

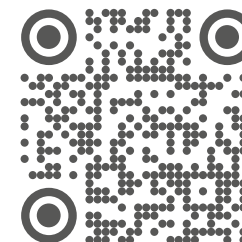
January - March 2022

# UkraineInvest Guide

Explore Your Opportunities

  
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PUBLICATION BEFORE FULL-SCALE WAR PERIOD.  
THE INFORMATION IS RELEVANT AS OF JANUARY 2022



E-version

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January - March 2022

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# Foreword

## PRESIDENT OF UKRAINE



**Volodymyr Zelenskyy,**  
President of Ukraine



Video  
on Youtube

Ukraine is a new technological center of the world, a breadbasket of Europe with the most fertile lands and a huge tourist and investment potential.

The main thrust of my incumbency is sustainable economic growth through the elaboration and implementation of a package of fundamental and far-reaching reforms. We are aimed at establishing a level playing field for everyone, implementing changes that are vital for Ukraine and digitizing all governmental services, thus making them transparent, convenient for use, and efficient.

We have already made a great leap forward towards a full digitalization of different realms and eradication of the Soviet-style bureaucracy. Following the establishment of the Ministry of Digital Transformation certain tangible results can be seen, in particular the creation of the Diia portal for electronic governmental services for citizens. We have also launched the first virtual digital country with no limits for new investment, jobs, and cutting edge technological development called Diia City. Ukraine is well on its way to becoming a major contributor to the new Digital 2.0 world we live in.

Ukraine has already been recognized by international investors as a stable and predictable emerging market, with talented human capital and high-quality undervalued assets.

In 2020, Ukraine climbed up seven more places in the World Bank's Ease of Doing Business ranking, up to the 64th position out of 190 countries. Ukraine is also rated second in terms of speed and depth of business climate improvement.

Our dream is to make Ukraine an investment stronghold of Central and Eastern Europe. Hence, we initiated the so-called 'Investment Nanny' bill to make investors feel welcomed and supported by the government. We will provide a 15-year state guarantee on investment which would be granted to an investor upon signing a direct special agreement with the Ukrainian government. The law provides an exemption from income tax, value-added tax, and customs duties for new equipment imported to Ukraine for foreign investment. The state will assign a manager to each project totaling more than USD 30 mln.

Hurry up! The largest country in Europe is the next big thing. Ukraine is something we can celebrate together. And The UkraineInvest Guide is a unique source of comprehensive information about vast investment opportunities Ukraine has to offer, elaborated by UkraineInvest, which is to become the focal point and main supporter of investment in Ukraine.

# Foreword

## PRIME MINISTER OF UKRAINE



**Denys Shmyhal,**  
Prime Minister of Ukraine

We retain the implementation of the important initiatives aimed at ensuring Ukraine's further growth and making our country a great destination for investment. The land market reform implementation and the law blocking the return of nationalized banks to their former owners enabled us to receive a new three-year USD 5.5 billion IMF stabilization program.

Despite the decrease in business activity globally, Ukraine undoubtedly has success stories to be proud of. With the adoption of the Law on Concessions, Ukraine is vividly using a modern PPP tool to enhance its infrastructure and, in particular, to make the seaports more efficient.

A number of foreign companies have already benefited from it: Swiss-Georgian company Risoil signed the seaport concession agreement in Kherson, according to which the company will invest UAH 300 mln; in the meantime, Qatari Q Terminals will be operating Olvia port in Mykolaiv. Q Terminals will invest UAH 3.4 billion, making it one of the largest foreign direct investments in the port industry of Ukraine since its independence. Additionally, the company will pay annual concession fees amounting to UAH 82 mln and allocate UAH 80 mln for the development of the local infrastructure of Mykolaiv. Currently, we are preparing Chornomorsk seaport to be the next facility auctioned for the concession.

On top of that, the government has started the privatization of state-owned assets, which is carried out in a most transparent manner and in accordance with all laws and regulations. More than 1,000 state-owned entities have been set for privatization in the coming years, thus offering unique opportunities for foreign business in Ukraine.

Ukraine's subsoil use sector has undergone a significant transformation in recent years with the launch of the online auctions for the sale of special subsoil use permits and tenders for production sharing agreements for numerous oil and gas fields.

Currently, Ukraine is consistently viewed by businesses as a stable and predictable market to invest in now. We are doing our best to encourage those who already successfully operate in Ukraine to be willing to invest more and we are ready to put maximum effort in order to make Ukraine attractive and welcoming for future investors and new businesses!

Thus, the updated UkraineInvest Guide is a valuable source of information for foreign companies. The Guide suggests investment projects from all over Ukraine in a great variety of sectors, including agribusiness, energy, IT and innovations, real estate, as well as objects selected for privatization, infrastructure, and impact investment.

UkraineInvest Investment Promotion Office that has been a reliable partner for businesses in communication with authorities for more than three years and will become the guiding light for support of your investment projects in Ukraine.

# Foreword

## MINISTER OF THE CABINET OF MINISTERS OF UKRAINE

**Oleh Nemchinov,  
Minister of the Cabinet  
of Ministers of Ukraine**



There is a fair amount of investment-worthy sectors in Ukraine: land, energy, mining, engineering, shipbuilding, infrastructure and logistics. And all this is in the geographical center of Europe.

Over the past time, one of the key priorities of our Government has been continuing implementation of reforms that improve the business and investment climate in Ukraine.

In particular, the decentralization reform which is vital for Ukraine in order to make the regions of the country self-sufficient, create a positive impact on investment attraction, providing its citizens with high-quality and timely services, from housing and communal services to education, healthcare, and security.

We keep developing economic and trade relations with our foreign partners. Currently, we are actively working at establishing contacts with business communities of different countries, inter alia within the work of intergovernmental commissions. We are conducting a dialogue on strengthening the presence of Ukrainian exporters in foreign markets, joint infrastructure projects development, cooperation in the tourism sector, etc.

It is increasingly important to develop domestic tourism, and the Government is working strategically in this realm to create a completely new model of the tourism industry in Ukraine. Our country possesses excessive tourism potential which can become a significant factor in the sustainable economic development of Ukraine. Investment attractiveness is one of the key characteristics causing an investor's interest in financing a project in tourism.

Therefore, the UkraineInvest Guide can become a fundamental source for foreign investors to find out the relevant analysis of Ukrainian regions and discover the most interesting investment projects in different sectors, including but not limited to tourism.

# Foreword

## UKRAINEINVEST SUPERVISORY BOARD

CHAIR

**DAVID ARAKHAMIA**

Member of the Parliament of Ukraine,  
Chairman of the "Servant of the People"  
Party Parliamentary Faction

DEPUTY CHAIR

**OLEH NEMCHINOV**

Minister of the Cabinet of  
Ministers of Ukraine

DEPUTY CHAIR

**HALYNA YANCHENKO**

MP, Head of the Temporary Special  
Commission of the Verkhovna Rada  
on Protection of Investors' Rights

DEPUTY CHAIR

**ALEXA CHOPIVSKY**

Executive Director, Ukraine House Davos

SECRETARY, MEMBER

**OLEXANDR BORNIAKOV**

Deputy Minister, Digital  
Transformation for IT Development

MEMBER

**GENNADIY CHYZHYKOV**

President, Ukrainian Chamber of  
Commerce and Industry

MEMBER

**ANNA DEREVYANKO**

Executive Director, European  
Business Association

MEMBER

**ANDY HUNDER**

President, American Chamber of  
Commerce in Ukraine

MEMBER

**IRYNA NOVIKOVA**

member of the Supervisory Board,  
UkraineInvest

MEMBER

**YULIA SVYRYDENKO**

member of the Supervisory Board,  
UkraineInvest

Our unalterable stalwart mission is to promote Ukraine's investment opportunities globally and ensure the establishment of an efficient dialogue between the business community and the government with a view to growing Ukraine's economy and improving the business climate.

Over the course of the past few years UkraineInvest has become one of the most successful state institutions working on investment promotion in Ukraine. As a matter of fact, in 2020 UkraineInvest has been listed among TOP-3 investment promotion agencies across emerging Europe regions in the Investment Promotion Agency 2020 ranking.

Since its inception, UkraineInvest has attracted and unlocked USD 4 bln in FDI since 2016 (including USD 638 mln in 2020), resolved 150+ legal and administrative issues of foreign investors, and provided 5 000+ consultations.

The key objective of UkraineInvest is to strengthen its institutional capacity by engaging investment advisors abroad in target countries (including USA, UK, EU, the Gulf countries) and consolidating all investment promotion efforts of different units throughout Ukraine. These goals are brave and ambitious, and yet achievable as we strive to bring FDI attraction in Ukraine to a brand new level and invite everyone to continue to invest in Ukraine NOW.

# Foreword

## UKRAINEINVEST CEO

**Sergiy Tsivkach,**  
CEO, UkraineInvest



It is a pleasure for the entire UkraineInvest team to announce the launch of UkraineInvest Guide aimed at showcasing the most lucrative investment opportunities in Ukraine.

Our team has collected, analyzed and systematized the key investment proposals and projects, which we believe to be an invaluable source of information for potential investors and other interested parties.

UkraineInvest Guide is a unique source of extensive and profound information about projects in a variety of sectors of Ukraine's economy such as agribusiness, energy, heavy machinery, textile, IT and innovations, real estate properties (including objects selected for privatization), infrastructure, regional infrastructure, impact investment, logistics, manufacturing, healthcare and pharma. Inter alia, the UkraineInvest Guide includes programs aimed at developing promising sectors such as tourism, mining industry, industrial parks, waste management, import substitution, and startups.

UkraineInvest Guide is a one-stop-shop reference to consider investment opportunities in Ukraine. The Guide could become a point of departure for foreign investors in starting their journey in Ukraine. We encourage you to consider this report and eagerly await to support your investments.

# Ukraine **OVERVIEW**



## GDP

\$181 billion\*  
(f 2021)

Source: \*IMF



## Real GDP growth

+3.1%  
(f 2021)



## Government

Parliamentary-presidential



## Currency

Ukrainian hryvnia (UAH)



## Key Policy Rate

9%  
(09.12.2021)



**B**; Positive



**B**; Stable



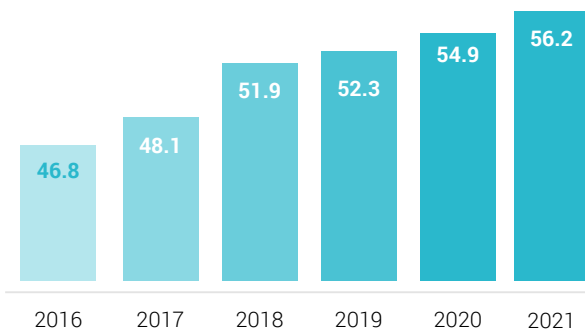
**B3**; Stable



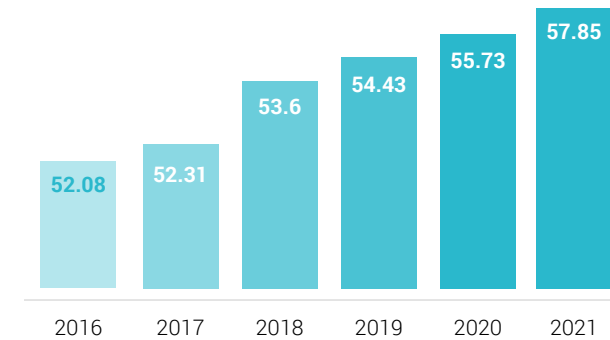
# Ukraine OVERVIEW

Ukraine is a **stable and predictable emerging market** that has been **steadily growing for 5 years**

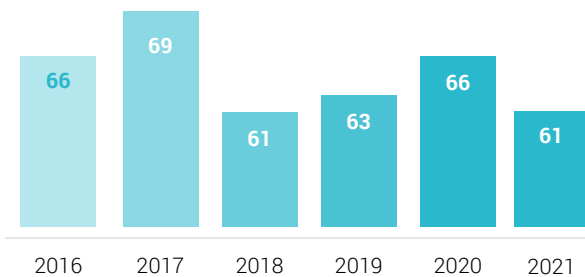
Index of economic freedom by The Heritage Foundation



The Legatum Prosperity Index



Global Talent Competitiveness index



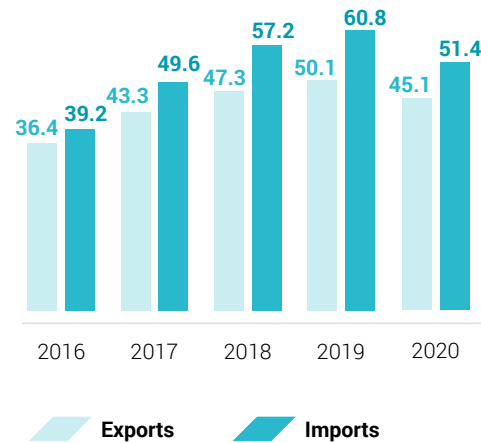
**“UKRAINE IS OPENING FOR BUSINESS BECAUSE IT IS REFORMING”**

EBRD President Suma Chakrabarti, in Davos 2019

# Ukraine OVERVIEW

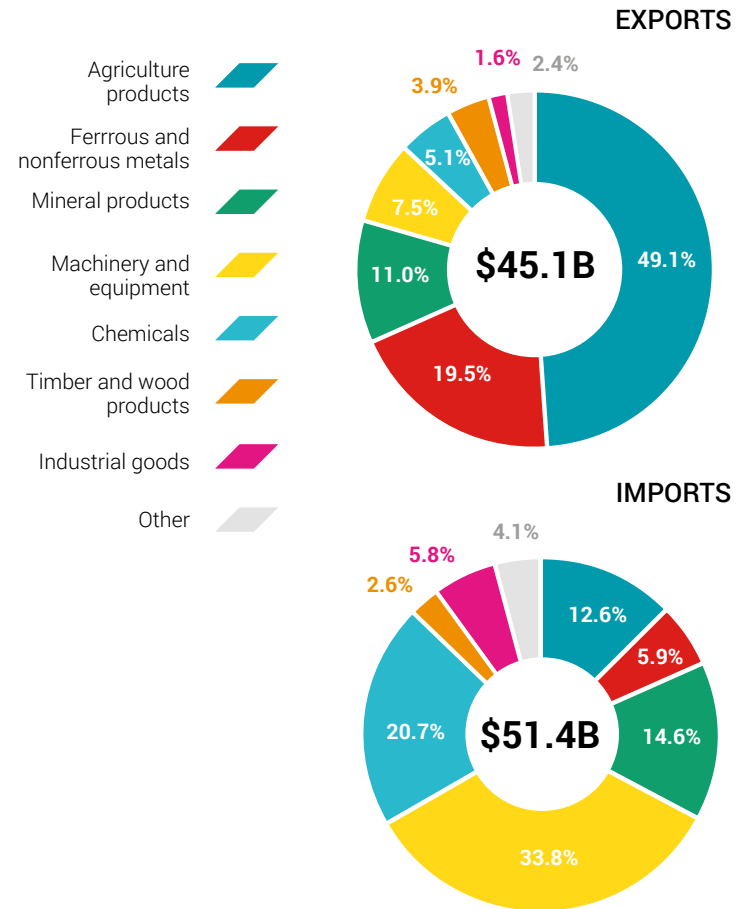
## FOREIGN TRADE

Ukraine's foreign trade, \$ billion

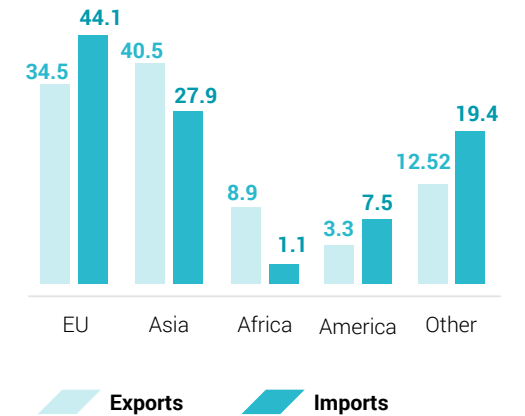


Source: NBU

Ukraine's foreign trade 2020: breakdown by products, %



Ukraine's foreign trade 2020: breakdown by geography, %

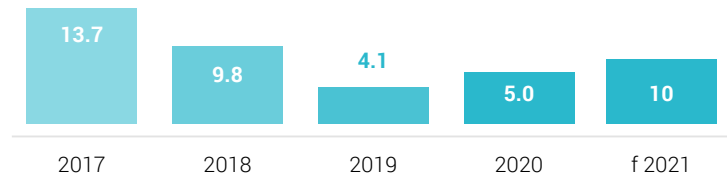


# Ukraine OVERVIEW

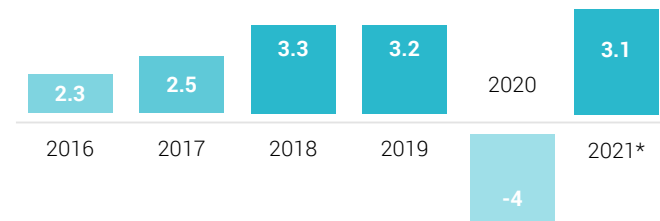
## Macro-financial situation

Source: IMF, Ministry of Finance, National Bank of Ukraine

### Consumer Price Index, % (compared to the same period in the previous year)



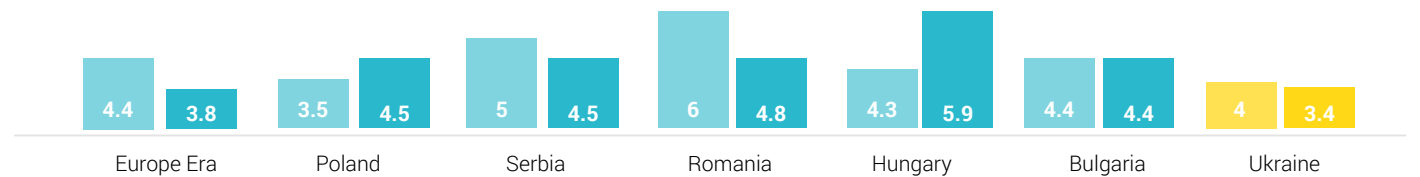
### GDP Growth, % (comparing to respective period in the previous year)



