

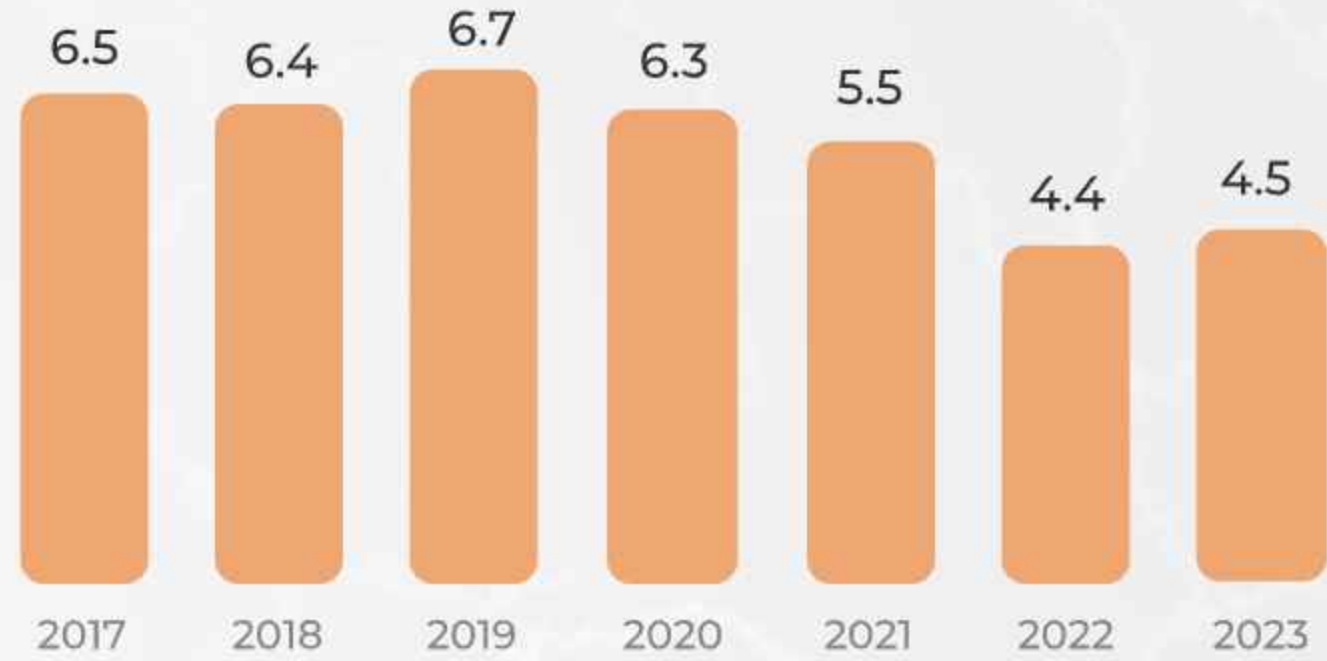
# INVESTMENT OPPORTUNITY OF INFRASTRUCTURE AND LOGISTICS IN UKRAINE

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Macroeconomic overview

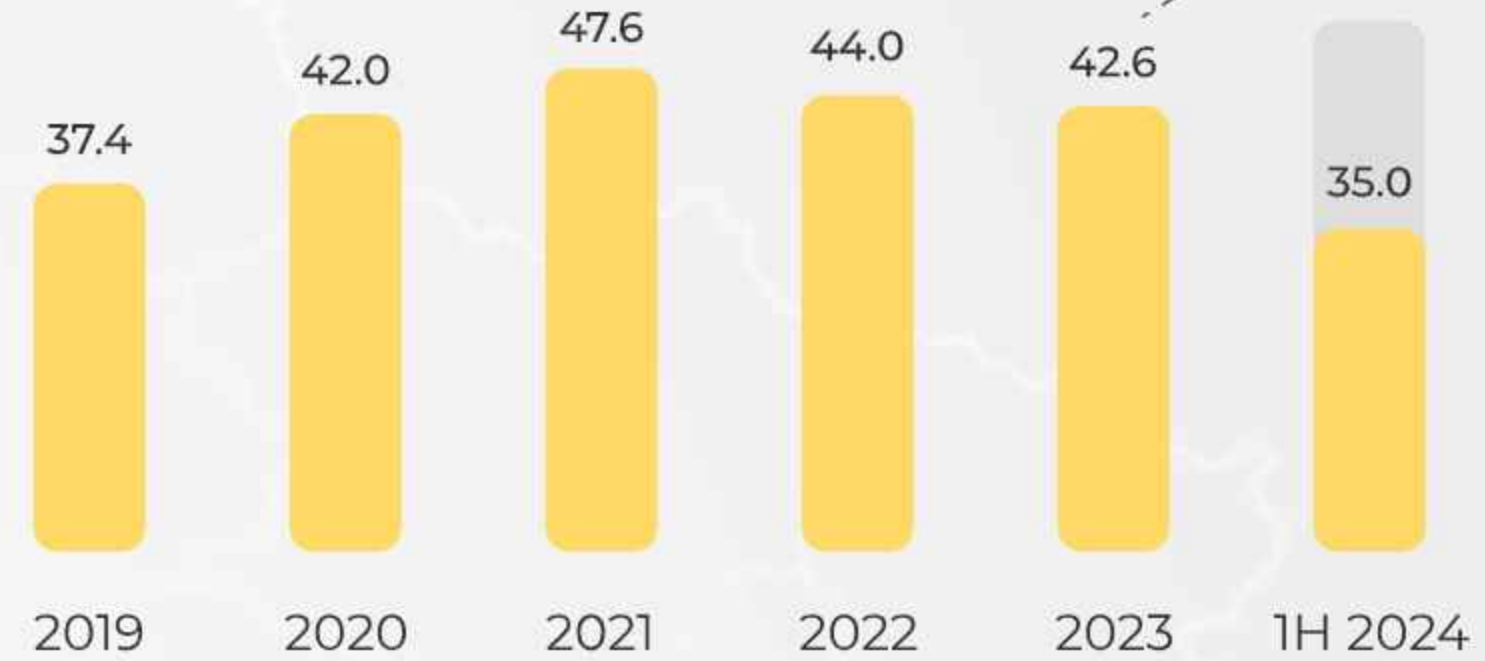
Logistics share in Ukraine's GDP, %\*



Logistics share in GDP by country, 2022 %\*



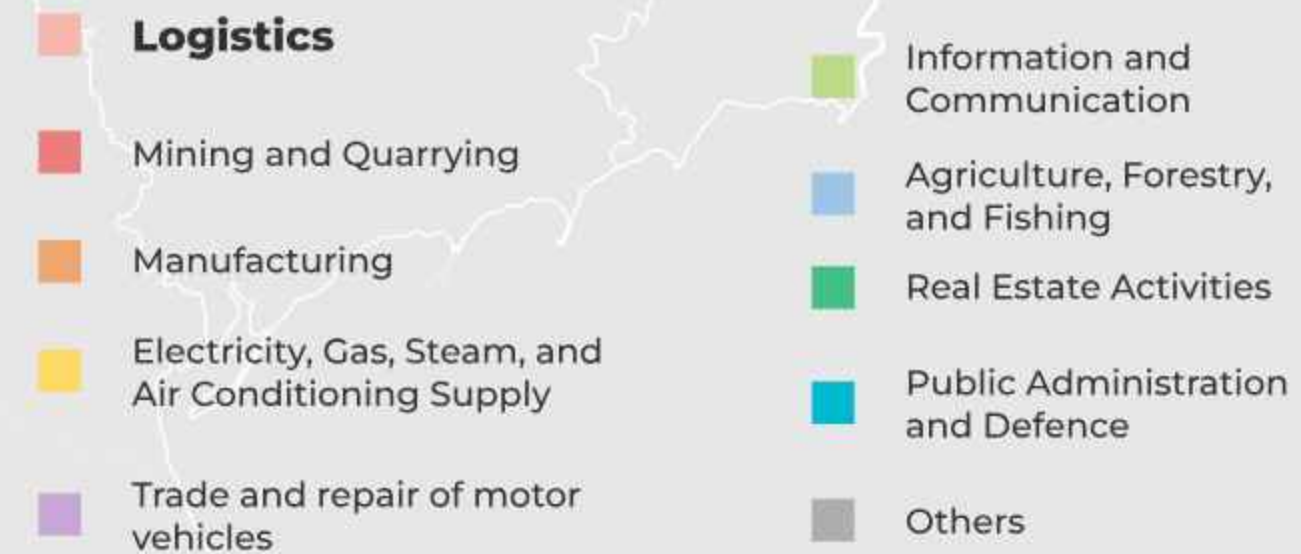
Taxes paid in the logistics sector, UAH bln



**5.6%**

Share of taxes from transport and logistics, 2023

Gross value added structure, 2023\*\*



# INFRASTRUCTURE AND LOGISTICS OF UKRAINE

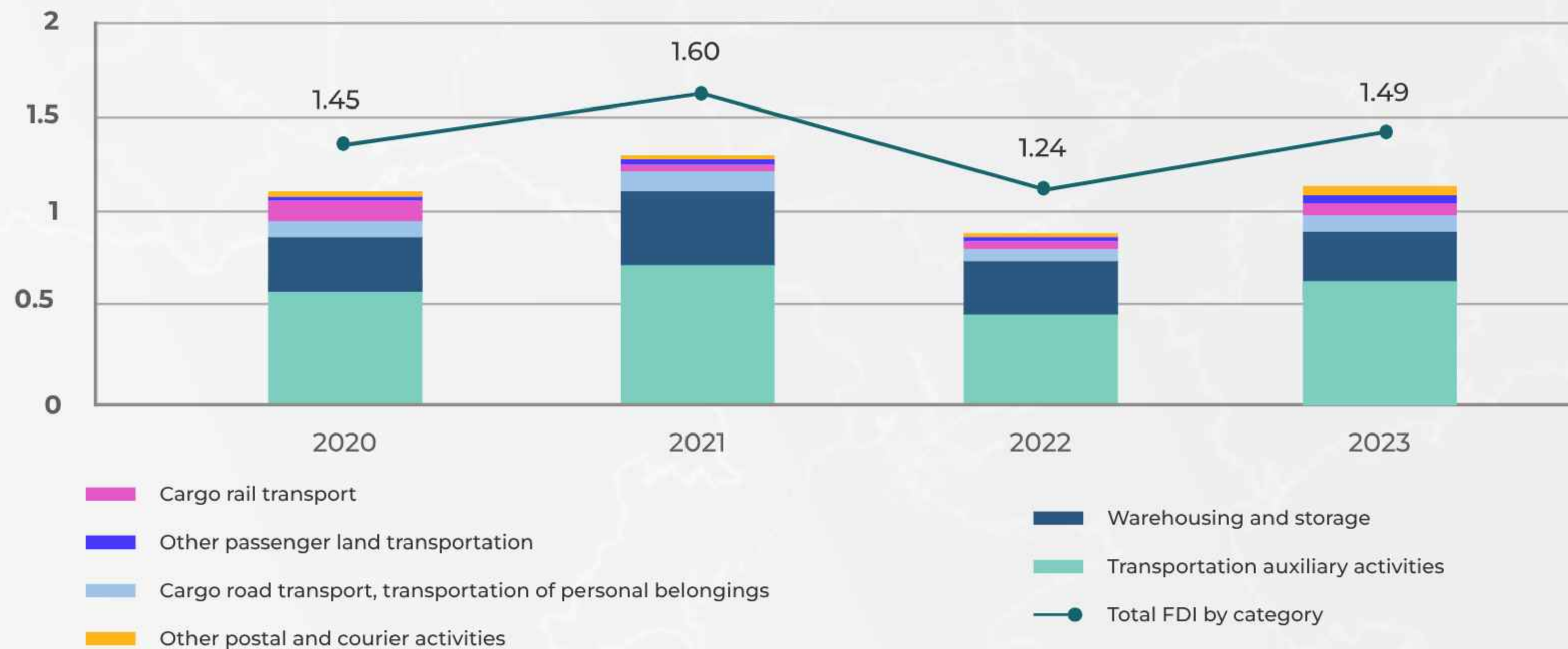


## FDI snapshot\*



of FDI in Ukraine's transport and logistics, 2023  
in relation to investment in other types of economic activities

