

Ukraine Invest

YOUR INVESTMENT MATTERS

INVESTMENT OPPORTUNITIES IN THE WOOD PROCESSING INDUSTRY OF UKRAINE

WOOD PROCESSING INDUSTRY OF UKRAINE



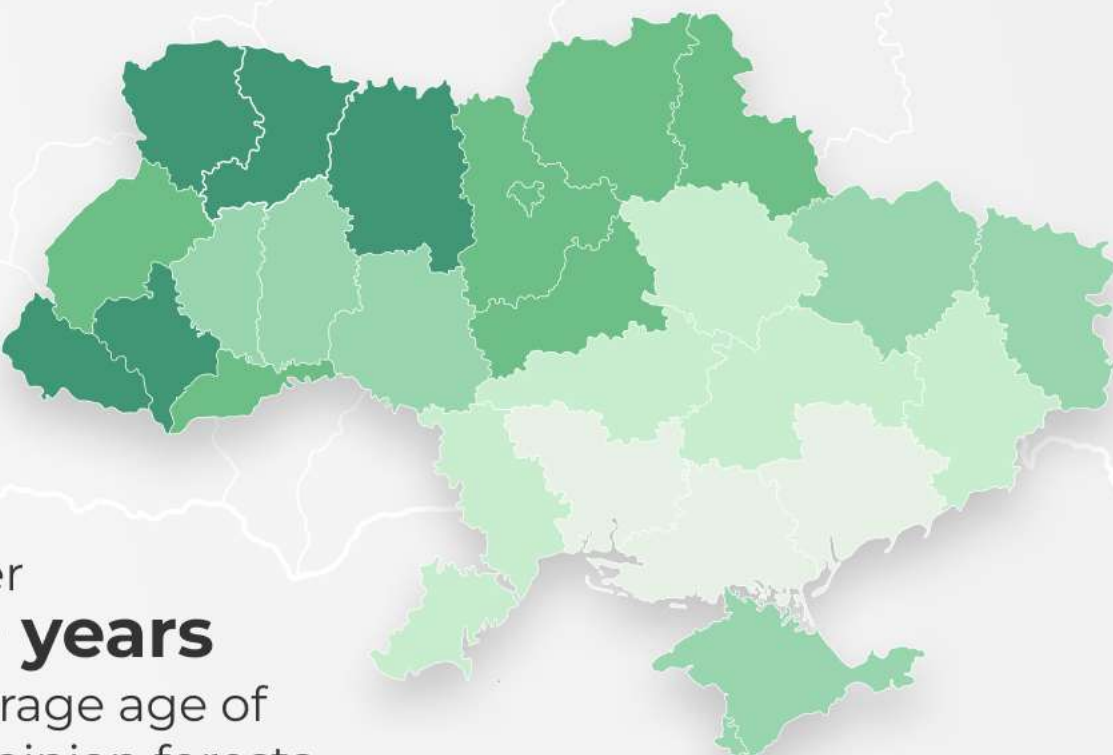
Ukrainian forest resources

10.4 million ha
Total area of forest plots

of which

9.6 million ha
are covered by forest vegetation

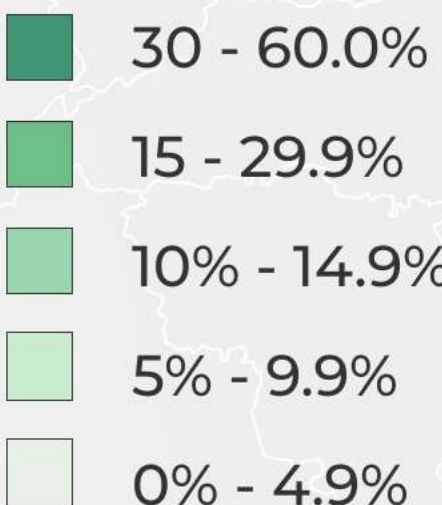
Ukraine's forest cover by
administrative-territorial units



Over
60 years
Average age of
Ukrainian forests



15.9%
Forest cover of
Ukraine's territory



Ukraine ranks among the top 10 in Europe:

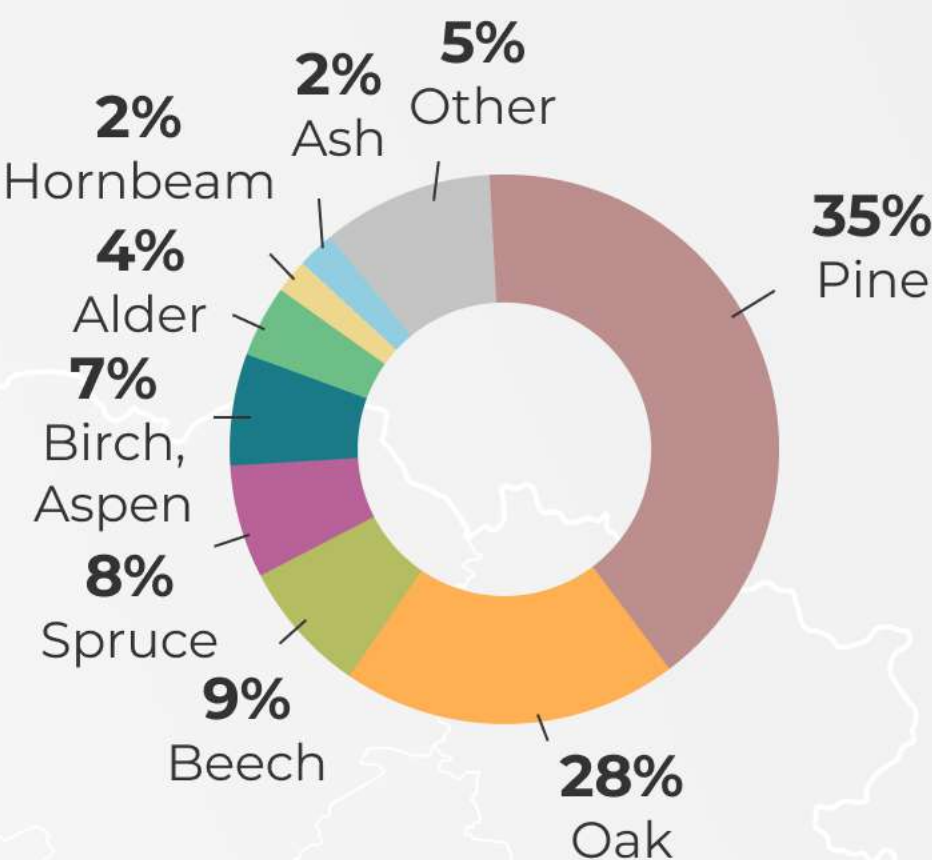


in timber
reserves



in forest
area

Forest structure of Ukraine by tree species



Ukraine's forests are
composed of over
30 tree species



**2.3
million m³**

Total timber
volume in
Ukraine

which
amounts to
approximately

**235 m³
per ha**



and ranks
10th in
Europe



Around
20%

of Ukrainian forests are inaccessible
due to temporary Russian
occupation, mine contamination,
and active hostilities



**35
million m³**

Annual
timber
increment

**~15
million m³**

Annual timber
harvesting



which amounts
to approximately
~40%

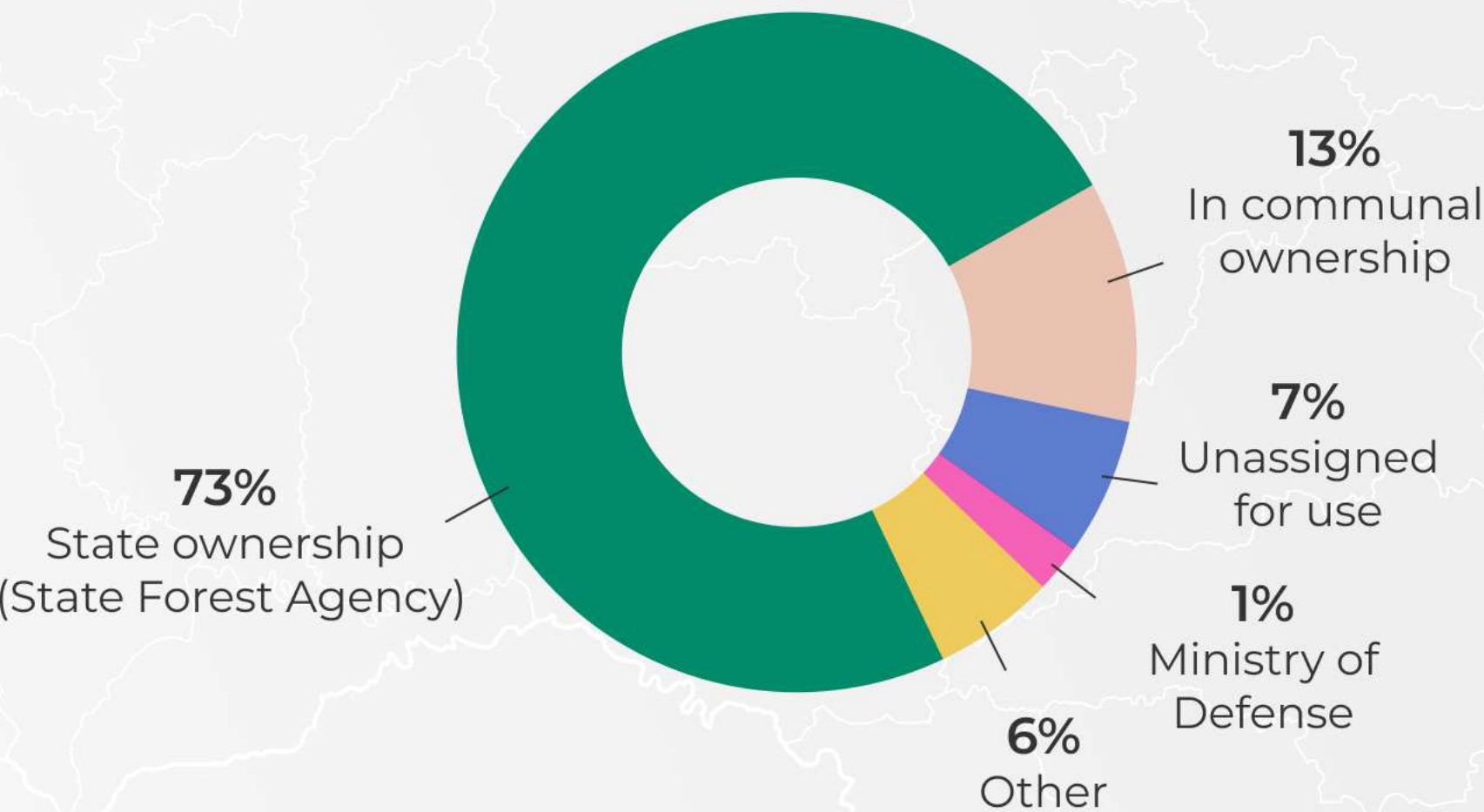
of the annual increment and
confirms the significant economic
and environmental potential of
Ukraine's forests