by State Statistics Service of Ukraine  
\*NBU forecast

### GDP growth estimate forecast 2021-2022, %:

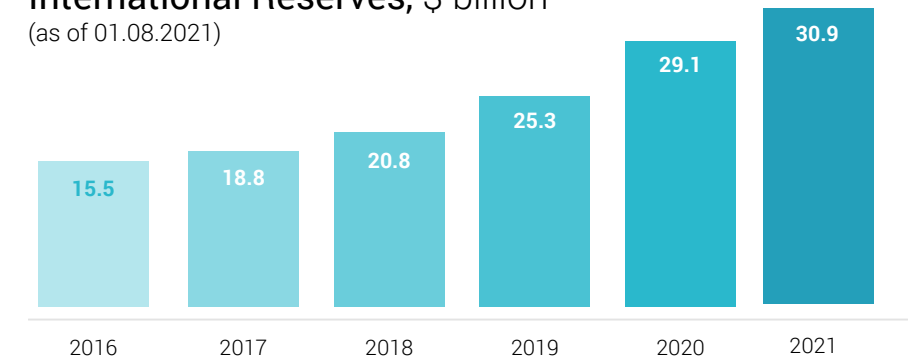
Source: IMF (as of April 2021)



### Average Exchange Rate, USD/UAH



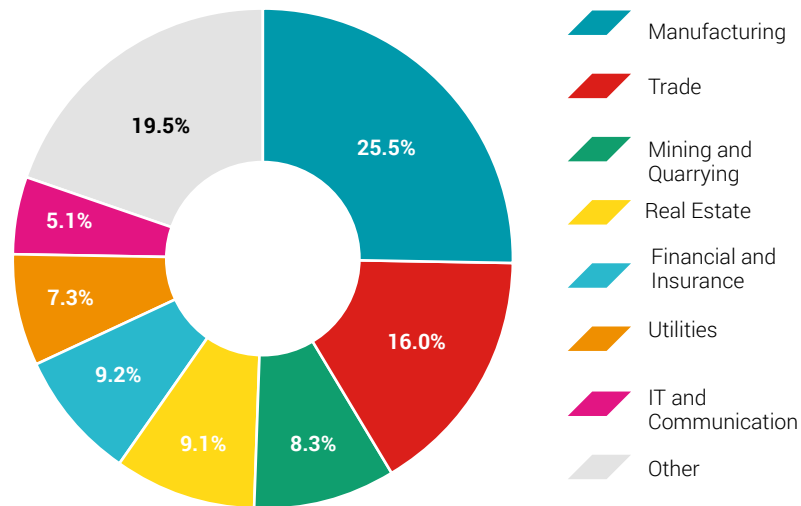
### International Reserves, \$ billion (as of 01.08.2021)



# Ukraine OVERVIEW

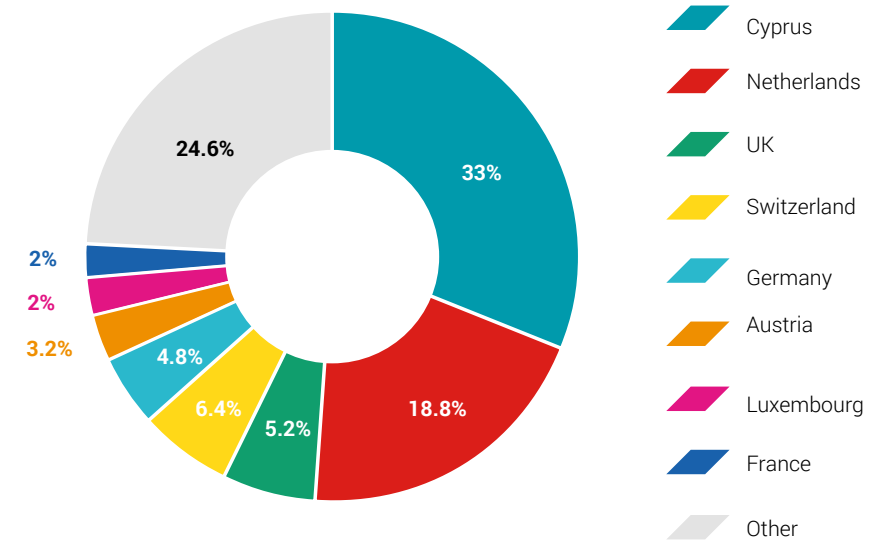
## Foreign Direct Investment (FDI)

FDI by types of economic activity

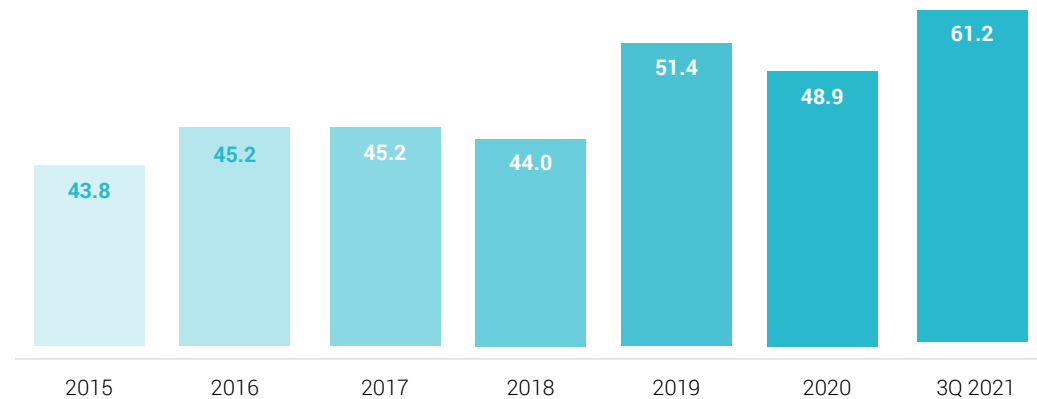


FDI by Country of Origin

(as of 3Q 2021)



Total FDI stock, billion USD



PROGRAM

**UkraineInvest**  
Your Investment Matters

UA



**MAKE IN**

# MAKE IN UA PROGRAM

## TARGETED INVESTMENTS IN MANUFACTURING

### LEAD GENERATION AND OUTREACH

#### REGION TO BUSINESS



Please click on the region  
for more details

#### BUSINESS TO BUSINESS



#### Agri processing

PROJECT TEASERS >



#### Manufacturing

PROJECT TEASERS >



#### Logistics

PROJECT TEASERS >

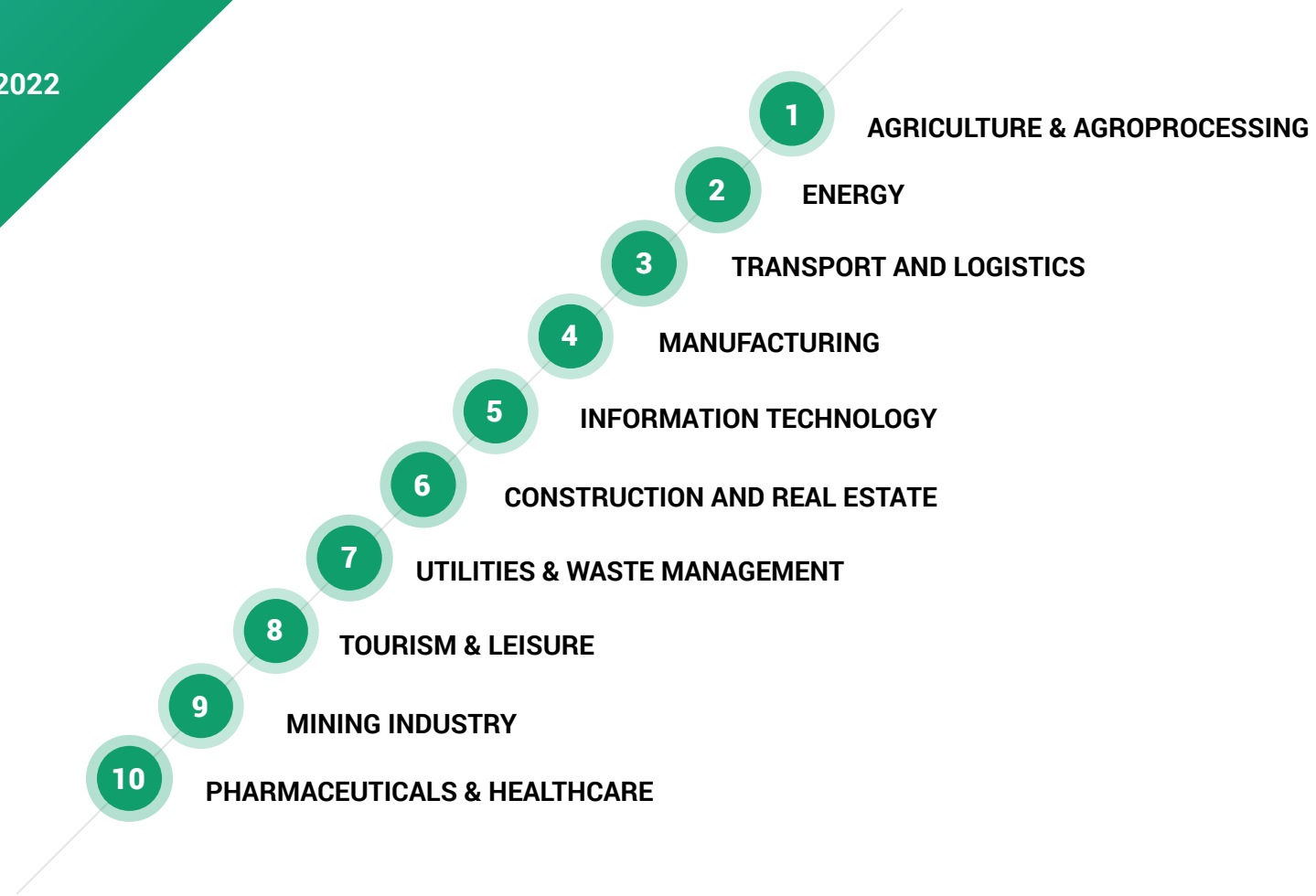


#### Mining

PROJECT TEASERS >

# Sectoral investment opportunities

January - March 2022



# AGRICULTURE & AGROPROCESSING

SECTORAL OVERVIEW AND INVESTMENT PROJECTS





# Agribusiness & Agroprocessing

## KEY FACTS

**42.7 M ha**

agricultural land

**11.4% of GDP**

created in agri-sector

**\$22 B**

Agro Export (2020)

### UKRAINE'S PLACE IN THE GLOBAL FOOD MARKET

Ukraine's export in 2020, and the place in the world export by volume



Crude  
sunflower-seed

**1**



Rape or colza  
seeds  
Millet

**2**



Frozen fowls

**3**



Maize or corn  
Wheat and meslin  
Barley

**4**



Natural honey  
Apple juice,  
(unfermented)

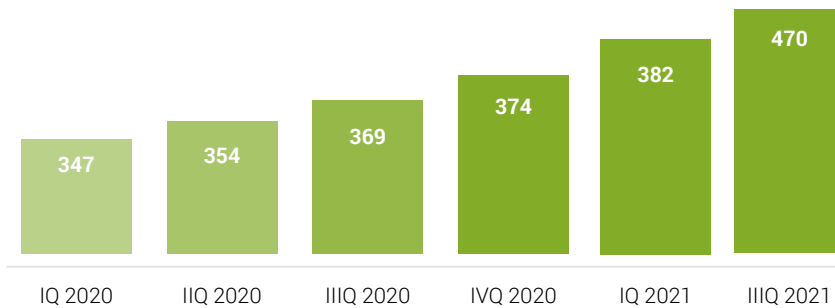
**5**

\*The information provided in this Guide is for illustration purposes only

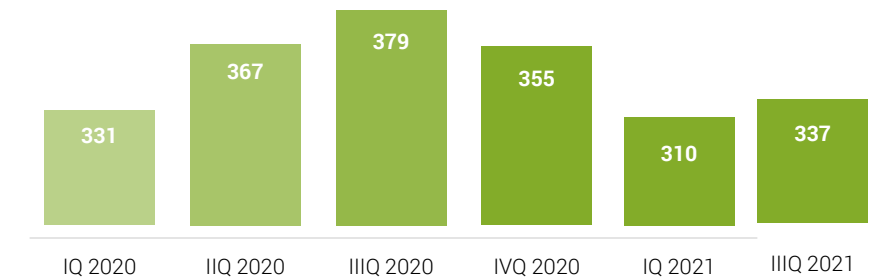
# Agribusiness & Agroprocessing

## KEY FACTS

Average salary in Agriculture, in US dollars



Average number of employees in Agriculture, thousand persons



# Agribusiness & Agroprocessing

## INVESTMENT OPPORTUNITIES



# Regulatory **POLICY**



## July 1, 2021

The launch of the farmland market



## 100 hectares

of farmland per buyer. It can be acquired only by individuals possessing the citizenship of Ukraine



## January 1, 2024

Legal entities registered in Ukraine can buy up to 10 000 hectares if their shareholders own Ukrainian citizenship

**Till January 1, 2030**, the land price cannot be lower than its normative-monetary value

The sale of state or municipal agricultural lands is **forbidden**.

On March 31, the Verkhovna Rada passed the Draft Law

## “On Amendments to Certain Legislative Acts of Ukraine Regarding the Turnover of Agricultural Land”

# Agribusiness REGULATORY POLICY

## Achievements

### Environment for agri investments created

by launching a farmland market (2020).

### Irrigation practices improved

by establishing uniform standards of safe irrigation (2020).

### Agriproduct processing stimulated

by increasing transparency in the process of granting state support for agri producers and launching of a State Agrarian Register (2020).

### Barriers to obtaining land removed

by limiting required documentation and introducing an e-filing system (2021).

by introducing a mandatory procedure of selling and leasing of state and municipal land via e-auctions (2021).

## Plans

### Stimulating improvement of efficiency of agri producers

by limiting requirements for importing pesticides and agrochemicals for testing purposes.

### Unlocking potential of perennial market

by adapting seed sector regulation to reflect on the specifics of perennial planting.

### Increasing efficiency of agriproduct producers

by stimulating hydrotechnical land reclamation.