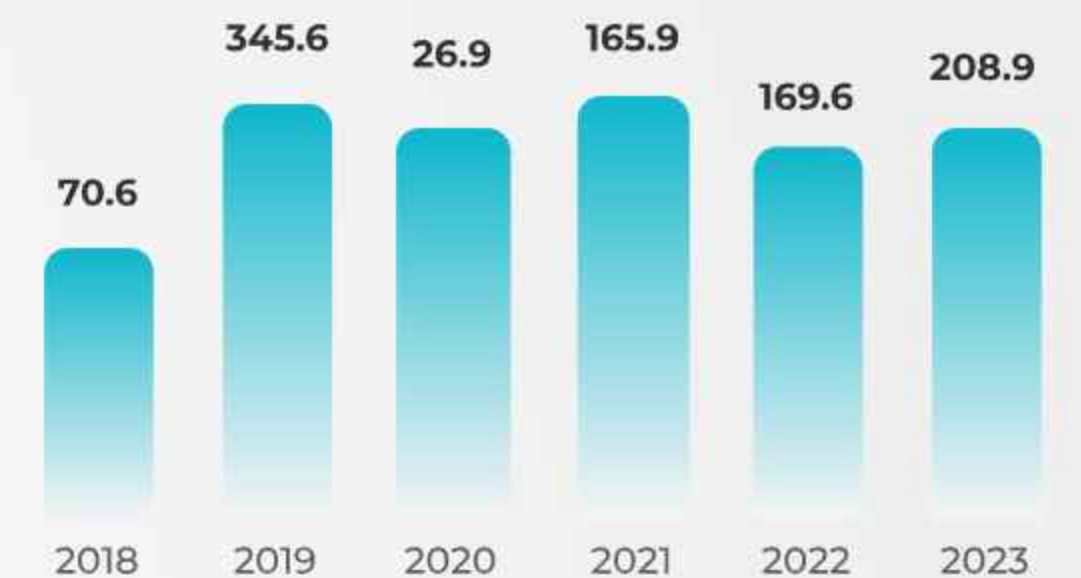
## FDI stock in transport and logistics (selected), USD bln\*\*



## Top countries investing in Ukraine's transport and logistics, USD mln, 2023\*

	Cyprus	715.3
	Netherlands	255.6
	United Kingdom	88.7
	USA	60.4
	Luxembourg	59.8
	Monaco	50.5
	UAE	39.5
	Germany	37.9
	Austria	31.6
	France	29.5

## Transport and logistics FDI flows, USD mln\*



# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Logistics sector turnover

### Export structure, USD bln, 2023



**4th place**

transport service among all categories of Ukrainian exports



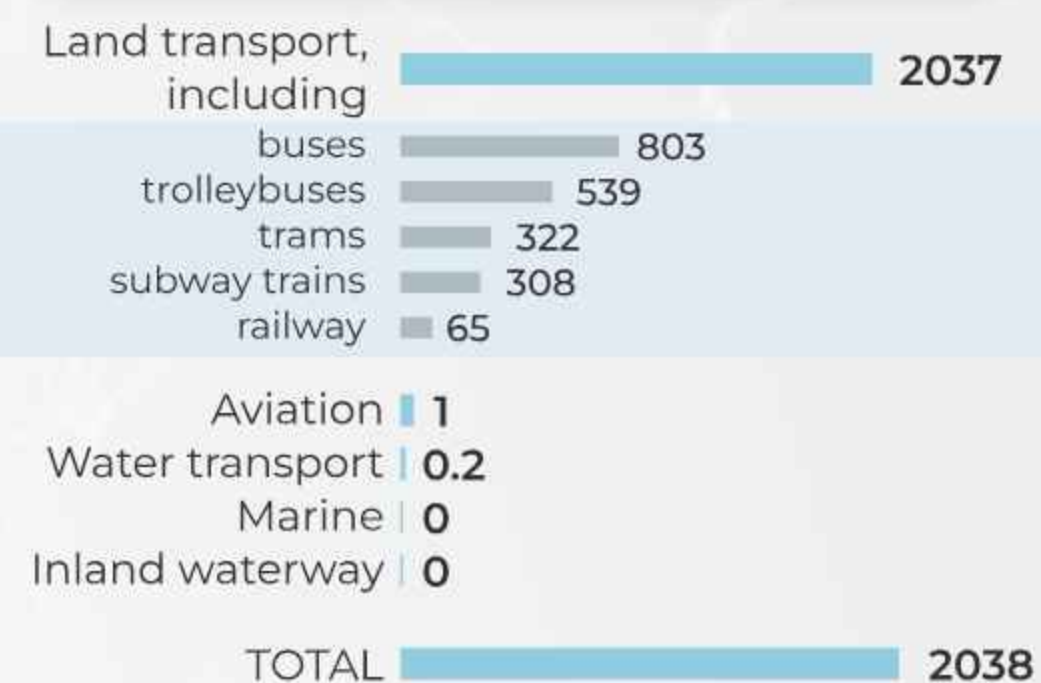
### Transport services exported, USD bln



## Domestic transport statistics

Category	2021	2022	2023	1H 2024*
Cargo transported, mln t	621.3	317.5	328.3	178.8
Passengers transported, mln people	2655.4	1600.6	2038	1077

### Passenger traffic, mln people, 2023



### Cargo traffic, bln tkm, 2023\*

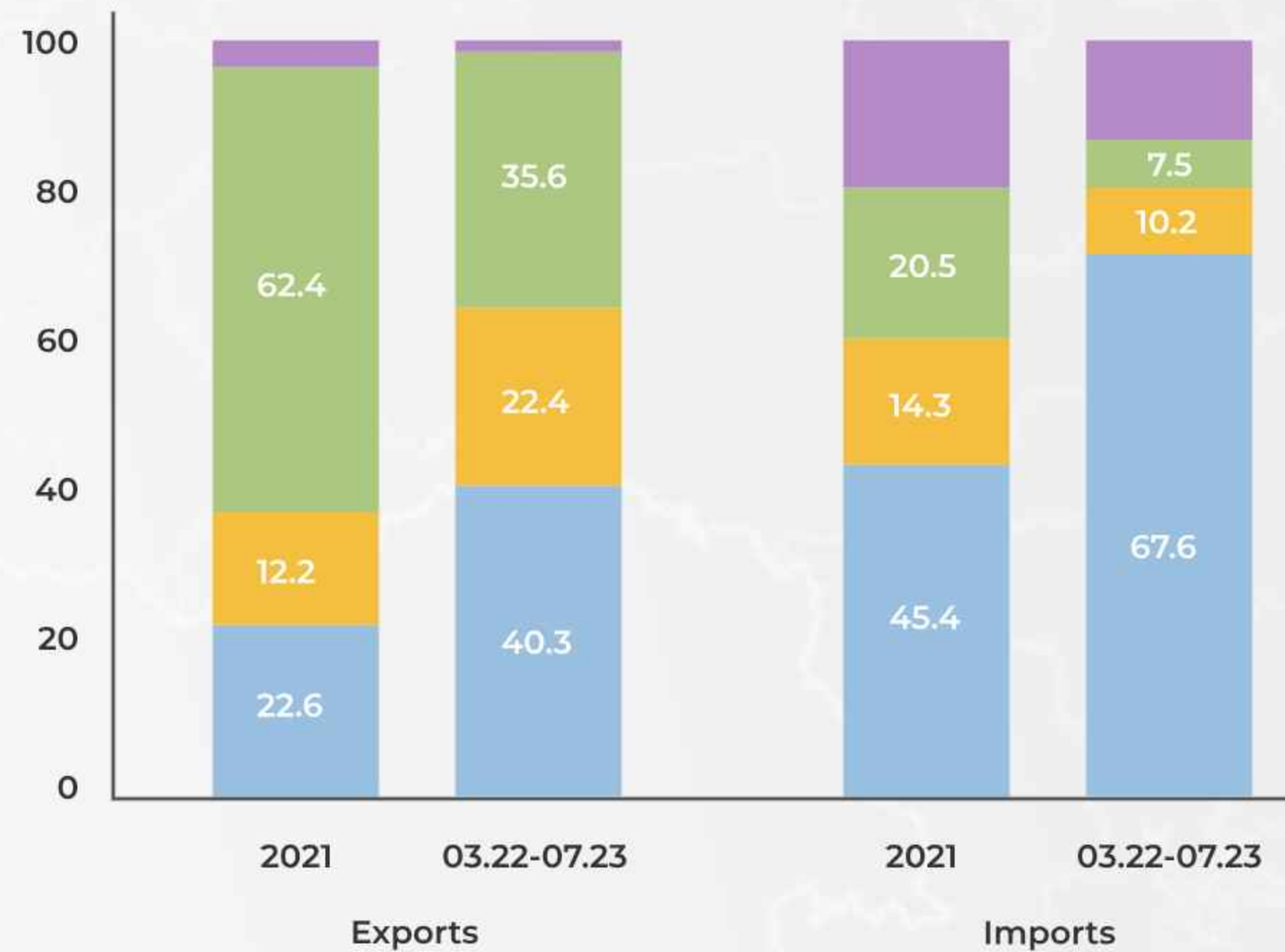
Land transport	**
Railway	90.6
Automobile	55.5
Pipeline transport	**
Water	1.1
Marine	0.4
Inland waterway	0.7
Aviation	**
<b>TOTAL</b>	<b>179.8</b>

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Transport dynamics

Structure of transportation by transport type, %



- Road transportation
- Railway transportation
- Sea transportation
- Other transportation

