

# INVESTMENT OPPORTUNITIES IN THE WOOD PROCESSING INDUSTRY OF UKRAINE

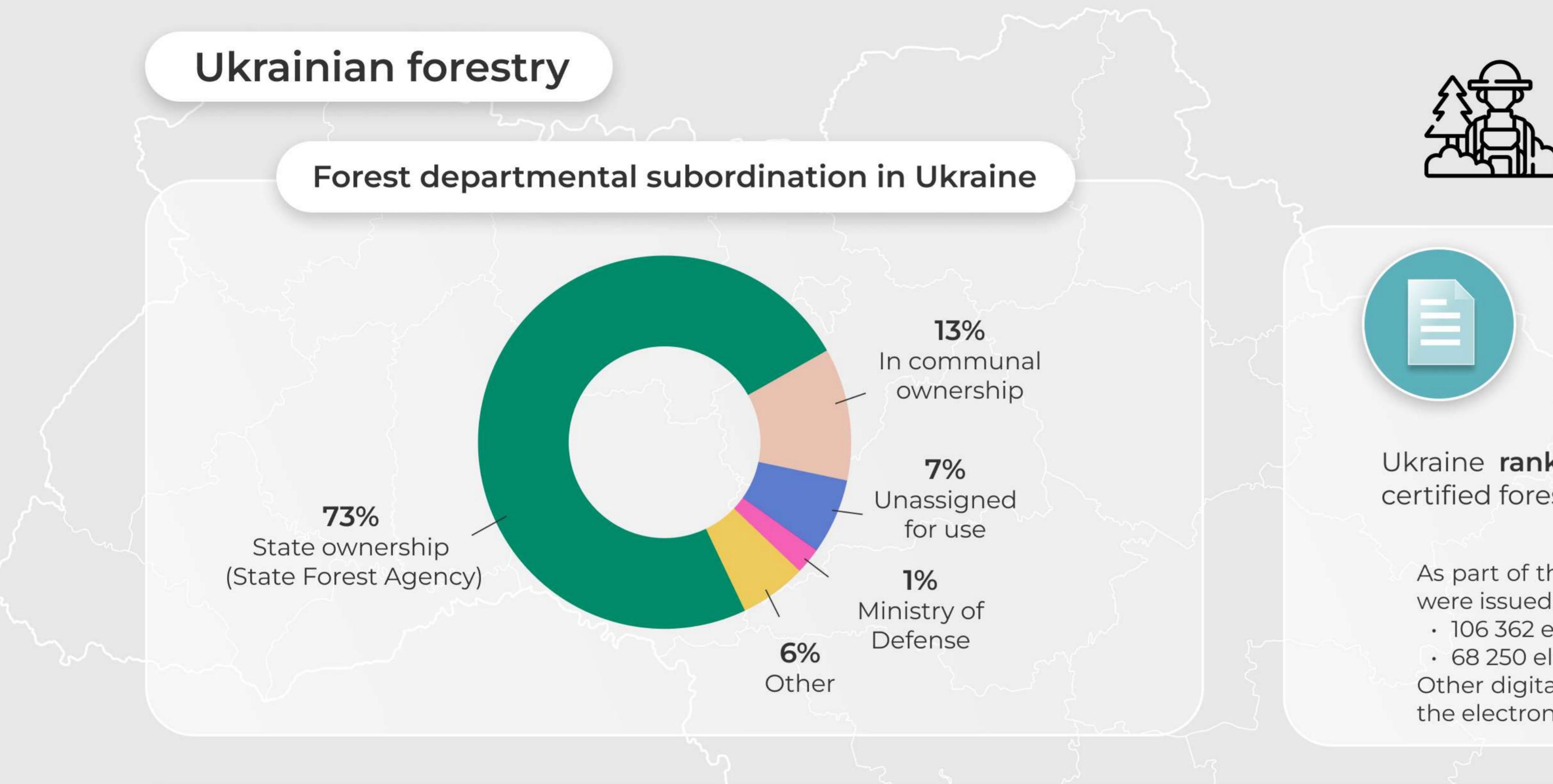


# WOOD PROCESSING INDUSTRY OF UKRAINE



## Ukrainian forestry

### Forest departmental subordination in Ukraine



**46.7**  
thousand people

forestry sectors  
employees, 2023



According to the international organization FSC, the area of certified forests in Ukraine amounted to **4.852 million ha** as of January 1, 2025. This area is covered by 102 forest management system certificates



Ukraine **ranks third** in Europe in terms of FSC-certified forest area, following Sweden and Turkey

As part of the **digitalization of the forestry sector**, in 2024 the following were issued:

- 106 362 electronic logging tickets
- 68 250 electronic certificates of timber origin

Other digital tools include the timber photo documentation system and the electronic timber accounting system

**12.7**  
million m<sup>3</sup>

or  
**62.3**  
million USD\*  
(excluding VAT)

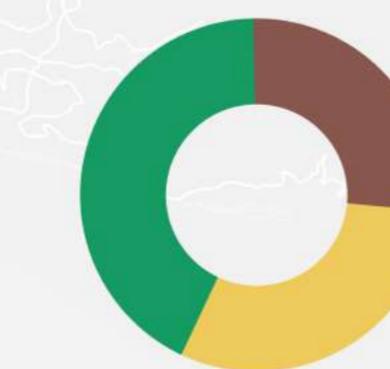


**45** USD\* per m<sup>3</sup>  
Average unit price of sold timber (excluding VAT)

of timber sold on the  
**domestic market**, 2024

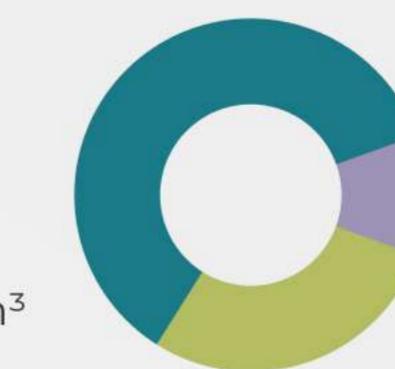
**231.9**  
million USD\*

Total taxes and social contributions  
paid by the forestry sector



### Timber sales structure

- Roundwood – 5.9 million m<sup>3</sup>
- Industrial firewood – 3.8 million m<sup>3</sup>
- Non-industrial firewood – 3.0 million m<sup>3</sup>



### Harvest volume by tree species

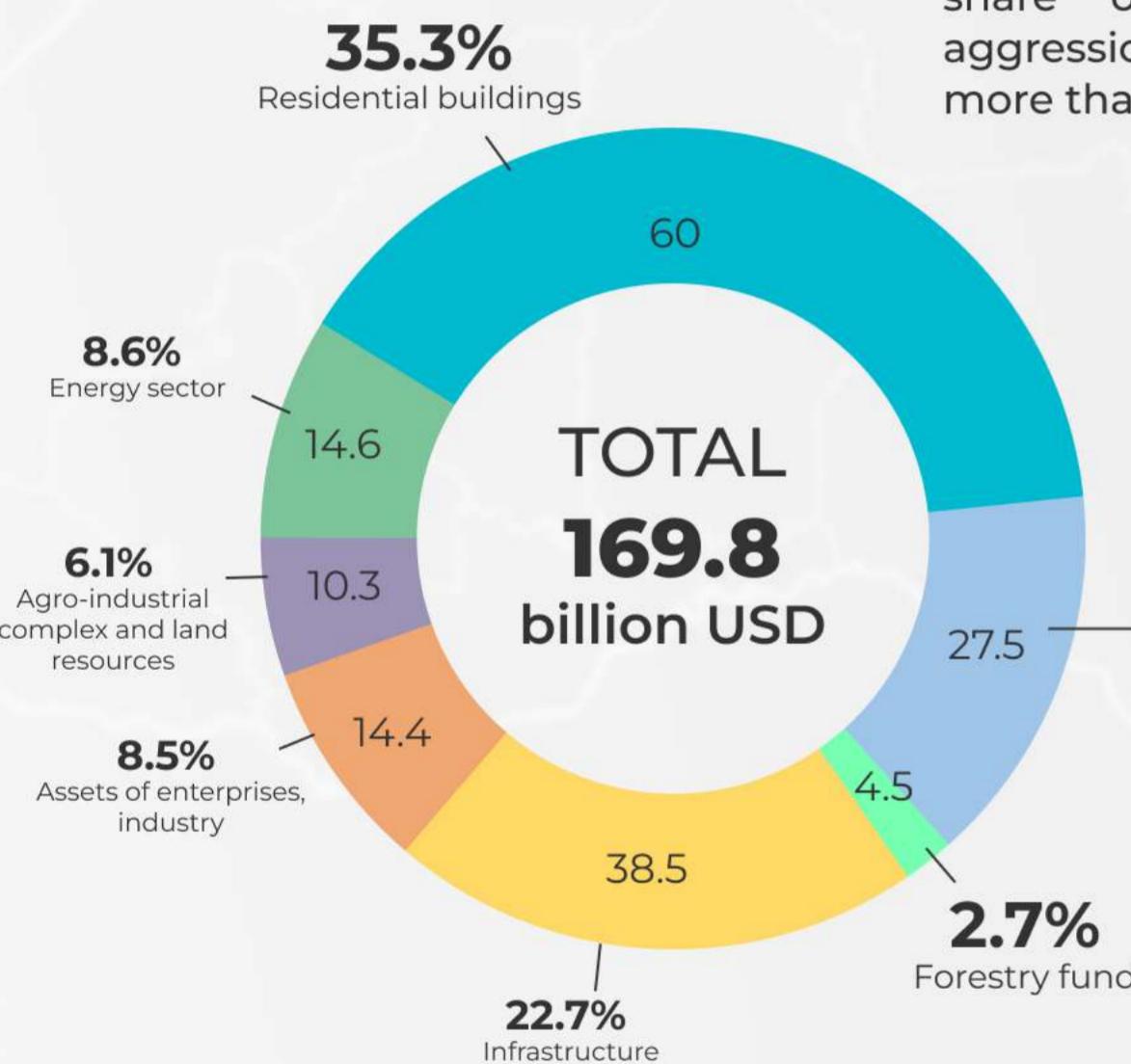
- Conifers – 7.5 million m<sup>3</sup>
- Hardwoods – 3.8 million m<sup>3</sup>
- Softwoods – 1.3 million m<sup>3</sup>

