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CITY OF CHORTKIV COMMUNITY PROFILE



Prepared by

Strategic Development Committee

Assisted by

Local Economic Development Project

Materials for drafting the Economic Development Strategic Plan

First version

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1. INTRODUCTION

1.1. Short History Survey of Chortkiv

The city of Chortkiv was founded in 1522. It was the centre of the 1648 peasants' uprising. Then it came under the rule of Turkey (1672 to 1683), Poland (from 1699), Austria (from 1772). Its strange name ("chort" means "devil" in Ukrainian) originates from Czartkowice, the city's first name. When Sigismund III donated the city to a Polish noble, the latter took the title of Count Czartkivsky. This gave origin to the name of Chortkiv. Till 1779 the castle was residence of the Potockys, Polish magnates.

On June 8, 1919, units of the Ukrainian Halychyna Army broke through the Polish front line near Chortkiv (the so-called "Chortkiv Offensive"). As a result of the Ukrainian Sich soldiers' resolute advance, the cities of Ternopil and Berezhany were liberated.

Chortkiv is the centre of a Greek-Catholic eparchy.

The city's history started from remote centuries. Close to the Vyhnanska Mount, ruins of a former castle can be seen. A residence of Polish landowners and Cossacks' fortress, these ancient walls have seen the Tartar invasion, the Turkish janissaries, the Polish cavalry troops and the Cossack riders' regiments. Anyway, this place was populated much earlier. The remnants of Trypilla settlements (IV to II millennia B.C.) as one of the most splendid archaeological cultures of the Bronze and Stone Age prove that. From the end of XI century to 1144, these lands formed part of the Halychyna-Wolhynia and Terebovlia duchesses and in 1387 came under Polish Kingdom's rule.

Main Historical Sites

- Castle built in 1610. Located on a mount overlooking the river. Only two towers and protection walls remain. Now it is municipal property.
- Ascension Church. Built in 1717-1738, a wood structure.
- Dormition Church. Built in 1635, a wood structure.
- Dominican Church (1610 to 1619) along with a Carmelite monastery (1635).
- Old market (XIX century).
- City-hall (early XX century)

1.2. Short Information on Ternopil Oblast

OBLAST CENTER:	CITY OF TERNOPIIL
TOTAL NUMBER OF RAIONS:	17
TOTAL NUMBER OF CITIES:	18
TOTAL NUMBER OF URBAN-TYPE LOCALITIES:	17
TOTAL NUMBER OF RURAL LOCALITIES:	1019
TOTAL NUMBER OF RURAL COUNCILS:	581
NUMBER OF INHABITANTS, PERSONS:	1,116,300
TOTAL AREA, KM ² :	13,824
POPULATION DENSITY (INHABITANTS PER 1 KM ²):	80.89
URBAN POPULATION RATIO:	42.7 %

The Ternopil Oblast is situated in Ukraine's west and occupies the western part of the Podolian Highland. Its surface area is 13,800 sq. km which amounts to 2.3% of



Ukraine's area. The oblast's extension is 195 km from North to South and 129 km from West to East. It borders on Rivne, Chernivtsi, Lviv, Ivano-Frankivsk, and Khmelnytskyi oblasts of Ukraine.

The rivers of the Ternopil Oblast belong to the Dniester and Prypiat basins. The largest of them are Dniester (its course within the oblast amounts to 215 km), Seret (242 km), Zbruch (244 km), Stripa (147), Zolota Lypa (85 km), Nichlava (83 km), and Horyn (50 km).

The oblast lies in the forest-and-steppe zone. Main types of soil are: black earth, wet forest, and meadow-swamp.

The Ternopil region has temperate continental climate with cool summer, mild winter and sufficient quantity of precipitations. The yearly average temperature of air varies between 6.9°C in the central part and 7.4°C in the north and south. The average temperature of July is +16 to +19°C, and of January, -4 to -5°C. The annual precipitation varies between

550 mm in the north and 700 mm in the south. The west wind directions are prevailing.

Sufficient moistening, favorable temperature regime and ground cover create favorable conditions for growing forest-steppe crops, particularly wheat, barley, rye, oat, sugar beet, potatoes, and vegetable and fodder cultures, and in the southern regions – grape, peach, apricot.

The oblast is rich in mineral resources. Among them, the largest group is formed by limestone, chalk, marl, gypsum, sandstone, fireproof and construction clay, gravel and shingle materials, phosphorites, bentonites which serve as raw material for production of various building material. The oblast also has some resources of brown coal and peat, as well as of iron, copper and manganese ores.

1.3. Characteristics of the Chortkiv Raion

RAION CENTER:	CITY OF CHORTKIV
TOTAL NUMBER OF CITIES:	1
TOTAL NUMBER OF URBAN-TYPE LOCALITIES:	1
TOTAL NUMBER OF RURAL LOCALITIES:	55
TOTAL NUMBER OF RURAL COUNCILS:	43
TOTAL AREA, KM ² :	904
NUMBER OF INHABITANTS, PERSONS:	80,944
POPULATION DENSITY (INHABITANTS PER 1 KM ²):	89.54
URBAN POPULATION RATIO:	40.6 %

The Chortkiv Raion was established in 1940. It is located in the Ternopil Oblast's south-east, within the Podolian Highland. The raion's surface is a wavy forest-covered plain of 300 to 350 meter altitude, partitioned gullies, ravines, and canyon-like river valleys. In the south of the raion, karst relief forms are widespread – caves.



The raion borders on the Boriv, Zalischyky, Husiatyn, Buchach, and Terebovlia raions of the Ternopil Oblast.

The Chortkiv Raion area within its present borders is 904 km², with the permanent population of 80,900.

The climate is temperately continental. The average temperature is -5.1°C in January and +18.8°C in July. The annual average precipitation is about 560 mm.

The Dniester's left confluent cross the raion's territory: Seret, Nichlava, Dzhuryn, and Zbruch form the raion's eastern border on Khmelnytskyi oblast. Twenty ponds constructed in the raion have the total water-surface area of 446 ha.

The raion's main resources are natural building materials and fertile soils. Limestone, sandstone, gravel, gypsum, sand, clay deposits are widespread here.

The land stock, which has the area of 90,300 ha, includes 64,000 ha (77.1%) of farming land. The raion belongs to the most

plowed up ones in the oblast: arable lands make up 87.9 % of the farming land. There are on the average 0.72 ha of field per inhabitant.

Forest resources are not significant. The forest area is 11,200 ha (12.3%). Wind-belts occupy 590 ha. There are two reserved sites of national importance in the raion: the "Galileo's Cottage" reserve, a woodland of 1,856 ha, and the 22 km long "Mlynky" gypsum cave in the Zalissia village. There are also six reserves and 11 natural monuments of local importance.

The raion's population inhabits two urban (the city of Chortkiv and the Zavodske urban-type locality) and 55 rural localities.

The raion's industry is represented by food, mechanical engineering and consumer goods enterprises. There are 20 large industrial enterprises including 13 food, three consumer goods, two to mechanical engineering, one pulp-and-paper, and one chemical enterprise. Most of them are concentrated in the city of Chortkiv: a meat-packing plant, a cheese dairy, a plume-and-down factory, a garment factory, a large-scale mechanized bakery, and a combined bakery plant. In the urban-type community of Zavodske, there is a sugar-refinery; in the village of Yahilnytsia, a tobacco-fermentation factory, the "Halychanka" factory, and a stud-farm; in the village of Probizhna, a starch-products factory; in the village of Marylivka, an alcohol distillery; and in the village of Kolyndiny, a combined plant of concentrate and yeast products. Brick-yards are in the villages of Kalynivschyna, Skorodyntsi, Stara Yahilnytsia, Zelena, Rosokhach, Bazar, Mylivtsi, and Bila. A heat and power station is in Zavodske.

The agriculture occupies an important place in the raion's economy, specializing in beet and grain. Major crops include sugar beet, winter wheat, barley, oat, tobacco, potatoes, vegetables, and forage crops. Areas under crops total in 56,400 ha, of which 64.8% are under grain crops; 390 ha are designated to horticulture. In 2003, 58,200 tons of grain were produced in the raion, which is by 69.3 % less than in 1990. Situation with other crops is similar.

The cattle breeding, specialized in meat and dairy, has been accounting for significantly smaller portion of the agricultural produce in recent years than the plant

growing. Compared to 1990, the meat production has decreased 11.4 times, and dairy production, 27 times. All categories of the Chortkiv Raion's agrarian enterprises have 16,400 heads of cattle, 21,200 hogs, and 1,200 heads of sheep and goat.

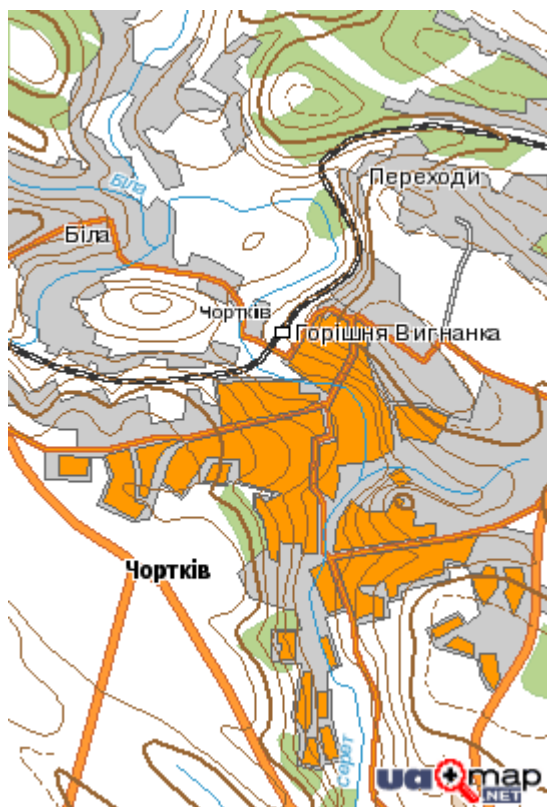
The Ternopil – Zalischyky railroad runs through the raion, with a branch line to Ivane-Puste. The main junction is the city of Chortkiv; other railroad stations include Bilobozhnytsia, Vyhnanka, Shmankivchyky, Yahilnytsia.