Logistics services, USD bln, 2023

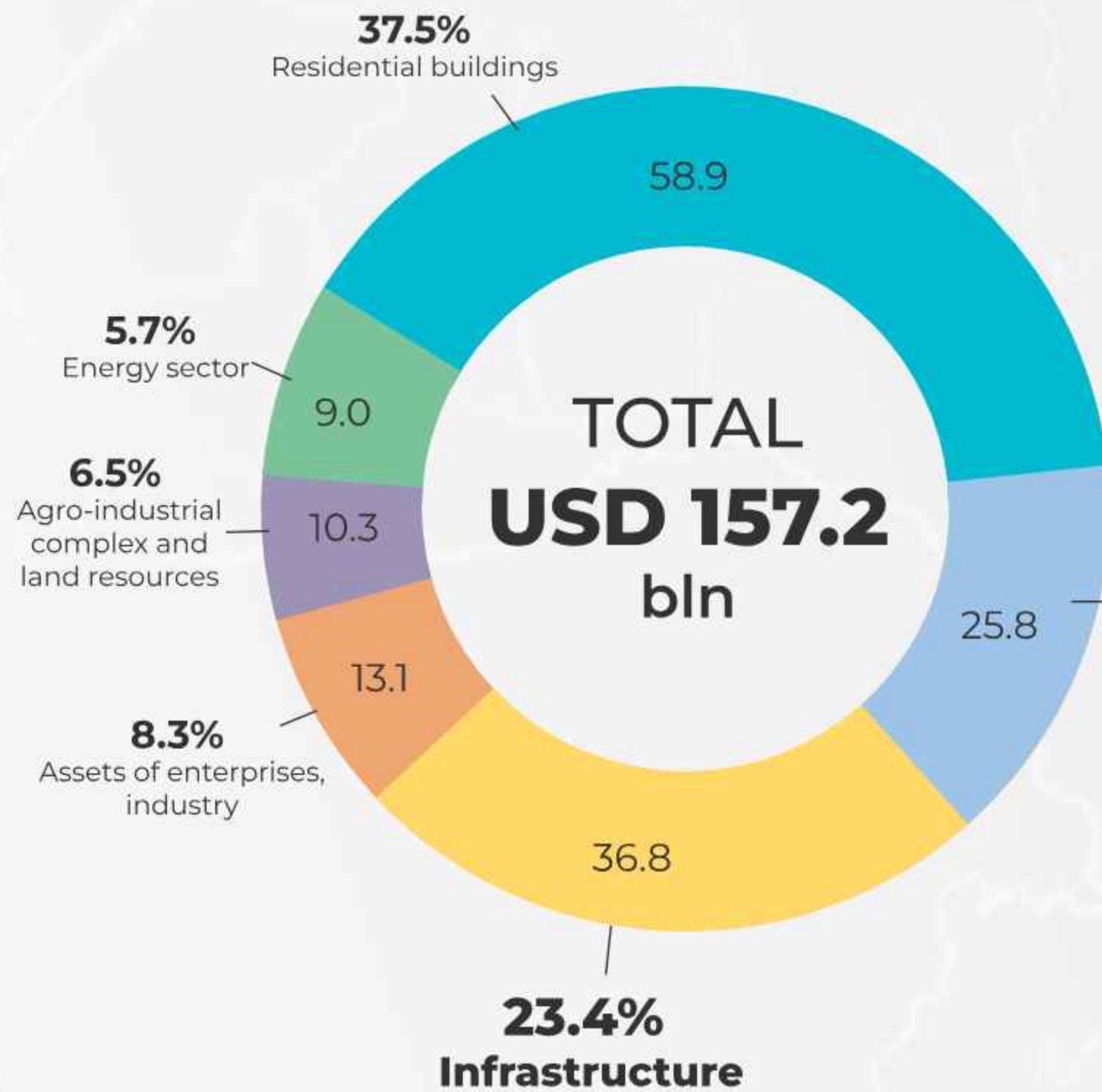


# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



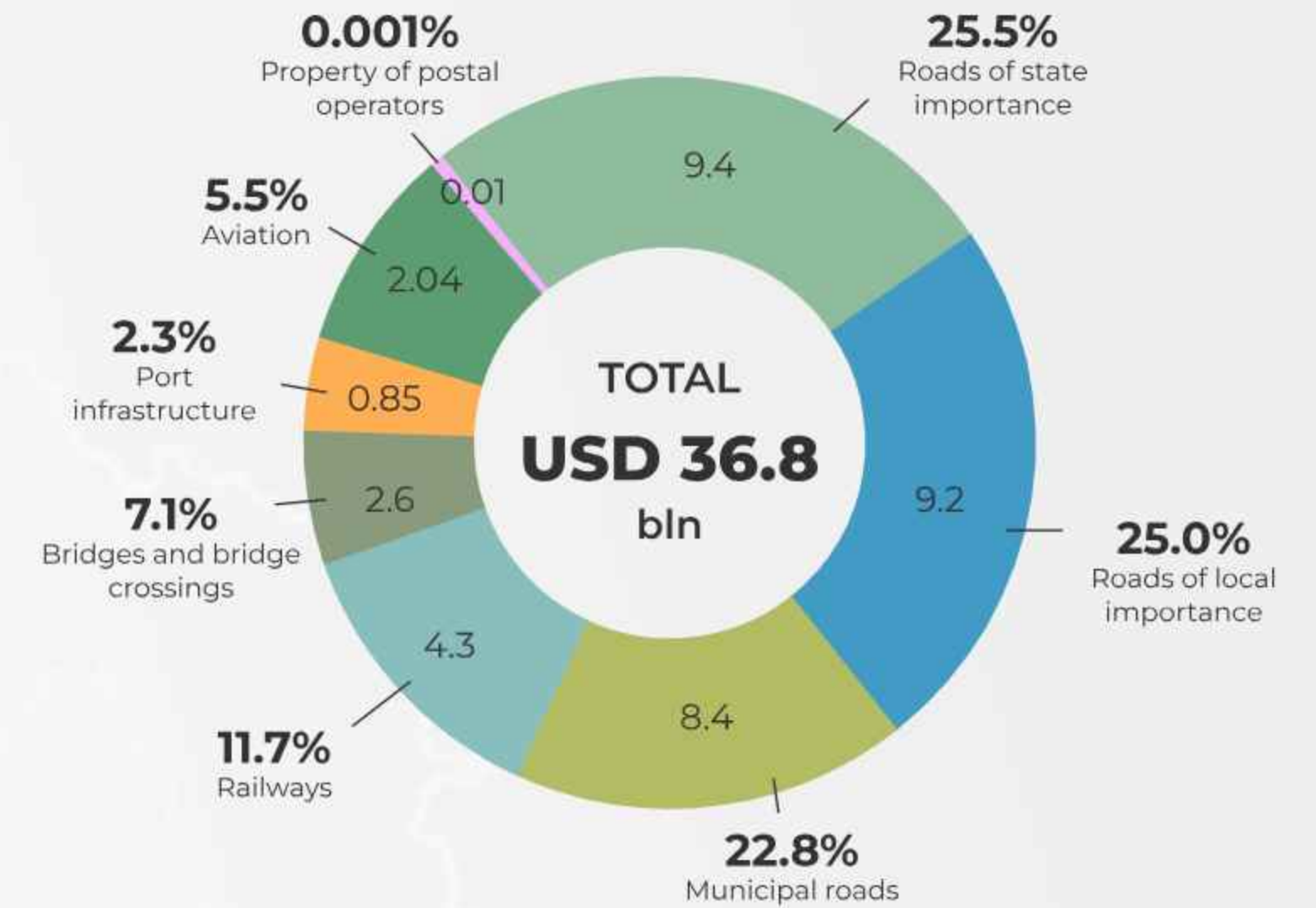
## Losses and damages\*

### Direct damages by sector, USD bln



- Education – 6.8 – **4.3%**
- Forestry fund – 4.5 – **2.9%**
- Communal services and utilities – 4.5 – **2.9%**
- Transport vehicles – 3.1 – **2.0%**
- Healthcare – 3.1 – **2.0%**
- Culture, tourism, sports – 3.1 – **2.0%**
- Trade – 2.6 – **1.6%**
- Administrative buildings – 0.5 – **0.3%**
- Digital infrastructure – 0.5 – **0.3%**
- Social spherea – 0.2 – **0.1%**
- Financial sector – 0.04 – **0.01%**

### Transportation infrastructure direct damages, USD bln



### Transport sector direct damages, USD bln



# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Damaged infrastructure\*



### Roads

direct damages

**USD  
26.7 bln**

- **5 thsd km** of roads
- above **340** bridges and bridge crossings



### Railway

direct damages

**USD  
4.3 bln**

- about **500 km** railways
- about **700 km** occupied
- above **120** stations and terminals
- about **5.5 thsd** destroyed and lost buildings



### Ports

direct damages

**USD  
0.85 bln**

- about **280** facilities of port infrastructure



### Aviation

direct damages

**USD  
2.04 bln**

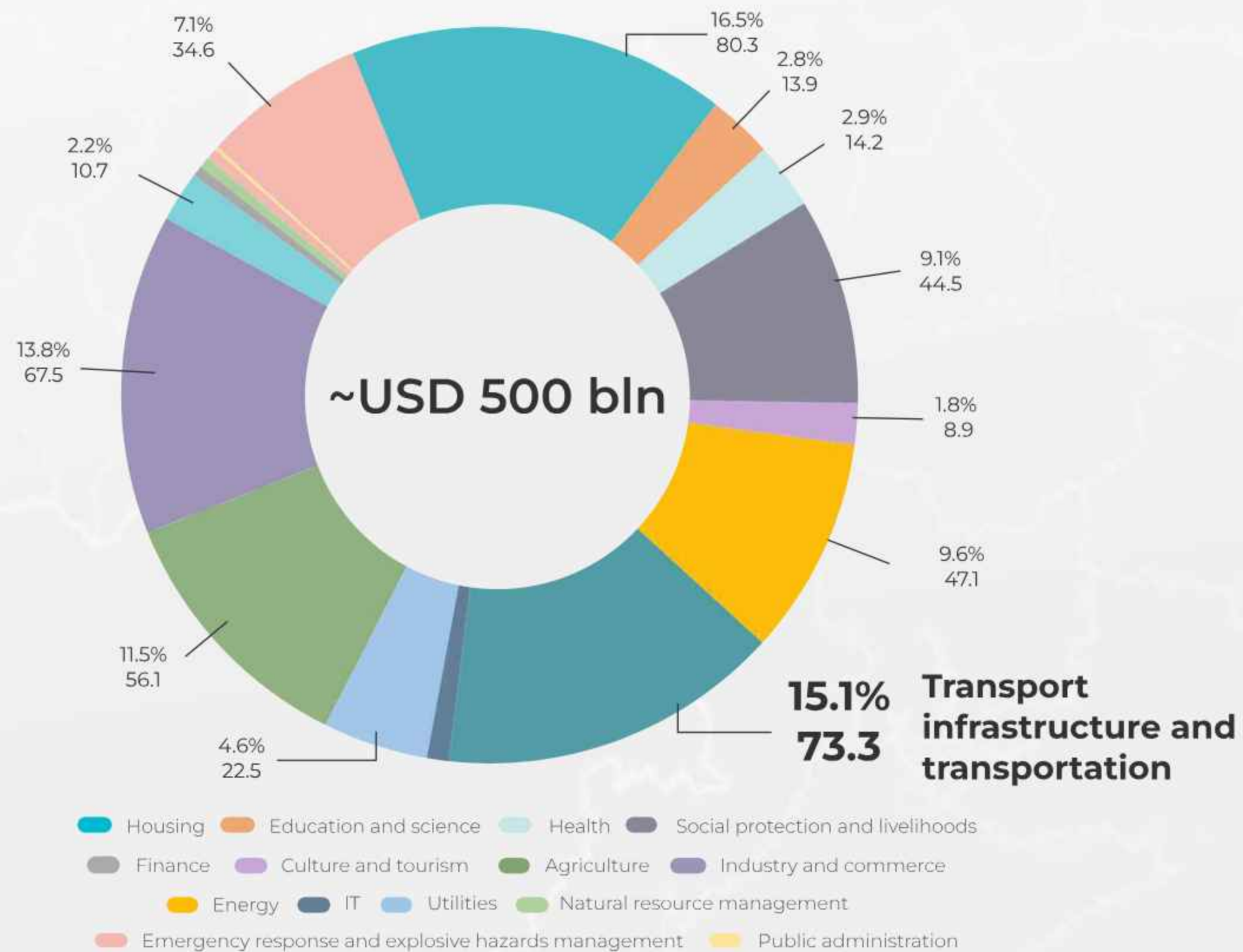
- **19/35** airports
  - **12** civilian airports
  - **7** dual-use airfields (excluding military airfields)