# WOOD PROCESSING INDUSTRY OF UKRAINE



## Damages\* and reconstruction needs

### Direct damages by sector, billion USD



Residential buildings accounts for the largest share of direct damages from russian aggression, with the sector accounting for more than a **third of the total amount**

Education – 7.3 – 4.3%  
 Healthcare – 4.3 – 2.5%  
 Culture, tourism, sports – 4.0 – 2.3%  
 Communal services and utilities – 3.5 – 2.0%  
 Transport vehicles – 3.5 – 2.0%  
 Trade – 2.8 – 1.7%  
 Digital infrastructure – 1.2 – 0.7%  
 Administrative buildings – 0.8 – 0.4%  
 Social sphere – 0.2 – 0.1%  
 Financial sector – 0.04 – 0.01%

 **223.9 thousand**  
 residential buildings  
 direct damages of housing stock  
**+833** administrative buildings



### Total damages and needs\*\* of the housing sector



**1.4** million  
households



**3.4** million people

have lost their homes or are living in damaged buildings and therefore need reconstruction and new furniture

**83.7**  
billion USD

needed for the reconstruction of the housing sector

**16.0 %**

share of all reconstruction needs

### Direct damage to forests



**4.5**  
billion USD

Damages to forest resources due to wildfires



Around  
**300**  
thousand ha

which corresponds to



**83**  
million m<sup>3</sup>  
of timber

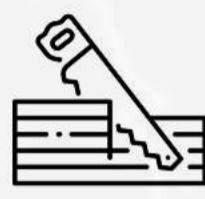
total area of forest fires in territories where active hostilities took place

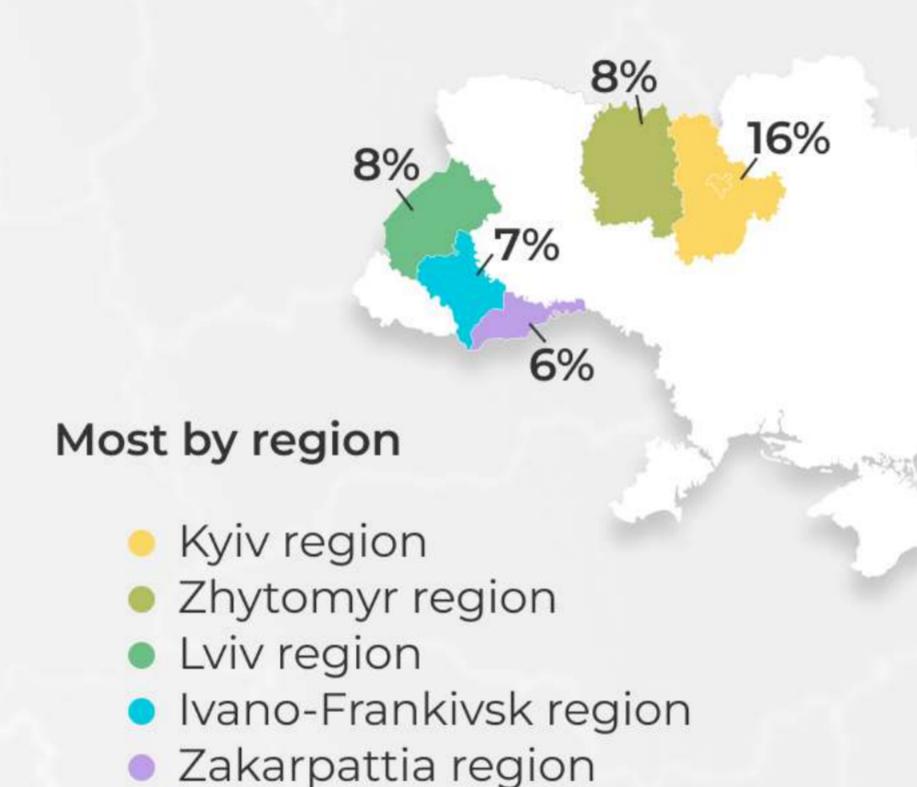
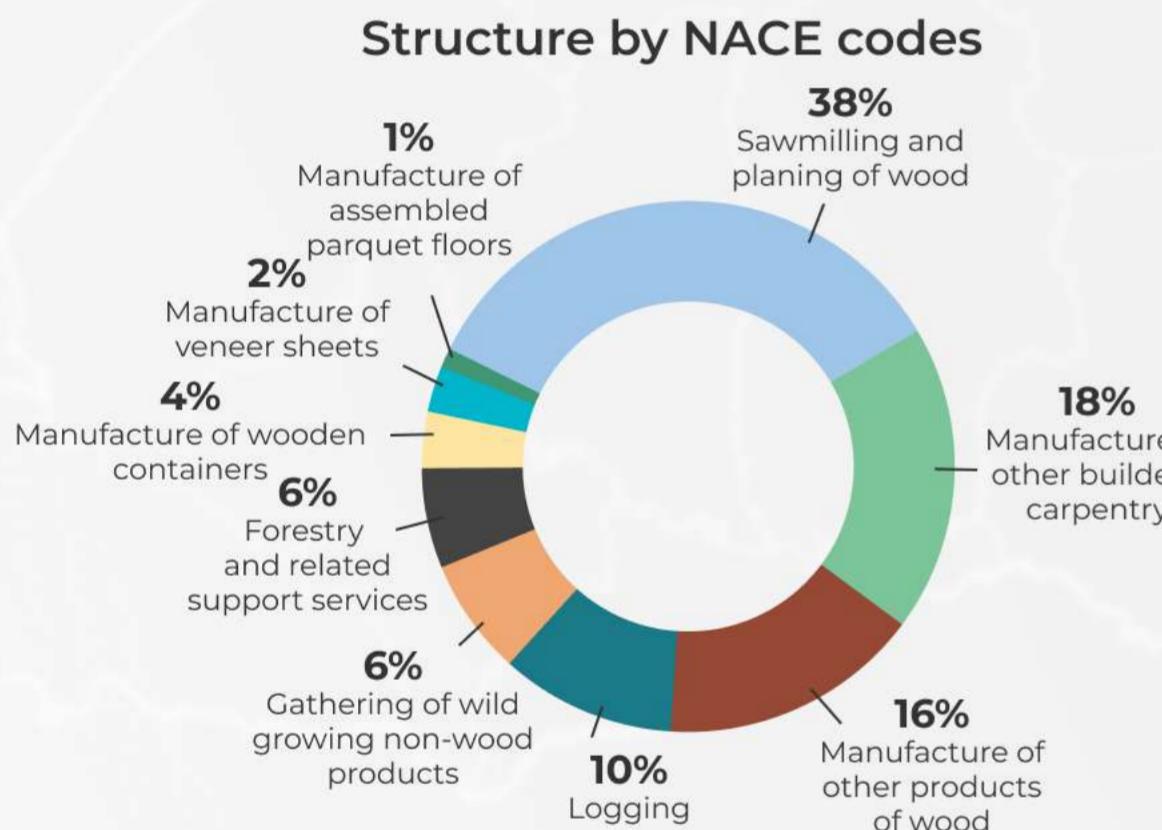
The war has also affected the **wood processing industry** in Ukraine. During the initial months, wood processing enterprises partially or completely ceased operations. Some facilities sustained damage from shelling, lost equipment, and encountered disruptions in their logistics chains

# WOOD PROCESSING INDUSTRY OF UKRAINE



## Wood processing industry overview in Ukraine

 **26 000+**  
operators, 2024\*



## Employees, thousand persons, 2023

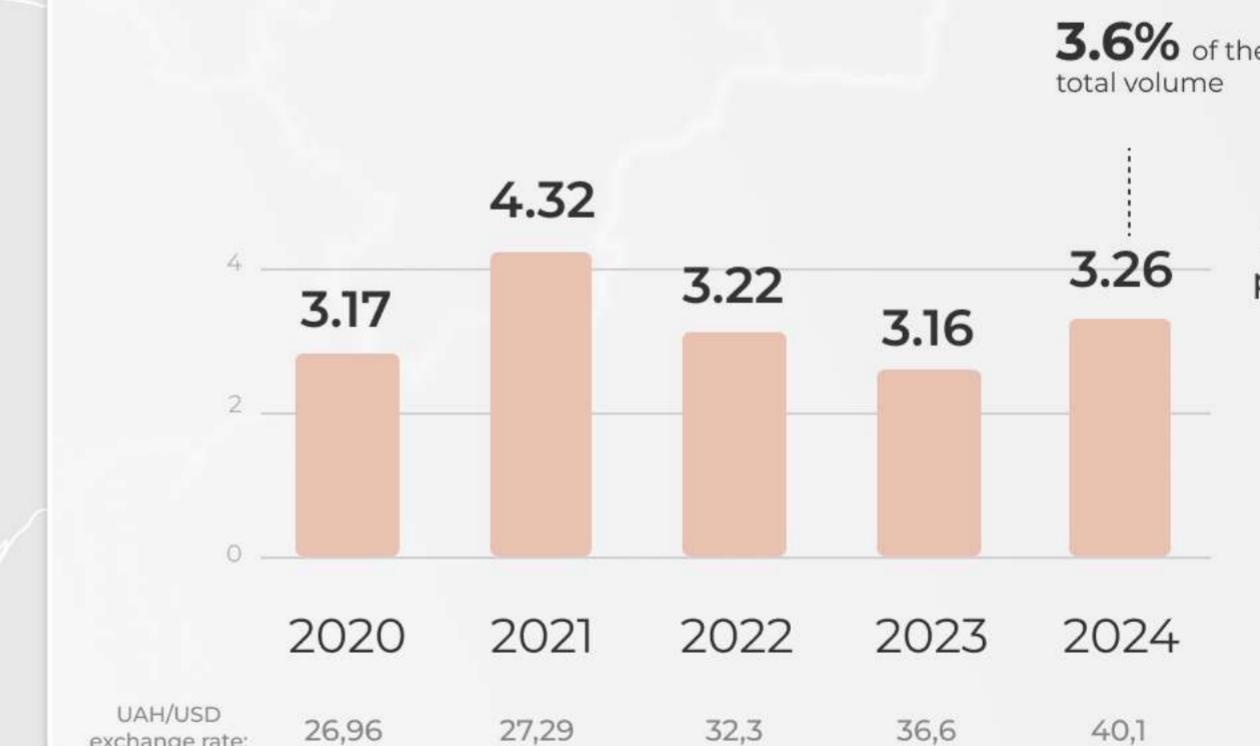


Sources: [YC.Market](#), [State Statistics Service of Ukraine](#), [National Bank of Ukraine](#)

