

Invest in

Ukraine

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Ukraine – The Basics

Capital	Kyiv
Area	603,628 km²
Population	44.6 million
Government	Unitary, Parliamentary Presidential
Currency	Ukrainian hryvnia (UAH)
GDP (PPP)	\$354 billion
Economy	Market
Foreign relations	Strategic goals: European and Euro-Atlantic integration

2.9 mln population, 7th most populous city in Europe

46th largest country in the world

32nd most populous country in the world

28.00 UAH to 1.00 USD (01/2018)

Ranked 48th in the world (2016)

Major industries: energy, metallurgy, chemical, manufacturing, massive high-tech industrial base, world player in agriculture industry, fast developing IT sector

Member of numerous international and regional bodies, including: UN, OSCE, IMF, WB, EBRD, the Council of Europe, EU Energy Community, GUAM. Ukraine has signed 16 free trade agreements with more than 45 countries, most recently with the EU (DCFTA) on June 27, 2014 and with Canada (CUFTA) on July 16, 2016.

Ukraine – Innovation Nation



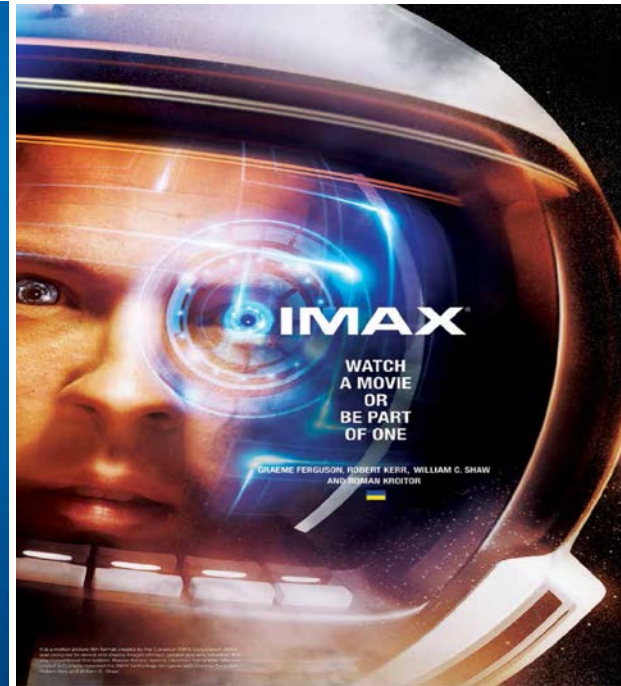
Painting by Alexander Ivanishyn, "Launch vehicle with liquid fuel R 7"

Serhiy Korolyov designed the rocket which launched the first man into space.



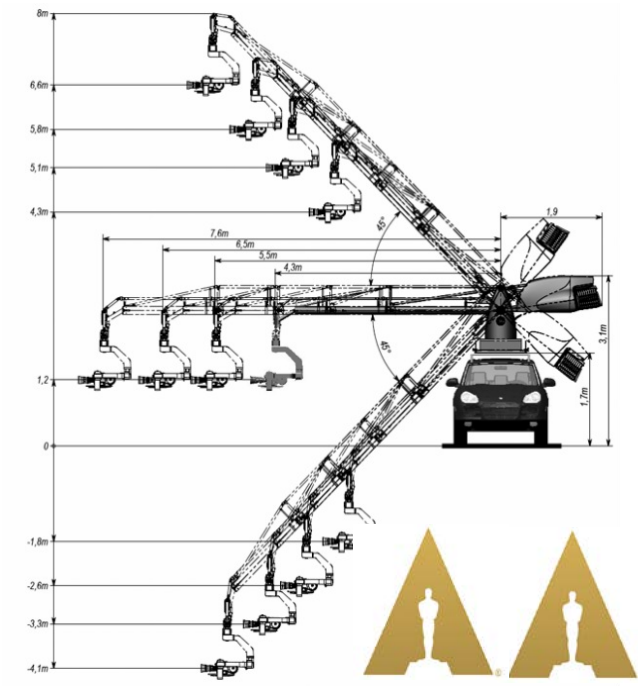
Painting courtesy of George Matviychuk, Oleksandr Ivanishyn, photo: Sergey Smolyentsev, "An 225 .Mriya"

