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| **PRESS RELEASE** |  |

**IBI-Rating has affirmed the credit rating and the rating of investment attractiveness of Sumy city**

National rating agency IBI-Rating informs on affirming of the credit rating of Sumy city at **uaA-** grade, keeping the **«stable»** outlook and the rating of investment attractiveness at **invA-**grade.

**Such rating grades represent** the high investment attractiveness and strong ability of the city to pay off its financial commitments. The «stable» outlook, with the highest probability, implies immutability of the rating on the horizon for 12 months.

**Were taken into account:**

1. The structure of the economic complex of the city and the dynamics of key indicators

Sumy has a rather powerful industrial complex, which provides additional competitive advantages among other Ukrainian cities. In the first half of 2019, there was observed a further increase in a number of socio-economic indicators: the industrial products sold increased by 2.5% to UAH 11.3 billion, the mastered capital investments increased by 27.6% to UAH 1.3 billion, retail turnover by 18.9% to UAH 3.5 billion, the volume of completed construction work by 10.2% to UAH 404.6 million. In general, most indicators of the economy and the city's economic complex (incl. per capita) exceed or correspond to the average per country.

2. Competitive advantages and disadvantages in comparison with other cities of the country

Key government authorities of the region are localized in Sumy. In addition, the city has good logistics, a large number of educational institutions (on different profiles), and developed service, communal and social infrastructure. At the same time, competition for business and the cost of labor resources is lower, compared to the capital of Ukraine.

3. Efficiency of financial policy and budget indicators

In January-June 2019, the Sumy city budget was received UAH 1.6 billion, while own revenues for the corresponding period increased in 7.7%. Sumy city budget revenues are moderately diversified by sources and payers. Budget Tax Capacity (PIT per capita) in Sumy city is higher than the national average. As a result, the city budget remains a donor budget, including a reverse grant to the state budget - UAH 55.5 million for January-June 2019, which is in 27.3% more than in the same period of 2018.

4. The sensitivity of the budget and the city economy to the impact of negative factors

According to the Agency, the impact of negative factors on the economy and financial capacity of the city remains moderate - the industrial complex partially adapted to the risks that arose in connection with the military conflict in eastern Ukraine and the introduction of trade restrictions between Ukraine and the Russian Federation. The ratio of direct debt load to the planned volume of own revenues of the Sumy for 2019 was 4.3% (as of 01.07.2019), which is in 0.7 pp less than as on 01.01.2019

5. Actions of local authorities to increase the investment potential of the city

Currently, with the participation of specialists and the public, the work of developing of The strategy of Sumy city until 2027 is underway. Since 2011, the procedure for submission, review and tracking of investment projects on the principle of «Single Investment Window» has been launched. Under the auspices of the mayor is working the Council for attracting investment in the economy of Sumy city. In order to provide a favorable conditions for attracting investments into the economy, activation of economic development and enhancing the investment attractiveness of the city, the Sumy City Council created the Sumy Industrial Park and approved the concept of its development. Sumy Industrial Park is included in the Register of Industrial Parks according to order of the Ministry of Economic Development as on 04.12.2018 No. 1828.

In order to conduct the analytical research the materials obtained from Sumy city have been used, including: indicators of the social and economic development, statistical data, treasury statements, program materials, other necessary internal information, as well as the information from the public sources, which the Rating agency considers credible.

**Municipal department**

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