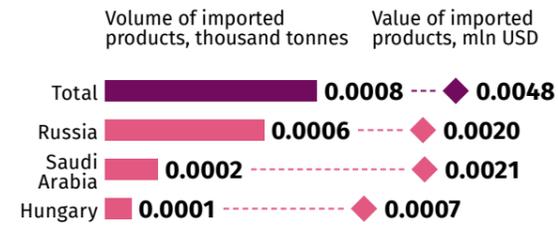


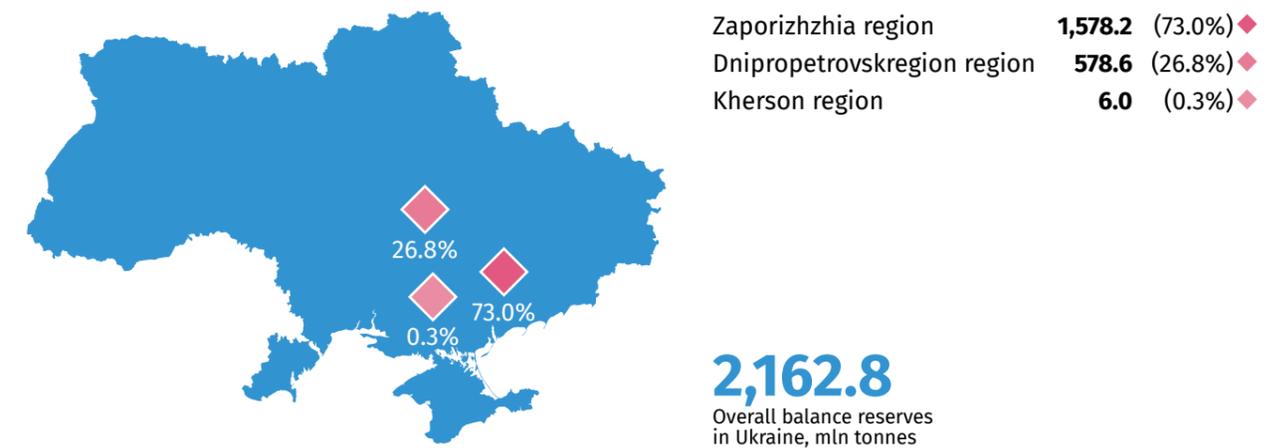
Photo: Envato Elements

MANGANESE ORES



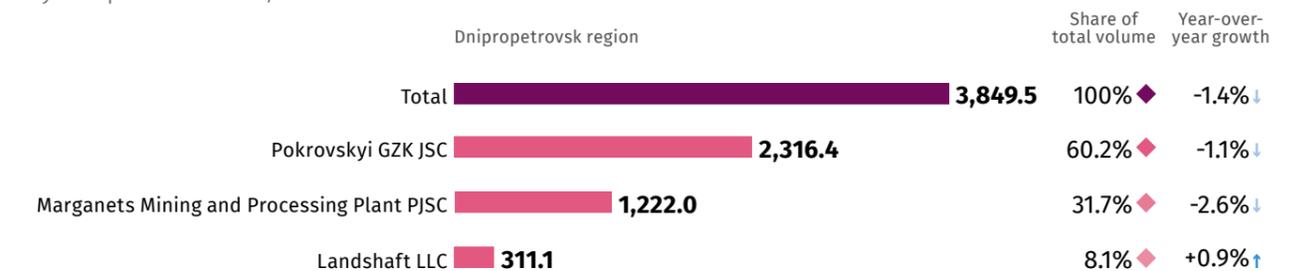
562 YEARS³⁸
Reserves for extraction

Balance reserves of manganese ores by the regions of Ukraine as of 01.01.2020, mln tonnes³⁹



Volumes of manganese ores mining in Ukraine

by companies in 2020, thousand tonnes⁴⁰



³⁶ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

³⁷ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

³⁸ Balance reserves of manganese ores will cover extraction for 562 years, if the volumes of extraction are on the same level as in 2020

³⁹ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Manganese Ores (issue 53), 2021

⁴⁰ The Geoinform of Ukraine, State Balance Sheet of Minerals of Ukraine, Manganese Ores (issue 53), 2021

Export of manganese ores and concentrates

by countries in 2020⁴¹



Import of manganese ores and concentrates

by countries in 2020⁴²

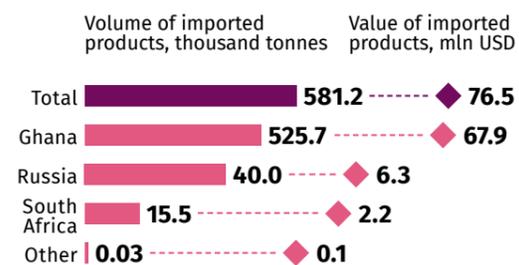


Photo: Envato Elements

TITANIUM ORES



?⁴³

Reserves for extraction

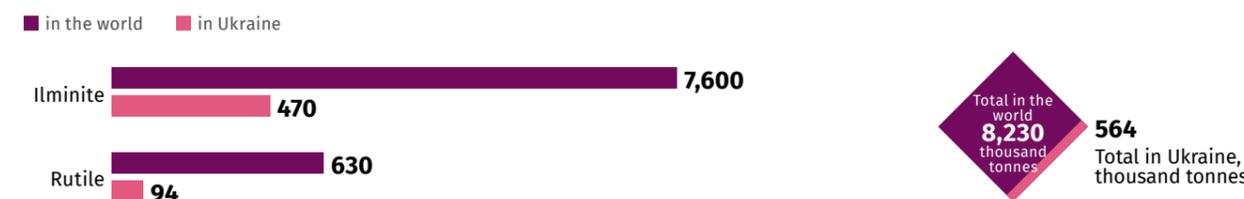
Reserves of titanium ores

in Ukraine as of 01.01.2020, thousand tonnes⁴⁴



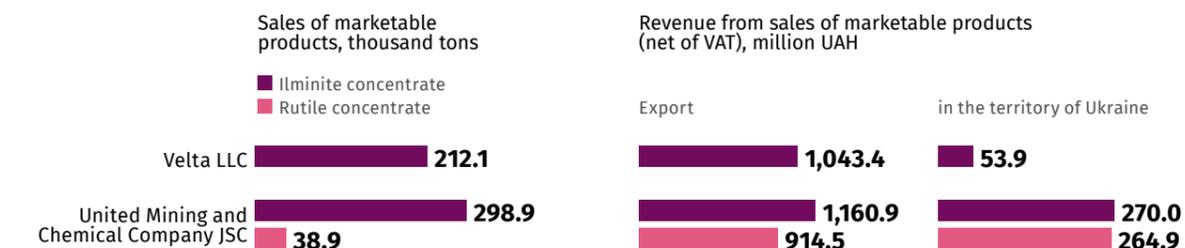
Volumes of titanium concentrates production

in Ukraine and in the world in 2020, thousand tonnes⁴⁵



Volumes of titanium concentrate sales

2020, thousand tonnes⁴⁶



⁴¹ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

⁴² State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

⁴³ In the EITI 2020, the reserves for extraction of titanium ores was not calculated due to the lack of necessary data from reliable sources of information

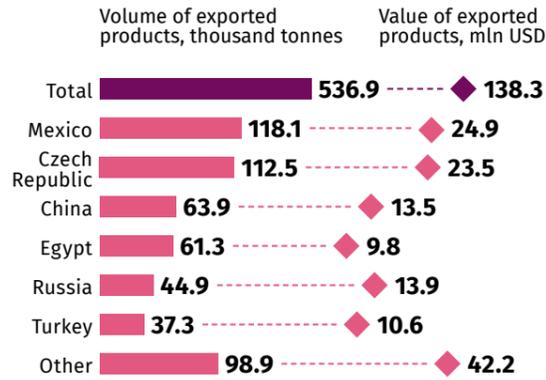
⁴⁴ US Geological Survey, 2021, <https://pubs.usgs.gov/periodicals/mcs2021/mcs2021.pdf>

⁴⁵ US Geological Survey, 2021, <https://pubs.usgs.gov/periodicals/mcs2021/mcs2021.pdf>

⁴⁶ According to the information provided by the reporting companies under the Law of Ukraine «On Ensuring Transparency in Extractive Industries» of September 18, 2018 No 2545-VIII and the Resolution of the Cabinet of Ministers of September 23, 2020 No 858 «Some Issues of Transparency in Extractive Industries»

Export of titanium ore and concentrates

by countries in 2020⁴⁷



Import of titanium ore and concentrates

by countries in 2020⁴⁸

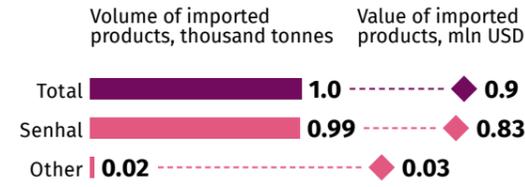


Photo: Envato Elements

FIRE CLAYS

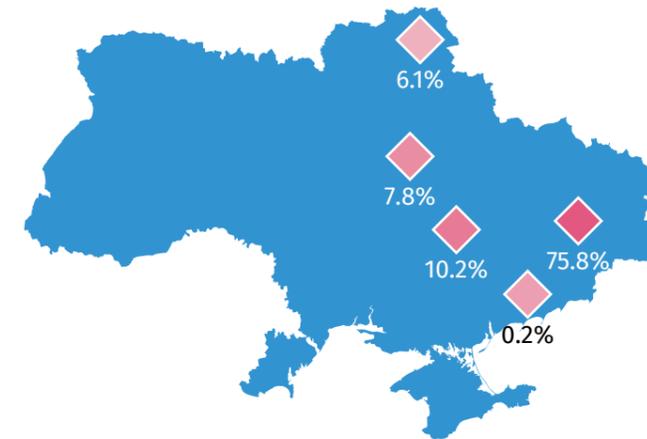


129 YEARS⁴⁹

Reserves for extraction

Balance reserves of fire clays

by the regions of Ukraine as of 01.01.2020, mln tonnes⁵⁰



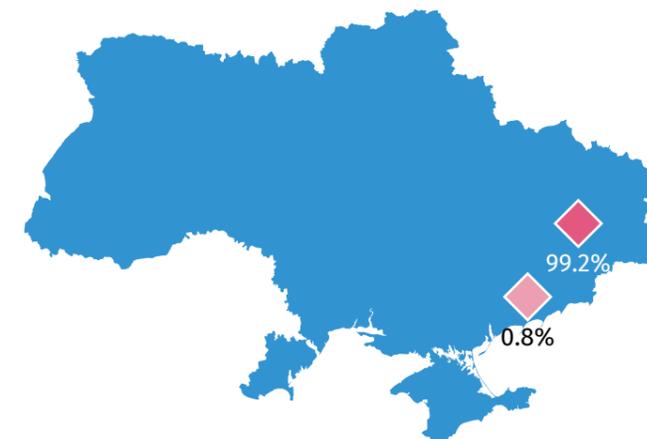
Donetsk region	445.0	(75.8%)
Dnipropetrovsk region	59.8	(10.2%)
Cherkasy region	45.5	(7.8%)
Zaporizhzhia region	35.5	(6.1%)
Sumy region	1.3	(0.2%)