Major highways include Ternopil – Zalischyky and Buchach – Chortkiv – Borschiv. The total length of motor roads is 366.5 km, including 341 km with hard pavement.

1.4. Brief Characteristics of the City of Chortkiv

STATUS:	RAION-SUBORDINATED CITY
TOTAL AREA, SQ. KM:	11.2
POPULATION, INHABITANTS:	32,219
POPULATION DENSITY (INHAB. PER 1 SQ. KM):	2,876.7

Chortkiv is a raion-subordinated city, the center of the Chortkiv Raion of the Ternopil Oblast. It is situated 76 km away from the oblast capital, Ternopil. It is the second city of the oblast by its population.



Chortkiv sits on the Seret River. It has the population of 32,200 (as of Jan. 1, 2005) and the area of 11.2 sq. km.

Distances from Chortkiv to the nearest oblast centers by highways are: 480 km to Kyiv, 88 to Chernivtsi, 230 to Vinnytsya, 360 to Zhytomyr, 110 to Ivano-Frankivsk, 200 to Lviv, 215 to Rivne, and 111 to Khmelnytsky.

The city's leading economy sector is the industry represented by large industrial enterprises. Small and medium enterprises as well as private entrepreneurs complement the city's economic complex. In 2004, 189 enterprises of commerce, services and catering operated in the city. There is one motor transport enterprise, a railroad station with a terminal, and a bus terminal. Intra-city passenger transportations are performed by motor transport enterprises units and private carriers.

The city's education system comprises seven general education schools. The city has four higher education institutions.

The city is served by three health care institutions including an inpatient facility, an ambulance station, and a dental polyclinic.

The city of Chortkiv occupies 0.002% of Ukraine's territory and is inhabited by 0.068 % of Ukrainian residents. It has a ponderable place in all the Chortkiv Raion's indexes. Chortkiv accounts for 40.6% of the raion's permanent population and for over 46% of the raion's labor force.

Table 1. Comparative indexes of Chortkiv (as of Dec. 31, 2004)

	<i>City of Chortkiv</i>	<i>Raion of Chortkiv</i>	<i>Ternopil Oblast</i>	<i>Ukraine</i>	<i>Kremenets (competing city)</i>
Area, km²	11.2	904	13800	603,700	18.7
Permanent population	32,219	79,400	1,116,300	47,100,500	22,100
Employed population	7,765	16,386	n/a	n/a	10,829
Registered unemployed	608	1,803	n/a	n/a	1,005
Labor force	8,373	18,189	n/a	n/a	11,834

* - *The Chortkiv Raion's indexes include those of the city of Chortkiv*

2. POPULATION

2.1. General Demographic Characteristics of Chortkiv

The Chortkiv population has actually remained stable during the recent ten years, There has been a decrease in the population but not as critical as in some industrial cities in East Ukraine.

However, it can be stated with a high probability that a relatively high ratio (vs. other Ukrainian cities) of employable population is on seasonal works outside the oblast. There is no reliable information regarding these data.

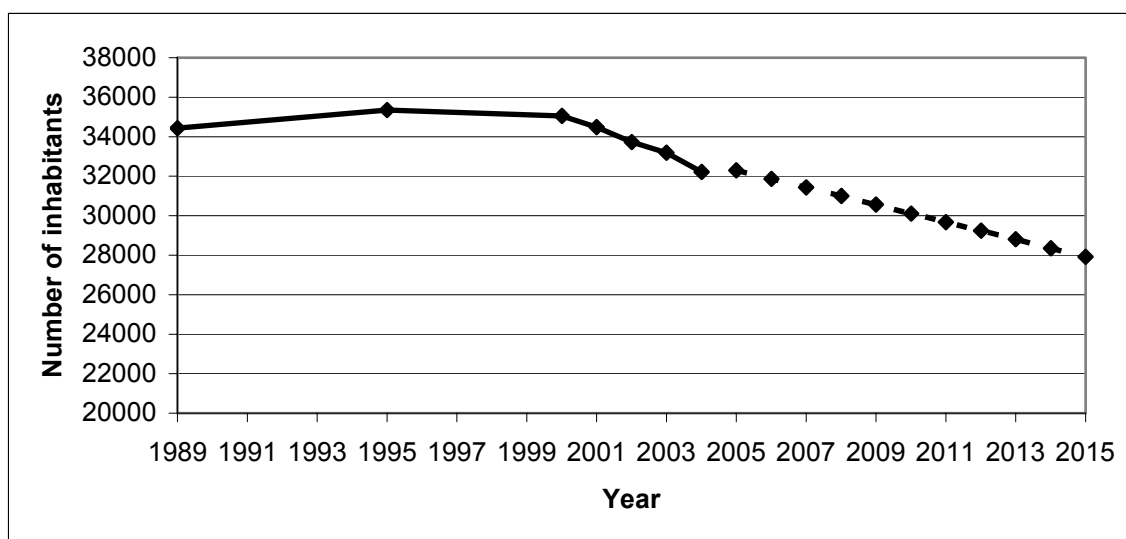
Table 2. Number of inhabitants in the city and the raion, 1989 to 2004 (as of December 31)

	<i>1989</i>	<i>1995</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
The city of Chortkiv	34,432	35,339	35,067	34,487	33,733	33,183	32,219
The raion of Chortkiv	82,900	83,200	81,400	80,900	80,600	80,200	79,400

In terms of population, Chortkiv is the oblast's second largest city (after Ternopil) and the largest locality in the Chortkiv Raion.

The city of Chortkiv closely borders on the urban-type community of Zavodske. The table above shows the city's population including the inhabitants residing in Zavodske (approximately 2,200 people).

Chart 1. The city of Chortkiv's population dynamics: 1989 to 2015



Given the present population dynamics in Chortkiv, the Chart 1 attempts to project changes in its population onto a period until 2015 using the linear function. The city's population trends towards slight decrease. Other factors being unaltered, the city of Chortkiv's population will reach 32,202 people in 2015.

Table 3. Statistics of population movement

<i>Indexes</i>	1989	1995	2000	2001	2002	2003	2004
Births	1153	951	679	669	668	674	699
Deaths	1076	1195	1171	1208	1135	1346	1168
Natural growth	77	-244	-492	-539	-467	-672	-469
Moved in	3514	1279	1381	1345	1405	1204	1377
Moved out	2684	1307	1469	1560	1488	1496	1492
Migration balance	830	-28	-88	-215	-83	-292	-115
Total increase/decrease	907	-272	-580	-754	-550	-964	-584
Chain index	103.02	99.20	98.32	97.71	98.33	97.08	98.22

Notwithstanding, taking into account economic growth prospects, an inverse trend can be forecast with high probability – that the number of inhabitants will increase. Therefore, a forecast for population trends regarding the city's demographic indexes for the nearest several years is positive. There can be some increase in the population due to the moved-in (most probably, from adjacent locations) because of the higher socioeconomic development of Chortkiv, as compared to the rest of the region (raion), and the positive average wage growth trend. Some increase in the natural growth can be also expected. The grounds for such a statement are the relatively high number of citizens born in the 1970s and early 1980s and now marriageable, as well as the social measures taken by the present government to support reproduction. Hence, the negative conclusions based only on mathematical dependences (without taking into account highly probable social, political and economic changes) may rather not be justified.

At the same time, a gradual absolute increase in the number of non-working age residents need to be expected, which generally matches the trends to be found in most European countries. This conclusion is based on data interpolation for the Ternopil Oblast, as we could not obtain reliable data on population age structure in Chortkiv.

The share of urban population in the Chortkiv Raion is 28.9%, and rural 71.1%. Males account for 45.8%; there are 845 males per 1,000 females.

In the population age structure, the working-age population is the largest group at 57.2%. A negative feature of the age structure is that the population under the working age is smaller than the group of pensioners (18.5% vs. 24.3%, respectively).

2.2. Education Level

The Chortkiv labor force possesses a relatively high level of education and skills. The emergence in the last 10 years of educational institutions geared to the training of prospective business and service area employees has been an adequate response to the challenges of the changing social and political situation in Ukraine.

Table 4. Educational levels within the population aged over 10 years

<i>Educational level</i>	<i>Absolute figure</i>	<i>Structure %</i>	<i>Structure in Ukraine for urban population</i>
Basic general high	4,178	24.23	25.0
Full general high	9,148	53.05	34.8
Vocational	3,455	20.04	
Basic higher	176	1.02	21.3
Full higher	3,741	21.70	16.6

Located in the city are five higher educational institutions of different accreditation levels:

- Teacher Training College
- Medical College
- Kolomiya Law and Business College
- Chortkiv Entrepreneurship and Business Institute
- Deacon and Regent Catechetical Academy.

The results of a Business Attitude Survey performed among local entrepreneurs attest that significant manpower reserves are available in communities adjacent to the city. This manpower has low skills, largely consisting of laborers and construction workers. Some small industrial enterprises in the city have up to 50% of such employees.

The high unemployment in communities adjacent to the city (significantly above official statistics) and the significant competition at the labor market allow employers to maintain salaries at a relatively low level.

3. HOUSING

3.1. Housing Provision

The imperfect legislation on urban development and the lack of a Master Plan in Chortkiv did not allow for working out systemic approaches to the city's development planning. That is why the construction went spontaneously previous years. Today, the city has its Master Plan approved by the City Council.