Antonov An-225 Mriya is the largest in the world strategic airlift cargo aircraft



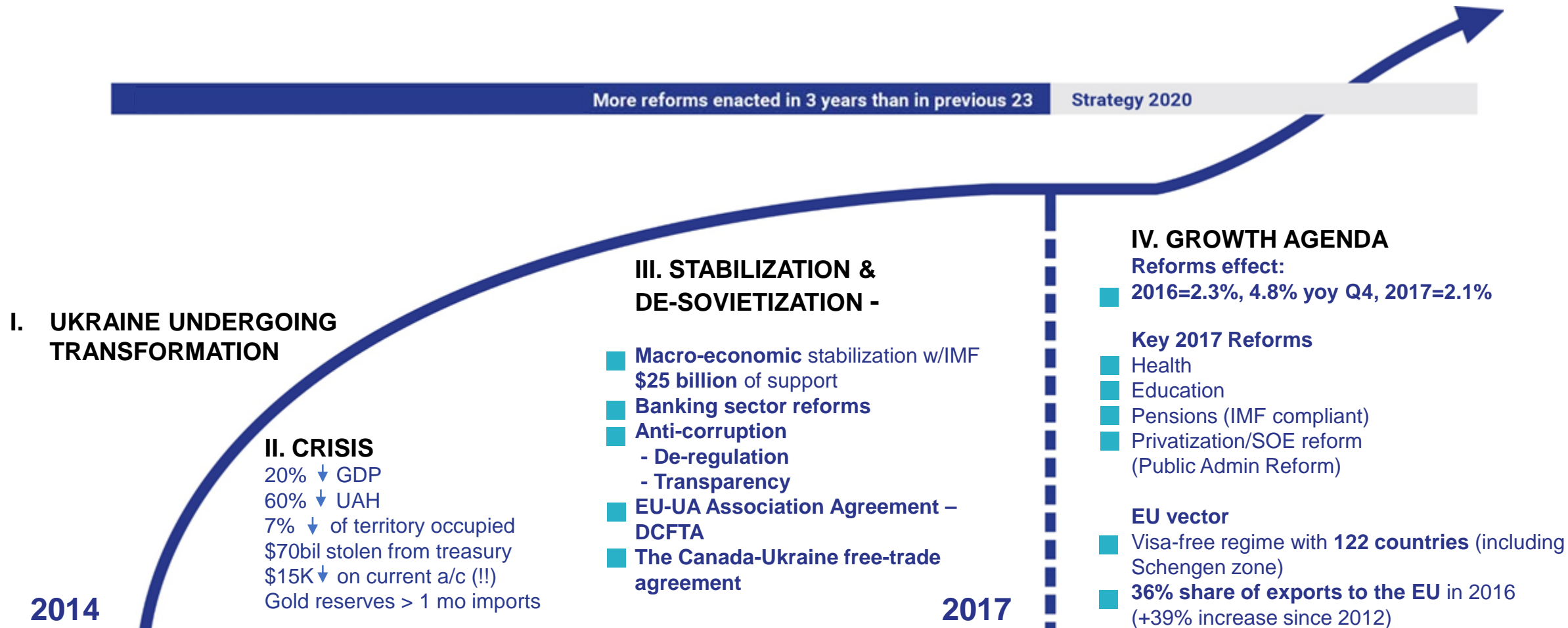
Painting courtesy of Olga Shevchenko, "IMAX – expanding the current format"

IMAX technology was created by 4 Canadian engineers – one of them a Ukrainian emigrant.



In 2006, Anatoliy Kokush was awarded two Oscars in the Scientific and Engineering Award category.

Ukraine is going forward to economic growth



2014 - Year of Transformation

- Solidified Ukraine's "European choice"
- Affirmed nation's desire to live in a free, democratic ,western-oriented and economically stable country
- Attracted a young generation of technocratic, pro-business, English speaking reformers to government service
- More has been accomplished in last 3 years than in preceding 23 years since independence

Vision + Reforms + Economic Stabilization = Time to do business

Joint report of the EU Association Implementation Report on Ukraine, December 2016, effective from September 1, 2017

"Ukraine is carrying out intense and unprecedented reforms across its economy and political system, while its democratic institutions have been further revitalized."

