

# Invest in **Ukraine** **NOW**

ua







## Ukraine is

## INNOVATION & OPPORTUNITY!

In five short years since the Revolution of Dignity, Ukrainian society has undergone a tectonic shift, shedding its Soviet past and unalterably choosing a **pro-western democratic orientation** that gains strength and momentum daily.

Driven by the passion and determination of a new generation of young reform-minded leaders, since 2014 the country has undergone a transformation from deep crisis to macroeconomic stabilization, with 14 quarters of steady economic growth. The government has introduced effective anti-corruption measures – such as **'Prozorro'**, Ukraine's world-class transparent procurement system – which save the state budget \$6 billion each year; unbundled energy sector monopolies; brought transparency and accountability to public finances and expenditures; began the implementation of law enforcement, judicial, healthcare, education, pension and privatization reforms; dramatically improved the investment environment; and signed a ground-breaking **Deep and Comprehensive Free Trade and Association Agreement with the European Union** that is integrating the Ukrainian economy into European supply chains and institutions.

As a result of the steady pace of reform, stakeholders now believe that Ukraine is truly becoming an **attractive place in which to make money**. Investors have recognized that Ukraine has become a **stable and predictable emerging market** and that the availability of talented human capital and high-quality undervalued assets make Ukraine an excellent investment destination. In 2019, the country climbed five more places in the World Bank's Ease of Doing Business ratings, to 71 out of 190 countries, and the Bank rates Ukraine **second among the countries of the world in the last 10 years regarding the speed and depth in the improvement of the business climate**. Between 2015-2018, Ukraine witnessed foreign direct investment flows of \$14 billion, resulting in the construction of over 80 manufacturing plants, representing tens of thousands of new high-added value jobs. These include

a \$ 200 million state-of-the-art seed processing facility by **Bayer** from Germany, a \$150 million grain terminal by **Cargill** from the US, a second \$16 million manufacturing site by US-based **Jabil**, and the arrival of such **global brands as General Electric, Ryanair, HEAD, IKEA, H&M, Decathlon**, and many others.

As the Ukrainian government's investment promotion agency, UkraineInvest facilitates inward foreign investment and assists existing investors to expand their businesses in the country. To this end, we pursue a **1+4 sector strategy** focusing on the key drivers of Ukraine's economy: we emphasize Innovation Technology as the main added-value ingredient to the development of the Agribusiness, Manufacturing, Energy, and Infrastructure sectors. Ukraine's greatest assets – its **"brains and grains"** – produce the **innovation and opportunities** found in Ukraine's agri-food value chain; the growth of **European and global supply-chain** manufacturing clusters in the country's fast-growing regions; and in the development of oil, gas and renewable energy resources derived from Ukraine's **pursuit of energy independence**.

The benefits of these opportunities are readily evident in the meteoric rise of Ukraine's IT sector. Pushed by demand for Ukraine's annual graduation of 130,000 engineers, the innovation technology sector has experienced 20% growth annually, exploding from a fringe economic activity to becoming the country's largest service export. Indeed, the growth of IT services and products in Ukraine grew by 25% in 2018 alone, with the sector achieving a current value of \$4.5 billion. With growth in this area expected to double over the next five years, Ukraine is well on its way to making a major impact on the **new Digital 2.0 world** in which we live.

Your takeaway?: **Ukraine is open for business!** As the country continues to undergo seismic democratic and economic transformation, it is integrating ever deeper into the Euro-Atlantic and global economic architecture. Savvy businesses will **Invest in Ukraine NOW!**

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# Ukraine: Key Facts

## Area

603,500 square km  
(the largest country  
within Europe)



## Population

42 million 70% urban-based  
Source: State Statistics Service of Ukraine,  
data as of 2019

## Diaspora Worldwide

20 million  
strong network



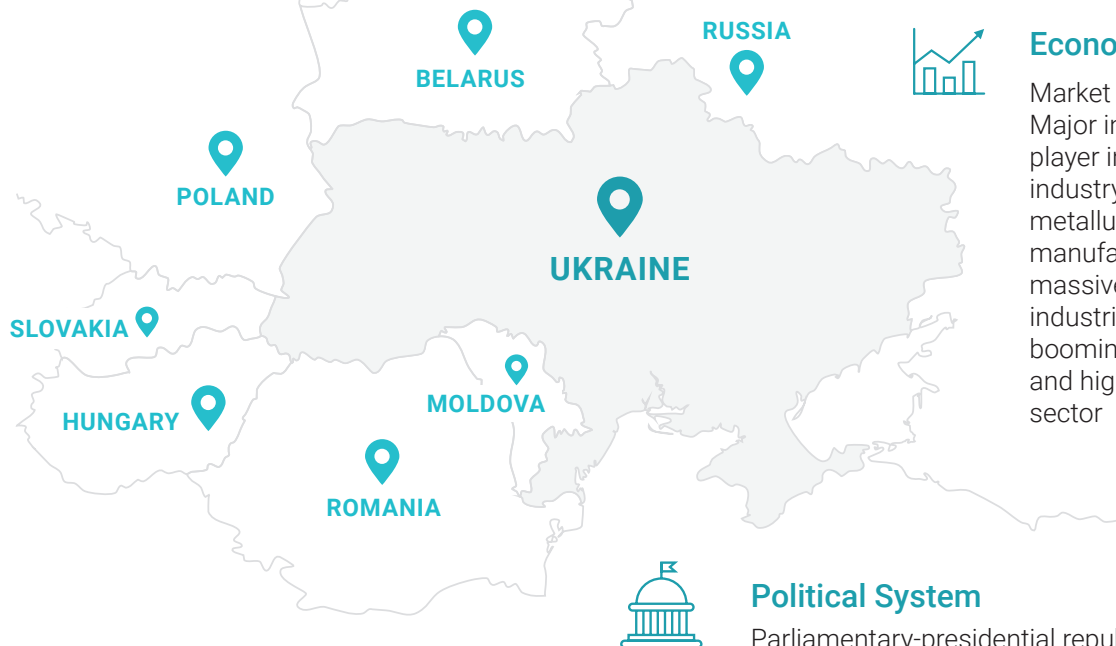
## Currency

Ukrainian hryvnia – UAH average rate –  
27.2 UAH per USD  
(official average exchange rate in 1Q  
2019, according to National Bank)