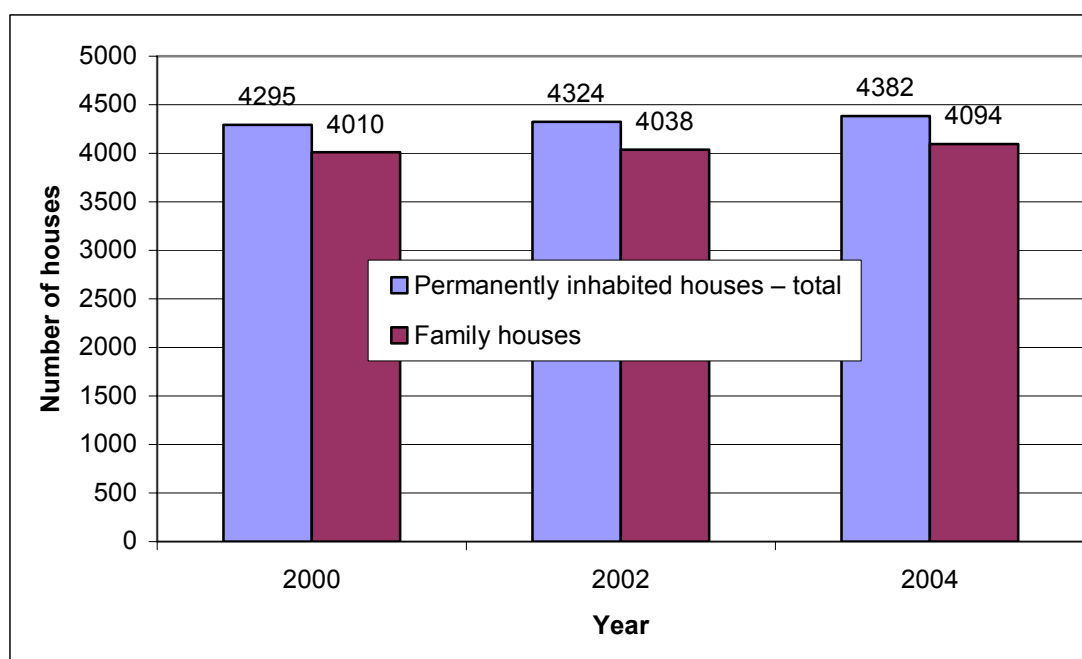
Development and reconstruction plans have been elaborated for the Monastyrska and Nezalezhnosti Streets and the Kadub neighborhood.

Table 5. Housing development

	2000	2002	2004
Permanently inhabited houses, total,	4295	4324	4382
including:			
- in family houses	4010	4038	4094
- % in family houses	93.36	93.39	93.43
Permanently inhabited apartments, total	7215	7303	7451
including:			
- in family houses	4080	4108	4164
- % in family houses	56.55	56.25	55.89
Apartments per 100 inhabitants	21.3	22.5	23.1

Since there has been no comprehensive municipal property inventory in Chortkiv, and the records of land tax payment by individual private house owners are kept by the tax authority, the city hall does not have comprehensive reliable information on the number of real estate sites and their characteristics.

Chart 2. Number of inhabited houses in Chortkiv



The lingering process of municipalizing the Defense Ministry’s housing stock has not been completed, thus complicating the city’s housing stock taking and distribution.

3.2 Quality Characteristics of Housing

Most buildings in the city centre belong to the so-called «low-comfort housing». Also a significant number of buildings were erected in the early XX century, and has been run for a long time without major repairs. Most of these are municipally-owned buildings.

Table 6. Provision of public utilities

	2000	2002	2004
Percentage of apartments connected to municipal water supply	64.0	72.0	89.0
Percentage of apartments connected to municipal gas supply	78.0	91.0	98.0
Percentage of apartments connected to municipal sewer system	43.0	61.0	69.0
Percentage of apartments connected to central heating	52.0	64.0	71.0

The low percentage of apartments connected to the municipal water/wastewater systems can be explained by the great number of family houses, which are in the city’s outskirts and are not provided with these kinds of utilities.

3.3. Housing Construction Development

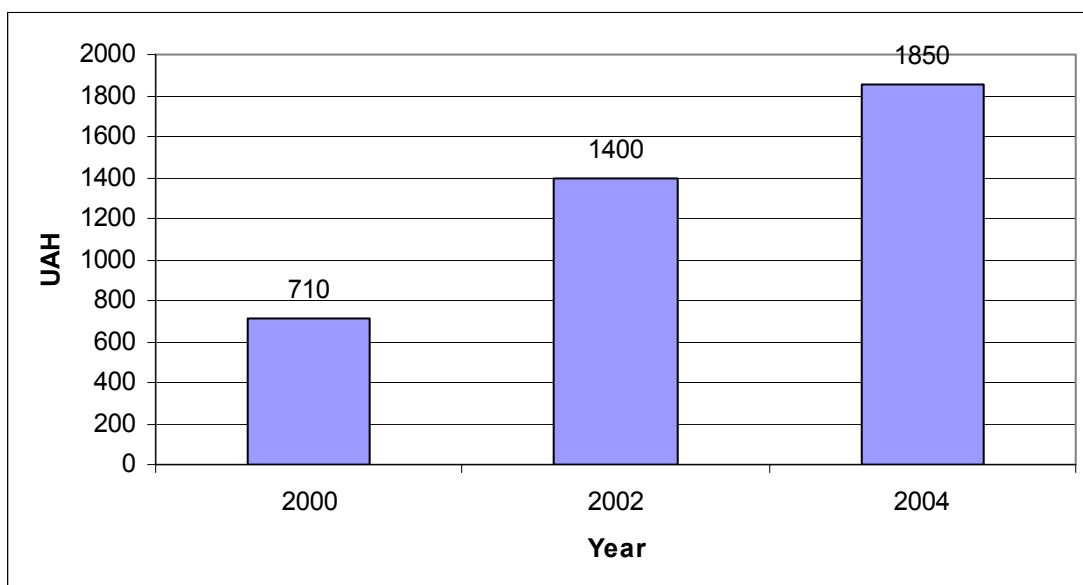
In the past years an acceleration of house-building can be observed in the Ternopil region. A similar situation is given in the Chortkiv city and raion. Over 96% of newly built housings are individual buildings. In the city of Chortkiv only 1 to 6 apartment buildings are put into commission yearly.

Table 7. New houses commissioned

	2000	2002	2004
Newly built houses, total,			
including:	22	29	58
- family houses	22	28	56
- percentage of family houses	100.0	96.55	96.55
Newly built apartments, total,			
including:	23	88	148
- in family houses	22	28	56
- percentage in family houses	95.65	31.82	37.84
Average market price of 1 sq m in a new apartment/family house, UAH	710	1400	1850
Average size of a new apartment/family house, sq m	51	60	69

As shown by the data in the table, the past two years have marked a construction boom in Chortkiv. The main reason for this is the emergence of rich citizens. The housing price bulge is noteworthy. The buildings erected in recent years belong to high-quality housing, as evidenced by the increase in both the average size and cost of new apartments. For the most part, family houses are constructed.

Chart 3. Average market price of 1 sq m in a new apartment/family house



The past four years' dynamics has showed a 2.6 time increase in the housing market price. The rise of newly-built housing price is accompanied by continuously increasing prices at the secondary housing market. The housing which is in the city's center and can be reequipped for business (for commerce or services) has the highest value.

Table 8 New houses commissioned in the Chortkiv Raion (financed from all sources of funds), sq m

	1990	1995	2000	2001	2002	2003
New houses commissioned, total	18,148	9,376	7,285	12,422	12,572	6,893
Houses commissioned per 1,000 inhabitants	219	112	89	153	156	86
Family houses commissioned	6,853	4,822	7,285	7,502	12,322	5,133
Family houses commissioned per 1,000 inhabitants	83	58	89	92	153	64

A total of 6,893 m² of floor area was commissioned in 2003 – one-third of that in 1990. Comparing to 1990, the structure of housing construction has drastically changed, tending towards an increase in family houses. The city of Chortkiv accounts for more than 80% of the total floor area commissioned in the Chortkiv Raion.

4. EMPLOYMENT AND INCOME

4.1. Employment

Fostering positive developments in employment is one of the local government's most important tasks.

Negative trends can be observed in the region's labor market. During the recent four years, the number of wage-earners in the Chortkiv Raion has been continuously decreasing. The city of Chortkiv accounts for 50% of the raion's hired labor. The number of employees dropped by 32.2% between 2000 and 2003.

Table 9. General trends in the number of employees, 1,000 persons

	2000	2001	2002	2003
Chortkiv Raion	20.2	18.9	14.4	13.7
Ternopil Oblast	305.6	272.6	238.4	221.8
Ukraine	21,268.5	21,015.5	21,378.6	21,448.7

A positive employment trend in Chortkiv is the steadily-growing self-employment. The last two years alone have brought a 10.1% increase in the number of individuals who are so-called "subjects of entrepreneurial activities" – up to 1,895.

Table 10. Employment in the city and the raion

	2004
City of Chortkiv	7,765
Chortkiv Raion	16,386

In this table, the number of employees includes the number of employed by entrepreneurs of all ownership forms and self-employed persons. According to official data from the Chortkiv Raion Statistics Office, the city of Chortkiv's employed population amounts to 7,765 persons. The official status of unemployed was granted to 608 persons.

Information on previous years could not be obtained due to the fact that an automated unemployment record-keeping system was only established in 2004.

The peculiar feature of this region is the high number of persons temporarily working abroad. Most of them work in European countries. Their exact number can not be determined due to the lack of official data.

People aged 30 to 49 years are most economically active, accounting for 57% to 60% of employed population. Males and females are represented in the employed population almost equally, the former prevailing by 0.7%.

Table 11. Employment by activities

<i>Branches and activities</i>	2000		2004	
	<i>Number of employees</i>	<i>%</i>	<i>Number of employees</i>	<i>%</i>
Agriculture, hunting, forestry, and fishery	384	7.97	219	3.73
Industry	1290	26.78	1324	22.56
Construction	189	3.92	398	6.78
Wholesale, retail, and vehicle sale and repair.	419	8.70	684	11.65
Hotels and restaurants	196	4.07	324	5.52
Transport and communications	364	7.56	499	8.50
Financial activities	89	1.85	125	2.13
Real estate operations, leasing, provision of services to legal entities	12	0.25	39	0.66
Public administration	380	7.89	460	7.84
Education	610	12.66	744	12.67
Health care and social assistance	579	12.02	686	11.69
Collective, public and personal services	305	6.33	368	6.27

In the structure of employed by branches and activities the industry, education and health care have the largest proportions. An important trend is the significant increase in the number of construction employees, as determined by the boom in this sector. The structure of employed population is fully in line with the main trends and features of the city's and region's economic system development.