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Recovery and reconstruction needs\*

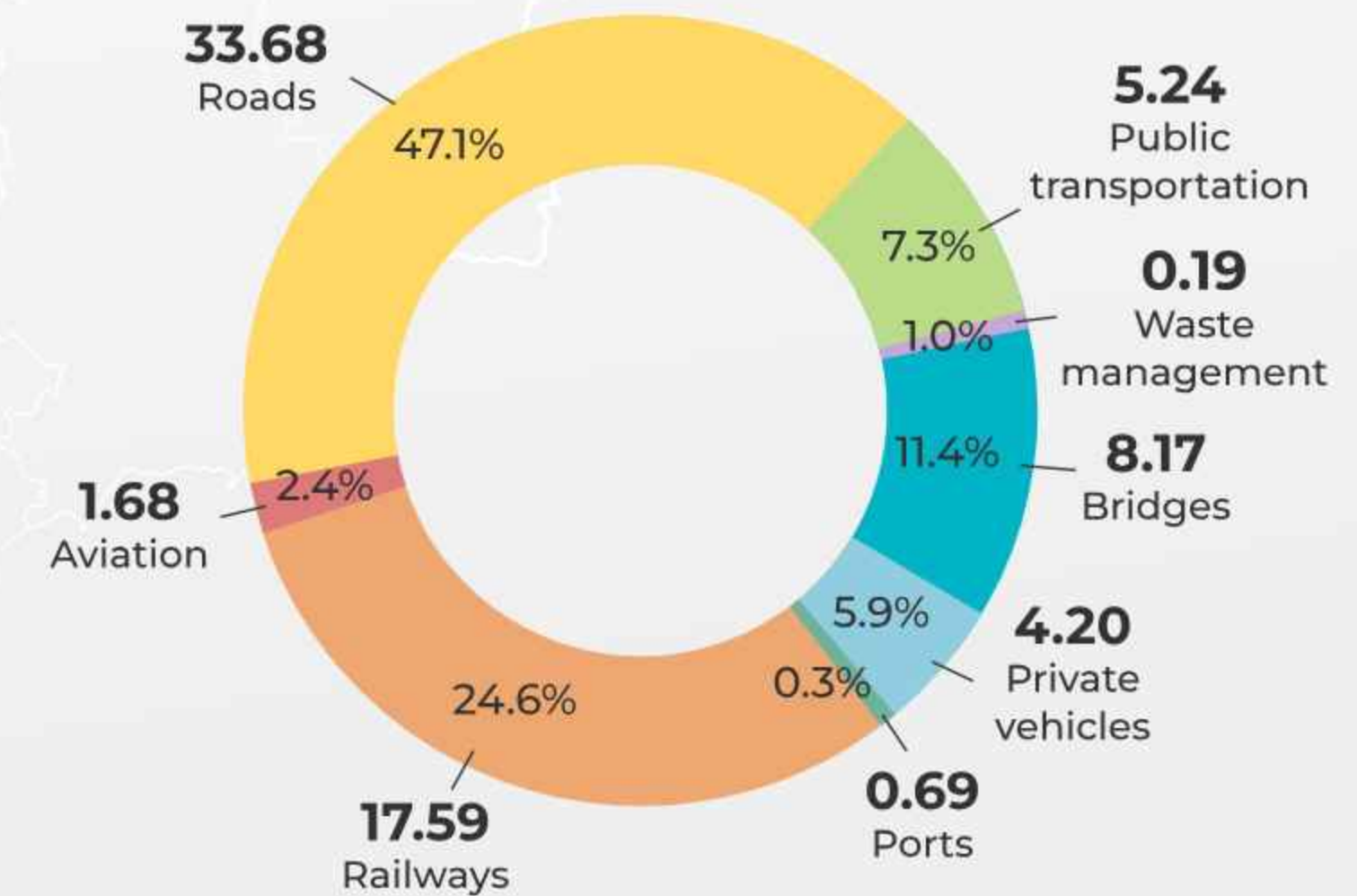
Recovery and reconstruction needs, USD bln



The largest concentration of reconstruction needs in the transport sector is the **Build-Back-Better** perspective:

- decarbonization
- transport efficiency
- multimodality

Infrastructure recovery and reconstruction needs, 2024-2033, USD bln





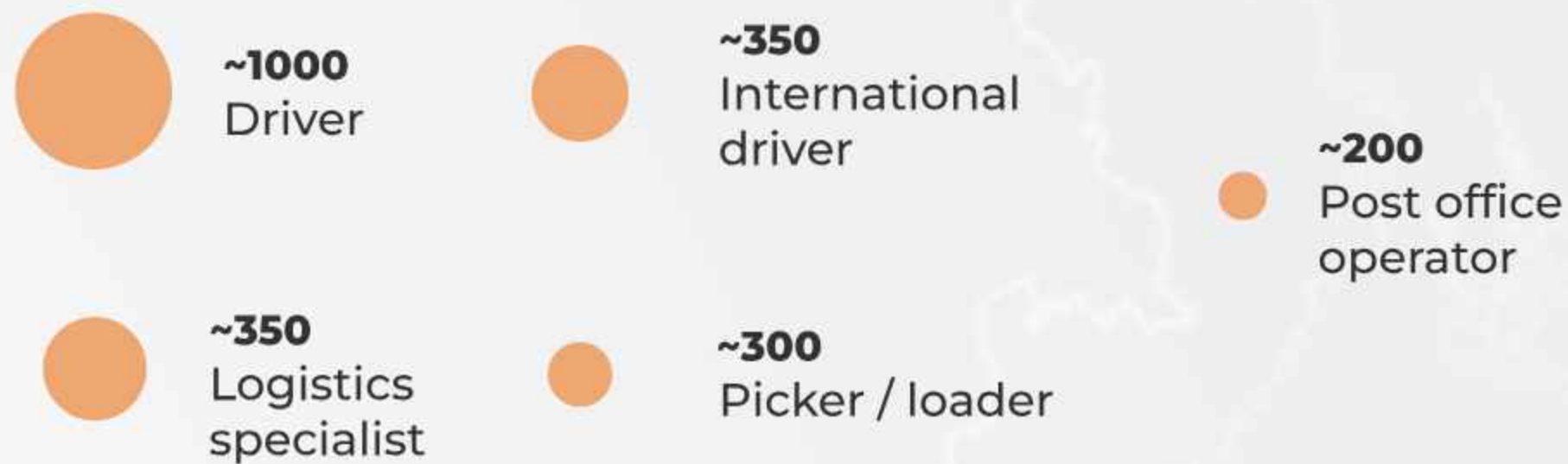
# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Education and specialists

Specialization	Graduates 2022/2023	
	Bachelor's	Master's
Mechanical engineering	3 247	2 182
Electrical engineering	3 364	542
Automation and instrumentation	2 398	399
Transport	5 925	441

## Transportation and logistics vacancy structure, 1H 2023



## Ukrainian logistics market, 2023



# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Access to regional consumer markets

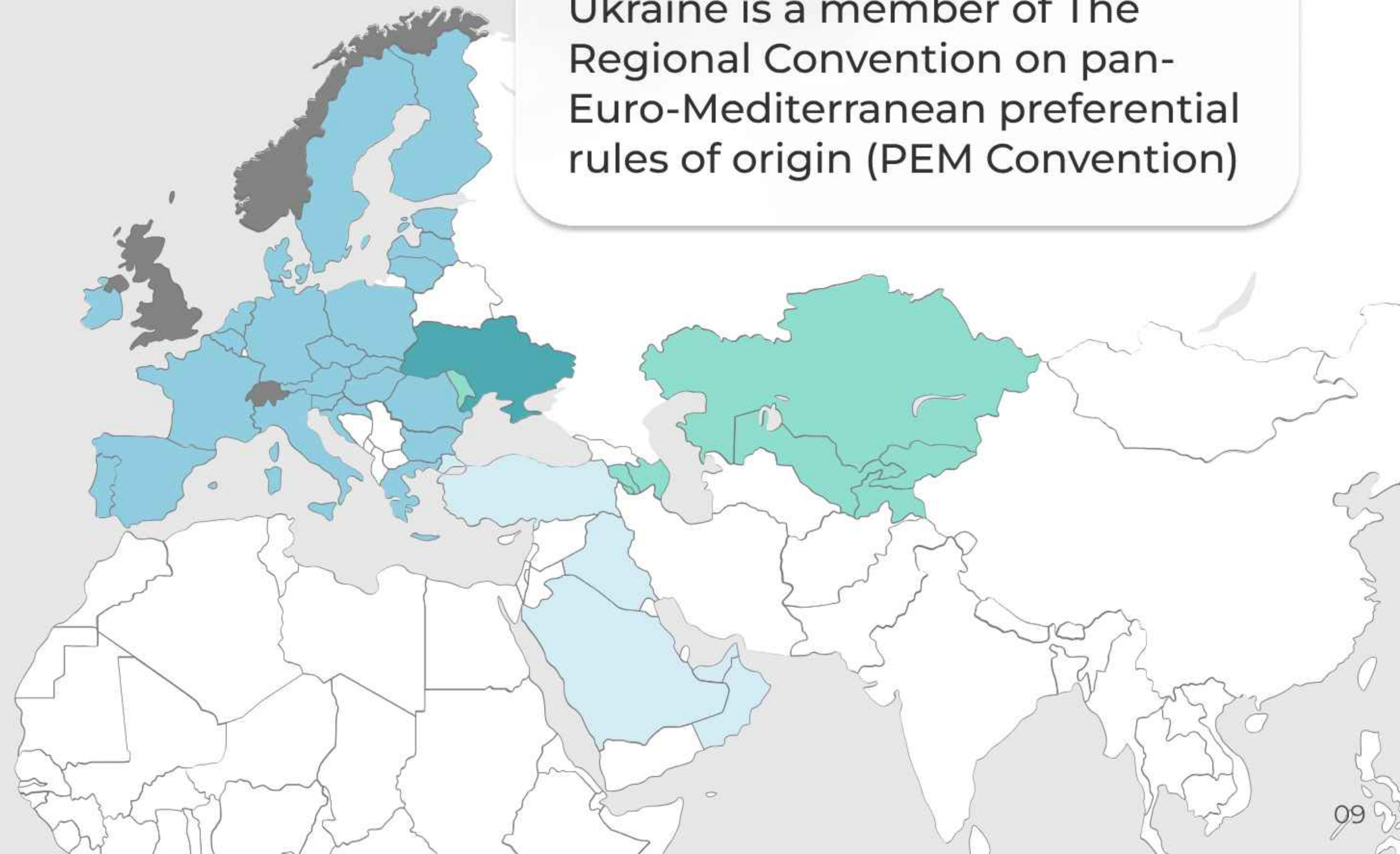
Nearly 1 bln consumer market can be reached within 2 500 miles

- ~450 mln **European Union**
- ~90 mln **CIS (selected)**
- ~500 mln **Non EU**
- ~40 mln **Ukraine**

About **6 mln** Ukrainian refugees were registered in Europe as of 1H 2024

Ukraine has 19 FTAs with 47 countries, including DCFTA with the EU

Ukraine is a member of The Regional Convention on pan-Euro-Mediterranean preferential rules of origin (PEM Convention)



# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## State border



Total length  
**6992,982 km**

**5637.982 km**

Land section

**1355 km**

Maritime section

**72 658 km<sup>2</sup>**

Area of the maritime economic zone

**249.5 km**

Along the Sea of Azov

**1056.5 km**

Along Black Sea

**49 km**

Along Kerch Strait

In 2024-2026, new border crossing will be opened and existing ones will be modernised on the borders with EU countries

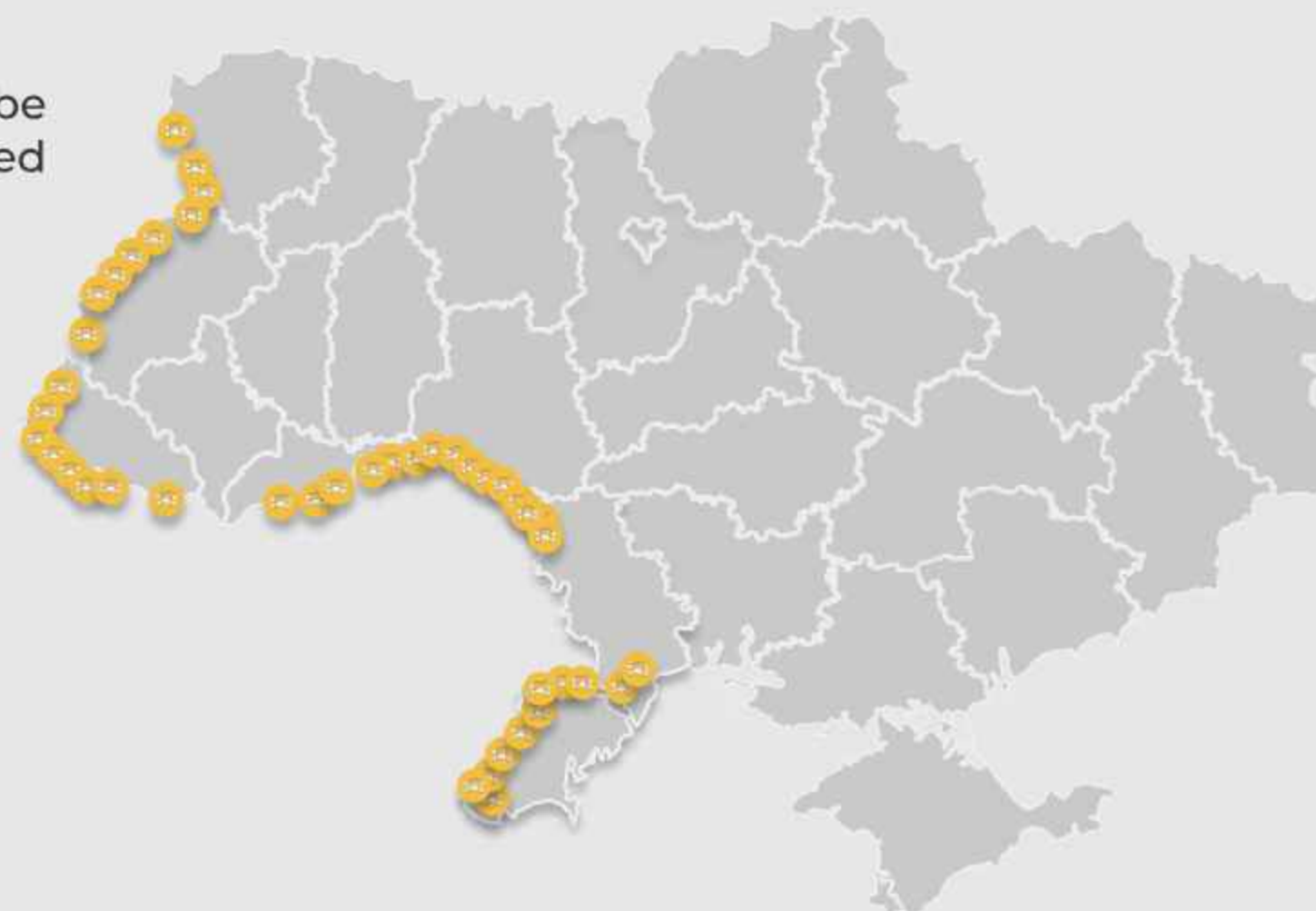


**16** border crossing points operate in the eCherga system (possibility to book the time of crossing)



**32 mln** people  
**7,2 mln** vehicles

Crossed the state border of Ukraine in 11 months of 2024



**103**

border crossing points and control points on the borders with European countries

and



**29** air



**28** marine



**3** river



**1** railway



Poland

**18**

9 6 3



Slovakia

**6**

2 2 1 1



Hungary

**8**

5 2 1



Romania

**13**

5 3 4 1



Moldova

**58**

41 2 3 9 3



Automobile

**62**



Railway

**23**



Ferry

**3**



Pedestrian

**1**



River

**6**



Control point

**8**

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## External trade routes

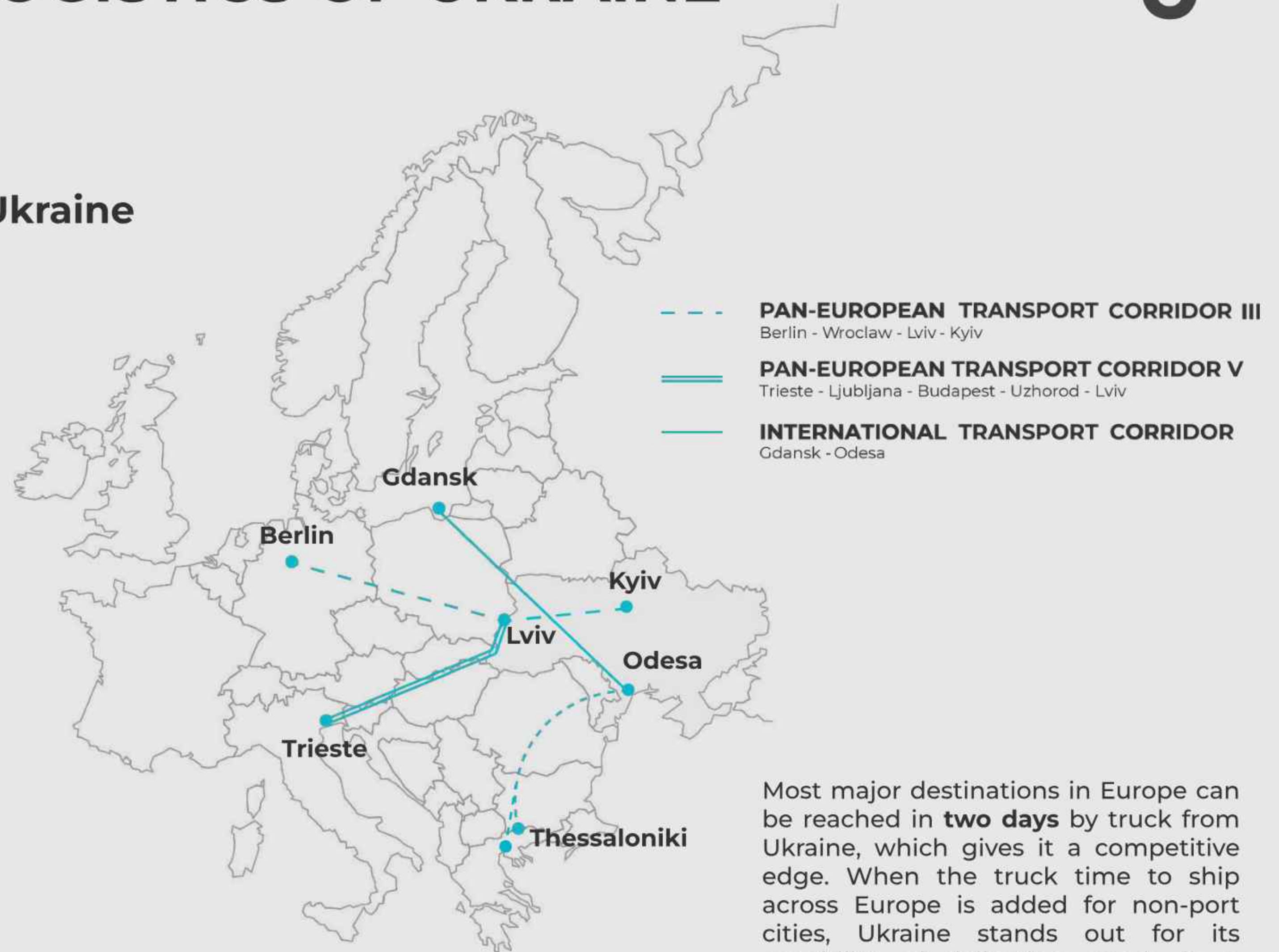
### International Transport Corridors Crossing Ukraine

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

#### In 2022 Ukrainian logistics routes were included in Trans-European Transport Network (TEN-T)

- The **North – Baltic Corridor** was extended through Lviv and Kyiv to Mariupol
- **Baltic Sea – Black Sea – Aegean Sea Corridor** extended through Lviv, Chernivtsi (Romania and Moldova) to Odesa
- The corridors **Baltic Sea – Adriatic Sea and Rhine –Danube** will pass through Lviv



Most major destinations in Europe can be reached in **two days** by truck from Ukraine, which gives it a competitive edge. When the truck time to ship across Europe is added for non-port cities, Ukraine stands out for its capability of delivering goods in a timely and cost-effective manner

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE






## Infrastructure state and development

### Challenges during the war, 2023



### Ukraine's National Transport Strategy 2030

-  integration of the national transport network into the international transport network
-  meeting the transport needs of the population
-  improving the conditions for a competitive and efficient national economy

## Investment infrastructure projects in Ukraine, 2023

Four Ukrainian projects related to the development of transport infrastructure will receive funding under the European Union's Connecting Europe Facility (CEF)

- Integration of the Ukrainian **railway system** into the **EU transport system**
- **Management of traffic flows** on the common road Romania-Moldova-Ukraine checkpoints Galati/Giurgiulesti/Reni
- Ukrainian River **Information Service** on the Danube River
- Integrated modernisation of the European CNS network

### Top 3 directions of infrastructure development

-  Development of roads connecting Ukraine and the EU
-  European railway development
-  Construction of strategic universal transport hubs

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Logistics state and development

**85 000 m<sup>2</sup>**  
amount of signed lease agreements, 1H 2024

**x3** more than in 1H 2023

**63%** of agreements – expansion of new facilities and existing projects

**205 thsd m<sup>2</sup>** metres - the area expected to be commissioned in 2H 2024-2025, the highest level of new offer in the last decade

