

Invest in
Ukraine
NOW





ua
NOW
Ukraine

Ukraine is

INNOVATION & OPPORTUNITY!

In six short years since the Revolution of Dignity, Ukrainian society has undergone a tectonic shift, shedding its Soviet past and unalterably choosing a **pro-western democratic orientation** that gains strength and momentum daily.

Driven by the passion and determination of a new generation of young reform-minded leaders, since 2014 the country has undergone a transformation from deep crisis to macroeconomic stabilization. The government has introduced effective anti-corruption measures – such as **'Prozorro'**, Ukraine's world-class transparent procurement system – which save the state budget \$6 billion each year; unbundled energy sector monopolies; brought transparency and accountability to public finances and expenditures; began the implementation of law enforcement, judicial, healthcare, education, pension and privatization reforms; dramatically improved the investment environment; and signed a ground-breaking **Deep and Comprehensive Free Trade and Association Agreement with the European Union** that is integrating the Ukrainian economy into European supply chains and institutions.

As a result of the steady pace of reform, stakeholders now believe that Ukraine is truly becoming an **attractive place in which to make money**. Investors have recognized that Ukraine has become a **stable and predictable emerging market** and that the availability of talented human capital and high-quality undervalued assets make Ukraine an excellent investment destination. In 2020, the country climbed seven more places in the World Bank's Ease of Doing Business ratings, to 64 out of 190 countries, and the Bank rates Ukraine **second among the countries of the world in the last 10 years regarding the speed and depth in the improvement of the business climate**. Between 2015-2019, Ukraine witnessed foreign direct investment flows of \$16 billion, resulting in the construction of over 100 manufacturing plants, representing tens of thousands of new high-added value jobs. These include a \$ 200 million state-of-the-art seed processing facility

by **Bayer** from Germany, a \$150 million grain terminal by **Cargill** from the US, a second \$16 million manufacturing site by US-based **Jabil**, and the arrival of such **global brands as General Electric, Ryanair, HEAD, IKEA, H&M, Decathlon**, and many others.

As the Ukrainian government's investment promotion agency, UkraineInvest facilitates inward foreign investment and assists existing investors to expand their businesses in the country. To this end, we pursue a **1+4 sector strategy** focusing on the key drivers of Ukraine's economy: we emphasize Innovation Technology as the main added-value ingredient to the development of the Agribusiness, Manufacturing, Energy, and Infrastructure sectors. Ukraine's greatest assets – its **"brains and grains"** – produce the **innovation and opportunities** found in Ukraine's agri-food value chain; the growth of **European and global supply-chain** manufacturing clusters in the country's fast-growing regions; and in the development of oil, gas and renewable energy resources derived from Ukraine's **pursuit of energy independence**.

The benefits of these opportunities are readily evident in the meteoric rise of Ukraine's IT sector. Pushed by demand for Ukraine's annual graduation of 130,000 engineers, the innovation technology sector has experienced 20% growth annually, exploding from a fringe economic activity to becoming the country's largest service export. Indeed, the growth of IT services and products in Ukraine grew by 25% in 2018 alone, with the sector achieving a current value of \$4.5 billion. With growth in this area expected to double over the next five years, Ukraine is well on its way to making a major impact on the **new Digital 2.0 world** in which we live.

Your takeaway?: **Ukraine is open for business!** As the country continues to undergo seismic democratic and economic transformation, it is integrating ever deeper into the Euro-Atlantic and global economic architecture. Savvy businesses will **Invest in Ukraine NOW!**

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Ukraine: Key Facts

Area

603,500 square km
(the largest country within Europe)



Population

42 million 70% urban-based
Source: State Statistics Service of Ukraine, data as of 2020



Diaspora Worldwide

20 million strong network



Currency

Ukrainian hryvnia – UAH average rate – 26.4 UAH per USD
(official average exchange rate in March 2020, according to National Bank)



Economy

Market economy
Major industries: world player in agriculture industry, developed energy, metallurgy, chemicals, manufacturing, massive innovative industrial base, booming IT and high-tech sector

Political System

Parliamentary-presidential republic



GDP (PURCHASING POWER PARITY)



IN 2018 ACC. TO THE WORLD BANK

AVERAGE SALARY



MOST COST EFFICIENT MANUFACTURING PLATFORM IN EUROPE
(December 2019)

BIG MAC PRICE



WORLD'S 7TH LOWEST INDEX PRICE
(January 2020)

17 FTAS WITH:



DCFTA with EU, FTAs with CIS, EFTA, Canada, Georgia, Macedonia, Montenegro, Israel. On-going negotiations with Turkey



Transformation Ukraine

EUROINTEGRATION

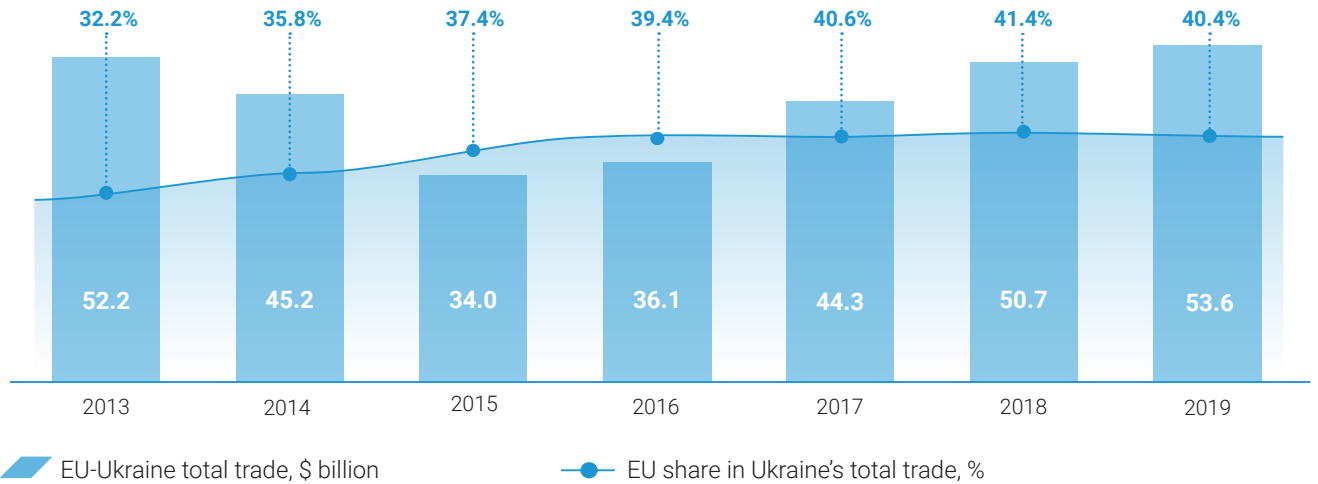
Following the **Revolution of Dignity**, Ukrainians affirmed their desire to live in a **free, democratic, western-oriented and economically stable country** by amending Ukraine's Constitution regarding the strategic course of the state for obtaining **full membership in the EU and NATO**.

Following the signing of the **Association Agreement** and the **Deep and Comprehensive Free Trade Area** with EU, Ukraine has done a lot to bring its rules and regulations in accordance with the EU legislation. The EU-Ukraine integration has already resulted in **significant growth in bilateral trade and investment**.



\$ billion

EU-Ukraine total trade and EU share in Ukraine's trade



Ukraine's Government continues its way towards approximation of **national laws** and regulations with **the European legislation**.



TECHNICAL BARRIERS TO TRADE

- Law on authorized economic operator at customs
- Law on the joint transit regime and introduction of the national electronic transit system



FINANCIAL SERVICES

- 'Split' law
- Law on protection of the rights of financial services consumers



INVESTMENT

- Demonopolization of alcohol industry
- Amber mining legalization
- Aerospace liberalization



ENERGY SECTOR

- Law on unbundling of Naftogaz



INFRASTRUCTURE

- Concession law



PRIVATIZATION

Ukraine's willingness to finally launch a major privatization of state-owned assets is one of the most important signals to foreign investors. With **more than 1,000 state owned entities set to privatization** in the coming years, Ukraine offers unique opportunities for foreign business.



Opportunities for Investors with the Privatization Law



CONCESSION

In October 2019, the Verkhovna Rada adopted **the Concession Law**, which regulates conditions for the transfer of state and municipal property for business use. It increases the investment attractiveness of Ukraine and will lead to upgrade of infrastructure, including ports, airports, roads, etc.

GOVERNING LAW CLAUSES

Freedom to choose governing law for contracts in the course of project implementation





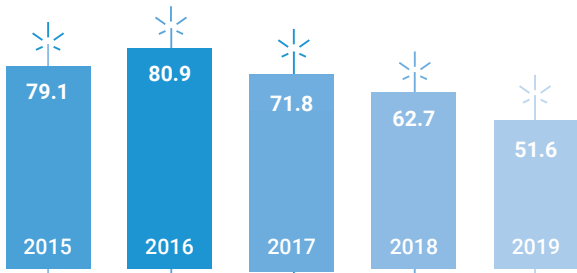
FINANCE

In recent years, thanks to the support of foreign partners, Ukraine has achieved significant progress in macroeconomic stabilization: the banking system was cleaned up, inflation fell, the current account and state budget deficits reduced, the government debt to GDP ratio decreased, while foreign exchange reserves grew significantly and exceeded \$20 billion.