4.2. Wages and Incomes of the Population

The social policy on the national and local levels has to be directed to secure the growth of the population's living standards, an increase in real incomes including salaries, the middle-class formation, and poverty elimination.

Following changes in national legislation, the minimum level of labor remuneration has been continuously growing. These changes facilitate wage rise in all spheres of economy. In 2004, the minimum monthly wage reached UAH 237.

The highest growth rates of the average monthly wage were observed in 2001. The wage level in Chortkiv and the Ternopil Oblast is well below Ukraine's average.

Table 12. Average wage (UAH)

	2000	2001	2002	2003	2004	2001/ 2000	2002/ 2001	2003/ 2002	2004/ 2003
	<i>Nominal values, UAH</i>					<i>% of increase</i>			
City of Chortkiv	n/a	n/a	241.00.	327.00	398.00	n/a	n/a	35.68	21.71
Chortkiv Raion	123.15	168.70	231.51.	277.92	374.00	36.99	37.23	20.05	34.57
Ternopil Oblast	134.96	189.66	237.05.	304.18	388.46	40.53	24.97	28.32	27.71
Ukraine	230.00	311.00	376.38.	462.27	589.62	35.22	21.02	22.82	27.55

The highest level of the average nominal wage was paid in the areas of financial activities, UAH 655.44, transport and telecommunications, UAH 509,01, public administration, UAH 495.40, and industry UAH 359.58.

A major problem is the discrepancy between the official and actual income levels of citizens. According to research, the latter significantly exceeds the former, suggesting existence of non-taxed incomes. For example, the number of private cars per 1,000 persons in 2003 was 97, which is by 22.8% more than in 1995. The same is also evidenced by the considerable increase in the real estate value and the housing market price at both the primary and the secondary markets.

In the region's income structure, the wage makes up about 33 %. Significant proportions in the household resources structure fall on pensions, allowances and subsidies as well as the value of consumed produce from private subsidiary farms.

Food expenses account for about 60% of the total household expenditures. Per capita monthly expenditures of just above half of the population (54.5%) are between UAH 90 and UAH 210.

4.3. Unemployment

To achieve changes for the better in employment, the local government have to place high emphasis on taking measures in order to overcome such a negative phenomenon as unemployment. The officially reported unemployment rate in the Chortkiv Raion and the city of Chortkiv is low enough. The total number of registered unemployed in the Chortkiv Raion in 2004 was 1,803, including 608 persons in the city of Chortkiv. During 2004, 4,895 people applied to the regional Employment Centre. An Employment Program is annually developed, providing for measures to reduce the unemployment rate and foster employment.

Table 13. Registered unemployment rate (as of December 31)

	1995	2000	2001	2002	2003	2004
Chortkiv Raion (including the city of Chortkiv)	0.9%	6.4%	3.6%	3.8%	2.7%	3.5%
Ternopil Oblast	0.8%	7.0%	6.5%	6.9%	6.9%	6.9%
Ukraine	0.5%	4.2%	3.7%	3.8%	3.6%	3.6%

In the city and raion there is a high number of applicants per one vacancy, five times exceeding Ukraine's average. In 2004, 30 unemployed claimed one vacant position on the average. A greater demand can be observed when analyzing this index from the angle of professions (especially for economists, accountants, education workers), as caused by high redundancy.

Table 14. Applicants per one vacancy (as of December 31)

<i>Administrative units</i>	1995	2000	2001	2002	2003	2004
Chortkiv Raion (including the city of Chortkiv)	6	63	27	12	47	30
Ternopil Oblast	4	87	41	33	25	31
Ukraine	2	17	11	9	7	6

Though the annual average number of dismissed workers has been declining, 1,798 people have been dismissed over last four years. At the same time, the demand of enterprises for workers to fill vacancies remains low (e.g., as of Jan. 1, 2004, there were as few as 32 vacant jobs).

Table 15. Registered unemployed by education level in 2004

<i>Level of education</i>	<i>City of Chortkiv</i>		<i>Chortkiv Raion</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Basic general high	5	0.82	57	3.3
Full general high	156	25.66	519	28.8
Vocational	155	25.49	583	32.3
Basic higher	186	30.59	473	26.2
Full higher	106	17.43	171	9.4

Persons with basic higher education account for the highest percentage of unemployed in the city of Chortkiv. One of the reasons is the existence in the city of a significant number of higher education institutions which are not sufficiently engaged in the placement of their own graduates. This is also a positive phenomenon for investors interested in high-skilled labor force.

Table 16. Registered unemployed by duration of unemployment in 2004

<i>Duration of unemployment</i>	<i>The city of Chortkiv</i>		<i>Chortkiv Raion</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Up to 1 month	91	15.0	484	26.8
1-2 months	130	21.4	346	19.2
2-3 months	72	11.8	186	10.3
4-6 months	186	30.6	348	19.3
7-9 months	75	12.3	188	10.4
10-12 months	36	5.9	204	11.3
13-18 months	17	2.8	44	2.5
19-24 months	1	0.2	2	0.1
25-36 months	0	0.0	1	0.1
Over 36 months	0	0.0	0	0.0

A positive fact in the Employment Center's activities is that the unemployment duration of overwhelming majority of the registered unemployed (78.8%) is below six months, suggesting that most of them are placed at work within half a year. Considerable attention is also paid to personnel's retraining. An important effort in reducing the unemployment rate is to familiarize the unemployed with the business fundamentals with subsequent payment of a lump-sum benefit to start up.

Chart 4. Age structure of registered unemployed

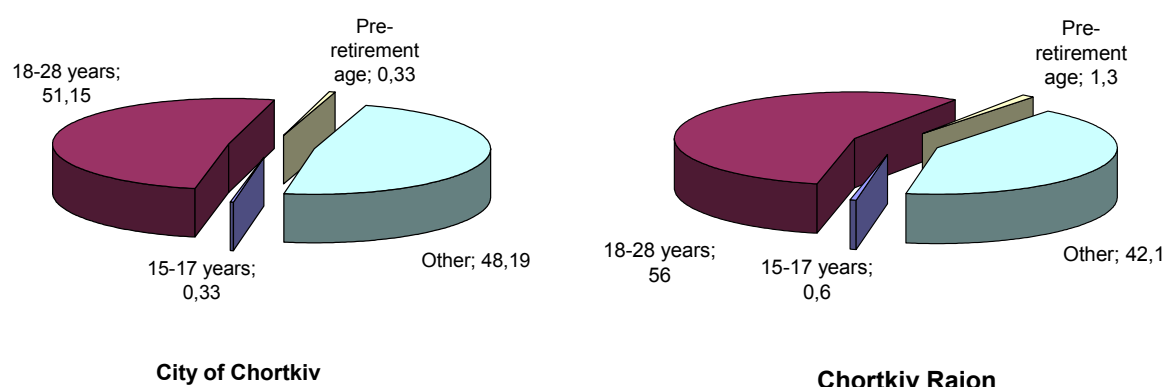


Chart 4 shows the structure of unemployed by age in the city of Chortkiv and the Chortkiv Raion. Unemployed aged 18 to 28 years have the most weight in this structure. Also above 40% unemployed are in the most productive age of 30 to 50 years.

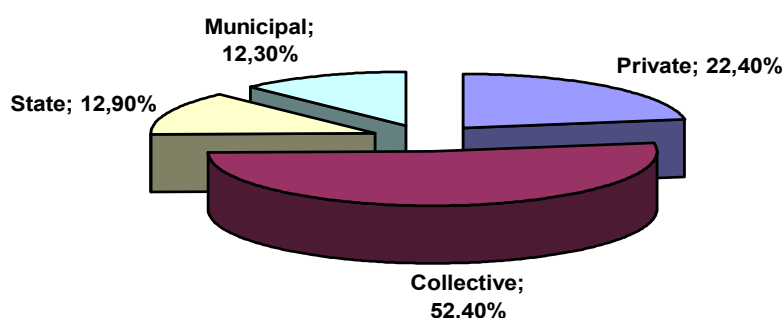
5. ECONOMY

5.1. Economic Entities

In the past years tangible changes have been achieved in the city's economic development. Radical changes in the socioeconomic relations have taken place, including a pivotal turn in the formation of ownership relations. Nowadays, the non-public sector occupies the leading place in the industry.

Chart 6 shows the distribution of economic entities by ownership forms.

Chart 5. Distribution of economic entities by ownership forms



More than a half of registered enterprises are owned collectively. Recent years have also marked a significant increase in the share of private businesses.

Steady growth of industrial production and expansion of internal market have been observed in recent years. It should be noted that the niche that emerged due to the crisis of industrial enterprises has been filled by small businesses. Nowadays they produce building materials, furniture, consumer goods and are engaged in the processing of actually all kinds of agricultural produce. The small enterprise sector has been expanding, growing in the number of both enterprises and entrepreneurs year by year.

In 2003, the industrial output in Chortkiv equaled UAH 100.2 million in comparable prices (as of Jan. 1, 2004). The city's economic complex involves 7,765 citizens. The SME sector accounts for 32% of the city budget revenues. About 1,900 individual entrepreneurs operate in the city.

The total number of registered small enterprises in the Chortkiv Raion is 169 (without individual entrepreneurs), plus there are 20 large industrial enterprises.