Reform Progress to Date

I Anticorruption

1. Three new anticorruption institutions established
2. **Introduced** electronic system for disclosure of assets, income, and expenditures of government officials
3. **Introduced** ProZorro - transparent e-procurement system
4. **Created** single portal to monitor use of public funds
5. Access to and transparency of key government databases
6. Media ownership disclosure
7. **Introduced** e-petitions and mandatory recording of municipal voting procedures

II Financial - Sector Reforms

8. Banking sector reforms: **Closed 92 of 180 banks:** "[Ukraine Shows Italy How to Do A Bailout](#)" – *Bloomberg News*, December 20, 2016

III Economic Reforms

9. Successfully restructured sovereign debt obligations
10. Secured macroeconomic stability
11. Deregulation – **continuous** repeal of outdated or unnecessary regulations
12. **Amended** Tax Code include a reduction of social taxes from 41% to 22%
13. Introduced corporate governance reforms for SOEs

IV Decentralization

14. Decentralization takes consolidated power out of Kyiv and puts resources into the regions, where **the economy** is growing

Risk Management

Enhancement of Property Rights

Introduced major tax reforms, reduced social tax burden on business sector

Imposed moratorium on business inspections

Consolidated and restricted powers of enforcement agencies

Increased revenues of local budgets via decentralization and tax reform

Passed legislation to support asset recovery (AMRO)

Introduced Judicial reform, large scale lustration and transparent selection of new judiciary

Conflict

Conflict's physical impact is contained in the east. No physical impact on day-to-day business in 95%+ of country

Located over 700 km from Kyiv, affects less than 3% of Ukraine's territory

Brought consolidation in society, reinforced Ukraine's westward leanings

Spurred military innovation in defense and IT sectors

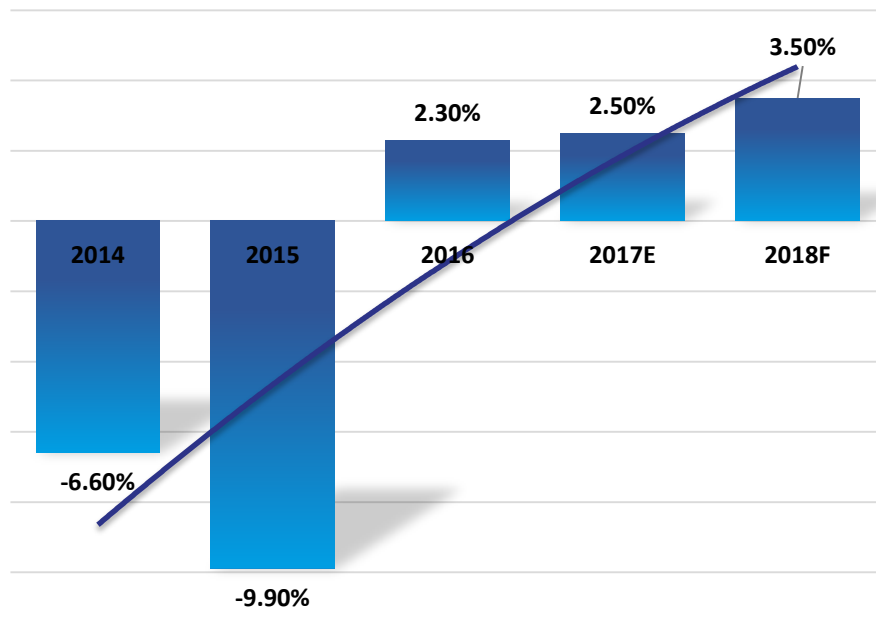
Tightened alliances between the EU, reinforced NATO cooperation

Despite challenges, business continues to grow.