Public debt as at year end

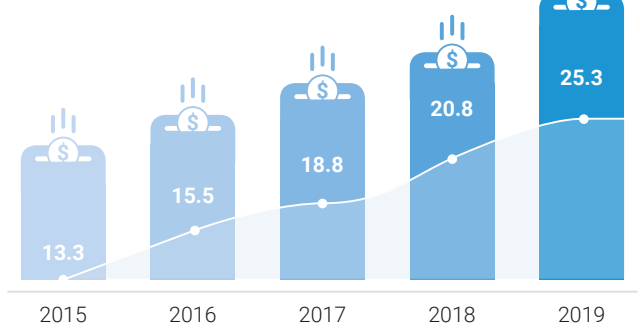
Percentage of GDP, %



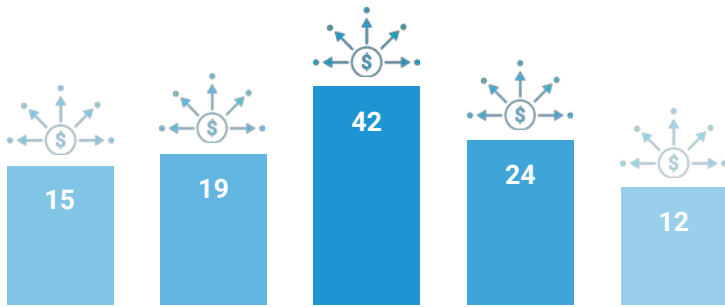
The level of state and state-guaranteed debt at the end of 2019 decreased to 51.6% of GDP from 62.7% in 2018. The Ministry of Finance expects that Ukraine's public debt will further drop to 47.5% in 2020.

International reserves as at year end

\$ billion



Ukraine's international reserves are at their highest levels in 7 years – \$25.3 billion as of end of 2019, which was driven by a steady inflow of foreign capital into the country.



Ukraine Czech Republic Hungary Poland Turkey

Share of non-residents

in domestic government bonds as of end of 2019, %

As of 31 January 2020, the share of Ukraine's hryvnia bonds held by non-resident investors rose to 15%, from near zero at the beginning of the year. Ukraine is now perceived as a stable and predictable emerging market by foreign investors.

1.25 €
billion

In January 2020 Ukraine placed 10-year €1.25 billion bond at 4.375%

The bonds were issued at the lowest coupon rate in Ukrainian history. At the same time demand exceeded supply more than 5 times.

2.5 \$
billion profit

Record high profits

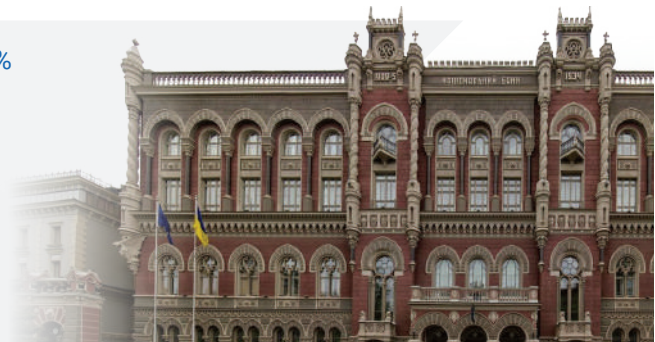
posted by the Ukrainian banking sector in 2019, which is 3 times more than last year.



10 %

Key policy rate decreased to 10%

The NBU continues to ease its monetary policy with the aim of maintaining inflation at the target level of 5% and supporting steady economic growth.





LAND MARKET REFORM

Ukraine is an agricultural superpower and a leading producer of cereals as well as other crops. At the same time, Ukraine remains one of the few countries where there is a moratorium on the sale of agricultural land. This will change in July 2021 with **the launch of land market**, which will inevitably be a catalyst for significant investment and increase industry productivity.



BUSINESS

Reduction in financial resources cost for private business is one of the most important conditions for economic growth. Lower interest rates make many business projects more viable. Ukrainian government is well aware of this, therefore it introduced **program "Accessible Loans 5 - 7 - 9%"** for small and medium enterprises (SMEs) and **Ukrainian Startup Fund** to finance innovative projects.

Accessible loans

5-7-9 %

up to **110k \$**

SME can obtain for its business

1.25B \$

the total amount of the program for 5 years

90k

new jobs to be created

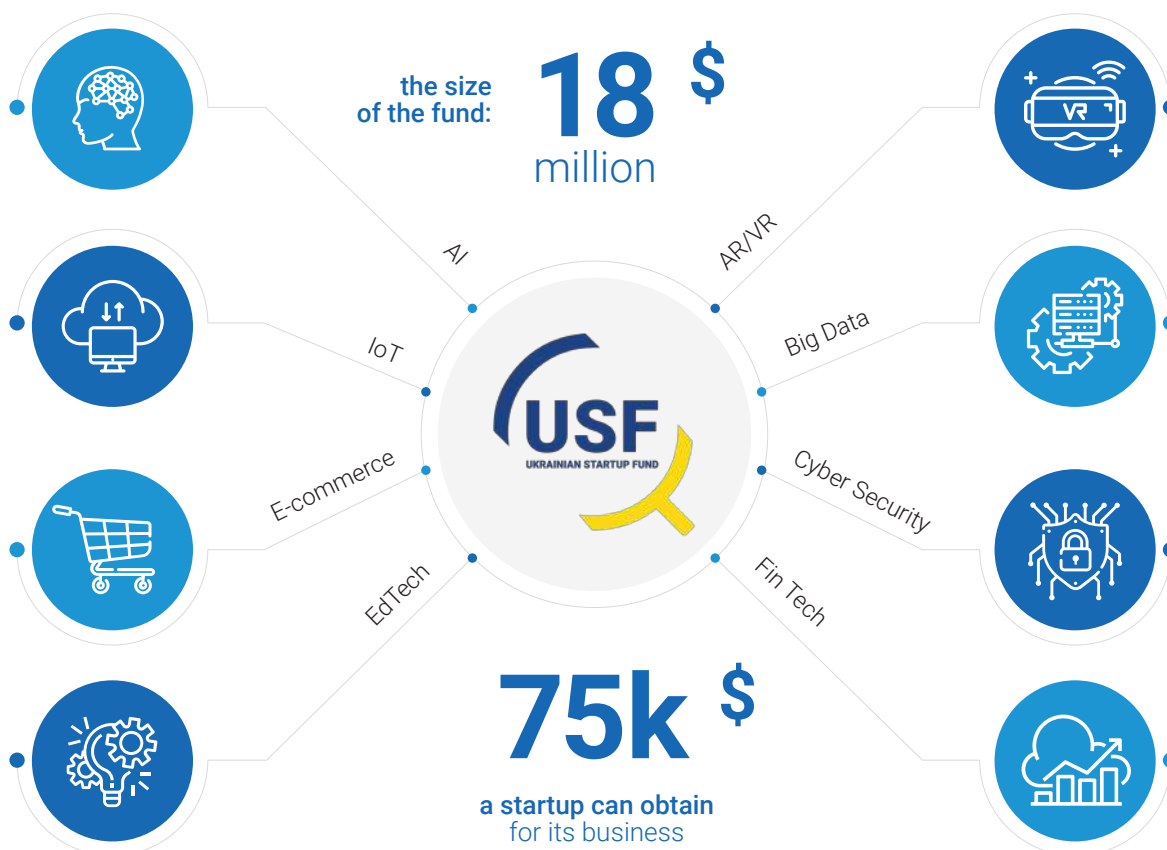
Ukrainian

Startup Fund

the size of the fund: **18 \$ million**

75k \$

a startup can obtain for its business



64

World Bank Ease of Doing Business

Since 2014 Ukraine has improved 48 positions in Doing Business Ranking and is ranked 64th in 2020 report

Source: doingbusiness.org



50

Human Capital Index

Ukraine entered the top 50 countries in the World Bank's Human Capital Index

Source: worldbank.org



47

Global Innovation Index

Ukraine is in top 50 most innovative nations in 2019

Source: globalinnovationindex.org



1

Good Country Index

Ukraine's Science & Technology Global Contribution is ranked at an admirable 1st place out of 153 countries

Source: goodcountryindex.org

The
**Good
Country**

6

Henley Passport Index

Ukraine ranks sixth globally in terms of visa-free gains over the past decade according to Henley Passport Index. Now Ukrainians have visa-free access to 128 countries.