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 m³ or **62.3**
million USD*
(excluding VAT)

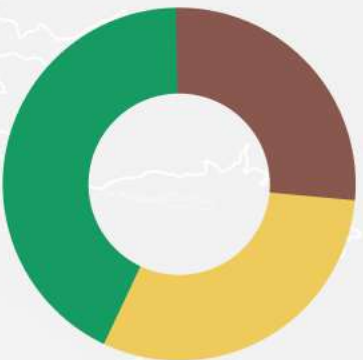


45 USD* per m³
Average unit price of sold
timber (excluding VAT)

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 m³
- Industrial firewood – 3.8 million m³
- Non-industrial firewood – 3.0 million m³



Harvest volume by tree species

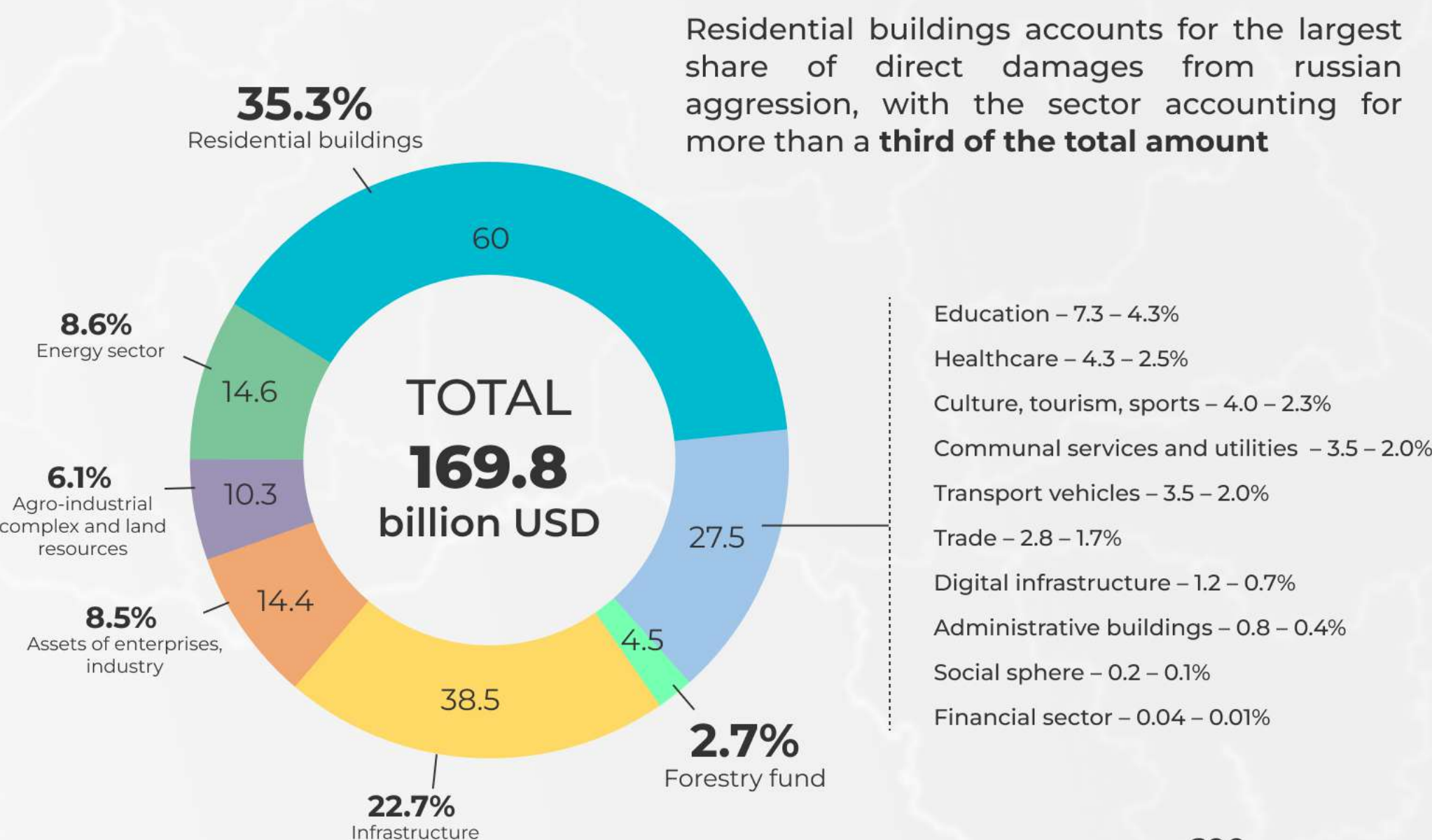
- Conifers – 7.5 million m³
- Hardwoods – 3.8 million m³
- Softwoods – 1.3 million m³

WOOD PROCESSING INDUSTRY OF UKRAINE

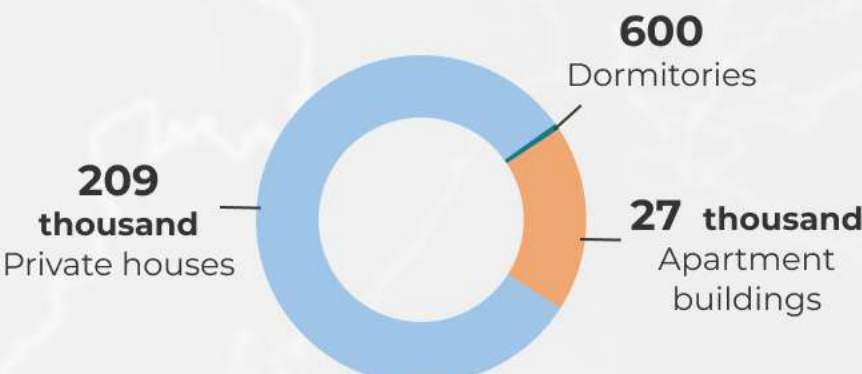


Damages* and reconstruction needs

Direct damages by sector, billion USD



 **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

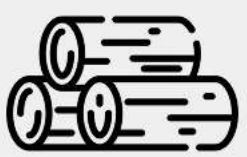
Direct damage to forests



4.5 billion USD

Damages to forest resources due to wildfires

which corresponds to



83 million m³ of timber



Around **300 thousand ha**

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

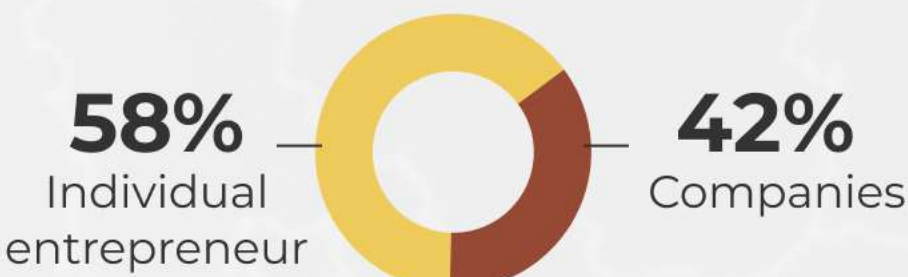
WOOD PROCESSING INDUSTRY OF UKRAINE



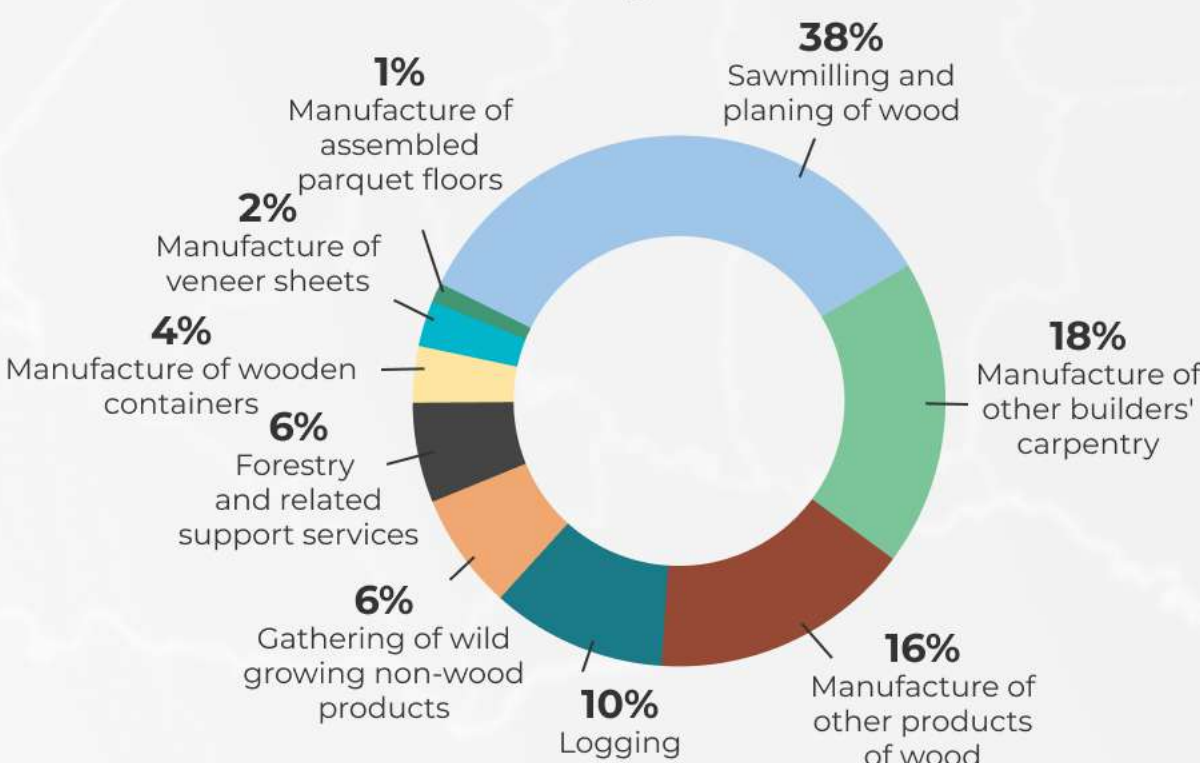
Wood processing industry overview in Ukraine