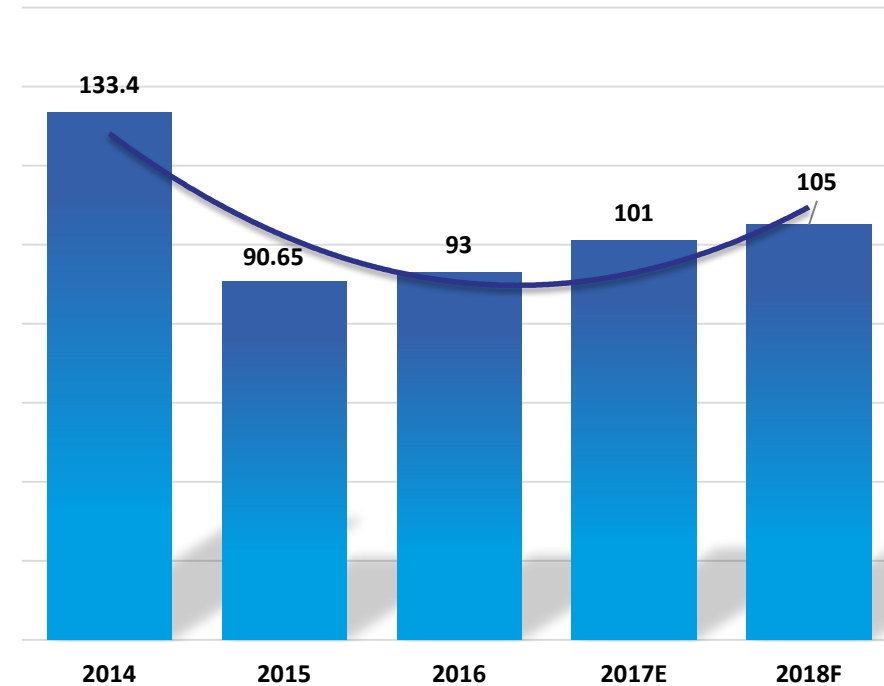
Improving Economic Indicators

Post 2014 - the economic situation has stabilized and a return to growth is underway

Real GDP Growth (y-o-y; %)

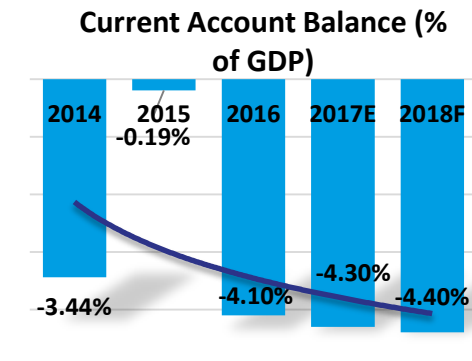
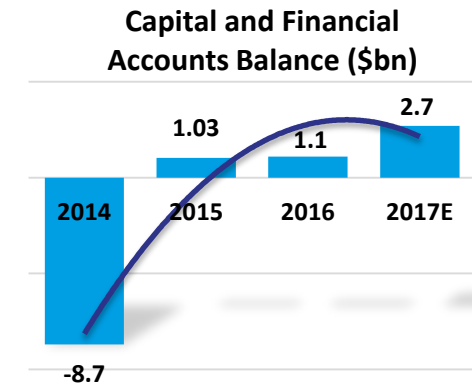
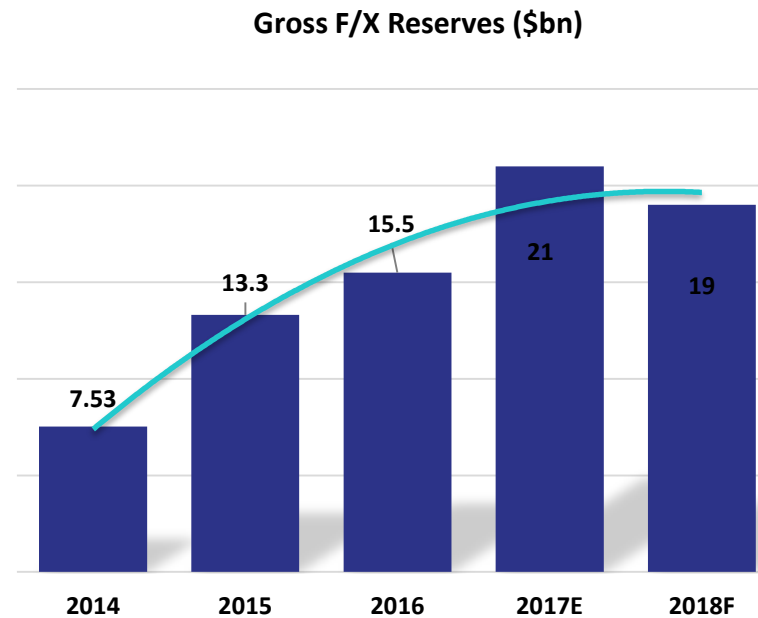
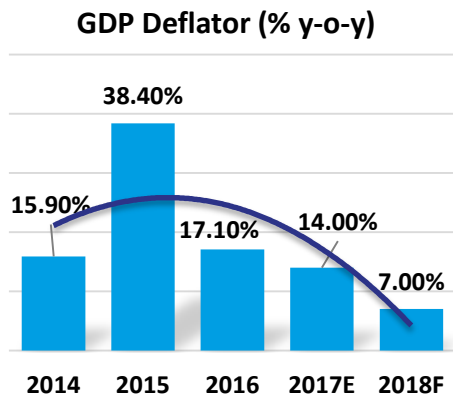
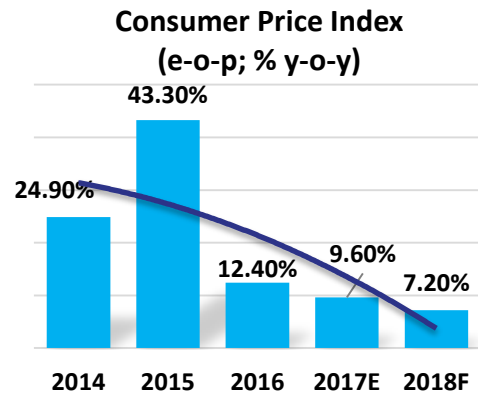