# Investment PROJECTS

Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
1 VERES GROUP	Private	-	-	-	-	-	-	-	7 000
2 AGRICULTURAL-INDUSTRIAL CLUSTER	Equity / debt financing	25	25.6	23	5.5	-	-	financial models	3 813
3 BEEF CATTLE GROWING AND PROCESSING COMPLEX	Equity / debt financing	44	35.3	25.2	6	-	-	business plan	-
4 AMO HIVE	Equity / debt financing	1.5	8.8	71	2	-	-	feasibility study, business plan	-
5 AQUACULTURE DEVELOPMENT	Equity / debt financing	3.7	2.2	23.3	5	-	-	feasibility study, business plan	-
6 POULTRY FARMS FOR GROWING AND PROCESSING OF POULTRY MEAT	Equity / debt financing	23.3	-	-	6.0	29.5	-	business plan	93

# ENERGY

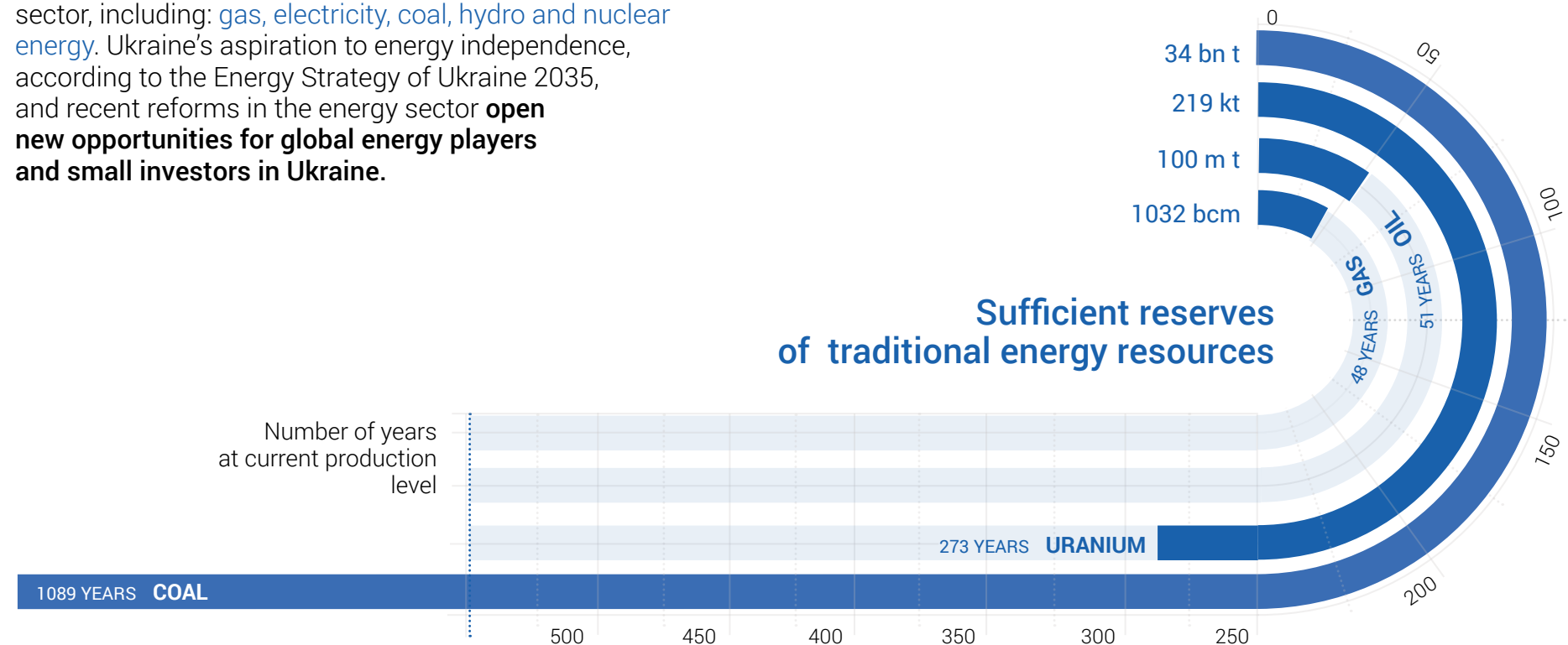
SECTORAL OVERVIEW AND INVESTMENT PROJECTS



# Energy Sector **KEY FACTS**

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](#), [coal](#), [hydro](#) and [nuclear energy](#). Ukraine's aspiration to energy independence, according to the Energy Strategy of Ukraine 2035, and recent reforms in the energy sector **open new opportunities for global energy players and small investors in Ukraine.**





# Energy Sector **KEY FACTS**

**130k**

engineering graduates

**4754**

mln kWh

electricity export (2020)

**2285**

mln kWh

electricity import (2020)

## POWER GENERATION

**54.7 GW**

installed generation capacity

**5.5 GW**

Cross-border capacity

**154.0 TWh**

annual generation output

## POWER CAPACITY INSTALLED, MMW

**38.9%**

Thermal power plant

**24.7%**

Nuclear power plant

**8.6%**

Hydroelectric power station

**10.9%**

Combined heat and power

**11.1%**

Solar Power Plants

**2.7%**

Hydroaccumulating power plant

**2.7%**

Wind Power Plants

**0.4%**

Biomass and biogas

# Energy Sector **REGULATORY POLICY**

## Achievements

### Electricity market potential unlocked (The Law on Electricity Market)

by providing for competition-based participation in the electricity market (2019).

### Barriers to natural gas market competition removed

by separating the gas transmission system from major gas company Naftogaz (2020).

by opening the natural gas market for domestic consumers (2020).

### Development of wholesale market of short term standardized products ensured

by allowing the gas transmission system operator to purchase and sell these products on a trading platform (2020).

## Plans

### Promoting energy efficiency

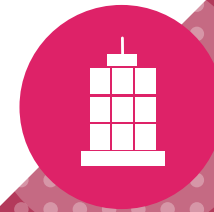
by stimulating cogeneration via so-called "origin warranties" system.

### Ensuring stability of Ukrainian energy system

by integrating UKrainian energy system with ENTSO-E.

# TRANSPORT AND LOGISTICS

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



# Transport and Logistics **KEY FACTS**

**170K** km  
ROADS



**19.7K** km  
RAILWAYS



**20**  
AIRPORTS

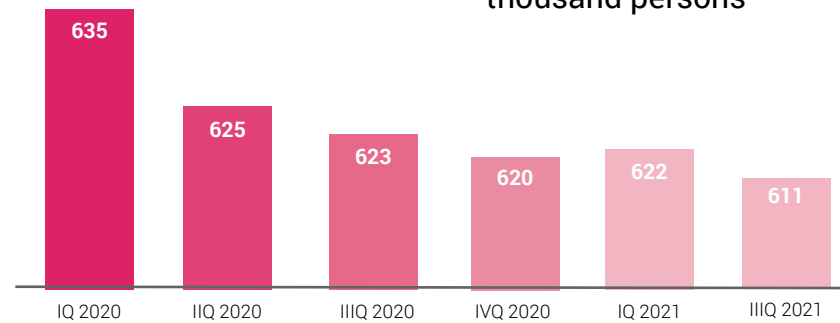


**13**  
SEA PORTS

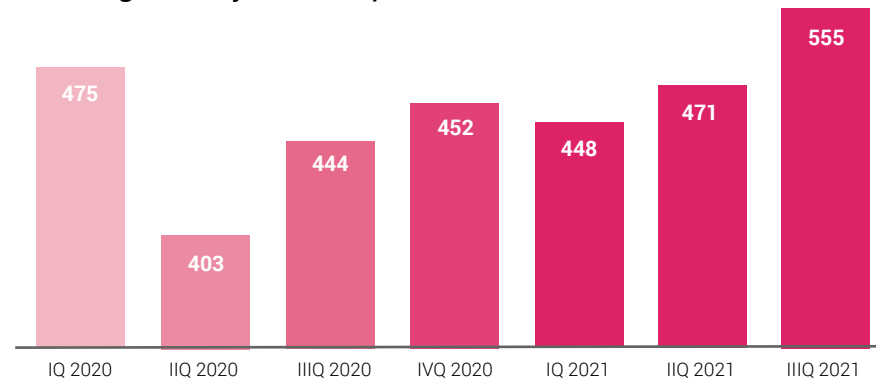
**16**  
RIVER PORTS



Average number of employees in Transport, thousand persons



Average salary in Transport, in US dollars



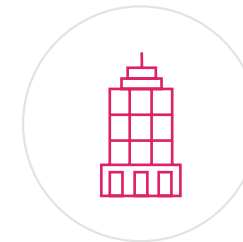
**\$4.2B**

Export of transport services\*



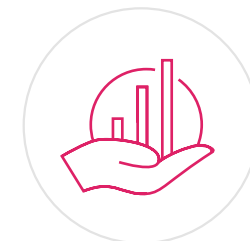
**5.29%**

of GDP



**1.42M m<sup>2</sup>**

area of warehouse and logistics real estate



**14%**

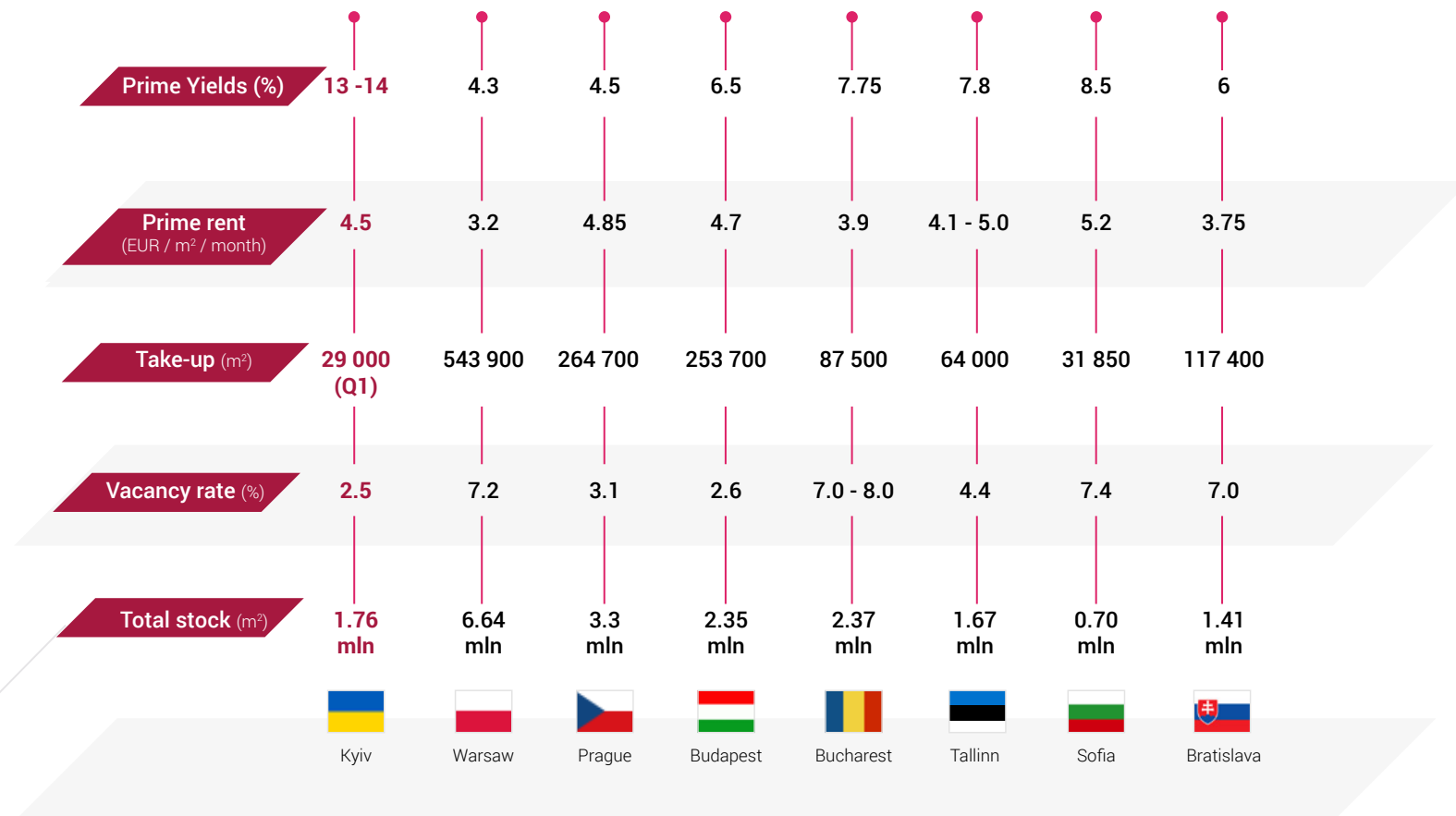
Yield Logistics real estate

\*The information provided in this Guide is for illustration purposes only

\* as of November 2021

# Key Indicators of **LOGISTICS** **PROPERTY MARKET**

in CEE capitals

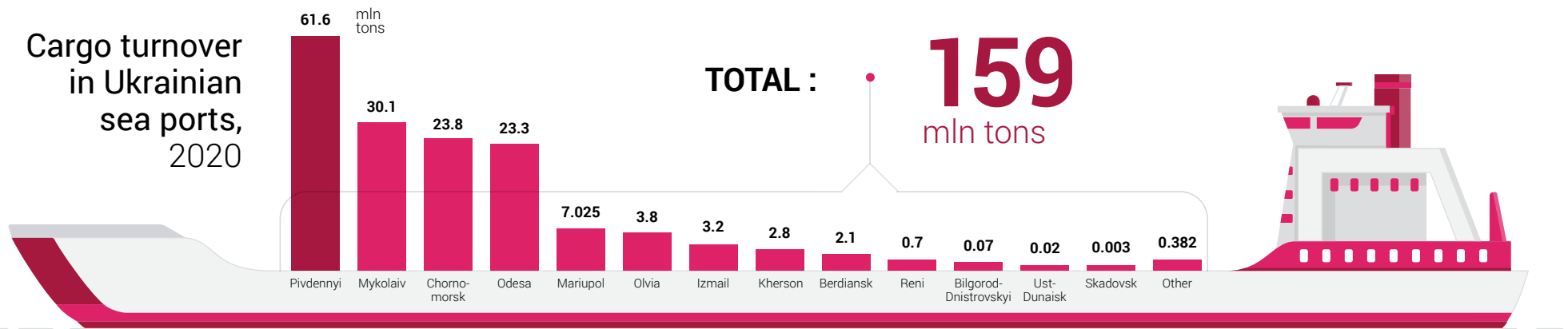
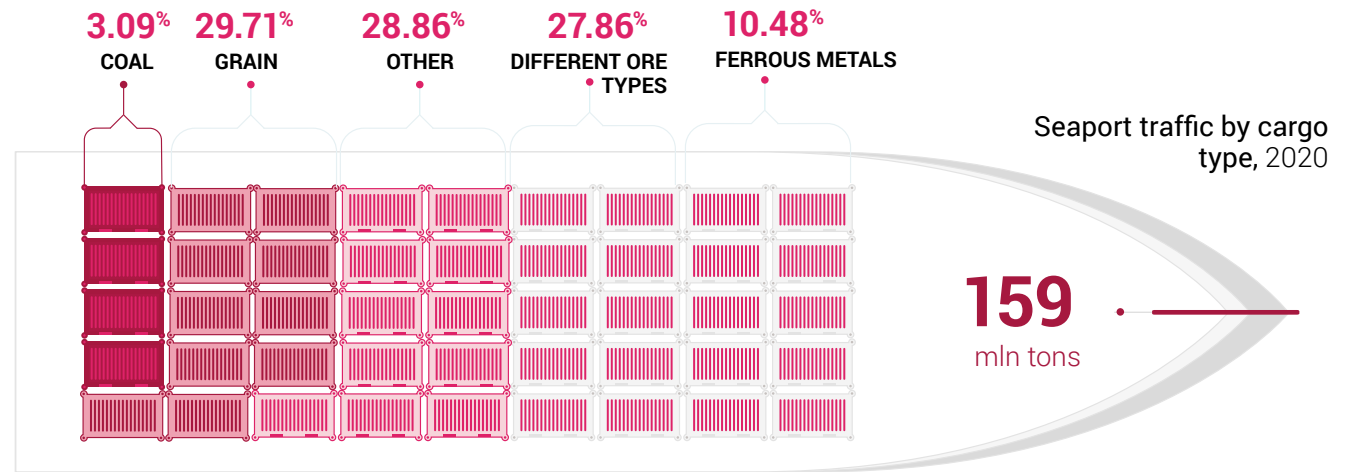


Source: Colliers International, H1 2020

# Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

A competitive advantage of Ukraine are warm-water ports along the Black Sea coastline providing a year-round access to the Mediterranean Sea and the Atlantic Ocean.

- 13** sea ports
- 263** berths
- 40 km** total berthing length
- 160 m** tons of cargo turnover in 2020



Source: Ukrainian Sea Ports Authority

# Infrastructure REGULATORY POLICY

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 is aimed at increasing Ukraine's investment attractiveness and renewing infrastructure, including ports, airports, roads, etc.



# Infrastructure & Logistics

## REGULATORY POLICY

### Achievements

#### Establishment of favourable conditions for PPP infrastructure projects

by introducing a competition-based procedure for concession tenders (2019).

#### Promotion of new international and internal airline routes

by liberalising aviation market rules (2018 - 2020).

#### Start of river transportation development

by allowing entry of foreign-flagged vessels to inland waters and exempting inland waterways vessels from seaport fees (2020).

#### Simplification of freight permitting procedures

by launching an online applications system for obtaining permits for international transportation of goods (2020).

#### Stimulating developments of domestic aviation

by introducing VAT exemption for domestic flights.

#### Unlocking potential of container shipping industry

by ensuring a proper regulation of multimodal transportation.

#### Increasing capacity of rail freight transportation

by allowing access of private locomotives to public railways.

### Plans

#### Enhancing the taxi market competition

by introducing a favourable taxation regime.