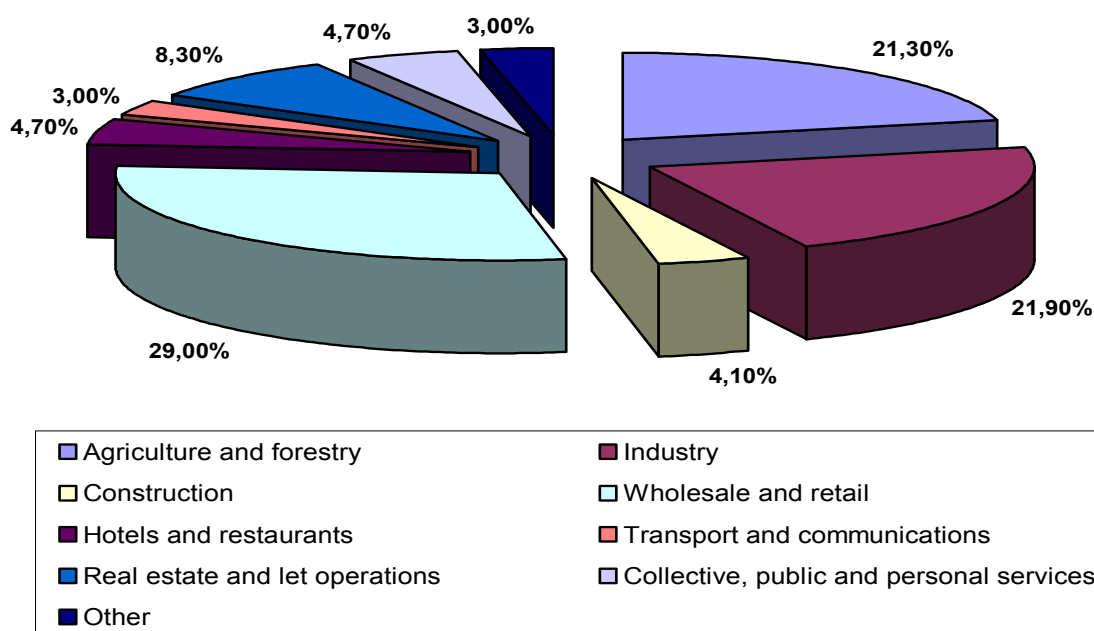
The total number of registered economic entities in the city of Chortkiv has been steadily growing over recent years, reaching 2,239 in 2004. For the most part, the registered economic entities are private entrepreneurs.

Table 17. Registered economic entities in the city

<i>Indexes</i>	<i>2002</i>	<i>2004</i>
Registered entities, total	2033	2239
Share of individuals	84.70%	84.60%
Number of registered entities – chain index	x	110.1%

Chart 6 shows the structure of registered small enterprise entities by economic activities. Majority of enterprises represent wholesale and retail business, agriculture and industry.

Chart 6. Structure of small enterprise entities by economic activities



As for the Chortkiv Raion, industrial enterprises are most numerous. Thirty-six of 37 small industrial enterprises belong to processing industry, of which 13 specialize in food and processing of agricultural raw materials.

Table 18. Registered economic entities per 1000 inhabitants (as of December 31)

A. Legal entities

	2002	2004
The city of Chortkiv	9.6	10.7
Chortkiv Raion	9.1	10.2

B. Individuals

	2002	2004
The city of Chortkiv	53.1	58.7
Chortkiv Raion	n/a	33.8

Calculated per 1000 inhabitants, the city has 10.7 legal entities and 58.7 individual entrepreneurs. This index is extremely important from the point of view of the city budget revenues. The greater the specific number of enterprises in a city the higher the budgetary provision, since budgeting in Ukraine is also done relative to the number of inhabitants.

The local government policy in the area of entrepreneurship has to be aimed at creating conditions for its development and enabling industries to reorient themselves from the "survival" strategy to a strategy of sustainable development.

In recent eight years, the total output of the city's enterprises has more than doubled, with industrial output accounting for the lion's share of the total (71.6%) and outpacing other branches in terms of growth.

Table 19. Production and services volume by activity in comparable prices (1,000 UAH)

	<i>1996</i>	<i>2000</i>	<i>2004</i>
Agriculture, hunting, forestry and fishery	10,200	8,700	10,800
Industry	49,800	88,200	124,000
Construction	1,800	2,500	5,800
Wholesale, retail, and vehicle sale and repair	3,200	12,000	21,400
Hotels and restaurants	60	70	80
Transport and communications	3,600	5,800	8,500
Collective, public and personal services	1,230	1,820	2,490
Other activities	30	60	80
TOTAL	69,920	119,150	173,150

Foreign-economic activities are of crucial importance for the region. Most attention should be given to provision of comprehensive incentives for exporting goods and services. The Chortkiv Raion (including the city of Chortkiv) is the second largest exporter in the Ternopil Oblast after the oblast center, accounting for 7.9% of the total exports from the oblast.

There are ten exporting enterprises in the Chortkiv Raion, which annually sell abroad \$6,284,600 worth of products. The raion has an export balance of trade, with exports exceeding imports by \$3,543,200. Nine entrepreneurial entities engage in import.

Table 20. Export structure (\$1,000)

	<i>2000</i>	<i>2004</i>
Ready-to-eat products	199	102
Raw leather and fur and products of these	1,154	864
Timber and wood	920	1,290
Textiles and textile products	398	260
Mechanical equipment; machines and mechanisms, electric equipment and parts of these; audio/video recording/playback devices	180	86
TOTAL	2,851	2,602

No significant changes have happen in the export structure in recent years. The largest shares of exported commodities fall on timber and woods (49.6%) as well as raw leather and fur and products of these (33.2%). This is due to the successful operation of two enterprises representing these branches.

The main volumes of exports supplied by Chortkiv exporters go to Russia (69.9%), as can be seen from the table below.

Compared to 1996, the export distribution by groups of countries has changed significantly. In 1996, CIS countries accounted for 84% of exports from the oblast, whereas at present this index has almost halved. In turn, export of commodities to European countries over the same period has tripled, reaching nearly 43% of the total exports.

Table 21. Geographic structure of exports (\$1,000)

<i>Groups of countries</i>	<i>2000</i>	<i>2004</i>
CIS countries	516	584
Russia separately	2,050	1,820
EU Countries	285	198
TOTAL	2,851	2,602

The last year total amount of fixed capital investments in the Chortkiv Raion amounted to UAH 11.4 million. In addition, UAH 5.7 million was invested in housing construction. Own resources of entrepreneurial entities account for largest portion in the structure of investment sources.

As for foreign direct investments, it should be noted that the capital of nonresidents in the Ternopil Oblast amounted to \$28,678,900 or \$25.37 per capita as of Jan. 1, 2004. Compared to 1996, the FDI volume has multiplied by a factor of 2.6.

In the city of Chortkiv, total FDI amount to \$1,389,000.

Germany, Czech Republic, Australia, Belgium, Austria, and Poland are FDI leaders in Chortkiv.

Table 22. FDI structure by country of origin (\$1,000)

	<i>Invested since 1990</i>	<i>% of total</i>
Germany	140	10.1
Poland	275	19.8
Other	974	70.1
TOTAL	1,389	100.0

Stable operation of the city's industrial enterprises, which use up-to-date technologies and make high-quality competitive products, can ensure optimal employment, increase budget revenues, and solve socioeconomic problem in the city.

Qualitative changes in the industry go at a very slow pace. Technical and technological backwardness of most enterprises has a negative impact on the product competitiveness. There are significant payables and receivables; more than a half of enterprises are loss-making. These and other negative factors render them unattractive for investors. Moreover, the low effective demand at the internal market as well as unstable prices for energy resources and railroad transport services influence negatively on the industry's performance.

5.2. Major Employers

There are no large-scale enterprises in the city of Chortkiv. Only five have an average registered staff exceeding 100 employees.

The lack of large industrial enterprises is a feature of this region. In the territory of the Ternopil Oblast there are 266 large industrial enterprises, of which 20 are located in the Chortkiv Raion. All of them belong to processing industry, including 65% that engage in processing agricultural products and manufacturing foodstuffs.

Table 23. Major employers in the city of Chortkiv

	<i>Primary activity</i>	<i>Number of employees in 2004</i>
Public enterprise "Chortkivsky LisGosp"	Processing of wood and agricultural products	541 (incl. 68 city residents)
Open JSC Chortkiv Plant "Agromash"	Machine-building	168
Open JSC Motor Transport Enterprise – 16242	Passengers and goods transportation	145
Chortkiv Combined Bakery	Processing of agricultural products	144
Open JSC "Ternopilbud"	Construction	142
Chortkiv Founding And Mechanics Plant	Production of cast-iron ware, electric motors repair, metal machining	99
Chortkiv Municipal Enterprises Complex	Rendering of public utilities to citizens	90
Raion consumers association	Trade in foodstuffs and manufactured goods	65

5.3. The City's Economy

The city budget is the basis for solving socioeconomic problems in a city. The city budget has to serve the interests of citizens. It needs to be a plan for the formation and use of budgetary resources to secure activities of the City Council and its Executive Committee aimed to meet requirements of the community and ensure its socioeconomic development.

The city budget revenues are formed of taxes, fees and other obligatory charges paid by legal entities and individuals.

General fund

First basket	<ul style="list-style-type: none"> Individual income tax (before 2004, income tax on citizens) Fixed tax Payment for trade license Single tax State duties and administrative penalties
Second basket	<ul style="list-style-type: none"> Payment for land Tax on trade Payment for state registration Enterprise profit tax (for communally-owned enterprises) Local taxes and fees Other revenues

Special fund

<ul style="list-style-type: none"> Receipts from privatization Receipts from sale of land Tax on vehicle owners Own receipts Environment pollution fee
--

In 2003, the total city budget revenues in Chortkiv amounted to UAH 5,071,200, including a general fund of UAH 3,382,900 (66.7%) and a special fund of UAH 1,688,300 (33.3%).