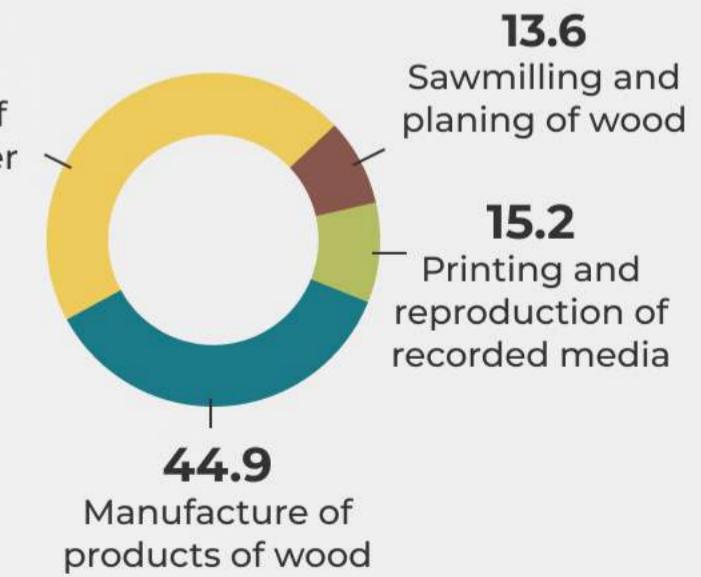
## Foreign direct investment in selected industrial sectors, million USD, 2024



## Industrial production volume, billion USD\*\*



## By categories, 2024



\* – sections 02 "Forestry" and 16 "Manufacture of wood and cork products, except furniture; manufacture of straw and other plaiting materials" (NACE-2010)

\*\* – excluding VAT and excise, NACE 16-18, at the average annual exchange rate of UAH/USD

# WOOD PROCESSING INDUSTRY OF UKRAINE



## Wood processing\* trade turnover

Wood processing industry trade turnover, billion USD



3.52%

Share of Ukraine's total exports and imports, accordingly, 2024

0.32%



Export  
3.53  
million tons

Net weight of wood processing products, 2024

Import  
246.5  
thousand tons



Export from Ukraine by country, million USD, 2024

1	Poland	302.3	6	Lithuania	76.3
2	Romania	122.3	7	Netherlands	72.3
3	Germany	119.8	8	Italy	69.6
4	Turkey	96.5	9	Hungary	65.0
5	Moldova	78.7	10	Austria	57.4

Import to Ukraine by country, million USD, 2024

1	Poland	73.5	6	Portugal	6.0
2	Romania	33.2	7	France	5.8
3	Turkey	26.8	8	Italy	5.6
4	Germany	19.9	9	Latvia	4.4
5	China	19.8	10	Belgium	3.7

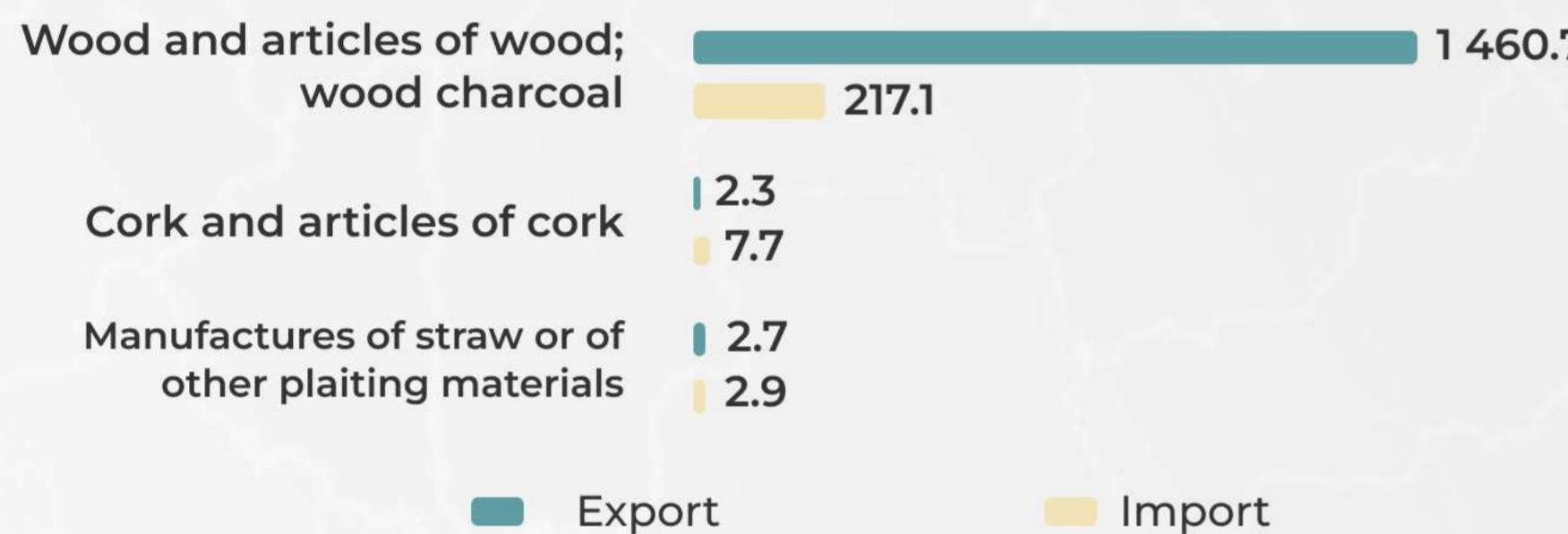
Poland, Romania, Turkey, and Germany are the key leading countries in 2024, accounting for a combined 44% of Ukraine's wood processing industry exports and 67% of its imports

# WOOD PROCESSING INDUSTRY OF UKRAINE



## Wood processing\* industry exports

### Wood processing industry trade turnover structure, million USD, 2024

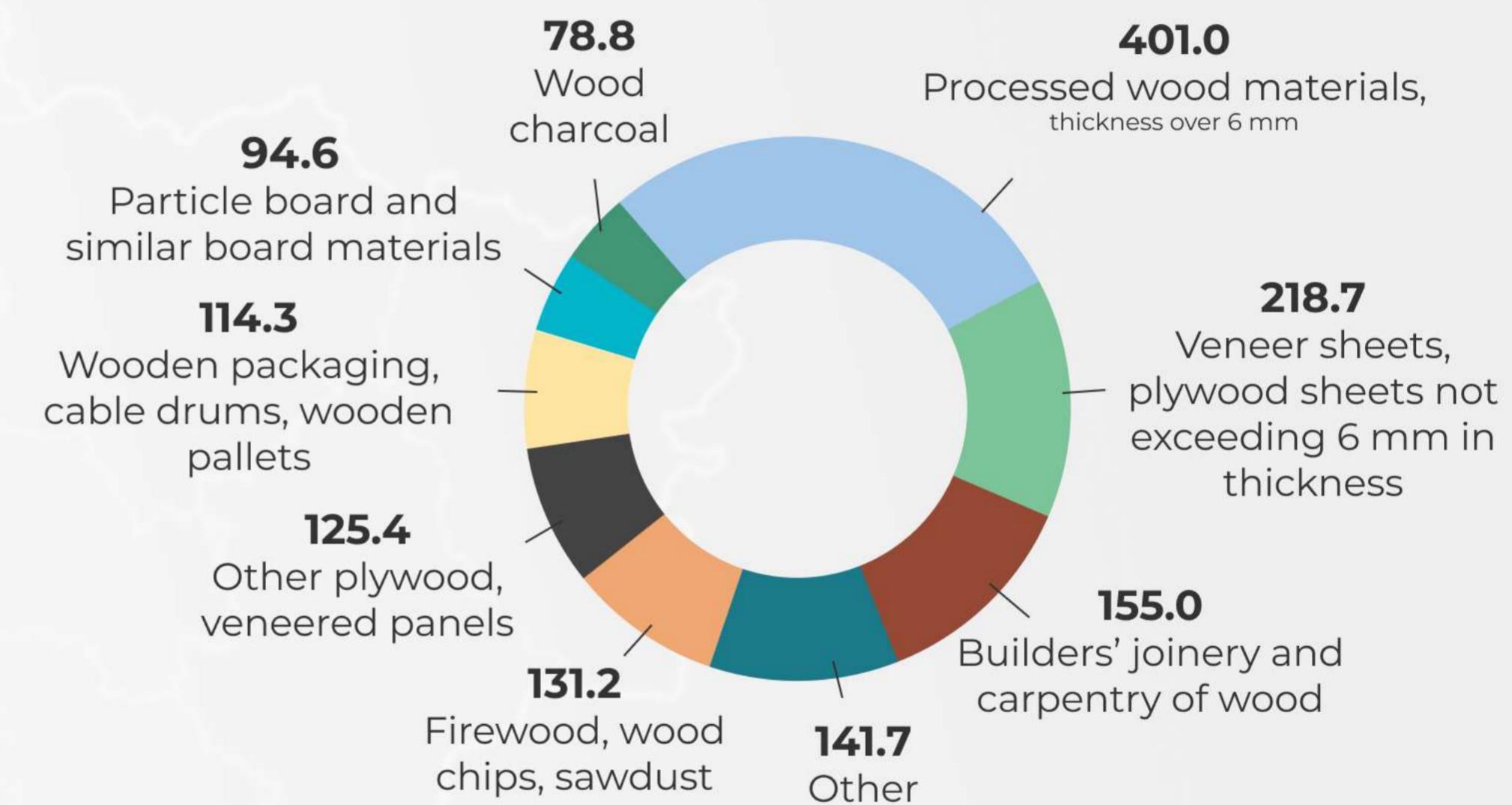


### Ukraine's ranking in global wood product exports, 2024\*\*



Category	Position
Sheets for veneering	4
Wood wool and wood flour	4
Wood charcoal	6
Hoopwood, stakes and other wooden poles	6
Wooden handles for tools and brushes	12
Wooden packing cases (boxes, crates, drums, etc.)	13