Nominal GDP (\$bn)



Improving Economic Indicators

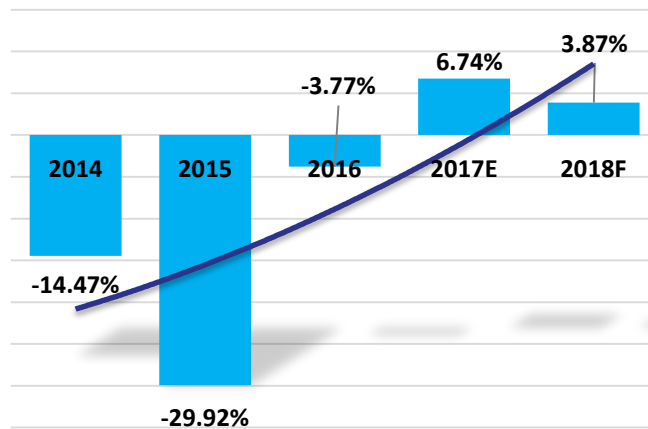
Inflation is falling; FX Reserves have increased; Balances are improving



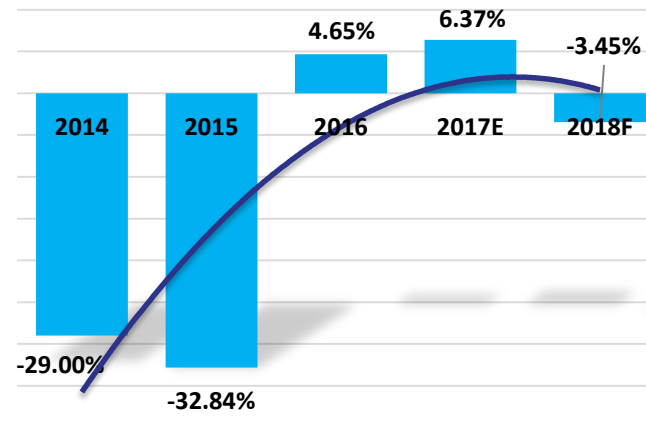
Improving Economic Indicators

Post 2015 - Production and consumption have returned to positive territory.