## Economy

Market economy  
Major industries: world  
player in agriculture  
industry, developed energy,  
metallurgy, chemicals,  
manufacturing,  
massive innovative  
industrial base,  
booming IT  
and high-tech  
sector



## Political System

Parliamentary-presidential republic

## GDP (PURCHASING POWER PARITY)

int.  
**\$ 390**  
billion

**IN 2018  
ACC. TO WB**

## AVERAGE SALARY

**\$ 385**  
per month

**MOST COST EFFICIENT  
MANUFACTURING  
PLATFORM  
IN EUROPE**  
(April 2019)

## BIG MAC PRICE

**\$ 1.94**

**WORLD'S 2ND  
LOWEST INDEX PRICE**  
(January 2019)

## 17 FTAS WITH:

**46**  
countries

DCFTA with EU, FTAs with  
CIS, EFTA, Canada, Georgia,  
Macedonia, Montenegro, Israel.  
On-going negotiations with  
Turkey





## Volume 2

## Transformation Ukraine



## SOCIETY

## IN 2014 WE STARTED TO BUILD THE NEW UKRAINE!

Since 2014, Ukraine's overarching achievement has been macroeconomic stabilization. It launched unprecedented structural reforms with EU convergence policies to create a solid platform for future sustainable growth.

The transformation continued with more important reforms adopted in 2017-2018 - in education, pensions, health care, judiciary, management of state-owned enterprises, currency and energy liberalization, public administration.



Following the **Revolution of Dignity**, Ukrainians affirmed their desire to live in a **free, democratic, western-oriented and economically stable country** by amending Ukraine's Constitution regarding the strategic course of the state for obtaining **full membership in the EU and NATO**.



## ANTICORRUPTION

New anti-corruption institutions:



ARMA

National Agency of Ukraine for finding, tracing and management of assets

ACC

Anti-Corruption Court

NACP

National Agency on Corruption Prevention

NABU

National Anti-Corruption Bureau

SAP

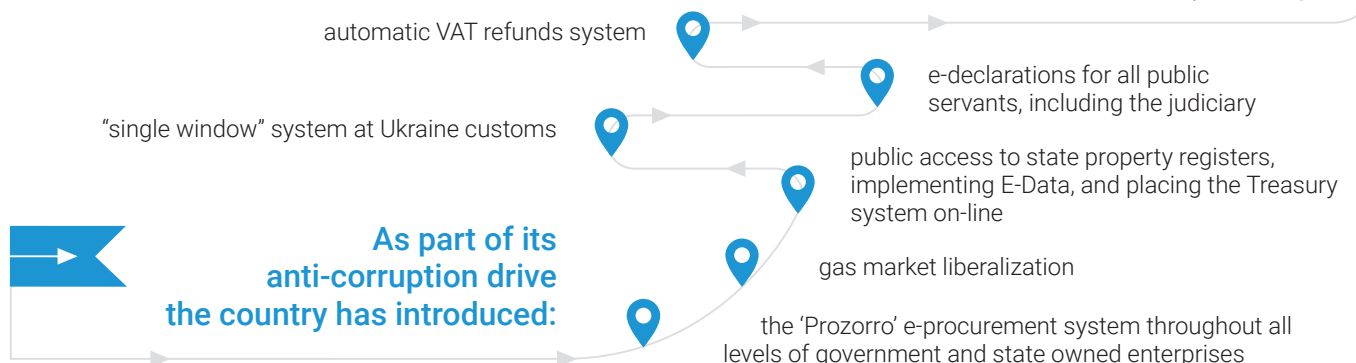
Special Anti-Corruption Prosecutor's Office



**~\$6** <sup>billions</sup> **~6%**  
savings of GDP

### ECONOMIC EFFECT OF ANTICORRUPTION MEASURES

Source: Ukraine's Fight against Corruption: the Economic Front Institute for Economic Research and Policy Consulting





## DECENTRALIZATION

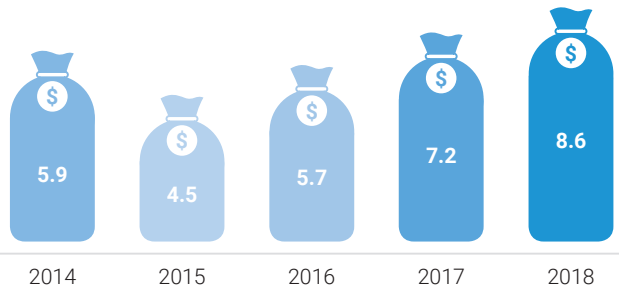
### GOVERNMENT DECENTRALIZATION

increased decision-making effectiveness of local authorities regarding strategic planning and securing financing



### Revenues of local budgets, \$ billion

Source: decentralization.gov.ua



**The Ukrainian Government's decentralization reforms have begun transforming Ukraine's regions, increasing their investment competitiveness and attractiveness.**

Prior to decentralization, economic and administrative control of the country was concentrated in the central government. Today, municipalities, cities and regions have direct responsibility for their development, as 60% of tax receipts remain in the localities.