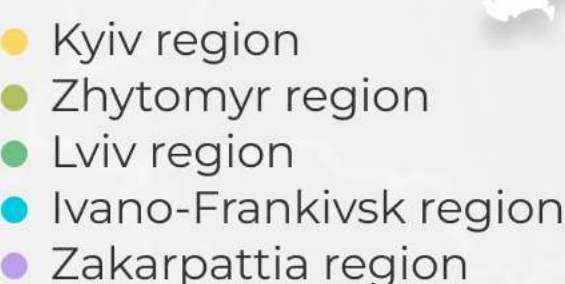
26 000+
operators, 2024*



Structure by NACE codes



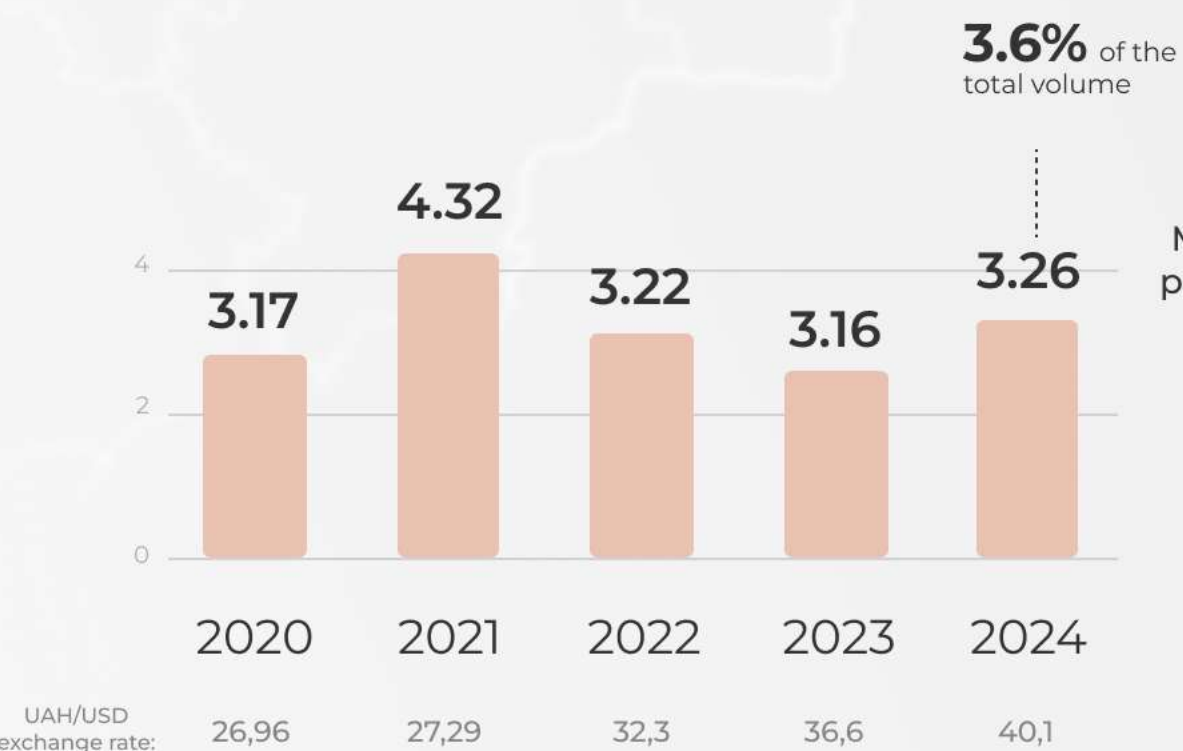
Most by region



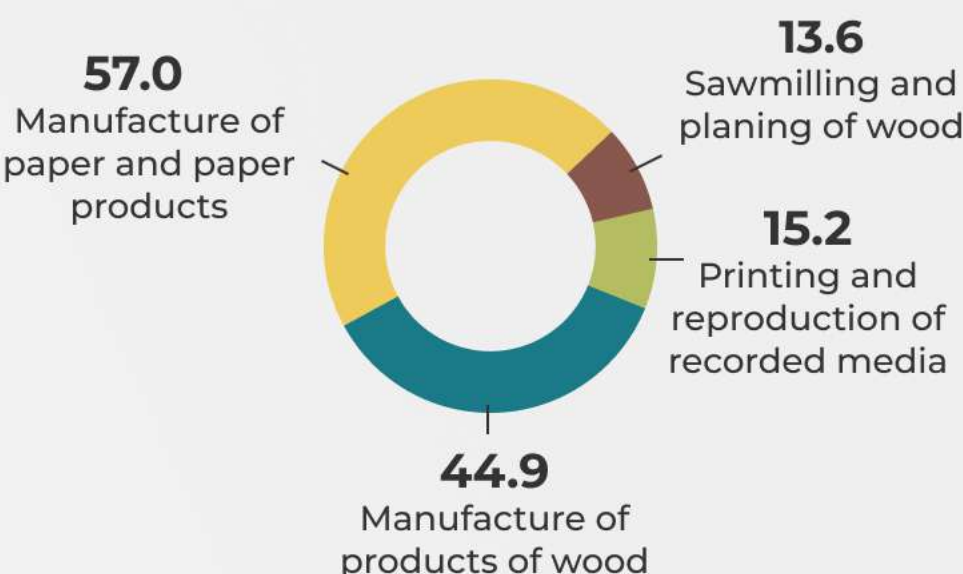
Foreign direct investment in selected industrial sectors, million USD, 2024