Source: henleypassportindex.com

H&P
Henley & Partners

Sovereign credit ratings in 2020

FitchRatings

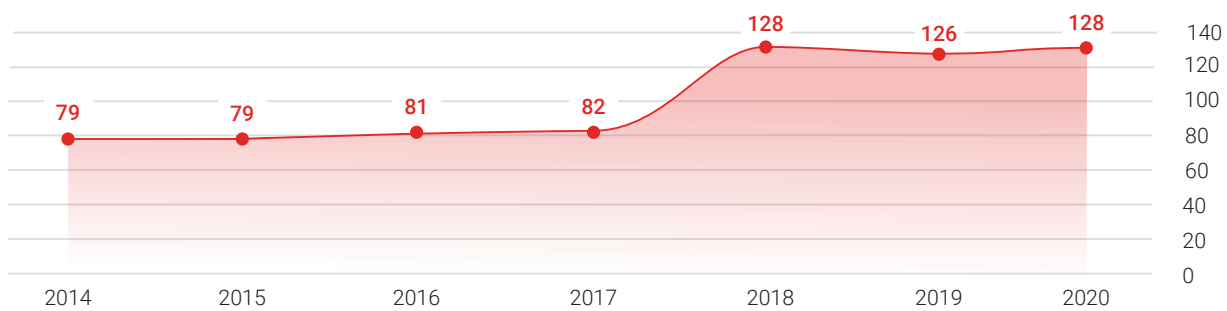
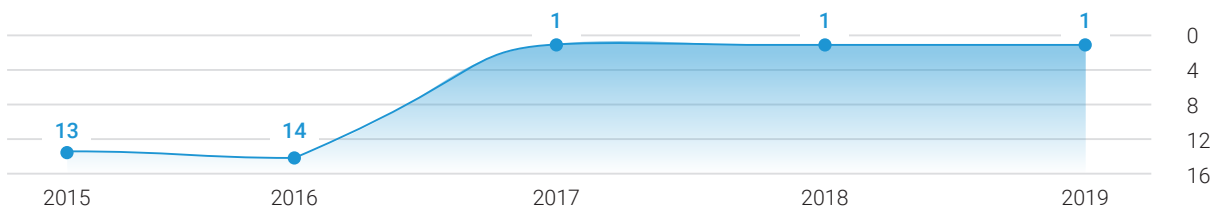
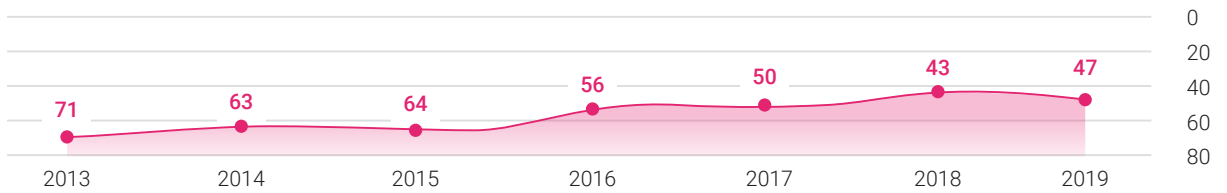
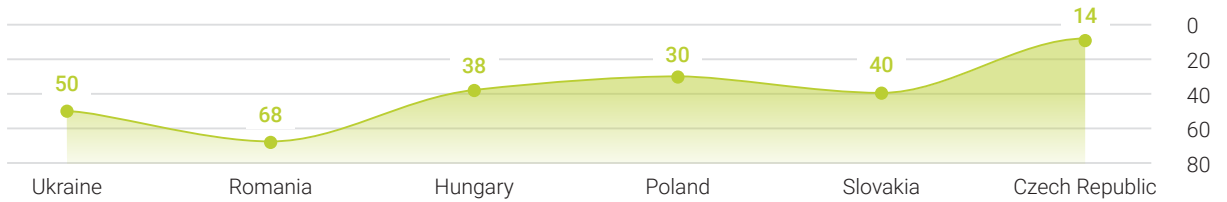
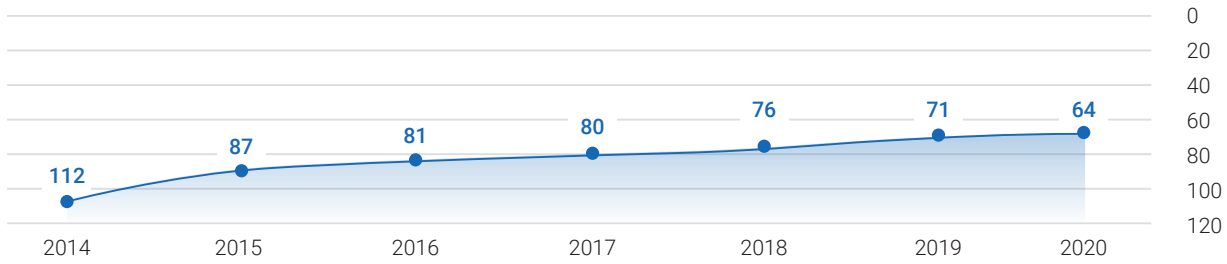
B; Positive

**S&P Global
Ratings**

B; Stable

**MOODY'S
ANALYTICS**

Caa1; Positive



The deepest subway (metro) station in the world (105 m)

is located in the Ukrainian capital, Kyiv (Arsenalna station)



Volume 4

Risk Assessment of Ukraine as an Investment Destination

INTERNAL STRENGTHS

- Unprecedented transformation and structural reforms
- Efficient high quality production base
- Historically developed human capital of 42 million population
- 100+ global companies have R&D facilities in Ukraine
- Largest in Europe underground gas storage facilities (1/3 of EU-28 capacity)
- 17 FTAs with 46 countries (including Association Agreement and DCFTA with EU)
- Strategic geographical position, at the crossroads of Europe and Asia



EXTERNAL OPPORTUNITIES

- Increase of trade flows between Europe and Asia
- Saturated European markets (overloaded capacities and lack of free agricultural land)
- Upward trend for renewable energy around the world
- Further integration to EU (economic, financial, infrastructure)
- Lack of qualified labour force in Europe
- Growing demand for High Tech
- Growth in demand in Europe and in the world for high quality Ukrainian goods (namely for food products, metals, wooden products, etc.)



Ukraine's economic development and attraction of foreign investors under the current globalization conditions depend on its internal capacity and functioning of management mechanisms, as well as cooperation with international community and business.

INTERNAL WEAKNESSES

Developing rule of law and corruption risk



Relatively low purchasing power of internal market



"Brain drain" - large-scale migration of Ukrainians to EU



Dynamic political environment



Obsolete infrastructure



Monopolization of certain industries



Mostly limited access to cheap financing



EXTERNAL THREATS

Launch by Russia of the "Nord Stream 2", which may put pressure on Ukraine's gas supplies



Increase in prices for fossil fuels (oil and gas)



Global commodities prices vulnerability for key Ukrainian exports (agri-food, metals)



Russian aggression against Ukraine



Attraction of Ukrainian labour force by neighbouring countries to come to work for their economies



The X-ray machine was first invented

by Ukrainian scientist Ivan Puliui in 1896, 14 years before Wilhelm Röntgen



Investment Opportunities



INNOVATION TECHNOLOGIES

Ukraine's IT industry is among the country's fastest growing industries. It is also diverse, from cutting edge work in AI, cyber security, natural language processing and nanotechnologies to highly commercial ventures in blockchain, FinTech, big data management, gaming, agribusiness and e-commerce.