### Wood and articles of wood; wood charcoal export structure, million USD, 2024



**8th place**  
among Ukraine's export commodities in 2024 is held by wood, wood products, and charcoal



# WOOD PROCESSING INDUSTRY OF UKRAINE



## Pulp and paper\* industry



**2900+**  
operators, 2024\*\*

manufacturing **50 varieties of paper** and more than **20 types of cardboard**

34%  
Individual  
entrepreneur

66%  
Companies



0.58%  
← \$

Share of Ukraine's total exports and  
imports, accordingly, 2024

1.3%  
\$ →

Sources: [YC.Market](#), [State Customs Service of Ukraine](#)

\* - Section X (47–49) of the UCGFEA – Pulp of wood or of other fibrous  
cellulosic material; recovered (waste and scrap) paper or paperboard

\*\* - according to Section 17 "Manufacture of paper  
and paper products" of NACE Rev. 2



Export  
**145.5**  
thousand t

Net weight of  
pulp and paper  
products, 2024

Import  
**769.1**  
thousand t



## Export from Ukraine by country, million USD, 2024

1		Poland	59.2	6		Georgia	10.1
2		Moldova	24.3	7		Azerbaijan	9.7
3		Czech Republic	15.7	8		Hungary	9.3
4		Romania	12.2	9		China	7.8
5		Germany	11.8	10		Turkey	6.6

## Import to Ukraine by country, million USD, 2024

1		Poland	152.5	6		Sweden	53.4
2		Germany	115.1	7		Slovakia	44.2
3		China	100.8	8		Turkey	44.0
4		Finland	67.5	9		Romania	35.0
5		Austria	59.2	10		Serbia	25.1

# WOOD PROCESSING INDUSTRY OF UKRAINE

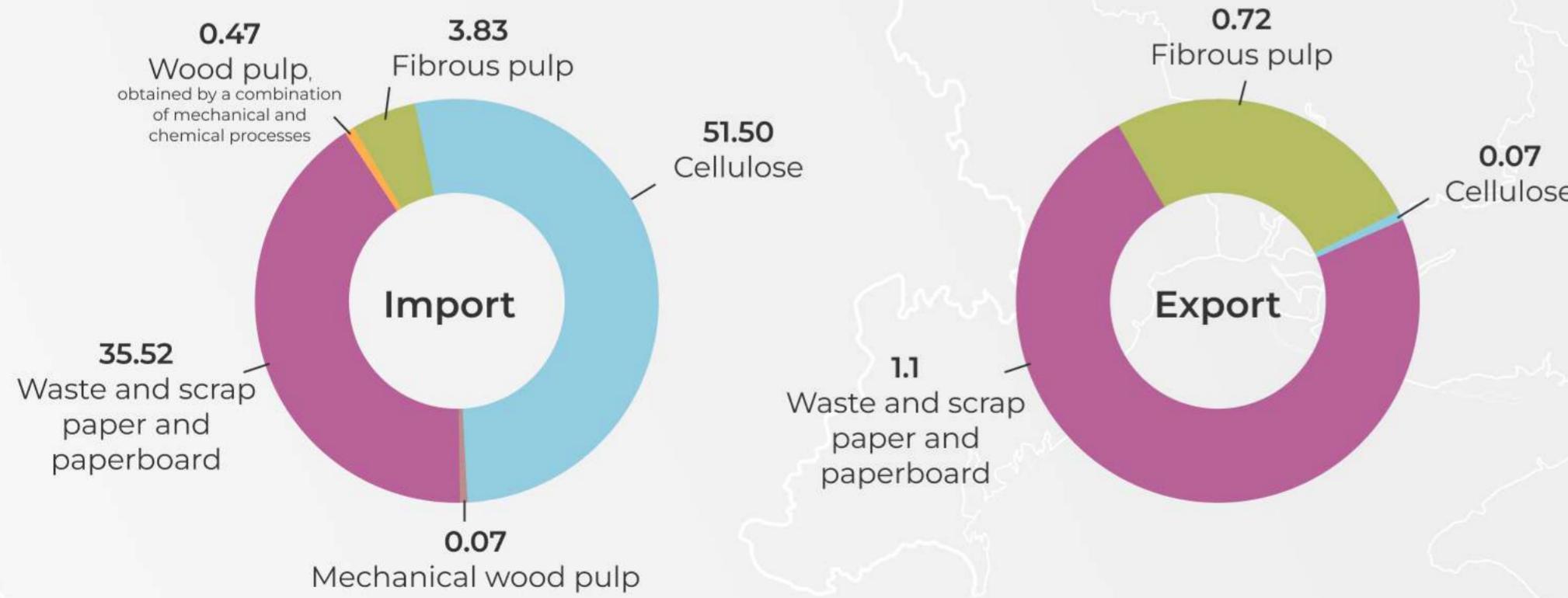


## Pulp and paper\* industry

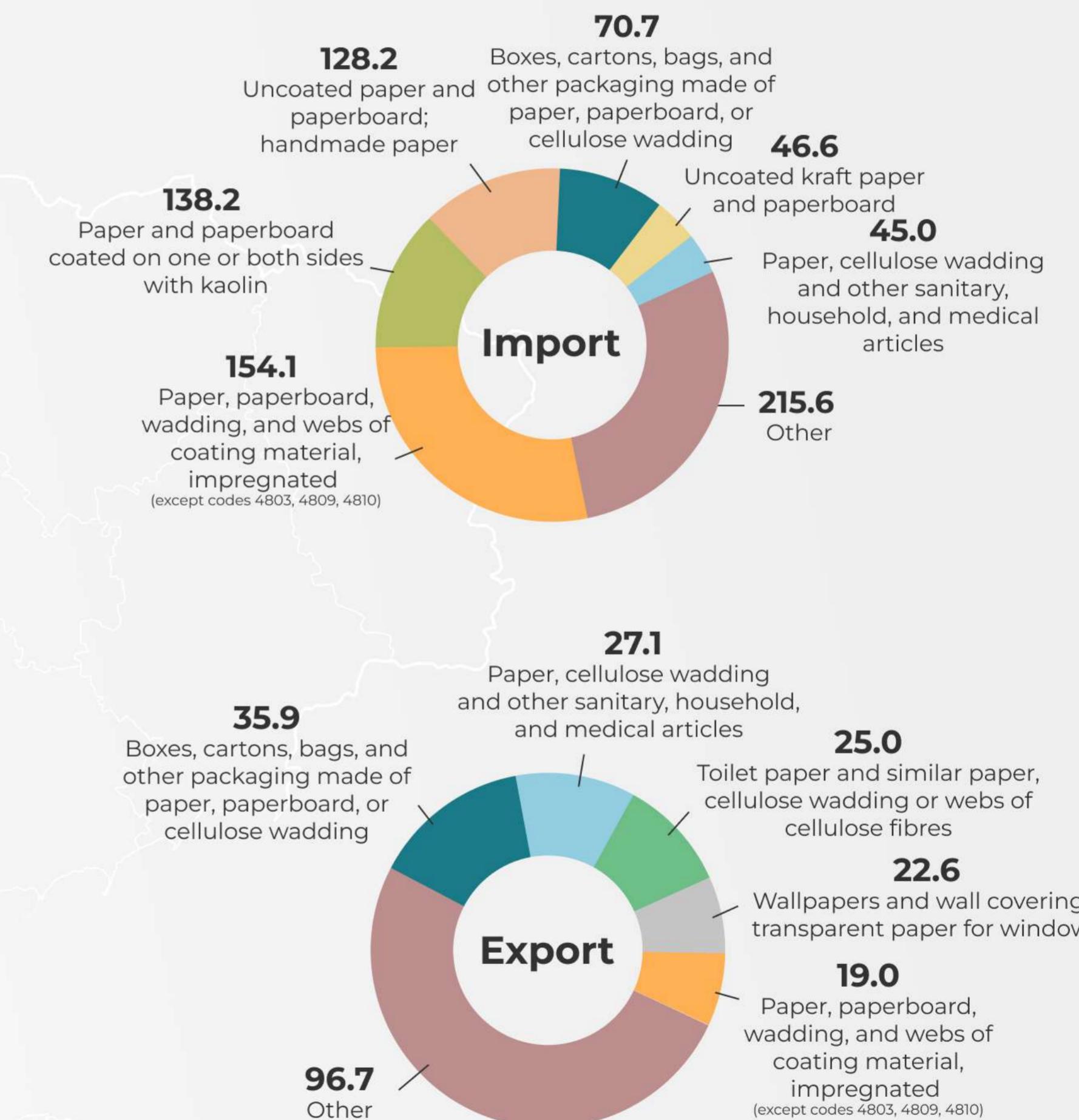
### Trade turnover structure, million USD, 2024



### Turnover structure of wood or cellulose pulp<sup>1</sup>, million USD, 2024



### Turnover structure of paper and cardboard; products made from them<sup>2</sup>, million USD, 2024



# WOOD PROCESSING INDUSTRY OF UKRAINE



## Wood processing industry companies\*

Top 10 Ukrainian wood processing\*\*  
companies by revenue, million USD, 2024

Name	Revenue volume	Region
LLC "CHYHYRNSKE"		Cherkasy
STATE SPECIALIZED ENTERPRISE "FORESTS OF UKRAINE"		Kyiv
LLC "KRONOSPAN UA"		Volyn
LLC "SWISS KRONO"		Lviv
LLC "KRONOSPAN RIVNE"		Rivne
LLC "BARLINEK INVEST"		Vinnytsia
LLC "ODEK" UKRAINE		Rivne
LLC "KOROSTEN MDF PLANT"		Zhytomyr
LLC "SWISSPAN LIMITED"		Rivne
LLC "TSUNAMI"		Volyn

Top 10 Ukrainian pulp and paper industry\*\*\*  
companies by revenue, million USD, 2024

Name	Revenue volume	Region
PJSC "KYIV CARTON AND PAPER MILL"		Kyiv
LLC "TRYPIL PACKAGING PLANT"		Kyiv
JSC "KOKHAVYNSKA PAPER FACTORY"		Lviv
LLC "ZHYTOMYR CARDBOARD FACTORY"		Zhytomyr
LLC "PONINKA CARTON AND PAPER FACTORY-UKRAINE"		Volyn
PJSC "VGP"		Volyn
PJSC "MALYN PAPER FACTORY-WEIDMANN"		Zhytomyr
LLC "LUTSK CARTON AND PAPER FACTORY"		Volyn
LLC "HELIUS LTD"		Dnipropetrovsk
LLC "CARTON AND PAPER COMPANY"		Lviv