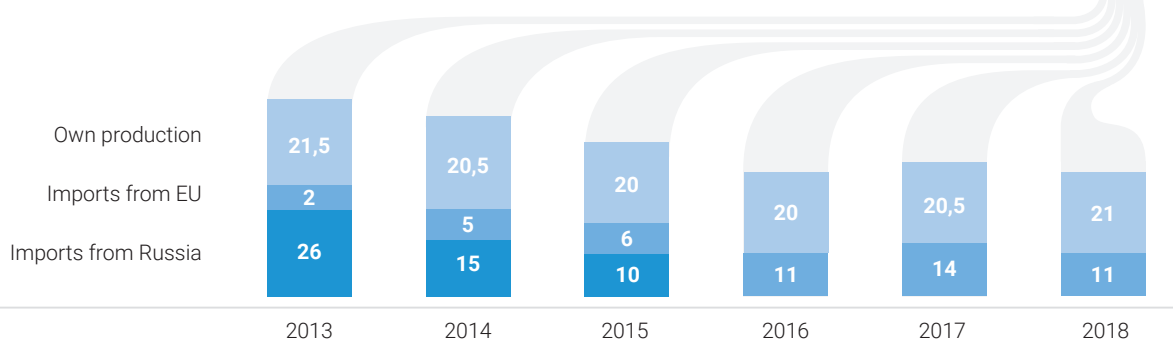


## ENERGY

Ukraine's energy sector has been deeply transformed and liberalized since 2014. The government eliminated illegal schemes, leading to a transition from large budget deficits to profits of state gas company Naftogaz. Taking steps towards energy self-sufficiency and diversification, Ukraine is increasing own gas production and has departed from exclusive reliance on Russian gas.

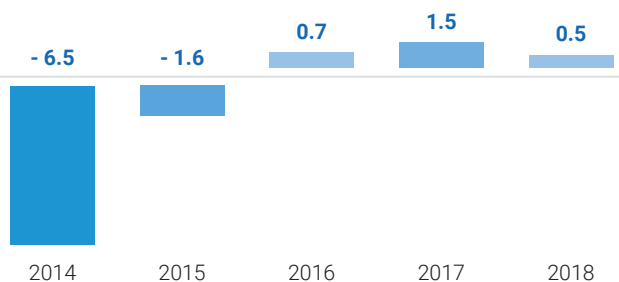
### Reduction in imported gas; rise in share of local production, bcm

Source: Naftogaz of Ukraine, Ukrtransgaz



### Naftogaz profit / (loss), USD bn

Source: Naftogaz of Ukraine



In 2018, the Government abolished the controversial and non-transparent mechanism for the issuance of special permits for subsoil use.

Instead, the practice of open auctions was introduced to obtain licenses for mining and extraction, which provides unique opportunities for increasing oil and gas production in Ukraine.





## FINANCE

The results of Ukraine's reforms are recognized by the international community – in December 2018 the Government reached a new agreement with the IMF on \$3.9 billion to continue economic stimulus. The agreement with the IMF opened access to a pre-approved \$2 billion from the EU and the World Bank, and also provides an opportunity to borrow at lower rates in international markets.

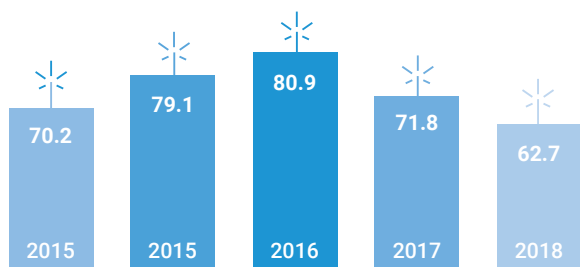
**\$ 3.9**  
billion



### Public debt as at year end

Percentage of GDP, %

Source: Ministry of Finance of Ukraine

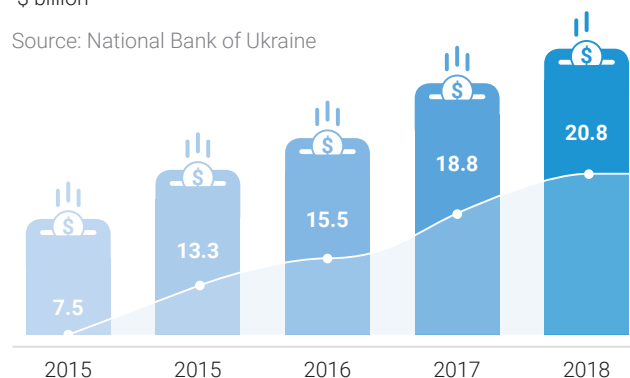


At the same time, the level of state and state-guaranteed debt decreased to 62.7% of GDP in 2018, Ukraine being the only European country to reduce its public debt. Moreover, the Government adopted a Medium-Term Strategy for the Management of Public Debt in 2018-2020 - the debt to GDP ratio is projected to reach 49% by the end of 2020.

### International reserves as at year end

\$ billion

Source: National Bank of Ukraine



As a result, Ukraine's international reserves are at their highest levels in five years – \$20.8 billion as of end of December 2018, an amount sufficient to cover 3.5 months of the country's imports.

**1 €**  
billion

In June 2019 Ukraine successfully placed 7-year € 1 billion bond at 6.75%.

Investors made € 6 billion in bids for Ukraine's first new Eurobond since October, showing their confidence in Ukraine's macrofinancial stability and reform program.



**2019**

A new currency law came into effect in Ukraine,

marking the start of the most radical overhaul of the currency environment for over a quarter of a century.

The new rules continue the NBU's direction towards currency liberalization that included simplification of opening, use and closing of accounts, and changes in the procedure of obtaining loans from non-residents.