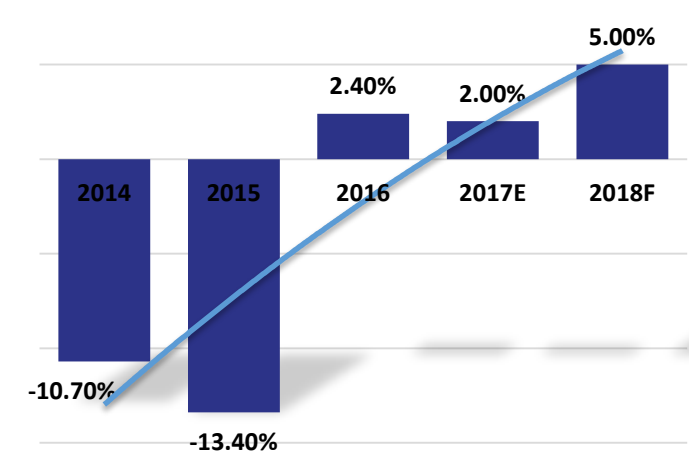
Exports Growth (y-o-y; %)



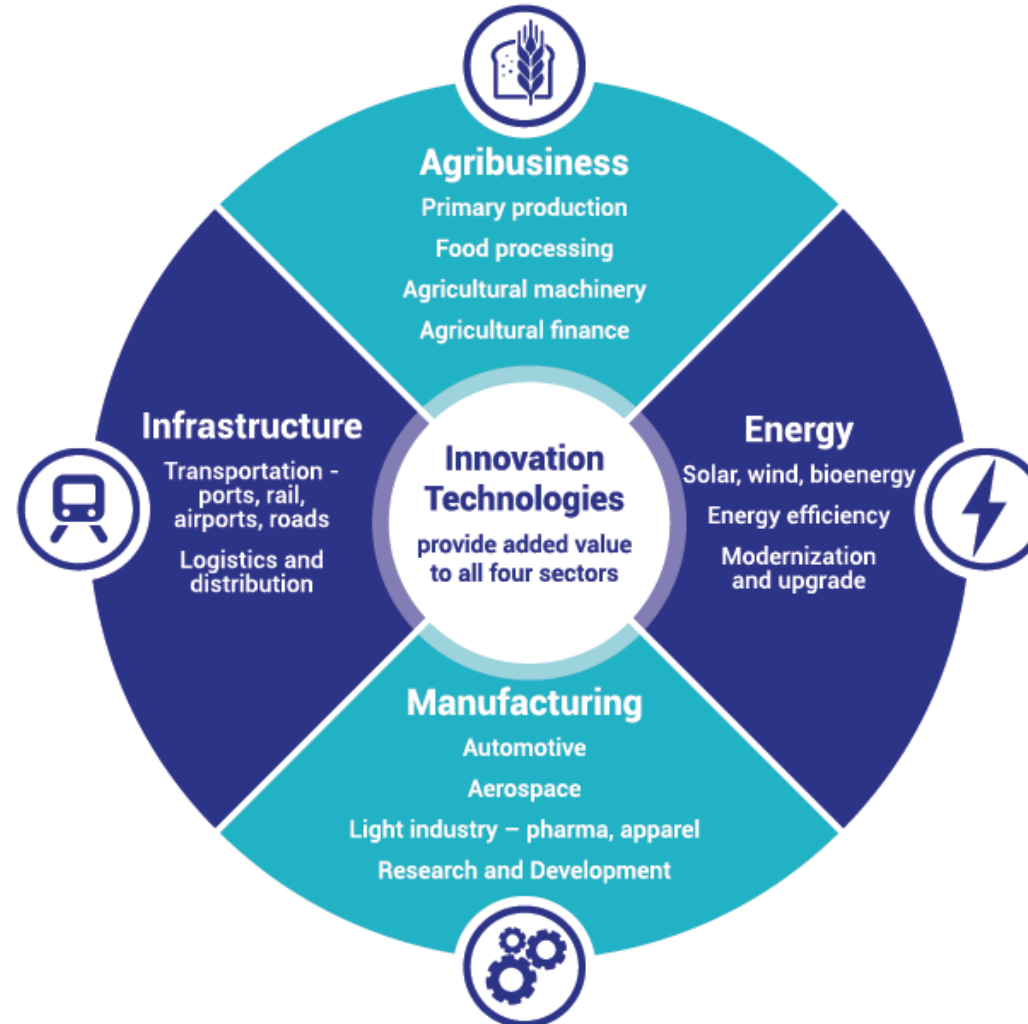
Imports Growth (y-o-y; %)