Industrial production volume, billion USD**



By categories, 2024



Employees, thousand persons, 2023

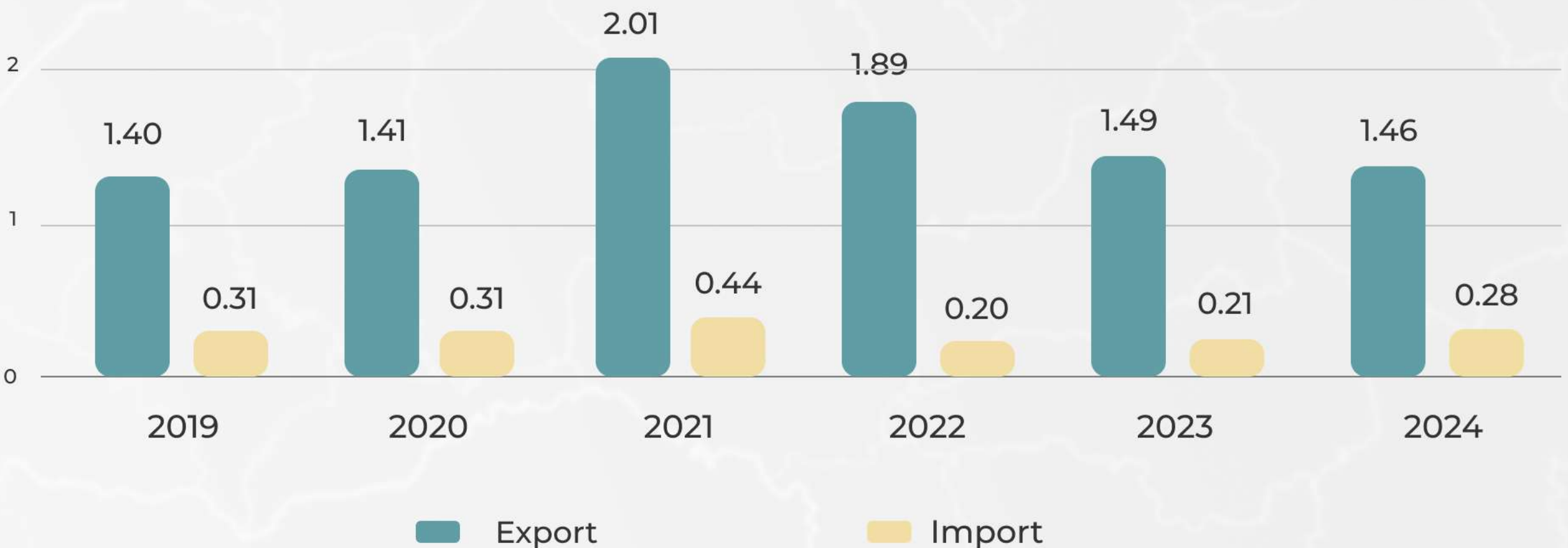


WOOD PROCESSING INDUSTRY OF UKRAINE



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

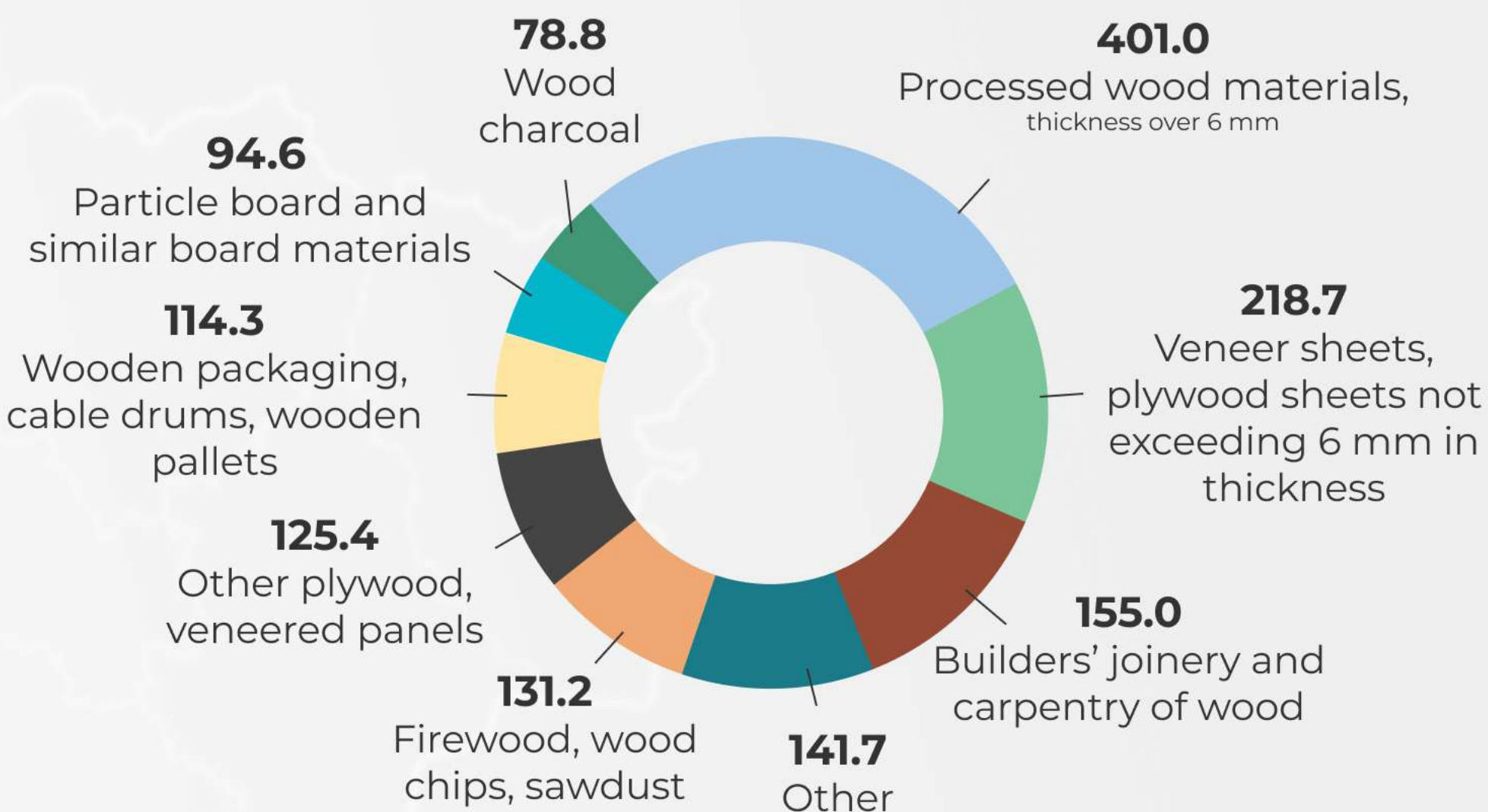


Ukraine's ranking in global wood product exports, 2024**



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**

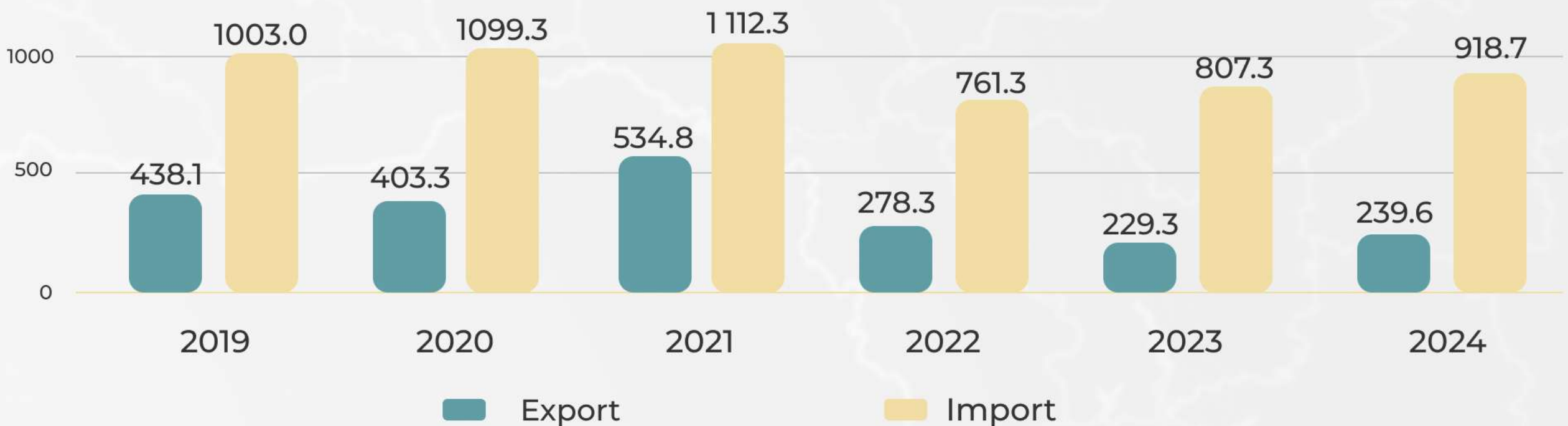
manufacturing **50 varieties of paper** and more than **20 types of cardboard**

34%
Individual
entrepreneur



66%
Companies

Pulp and paper industry trade turnover, million USD



0.58%

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



1.3%



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

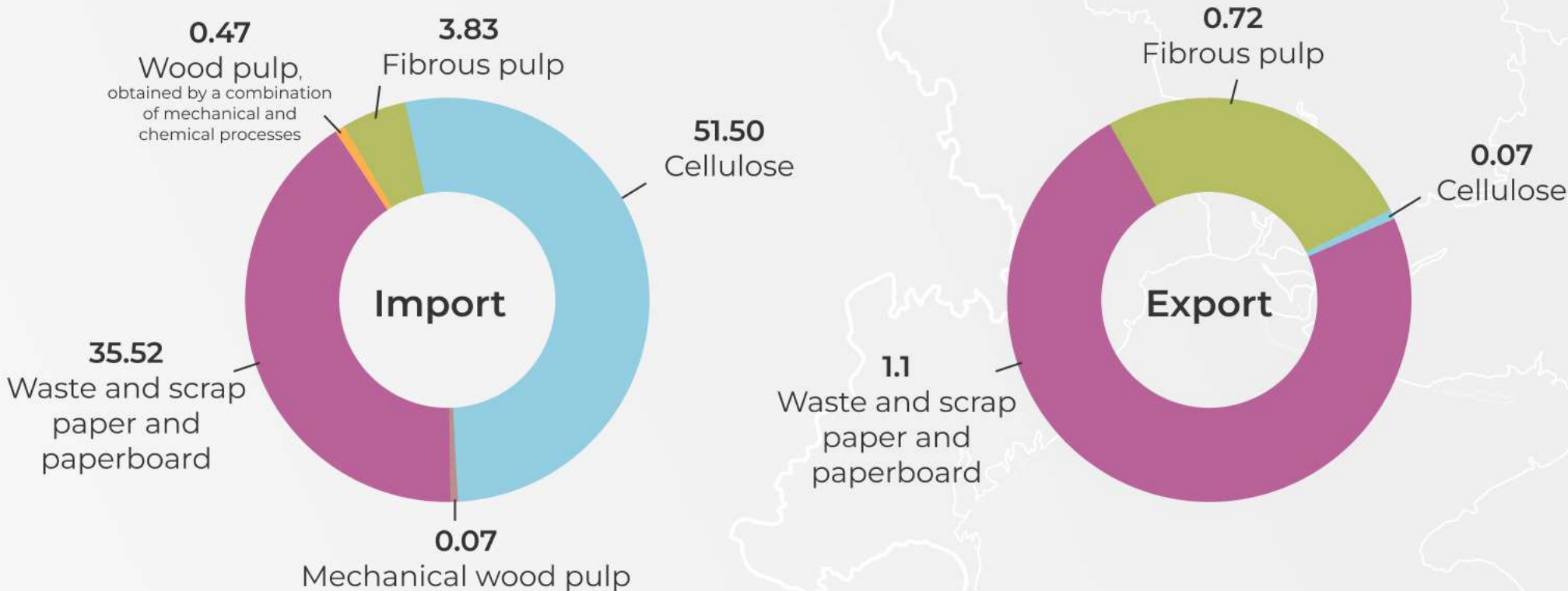


Pulp and paper* industry

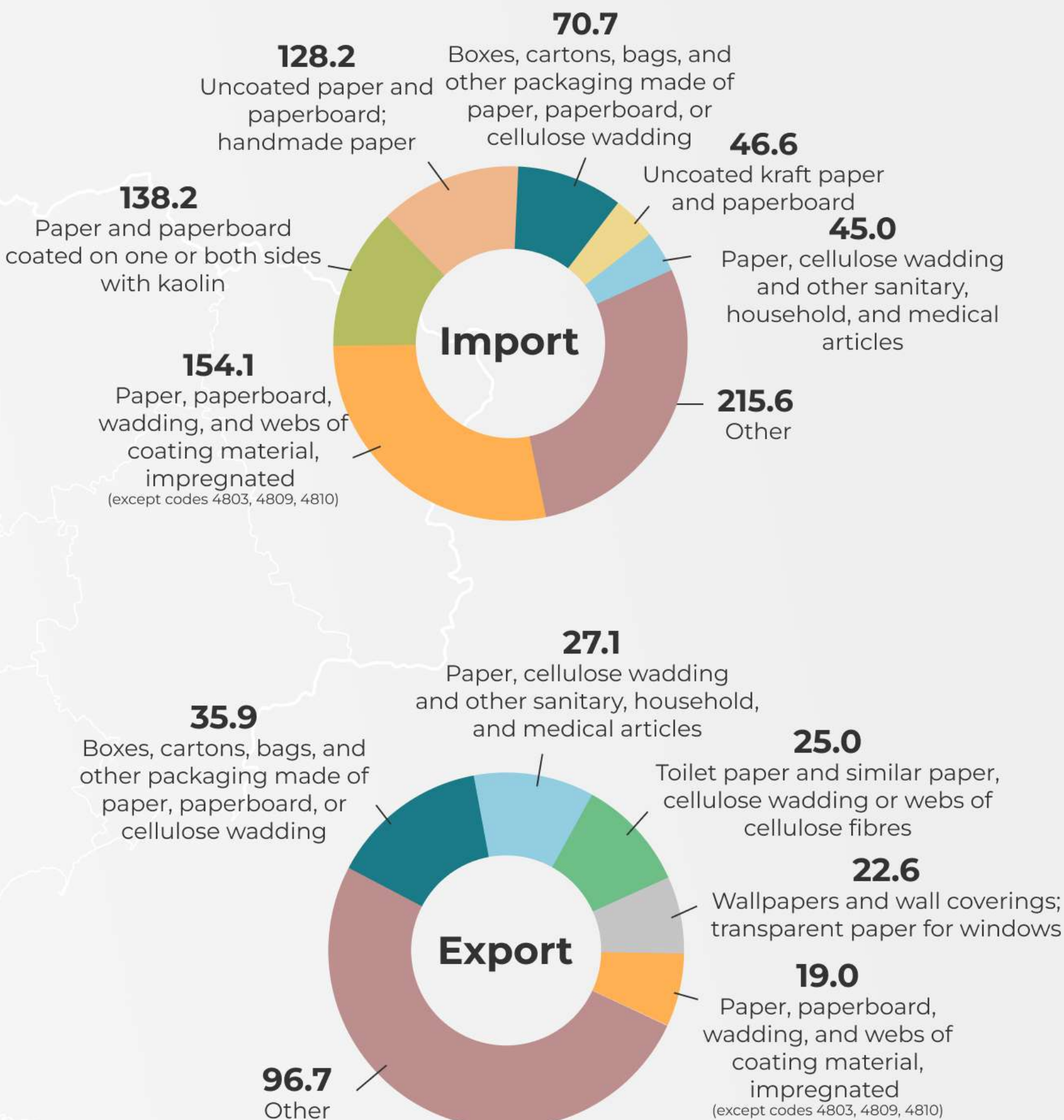
Trade turnover structure, million USD, 2024