587.1

Overall balance reserves in Ukraine, mln tonnes

Volumes of fire clays mining

by the regions of Ukraine in 2020, thousand tonnes⁵¹



Region	Share of total volume	Year-over-year growth
Donetsk region	4,510.5	99.2% ◆ -16.5% ↓
Zaporizhzhia region	37.4	0.8% ◆ -55.1% ↓

4,547.9

Volumes of fire clays mining in Ukraine, thousand tonnes

-17.1%

The overall growth compared to 2019

⁴⁷ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

⁴⁸ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

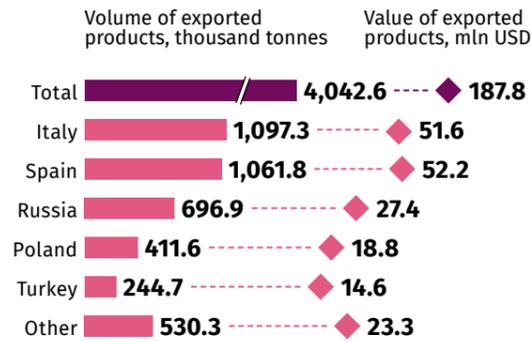
⁴⁹ Balance reserves of fire clays will cover extraction for 129 years, if the volumes of extraction are on the same level as in 2020

⁵⁰ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Fire Clay (Issue 29), 2021

⁵¹ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Fire Clay (Issue 29), 2021

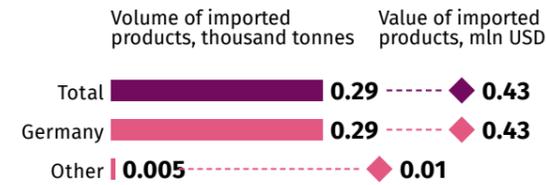
Export of fire clays

by countries in 2020⁵²



Import of fire clays

by countries in 2020⁵³



HIGH-MELTING CLAYS

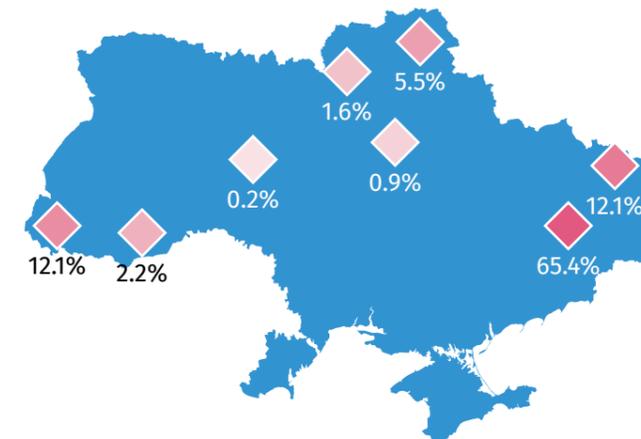


366 YEARS⁵⁴

Reserves for extraction

Balance reserves of high-melting clays

by the regions of Ukraine as of 01.01.2020, mln tonnes⁵⁵



Donets region	50.3	(65.4%)
Luhansk region	9.3	(12.1%)
Zakarpattia region	9.3	(12.1%)
Sumy region	4.2	(5.5%)
Chernivtsi region	1.7	(2.2%)
Chernihiv region	1.2	(1.6%)
Poltava region	0.7	(0.9%)
Khmelnytsky region	0.2	(0.2%)

76.9

Overall balance reserves in Ukraine, mln tonnes

Volumes of high-melting clays mining

by the regions of Ukraine in 2020, thousand tonnes⁵⁶



Region	Volume (thousand tonnes)	Share of total volume	Year-over-year growth
Zakarpattia region	128.4	61.1%	+13.2% ↑
Donetsk region	81.9	38.9%	-22.1% ↓

210.2

Volumes of high-melting clays mining in Ukraine, thousand tonnes

-3.7%

The overall growth compared to 2019



Photo: Envato Elements

⁵² State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

⁵³ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

⁵⁴ Balance reserves of high-melting clay will cover extraction for 366 years, if the volumes of extraction are on the same level as in 2020

⁵⁵ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Refractory Clay (Issue 30), 2021

⁵⁶ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Refractory Clay (Issue 30), 2021

QUARTZ SAND

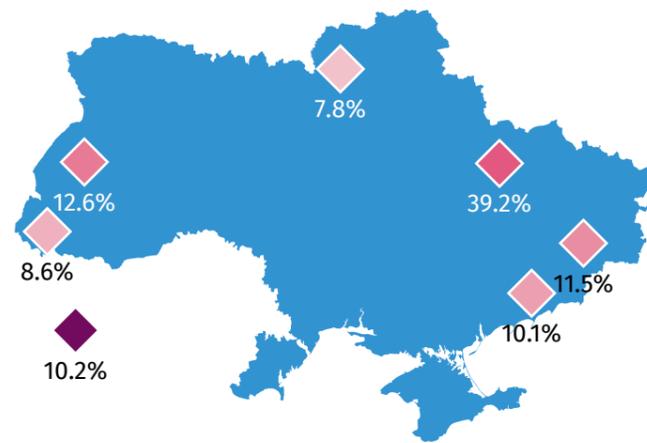


169 YEARS⁵⁷

Reserves for extraction

Balance reserves of quartz sand

by the regions of Ukraine as of 01.01.2020, mln tonnes⁵⁸



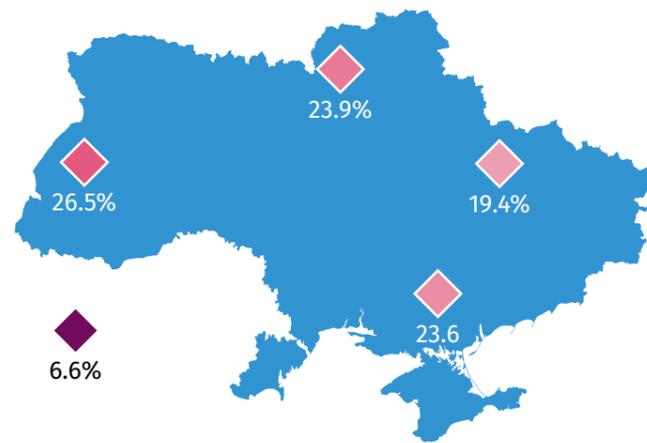
Kharkiv region	94.2	(39.2%)	◆
Lviv region	30.3	(12.6%)	◆
Donetsk region	27.8	(11.5%)	◆
Zaporizhzhia region	24.3	(10.1%)	◆
Zakarpattia region	20.7	(8.6%)	◆
Chernihiv region	18.7	(7.8%)	◆
Other regions	24.5	(10.2%)	◆

240.6

Overall balance reserves in Ukraine, mln tonnes

Volumes of quartz sand mining

by the regions of Ukraine in 2020, thousand tonnes⁵⁹



Region	Volume (thousand tonnes)	Share of total volume (%)	Year-over-year growth
Lviv region	376.3	26.5%	◆ >100% ↑
Chernihiv region	340.2	23.9%	◆ +21.0% ↑
Kherson region	335.8	23.6%	◆ +16.4% ↑
Kharkiv region	275.6	19.4%	◆ +7.9% ↑
Other regions	93.9	6.6%	◆ +10.9% ↑

1,421.7

Volumes of quartz sand mining in Ukraine, thousand tonnes

+33.0%

The overall growth compared to 2019



Photo: Envato Elements

⁵⁷ Balance reserves of quartz sand will cover extraction for 169 years, if the volumes of extraction are on the same level as in 2020

⁵⁸ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Glass Raw Materials (Issue 83), 2021

⁵⁹ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Glass Raw Materials (Issue 83), 2021