Real Industrial Output (y-o-y; %)



Key Sector Opportunities



Leading Sectors for Development – Agribusiness

Ukraine ranks 8th in the world with the most arable land

- 70% of the country's total area is agricultural land - 42 million hectares of which 32 million is arable and 68% of which is Chornozem
- 33% of world's black soil (chornozem) is located in Ukraine
- 3rd largest grain exporter (2016/17)**



No.1 exporter of sunflower oil (5.8 million tons)



No.3 exporter of barley (8.6 million tons)



No.4 exporter of corn (21.2 million tons)



No.5 exporter of wheat (26.6 million tons)



No.6 exporter of soybean (2.9 million tons)

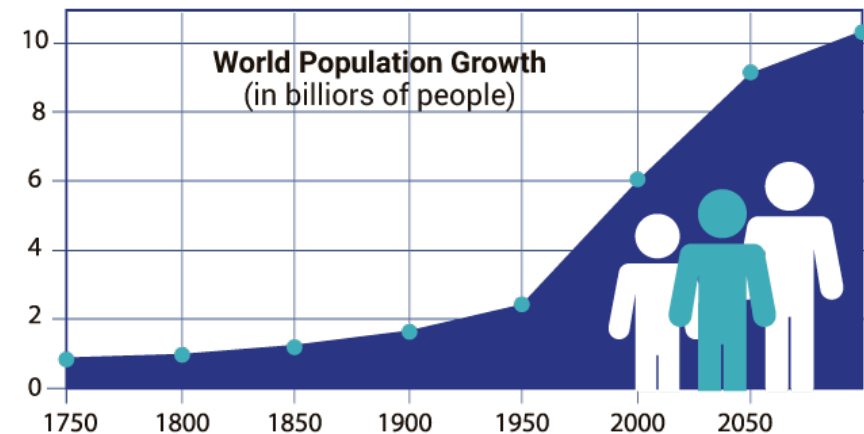
Ukraine exported approx. \$14 billion in agricultural produce in 2016 - an increase of 4% yoy

Industry experts predict that by the mid-2020s, Ukraine will be No. 3, after the U.S. and Brazil, in food production worldwide.

The Opportunity:

Currently one in six acres of agricultural land is not being farmed. Of land in production, only one quarter produces yields equaling those of developed countries, largely due to lower seed quality, fertilizers, and lack of equipment.

Rapid growth of world population will cause higher demand for food and increase prices for agricultural products



Between 1800 and 2000 the human population increased about six-fold. Has the food supply kept pace? Will there be enough food to support the projected population of 9.2 billion in 2050?

Leading Sectors for Development – High-Tech

The ITC industry is now a major driving force of Ukraine's economy

\$3.6 billion - value of software outsourcing export in 2017;