100+ FORTUNE 500 COMPANIES have chosen Ukrainian IT services

21 IT SERVICE PROVIDERS with offices in Ukraine present in the 2020 Global Outsourcing 100 list

4,000 TECH COMPANIES

184,700 SOFTWARE DEVELOPERS

INNOVATION TECHNOLOGIES in Ukraine

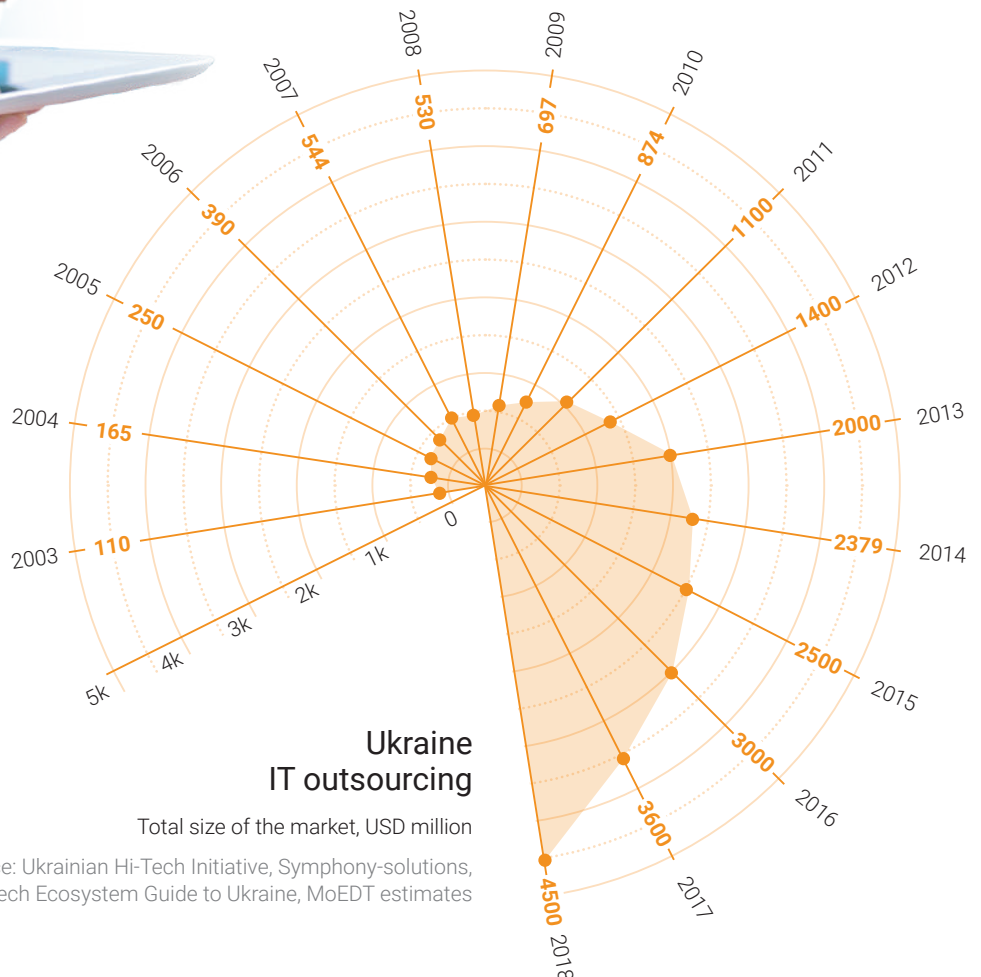
#1 IT OUTSOURCING & SOFTWARE DEVELOPMENT POWERHOUSE IN CEE

TOP 25 BEST COUNTRIES for software development

#1 SERVICE SECTOR BY EXPORTS



Ukraine's IT industry has grown by nearly 40 times over the last fifteen years, from \$110 million in 2003 to about \$4.5 billion in 2018, achieving an impressive cumulative average growth rate of 25%.



Source: Ukrainian Hi-Tech Initiative, Symphony-solutions, Tech Ecosystem Guide to Ukraine, MoEDT estimates

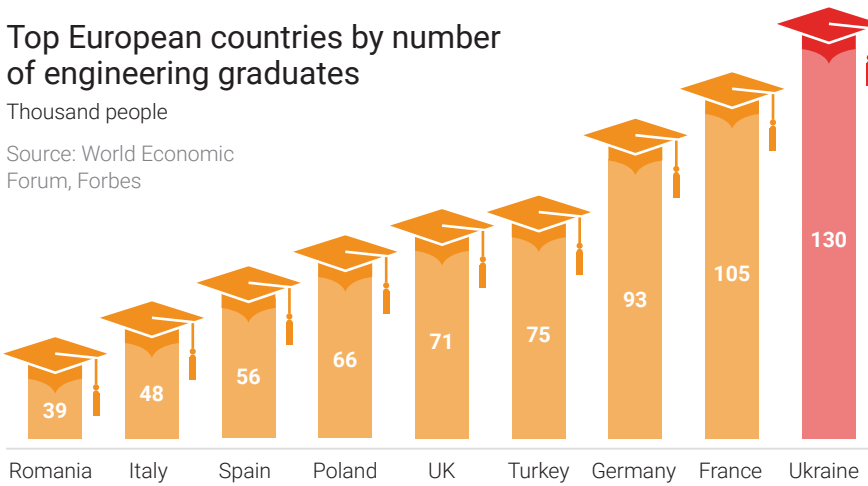
The key to the success of the Ukraine's IT industry lies in combining an extensive IT talent pool, favourable geographical position and time zone, strong technical and scientific legacy and cost benefits.



Top European countries by number of engineering graduates

Thousand people

Source: World Economic Forum, Forbes



Historically, Ukraine has been a centre for software development, technology solutions for data analysis and processing. A key role here is played by **the level of technical skills, a hallmark of Ukraine's education system.**

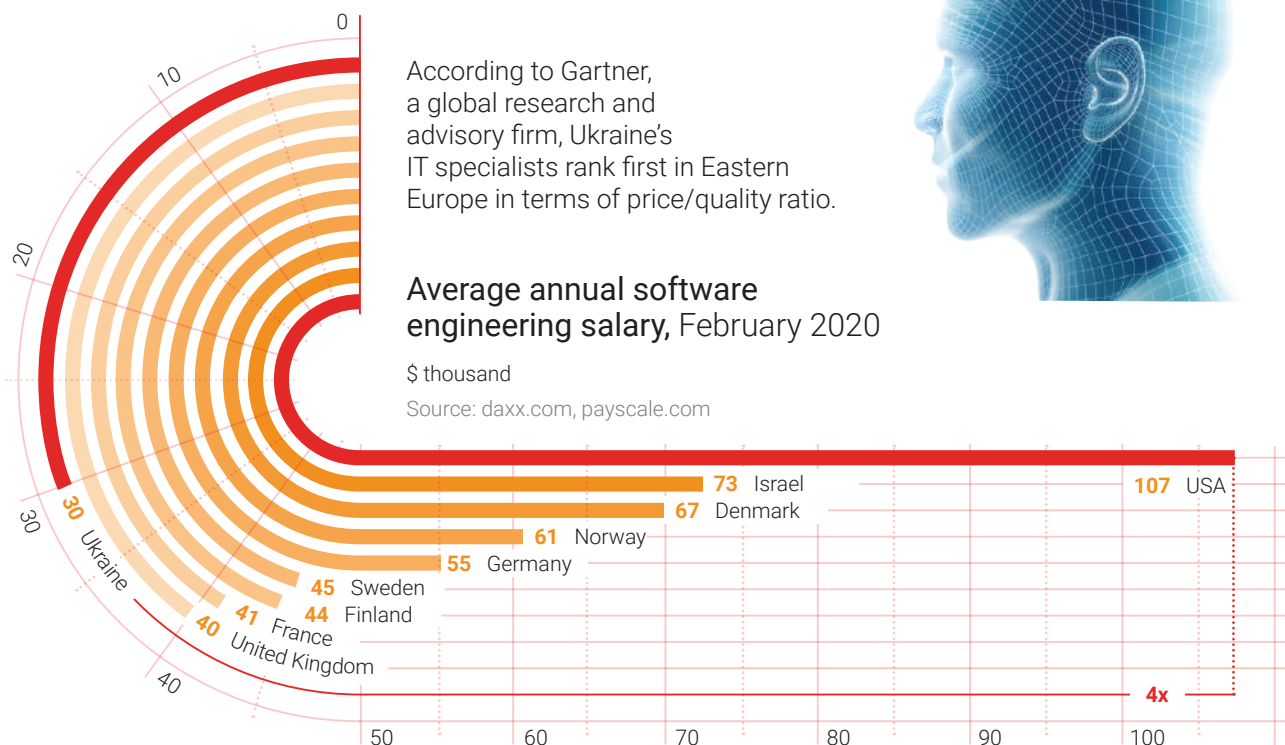


According to Gartner, a global research and advisory firm, Ukraine's IT specialists rank first in Eastern Europe in terms of price/quality ratio.

Average annual software engineering salary, February 2020

\$ thousand

Source: daxx.com, payscale.com



First computer in continental Europe built in Kyiv under the supervision

of the scholar Sergey Lebedev and well-known scientist Victor Glushkov in 1950





START-UPS



Petcube

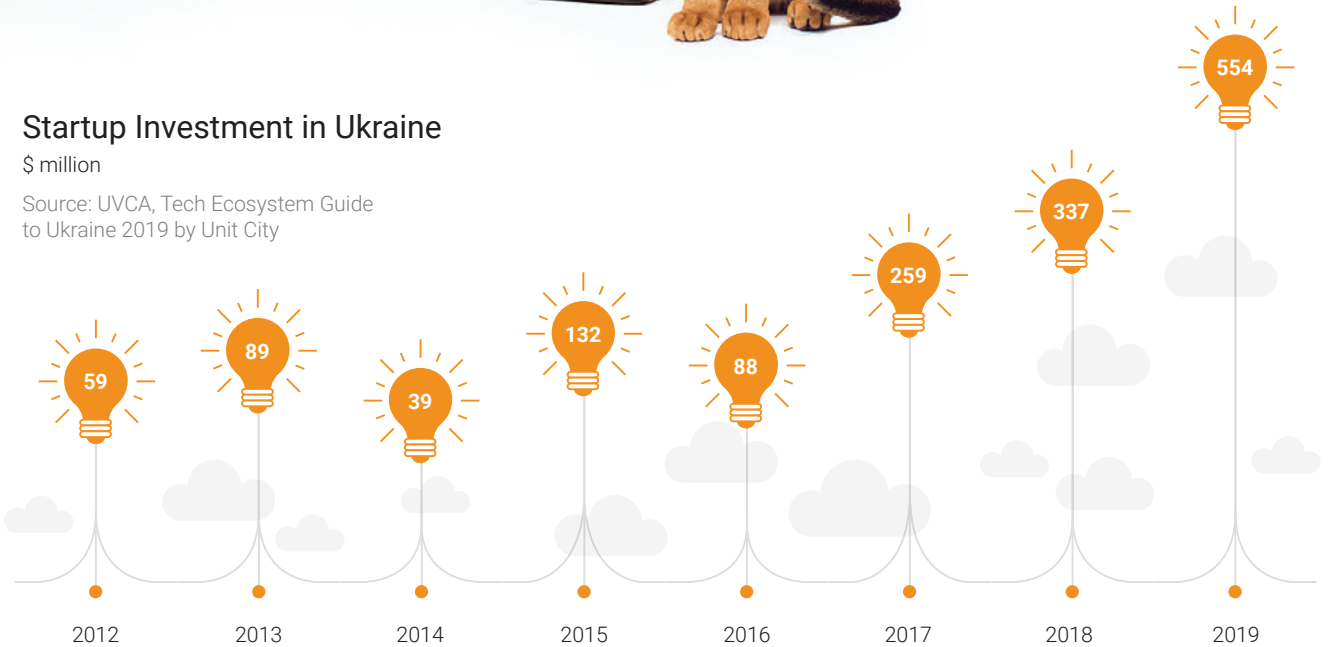
IT outsourcing is the first level in the technology and software value chain.