Main revenue items of the Chortkiv city budget comprise individual income tax, single tax, and local taxes and fees. However, the budget is largely formed of the individual income tax, which accounted on average for about 42% of the budget revenues in three past years, tending to increase. This tax is also the main contributor to the raion budget

Table 24. Budget revenues (UAH 1,000)

	2004		2005	
	<i>The city of Chortkiv</i>	<i>Chortkiv Raion</i>	<i>The city of Chortkiv</i>	<i>Chortkiv Raion</i>
Individual income tax	1,417.4	6,751.2	1,854.5	7,945.5
Enterprise profit tax (for communally-owned enterprises)	1.5		5.0	
Local taxes and fees	331.9	374.1	345.7	390.7
Payment (tax) for land	185.0	825.0	167.0	830.4
Tax revenues, total	2,912.4	9,556.1	3600.7	1,1076.5
Revenue from the rental of municipal property	10.4	31.0	12.8	26.4

The budget backing in the city of Chortkiv is at quite a low level. Tax revenues per one inhabitant in the city in 2004 were UAH 90.39, by 19.3% more than in 2003. The per capita budget revenues in the city of Chortkiv show an upward trend.

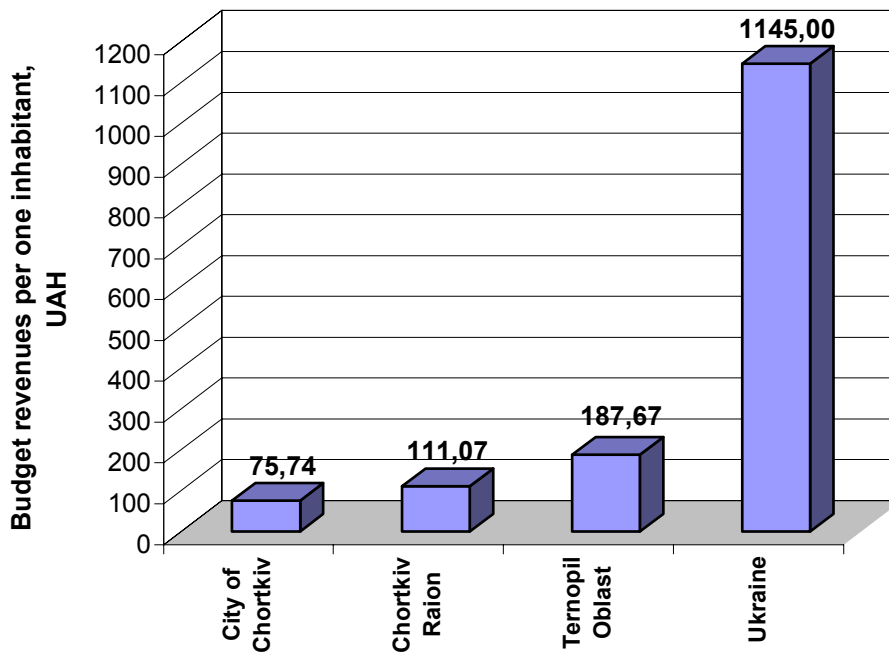
Table 25. Budget revenues per one inhabitant (UAH)

	<i>The city of Chortkiv</i>		<i>Chortkiv Raion</i>	
	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>
Individual income tax	34.13	43.99	78.39	85.03
Enterprise profit tax (for communally-owned enterprises)	0.99	0.05	-	-
Local taxes and fees	10.57	10.30	5.08	4.71
Payment (tax) for land	4.87	5.74	10.07	10.39
Tax revenues, total	75.74	90.39	111.07	120.35
Revenue from the rental of municipal property	0.39	0.32	0.24	0.39

Per capita budget revenues in the Chortkiv Raion exceed those in the city by 24.9%.

These indexes are significantly higher in the Ternopil Oblast and in Ukraine as a whole, as shown in Chart 7.

Chart 7. Budget revenues per one inhabitant, UAH



The city budget revenues and expenditures are formed by a formula. It is based on Ukraine-wide standard rates of social services provision. Calculated according to these principles, city budget is inadequate, as regional features regarding expenditures on social protection and security, education, culture, transport, housing and utilities are not fully taken into account. Thus a city (as a communal system) exists only at the expense of exceeded financial targets related to its own powers.

The 2004 budget expenditures were executed in conformance with the approved budget as amended. In 2005, it is planned to increase the budget revenues and expenditures. However, even these increased revenues will fail to meet all estimated requirements of the city.

Preschool education accounts for largest portion of expenditures from the Chortkiv budget general fund, 60.2%. Outlays from this fund also include expenditures administration, improvement of living environment, culture, physical culture and sports, transport, the *Ratusha* ("City Hall") newspaper, and social protection.

In recent years, the revenues of the city budget special fund have been continuously increasing. The main source of the fund is the receipts from municipal property privatization. During the past period, 66 items have been privatized, 40 of them being leasehold. Fifteen items were privatized in 2004 alone. The money obtained from privatization has been used for living environment improvements. In recent years, the special fund was also used to repair and maintain roads, sewerage, and wastewater treatment facilities, as well as for gasification and housing overhaul.

One of the methods of efficient city property management is the municipal property rent. 58 are rented amounting to 5361 sq m of floor space.

Table 26. Free sites available in the city for economic activities

	<i>Owner</i>	<i>Area, ha</i>
Lot of land in the Obyizna-Yahilnytska Streets. Intended for construction of business facilities.	City council	20.0
Lot of land in the Nezalezhnosti Street. Intended for construction of housing and commercial facilities.	City council	4.6
Lot of land in the St. Bandery Street. Facilities and structures of a military station to be converted to municipal property.	Defense Ministry	18.4
Lot of land in the Obyizna Street. Intended for construction of individual housing.	City council	10.0

An important component when drawing up the city budget is also the receipts from the sale of free lots of land. This resource was used by the city authorities in the preceding years in minor volumes and the receipts from the sale of land had insignificant weight in the city budget revenues.

As shown in the table, the city authorities assigned four main lots of land for economic purposes. Their total area amounts to 53 ha. In order to be used efficiently, they need to be provided with relevant utilities, making them more attractive and adding market value. A comprehensive inventory of municipal property and available lands has to become an important activity of the city government.

6. PUBLIC FACILITIES AND INFRASTRUCTURE

Transport

The region's main transportation means are the motor, railroad and urban transport. The motor transport in the Chortkiv Raion carries about one million tons of freight, which corresponds to 90.7 percent of all freight operations. In the conveyance of passengers, the largest share belongs to the urban transport.

There are national and local roads crossing the city's territory. Main motor roads are: Ternopil - Zalischyky, Buchach – Chortkiv – Borschiv. The total length of motor roads is 366.5 km, including 341 km of roads with hard surface. The traffic intensity is high enough. The traffic counting is done near the Kopychynets Bridge over the Seret River.

Table 27. Traffic counting, 2004

<i>Counted passage</i>	<i>Total number of vehicles</i>	<i>Heavy vehicles and trailers</i>
Kopychynets Bridge over the Seret River	4,480	1,290

Chortkiv has a railroad station sitting on the track section Ternopil - Zalischyky and having a branch line to Ivane-Puste. The nearest railroad stations are: Bilobozhnytsia, Vyhnanaka, Shmankivchyky, Yahilnytsia. The railroad network needs upgrade and reconstruction of obsolete sidings, new connections, and new routes. The use of air transport would be at visitors' and inhabitants' ease. The nearest airports are in the cities of Ivano-Frankivsk and Chernivtsi.

The interurban bus service is developed relatively well, but also needs improvements. There is a bus terminal situated in the city's territory. The intra-raion bus service has a sufficient level of development.

Six basic routes of public transport are operated in Chortkiv. The main urban carrier is the Open JSC "Chortkiv Motor Transport Enterprise 16142", which accounts for 90 percent of passenger transportation in the city. However, today it cannot fill the demand, and involvement of other, privately-owned, carriers helps better meet the passenger service requirements of citizens. Enterprise "Oreol", which was established in the city, also fails to fill the demand. The quality of transport services and the technical condition of the rolling stock need to be improved.

Table 28. Public transport

<i>Indexes</i>	<i>1996</i>	<i>1998</i>	<i>2000</i>	<i>2002</i>	<i>2004</i>
Passengers carried, 1,000	1,255.3	1,012.2	1,306.3	1,305	1,386.3
Total length of lines, km	15	15	15	19	31
Number of lines	2	2	2	3	6
Passenger turnover, million passenger-km	18.8	15.2	19.6	24.8	43

As the data in the table shows, the greatest increase in passenger turnover could be observed during the two past years. The opening of new urban lines and the increase in their total length contributed to the fact. Improvement of transport services rendered to the population requires that this trend is maintained in the future.

As of Jan. 1, 2005, six gasoline service stations and one natural-gas service station operated in the territory of Chortkiv plus two stations in the territories adjacent to the city. There is a network of parking lots in the city, most of which are not arranged according to current requirements. Chortkiv also has a ramified system of Care Service Stations, but most of them fail to meet present-day requirements.

Hard infrastructure and utilities

Roads and footpaths

The condition of the city's roads and sidewalks is on the average satisfactory: from relatively good in the city center to very bad elsewhere.

Generally, the existing road and transport infrastructure both within and outside Chortkiv can be characterized as underdeveloped. The available road resource does not allow for stable and relatively comfortable transport service.

The streets Mlynarska, Honchar, Pihuty, Hrushevskoho, Berdo, Sichynskoho, Makoveya, Khmelnytskoho, Ogiyenka, and Serednia need capital repairs, and the city center needs reconstruction.

Sidewalks need to be repaired in the S. Bandery, Podilska, Nezalezhnosti, Pihuty, Zelena, Shevchenka, Monastyrska, Sichenskoho, Khmelnytskoho, Ohiyenka, Serednia and other Streets.

Recreation areas and greenery

The situation with greenery-planting and arrangement of recreation areas in the city needs to be improved. The parks and gardens are in an unsatisfactory condition. In the city there is no developed system of flower beds and gardens, bush plantations and combined greenery, actually there is no small-architecture culture. The city's parks and gardens need to be renewed.