BUILDING STONES

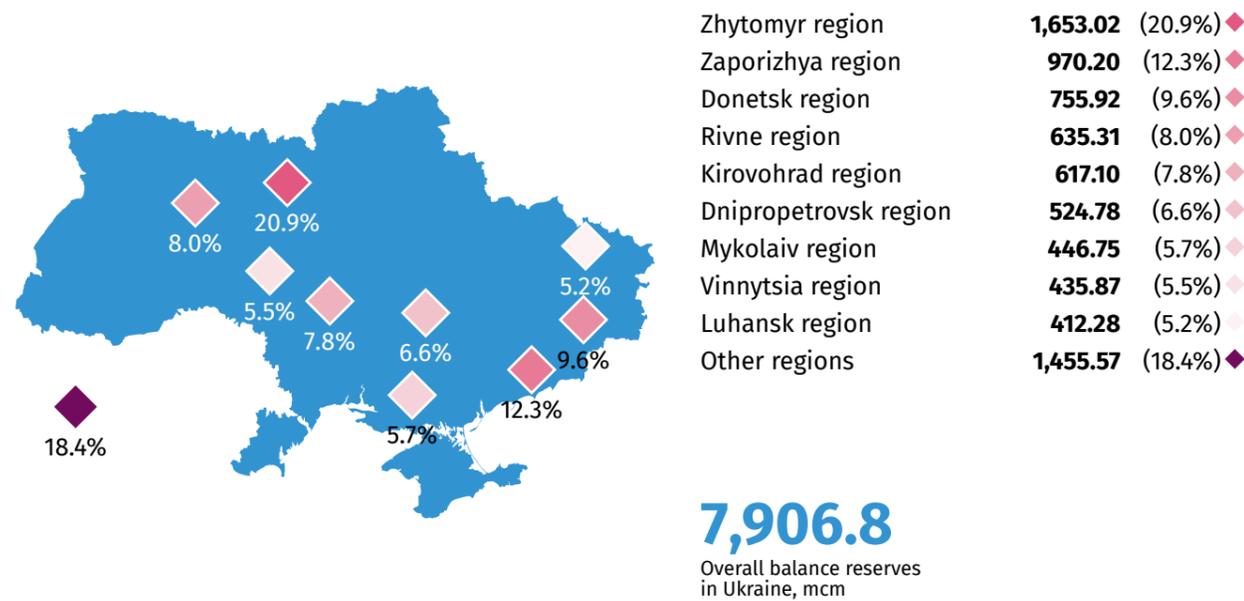


203 YEARS⁶⁰

Reserves for extraction

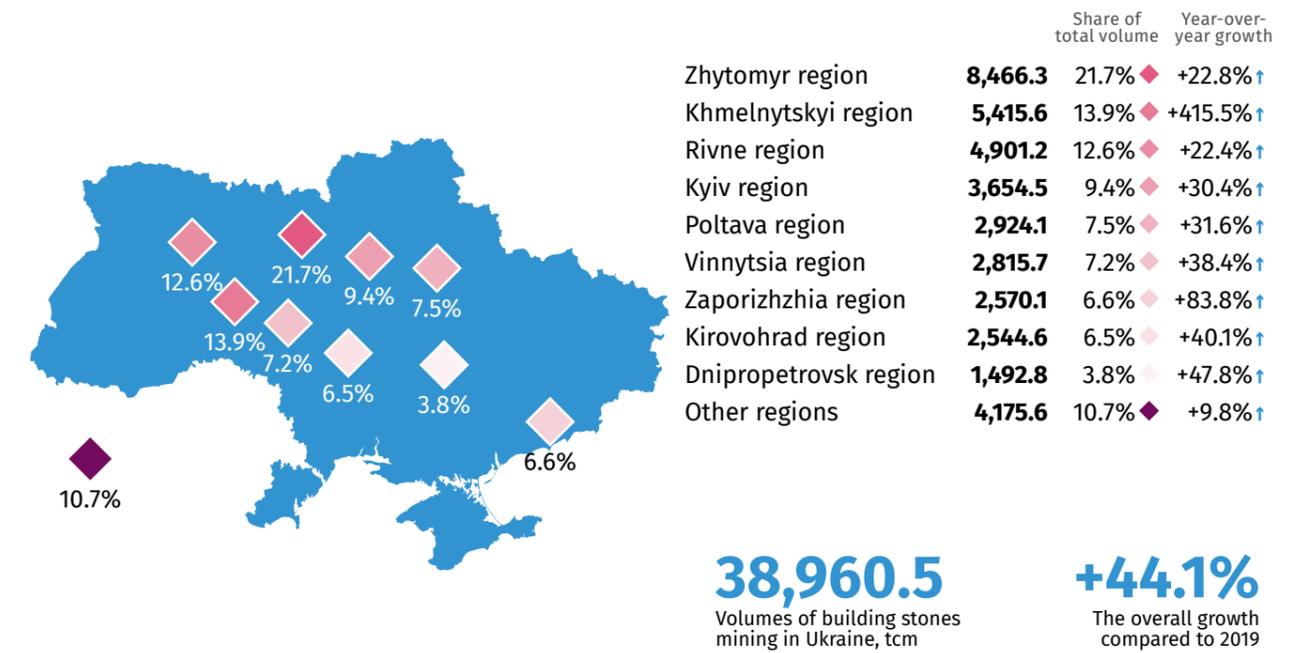
Balance reserves of building stones

by the regions of Ukraine as of 01.01.2020, mcm⁶¹



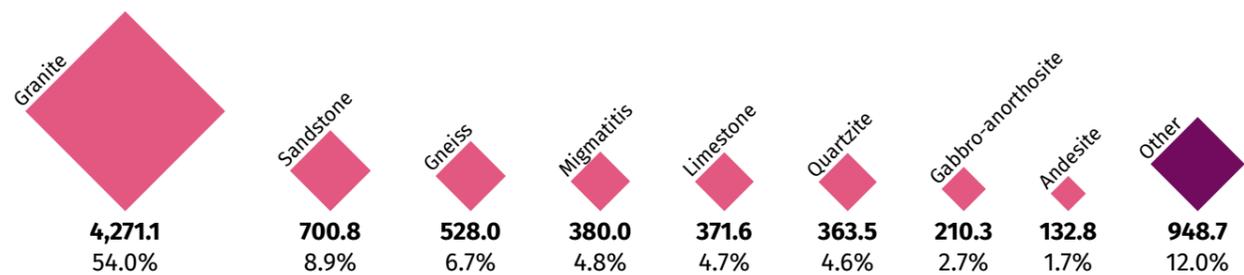
Volumes of building stones mining

by the regions of Ukraine in 2020, tcm⁶³



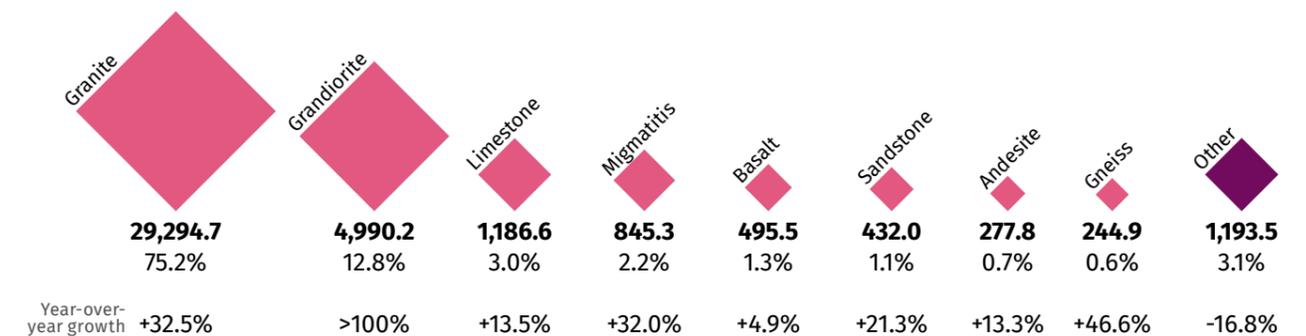
Balance reserves of building stones in Ukraine

by geological and industrial types as of 01.01.2020, mcm⁶²



Volumes of building stones mining

by geological and industrial types in 2020, tcm⁶⁴



⁶⁰ Balance reserves of building stones will cover extraction for 203 years, if the volumes of extraction are on the same level as in 2020

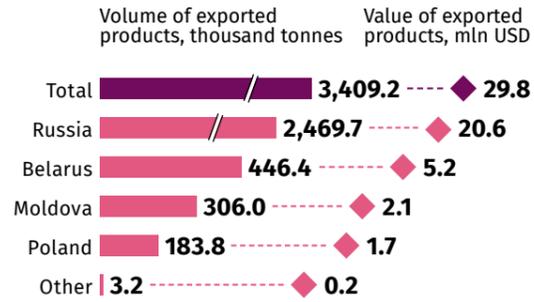
⁶¹ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Building Stone (Issue 37), 2021

⁶² Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Building Stone (Issue 37), 2021

⁶³ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Building Stone (Issue 37), 2021

⁶⁴ Geoinform of Ukraine, State Balance Sheet of Mineral Reserves of Ukraine, Building Stone (Issue 37), 2021