# WOOD PROCESSING INDUSTRY OF UKRAINE

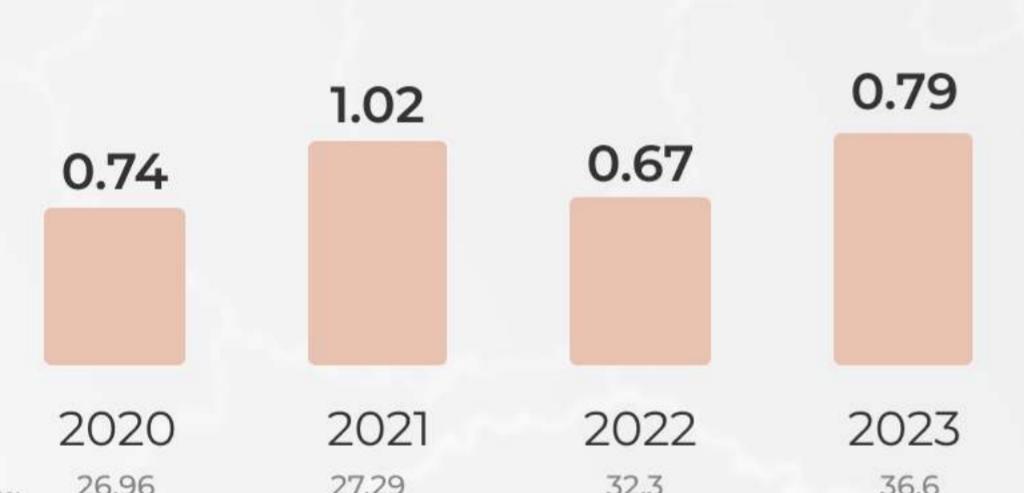


## Furniture industry overview in Ukraine\*



Ukraine ensures full-cycle production in the furniture manufacturing sector – from timber harvesting to the production of specialized wood-based panels and finished furniture products

### Industrial production volume of the furniture manufacturing, billion USD, 2024\*\*



1% of the total volume

### Furniture sector revenue, billion USD



+56%

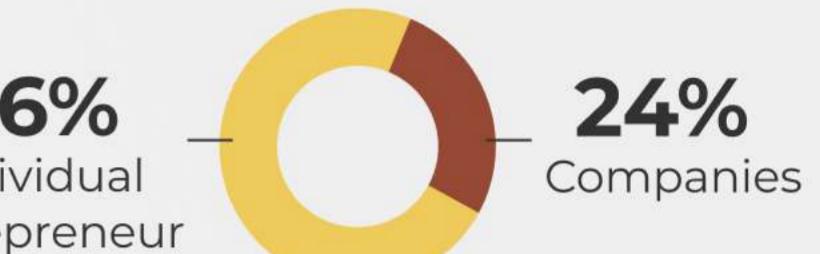


**11 800+**  
operators, 2024



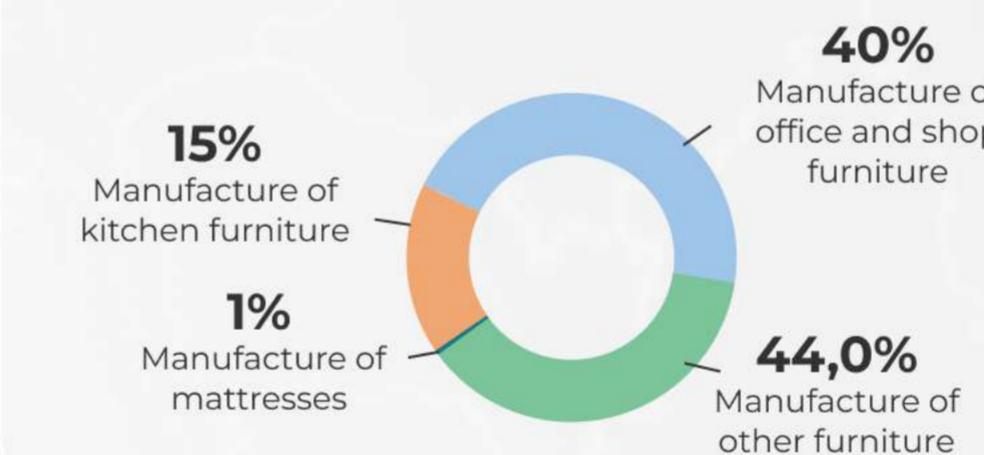
More than  
**3 000**  
enterprises

that  
create



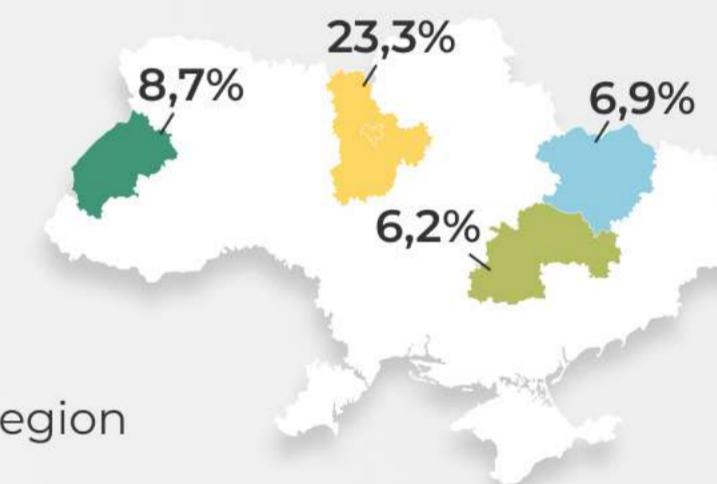
More than  
**10 000**  
workplaces

### Structure of operators by NACE code



### Most by region

- Kyiv region, 23,3%
- Lviv region, 8,7%
- Kharkiv region, 6,2%
- Dnipropetrovsk region, 6,9%



### Furniture industry taxes, billion USD\*\*\*



Share of tax payments and unified contributions of the manufacturing industry, 2023