However, Ukraine is also rich in successful start-ups that have attracted millions of dollars in investment annually and become global leaders in specific areas.

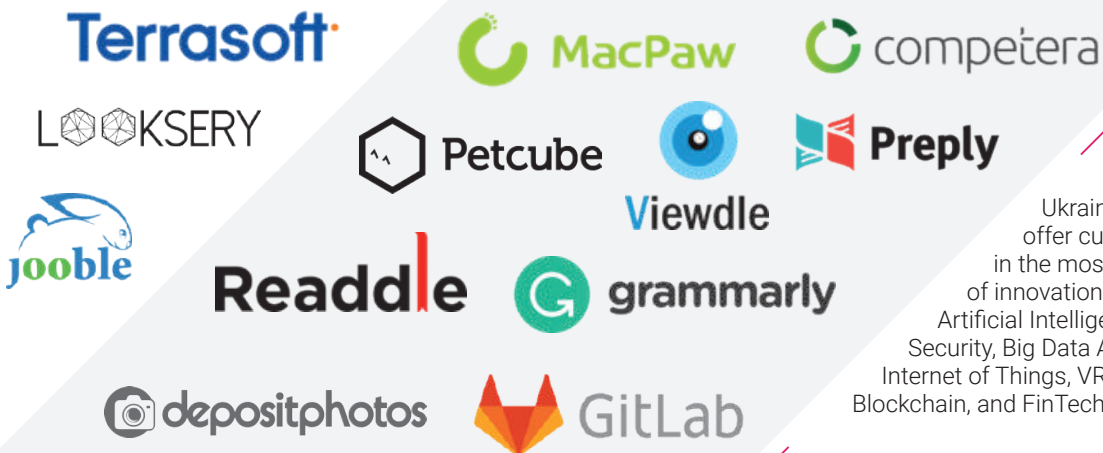
Startup Investment in Ukraine

\$ million

Source: UVCA, Tech Ecosystem Guide to Ukraine 2019 by Unit City



MOST PROMINENT UKRAINIAN STARTUPS



Ukrainian startup companies offer cutting-edge solutions in the most promising areas of innovation technology – Artificial Intelligence, Cyber Security, Big Data Analytics, Internet of Things, VR/AR, Blockchain, and FinTech.

100+
global players

have located R&D facilities in Ukraine, further driving the high-tech sector



Ukraine emerges as a global R&D hub

"In Ukraine, unfortunately, there are not many jobs with a high salary level, and the revenue growth of IT industry contributes to the growth of the country."

Yuriy Antonyuk

Head of EPAM Ukraine



Igor Beda

CEO GlobalLogic Ukraine

GlobalLogic®

"Global Logic Ukraine showed remarkable results - we increased by almost 24%. From year to year, we rebuild key business goals and grow significantly faster than the market. This is important for the development of the entire company, as Ukraine is one of the key locations of GlobalLogic by the number of engineers and the size of the business."

TOP-15

IT companies in Ukraine by the number of employees,

January 2020



Well-known mobile messaging application WhatsApp was created by Jan Koum, a Ukrainian-born American entrepreneur and computer programmer



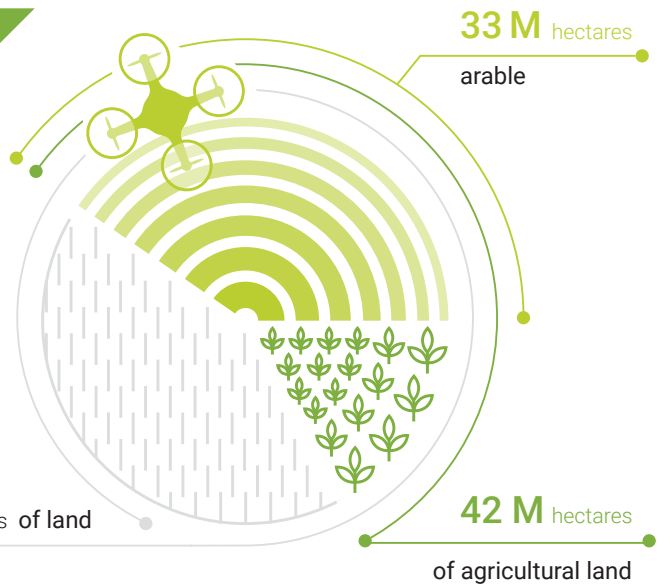
Volume 5

Investment Opportunities



AGRIBUSINESS

Historically known as the **“bread basket of Europe”**, Ukraine is set to become the **“food basket”** of the world. With **33% of the world’s black soil (chornozem) concentrated in Ukraine**, a favourable climate and proximity to key markets, Ukraine is becoming an agriculture export powerhouse.



Rich Natural Resources

Ukraine’s Place in the Global Food Market

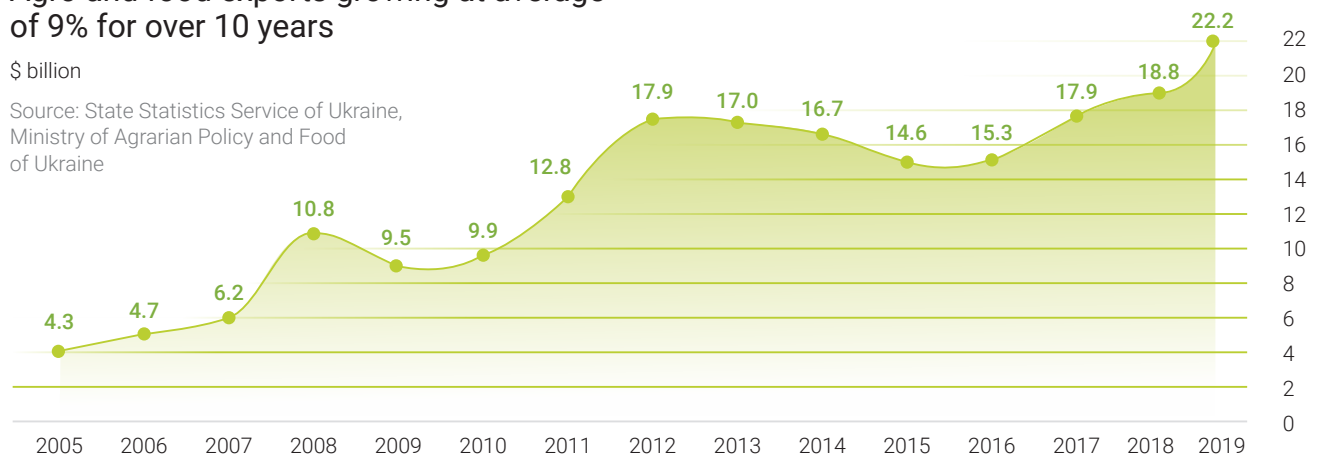
MY2018/19, the place in the world export by volume