Export of pebble, gravel, rubble by countries in 2020⁶⁵



Import of pebble, gravel, rubble by countries in 2020⁶⁶

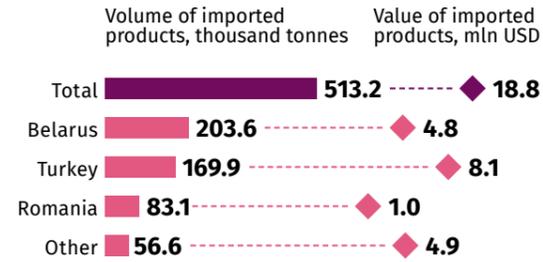
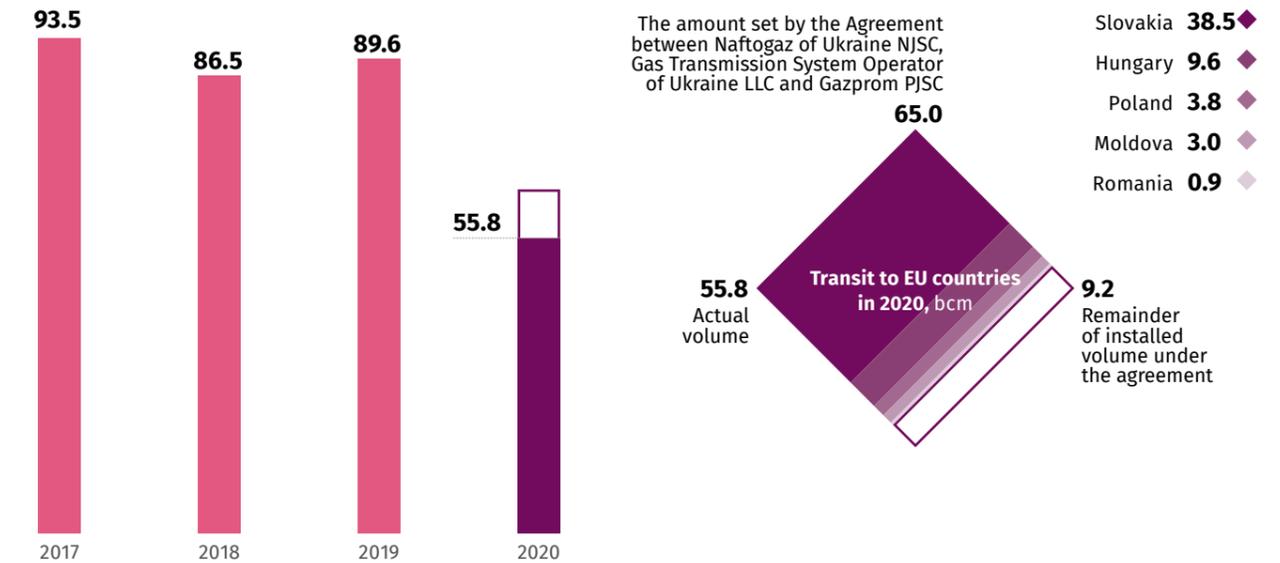


Photo: Envato Elements

OIL AND NATURAL GAS TRANSMISSION

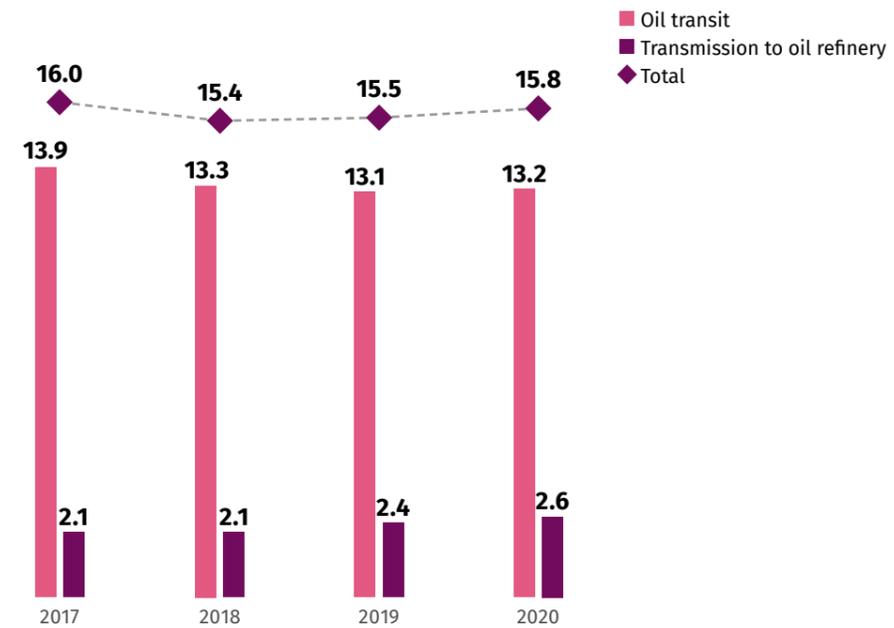
Volumes of natural gas transit

through the territory of Ukraine in 2017-2020, bcm⁶⁷



Volumes of oil transmission and transit

through the main oil pipelines of Ukraine in 2017-2020 mln tonnes⁶⁸



⁶⁵ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

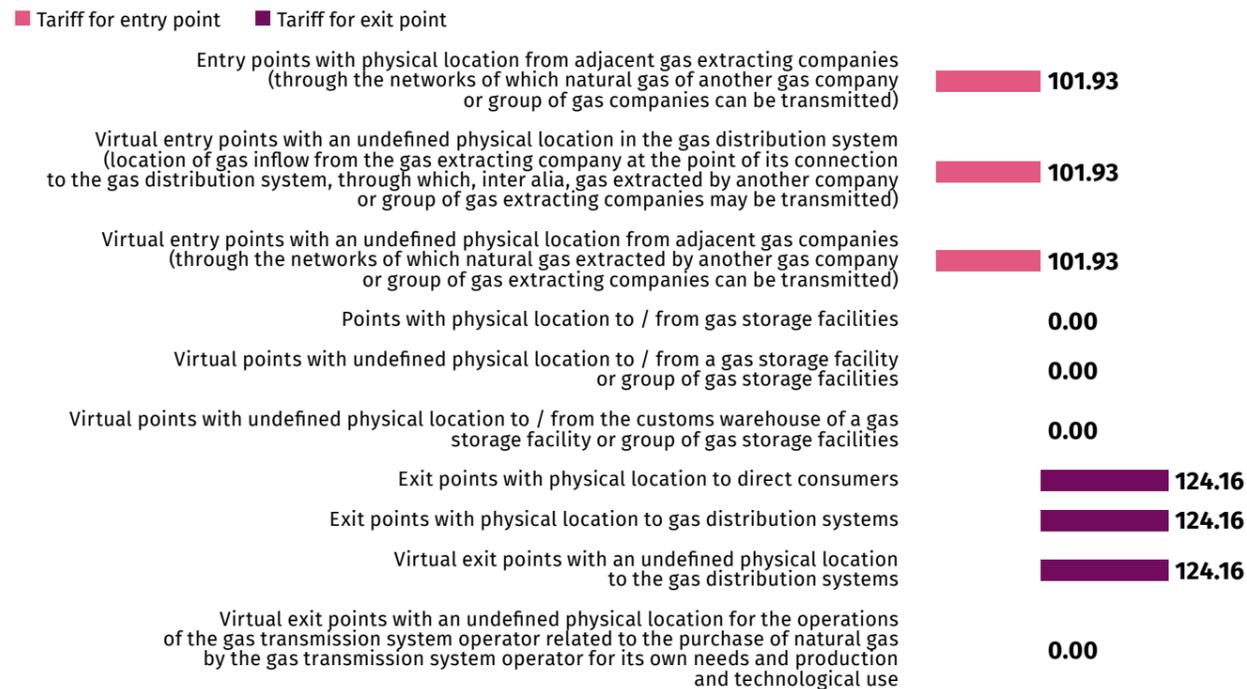
⁶⁶ State Statistics Service, Foreign trade in certain types of goods by country, 2020, http://www.ukrstat.gov.ua/operativ/operativ2020/zd/e_iovt/arh_iovt2020.htm

⁶⁷ Annual report of Naftogaz of Ukraine NJSC 2020, https://www.naftogaz.com/files/Zvity/Annual_report_Naftogaz_2020_UA_28_04_2021_1.pdf

⁶⁸ Report of Gas Transmission System Operator of Ukraine LLC, 2020, <https://tsoua.com/news/transit-import-2020-rik/>

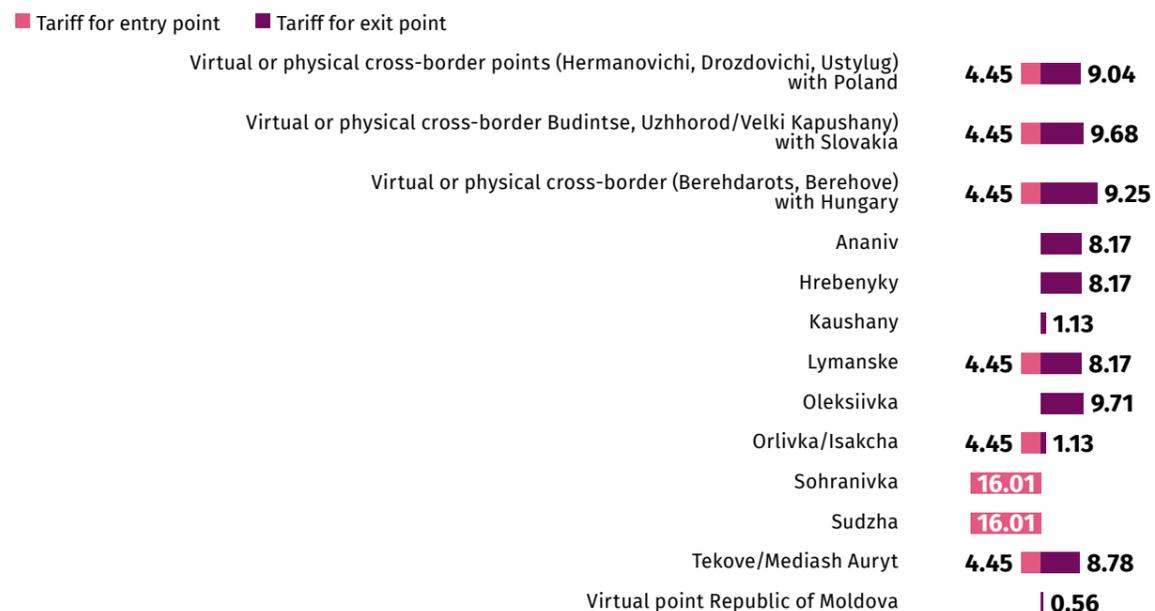
Tariffs for natural gas transmission services

for internal entry and exit points for the regulatory period 2020-2024 for Gas Transmission System Operator of Ukraine LLC, UAH/ tcm per day (net of VAT)⁶⁹