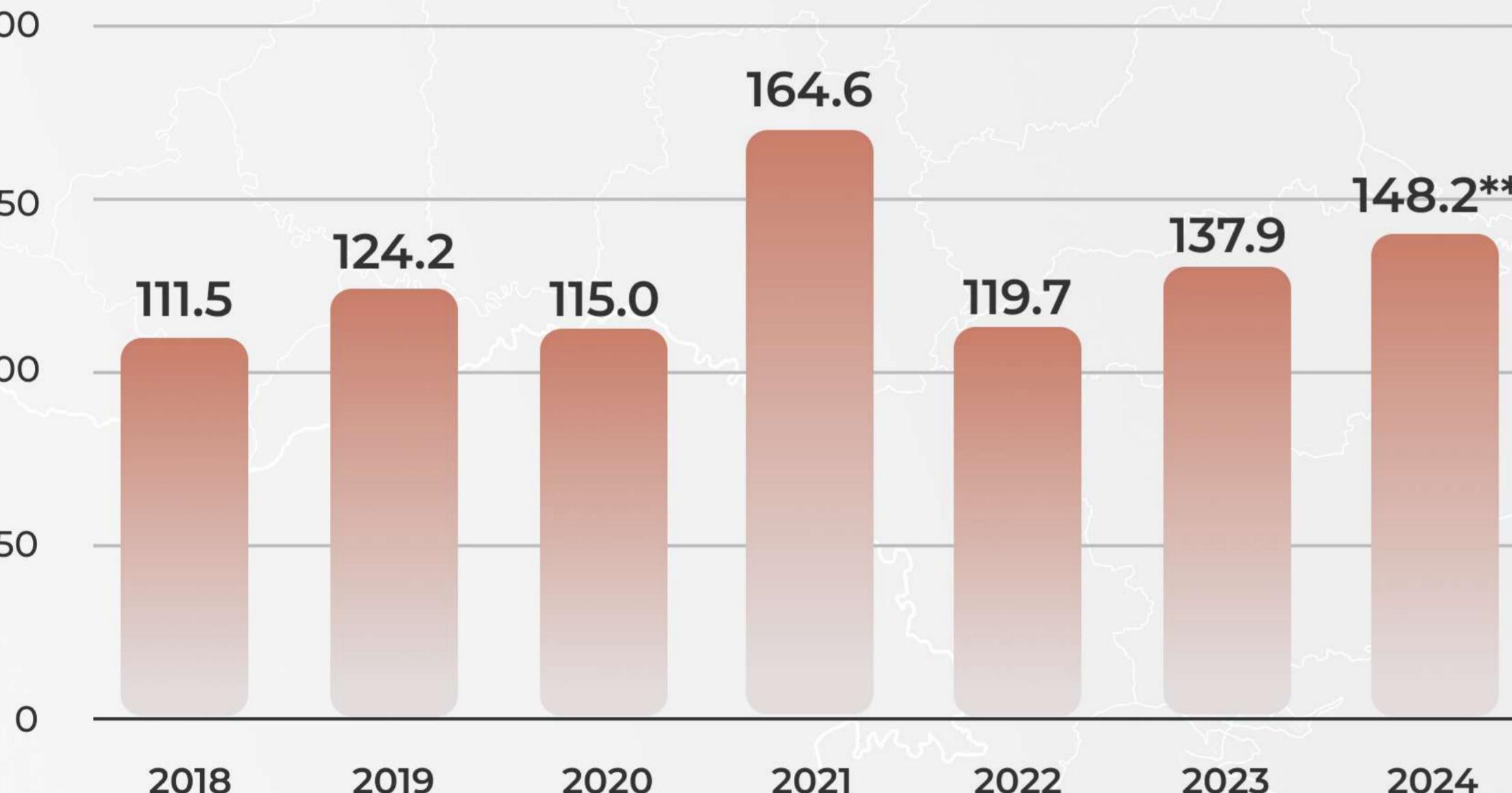
**1.60%**

# WOOD PROCESSING INDUSTRY OF UKRAINE



## Furniture Industry FDI snapshot

### FDI stock in furniture manufacturing, million USD\*



### FDI stock share in Ukraine's furniture industry, 2024\*\*



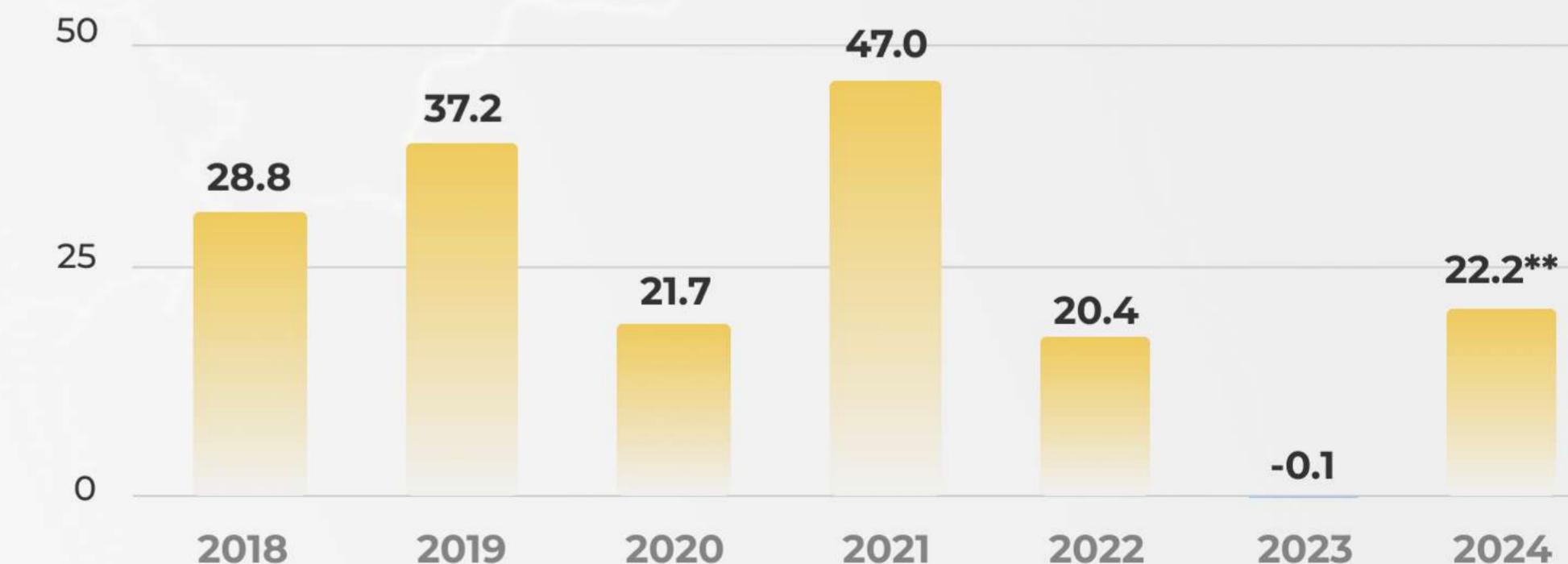
**~0.4%**

Relative to total  
investment stock across  
**all economic activities**

**~2%**

Relative to  
investment stock  
in **manufacturing**

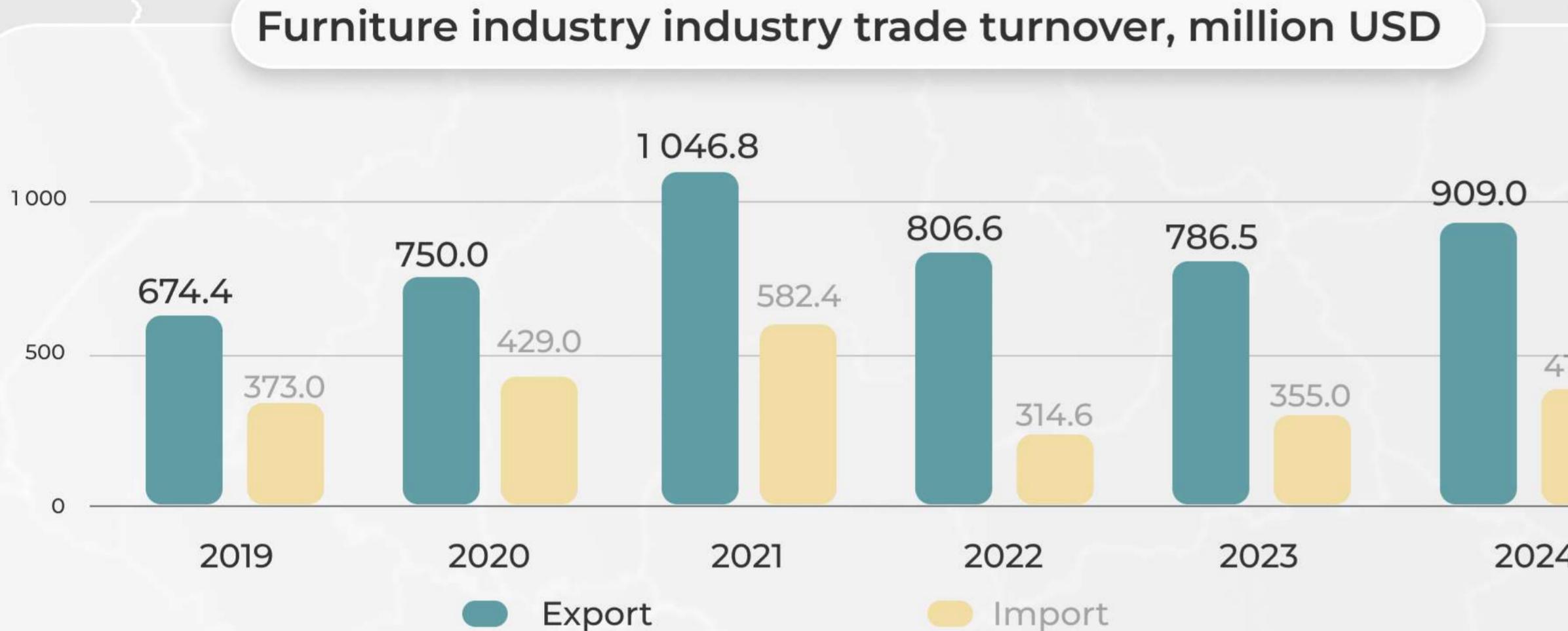
### FDI flows in furniture manufacturing, other products, repair and installation of machinery and equipment, million USD



# WOOD PROCESSING INDUSTRY OF UKRAINE



## Furniture\* industry exports



Exports of furniture products exceed imports

2.2%

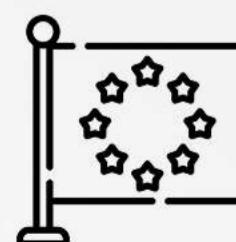
Share of furniture industry exports in total exports of Ukraine, 2024



Furniture products are among the top 10 Ukrainian exports in 2024

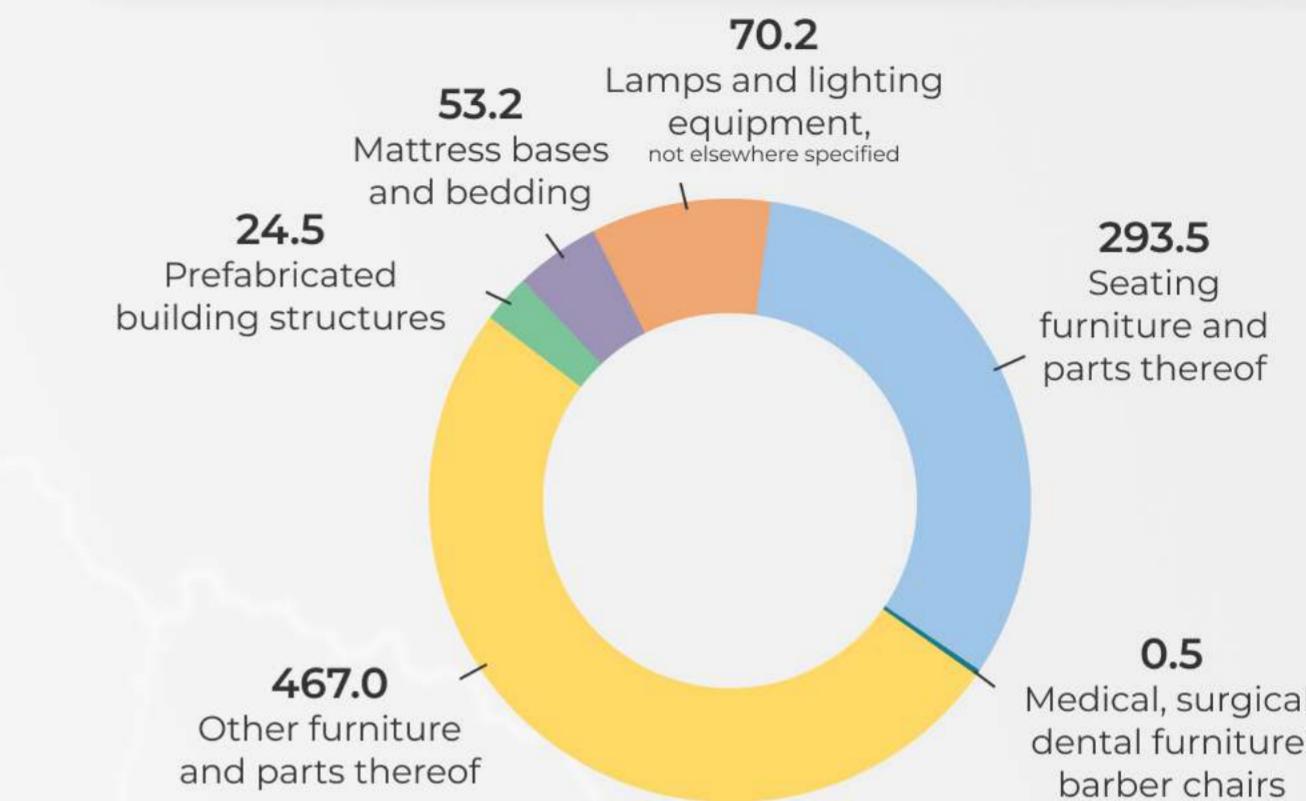


319.7 thousand tons  
Net import weight of furniture



The share of Ukrainian furniture exports to Europe in the total export volume is increasing

## Furniture export structure, million USD\*



## Export from Ukraine by country, million USD, 2024

1		Poland	271.0	6		Romania	36.3
2		Germany	181.9	7		Moldova	23.6
3		Austria	52.6	8		France	23.5
4		Belgium	49.6	9		United Kingdom	21.4
5		Denmark	45.0	10		Czech Republic	20.5