Energy supply

The city of Chortkiv is connected to the Ukrainian Power Grid. The electric power consumed in the region is produced by heat power stations at 91%. As can be seen from statistics, main electric power consumers in the city are industrial enterprises, accounting for 70% of the total power consumed. Recent years has shown increased power consumption by all sorts of consumers. At the same time, there exist considerable potential possibilities for a further increase in power consumption.

Table 29. Power consumption

	2000	2002	2004
Electric power (MW-year),	49,400	48,200	50,100
including:			
- residential customers	14,820	14,942	15,030
- enterprises	34,580	33,280	35,070

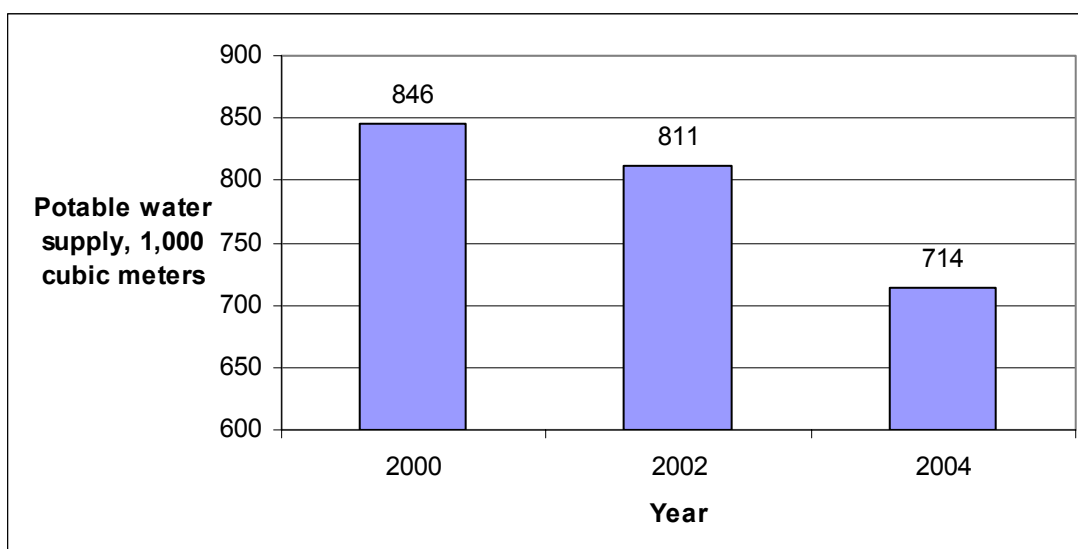
Electric power is supplied to all parts of Chortkiv. There are problems of street and yard lighting, which is either bad or absent, increasing the risk of injuries for citizens and lowering the level of their security.

Water and wastewater

Water supply in Chortkiv is predominantly centralized. Both in the city and in the vicinity there are explored mineral water deposits, which are operated either as open springs or as water wells. Such deposits are also used for domestic purposes.

Water consumption has been declining over recent years as a result of reduced use of water for industrial purposes. Domestic customers are the main water consumers. A major problem is still the low compliance of industrial and domestic customers in payment for services consumed. This has a negative impact on the financial condition of the water/wastewater enterprise (Chortkiv Vodokanal).

Chart 8. Potable water consumption



The potable water consumption in the city also tends to decrease. In 2004, the city consumed 714,000 m³ of potable water, which is 15.6% less than in 2000. There are many reasons for this reduction, for one thing, installation of individual water meters.

The capacity of the wastewater system existing in Chortkiv is insufficient. Some neighborhoods in the city have no access to the centralized wastewater system. In part, this problem could be solved through joint efforts of the city authorities and businesses operating in the city: any construction of new networks and sewers for business purposes has to take into account needs of residents living near such facilities.

Most water and wastewater networks are obsolete and need repairs and upgrade.

Heat supply

Chortkiv has a centralized heat supply system and a system of boiler-houses. However, the current condition of these systems fails to meet present-day requirements, calling for upgrade and installation of up-to-date equipment. Boiler-houses use natural gas, black oil, and coal as fuel. Residential customers consume most of the total heat supplied: 56.3%. As is the case with water and wastewater, low payment compliance of industrial and residential customers is a major problem.

Table 30. Heat supply

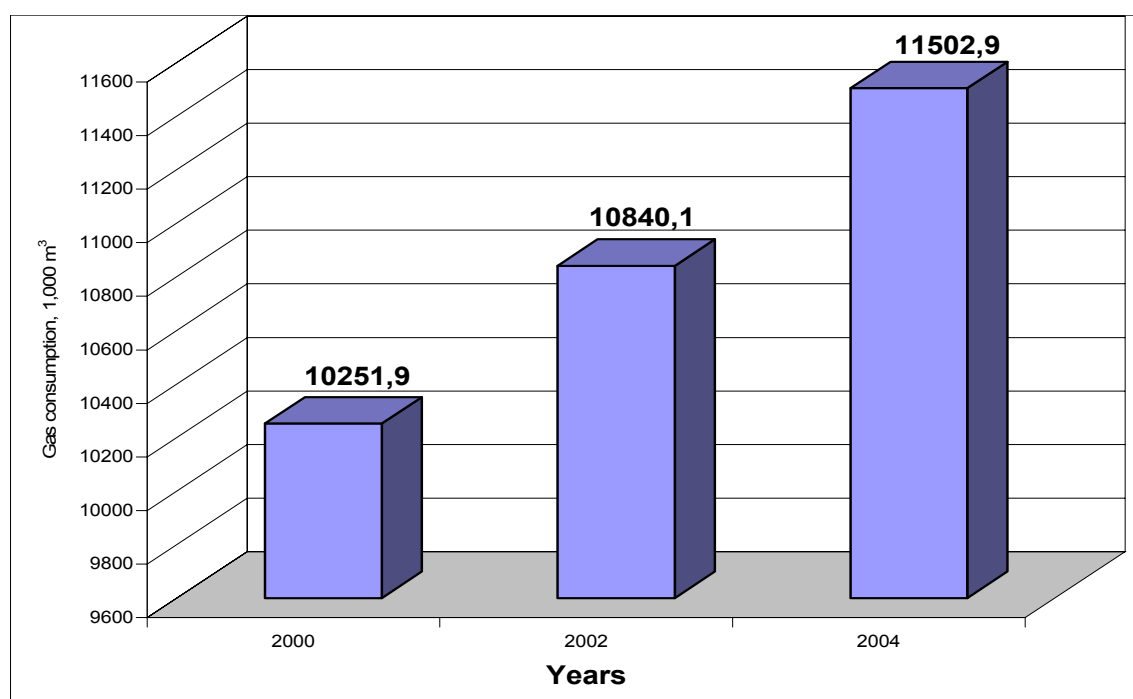
	<i>2000</i>	<i>2002</i>	<i>2004</i>
Heating (GigaCal),	44,970	43,282	41,144
including:			
- residential customers	27,182	25,728	23,411
- enterprises	17,788	17,554	17,733

To ensure high-quality and round-the-clock hot water supply, switching to alternative heat supply sources (including local ones) would be preferable. The main task of reforming the municipal heat supply sector lies in improving the management system of municipal heat enterprises, regulating the relations between economic entities, further demonopolization of the sector, creating and developing a competitive environment and services market, and replacing and modernizing the boilers and pumping units: 12 Tserkovna Street; 33 and 47 Shevchenka Street; secondary school No. 7; and 53 and 56 S. Bandery Street.

Gas supply

At present, consumers both in the city of Chortkiv and in the raion are supplied with natural gas delivered by powerful gas mains. The consumption of natural gas has been increasing in recent years. In 2004, Chortkiv consumed 11.5 million m³ of gas, which is by 12.1% more than in 2000. The consumption growth is due to increased use of gas by industrial enterprises and residential customers.

Chart 9. Gas consumption



Gas supply to new construction projects can be ensured by way of developing the existing system as well as creating new distribution points and laying new networks of different capacities.

Education

Chortkiv has six secondary schools located in the city's all neighborhoods and one primary school in Berdo, delivering training to 4,530 students. In pursuance of the raion program for social protection and support of orphan children and children left without parental care, there is a tutorship board operates within the City Council Executive Committee, which considers all issues related to living conditions of such children, their property rights protection and social guarantees.

Sufficient development was given in the city to pre-school and extracurricular education facilities. In the city of Chortkiv and the raion there are 47 pre-school facilities. The children's coverage by pre-school facilities in the city amounts to 65 %.

The number of general education schools graduates has tended to decrease in recent years. This trend can be observed in all regions of Ukraine. A decrease in the number of local general education school graduates is for the most part a consequence of the demographic crisis of the 1990s.

Table 31. Graduates of the city's educational institutions

	2000	2002	2004
Secondary schools	421	396	353
Chortkiv Entrepreneurship and Business Institute	540	560	650
Normal school	240	210	215
Medical college	420	480	470
Kolomyya Law and Business College	110	120	125

As shown in the table, the city has a ramified enough education system of different levels. Higher educational institutions carry out the training of specialists in different areas including economics, pedagogics and medicine. The number of graduates tends to increase. The training is mainly carried out on a commercial basis. A great number of students are trained at the Chortkiv Medical College (1,298 students) and at the Chortkiv Normal School (778 students). These higher educational institutions have the 1st to 2nd accreditation levels. In addition to those mentioned in the table, a deacon and regent catechetic academy is located in the city. It has about 150 students. However, as an academy (earlier it had the status of a college) it has not had graduates yet.

There was no significant development of educational institutions training specialists for workers' jobs.

Medical care

As of Jan. 1, 2005, in the territory of Chortkiv are the Central Raion Communal Hospital, the Oblast Communal Tuberculosis Dispensary, and the Skin and Venereal Diseases Dispensary. There is a ramified system of drug stores and kiosks as well as private dentist's offices. Eight such offices have opened in recent years alone.

The health care facilities serve the population of both the city and the raion of Chortkiv. They have both outpatient and inpatient wards with a total of 490 beds, or 63.2 hospital beds per 10,000 inhabitants. The health care institutions experience shortage of medical personnel. Per 10.000 inhabitants there are 29.3 doctors – well under the oblast's average.