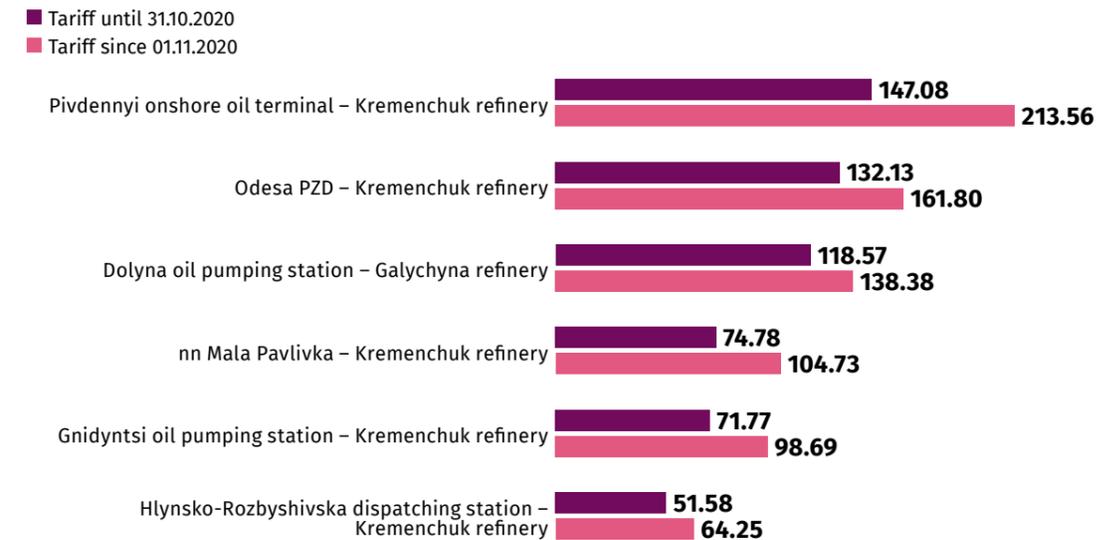
Tariffs for natural gas transmission services

for cross-border entry and exit points for the regulatory period 2020-2024 for Gas Transmission System Operator of Ukraine LLC, USD/ tcm per day (net of VAT)⁷⁰



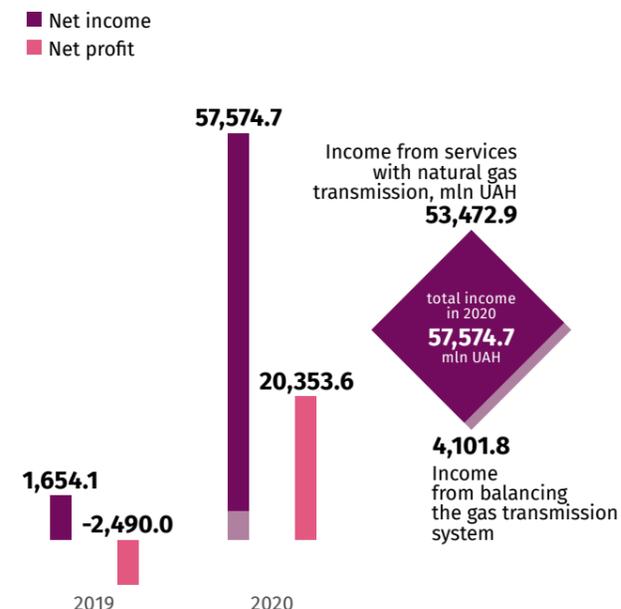
Tariffs for oil transmission through the major oil pipelines

of Ukrtransnafta JSC applied in 2020 UAH per net ton (net of VAT)⁷¹



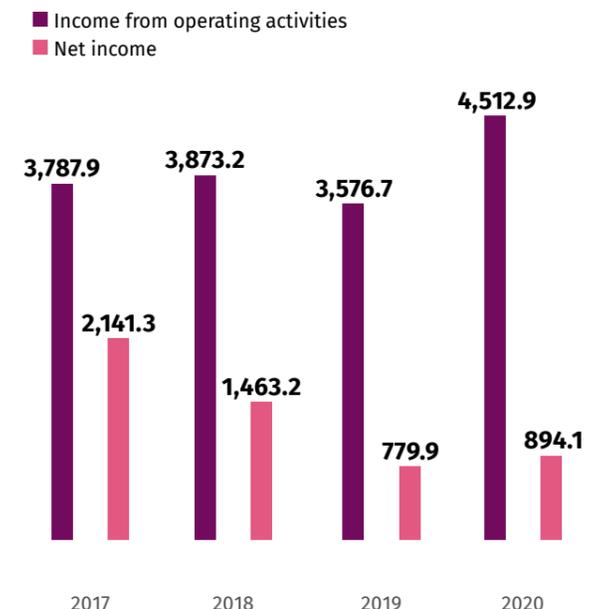
Income and net profit of GTS of Ukraine Operator LLC

in 2019-2020, mln UAH⁷²



Ukrtransnafta JSC income and net profit

in 2017-2020, mln UAH⁷³



⁶⁹ Resolution of the NCREU of 24.12.2019 No 3013, <https://zakon.rada.gov.ua/laws/show/v3013874-19#n15>

⁷⁰ Resolution of the NCREU of 24.12.2019 No 3013, <https://zakon.rada.gov.ua/laws/show/v3013874-19#n15>

⁷¹ NCREU Resolution of 11.10.2019 No 2108, <https://zakon.rada.gov.ua/laws/show/v2108874-19#n12>

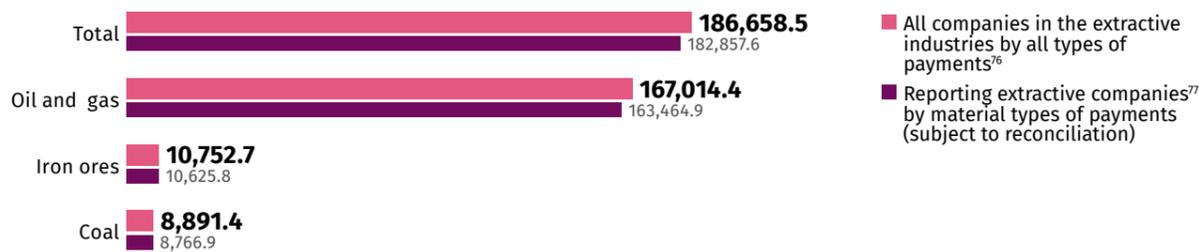
⁷² Financial statements for 2020, GTS of Ukraine Operator LLC, https://tsoua.com/wp-content/uploads/2021/04/GTSO_20-ukr-final-dlya-publikaciyi.pdf

⁷³ Ukrtransnafta JSC, Financial statements, 2020, 2018, <https://www.ukrtransnafta.com/dokumenty/>

TAX AND OTHER PAYMENTS OF THE EXTRACTIVE COMPANIES

State revenues from extractive industries⁷⁴

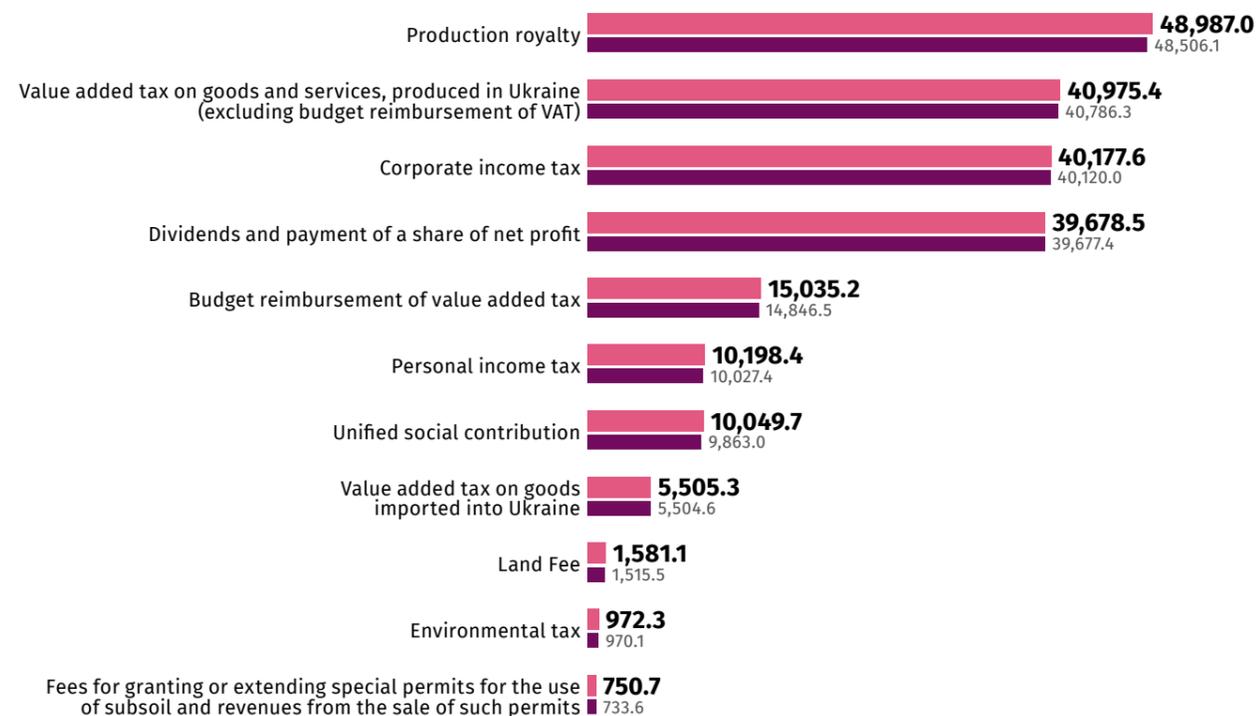
in 2020, mln UAH⁷⁵



State revenues from extractive industries

by significant types of payments in 2020, mln UAH⁷⁸

■ All companies of extractive industries
■ Reporting extractive companies



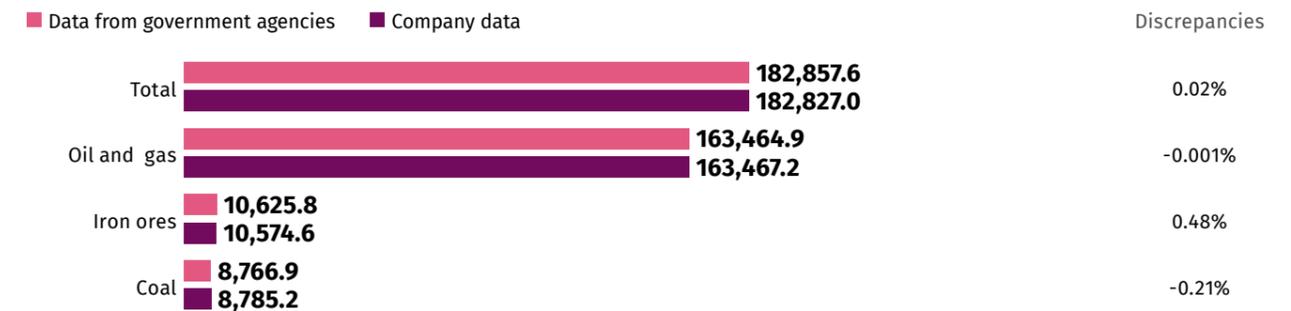
Completeness of reconciliation in the EITI Reports of Ukraine