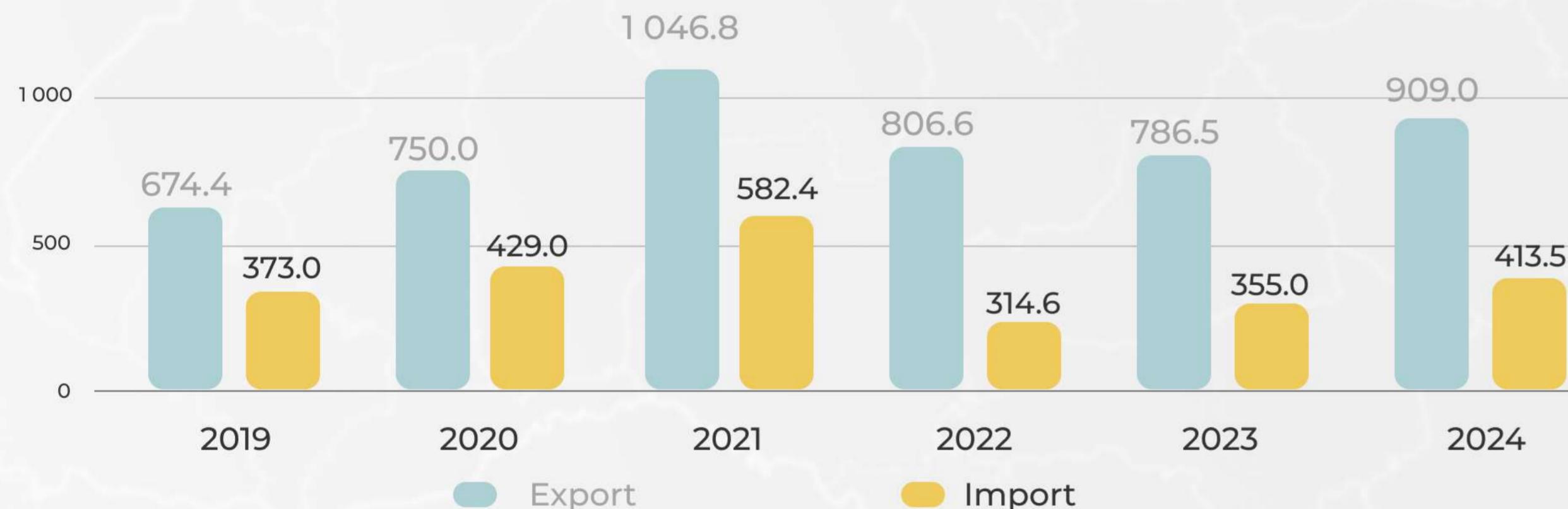
Poland (29.8%) and Germany (20%) account for nearly 50% of total furniture product exports

# WOOD PROCESSING INDUSTRY OF UKRAINE

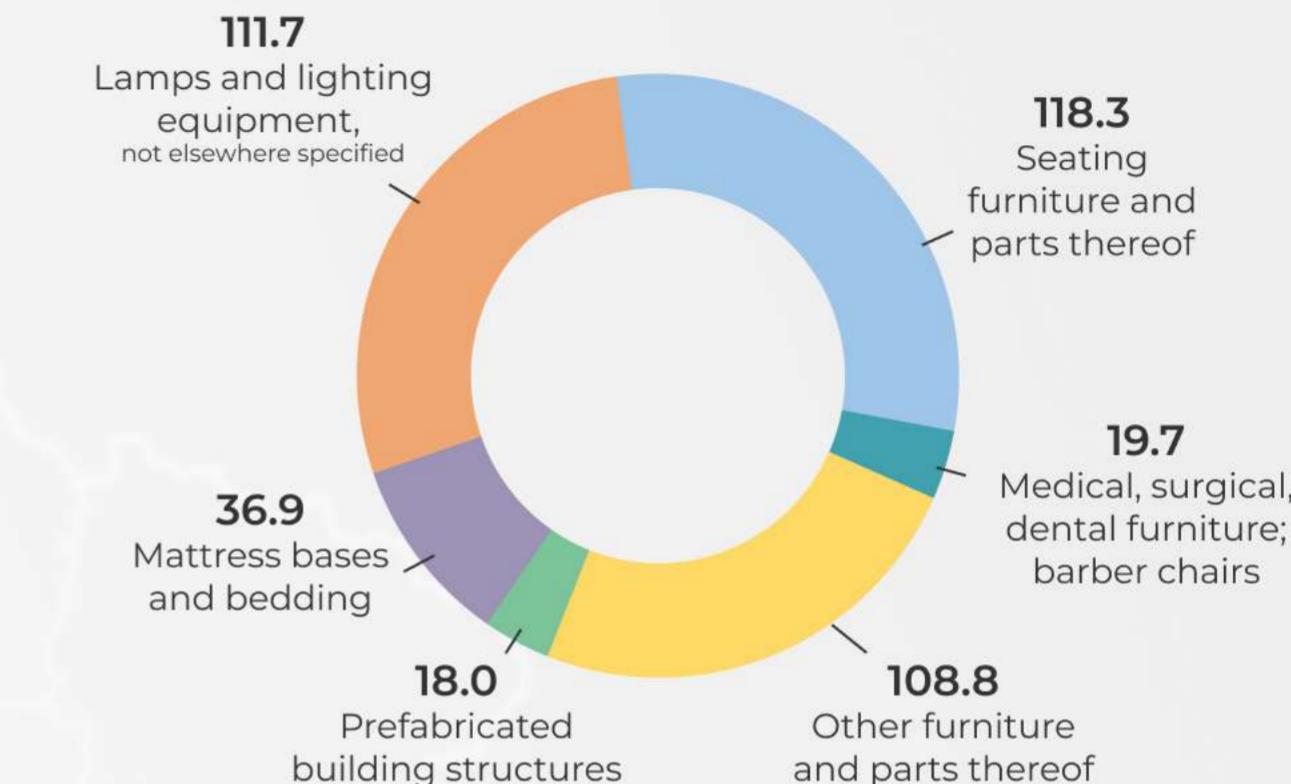


## Furniture\* industry import

### Furniture industry industry trade turnover, million USD



## Furniture import structure, million USD\*



## Import to Ukraine by country, million USD, 2024

1		China	236.7	6		Denmark	10.0
2		Poland	50.5	7		France	7.8
3		Italy	25.0	8		Spain	6.4
4		Turkey	18.9	9		Netherlands	4.8
5		Germany	13.6	10		India	4.5

Source: State Customs Service of Ukraine

\* - chapter 94 of the UCGFEA - Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; luminaires and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings

# WOOD PROCESSING INDUSTRY OF UKRAINE



## Furniture industry specialists and companies

Higher education institutions in Ukraine specializing in wood processing and furniture technologies



State Biotechnological University

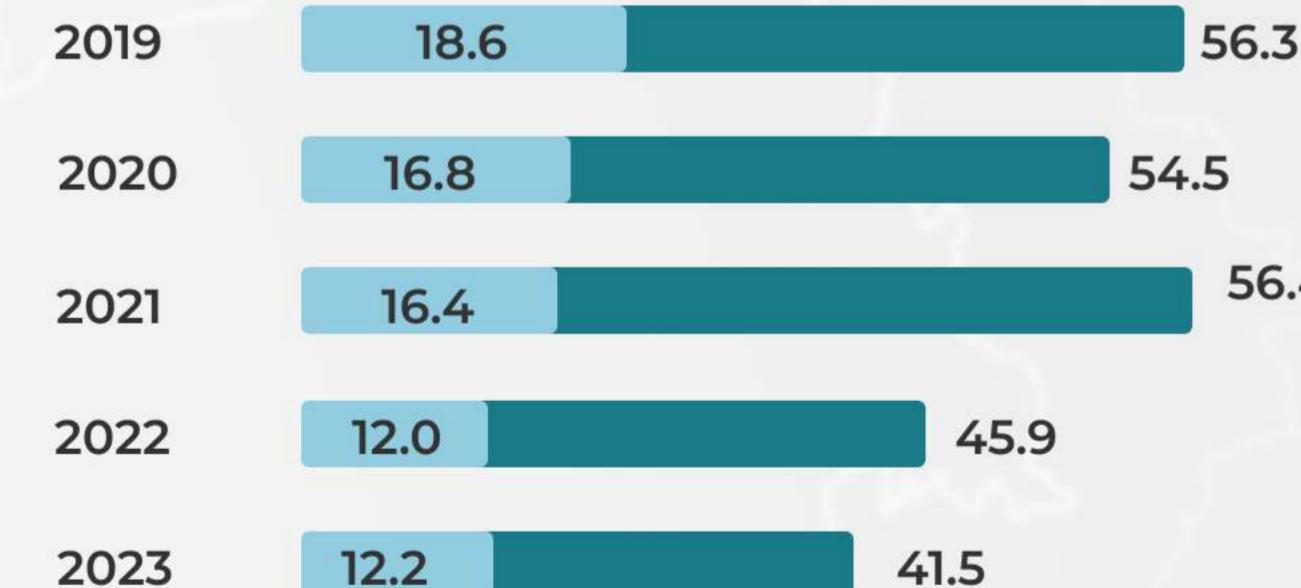


Lutsk National Technical University



Ukrainian National Forestry University

### Number of employees in the furniture industry, thousand persons



0.56%

Share of employees across all sectors

Total

Individual entrepreneurs



## Ukrainian Association of Furniture Manufacturers

A nationwide professional organization of entrepreneurs and companies operating in the furniture market. The UAFM serves as a center for the creation and development of furniture clusters and is a leading hub for expertise and industry education, uniting about 90% of companies in the furniture sector

### Largest furniture manufacturing companies in Ukraine by revenue, 2024\*

Nº	Name	Region
1	Modern Expo	Volyn region
2	Mebel Service	Lviv region
3	Accord Import	Khmelnytskyi region
4	Sofro	Lviv region
5	Morgan Feniche	Rivne region