Turnover structure of wood or cellulose pulp¹, million USD, 2024



Turnover structure of paper and cardboard; products made from them², 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 "CHYHYRYSKE"	<div></div>	Cherkasy
STATE SPECIALIZED ENTERPRISE "FORESTS OF UKRAINE"	<div></div>	Kyiv
LLC "KRONOSPAN UA"	<div></div>	Volyn
LLC "SWISS KRONO"	<div></div>	Lviv
LLC "KRONOSPAN RIVNE"	<div></div>	Rivne
LLC "BARLINEK INVEST"	<div></div>	Vinnytsia
LLC "ODEK" UKRAINE	<div></div>	Rivne
LLC "KOROSTEN MDF PLANT"	<div></div>	Zhytomyr
LLC "SWISSPAN LIMITED"	<div></div>	Rivne
LLC "TSUNAMI"	<div></div>	Volyn

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

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

WOOD PROCESSING INDUSTRY OF UKRAINE



Furniture industry overview in Ukraine*

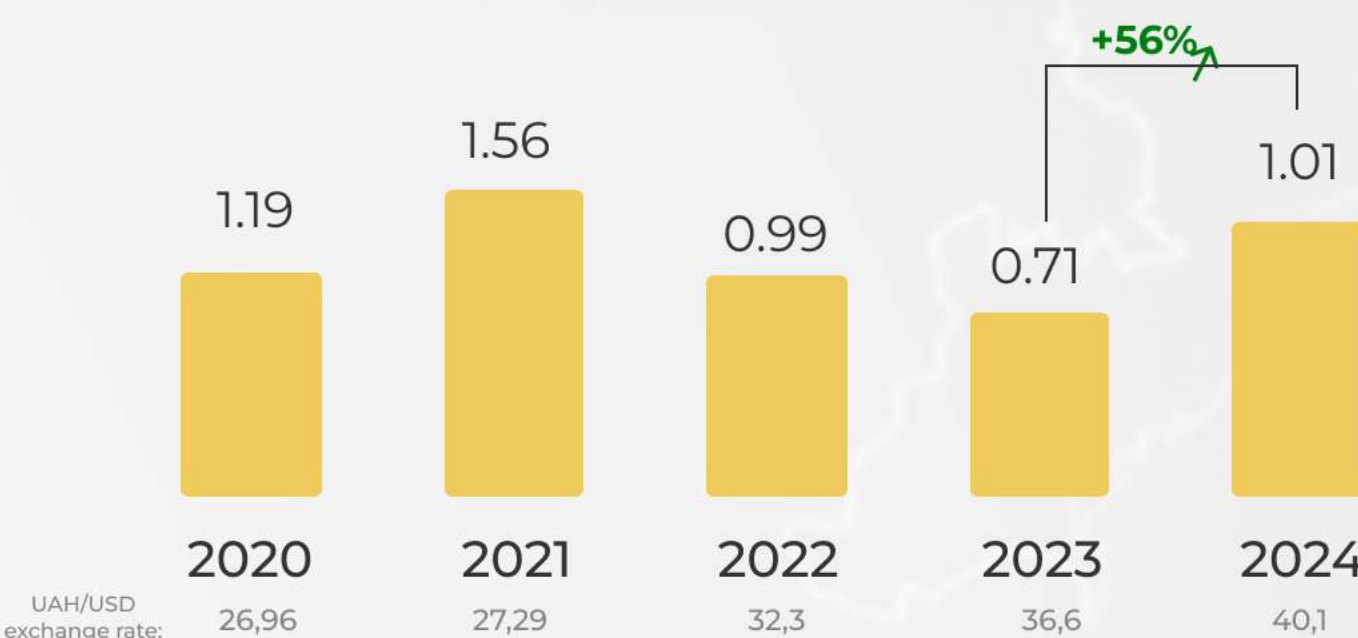


Ukraine ensures full-cycle production in the furniture manufacturing sector – from timber harvesting to the production of specialized wood-based panels and finished furniture products