In recent wave of currency liberalization, NBU canceled the requirement for the mandatory sale of foreign currency income and all limits for dividends repatriation.



**800 \$**  
million  
profit

In 2014, the National Bank of Ukraine started a massive campaign to "cleanse" the banking sector,

as a result of which more than 90 banks were closed.

Results of such reforms are already evident – in 2018 Ukrainian banks collectively made a \$ 800 million profit – an historic level for the sector.





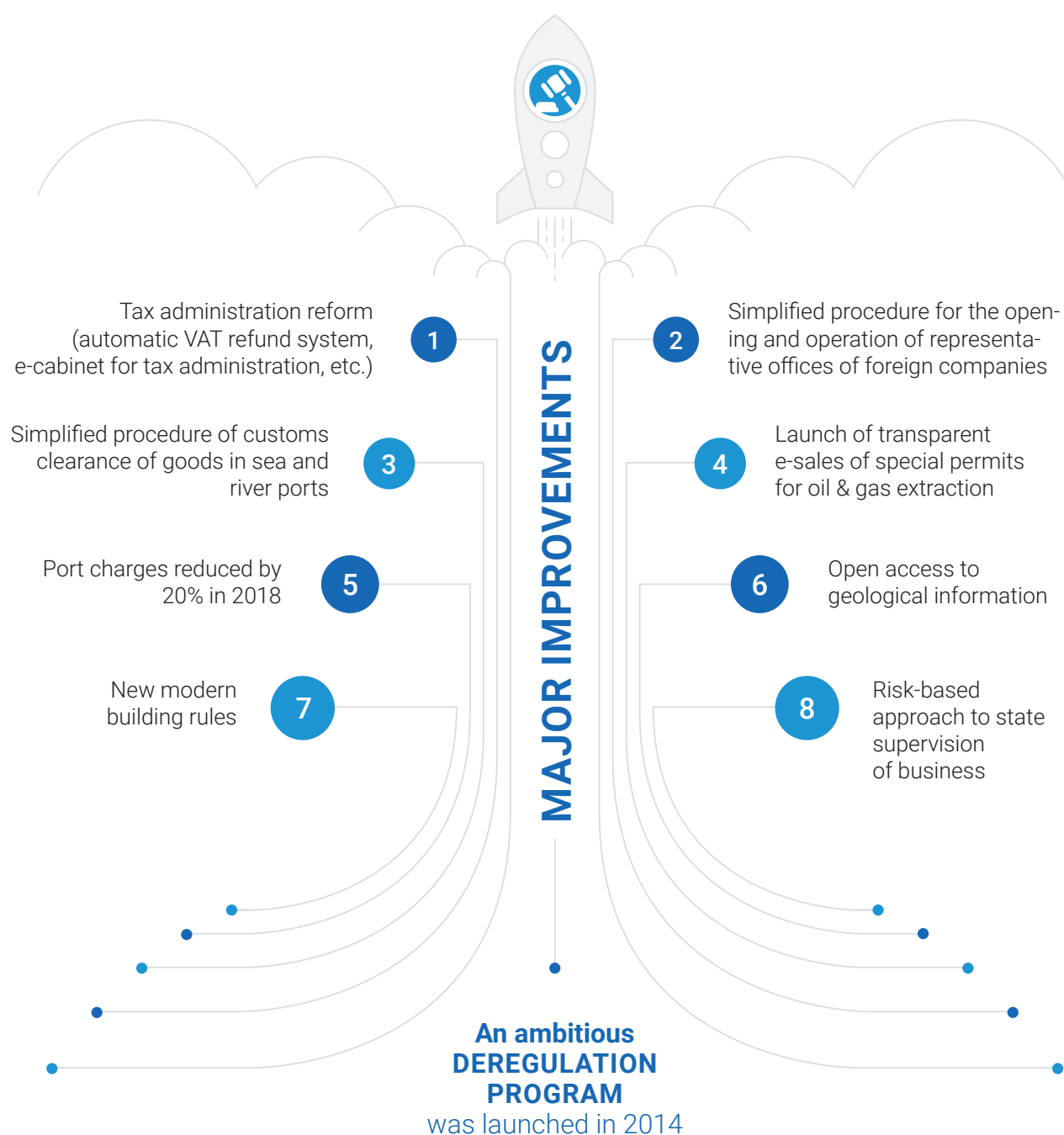


## DEREGULATION

### SPECIAL GOVERNMENT DEREGULATION MEETINGS ON A QUARTERLY BASIS

has already led to repeal of 1,300+ outdated regulations

**1,300+**  
regulations cancelled



aimed at achieving regulatory compliance with European Union standards and global best practices. The reforms positively impacted the business environment in key sectors, including agriculture, telecommunications, infrastructure, construction, taxation, as well as state customs procedures, sanitary and veterinary controls.



## Volume 3

## Ukraine on Charts

71

## World Bank Ease of Doing Business

2019's ranking is 71, rising 81 positions since 2012

Source: doingbusiness.org



50

## Human Capital Index

Ukraine entered the top 50 countries in the World Bank's Human Capital Index 2018

Source: worldbank.org



43

## Global Innovation Index

Ukraine is 7 positions up in 2018, from 50th to 43rd

Source: globalinnovationindex.org



1

## Good Country Index

Ukraine's Science & Technology Global Contribution is ranked in 2018 at an admirable 1st place out of 153 countries

Source: goodcountryindex.org



31

## Global Open Data Index

Ukraine rose 23 positions in recent years, from 54th in 2015 to 31st place in 2018