662 USD\*\*

Average monthly salary for the furniture sector as of June 2025

# WOOD PROCESSING INDUSTRY 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**

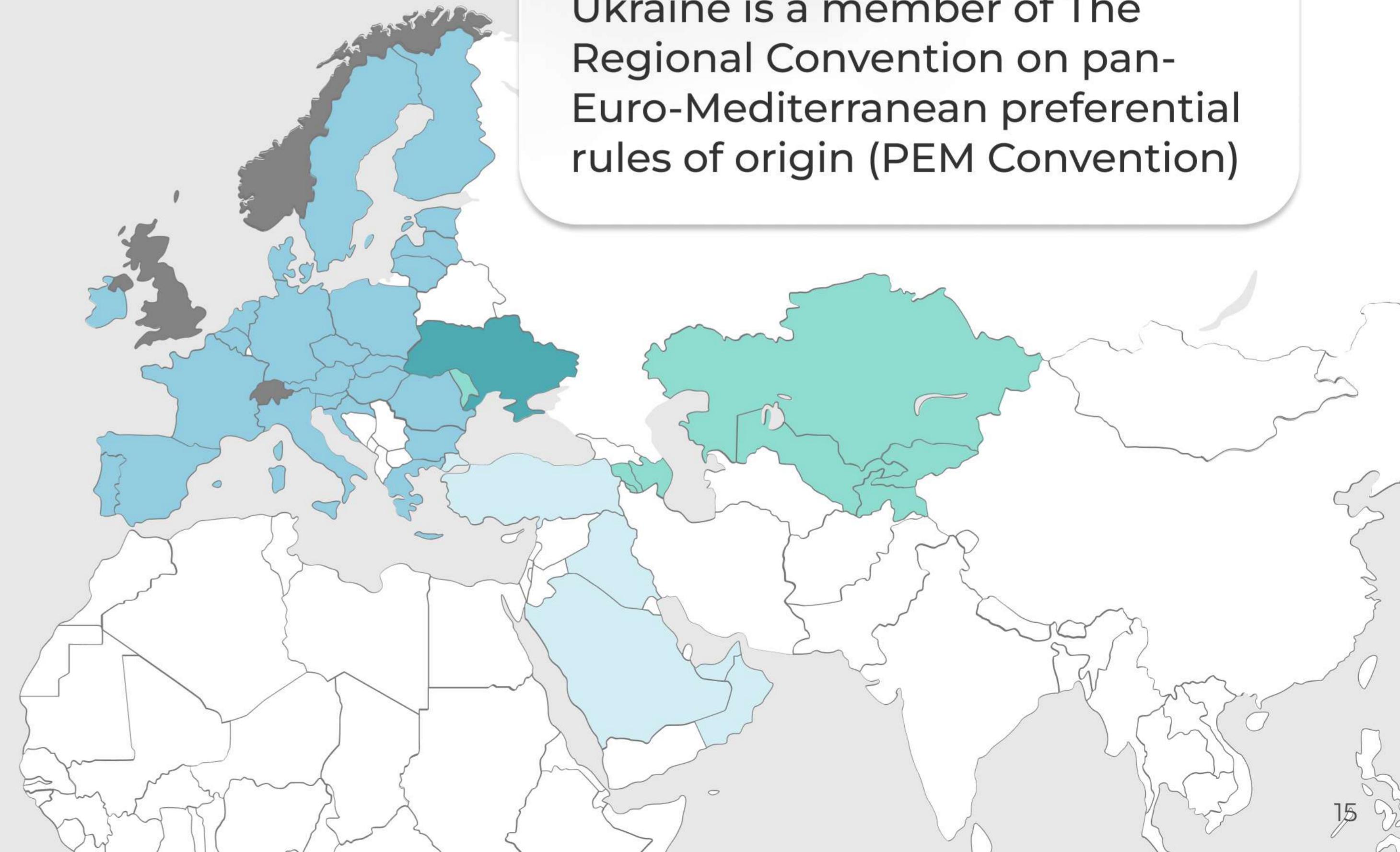
About **6 mln** Ukrainian refugees were registered in Europe as of 1H 2024

**PR  
ZO  
RR**

The sale of timber through the Prozorro system provides a transparent and competitive mechanism for the sale of forest resources in Ukraine

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)



# INVESTMENT INCENTIVES



## Significant investments

### REQUIREMENTS FOR INVESTMENT PROJECT



**12+ EUR mln**  
of investment



**10+**  
of new jobs



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



**construction,  
modernization**  
technical and/or  
technological  
reequipment of objects

### FORMS OF SUPPORT



**CIT exemption\***  
(for 5 years by  
choice)



**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**  
(highways, communication  
lines, utilities, etc.).



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



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



**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 field of extraction for the purpose of further processing and/or enrichment of natural resources.  
\*\* List and volume of equipment is approved by the CMU for each project.  
\*\*\* The applicant, not earlier than 18 months before the date of submission of the application to the authorized body, may make investments in investment facilities in the amount not exceeding 30% of the total amount of significant investments required for the implementation of an investment project with significant investments

# INVESTMENT INCENTIVES



## 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



**Guide: State support for Industrial Parks**

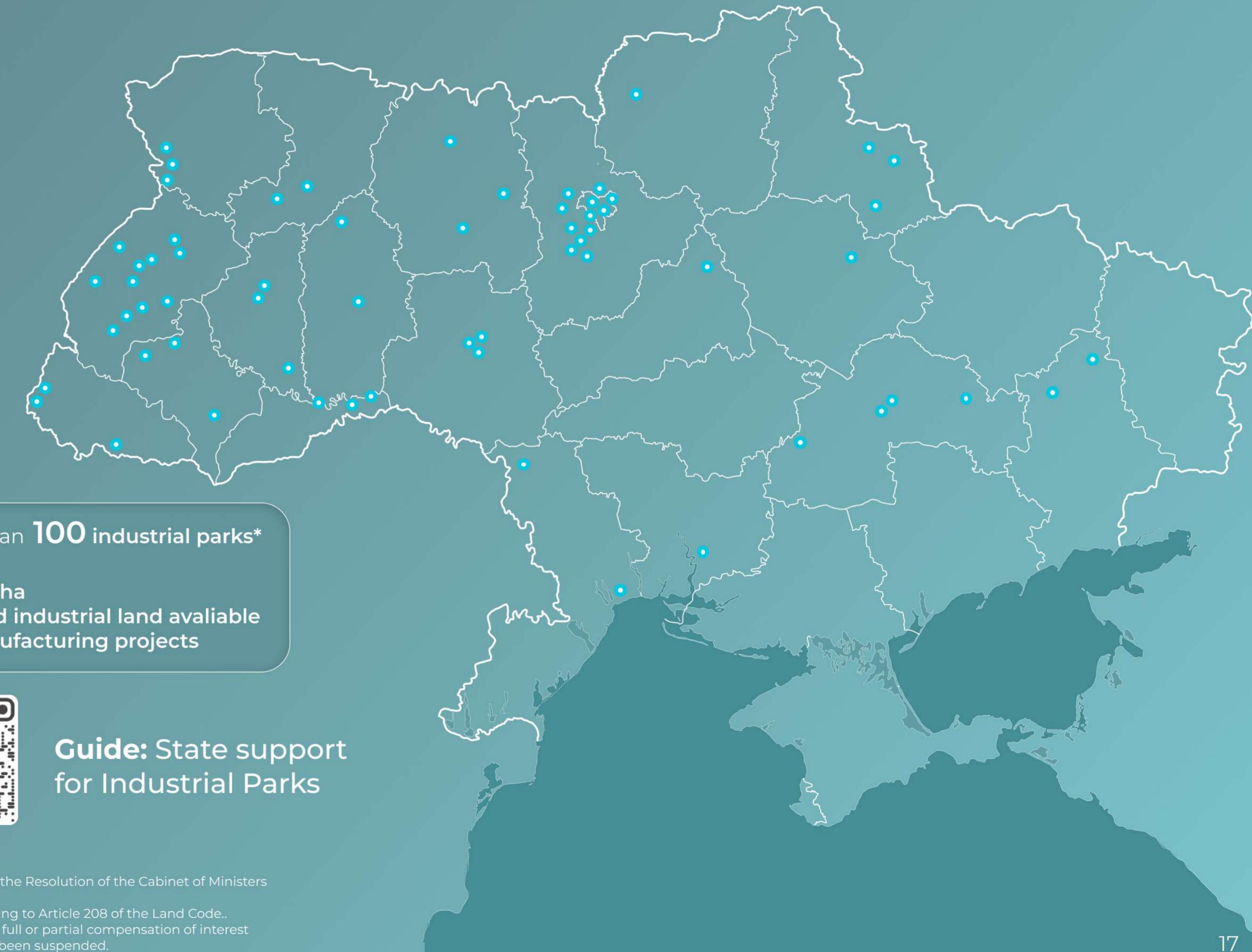
\* - Provided to managing companies and initiators of creation of industrial parks.

\*\* - 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.

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.



# INVESTMENT INSURANCE

U



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**

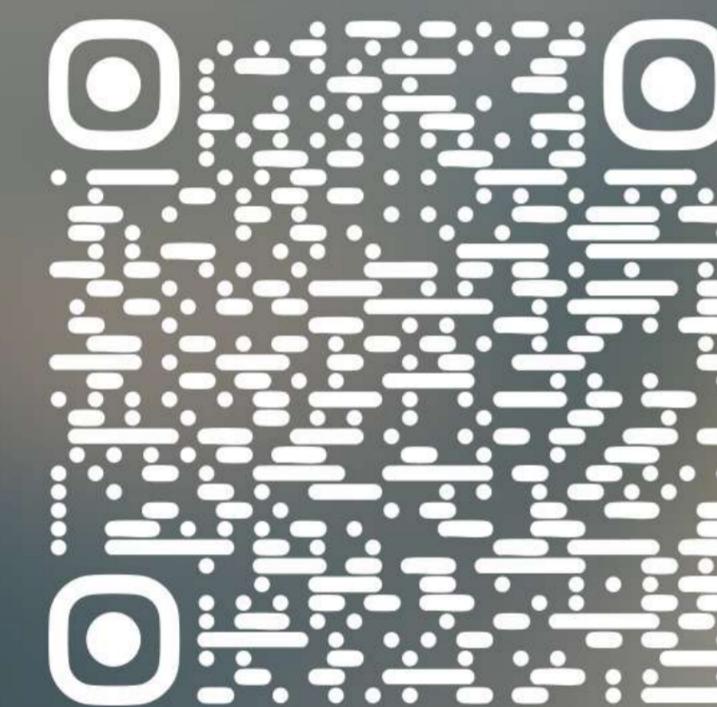
Property insurance against war risks: **2024**  
 Implemented cases: **Grain elevators**



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**

## YOUR INVESTMENT MATTERS

- 📞 +38 098 567 88 99
- ✉️ info@ukraineinvest.gov.ua
- 🌐 www.ukraineinvest.gov.ua/en
- 📍 Muzeinyi Ln, 12 Kyiv, Ukraine, 01008