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



Furniture sector revenue, billion USD



11 800+
operators, 2024



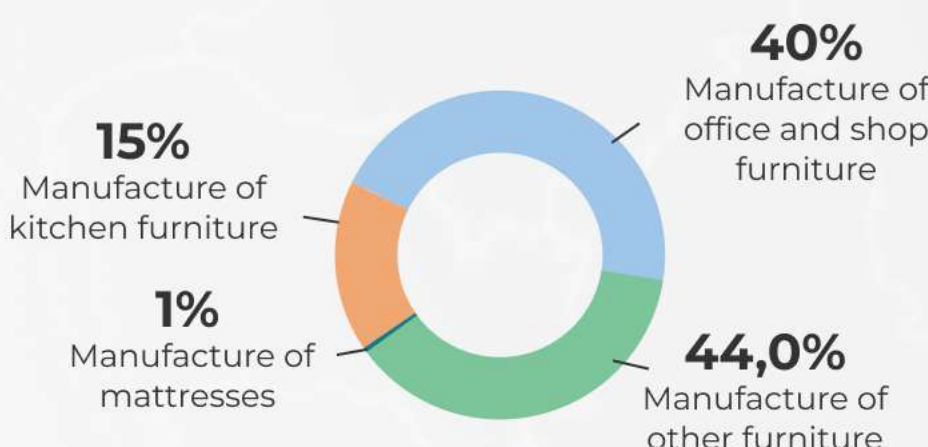
More than
3 000
enterprises

that
create



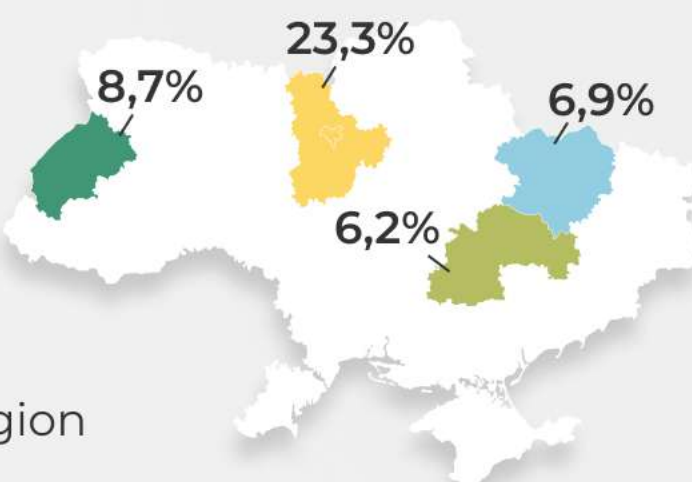
More than
10 000
workplaces

Structure of operators by NACE code



Most by region

- Kyiv region,
- Lviv region,
- Kharkiv region,
- Dnipropetrovsk region



Furniture industry taxes, billion USD***

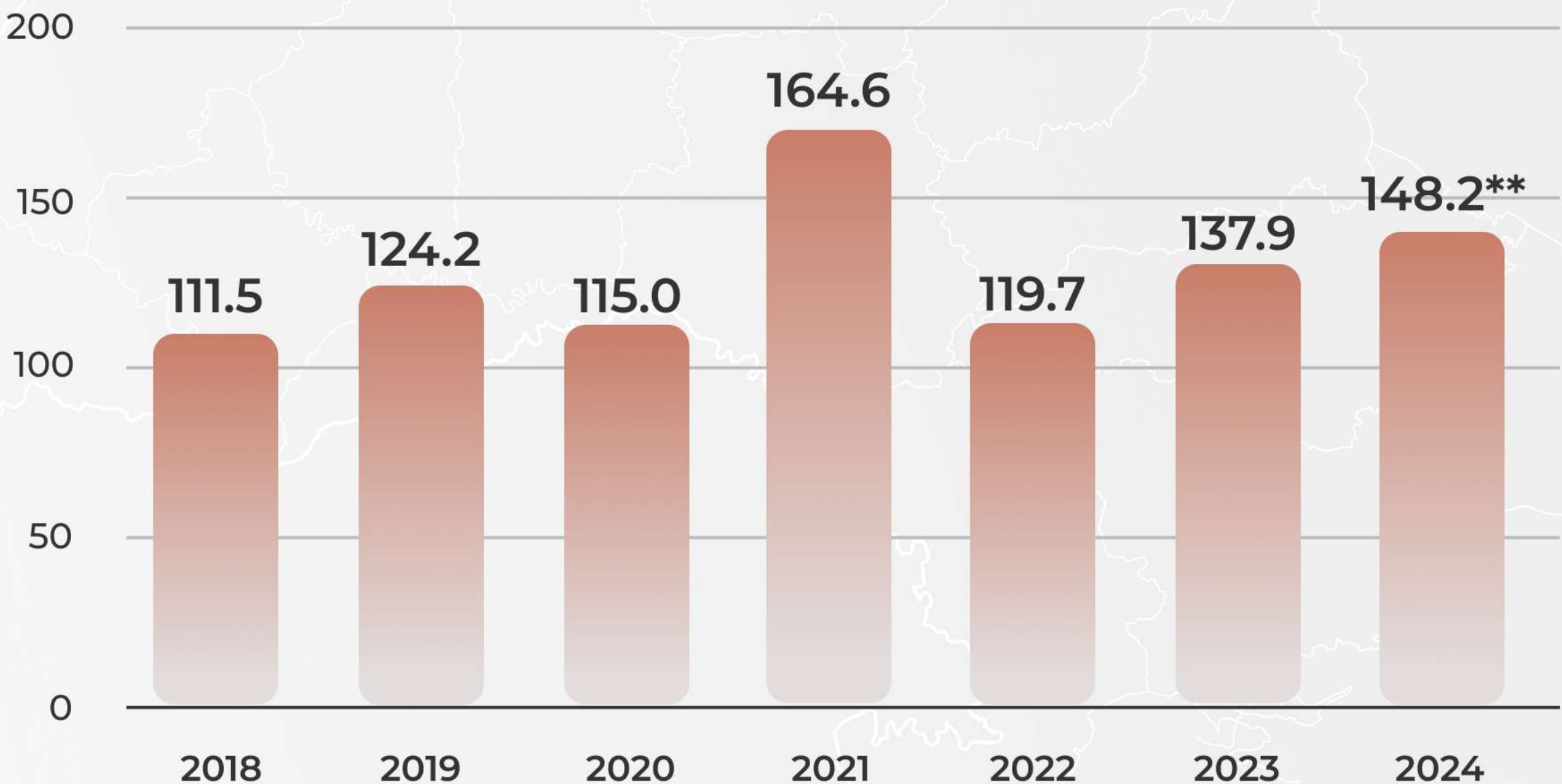


WOOD PROCESSING INDUSTRY OF UKRAINE



Furniture Industry FDI snapshot

FDI stock in furniture manufacturing, million USD*



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



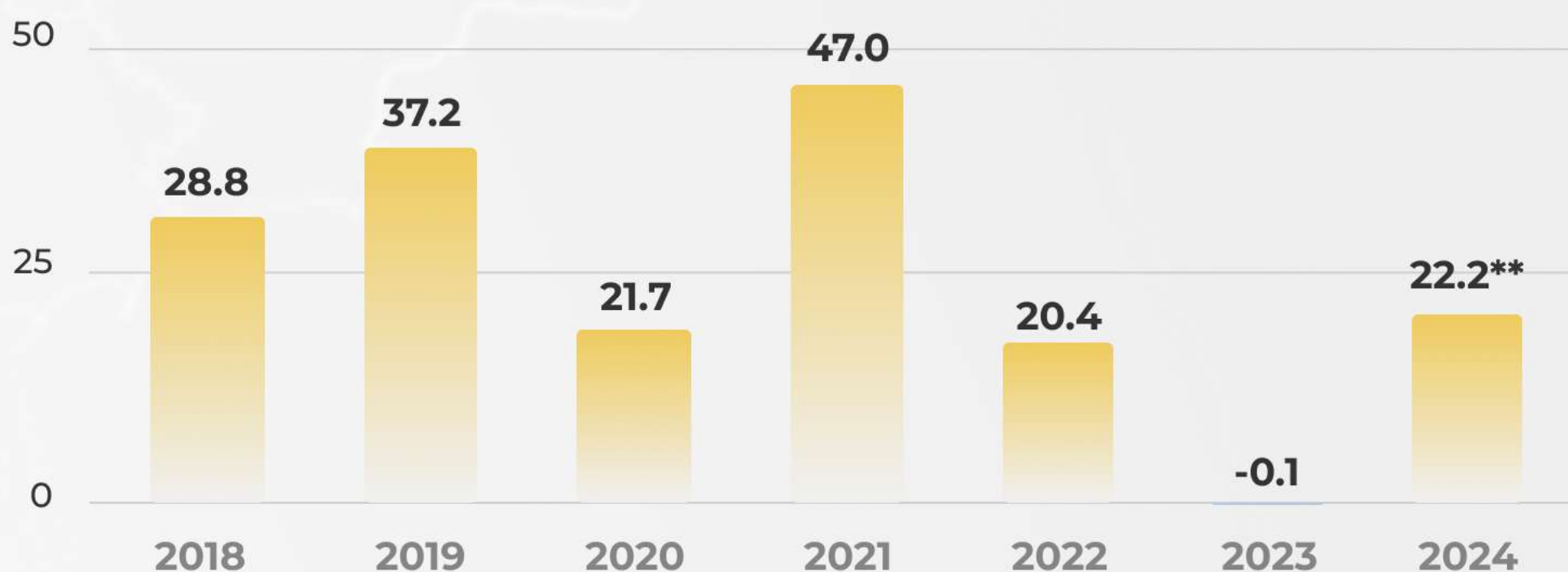
~0.4%

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

Furniture industry industry trade turnover, million USD



Exports of furniture products exceed imports



2.2%

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

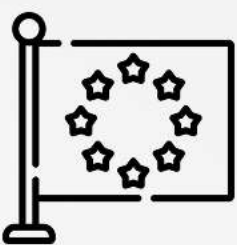


Furniture products are among the **top 10** Ukrainian exports in 2024



319.7
thousand tons

Net import weight of furniture



90%
2018

91%
2019

93%
2020

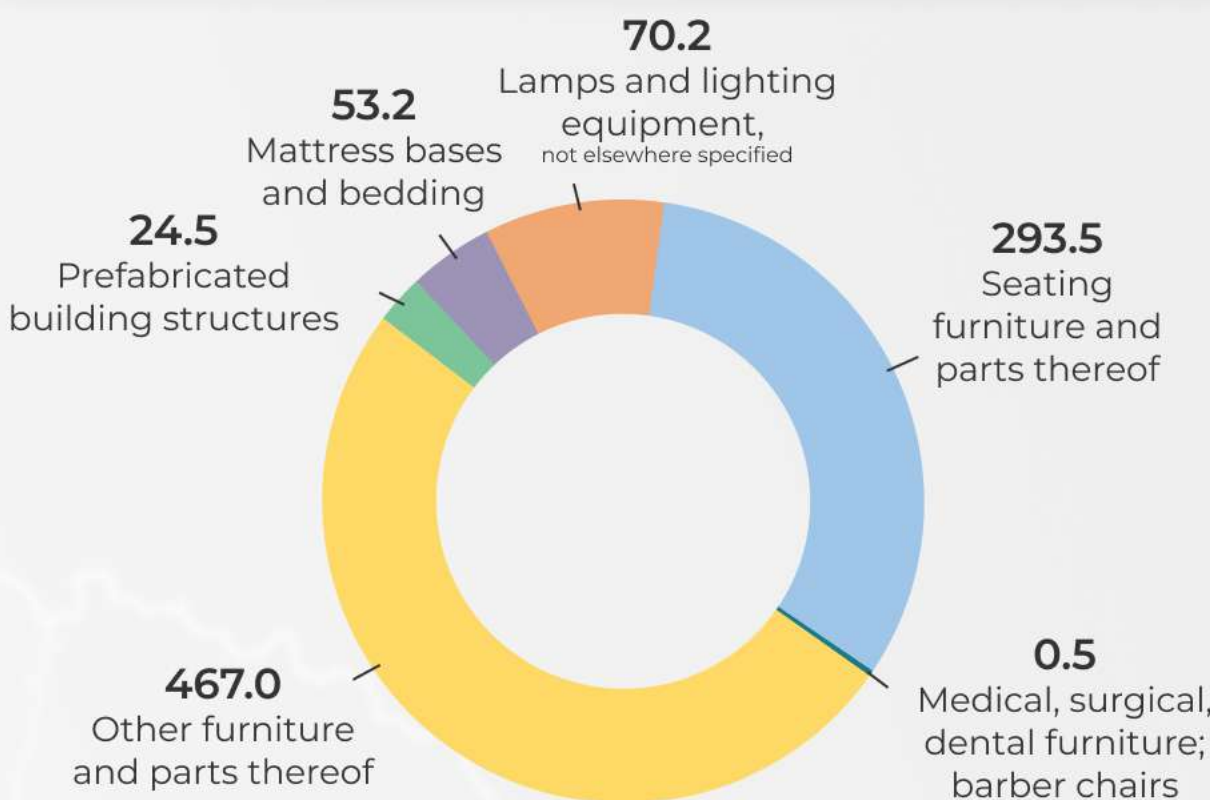
93%
2021

95%
2022

96%
2023

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

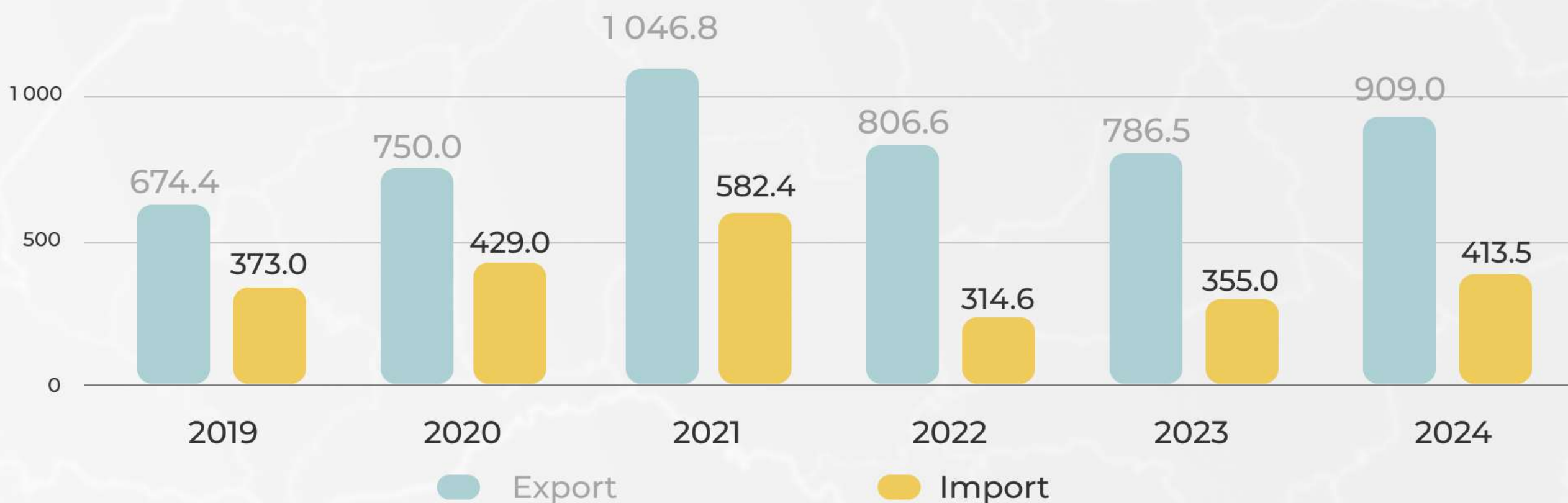
Poland (29.8%) and Germany (20%) account for nearly 50% of total furniture product exports