#### Ensuring fair competition in transportation industry

by establishing an independent transport regulator.



# MANUFACTURING

SECTORAL OVERVIEW AND INVESTMENT PROJECTS

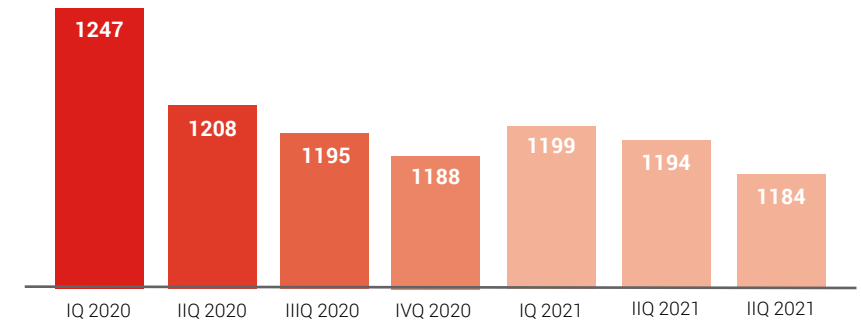


# Manufacturing **KEY FACTS**

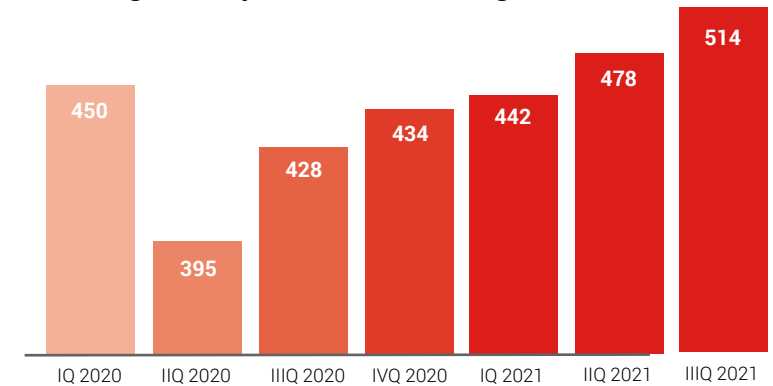
**1/4**  
of total FDI  
(IIIQ 2021)

**10%**  
GDP

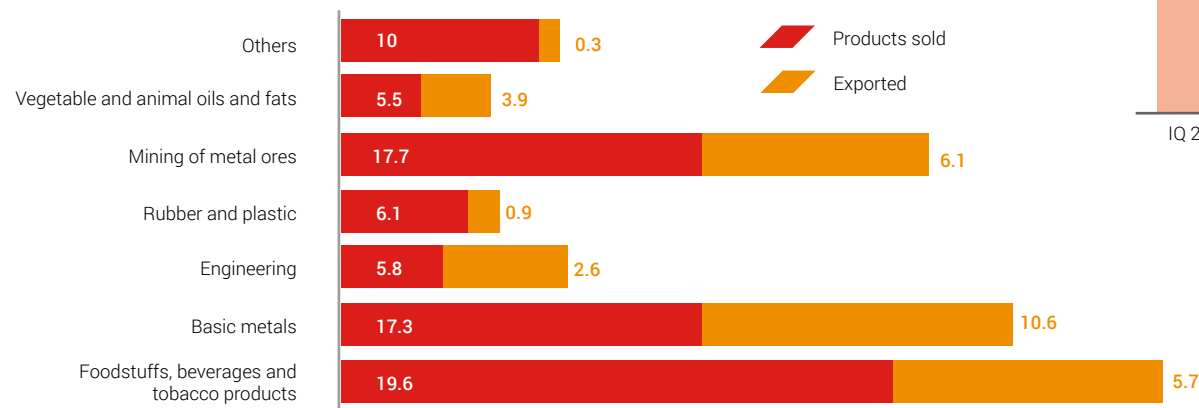
Average number of employees in Manufacturing, in thousands persons



Average salary in Manufacturing, USD



VOLUME OF PRODUCED PRODUCTS SOLD, Q1 2021 BLN USD



# Industrial parks **KEY FACTS**



**52**

registered industrial parks in Ukraine



**28**

industrial parks with established management company



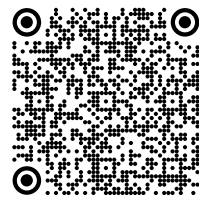
**+2 260 ha**

total area of industrial parks

## Advantages for participants of industrial parks

- development of the infrastructure necessary for the implementation of investment projects within industrial parks is co-financed by state and local budgets
- no infrastructure fees for construction of the objects within the industrial park
- no import duties levied on equipment imported by the participants of industrial parks for carrying out economic activity within industrial parks, given such equipment is not produced in Ukraine
- possible reduction in local tax rates (land, real estate) depending on the decision of local authorities

## INDUSTRIAL PARKS



- registered Industrial Park
- Industrial Site\* residing participants
- grid connection available
- Industrial Park residing participants
- on hold






\* - acting Industrial Site not registered as Industrial Park

## Regulatory Background

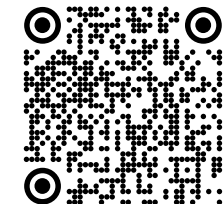
### PLANS

- Stimulating investments in manufacturing and R&D**  
by promoting establishment of industrial parks with a favourable taxation regime and customs incentives for participating businesses.

# Industrial SITES\*

	Name	Region	Utilities	Ownership	Number of participants	Total/free area, ha	Main Activities	Website link
1	<b>PATRIOT INDUSTRIAL SITE</b>	Sumy	Available	<b>Private</b>	<b>100</b>	<b>9.0/0.1</b>	preparation and spinning of textile fibres, and production work clothes, construction materials, wholesale of drinks, perfumery and cosmetics	
2	<b>ZAPORIZHKRAN INDUSTRIAL SITE</b>	Zaporizhia	Available	<b>Private</b>	<b>50</b>	<b>5.0/-</b>	production of engineering products	
3	<b>CHEMICO-METALLURGICAL PLANT INDUSTRIAL SITE</b>	Donetsk	Available	<b>Municipal</b>	<b>4</b>	<b>270.0/270.0</b>	production of chemical and metallurgical compounds, production of flux-cored wire and electrodes	
4	<b>ARKAN INDUSTRIAL SITE</b>	Kyiv	Available	<b>Private</b>	<b>-</b>	<b>19.3/ -</b>	production of engineering tools, robotechnics, instrument-making, electronics, professional equipment etc.	
5	<b>ECOPOLIS HTZ INDUSTRIAL SITE</b>	Kharkiv	Available	<b>Private</b>	<b>1</b>	<b>150</b>	IT, medicine, education, agricultural technologies	

PROJECT TEASERS >



\* - acting Industrial Sites not registered as Industrial Parks

# Manufacturing

## REGULATORY POLICY

### Achievements

**New instruments for combating counterfeit of alcohol, tobacco and other excisable goods introduced**  
by establishing a system of electronic excise stamps (2020).

**Investments in ethanol production unlocked**  
(the Law on the state regulation of production and turnover of ethyl alcohol, cognac and fruit alcohol, alcohol beverages, tobacco and fuel)  
by abolishing the state monopoly and liberalizing ethanol exports (2020).

**Favourable conditions for light, metal-processing and other industries' growth established**  
by renewing instalments schemes for settlement of VAT duties on imports of manufacturing equipment (2020).

**Barriers to investments in Ukraine's textile production removed**  
by setting zero customs fee rates for imports of textile raw materials, which are not marketed in Ukraine (2021).

### Plans

**Stimulating investments in manufacturing and R&D**  
by promoting establishment of industrial parks with a favourable taxation regime and customs incentives for participating businesses.

**Easing conditions for product launch**  
by harmonizing conformity assessment regulation to EU directives.

# INFORMATION TECHNOLOGY

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



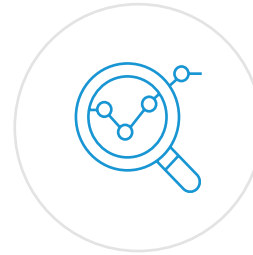
# IT KEY FACTS

The IT sector is among the country's **FASTEST GROWING** industries and **A MAJOR DRIVING FORCE** of Ukraine's economy.

Ukraine is **34th** among 100 countries in Global Startup Ecosystem Index 2021. Global Coursera Skills: Ukraine is the **27-th** in the world.



**the 1<sup>st</sup>**  
largest export  
service category



**4%**  
GDP



**>240K**  
IT specialists



**\$5.6<sup>bln</sup>**  
IT services export  
as of 10 months of 2021



**100**  
out of Fortune 500  
companies with  
remote development  
teams in Ukraine



1st in Eastern Europe by  
the number of outsourced  
developers  
  
4th AI globally in tech  
skills proficiency



**\$ 931**  
Average salary  
(3Q 2021)



**> 5 000**  
IT companies

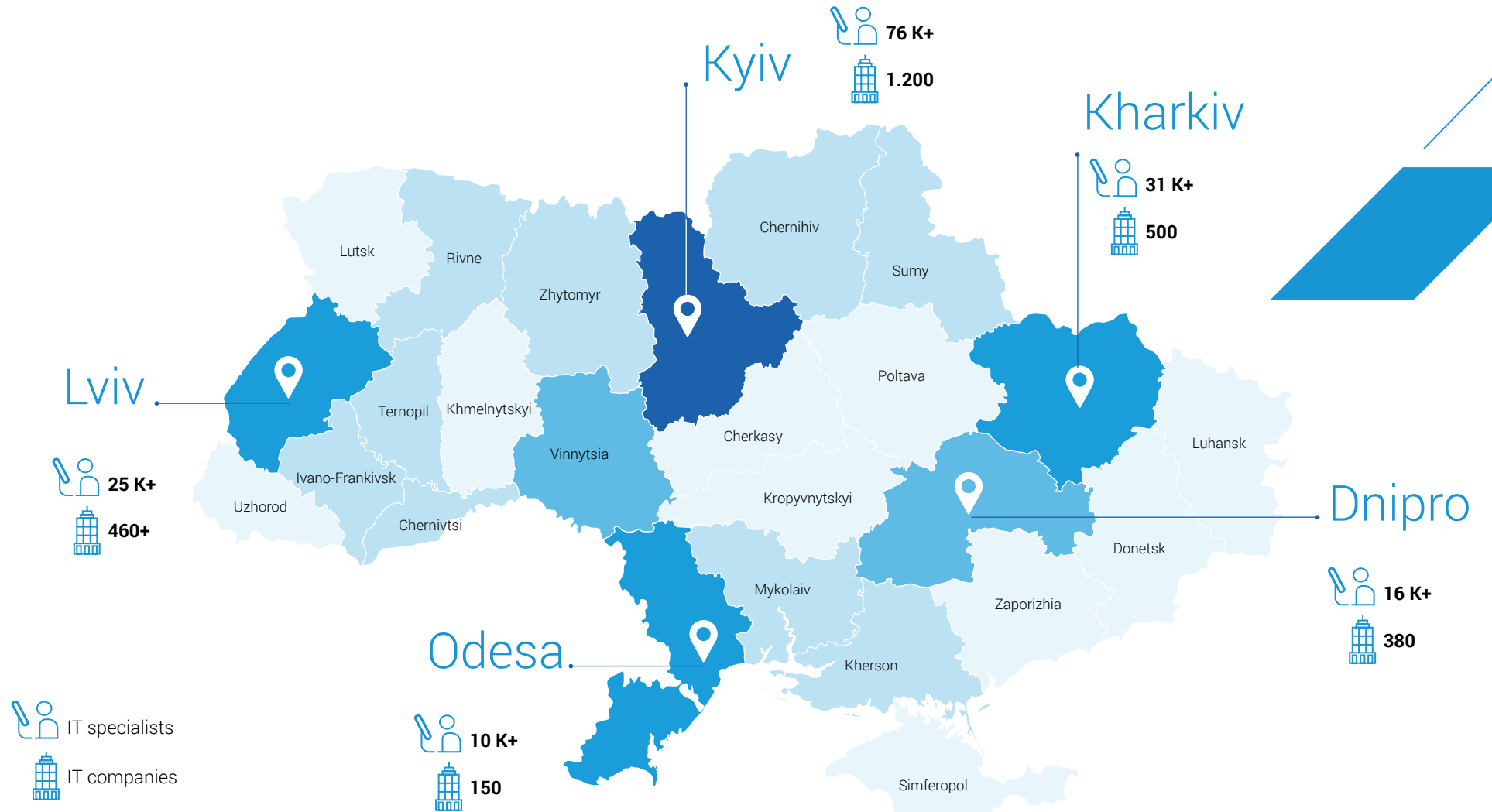


**40**  
investment funds with  
\$571 mln (2020)

IT sector in Ukraine is 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 ecommerce**.

Source: State Statistics

# IT CLUSTERS in Ukraine



**IT CLUSTERS**  
From more concentrated to less

Source: Ukrainian Clusters <https://ucluster.org/blog/2020/04/top5-it-klasteriv-ukraini/>



# SPECIAL LEGAL FRAMEWORK for the IT Industry



**Goals by  
2025:**



**450 000 +**  
new jobs



**\$ 16,5+ bln**  
growth of the IT  
industry

“Diya.City is one of the best tax systems for technology companies, which offers the opportunity to pay five times less taxes and invest in development, education and IT in general” – Mykhailo Fedorov, The Minister of Digital Transformation of Ukraine

## Types of IT activities:

- Software development and testing, including games
- Publishing and distribution of software (SaaS)
- Teaching computer literacy, programming, testing
- Digital marketing and ads using software developed
- R&D in IT and Telecom
- Cybersport
- Providing services related to the virtual assets flow
- Cybersecurity
- Robotics

## Advantages for participants in Diia City:

- Transparent special taxation framework
- Special employment conditions
- IP protection guarantees
- Foreign venture capital investment
- Guarantees of protection of persons and property against the undue intervention of government security officials
- Investment and R&D incentives
- Developed eco system

**Supported by:** the European Business Association, the Federation of Employers, the American Chamber of Commerce, EPAM, Ajax, Sigma Software, Reface, Genesis, Laverex, and many others

**For detailed information:** <https://city.diia.gov.ua/en>

# Startups in Ukraine **STATE SUPPORT**

## Ukrainian

## Startup Fund

**Ukrainian Startup Fund (USF)** is a state-owned fund and one of the largest angel investors in Ukraine in 2020. USF was established on the initiative of the government of Ukraine in 2018. The mission of the fund: to promote the creation and development of technology startups in Ukraine at an early stage in order to increase their global competitiveness. USF provides financial support to startups in the early stages in the form of grants, as well as creates additional opportunities for startups to incubate, accelerate, and receive other types of support. In particular, USF provides non-refundable and non-equity grants for pre-seed and seed-stage startups. On a pre-seed stage startup can receive \$25K and on seed stage it's \$50K. In total a startup can be funded with up to \$75K.

### RESULTS AS OF 2020:

- 2553 applications from startups at different stages of completion
- 74 startups were selected by the Pitch jury for grant funding
- funded of nearly \$3M
- \$20 M in authorized capital

**\$ 75K**  
a startup can obtain  
for its business

**\$ 18M**  
the size of the fund



## Regulatory Background

### ACHIEVEMENTS

#### Promoting innovation

by ensuring a system of low-interest financing for startups in strategic industries (2020).

### PLANS

#### Creating a fertile IT ecosystem

by establishing a virtual economic zone "Diia.City" enabling online access to all G2B services, digital identification of contractors, choice of law, simplification of currency exchange and other.

# Innovation Startups **ENTREPRENEURSHIP**

ISE Startup Accelerator and VC Investment Firm bring startups to the next level. We focus on business development through setting partnerships between corporations and startups, attracting new clients for B2B and B2C startups, preparing startups for fundraising. We collaborate with Ukrainian and International corporations, which are looking for innovative solutions and are ready to experiment with new technologies as well as VCs seeking early opportunities to invest.

## ACCELERATOR IN NUMBERS

Executed early-stage VC investments amounting over \$7 mln in last 3 years.  
We have built 34 partnerships between startups and corporations and closed over 10 fundraising deals (pre-seed and seed rounds).

### 470

startups reviewed  
for the last 3 years

### 50+

reputable mentors  
are engaged in our  
programs

### 34

startups built  
partnerships with  
corporations

### 10+

startups raised  
next round  
investments

## ISE PRODUCTS

- 1/ Startup Acceleration – with equity participation and equity-free program
- 2/ Corporate Innovation – build innovation strategy, identify innovative technologies and source the best startups
- 3/ Venture Capital Deals – fundraising deals for startups
- 4/ Digital Innovation Hub – communication platform for key ecosystem players: The Government, Business, Startups, Universities and Scientists.