2014-2020⁷⁹



Results of reconciliation of revenues in favor of the state in 2020

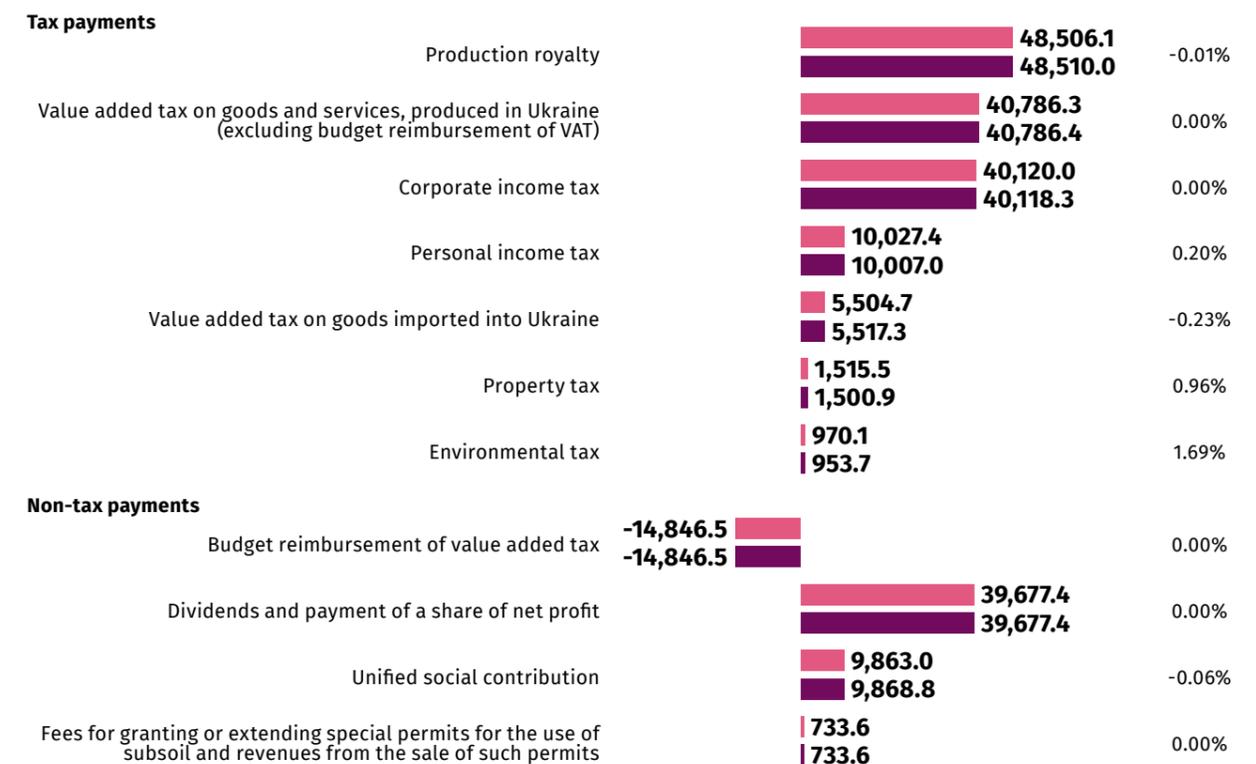
by extractive industries, mln UAH



Results of reconciliation of revenues in favor of the state in 2020

by significant types of payments, mln UAH

■ Data from government agencies ■ Company data



⁷⁴ For the purpose of payments reconciliation, companies belonging to the Oil Extraction, Natural Gas Extraction, and Oil and Natural Gas Transportation sectors were merged into category – the industry «Oil and Gas». Companies belonging to the sectors «Iron ores mining», «Manganese ores mining» and «Titanium ores mining» were merged into the category – «Metal ores» industry.

⁷⁵ According to government agencies (STS, SCS, Ministry of Economy, Derzhgeonadra)

⁷⁶ Extractive companies mean all companies of reporting extractive industries, the list of which was compiled on the basis of the database of special permits of the Derzhgeonadra

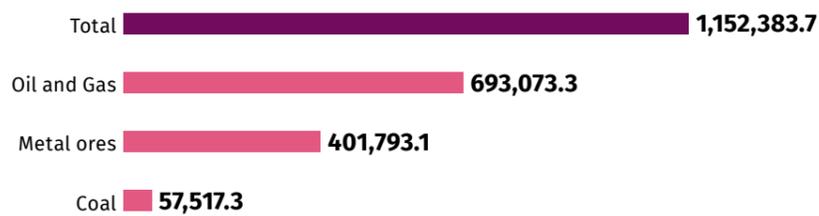
⁷⁷ Reporting extractive companies – those that have been identified as material and were subject to reconciliation of payments

⁷⁸ According to government agencies (STS, SCS, Ministry of Economy, Derzhgeonadra)

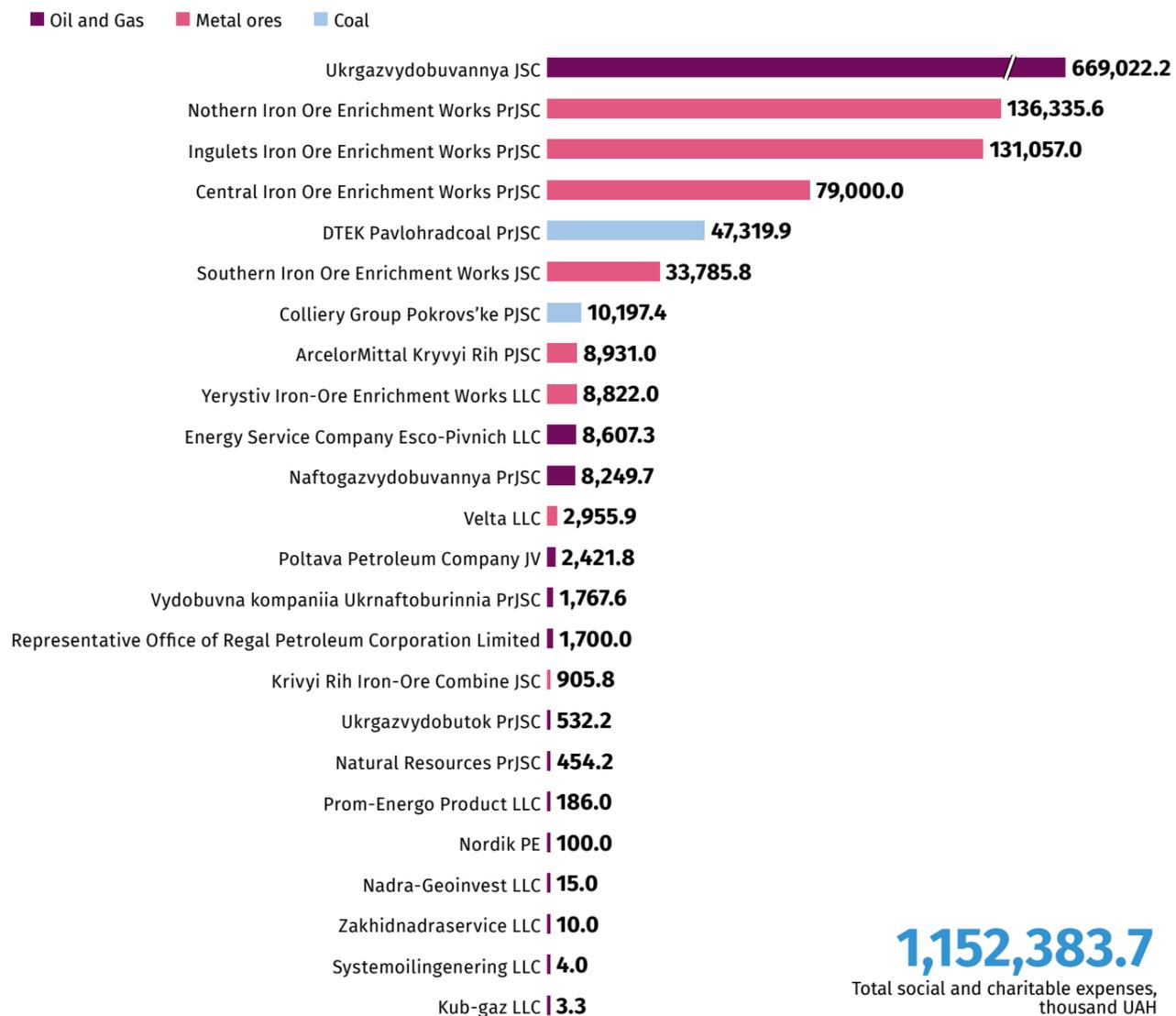
⁷⁹ The share of total payments for which information has been successfully reconciled