Source: goodcountryindex.org



Government budget

National laws

Company register

100%

100%

100%

Procurement

Draft legislation

85%

85%

## Sovereign credit ratings in 2018

**Fitch**  
Ratings

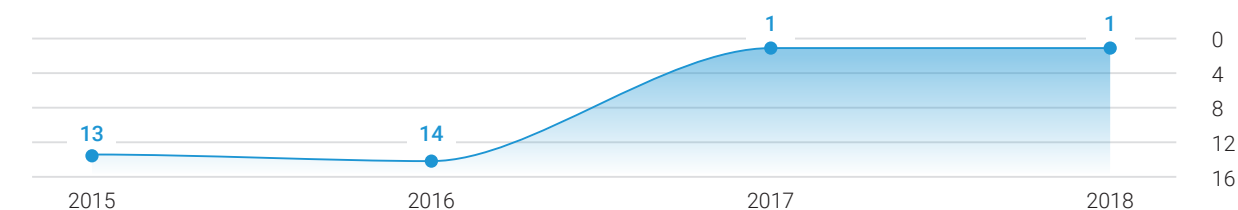
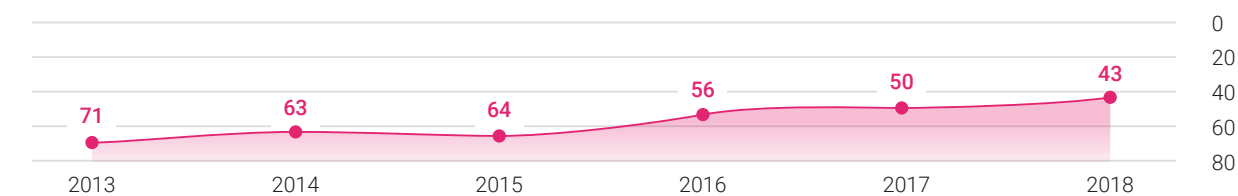
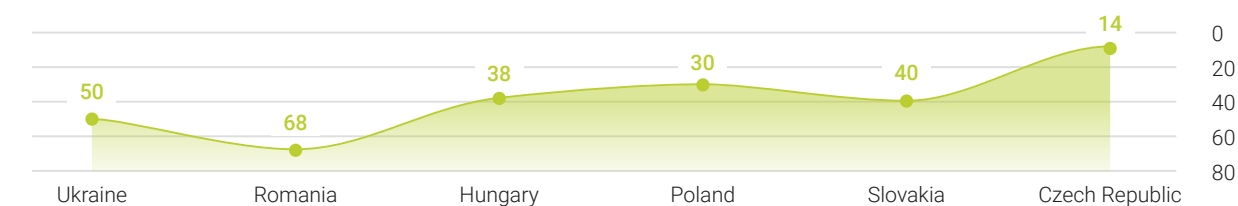
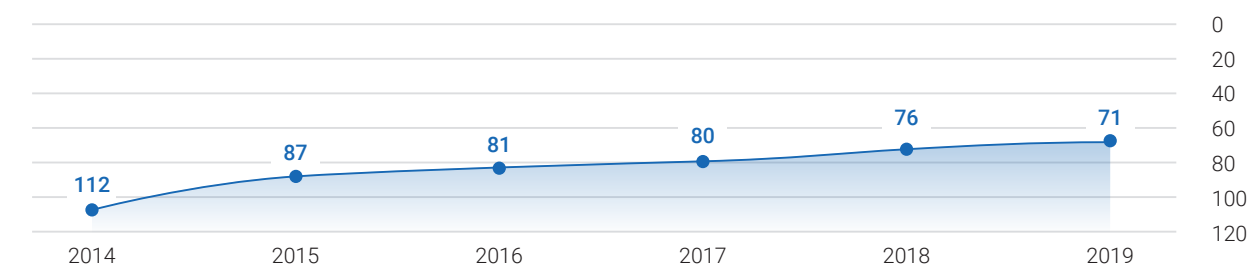
**B-; Stable**

**S&P Global**  
Ratings

**B-; Stable**

**MOODY'S**  
ANALYTICS

**Caa1; Stable**



**The deepest subway (metro) station in the world (105 m)**  
is located in the Ukrainian capital, Kyiv (Arsenalna station)



## Volume 4

# Risk Assessment of Ukraine as an Investment Destination

## INTERNAL STRENGTHS

- Unprecedented transformation and structural reforms
- Efficient high quality production base
- Historically developed human capital of 42 million population
- 100+ global companies have R&D facilities in Ukraine
- Largest in Europe underground gas storage facilities (1/3 of EU-28 capacity)
- 17 FTAs with 46 countries (including Association Agreement and DCFTA with EU)
- Strategic geographical position, at the crossroads of Europe and Asia



## EXTERNAL OPPORTUNITIES

- Increase of trade flows between Europe and Asia
- Saturated European markets (overloaded capacities and lack of free agricultural land)
- Upward trend for renewable energy around the world
- Further integration to EU (economic, financial, infrastructure)
- Lack of qualified labour force in Europe
- Growing demand for High Tech
- Growth in demand in Europe and in the world for high quality Ukrainian goods (namely for food products, metals, wooden products, etc.)



Ukraine's economic development and attraction of foreign investors under the current globalization conditions depend on its internal capacity and functioning of management mechanisms, as well as cooperation with international community and business.







## INNOVATION TECHNOLOGIES

Ukraine's IT industry is among the country's fastest growing industries. It is also 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 e-commerce.