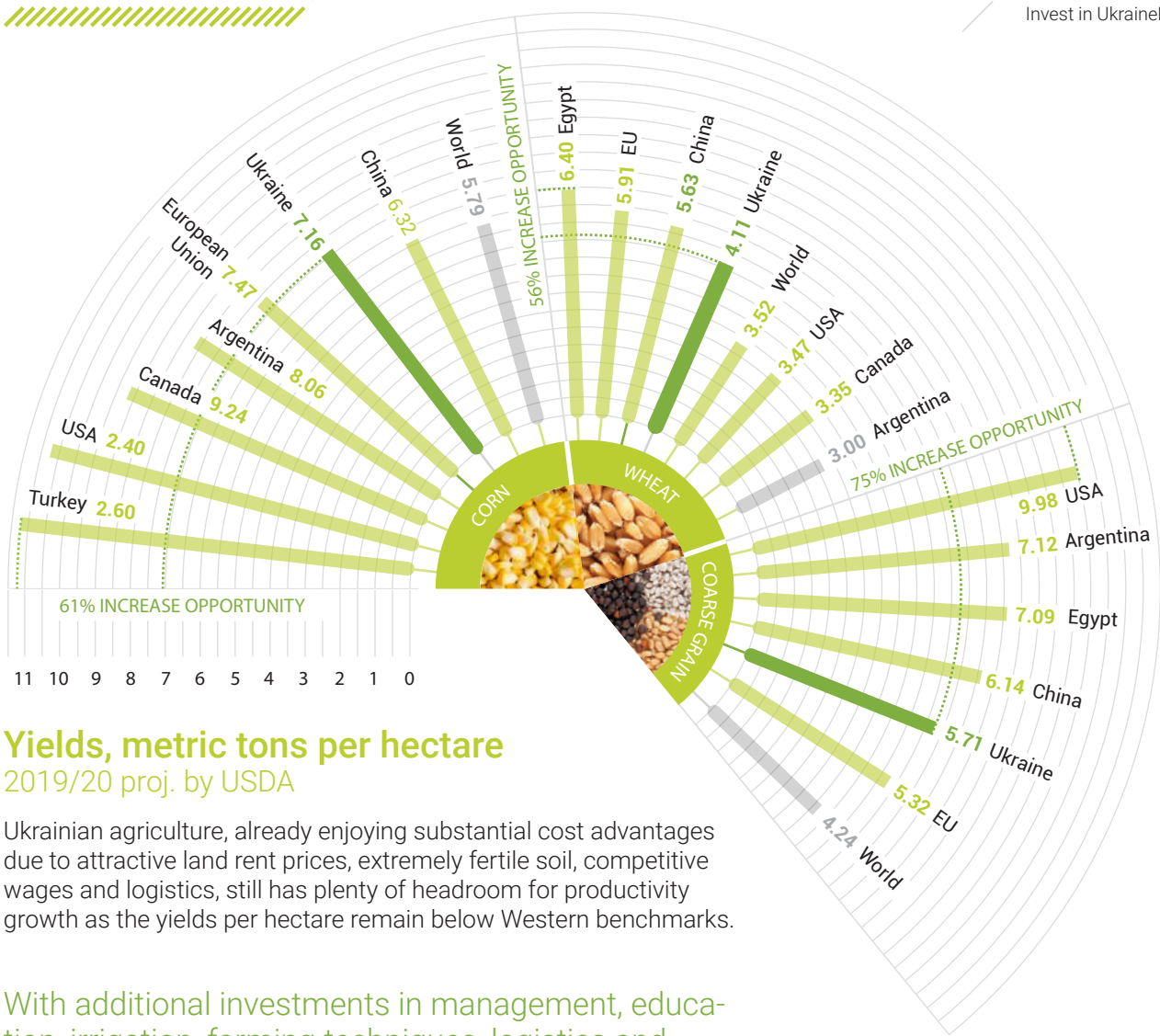


Agro and food exports growing at average of 9% for over 10 years

\$ billion

Source: State Statistics Service of Ukraine, Ministry of Agrarian Policy and Food of Ukraine





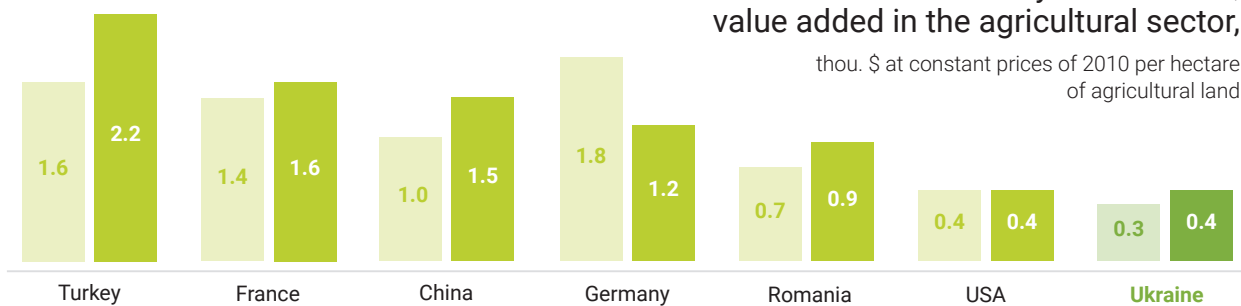
Yields, metric tons per hectare 2019/20 proj. by USDA

Ukrainian agriculture, already enjoying substantial cost advantages due to attractive land rent prices, extremely fertile soil, competitive wages and logistics, still has plenty of headroom for productivity growth as the yields per hectare remain below Western benchmarks.

With additional investments in management, education, irrigation, farming techniques, logistics and value added production, **Ukraine is poised to double its food exports.**

Use efficiency of land bank, value added in the agricultural sector,

thou. \$ at constant prices of 2010 per hectare of agricultural land



Source: Agribusiness 2018/2019 Infographic Report

2008
2019

Ukrainian agriculture potential

- Certification for new markets entry
- Shift from agri commodities export to **value-added products trade**
- Competing in high-margin niches, including fresh and organic products
- Yield growth** thanks to precision agriculture, new hybrids and crop protection products
- Customers' loyalty increase through Ukrainian brands' awareness growth



High Value-added Agri Segments in Ukraine

| | Agritech | Value-added food processing | Biofuel development |
|---------------------|---|--|---|
| | | | |
| Niche | Utilising sensors, drones and data management systems, agritech is poised to assist Ukraine in unlocking its potential in the agricultural sector. | Ukraine's agricultural export is comprised mostly of raw and semi-finished goods, leaving huge space to establish value-added food processing in Ukraine. | Production of fuel through biotechnological processes from renewable sources |
| Financials | <ul style="list-style-type: none"> ● \$22.2 billion value of exports of Ukrainian agrarian companies ● Up to 25% net profit margin | <ul style="list-style-type: none"> ● Global packaged food market by 2020 will be a \$ 3.03 trillion industry ● In 2018, total processed food production in Ukraine was \$ 17 billion ● Gross profit margin in the 40% to 60% range | <ul style="list-style-type: none"> ● Gross potential of 61 million tons of coal equivalent ● Market value of \$ 2 billion ● 30-35% net margin |
| Why Ukraine? | <ul style="list-style-type: none"> ● Ukraine is one of the top 10 exporters of the world's most popular agricultural crops ● Extensive arable land and top land fertility | <ul style="list-style-type: none"> ● Strong local market ● Well-developed agri-sector ● Relatively limited competition in the field | <ul style="list-style-type: none"> ● Low energy costs ● Land fertility ● Abundant corn and sunflower are the primary source for biofuels ● Tax exemptions and subsidies |





AQUAPONICS

Limited competition in the field and EBIT margin of up to 54% makes it an attractive investment

54%

100k\$

per average project

AGRITOURISM

There are about 200,000 village farmsteads appropriate for agritourism. According to experts, an average project will be able to earn up to \$100k in annual revenues.



Success Stories: Agri-Investment in Ukraine 2015-2019

Unlocked FDI

"We in Cargill believe that Ukrainian agriculture has tremendous growth potential. We want our company to be part of this growth. Cargill has been active in Ukraine for more than 20 years and we remain dedicated to this market. We have a long-term view and are continuously looking into new investment opportunities".

Martin Schuldt
CEO of Cargill Ukraine

\$1.8 billion



Dr. Dirk Backhaus

Member of the Executive Leadership Team and Head of Product Supply for the Crop Science division of Bayer

"This investment demonstrates Bayer's strong commitment to Ukraine. With more than 25 years of successful history in Ukraine, we have always been a key player in developing the country's agricultural sector. Bayer will continue working with farmers in Ukraine and is also planning to export its high-quality corn seed to EU states."

Ukraine is the world leader in sunflower oil production which comprises one third of the world's supply



Investment Opportunities



MANUFACTURING

Ukraine has a large manufacturing base, which historically has been concentrated in heavy industry, including mining, railway rolling stock, machine tools, aircraft engines, as well as light manufacturing, and the food industry.



Ukraine's heavy manufacturing sector is dominated by an extensive network of machine building enterprises. Over 25% of the population is employed by manufacturing companies involved in mining, railway rolling stock, energy, farm equipment, and road construction equipment. This manufacturing capacity, together with excellent educational institutes, has enabled Ukraine to become a global competitor in specialized industries such as production of aircraft engines and equipment for the light and food industries.

HEAVY INDUSTRY

AEROSPACE

Ukraine is one of the few nations with a developed aerospace industry, building civil, military and cargo aircraft, as well as supplying space technology:

- full cycle of design, production and operation of advanced aircraft
- an important supplier of turbine engines for aircraft, helicopters and aerospace industries worldwide



5

DESIGN BUREAUS



8

MANUFACTURING ENTERPRISES



> 150

UKRAINIAN ROCKET LAUNCHES since independence in 1991



5k

GRADUATES WITH AEROSPACE ENGINEERING DEGREES annually



Ukraine's garment industry is the latest sector to experience an unprecedented boom. A number of global fashion brands, such as Hugo Boss, Marks & Spencer, Tommy Hilfiger, already have production facilities in Ukraine and enjoy benefits of cost-efficient manufacturing. Ukraine is also emerging as a fashion hub – elegant and striking design collections from Ukraine have now captured the attention of elite fashion houses and their clients around the globe.