SOCIAL AND CHARITABLE PAYMENTS

Social and charitable payments made by reporting extractive companies
in 2020, thousand UAH



Social and charitable payments made by reporting extractive companies
in 2020, thousand UAH

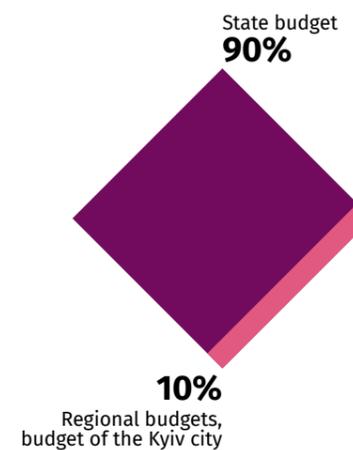


1,152,383.7
Total social and charitable expenses,
thousand UAH

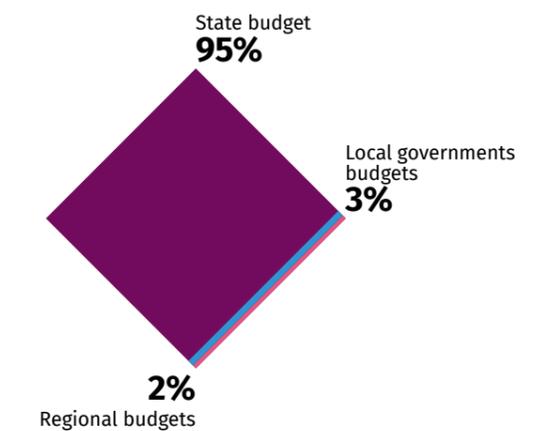
FISCAL REGIME FOR EXTRACTIVE INDUSTRIES IN 2020

Allocation of taxes between the budgets of various levels
(according to Budget Code of Ukraine)

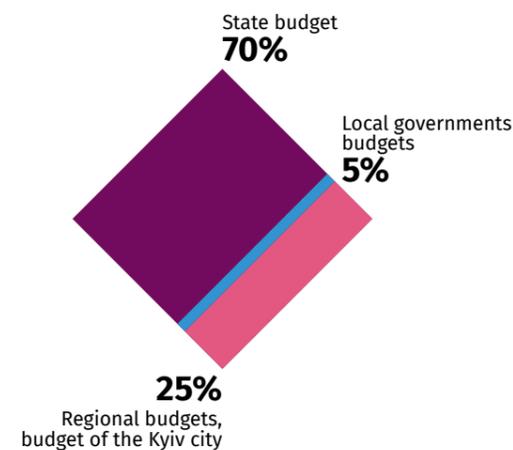
Corporate income tax



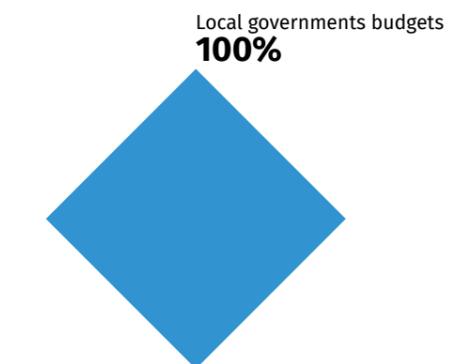
Production royalty for hydrocarbons



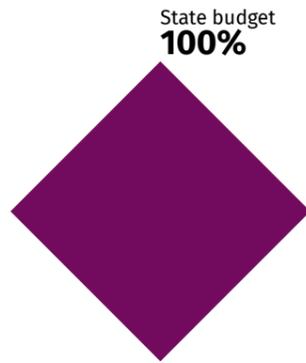
Production royalty for non-hydrocarbon minerals of national importance



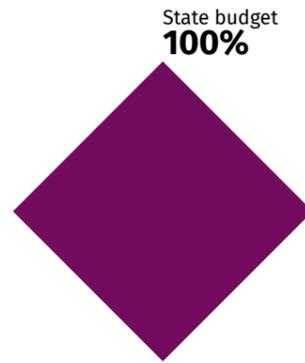
Non-production royalty



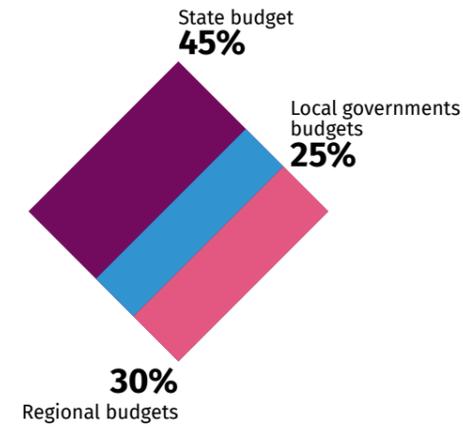
Royalty for transportation of petroleum and petroleum products



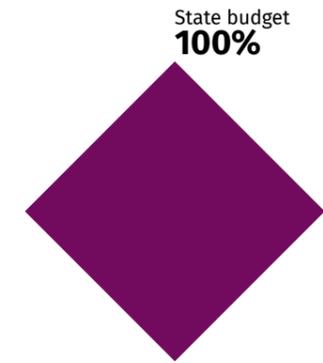
VAT



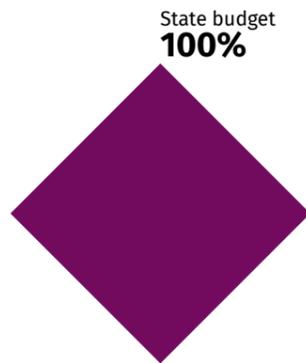
Environmental tax



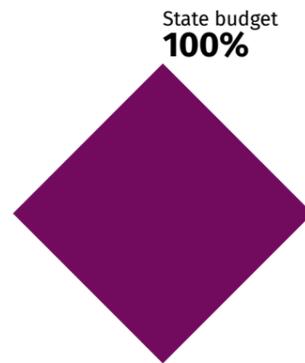
Military levy



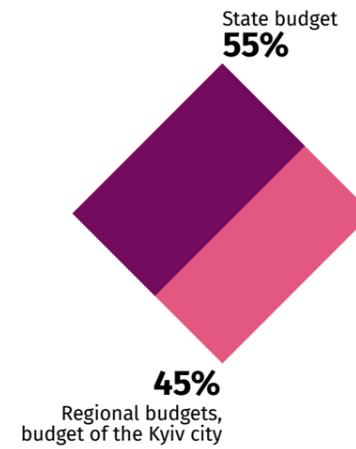
Customs duty



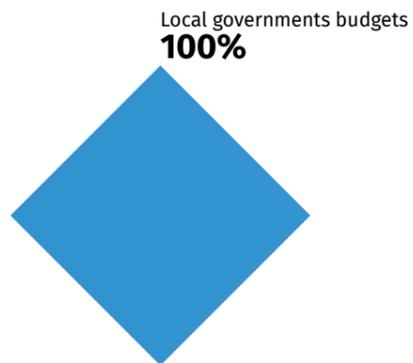
Excise tax on products produced in Ukraine excisable goods