### Structure of demand for warehouse space, IQ 2024



**USD 4.5–5.3**

average cost of renting class A warehouse space in Ukraine per m<sup>2</sup>

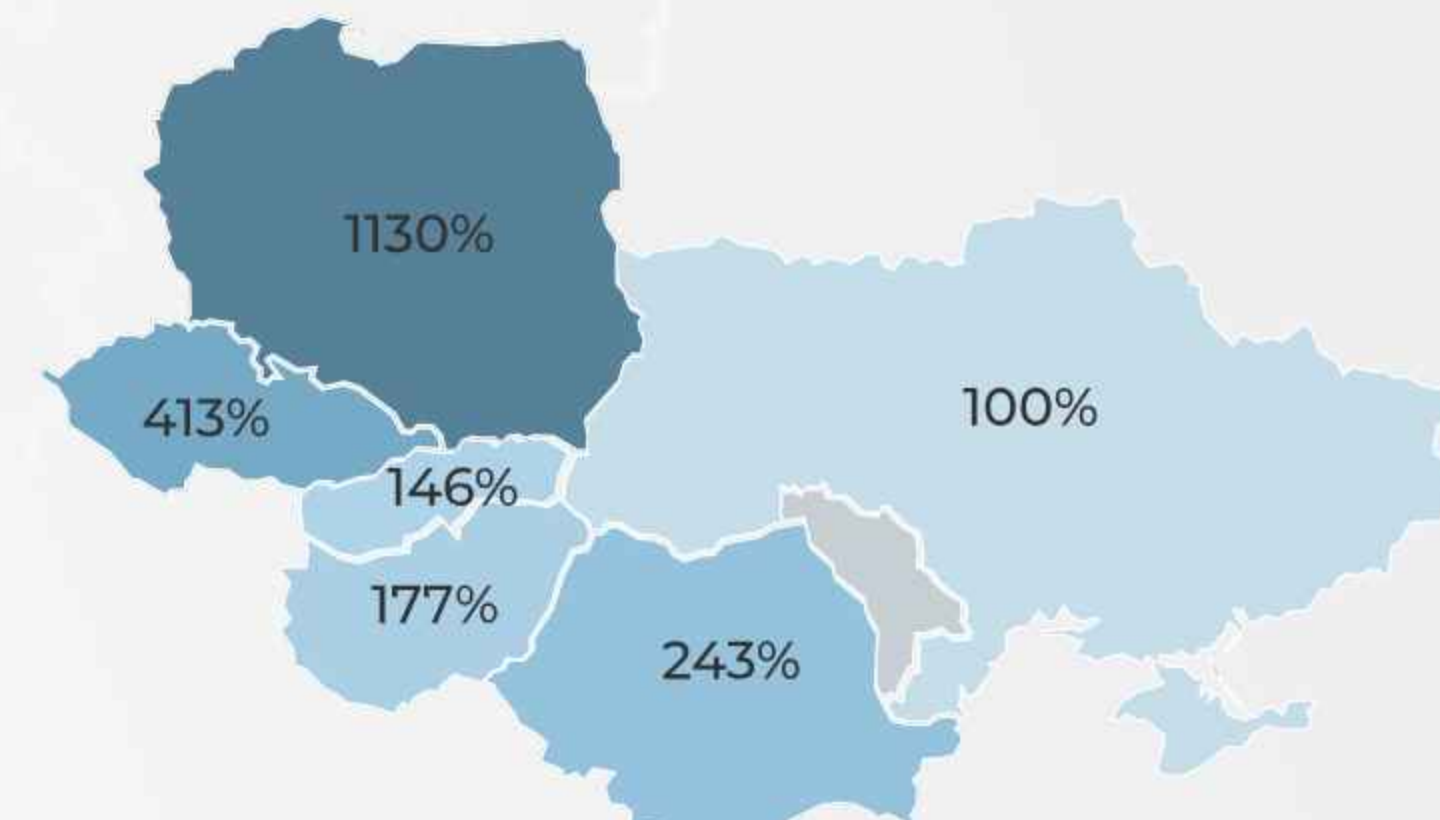


about

**3 mln m<sup>2</sup>**

Ukraine's warehouse facilities

### Total warehouse space in European countries compared to Ukraine, 2024, %\*



# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Logistics companies

### Leading logistics companies in Ukraine, 2023

### Ukrainian regions with the largest number of warehouses, 2023

- |   |   |   |  |
|---|---|---|--|
|    | <b>Nova Poshta</b><br>(pallet delivery service) |    | <b>ZAMMLER</b>                                     |
|    | <b>FM Logistic</b>                              |    | <b>UVK</b>   |
|    | <b>Kuehne+Nagel</b>                             |    | <b>Quehenberger Logistics</b>                      |
|  | <b>Ekol Logistics</b>                           |  | <b>DHL Ukraine</b>                                 |
|  | <b>Raben Ukraine</b>                            |  | <b>DB Schenker Ukraine</b>                         |
|  | <b>Business Group Logistics</b>                 |  | <b>GEFCO Ukraine</b><br>acquired by CEVA Logistics |
|  | <b>KOPCA</b> (Pakline Logistics)                |  | <b>Denka Logistics</b>                             |
|  | <b>DSV</b>                                      |   |  |



# INFRASTRUCTURE AND LOGISTICS OF UKRAINE

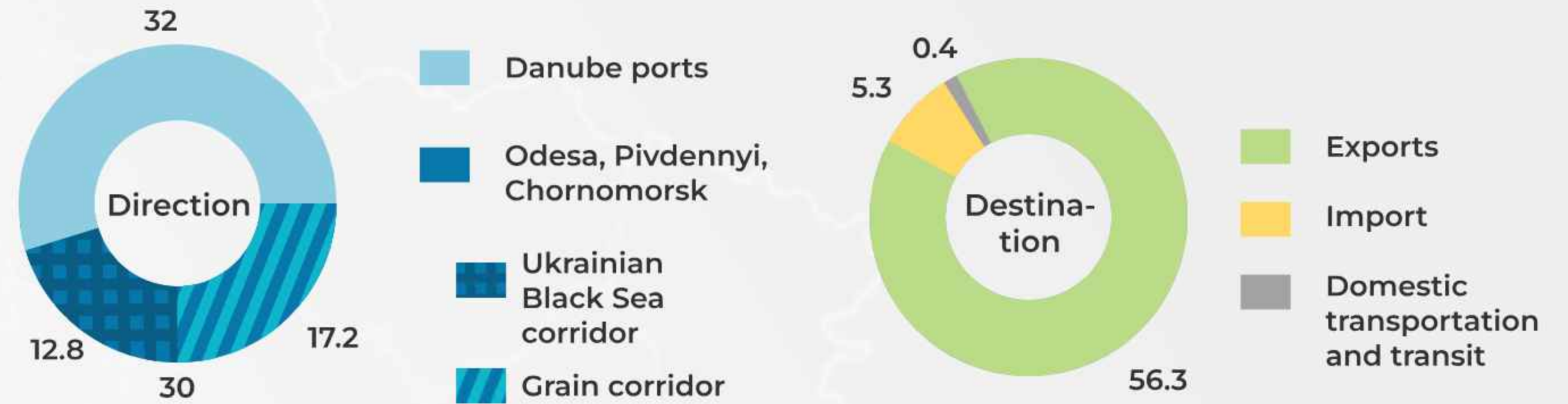


## Maritime infrastructure state and development

Cargo turnover of Ukrainian ports, mln t  
(not under occupation and working ports)



Port transportation structure, mln t, 2023



Port cargo traffic, mln t, 2023



In August 2023, due to the success of the Ukrainian Armed Forces, Ukraine managed to open a **new sea route through the Black Sea** for merchant ships, expanding the range of goods compared to the grain corridor, which ceased to function

**75 mln t** of cargo have been handled by the ports of Greater Odesa since the launch of the **Ukrainian Sea Corridor**, which serves about **50 countries** as of Q3 2024

Since March 15, 2024, the Ukrainian corridor passing through the ports of Greater Odesa has been operating **around the clock**, which has increased exports of agricultural and other products **by 20%**





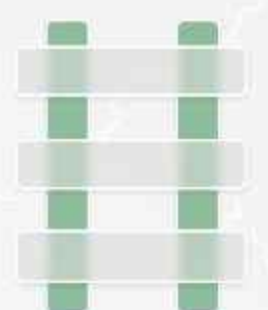
# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Railway infrastructure state and development



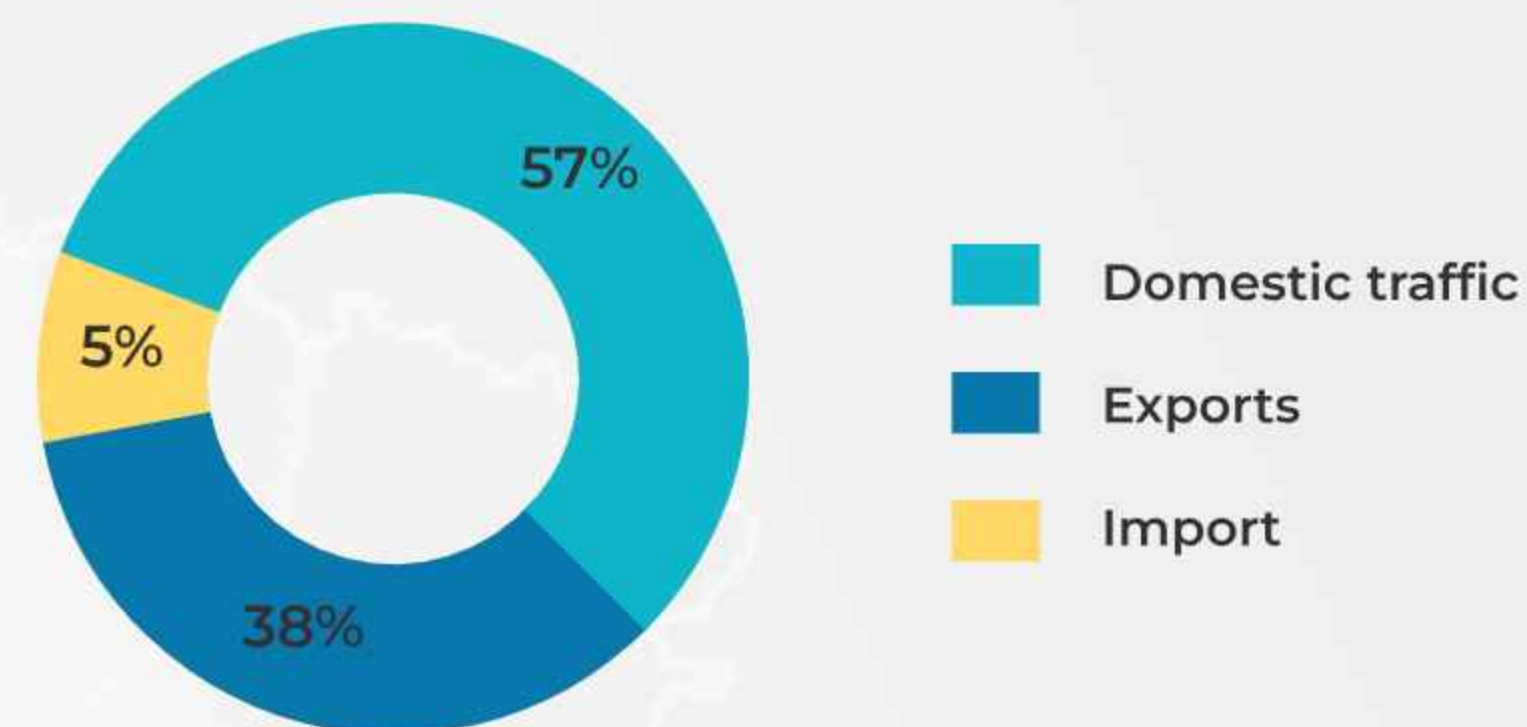
Role of **roads** and **railways** was increased due to the full-scale invasion of Ukraine by the Russian Federation in 2022-2023