Table 32. Capacity of health care institutions

	<i>Number of beds</i>
Central Raion Communal Hospital	410
Oblast Communal Tuberculosis Dispensary	60
Skin and Venereal Diseases Dispensary	20

The City Council and the Raion Council work together to support the city's medical institutions. The City Council permanently assists the raion hospital in purchase of building materials and equipment.

The existing network of health care institutions needs to be optimized due to the insufficient financing level.

Commerce, public catering, and personal service facilities

The total annual retail commodity turnover in the city of Chortkiv amounts on the average to more than UAH 12 million. The commerce sector employs a total of 1,083 persons.

The city has 125 stores, 37 public catering facilities, and 27 enterprises providing services to the population.

In recent years, the commercial network has expanded due to the opening of new stores and catering facilities (on the average some 15 new facilities are commissioned annually).

When comparing these indexes with those of the Chortkiv Raion, it should be noted that in the city accounts for 80% of all restaurants and two-thirds of the total trade floor area.

There are two markets in the territory of the city: a communal market for trade in manufactured goods and a foodstuff market of the Chortkiv Raion Consumers Association. These markets do not meet present-day requirements.

In the city operate shops for foodstuffs, manufactured goods and shops selling miscellaneous goods. There are a great number of kiosks/pavilions for foodstuffs and manufactured goods, which not always have a fetching appearance and do not embellish the city.

The system of personal services includes barber's and hairdresser's shops, dress tailoring and repair shops, dry-cleaner's, shoemaker's and shoe repair, repairs of complex household appliances, and photo services shops.

The commerce and services system of the city features a series of problems:

- 1) the appearance of public catering facilities is not always attractive for potential customers (often signboard with name and opening hours is missing, the aesthetic appearance is unsatisfactory);
- 2) many facilities do not meet elementary sanitary standards;
- 3) adjacent territory is not put in due order;
- 4) low service culture is unreasonable price policy.

Communication networks and Internet

Three automatic telephone exchanges in Chortkiv have a total capacity of 10,000 to 11,000 numbers. Radio distribution nodes and substations ensure wire broadcasting onto the territory of the city. Provision of telephone communication in Chortkiv is insufficient – only 47 lines per 100 households. The urban ATX capacity needs to be enhanced in the future to meet requirements of expanded construction, increased number of enterprises, and installation of dedicated lines for Internet access.

Two Internet service providers are officially operating in Chortkiv: Ukrtelecom and Biternet.

The city and adjacent territories are covered by two cell operators: UMC and Kyivstar.

Some neighborhoods in Chortkiv have cable TV services.

Banking services

Nine banking institutions in Chortkiv include branches of Aval, PrivatBank, Ukrsotsbank, Eximbank, Nadra and other. There is also a credit union. Most of the banking institutions have ATM's and currency exchange. Efforts are made to provide commerce and catering facilities with ATM's and POS-terminals. Western Union international money transfer services are also provided in Chortkiv.

Law-enforcement

Law-enforcement is performed by the Chortkiv Raion Interior Department of the Ukrainian Interior Ministry. The 2003 crime record in the city and the raion amounted to 319 cases. A search-and-rescue service of the Emergencies Ministry operates in the city.

7. ENVIRONMENT

7.1. Atmosphere

Main factors influencing the environmental situation in the city are the industrial complex and motor transport. The environmental situation can be changed for the best by improving the motor transport's traffic in the city.

The city budget receives 20% of environment pollution fee (UAH 13,500 in 2002-2003).

Table 33. Pollutant emission to the ambient air, tons

	2000	2001	2002	2003
Total	3,483.7	3,250.1	3,189.5	3,459.4
Per 1 sq km	3.9	3.6	3.5	3.8

The total quantity of pollutants emission to the ambient air since 2001 has been steadily growing. This increase can be observed for all main sorts of pollution sources. Special attention should be given to monitoring of the region's industrial enterprises. Whereas the upward trend of the industrial output in the region is a positive factor, it may lead to significant environmental deterioration.

The Chernobyl nuclear accident had certain negative environmental impact on the region. Stabilisation of the situation can now be stated.

Table 34. Pollutants by source, tons

	2000	2001	2002	2003
Fixed sources	1077,9	1240,5	1211,5	1166,1
Motor transport	2405,8	2009,6	1978,0	2293,3

Motor transport is the main source of air pollution, accounting for 66.3% of the total weight of pollutants (fixed sources, 33.7%). As a positive factor, there was some drop in air pollution by transport between years 2000 and 2003. The city government together with other public agencies should pay even more attention to the motor transport traffic's regulation in the territory of the city and the raion and the control of the environmental law observance by industrial enterprises.

7.2. Waste Management

Within the structure of produced waste miscellaneous domestic waste has the largest proportion. The waste management cost totals UAH 1,288,000.

Table 35. Annual waste production and management cost

	<i>Quantity, tons</i>	<i>Cost, UAH 1,000</i>
Miscellaneous domestic waste	7,014.60	262.8
Street garbage	2,358.60	116.1
Other plastics	1.04	n/a
Glass	2.11	n/a
Electro technical waste	1.84	n/a
Garbage from markets	302.40	17.1
Paints, resins, glues	8.26	n/a
Run-off water (thousand m³)	939.00	892.0

A major problem of the city is the condition of the local landfill, which required a lot of money to be put it in order. Another problem is spontaneous emergence of illegitimate dumps.

Table 36. Presence of industrial toxic wastes in organized storage sites, tons

	<i>Total</i>	<i>Including by hazard classes</i>		
		<i>I</i>	<i>II</i>	<i>III</i>
Toxic industrial wastes	15.8	4.8	5.3	5.7

There are industrial enterprises in the region that produce toxic wastes, mostly of III hazard class (36%).

The creation of reliable safeguards for living, proper protection of people against man-made and natural accidents, and solution of problems caused by the Chernobyl accident are the main lines of activities in the area of population and environment protection.

8. TOURISM

The number of visitors in the city grows year by year. According to the Chortkiv City Council Executive Committee, 26,900 guests visited the city during 2004 – by 46.2% more than in 2002.

As a rule, the purpose of visiting Chortkiv is either leisure and rest (54.8%) or business (40.9%).

The increase in the inflow of visitors has a positive impact on the incomes of businesses operating in the areas of commerce, public catering and services, thus resulting in proliferation of such enterprises. This, in turn, results in higher competition and consequent improvement of the service quality.

Table 37. Number of visitors

	<i>Number of visitors</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
The city of Chortkiv	18,400	22,600	26,900
Chortkiv Raion	28,900	33,400	36,200
Ternopil Oblast	21,155	46399	n/a
Ukraine	1,963,000	2,513,000	n/a

There are two hotels to accommodate tourists in Chortkiv; construction of another one, mini-hotel "Hetman" (three rooms), is being completed. Other hotel facilities are presently under construction or reconstruction. The total capacity of all hotels in the city is 40 beds and cannot fill the demand of the ever-growing number of foreign and domestic visitors.

Table 38. Accommodation capacities of hotels

	<i>Number of beds</i>	<i>Yearly occupancy rate</i>
"Tanya" Hotel	16	72%
"Avianosets" Hotel	24	86%

Hotels are an important component of the tourism sector. According to reports submitted by the hotel business enterprises, the number of guests served dropped from 1,888 in 2000 down to 478 in 2003. The comfort level in Chortkiv hotels is well below European standards. None of the hotels has been certified.

The city in fact lacks accommodation facilities which could meet international standards and satisfy foreign tourists and other visitors. The hotels rented or built by local entrepreneurs have allowed for forming relevant offer only to a limited extent, and a whole series of non-solved problems still remain pending, main of which are as follows:

- low service level;
- mismatch between prices and the service level;
- poor selection of additional services; etc.

Should tourism have further development in the region, a problem with accommodation facilities oriented to youth and children will arise. The internationally spread practice is that, independently of a locality's attractiveness for tourists, there are "green schools" (children's temporary accommodation facilities) and youth hostels available in every more or less large city.

To foster tourism development it is necessary to develop a system of rest and leisure as well as sports and recreation facilities. At present, one cinema, one house of culture and nine libraries are located in the city. These facilities do not meet up-to-date requirements and actually are not used for provision of services to the city's visitors.

Table 39. Capacity of culture and sports facilities

	<i>Capacity, visitors</i>	<i>Event attracting most visitors</i>
Cinema "Myr"	320	Film showing
House of culture "K. Rubchakova"	400	Amateur art activities and celebrations of national holidays

The only entertainment event in Chortkiv is the Day of the City. Further work should be done so that traditional mass events and festivals take place during the whole year. These festivals could have different orientation but they would attract attention to the city ensuring more visitors coming here.

The city of Chortkiv, taking into account its location and the availability of a significant number of architecture monuments and cult structures, has extremely favorable prospects regarding the development history-cognitive tourism. The historic sites attractive for tourists include.

- Castle built in 1610. Located on a mount overlooking the river. Actually it is in decayed condition. Two towers and protection walls last out. It is municipal property.
- Ascension Church. Built in 1717-1738, a wood structure.
- Dormition Church. Built in 1635, a wood structure.
- Dominican Church (1610-1619) along with Carmelite Monastery (1635).
- Old Market (19th century)
- City Hall (early 20th century)

To foster the development of historic-cognitive tourism it is necessary to pay attention to the condition of sites and museum displays, and carry out relevant restoration and renovation work.

A positive fact in the tourism development in the city has been the production of printed materials and souvenirs. In 2003, the tourist guide "Chortkiv" was published at quite a high level of quality, but this line of activities needs to be intensified.

The creation of a tourist Internet page will be an important component of the city's popularization as a tourist destination.

9. DEVELOPMENT GOALS OF THE CITY

Table 40. Planned investment activities in the city until 2008

<i>Project</i>	<i>Estimated cost, million UAH</i>
Reconstruction of wastewater treatment facilities	UAH 12 million
Capital construction of road	UAH 6.5 million
Reconstruction of water supply system	UAH 3.5 million