## ADVANTAGES OF ISE ACCELERATOR

- Top mentors and lecturers
- High-profile networking
- New B2B and B2C clients
- 7 Blocks of Knowledge building for startups
- Preparation for the next round of investment
- Investments from VC funds and Corporates
- Pilot with corporation
- Individual mentorship with expertise in the area of startup

**I·S·E**  
Corporate Accelerator

# IT REGULATORY POLICY

## Achievements

### Access of foreign IT professionals to Ukrainian market eased

by introducing special employment and relocation conditions for foreign IT professionals (2018-2020).

### Technological development and innovation stimulated

by signing a memorandum with mobile network operators aiming to increase Internet penetration (2019).

by ensuring a system of low-interest financing for startups in strategic industries (2020).

### Barriers for competition in the telecommunication market removed

by gradually lowering mobile termination rates (2020-2021)

## Plans

### Attracting investments to Ukraine's IT industry

by introducing a favorable taxation regime.

by improving shareholders' protection instruments, allowing for gig-employment practices and laying foundation for venture financing.

by ensuring better IP rights protection and extra protection from interference.

### Inducing cloud technology investments

by introducing a cloud first strategy for government institutions.

### Creating a fertile IT ecosystem

by enabling online access to all G2B services, digital identification of contractors, simplification of currency exchange and other.

# CONSTRUCTION AND REAL ESTATE

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



# Construction & Real Estate **KEY FACTS**



**221 K**

Labor Force in Construction



**\$447**

Average Salary in Construction (3Q 2021)



**10,783,756 m<sup>2</sup>**

total area of residential buildings (as of September 2021)



**4,975,506 m<sup>2</sup>**

total area of non-residential buildings (as of June 2021)

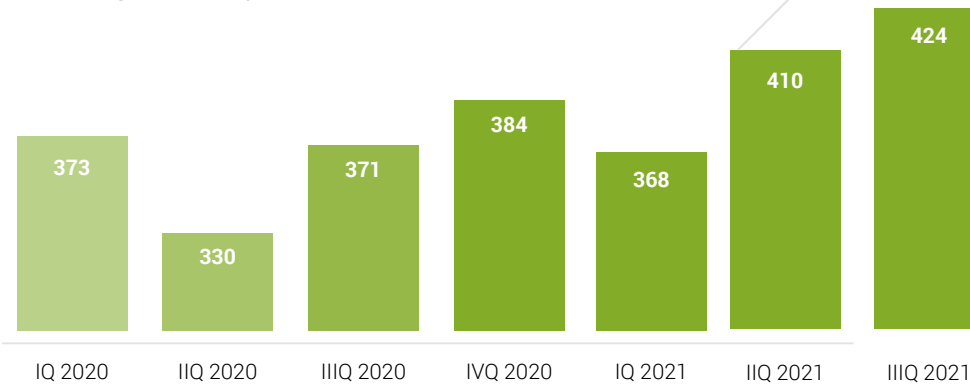


GDP:

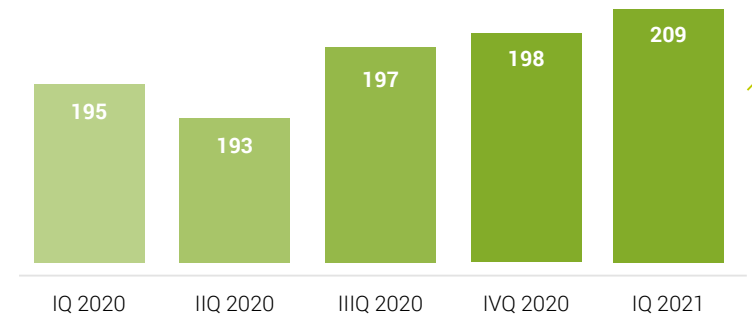
**Construction - 2.07%**  
**Real Estate - 5.27%**

## Real Estate

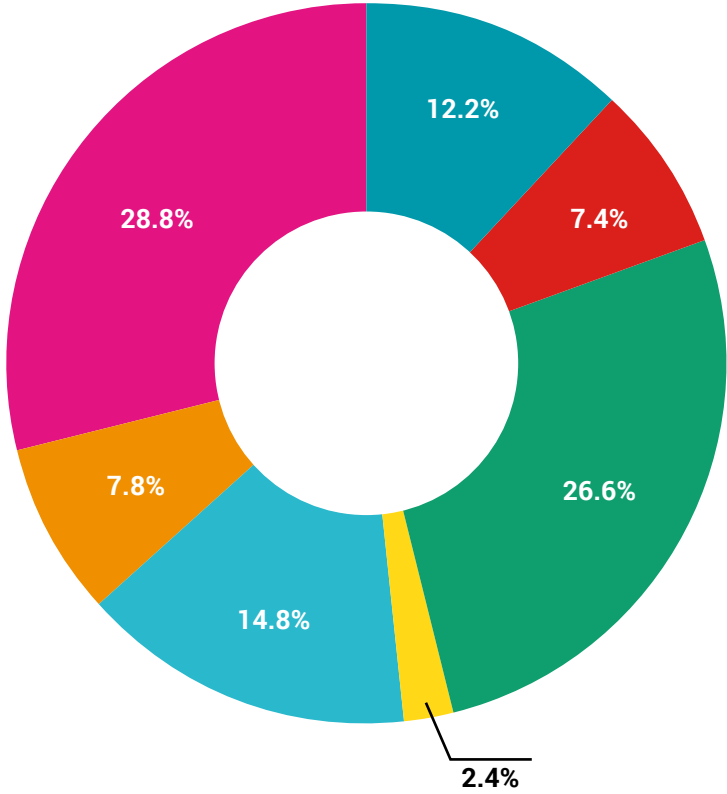
Average salary in Construction, in US dollars



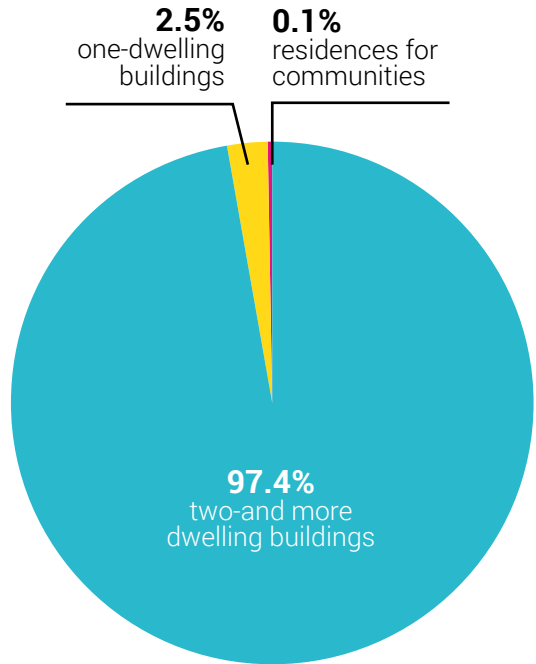
Average number of employees in Construction, thousand persons



# CATEGORIES of Non-residential Buildings



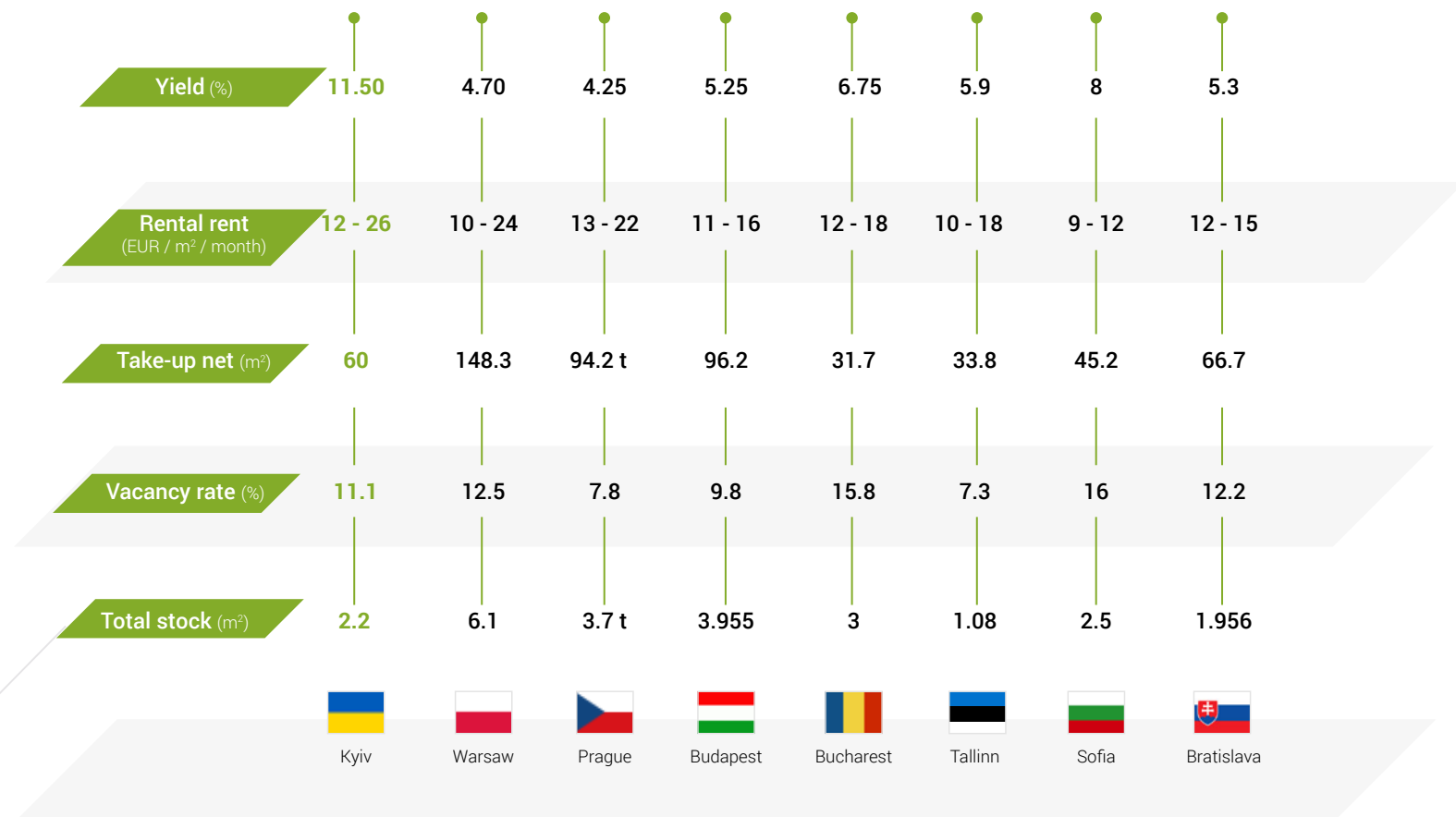
- public entertainment, education, hospital or institutional care buildings
- industrial buildings and warehouses
- traffic and communication buildings
- hotels and similar buildings
- office buildings
- wholesale and retail trade buildings
- other non-residential buildings



\*The information provided in this Guide is for illustration purposes only

# Retail Real Estate

## Office Market H1 2021





# Real Estate **REGULATORY POLICY**

## Achievements

### **Transparency of construction procedures improved**

by launching a unified online register to accommodate all construction-related information (2020).

### **Investors' ability to effectively analyse the potential of investment projects enhanced**

by providing for development of the geospatial data infrastructure (2020).

### **Simplification of urban planning procedures guaranteed**

by reforming the construction authority (2020).

## Plans

### **Improving effectiveness of the construction control system**

by promoting digitalization and automation of construction control procedures to prevent human factor.

### **Uplifting construction efficiency**

by introducing BIM-technologies in development.

### **Laying the foundation for systematic and sustainable nationwide urban planning**

by renewing the Master Plan of the territory of Ukraine

# UTILITIES & WASTE MANAGEMENT

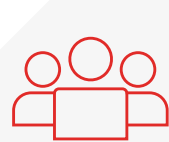
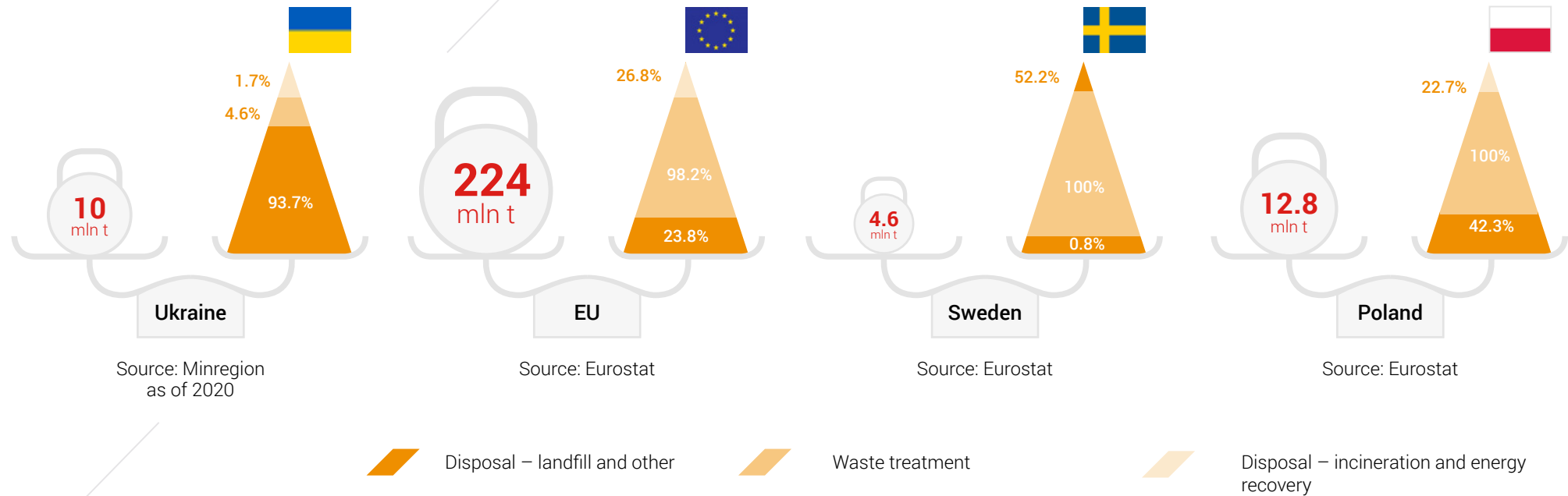
SECTORAL OVERVIEW AND INVESTMENT PROJECTS



# Utilities & Waste Management

## KEY FACTS

### HOUSEHOLD WASTE MANAGEMENT IN UKRAINE AND ABROAD, 2019



**79 %**  
 population of Ukraine is covered by household waste removal services.



**6 000**  
 landfills in Ukraine



**200 K**  
 Labor Force



**\$491**  
 Average Salary

# Utilities

## REGULATORY POLICY

### Achievements

#### Better electrical grid connection procedures ensured

by introducing a one-stop-shop platform for resolving connection-related disputes (2019).

#### Gas transmission balancing practices improved

by introducing a daily balancing mechanism (2019).

#### Electrical grid infrastructure development stimulated

by introducing an incentive-based (RAB) tariff regulation for electricity distribution systems operators (2020).

### Plans

#### Increasing industrial energy efficiency

by ensuring a system for compensating energy efficiency loans.

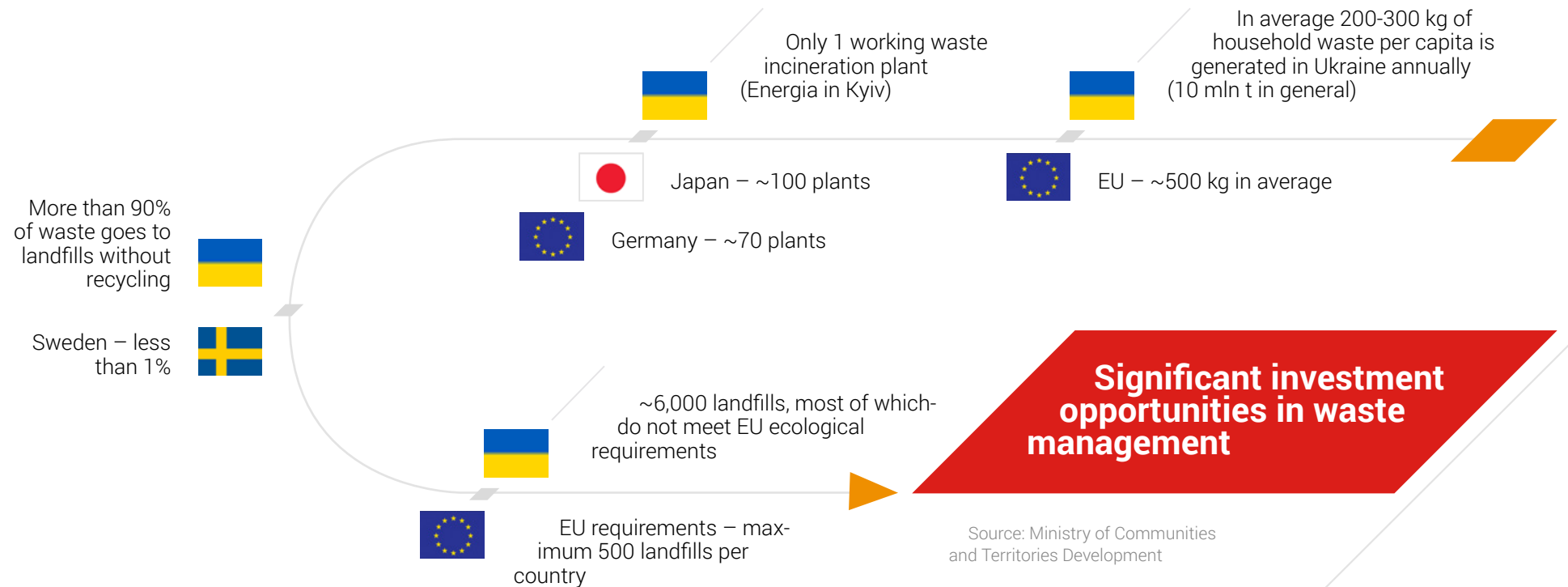
#### Ensuring balancing of the electrical power system

by stimulating construction of highly maneuverable capabilities and energy storage systems.