100+

**FORTUNE 500 COMPANIES** have chosen Ukrainian IT services

18

**IT SERVICE PROVIDERS** present in the 2018 Global Outsourcing-100 list

4,000

**TECH COMPANIES**

184,700

**SOFTWARE DEVELOPERS**

## INNOVATION TECHNOLOGIES in Ukraine

#1

**IT OUTSOURCING & SOFTWARE DEVELOPMENT POWERHOUSE IN CEE**

TOP 25

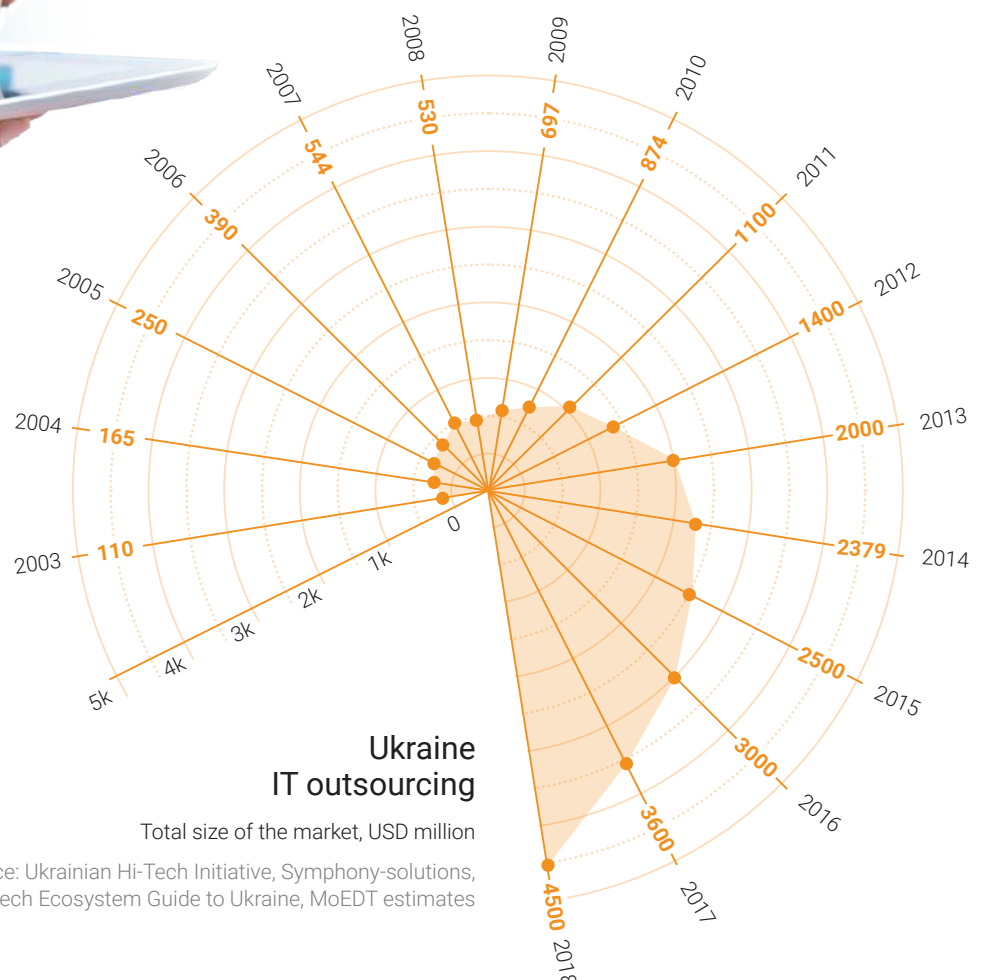
**BEST COUNTRIES** for software development

#3

**EXPORT SERVICE SECTOR**



**Ukraine's IT industry has grown by nearly 40 times over the last fifteen years, from \$110 million in 2003 to about \$4.5 billion in 2018, achieving an impressive cumulative average growth rate of 25%.**



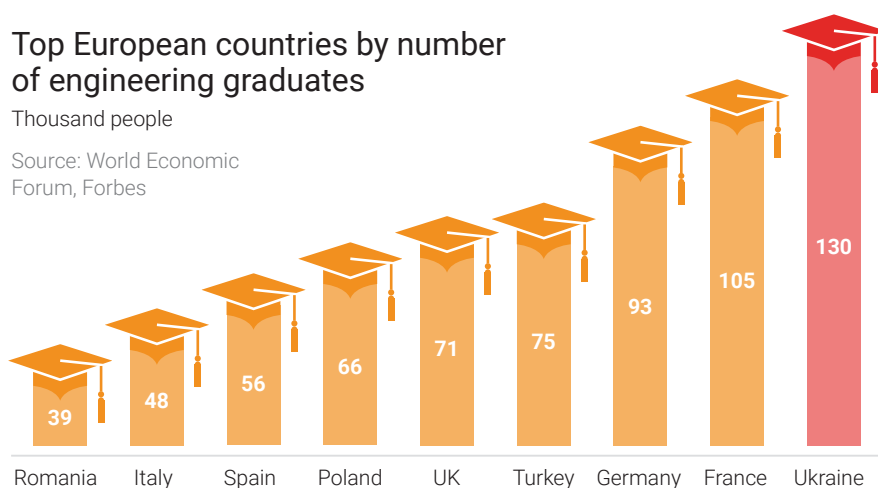
**The key to the success of the Ukraine's IT industry** lies in combining an extensive IT talent pool, favourable geographical position and time zone, strong technical and scientific legacy and cost benefits.