FASHION INDUSTRY



15 +

GLOBAL FASHION BRANDS



220k +

EMPLOYEES

AUTOMOTIVE PARTS

Ukraine's automotive industry has become one of the fastest growing manufacturing sectors owing to a favourable combination of increasing demand, availability of skilled workers, competitive salaries and integration into the European supply chain. In addition, as new vehicle sales increase, domestic vehicle manufacturers are increasing production figures and new investment opportunities are being explored, such as electric vehicles and batteries, with Ukraine possessing the world's largest lithium reserves.



20 +

GLOBAL AUTOMOTIVE COMPANIES



30 +

AUTOMOTIVE PLANTS



600 \$

MILLION of investment



60k

ENGINEERS, SPECIALISTS AND WORKERS employed in the industry

PHARMACEUTICALS

Ukraine's pharmaceutical sector is one of the fastest growing and most crisis-resistant consumer industries in the economy. A major growth driver is import substitution, building a strong case for international pharma companies to increase investment through purchase of existing players or building their own manufacturing in Ukraine.



110 +

COMPANIES LICENSED TO MANUFACTURE MEDICINE



23k +

EMPLOYEES



15 %

MARKET GROWTH IN-KIND IN 2016-2019



from

2009

GMP AND EU RULES ARE IMPLEMENTED

15-25%



The immense consumption gap versus peer countries is another growth driver: per capita pharmaceutical expenditures in Ukraine are only 15-25% of the levels of neighboring countries.

Success Stories: Manufacturing Investment in Ukraine 2015-2019

Unlocked FDI

\$1.8 billion

"Of the problems we had when we first came here in 2003, 90% have gone. The Danish Business Association and European Business Association are constantly working through the administration to make life easier for investors. Ukraine is a good investment country; it's also a good country to live in. Ukrainians are highly educated, and here they are more Western-minded in business and politics."



Lars Vestbjerg

CEO of SIKA Footwear, a Danish footwear manufacturer, and President of the Danish Business Association



Michael Aleksandrakis

Managing Director PM Ukraine, Caucasus and Moldova

"Ukraine has a huge potential and I hope the government will continue with the reforms needed to unleash this potential and improve the life of Ukrainian people and the business environment in order to be able to attract more investments."



Ukraine is home to the world famous Antonov design bureau

known for designing the world's largest airplane, the AN-225 Mriya



Investment Opportunities

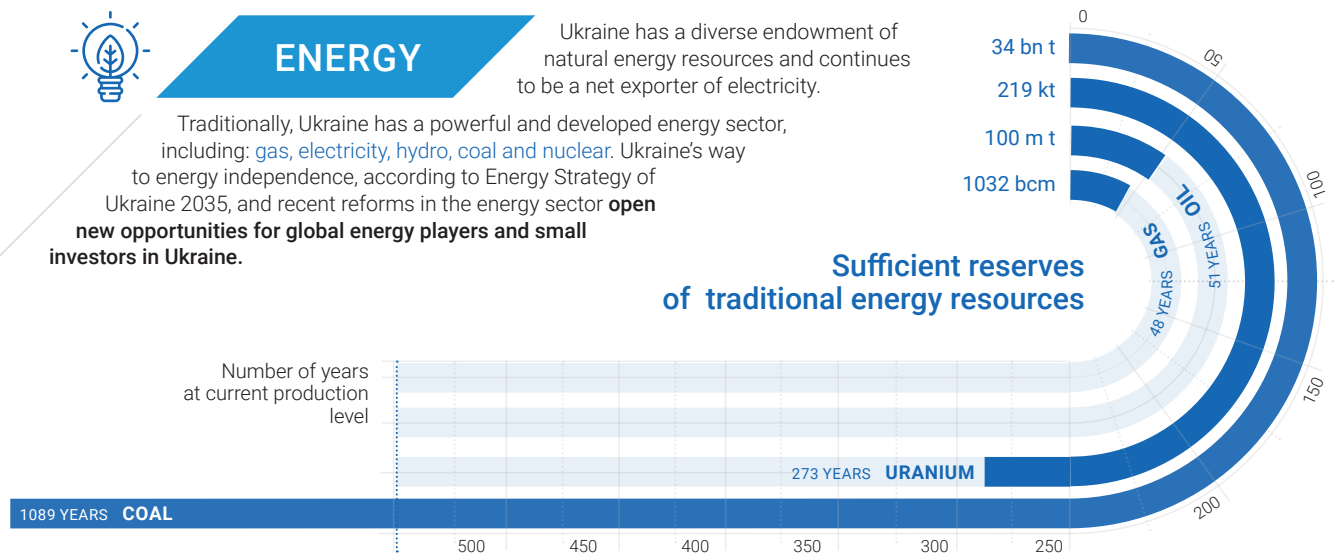


ENERGY

Ukraine has a diverse endowment of natural energy resources and continues to be a net exporter of electricity.

Traditionally, Ukraine has a powerful and developed energy sector, including: gas, electricity, hydro, coal and nuclear. Ukraine's way to energy independence, according to Energy Strategy of Ukraine 2035, and recent reforms in the energy sector **open new opportunities for global energy players and small investors in Ukraine.**

Sufficient reserves of traditional energy resources

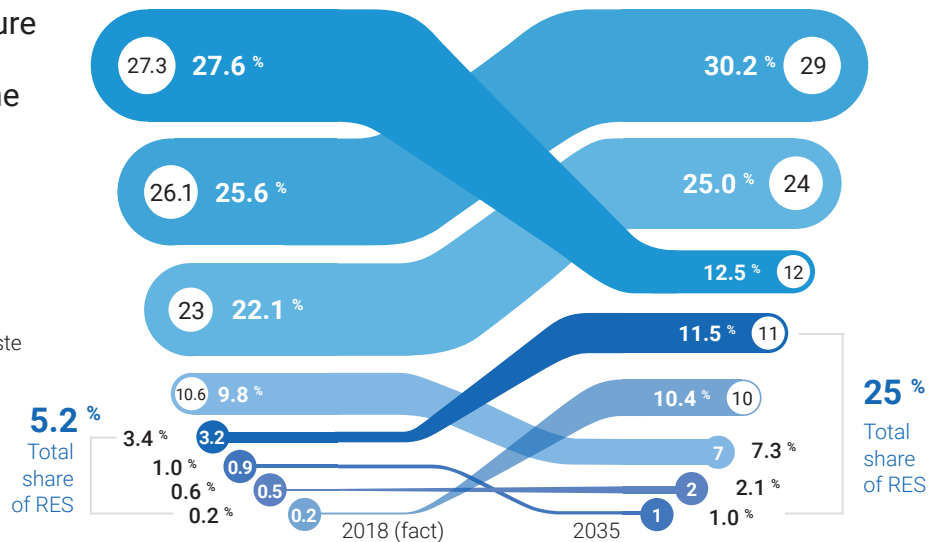


Energy consumption structure and volume according to Energy Strategy of Ukraine

2018 and 2035, m toe (%)

Source: Ministry of Energy and Coal Industry of Ukraine

- Coal
- Natural gas
- Nuclear
- Oil products
- Biomass & Waste
- Hydro
- Geothermal
- Solar & Wind



Energy Strategy of Ukraine until 2035 "Safety, Energy Efficiency & Competitiveness"

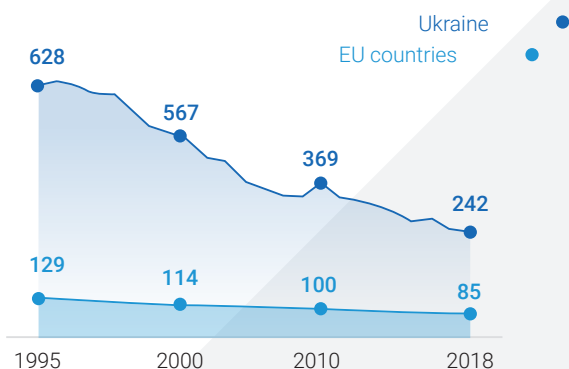
In 2017, the Cabinet of Ministers of Ukraine approved the Energy Strategy of Ukraine that corresponds to global tendencies: increasing role of renewable sources of energy and conservation on natural gas role.

