Regional Opportunities in Ukraine

Kharkiv: Powerhouse on the Periphery

Former Military Centre Reshapes its Industries



ucked away on the north-eastern periphery of Ukraine is Kharkiv oblast, a veritable economic, industrial and political powerhouse of Ukraine. It is the third most populated oblast in Ukraine (after Donetsk and Dnipropetrovsk) with a population of 3.18 mln.- 80% of whom reside in urban areas. In terms of area, its 31,400 square kilometres make it the fourth largest oblast in Ukraine. Kharkiv's proximity to the Donets Basin and its location at the intersection of trade routes between Central Ukraine and Caucasia, and Russia and the Black Sea, have positively influenced its industrial development and growth as a trading centre.

Industry

Despite the fact that much of Ukraine's heavy industry is centred on the Dnipro River, located in the centre of the country, hundreds of miles from Kharkiv, the oblast is one of the nation's most powerful and strongly-developed industrial regions. Today, the oblast accounts for approximately 6% of Ukraine's annual gross national income, while its enterprises produce 9% of the total national enterprise profit. In 1996, it produced the fifth-largest volume of industrial goods, constituting over 5% of total domestic industrial production and ranking third in the nation

for the production of consumer goods. Among the region's most developed sectors are machine-building, metallurgy, food-processing, electricity and fuel production. In 1996, Kharkiv oblast manufactured almost all the steam turbines used at the nation's thermo-electric stations, over 50% of domestic tractors, 30% of television sets and electric engines, 25% of washing machines and vacuum cleaners, and a large variety of construction materials. The oblast is Ukraine's primary producer of confectioneries.

As of the beginning of 1996, 40% of oblast enterprises remained state-owned, a figure that is in line with the average figure for Ukraine.

The City of Kharkiv

The geographic location of the city of Kharkiv has played both a positive and negative role in its recent history and growth. For 16 years, from December 1919 until June 1934, Kharkiv enjoyed a brief moment of glory when it replaced Kyiv as the capital of Soviet Ukraine, a status which helped it acquire status as a scientific, cultural and educational centre. A few short years later, during World War II, the dethroned city found itself in the

direct path of both the alternately retreating and advancing Russian and German armies, and for two years the city was occupied by German forces. Eventually, the city rebuilt to the point where it ranked as one of the largest industrial cities in the former USSR.

Today, 1.6 million inhabitants live in Kharkiv, the oblast's administrative centre and capital, and the second largest city in Ukraine after Kyiv. The city is over 300 sq. km. in area, and in terms of number of industrial enterprises, institutes of higher education and research, Kharkiv again ranks second only to Kyiv. It has a beautiful conservation area that occupies a territory of 26,000 hectares in the region, as well as boasting the only Water Museum in Ukraine.

Kharkiv plays an important role as a transportation hub. Railway lines radiate from the city in eight directions, and it has one of the largest airports in Ukraine. Kharkiv lies on the route of an international highway connecting Moscow to Simferopil.

Kharkiv has a large concentration of light industry, including clothing, textiles, footwear, and leather goods. Kharkiv's exports include mechanical equipment, electrical machines and tools, vehicles, aircraft, metallurgical industrial products,