#3 export sector for Ukraine

#1 software engineering force in Central and Eastern Europe

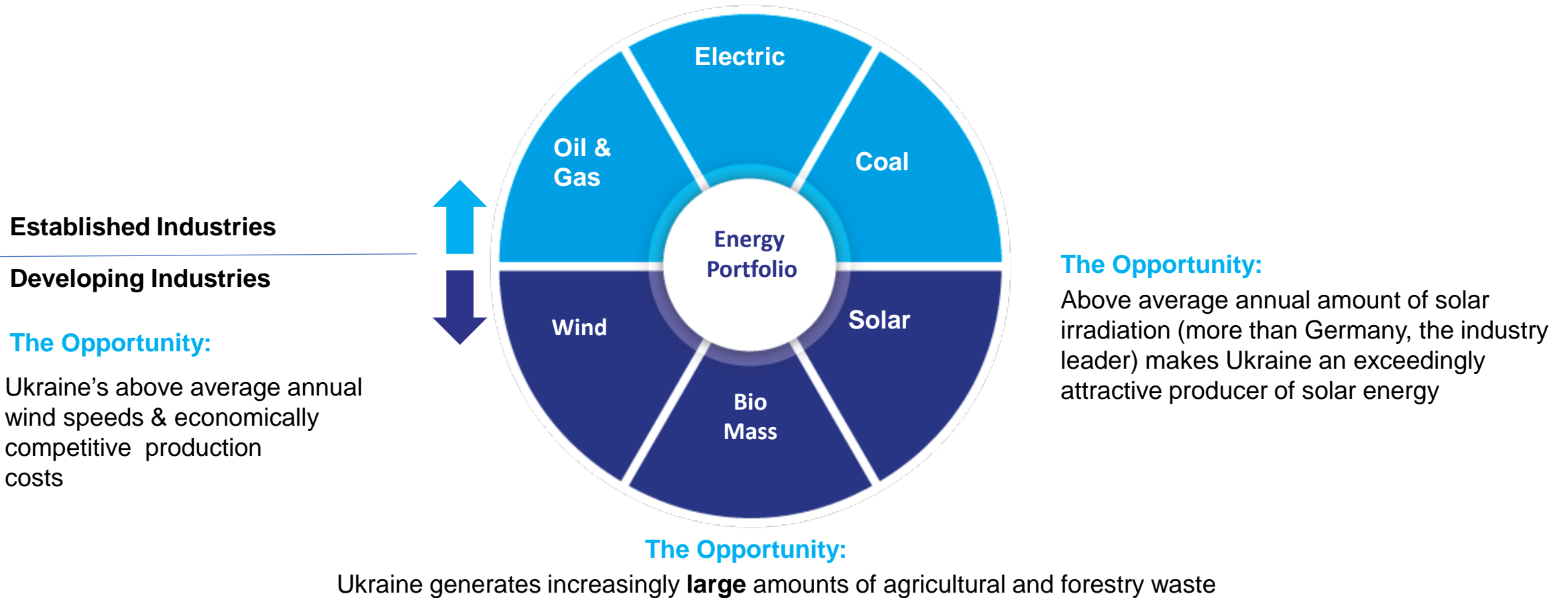
90,000 IT professionals and 200,000 expected by 2020

Over 100,000 new engineering graduates annually

100+ multinational companies are conducting software R&D in Ukraine

Leading Sectors for Development – Energy

Estimated total investment in alternative energy will reach 18 billion USD by 2020



Competitive Advantages

- 28 UAH to 1 USD (a/o 01/2018)
- Highly competitive labor, manufacturing and production costs

- 99.7% literacy rate
- Creative, resourceful and highly educated population



- 5 Pan-European transport corridors
- 18 EU cross border routes
- Ideal trade hub between EU, Middle East and Asia
- Located on the Black Sea

- Agricultural Land
- Forestry
- Sea and riverports
- Extensive rail and road networks

UkraineInvest Services



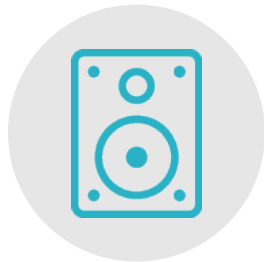
Navigation and Guidance

Understanding investor needs, identifying opportunities, regional locations and advice on getting started.



Introductions

To business, government and service providers across Ukraine.



Information and Insight

Providing facts, data, and the local perspective leading to better insight.



Advocacy

UkraineInvest can address and resolve investor questions or issues; acts as a voice of business to government; provides advice on the creation of a more business friendly environment.

Coordinating with a Variety of Partners and Influencers



We are glad to help



Serhii Kiral

+380 50 313 0221

serhiy.kiral@gmail.com

Deputy Chair of the Industrial Policy and SME
Committee of the Parliament of Ukraine

Member to the Parliamentary Assembly of the Council of
Europe



Daniel Bilak

+380 98 567 8899

daniel.bilak@ukraineinvest.com

Director of the Ukraine Investment and Promotion Office
UkraineInvest

Cabinet of Ministers of Ukraine, 12/2 Hrushevskoho St. Office
148, Kyiv, Ukraine, 01008

Website: www.ukraineinvest.com

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WWW.UKRAINEINVEST.COM