### Top European countries by number of engineering graduates

Thousand people

Source: World Economic Forum, Forbes



Historically, Ukraine has been a centre for software development, technology solutions for data analysis and processing. A key role here is played by **the level of technical skills, a hallmark of Ukraine's education system.**

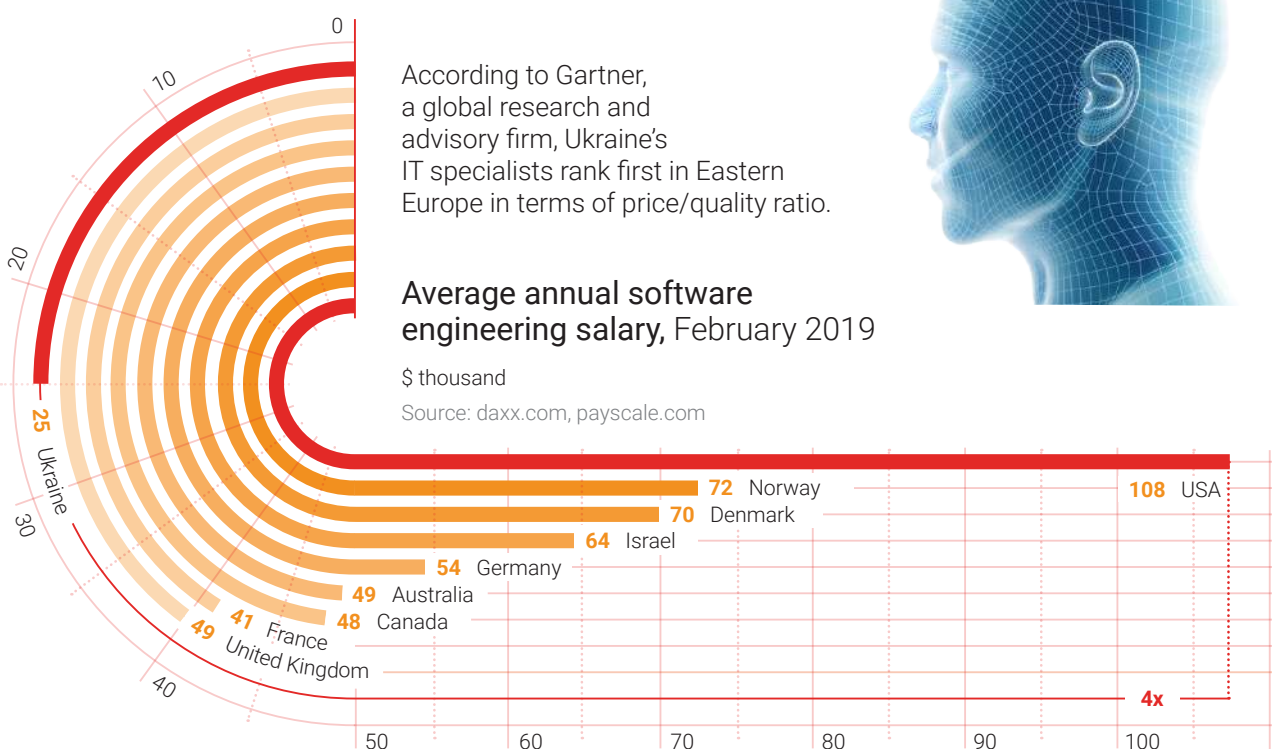


According to Gartner, a global research and advisory firm, Ukraine's IT specialists rank first in Eastern Europe in terms of price/quality ratio.

### Average annual software engineering salary, February 2019

\$ thousand

Source: daxx.com, payscale.com



**First computer in continental Europe built in Kyiv under the supervision**

of the scholar Sergey Lebedev and well-known scientist Victor Glushkov in 1950





## START-UPS



 Petcube

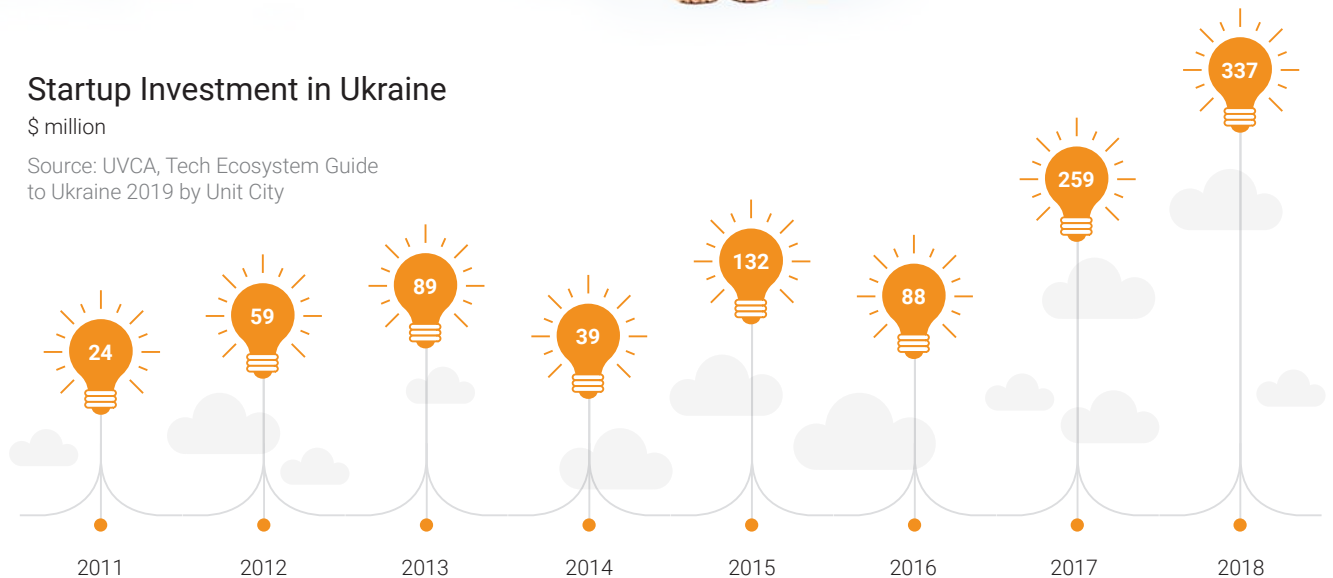
**IT outsourcing is the first level in the technology and software value chain.**

However, Ukraine is also rich in successful start-ups that have attracted millions of dollars in investment annually and become global leaders in specific areas.