**148.4 mln t**  
rail cargo traffic

**12 mln t**  
average monthly cargo traffic,

## Rail cargo turnover, 2023, %



## Rail transportation volumes by cargo type, mln t, 2023



**USD 17.6 bln**

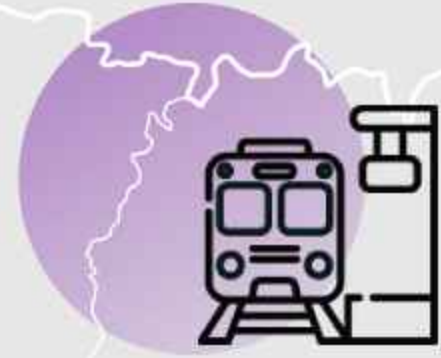
reconstruction needs of Ukrainian railways

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Railways

**Top-3**  
in Europe



**13 place**  
in the world

by the length of the  
railway network



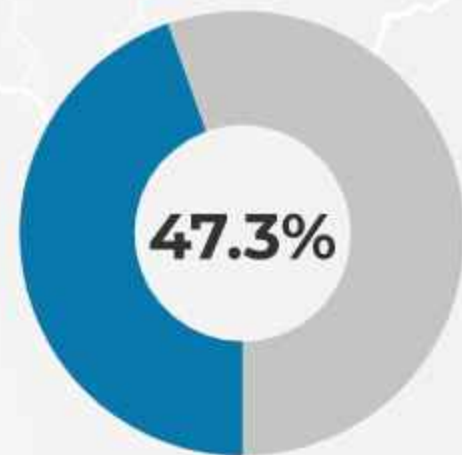
about  
**80%**  
of cargo  
transportation



about  
**36%**  
of passenger  
transportation

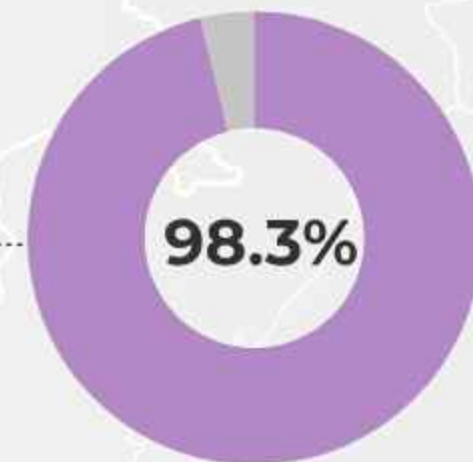
## Track's operational characteristics, 2022

**19 772.2 km**  
Length



**9 347.19 km**  
Electrified

**19 431 km**  
The length of the  
broad gauge



## Main indicators of railway infrastructure, 2022



more than  
**1300**  
railway  
stations



more than  
**4800**  
railroad  
crossings



**200**  
thsd people  
employees



about  
**120**  
thsd units  
cargo cars



about  
**3.5**  
thsd units  
passenger  
cars

**90%** Average level of deterioration of the fleet of cars

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Ports



**USD 0.69 bln**

reconstruction needs of  
Ukrainian ports



### DANUBE PORTS

direct access to EU markets



### DNIPRO RIVER TRANSPORT INFRASTRUCTURE

cheaper logistics for the agricultural sector

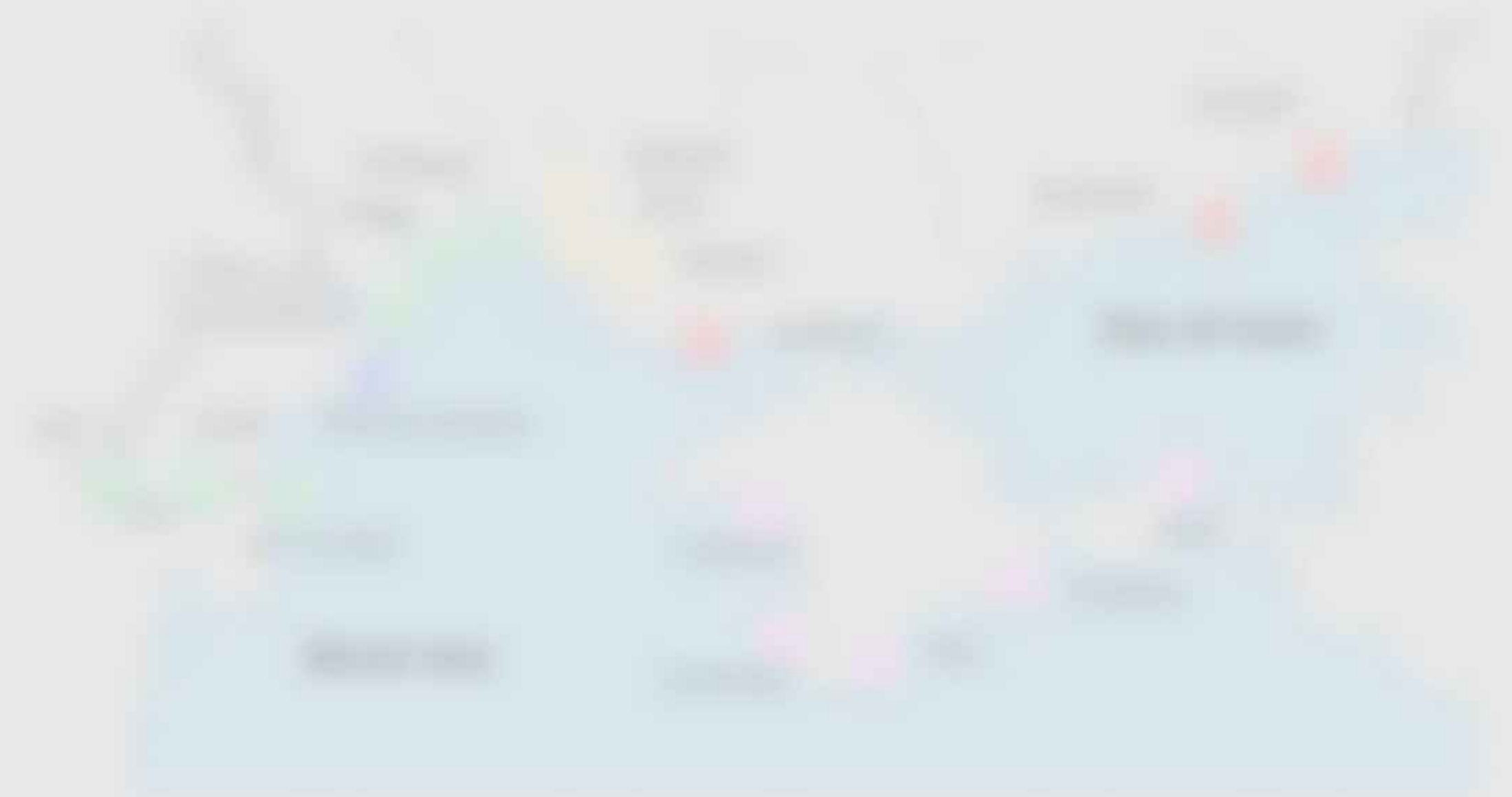


**14 000 km<sup>2</sup>**

of water area are contaminated  
with explosives as a result of  
russian aggression

## State of Ukraine's ports

- Operational
- Occupied after 2022
- Occupied since 2014
- Blocked
- Operating (as a logistics center)



# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Roads



above  
**170 000 km**  
length of roads

**USD**  
**33.68 bln**

reconstruction needs of  
Ukrainian roads



**2020**

"Major Construction"

6 pilot sections of roads  
(2021)  
based on the PPP  
mechanism

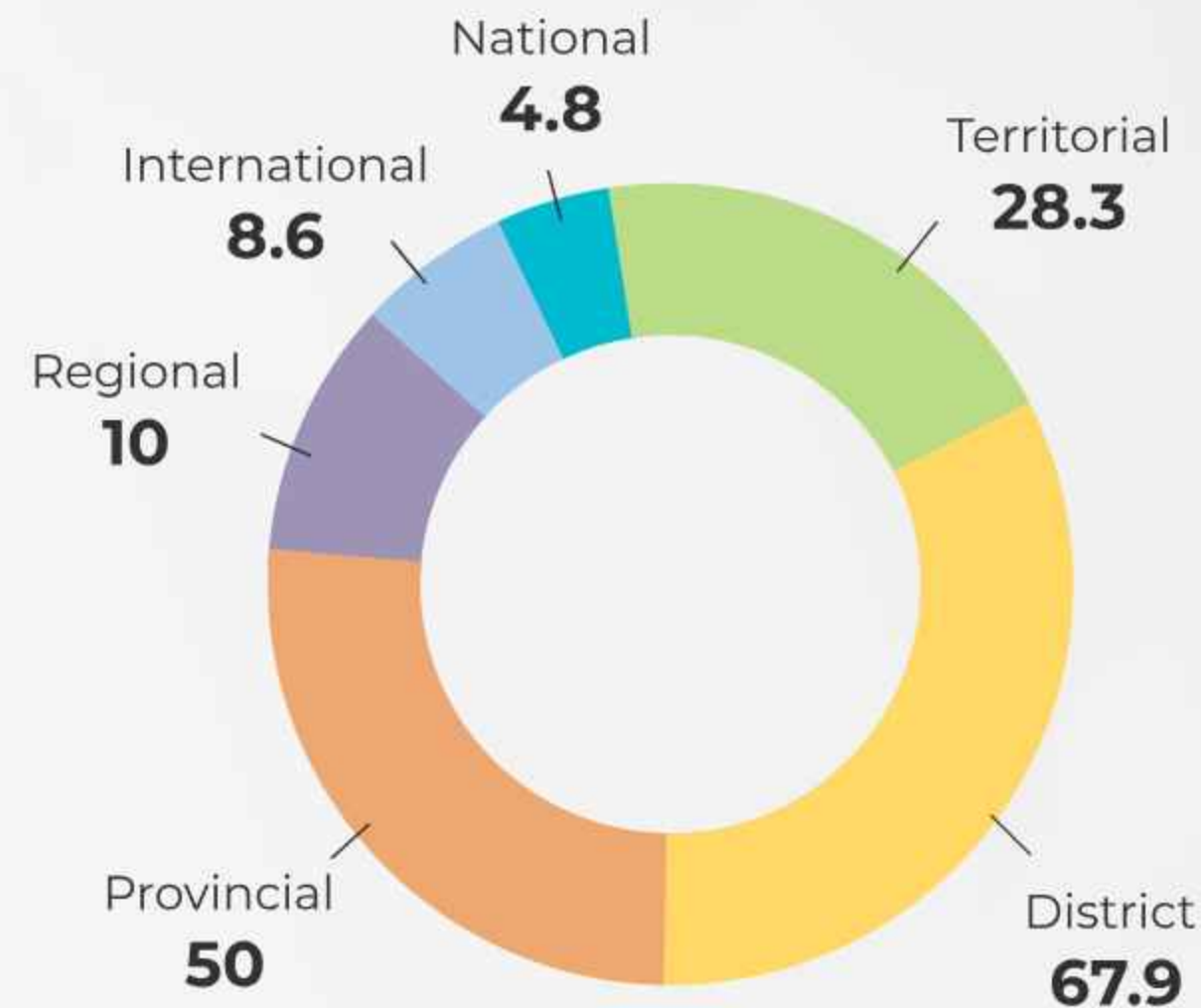


1398 km. roads

**Initial CAPEX**  
**1650 mln USD**

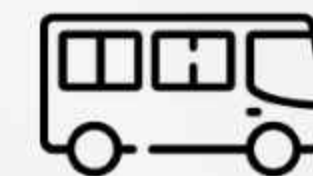
50.000 users per day

## Road network, thsd km



**52.0**  
State significance

**117.6**  
Local significance



**1 237** bus routes connecting  
Ukraine with the world



### Popular departure cities

KYIV ODESA ZAPORIZHZHYA



### Popular arrival cities

CHISINAU WARSAW PRAGUE

# INFRASTRUCTURE AND LOGISTICS OF UKRAINE



## Airports



Due to the full-scale military invasion of Ukraine by the Russian Federation, the airspace of Ukraine is closed to civilian aircraft, except for those that have received permission from the General Staff of the Armed Forces of Ukraine to fly.