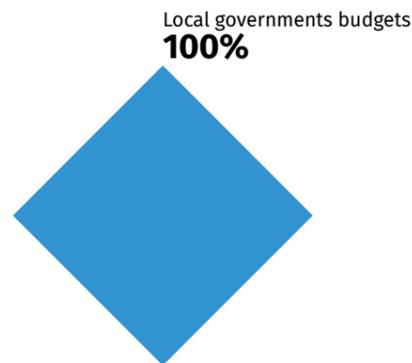
Special water use levy



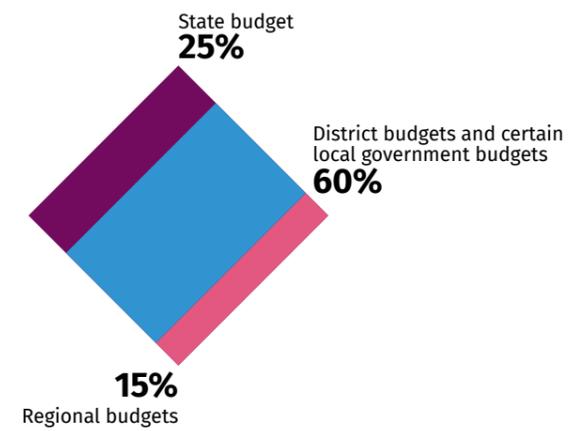
Land fee



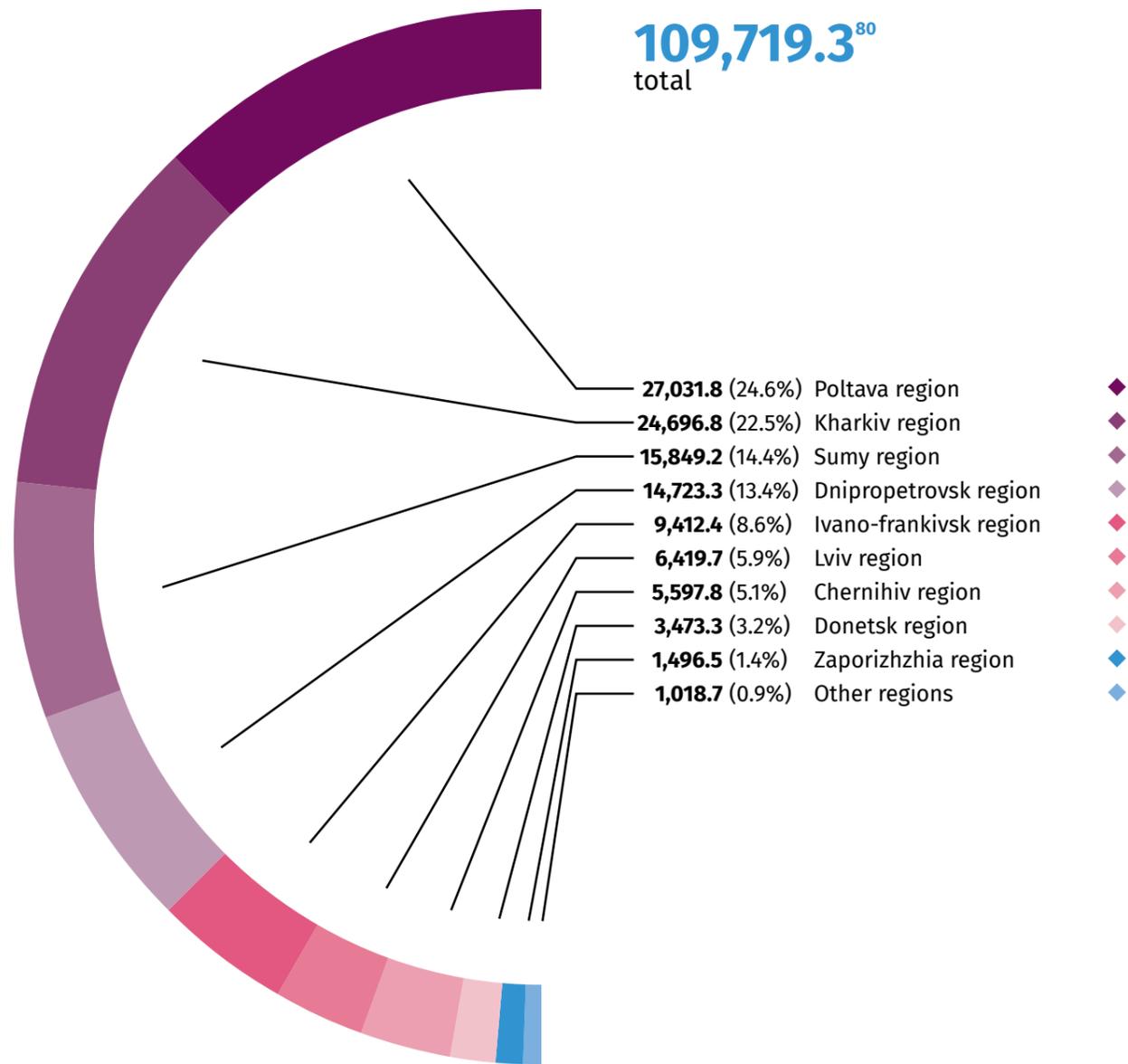
Land fee and property tax on property other than land



Personal income tax



GENERATION OF GOVERNMENT REVENUES FROM EXTRACTIVE INDUSTRIES BY THE REGIONS OF UKRAINE, mln UAH



⁸⁰ The revenues from oil and natural gas transportation (Ukrtransgaz JSC, Ukrtransnafta JSC and GTS of Ukraine Operator LLC) and from Naftogaz of Ukraine NJSK were not distributed among the administrative regions of Ukraine, as it is impossible to accurately match the payment of tax and non-tax payments by these companies with specific regions of Ukraine because of the peculiarities of their activities.

REPORTING EXTRACTIVE COMPANIES

OIL AND GAS

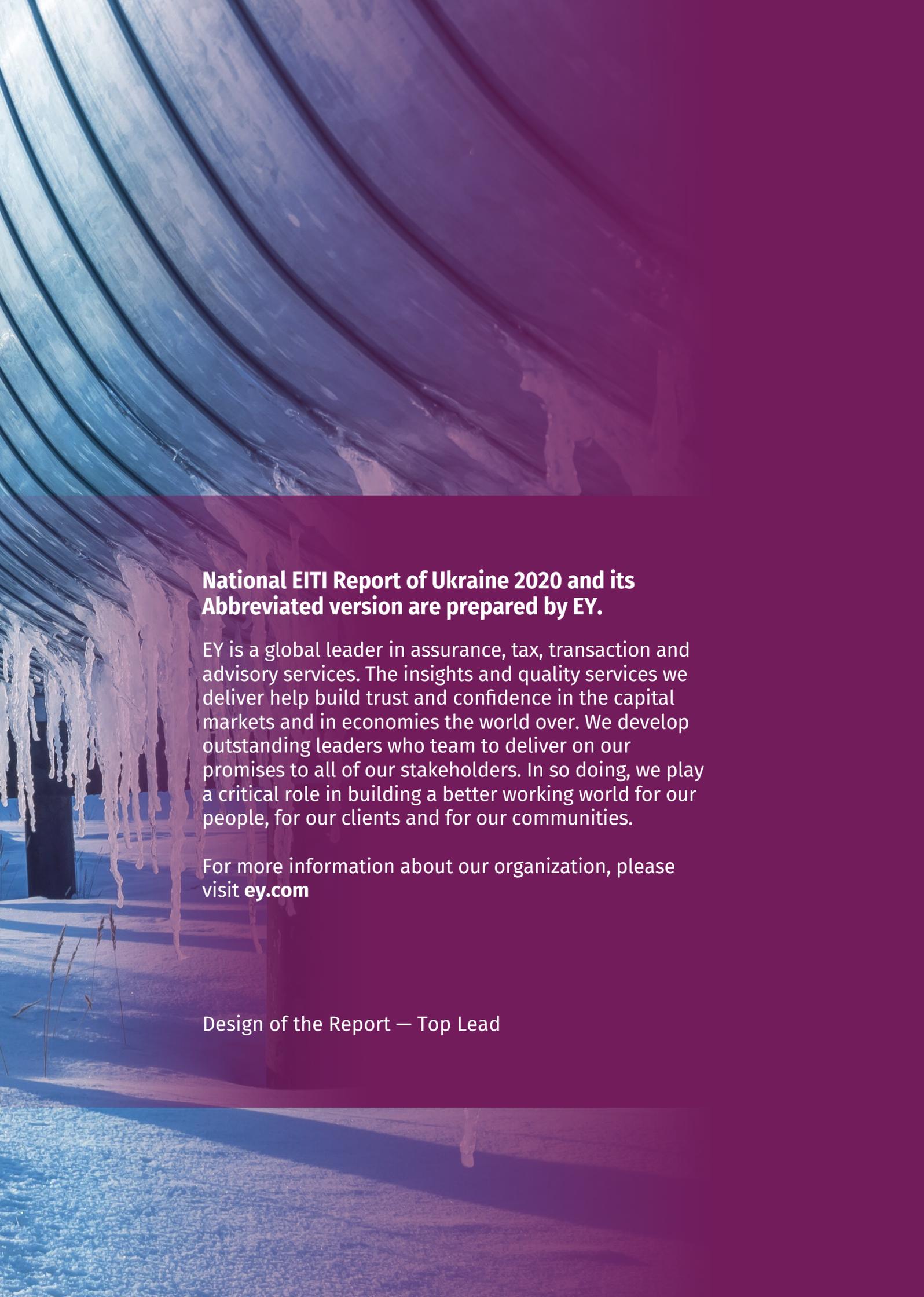
1	Naftogaz of Ukraine NJSC
2	Ukrnafta PJSC
3	Ukrgezvydobuvannya JSC
4	Joint activity agreement of 24/12/1997 № 999/97 — operated by Poltavanaftogaz OPMO of Ukrnafta PJSC (22525915)
5	Naftogazvydobuvannya PrJSC
6	Vydobuvna kompaniia Ukrnaftoburinnia PrJSC
7	Energy Service Company Esco-Pivnich LLC
8	Poltava Petroleum Company JV
9	Oil&Gas Geoexploring LLC
10	Natural Resources PrJSC
11	Representative Office of Regal Petroleum Corporation Limited
12	Ukrgezvydobutok PrJSC
13	JV Ukrkarpatoil LTD LLC
14	Nadra-Geoinvest LLC
15	Kub-gaz LLC
16	Persha ukrainska hazonaftova kompaniia LLC
17	Nordik PE
18	Systemoilingenering LLC
19	Zakhidnadraserivce LLC
20	Energy-95 LLC
21	Stryinaftogaz LLC
22	Prom-Energo Product LLC
23	Gas Transmission System Operator of Ukraine LLC
24	Ukrtransgaz JSC
25	Ukrtransnafta JSC

METAL ORES

1	ArcelorMittal Kryvyi Rih PJSC
2	Southern Iron Ore Enrichment Works JSC
3	Poltava Iron Ore Enrichment Works PrJSC
4	Nothern Iron Ore Enrichment Works PrJSC
5	Ingulets Iron Ore Enrichment Works PrJSC
6	Central Iron Ore Enrichment Works PrJSC
7	Zaporizhzhia Iron Ore Plant PrJSC (foreign investment enterprise)
8	Krivyi Rih Iron-Ore Combine JSC
9	Suha Balka PrJSC
10	Yerystiv Iron-Ore Enrichment Works LLC
11	United Mining and Chemical Company JSC
12	Pokrovskiy GZK JS
13	Marganets Mining and Processing Plant PJSC
14	Velta LLC
15	Rudomain LLC

COAL

1	DTEK Pavlohradcoal PrJSC
2	Colliery Group Pokrovs'ke PJSC
3	DTEK Dobropolyeugol LLC
4	Lvivuhillia SE
5	Selydivvuhillia SE
6	Pervomaiskvuhillia SE
7	Myrnohradvuhillia SE
8	Lysychanskvuhillia JSC
9	Bilozerska Mine ALC
10	Toretskvuhillia SE
11	Mine named after M. S. Surgai SE
12	Mine Administration Pivdenodonbaske #1 SE
13	Krasnolymanska Coal Mining Company SE
14	Volynvuhillia SE



**National EITI Report of Ukraine 2020 and its
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Design of the Report — Top Lead