#### Providing better access to electrical grid connection

by introducing free-of-charge grid connection for industrial parks residents.

# Waste Management **KEY FACTS**



## Regulatory Background

### PLANS

**Advancing consistent policy to stimulate waste management investments**

by creating a coherent waste disposal system and establishing clear regulation for waste processing plants.

# Waste Management **NEW LAW**

## New Waste Management Law Principles:



waste management hierarchy: prevention, reuse, recycle, energy recovery, disposal



extended producer responsibility



long-term waste management planning at the national, regional and local levels



installation of a waste management information system



liability for offenses in the field of waste management

## Benefits from the Law

Stimulating investment in waste recycling

**FOR ECONOMY**

Solving the problems of landfills that pollute water and soil

**FOR ENVIRONMENT**

Emergence of new enterprises, tax revenues, investment

**FOR COMMUNITIES & TERRITORIES**

New jobs, reduced health risks

**FOR POPULATION**

The Verkhovna Rada of Ukraine adopted Bill No.2207-1-d

**“On waste management” on 21 July 2020. Now the national legislation includes the basic principles and provisions of European legislation in the field of waste management**

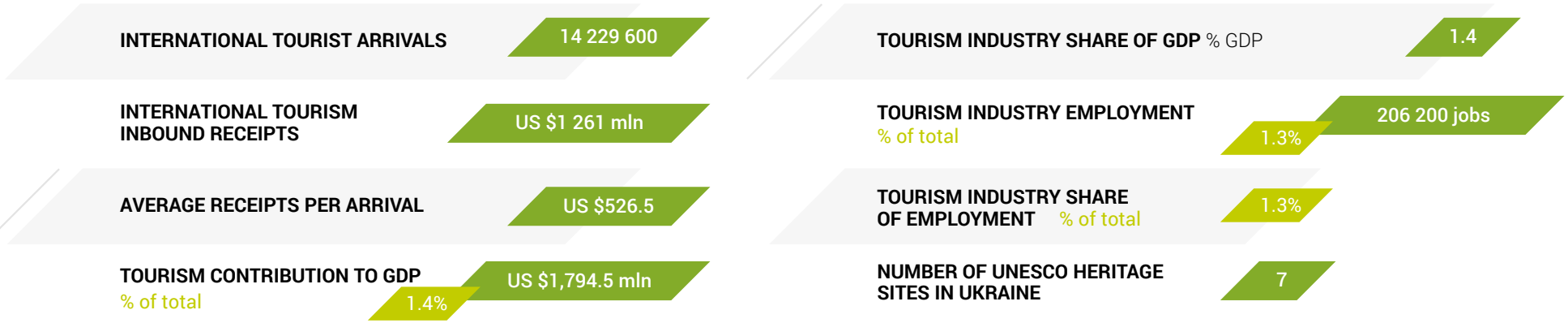
# TOURISM & LEISURE

SECTORAL OVERVIEW AND INVESTMENT PROJECTS

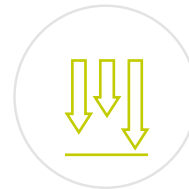


# Tourism & Leisure **KEY FACTS\***

**Pre-pandemic situation**



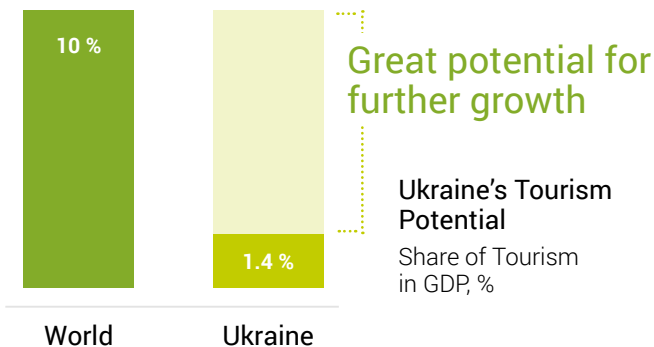
Export of travel services\*\*\*  
**\$743M**



Import of travel services  
**\$6271M**



17 sites on tentative list of UNESCO Heritage



Ukraine can boast of a vast number of both widely known and completely unknown sites of surpassing beauty: **from cozy old-fashioned medieval streets of Lviv to industrial architecture and breathtaking landscapes in the South of Ukraine.**

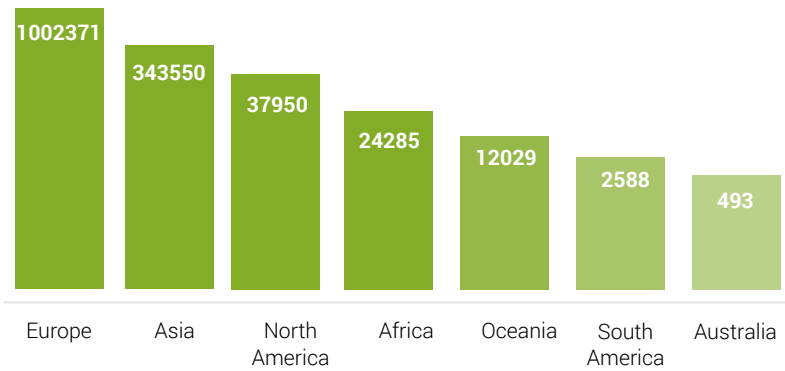
\*The information provided in this Guide is for illustration purposes only

\*as of 2019  
\*\* Accommodation and food service  
\*\*\* as of November 2021

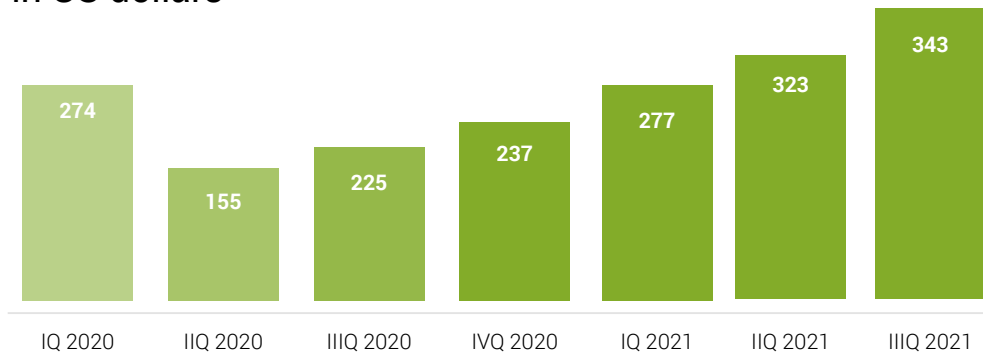


# Tourism & Leisure **KEY FACTS\***

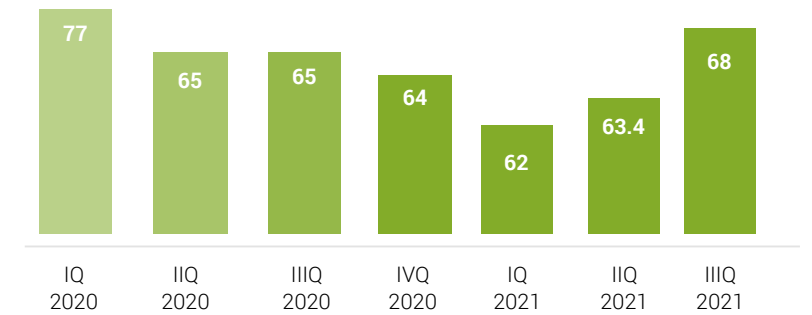
## International tourists origin



## Average salary in Accommodation and food service, in US dollars



## Average number of employees in Accommodation and food service, thousand persons



# Tourism & Leisure RATINGS

**UKRAINE** Travel & Tourism  
Competitiveness Index 2019

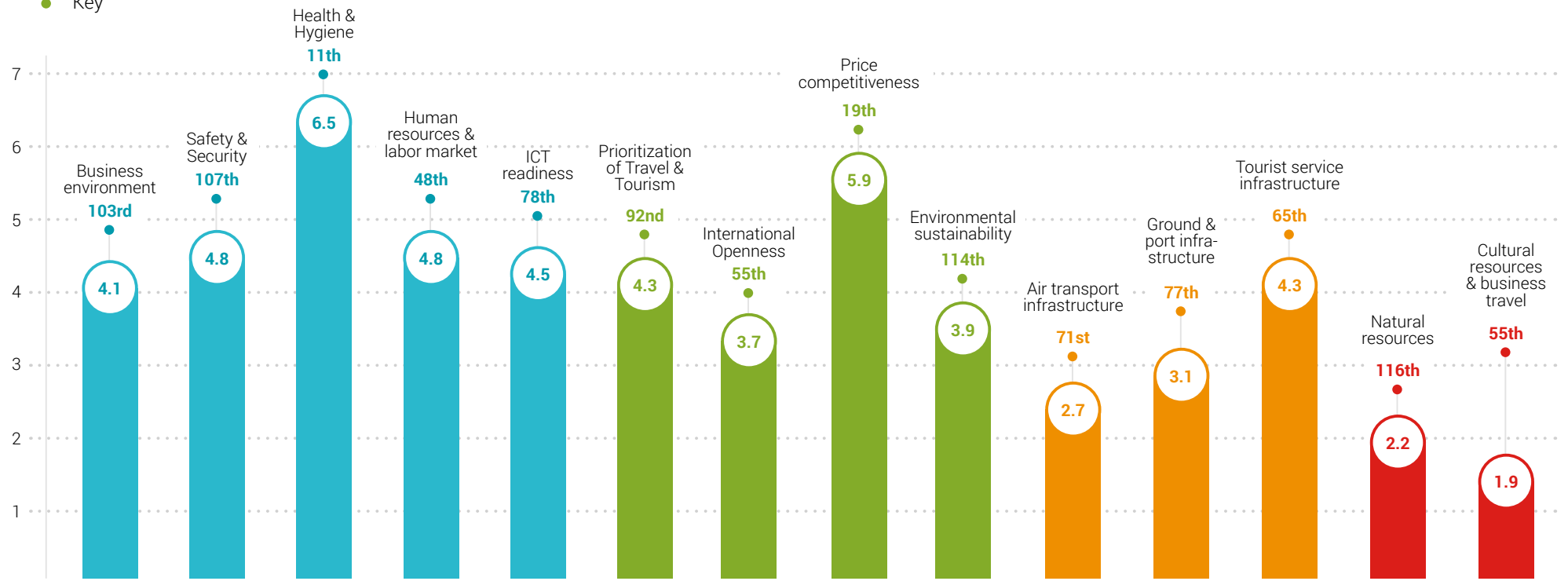
**3.7** OVERALL  
SCORE

**78th / 140**

○ Score 1-7 (best)  
● Key

## Ukraine Performance Overview

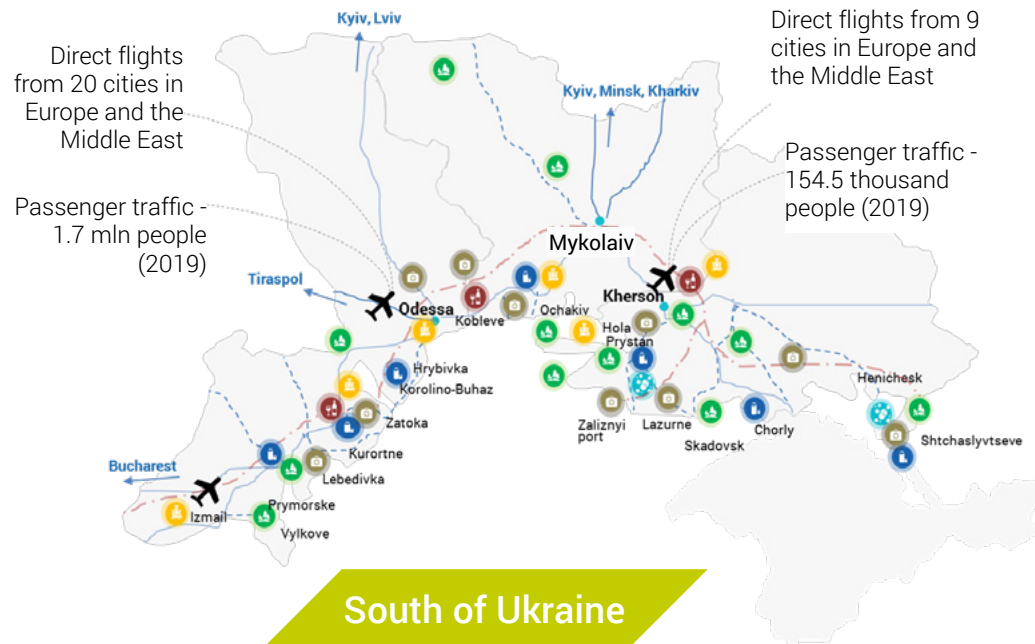
Source: World Economic Forum



# Tourism & Leisure

## UKRAINE'S MAGNETS

There is an **enormous untapped potential of Ukraine's tourism industry**. UkraineInvest has recently launched the search for investment opportunities in the two most attractive regions of Ukraine: Black Sea coast and Carpathians, and there is much to offer for potential investors in those regions.



# Tourism & Leisure

## REGULATORY POLICY

### Achievements

#### **Tourism potential of the Chernobyl exclusion zone unlocked**

by regulating property management and urban planning in the area (2019).

#### **Gambling market potential unlocked**

by legalizing a range of gambling services subject to licencing (2020).

#### **Environment for e-sports development created**

by officially recognizing e-sports to be a type of sports (2020).

### Plans

#### **Establishing a favourable environment for tourism industry**

by implementing coherent national and regional programs of tourism development.

#### **Stimulating hotel industry development**

by easing requirements for providers of hotel services.

#### **Inducing hotel industry development**

by providing respective businesses with a favourable taxation regime and financing.

# MINING INDUSTRY

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



# Mining Industry **KEY FACTS**

Ukraine has **extremely rich and complementary mineral resources in high concentrations and close proximity to each other.**

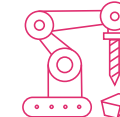
The country has abundant reserves of coal, iron ore, natural gas, manganese, salt, oil, graphite, sulfur, kaolin, titanium, nickel, magnesium, timber, and mercury.