### USD 1.68 bln

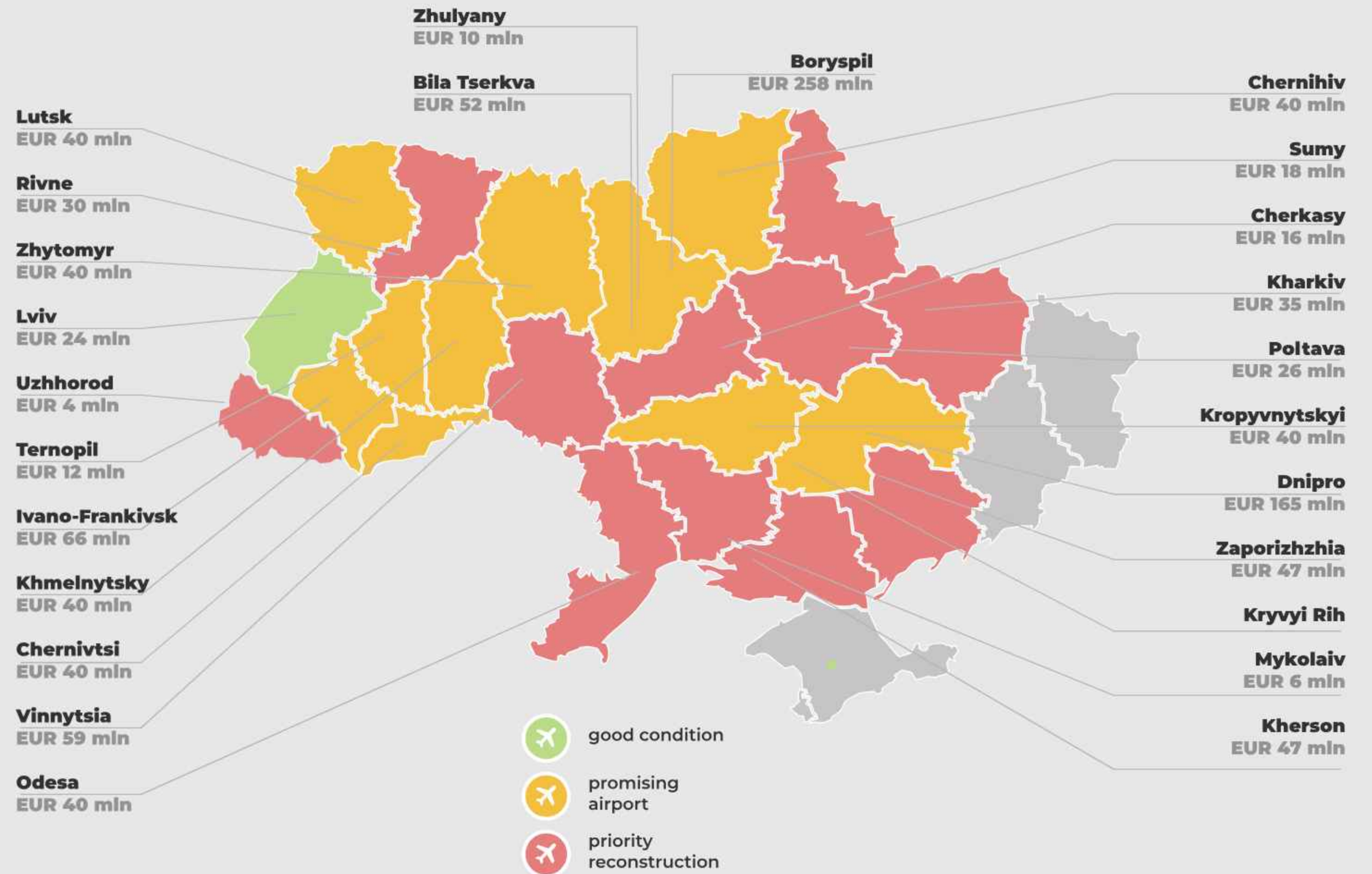
reconstruction needs of Ukraine's aviation

EU Green Deal - reduction of airports' CO<sub>2</sub>



New airport infrastructure: "Build Back Better"

## Investment potential of Ukrainian airports



# INVESTMENT INCENTIVES



Capital investments

## REQUIREMENTS FOR INVESTMENT PROJECT



**12+ EUR mln**  
of investments



**10+**  
of new jobs



**up to 5 years\*\*\***  
of project  
implementation



**construction,  
modernization**  
technical and/or  
technological  
re-equipment

## FORMS OF SUPPORT



**CIT exemption\***  
(for any 5 subsequent  
years within the validity  
period of the SIA)



**Exemption from VAT\*\***  
for importing new  
equipment and  
components to it



**Exemption from import  
duties\*\*** for new equipment  
and components to it



**Construction/compensation**  
for built engineering and  
transport  
infrastructure



Lease of **state or  
communal land plots**  
without land auctions



**Compensation for  
costs of connection** to  
engineering and transport  
infrastructure



**Land tax exemption/  
reduced land tax rates**



Exemption from  
compensation for  
**losses of forestry  
production**

## AMOUNT OF SUPPORT

up to **30%**  
CAPEX



**For more detailed information,  
we recommend paying  
attention to the following  
regulatory acts**



\* Not applicable to projects in the sphere of extraction for the purpose of further processing and/or enrichment of natural resources.  
\*\* The list and quantity of equipment are approved by the Cabinet of Ministers of Ukraine for each project.  
\*\*\* No earlier than 18 months before a date of submission of the application to the Authorized Body, the Applicant may contribute Significant Investments in objects of investments(CAPEX) in an amount not exceeding 30% of the total amount of Significant Investments required for the implementation of the Investment Project with Significant Investments.

# INVESTMENT INCENTIVES

## Industrial parks



The implementation of investment projects on the territory of industrial parks does not exclude the opportunity to receive additional incentives, in particular, provided for by the Law of Ukraine "On State Support for Investment Projects with Significant Investments" or the legal regime of Diia.City.



more than **100** industrial parks\*  
**2500+** ha  
of zoned industrial land available  
for manufacturing projects



**Guide: State support  
for Industrial Parks**



**non-refundable financing** for arranging an industrial park and/or construction of related infrastructure facilities\* **up to UAH 150 million\*\***



**exemption** from compensation for losses of **forestry production\*\*\***



**full or partial** compensation of interest rates on loans for arranging an industrial park, carrying out economic activity\*\*\*\*



**compensation** for connecting 1 to engineering and transport infrastructure **up to UAH 150 million** (during martial law - only to power grids 2)



exemption from **real estate tax** for industrial buildings



**land tax** exemption / **reduced** land tax rates



**CIT exemption** for 10 years (only if reinvestment)



**exemption** from **import duties** for new equipment



**VAT** exemption for importing new equipment

\* - Provided to managing companies and initiators of creation of industrial parks.  
\*\* - According to the Procedure for the provision of funds for the arrangement of industrial parks, approved by the Resolution of the Cabinet of Ministers of Ukraine dated June 4, 2024 No. 644.  
\*\*\* - Regarding the use of land plots with a change in purpose for the establishment of industrial parks according to Article 208 of the Land Code.  
\*\*\*\* - During the period of martial law and for six months after it ends or canceled, the Procedure for providing full or partial compensation of interest rates on loans for the establishment and/or implementation of economic activities within industrial parks has been suspended.

# PROJECTS AFTER 24.02.22



**USD 1+ BLN**  
NEW INVESTMENTS  
SUPPORTED BY  
UKRAINEINVEST

\* - the company continues to cooperate with russia and pay taxes to the terrorist country



# INVESTMENT INSURANCE



A formalized agreement on the implementation of the investment insurance mechanism for foreign investments: **2022**  
 Annual rate: **2-3%**  
 Insurance period: **10 years**  
 Coverage of the amount of losses: **up to 90%**  
**Sure Trust Fund:** USD 110 mln, goal - USD 330 mln



Law No. 9015 "On Amendments to the Law of Ukraine "On financial mechanisms for stimulating export activity" regarding insurance of investments in Ukraine against military risks": **2023**  
 Annual rate: **0.49% - 8.05%**  
 Insurance amount: **UAH 200 mln**  
 Insured for 5 months in 2024: **UAH 2.93 bln**



Property insurance against war risks: **2024**  
 Implemented cases: **Grain elevators**



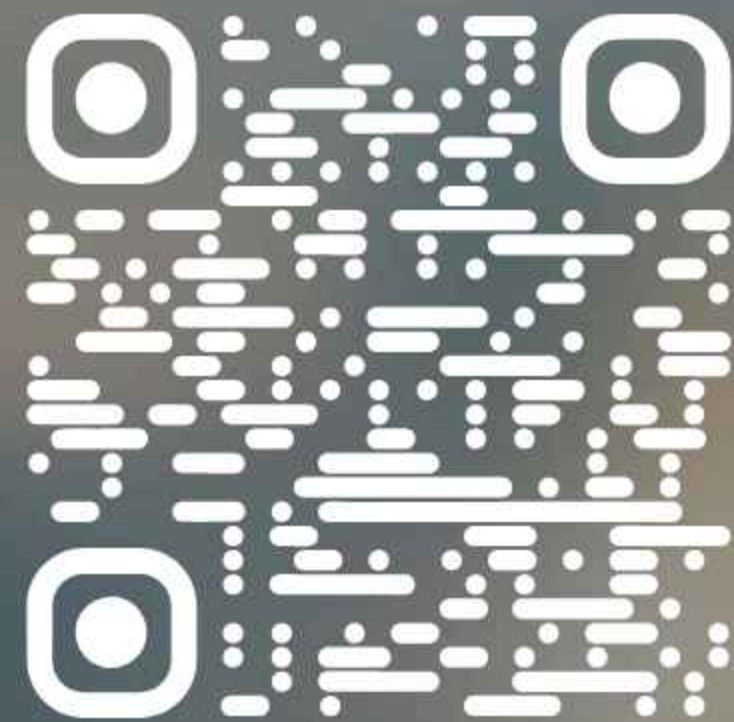
Ship insurance in the Black Sea: **2023**  
 Containers with grain, iron ore, and steel, electrical equipment, fodder  
 Annual rate: **0.75%**  
 Coverage amount: **USD 50 mln**



Memorandum on coverage of American, international and Ukrainian investments in Ukraine: **2023**  
 Coverage of the amount of losses: **up to 85%**  
 Insurance for SMEs: **USD 50 mln**  
 Insurance of the agricultural sector, manufacture: **USD 300 mln**



**22 export-import agencies:** Germany, WB, USA, Japan, Canada, Italy, Poland, Norway, Slovakia, France, Bulgaria, Estonia, Latvia, Lithuania, Czech Republic, Austria, UAE, Portugal, Spain, Sweden, Finland, Denmark  
 Volume of the collected fund: **EUR 1 bln**



UKRAINEINVEST  
GUIDE

## TRANSFORMING UKRAINE



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