WOOD PROCESSING INDUSTRY OF UKRAINE



Furniture* industry import

Furniture industry industry trade turnover, million USD



0.6%

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

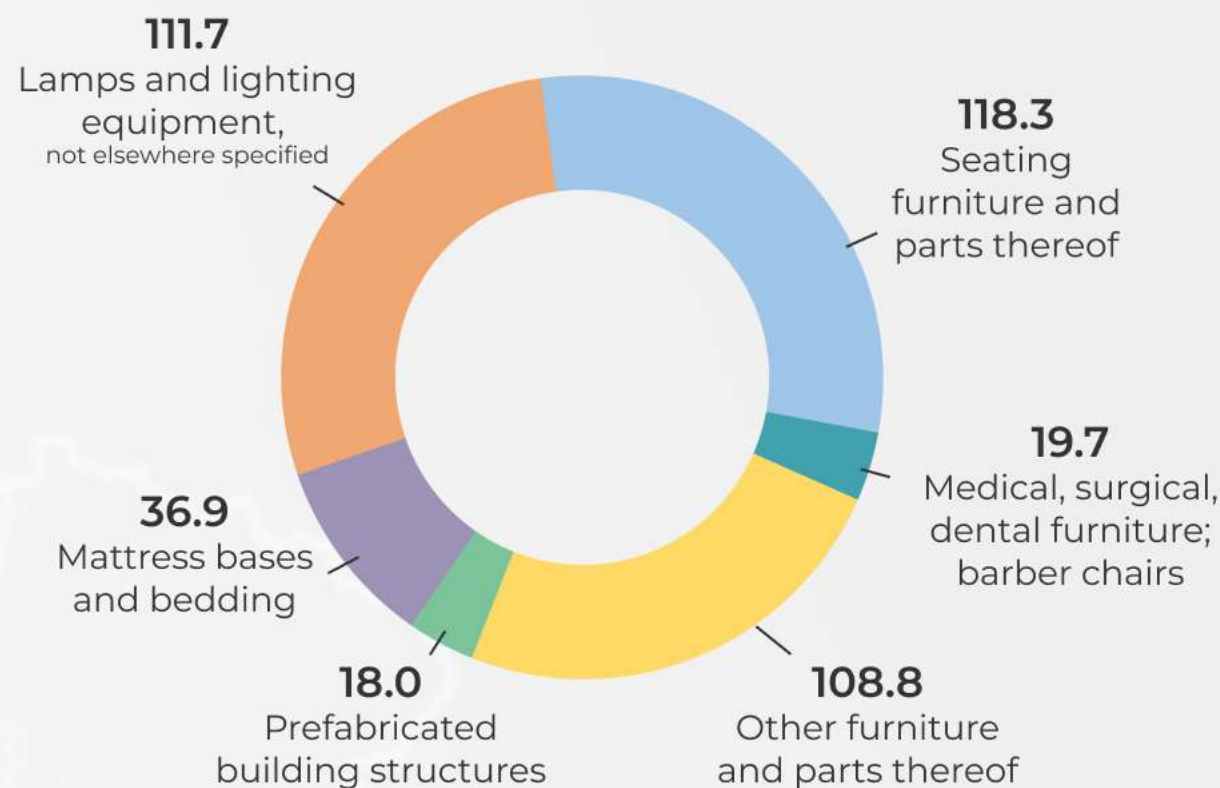


78.1

thousand tons
Net import weight of furniture

- China (57.2%) and Poland (12.2%) were the largest importers of furniture products

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

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

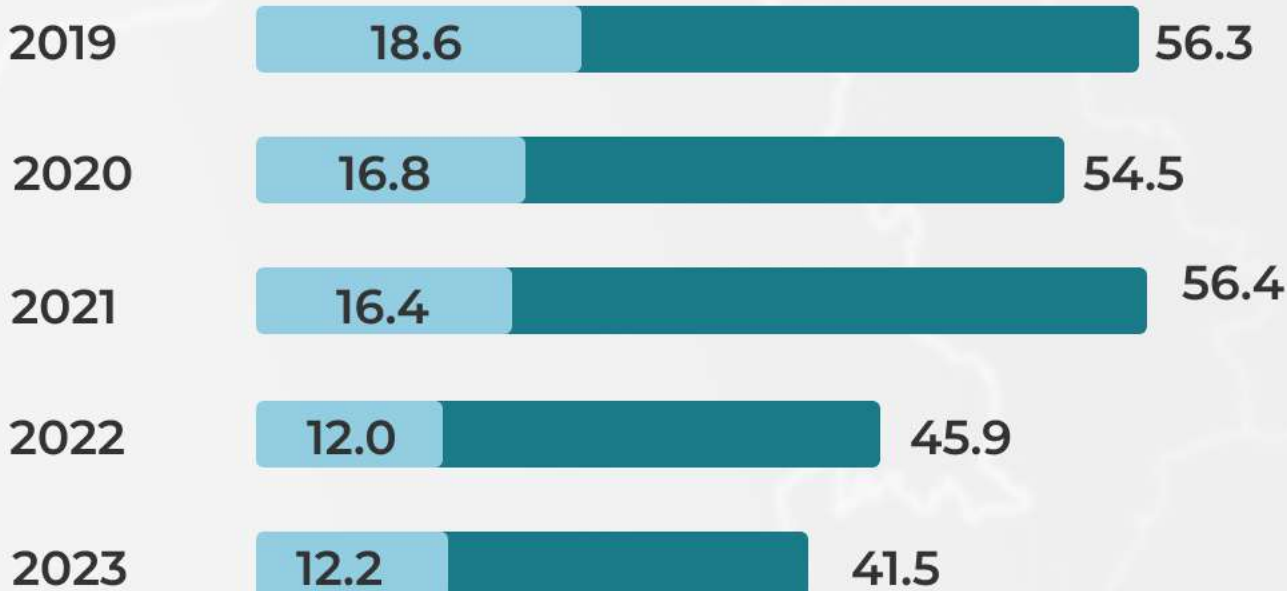


Lutsk National Technical University



Ukrainian National Forestry University

Number of employees in the furniture industry, thousand persons



0.56%

Share of employees across all sectors

Total

Individual entrepreneurs

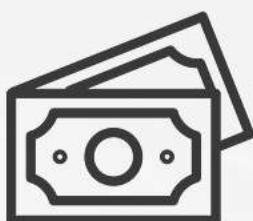


Ukrainian Association of Furniture Manufacturers

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		Khmelnyskyi 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**

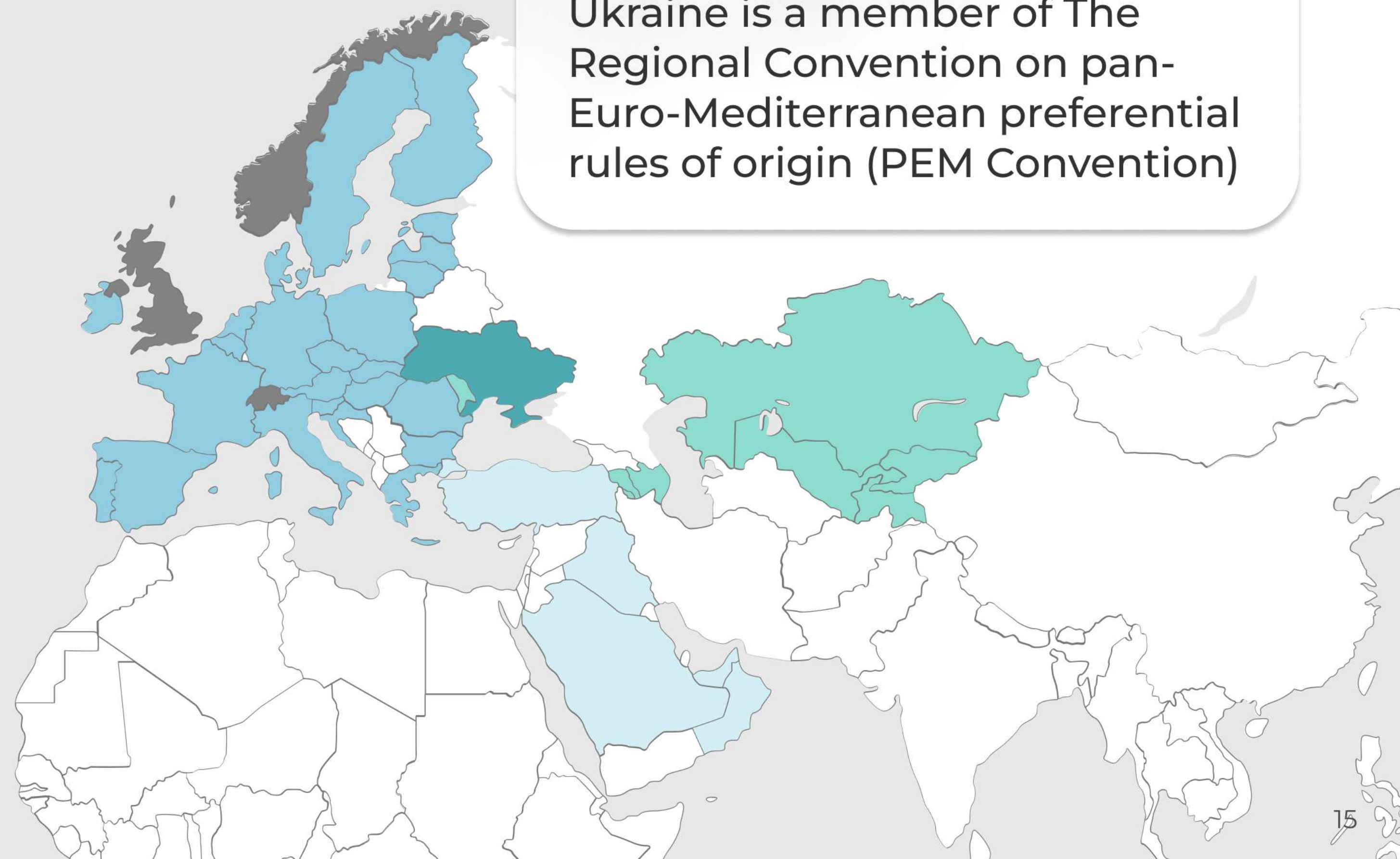
About **6 mln** Ukrainian refugees were registered in Europe as of 1H 2024



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**



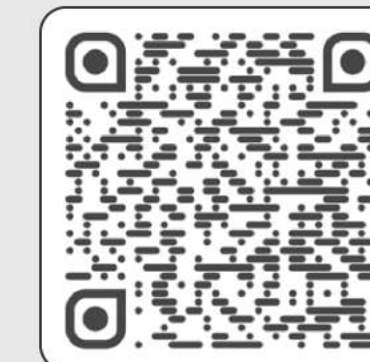
Land tax exemption/
reduced **land tax**
rates



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

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.