Energy costs to create \$ 1,000 added value

1995–2018, kg of oil equivalent / ths USD of GDP (2011 PPP)

Sources: World Bank, International Energy Agency, National Commission for State Regulation of Energy and Public Utilities, Naftogaz

Ukraine is becoming more energy efficient, however there is still much room for improvement



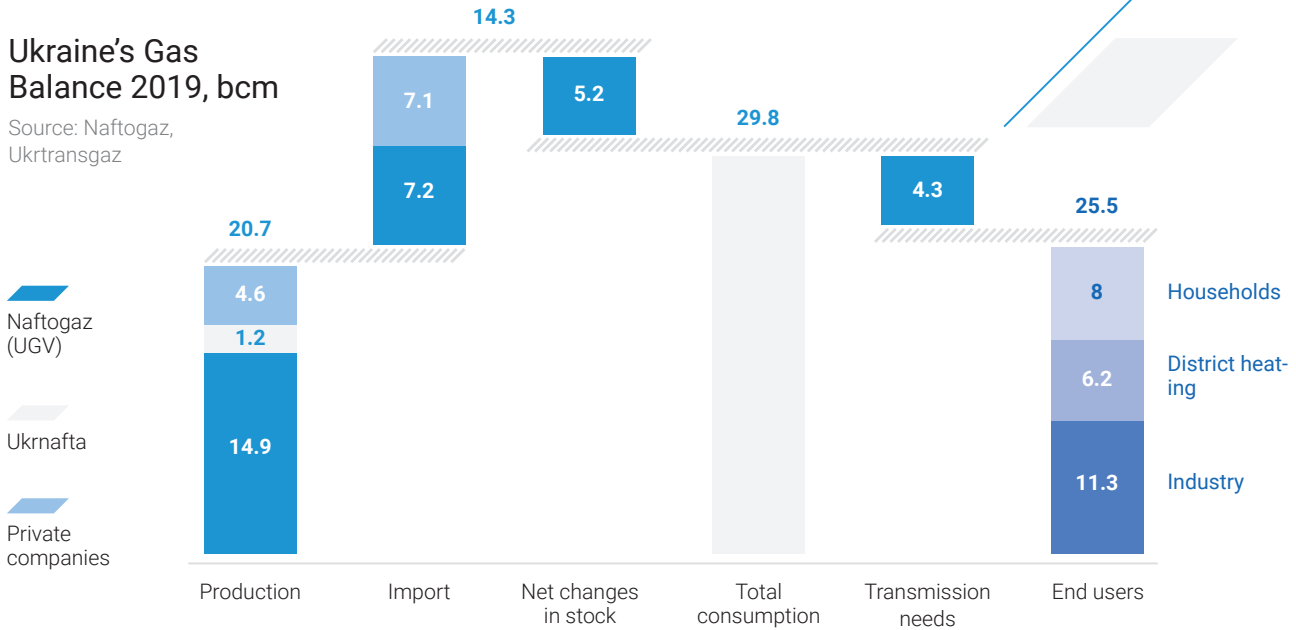


OIL & GAS

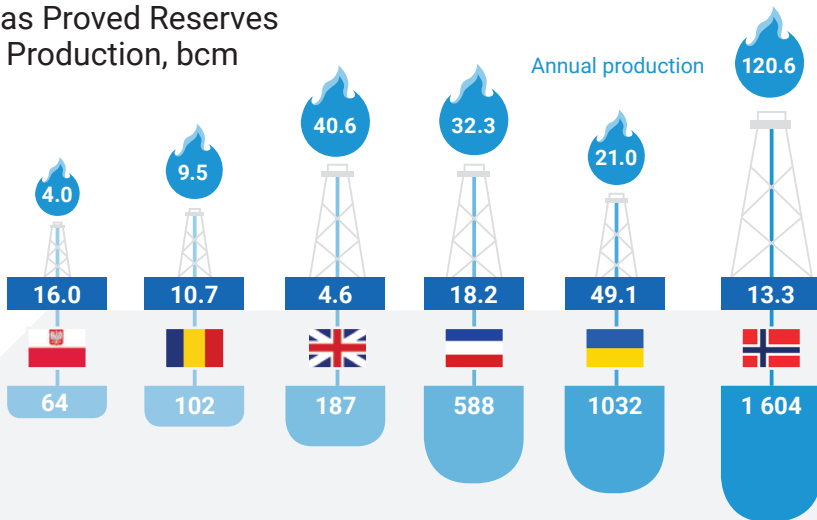
Natural gas occupies a significant part of the energy mix in Ukraine and currently constitutes 30% of the nation's energy demand. With gas consumption at approx. 30 bcm, Ukraine imports one third of its total needs.

Ukraine's Gas Balance 2019, bcm

Source: Naftogaz, Ukrtransgaz



Gas Proved Reserves & Production, bcm



Given Ukraine's current natural gas production, the proved reserves base is underutilized. The government's recent deregulation efforts in the gas sector and the launch of open auctions of special permits for oil and gas extraction will attract more private companies with advanced technologies and boost gas production in Ukraine.

Sources: Naftogaz; BP Statistical Review of World Energy 2019

Ukraine's gas storage facilities are the largest in Europe (31 billion m3)



INFRASTRUCTURE

Ukraine's geographic location, combined with 17 free trade agreements with 46 countries (including DCFTA with EU) makes it an important transit corridor for trade and travel between Europe, Asia and Middle East.




170k km
OF ROADWAYS



22k km
OF RAILWAYS



19
AIRPORTS



13
SEA PORTS



16
RIVER PORTS

AVIATION



EASA certification
for the first time in the history of international partnership, the EU opens its sky to a non-EU member



24.3 mln
passenger traffic through the airports of Ukraine in 2019 (+18.5%)



30%
share of low-cost in Ukraine's international connection in 2018


MARITIME



160 mln tonnes
of cargo handled in seaports in 2019 (+18.4%)



1 mln TEU
containers handled in seaports in 2019 (+18%)



8 ports
included in the transport system TNT

RAILWAY



30 GE locomotives
are already in Ukraine
this is the first arrival of locomotives to UZ in 10 years



21 rail routes
to the EU have been launched



Deutsche Bahn, the largest railway operator and infrastructure owner in Europe,
will consult UZ on reforming the enterprise management mechanisms



CONCESSION OPPORTUNITIES

Ukraine has an extensive amount of obsolete infrastructure. Recently adopted Concessions law provides a lot of investment opportunities for its renovation and modernization.



Regional Airports Development



Railway System Upgrade

📍 Kharkiv

- Potential to provide services to over **6 million people** of nearby districts
- Passenger terminal reconstruction
- Cargo terminal construction

📍 Kharkiv

- 👤 Annually served – **5.7 million passengers**
- 💰 Investment amount – **\$5.6 million**

📍 Bila Tserkva

- Potential to provide services to over **4 million people** of nearby districts
- Passenger and cargo terminals construction

📍 Dnipro

- 👤 Annually served – **1.2 million passengers**
- 💰 Investment amount – **\$8 million**

📍 Zaporizhia

- Potential to provide services to over **4 million people** of nearby districts
- **434 k passenger flow in 2019**

📍 Mykolaiv

- 👤 Annually served – **1.2 million passengers**
- 💰 Investment amount – **\$1.4 million**

📍 Chernivtsi

- Passenger terminal construction
- Investment amount – **\$43-45 million**

📍 Khmelnytskyi

- 👤 Annually served – **1.6 million passengers**
- 💰 Investment amount – **\$1.9 million**

Ferry Complex in Chornomorsk Sea Port

- Unique facility in Ukraine, which handles rail and auto ferry lines, as well as "ro-ro" vessels
- Rail and road access
- 3 berth with 9.7 m depth

Seaports Concessions

Passenger Complex in Odesa Sea Port

- 2.6 ha of total area
- 5 berths of 1,370 m total length and 9.5-11.5 m depth
- 1000-seat concert and exhibition hall



First Seaport Concession Success Stories

Seaport Kherson

- The winner of the concession competition - company **Rysoil-Kherson**.
- Fixed concession payment - **\$500 k**
- Investment liabilities - **\$12,5 million**
- Funds for local infrastructure development - **\$750 k**



- The winner of the concession competition – company **QTerminals from Qatar**
- Annual concession payments – **\$3,4 million**
- Investment liabilities – **\$142 million**
- Funds for local infrastructure development – **\$3,3 million**

Seaport Olvia



Business Associations



American Chamber of
Commerce



German-Ukrainian
Chamber of
Industry & Trade



Association of Ukraine-
European Business
Cooperation Assistance



International
Turkish Ukrainian
Business Association



British Business Club
in Ukraine



Non-Governmental
Organization «SUP»



British Ukrainian
Chamber of
Commerce ("BUCC")



Norwegian
Ukrainian Chamber
of Commerce



Business
Sweden in Kyiv



Polish-Ukrainian
Chamber of Commerce



Camera di
Commercio Italiana
per l'Ucraina ("CCIPU")



International
Chamber of Commerce



Canada-Ukraine
Chamber of Commerce



Swiss-Ukrainian
Business Chamber



Chinese Commerce
Association



U.S. - Ukraine
Business Council



Danish Business
Association



Ukrainian Agribusiness Club

Ukrainian
Agribusiness Club



European Business
Association



Ukrainian Chamber
of Commerce & Industry



European Economic
Chamber of Trade,
Commerce and Industry



Ukrainian League
of Industrialists
and Entrepreneurs



French Chamber
of Commerce



Ukrainian Venture
Capital and Private
Equity Association

WE ARE

the government's investment promotion office created to attract and support investment in Ukraine

WE PROVIDE

clients with objective, practical advice on doing business in Ukraine

WE WORK

directly with investors and the Government on improving the ease of doing business in Ukraine

WE OFFER

one-stop services free of charge

Navigation and Guidance

Assistance in identifying opportunities
Problem solving
Personal approach



Key Sector Expertise

Professional consultancy in high growth sectors and niche markets



Introductions

Connections to all levels of government, business associations and investors



Information and Insight

Local expertise
Support informed decision making



Regional Support

Headquartered in Kyiv with support to the regions
Close cooperation with regional partners



Advocacy

Important voice for business
Direct access to government





Ukraine

Find your
opportunities
here!

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