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Ukraine's largest oligarch enters the agricultural market

A new holding group has been created in Ukraine; HarvEast will trade on the agriculture and food market. Its creation on 7 June was announced by System Capital Management (SCM), the largest corporation in Ukraine, owned by Ukraine's richest man Rinat Akhmetov and Smart Holding's Vadim Novinsky (Akhmetov's partner, and himself one of the wealthiest businessmen in Ukraine). The HarvEast Group will be one of the biggest players on the market, and with appropriate financial outlays over the next few years, it could become a market leader. The creation of this holding demonstrates the growing interest among big business representatives in agriculture, which is considered the most promising branch of the Ukrainian economy – a branch which to date has not been overrun by any of the oligarchic groups.

The HarvEast Group will be based on farms belonging to the Ilyich steelworks in Mariupol, which were bought last year by Metinvest (75% of which is owned by Akhmetov, 25% by Novinsky). HarvEast's completion is planned for the middle of next year. The new holding company's assets will include over 200,000 hectares of land and nearly 100,000 pigs and cattle. In terms of land area, it will be the fifth largest holding company in Ukraine, and considering the SCM's financial capacity and Smart Holding's experience in agriculture (it has been operating on the market for several years), it is possible that the new structure will soon take a dominant position in Ukrainian agriculture. Because of the high quality of Ukrainian soil, as well as rising world food prices, agriculture is considered to be the Ukrainian economy's most promising sector for the future. <smat>