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



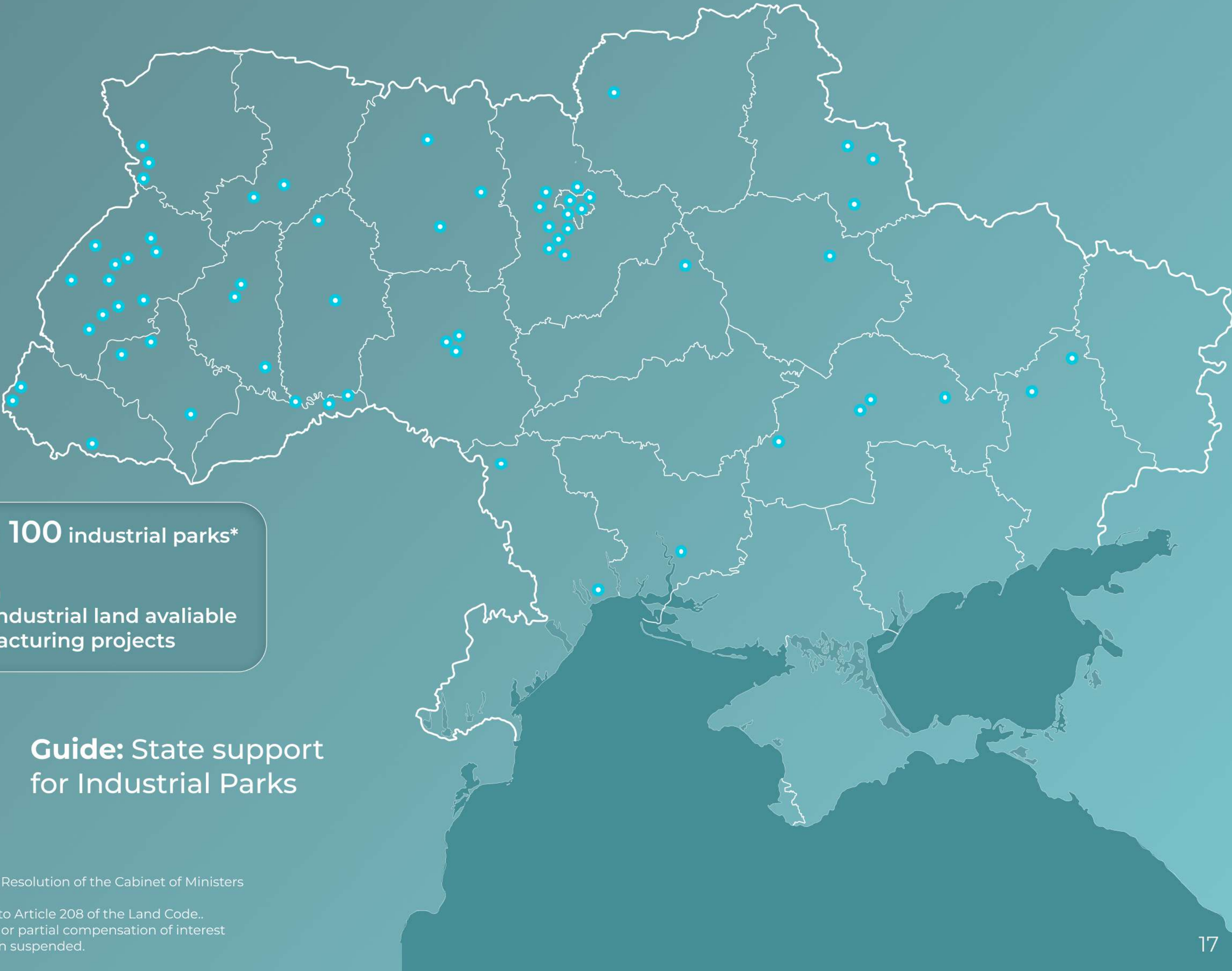
CIT exemption for 10 years (only if reinvestment)



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.

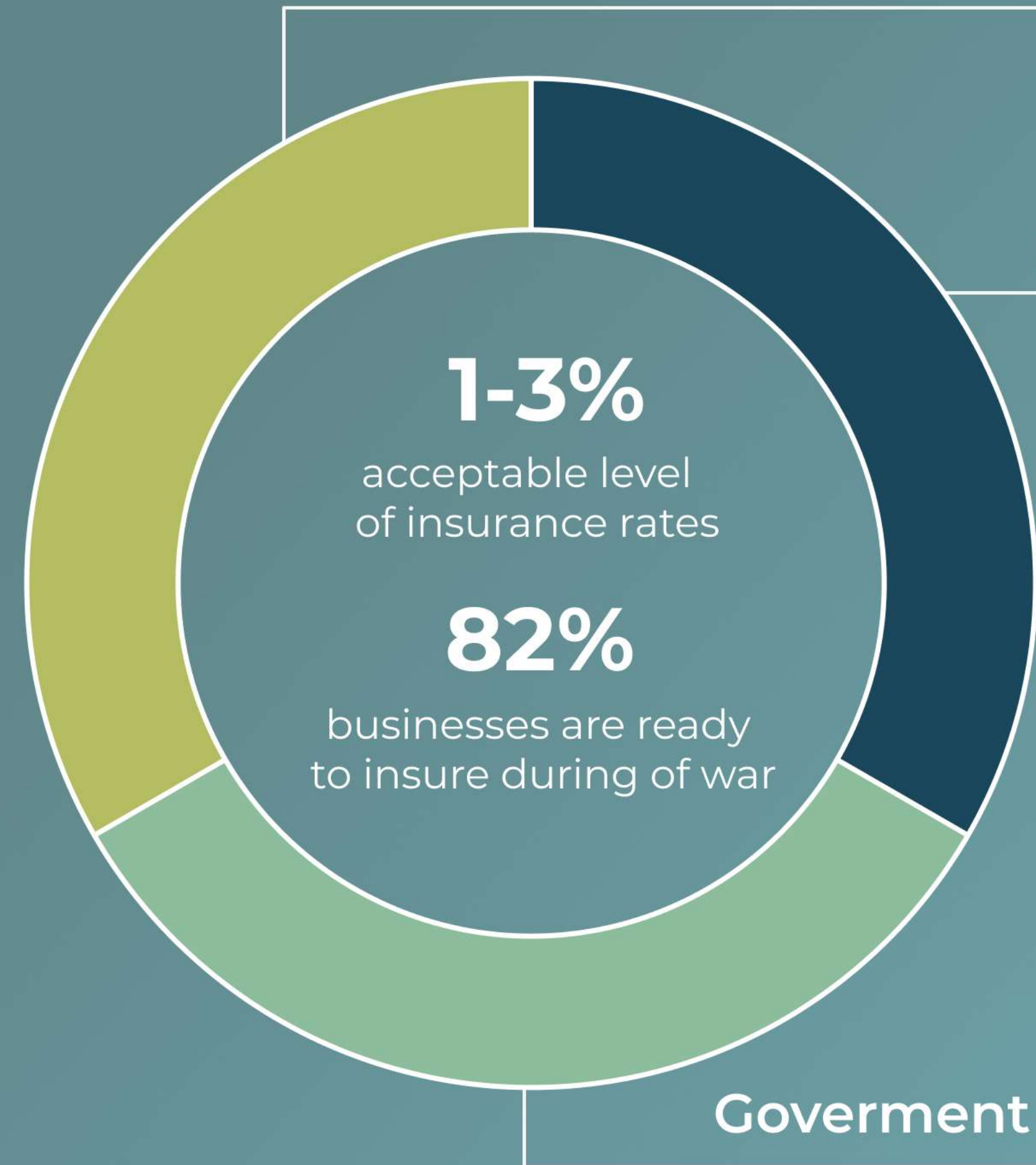
INVESTMENT INSURANCE



International Agency

Ukrainian agencies

Government agencies



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**



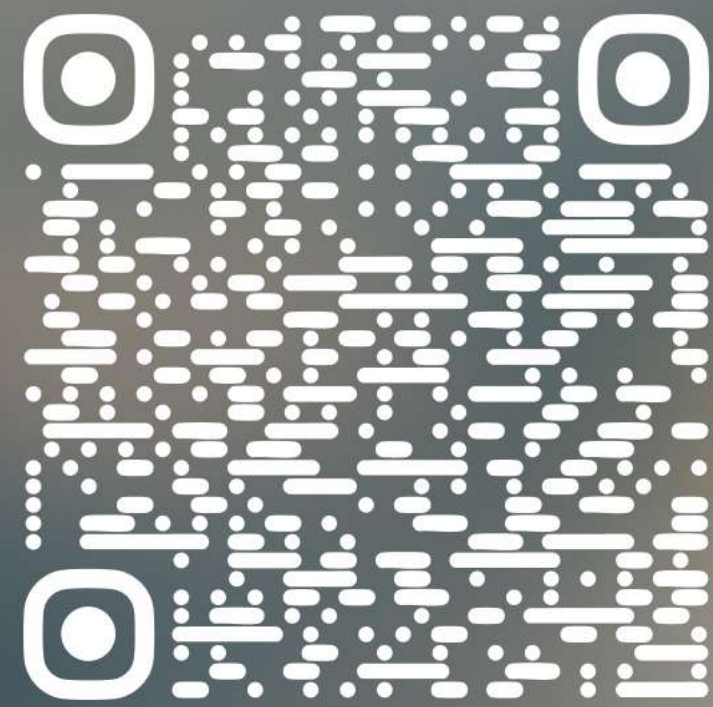
Ship insurance in the Black Sea: **2023**
Containers with grain, iron ore, and steel, electrical equipment, fodder
Annual rate: **0.75%**
Coverage amount: **USD 50 mln**



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