**117**



types of minerals are present in Ukraine (out of 120 known)

**8 761**



deposits of industrial importance

**\$17.7**

billion



total output of mining industries (as of October 2021)

## UKRAINE'S MINERALS RESERVES

Export of mining industries 6 bln \$  
From which, export of metal ores 5,7 bln \$  
as of October 2021

Mineral	Number of deposits	Reserves as of 01.01.2020
<b>NATURAL GAS</b>	<b>458</b>	<b>779 Bm<sup>3</sup></b>
<b>COAL</b>	<b>1 052</b>	<b>41 253 M ton</b>
<b>IRON ORES</b>	<b>60</b>	<b>18 836 M ton</b>
<b>MANGANESE ORES</b>	<b>5</b>	<b>2 167 M ton</b>

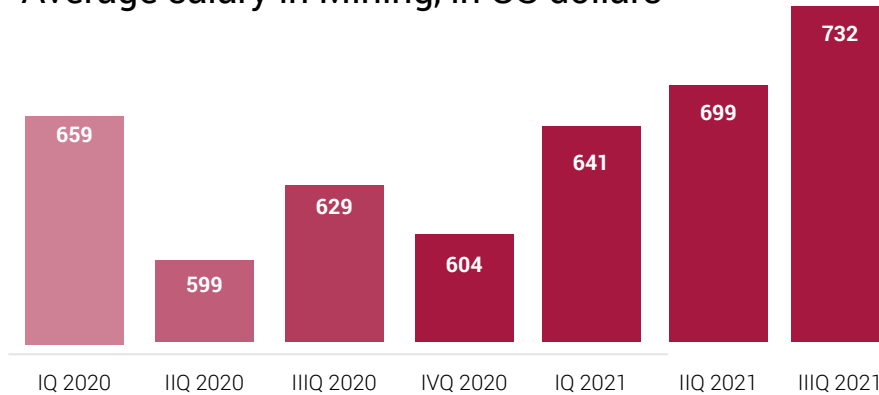
Mineral	Number of deposits	Reserves as of 01.01.2020
<b>APATITE ORES</b>	<b>16</b>	<b>2 084 M ton</b>
<b>KAOLIN</b>	<b>42</b>	<b>477 M ton</b>
<b>REFRACTORY CLAY</b>	<b>21</b>	<b>77 M ton</b>
<b>AMBER</b>	<b>16</b>	<b>36 ton</b>

Source: State Service of Geology and Subsoil, State Research and Development Enterprise "State Geological Information Fund of Ukraine" (SRDE "Geoinform of Ukraine"), State Statistics Service

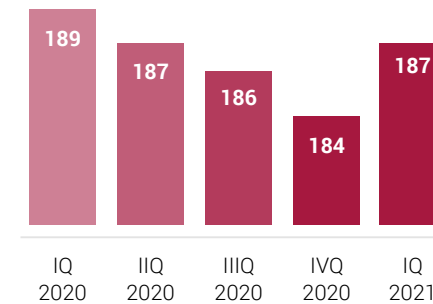
# Mining Industry **KEY FACTS**

Unemployed individuals ready to start job in 2 weeks: 3 persons as of 01.08.2021

Average salary in Mining, in US dollars



Average number of employees in Mining, thousand persons



**182.5**

Average number of workers in Mining, thousand persons

## UKRAINE'S PLACE IN THE WORLD BY MINERALS EXTRACTION

### METALLIC MINERALS

- Iron - 7th place:** 40 mln t (2.63% of global output)
- Manganese - 8th place:** 686 thousand t (3.20 % of global output)
- Titanium - 6th place:** 518 thousand t (7.06% of global output)

### NON-METALLIC MINERALS

- Kaolin - 6th place:** 2.1 mln t (5.03% of global output)
- Zircon - 11th place:** 18 thousand t (1.08% of global output)
- Graphite - 9th place:** 15 thousand t (1.43% of global output)

### MINERAL FUELS

- Power plant coal - 12th place:** 19.7 mln t (0.33% of global output)
- Coking coal - 10th place:** 4.8 mln t (0.56% of global output)
- Uranium - 9th place:** 0.94 thousand t 1.47% of global output

Source: World Mining Data 2021 report, published by the International organizing committee of World Mining Congresses (data reported as of 2019)

\*As of 2020  
\*\* during 1Q2021

# Mining Industry Investment Atlas FOR SUBSOIL DEVELOPERS

In recent years, the Government significantly improved and liberalized the system of granting permits for exploration and extraction of minerals. Moreover, at the end of 2019, the State Service of Geology and Subsoil of Ukraine presented an **Investment Atlas for Subsoil Users**, which comprises over **140 fields to be set for electronic auctions in the nearest future.**

HYDROCARBONS



METALLIC MINERALS



NON-METALLIC MINERALS



GROUNDWATER



SOLID FOSSIL FUELS



PRECIOUS & SEMI-PRECIOUS STONES

## Regulatory Background

### ACHIEVEMENTS

#### Permitting amber mining investments

by lowering a market entry threshold and introducing an auction-based system for obtaining mining permits (2020).

#### Providing for a faster commencement of mining activities

by eliminating out-of-date approval procedures (2020).

### PLANS

#### Stimulating investment into mining industry

by further improving procedures of subsoil use licensing and increasing transparency of the mining control system.

#### Creating investment opportunities in oil & gas

by launching multiple concession and production sharing agreement tenders.



# Exploration **REGULATORY POLICY**

## Achievements

### Amber mining investment opportunities unlocked

by lowering a market entry threshold and introducing an auction-based system for obtaining mining permits (2020).

### Speed and transparency of licensing procedures ensured

by eliminating out-of-date procedures and introducing automatic cost calculation (2020).

### Investment opportunities in oil & gas production created

by launching concession and production sharing agreement tenders (2020).

## Plans

### Improving access to opportunities in exploration

by promoting digitalization and automation of mining control procedures.

### Inducing SME investment in subsoil use

by easing access to small exploration areas and introducing installment payment schemes for mining permits.

# PHARMACEUTICALS & HEALTHCARE

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



# Pharmaceuticals & Healthcare

## KEY FACTS



**\$2.4 B**

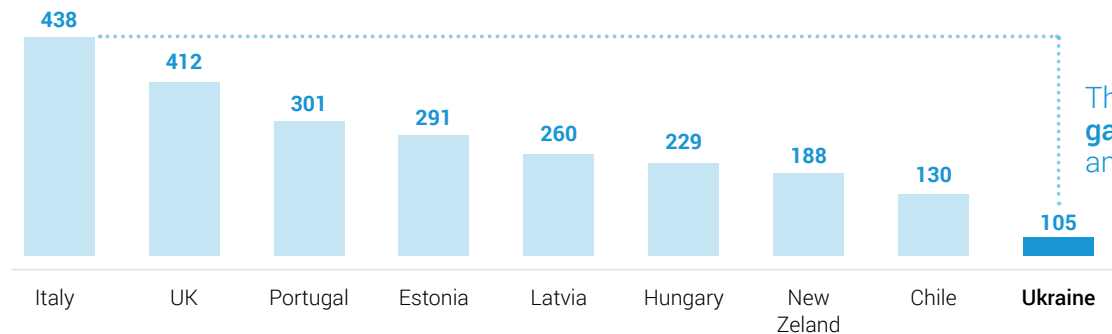
Import of pharmaceutical products\*



**2.26%**

GDP

Pharmaceutical consumption by countries, \$ per capita

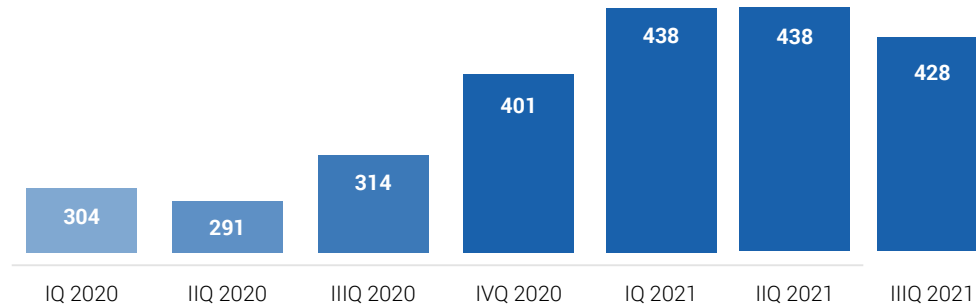


The immense **consumption gap** versus peer countries is another **growth driver**

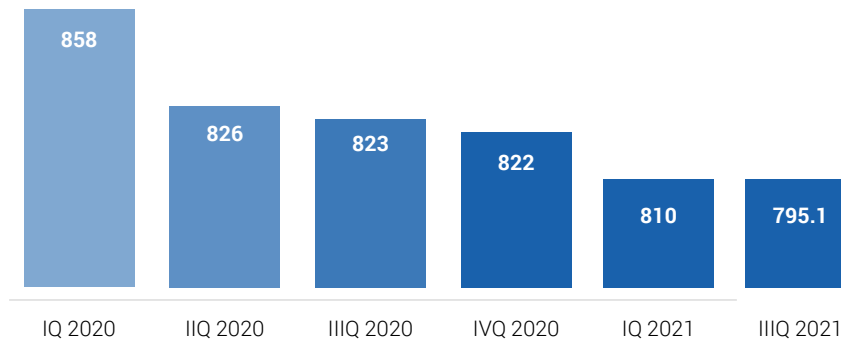
# Pharmaceuticals & Healthcare

## KEY FACTS

Average salary in Pharmaceuticals, in US dollars



Average number of employees in Pharmaceuticals, thousand persons



# Pharmaceuticals & Healthcare

## REGULATORY POLICY

### Achievements

#### Healthcare services market competition enhanced

by easing procedures for healthcare facilities accreditation (2019).

#### Incentives to attract producers of innovative pharmaceutical products established

by improving the procedures for marketing authorization and clinical trials (2019).

#### Transparency of medical procurement system improved

by assigning centralized health care procurement to the Agency on Medical Procurement (2020).

### Plans

#### Enhancing accessibility of international markets for Ukraine-made pharmaceutical products

by improving the procedures for GMP compliance.

#### Providing for a competitive cosmetics market

by introducing transparent and up-to-date standards for cosmetics production.

#### Combating counterfeit pharmaceutical products

by introducing a 2D Barcode system for authenticity verification.

# STATE INVESTMENT MECHANISM AND REGIMES



# Investment Policy

## DEVELOPMENTS AND OUTLOOK

### DEVELOPMENTS

- **Cross-sectoral range of investment opportunities created**  
by allowing for a large-scale privatization of state-owned companies (2021).
- **Business climate improvement boosted**  
by adopting a solid deregulation plan (2019).
- **Instruments for faster and easier customs clearance established**  
by implementing a common transit procedure (2019).
- **Effectiveness of IP rights protection system improved**  
by implementing the EU best practices in protection of rights to inventions and utility models (2020).
- **Environment for agri investments created**  
by launching a farm land market (2020).
- **Favourable environment for public-private partnership investments in infrastructure created**  
by introducing a competition-based procedure for concession tenders (2019).
- **Investment opportunities in natural gas and electricity unlocked**  
by removing barriers to competition in the respective markets (2020).
- **Competition in public procurement enhanced**  
by establishing an anti-dumping system and introducing supplier-initiated procurement procedures (2020).
- **Small and medium-sized businesses development promoted**  
by providing them with financing via the Entrepreneurship Development Fund (2020).
- **Potential of financial sector unlocked**  
by improving the functioning of the capital market and commodity markets (2020).
- **Attraction of strategic investments promoted**  
by introducing a system of tax, customs, land use and other tailored incentives to large-scale investment projects (2021).
- **Law enforcement capacity to protect investment enhanced**  
by establishing a specialized Bureau of Economic Security (2021).

### OUTLOOK

- **Giving access to Ukrainian market for foreign professionals**  
by introducing an e-residency system.
- **Promoting exports of Ukraine-made goods**  
by removing trade barriers and concluding the ACAA.
- **Removing imbalances in employer-employee relations**  
by liberalizing employment legislation and eliminating out-of-date employment practices.
- **Promoting investments in manufacturing and R&D**  
by introducing a special taxation regime and granting custom duties immunity for residents of industrial parks.
- **Improving Ukraine's connection to global supply routes**  
by creating a favourable environment for development of multimodal transportation.
- **Promoting investments in IT**  
by establishing an e-economic zone "Diia City" for IT companies.  
by introducing a favourable taxation regime.  
by easing employment regulations for IT companies with regard to the model of gig-economy.  
by implementing elements of the common law system into Ukrainian law, providing for the right of "Diia City" residents to conclude NDA, NSA, NCA agreements.  
by ensuring better IP rights protection and extra protection from interference.
- **Attracting sustainable investments**  
by improving the institutional mechanism of privatization

# Government to Business Services **IN UKRAINE**

## **Convenient and transparent access to a variety of G2B services via Diia online platform.**

**All G2B services are to be available via the platform by 2024**

- registering LLCs (within 24 hours, free of charge)
- obtaining permits and licenses (transportation, water use, pharmaceuticals production and other)
- submitting waste declarations
- accessing government data (land use issues, companies register and other)
- acquiring customer support on G2B procedures

## **Other G2B services are available via respective administrations' portals**

- tax reporting
- construction control procedures
- customs clearance
- visa and immigration procedures

## **Plans**

### **Allowing for more transparent and service-oriented G2B processes**

by implementing EU best practices in regulating administrative procedure.

### **Improving the ability to explore investment opportunities**

by further opening and ensuring public access to government data.



# Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

1

## Competitive Labor force 2021

Gross Minimum Wages, USD



2

## Skilled Human Capital

Skills score, the Global Competitiveness Index 2020



3

## Workforce Availability

Unemployment, %  
(2020)



Source:

World Economic Forum, National Bank of Ukraine, Eurostat, Ukrstat

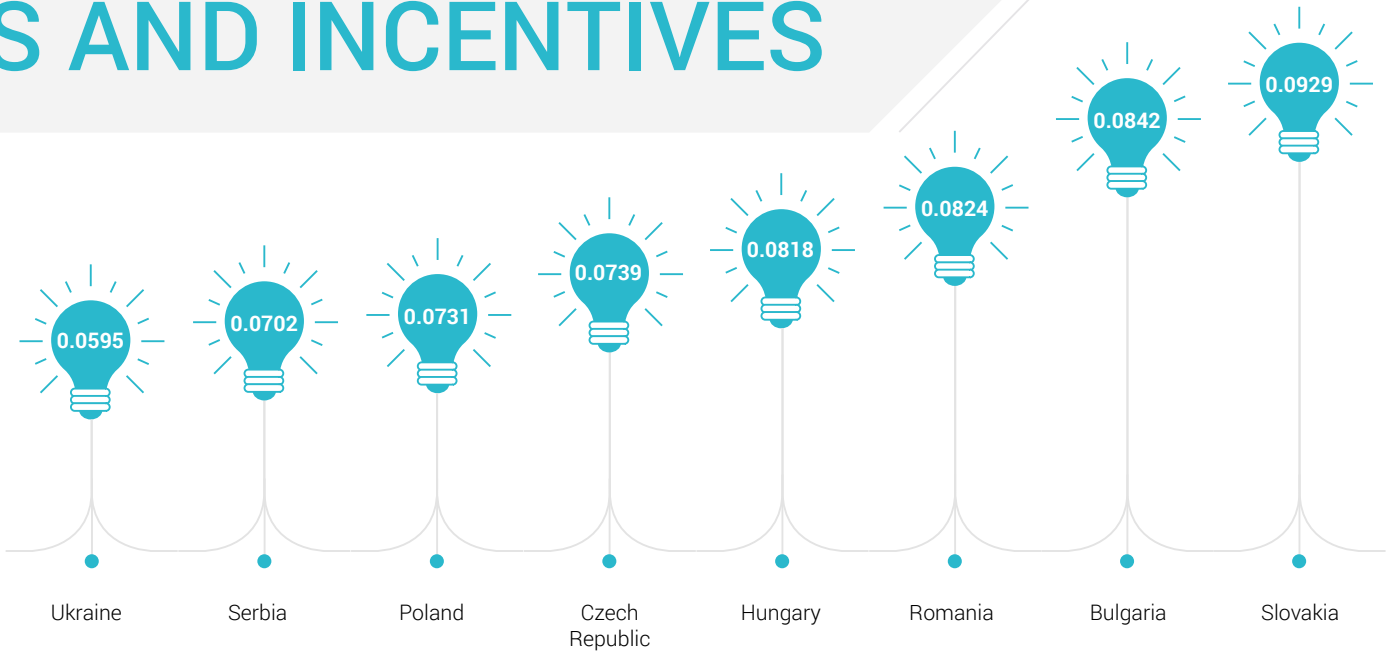
# Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

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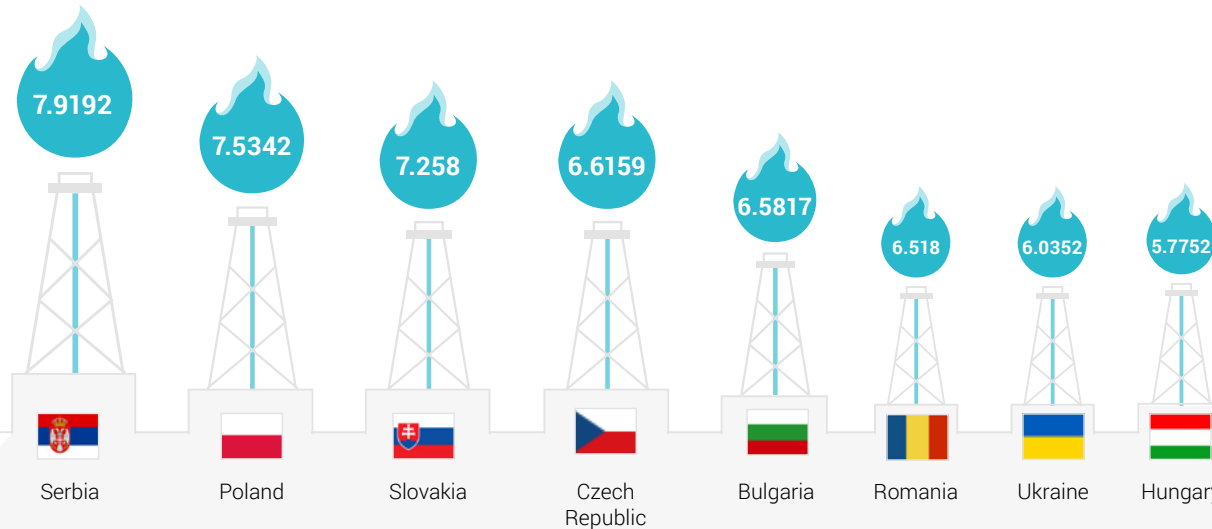
## Utilities Cost, 2020

(for industrial consumers, taxes included)

Electricity  
EUR/KWh



Natural Gas  
EUR/gigajoule



Sources: Eurostat

# Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

Ukraine's geographic location makes it an **important transit corridor for trade and travel between Europe, Asia and the Middle East**. When combined with its other comparative advantages, Ukraine has a potential to become an exclusive Eurasian hub.

## International Transport Corridors Crossing Ukraine



**PAN-EUROPEAN TRANSPORT CORRIDOR III**  
Berlin – Wrocław – Lviv – Kyiv

**PAN-EUROPEAN TRANSPORT CORRIDOR V**  
Trieste – Ljubljana – Budapest – Uzhhorod – Lviv

**PAN-EUROPEAN TRANSPORT CORRIDOR IX**  
Helsinki – St. Petersburg – Vitebsk – Kyiv – Odesa – Bucharest – Alexandroupolis

**INTERNATIONAL TRANSPORT CORRIDOR**  
Gdansk – Odesa

**NORTH-SOUTH MULTIMODAL ROUTE «NS EXPRESS».**  
Slavkov Poland - Chornomorsk Odesa - Karasu Turkey, multimodal transport corridor

## Accessible to key global business hubs

Flight hours to selected cities



**19 FTAs with 46 countries, including DCFTA with the EU**

# Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

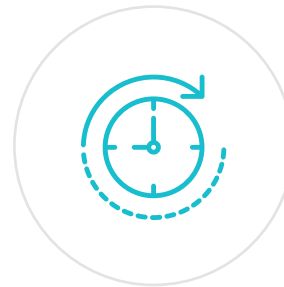
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## Incentives Program



### Up to 30%

of investment amount can be compensated by the Government by means of fiscal and other incentives



### Up to 5 years

for implementation of an investment project



### Industries

Investors are entitled for the aforementioned state support during implementation of investment projects in the following sectors: processing industry, extraction for the purpose of further processing and / or enrichment of minerals, logistics, waste management, transportation, warehousing, postal and courier activities, healthcare, education, scientific and research and technology activities, sport, arts, culture, tourism, resort and recreational activities



### Investment manager

or a so called "investment nanny" appointed by the Government to support investors that committed to make €20+ mln investment and create 80+ jobs

On 13 February 2021, the Law of Ukraine No.1116-IX "On State Support for Investment Projects with Significant Investments in Ukraine" came into force.

For detailed information about state support for investment projects with significant investments please look into the Explanatory Guide to the Law of Ukraine No.1116-IX

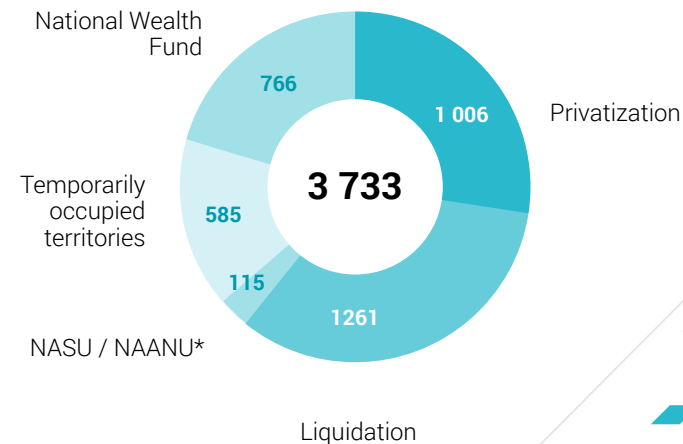
Explanatory Guide



# PRIVATIZATION:

## Strategy, Implementation and Updates

### Breakdown of State-owned Enterprises (SOEs)



\*National Academy of Sciences of Ukraine / National Academy of Agrarian Sciences of Ukraine

Source: State Property Fund of Ukraine, <https://privatization.gov.ua/en/pro-pryvatyzatsiyu/>

### MAIN GOALS OF PRIVATIZATION:

- ▀ Fight corruption which is widespread in SOEs
- ▀ Attraction of strategic Ukrainian and foreign investors
- ▀ Generation of additional revenues to the state budget both from sales and, subsequently, tax revenues from new businesses
- ▀ Improvement of enterprises operation due to attraction of effective owners
- ▀ Modernization of production facilities and creation of new jobs

### WHAT WILL NOT BE PRIVATIZED:

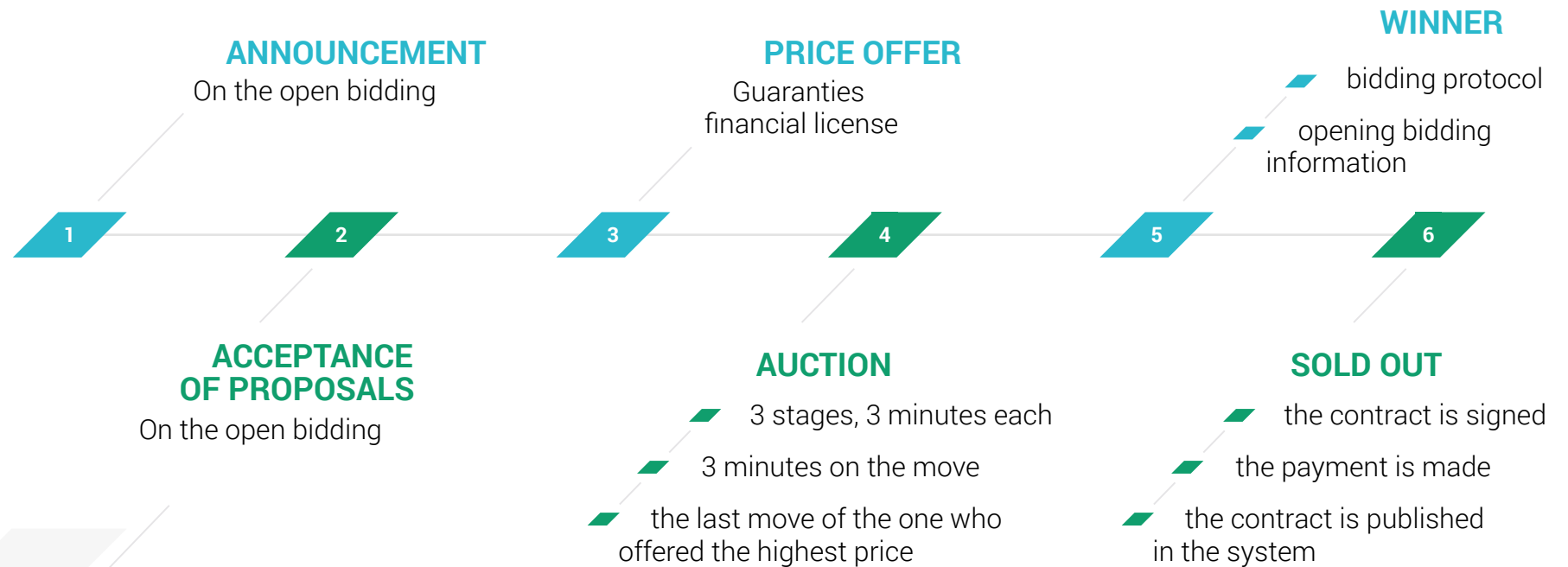
- ▀ enterprises that ensure the security of the state
- ▀ enterprises that are natural monopolies
- ▀ enterprises that are important to society or whose services/goods cannot be performed by private businesses

### THE MAIN LEGISLATION ON PRIVATIZATION IN UKRAINE:

- ▀ Law of Ukraine "On privatization of state and communal property"
- ▀ Resolution of the Cabinet of Ministers of Ukraine dated 10.05.2018 № 432 "On approval of the Procedure for conducting electronic auctions for the sale of small privatization objects"

# PRIVATIZATION: Strategy, Implementation and Updates

## PROCESS FLOW in small-scale privatization



# PRIVATIZATION: Strategy, Implementation and Updates

## LARGE PRIVATIZATION

**Sold:**

JSC "First Kyiv Machine-Building Plant"

JSC "United Mining and Chemical Company"

## SMALL PRIVATIZATION

For sale: 26 objects

**BEING PREPARED:  
21 OBJECTS**

**BEING PREPARED:  
16 OBJECTS**



# Public-Private **PARTNERSHIP AGENCY**

**PPP Agency** is a state institution that provides comprehensive support for the implementation of public-private partnership (PPP) projects, organizational and advisory support to the public sector in the field of PPP.



## Functions of PPP Agency

- Providing advisory services on PPP issues
- Training of the project team (functional group) created by the initiator of the PPP project from the public sector
- Identification of project ideas that can be implemented within the PPP
- Providing assistance to project initiators from the public sector (development of concept notes, feasibility study development, selection of advisors, project management and management of advisors)
- Communicating with the market participants (potential bidders, IFIs, financial institutions), assessing market interest and facilitating the search for investors
- Qualitative structuring of the project and development of the PPP contract
- Assistance in preparation of tender documentation
- Advising during the competition and in negotiations with the winner of the competition
- Participation in PPP contract management processes



# EXPORT-CREDIT AGENCY in Ukraine



## PROTECTION

of Ukrainian exporters from the risk of non-payment and financial losses associated with the implementation of foreign trade agreements (contracts), through insurance, reinsurance and guarantee.

## IMPLEMENTATION

of modern financial technologies and mechanisms to support exports through insurance, reinsurance and guarantee

## DEVELOPMENT

of competitiveness of goods (works, services) of Ukrainian origin in the world markets

## PARTICIPATION

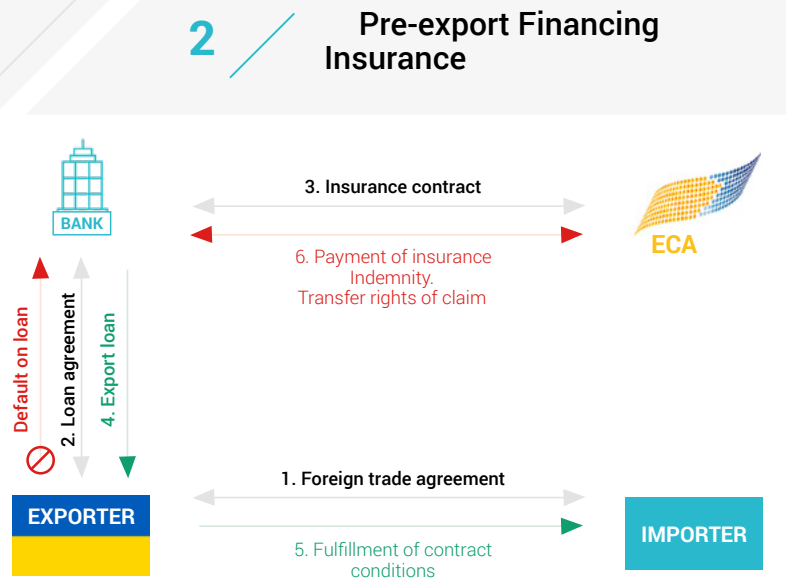
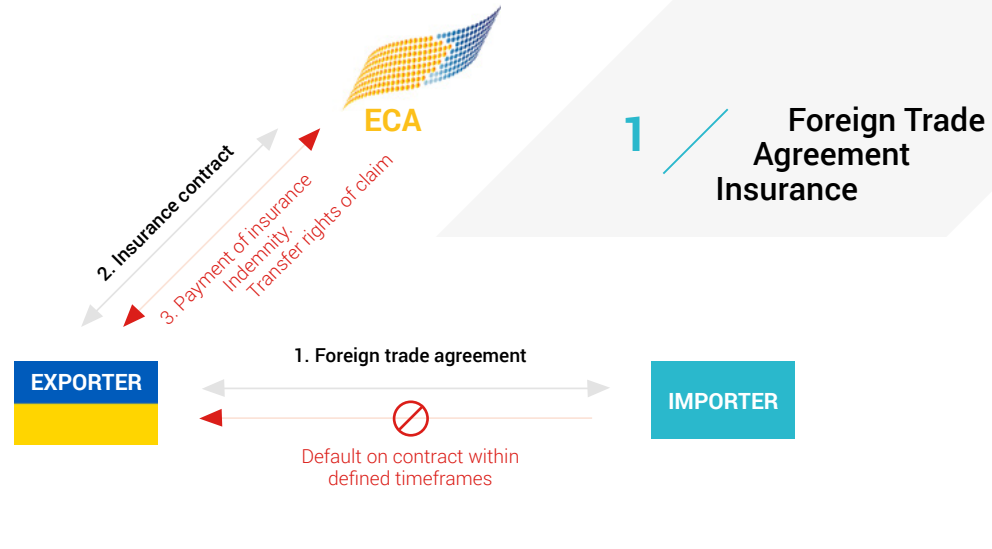
in implementation of programs of partial compensation of interest rates on export credits

## COOPERATION

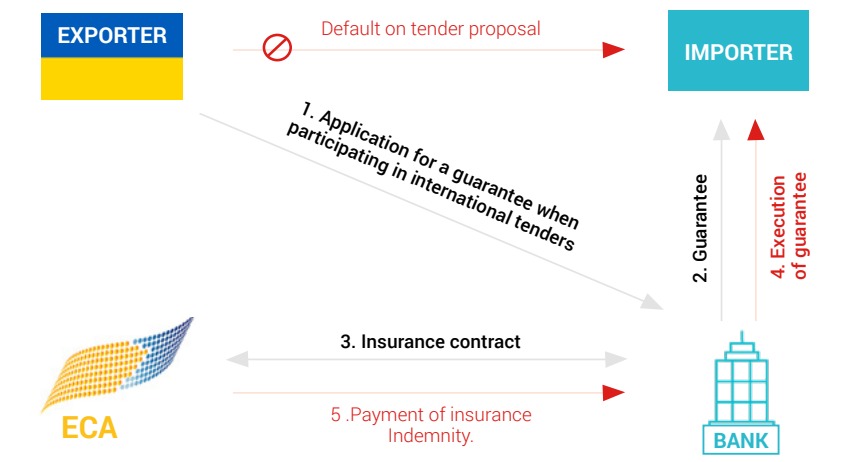
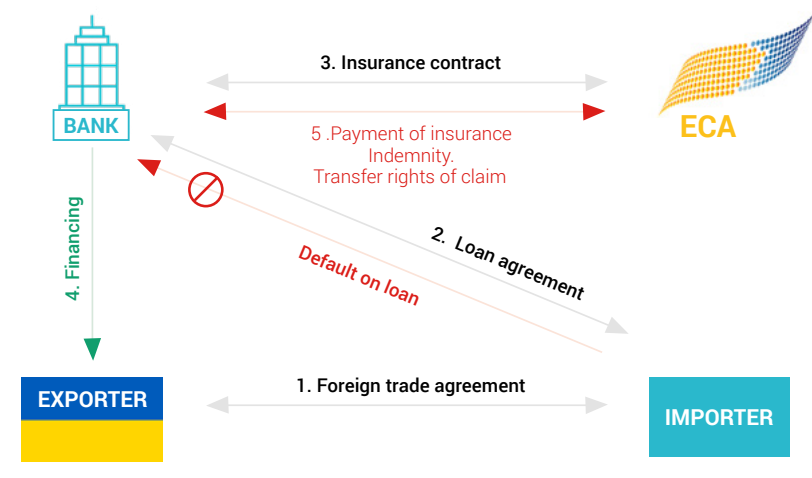
with international and foreign financial organizations, including for the purpose of attracting financial assistance

## GROWTH

of Ukraine's exports and economy



## 4 TYPES OF ECA ASSISTANCE TO EXPORTERS



### 3 Foreign Buyer Credit Insurance

### 4 Bank Guarantee Insurance for Participation in International Tenders

\*The information provided in this Guide is for illustration purposes only

# UkraineInvest: **FACTS,** **ACHIEVEMENTS, SERVICES**

## WE ARE

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

## WE PROVIDE

clients with objective, practical advice and support on doing business in Ukraine

## WE WORK

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

## WE OFFER

one-stop-shop service for investors





# SUCCESS STORIES




## Ukraine Investment Promotion Office

 Cabinet of Ministers of Ukraine 12/2  
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