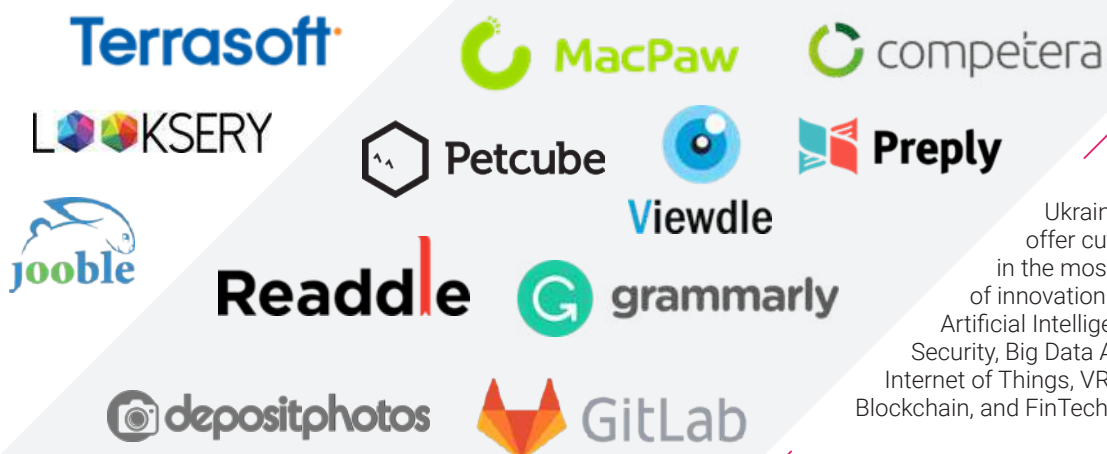
### Startup Investment in Ukraine

\$ million

Source: UVCA, Tech Ecosystem Guide to Ukraine 2019 by Unit City



## MOST PROMINENT UKRAINIAN STARTUPS



Ukrainian startup companies offer cutting-edge solutions in the most promising areas of innovation technology – Artificial Intelligence, Cyber Security, Big Data Analytics, Internet of Things, VR/AR, Blockchain, and FinTech.



**100+**  
global players

have located R&D facilities in Ukraine, further driving the high-tech sector

**SIEMENS** ring



**ERICSSON**



**Netcracker**  
An NEC Company

**ORACLE**

**SAMSUNG**

**Ukraine emerges as a global R&D hub**

"In Ukraine, unfortunately, there are not many jobs with a high salary level, and the revenue growth of IT industry contributes to the growth of the country."

**Yuriy Antonyuk**

Head of EPAM Ukraine



**Igor Beda**

CEO GlobalLogic Ukraine

**GlobalLogic®**

"Global Logic Ukraine showed remarkable results - we increased by almost 24%. From year to year, we rebuild key business goals and grow significantly faster than the market. This is important for the development of the entire company, as Ukraine is one of the key locations of GlobalLogic by the number of engineers and the size of the business."

**TOP-15  
IT companies  
in Ukraine  
2015-2018**



**DataArt**  
softserve



**intellias**  
GlobalLogic®



**nix**  
SOLUTIONS



**infopulse**



**eleks®**



**Well-known mobile messaging application WhatsApp was created**  
by Jan Koum, a Ukrainian-born American entrepreneur and computer programmer



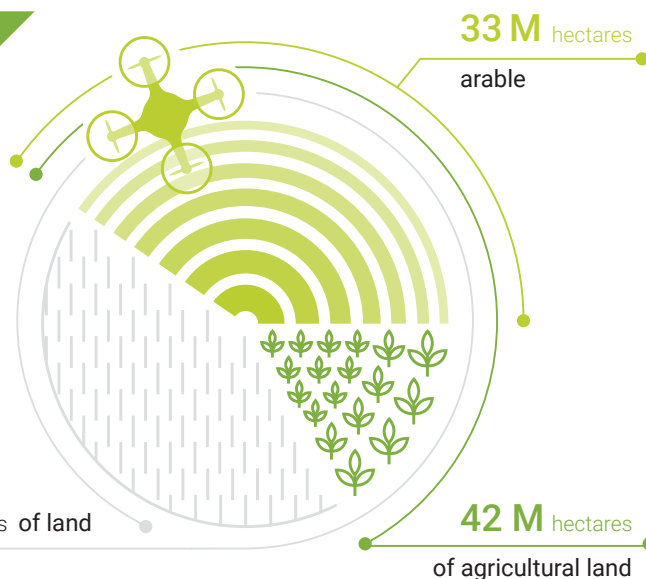
## Volume 5

## Investment Opportunities



## AGRIBUSINESS

Historically known as the **“bread basket of Europe”**, Ukraine is set to become the **“food basket”** of the world. With **33% of the world’s black soil (chornozem) concentrated in Ukraine**, a favourable climate and proximity to key markets, Ukraine is becoming an agriculture export powerhouse.



## Rich Natural Resources

Ukrainian agriculture, already enjoying substantial cost advantages due to attractive land rent prices, extremely fertile soil, competitive wages and logistics, still has plenty of headroom for productivity growth as the yields per hectare remain below Western benchmarks. Diversified transport systems provide opportunities for the efficient shipment of agriculture production to key markets.



Production of sunflower seeds

Production & export of sunflower oil

1



Export of honey

Export of rapeseed

3



Export of corn

Production & export of barley

4



Export of wheat

Production of honey

5



Export of soybean

Production of rapeseed

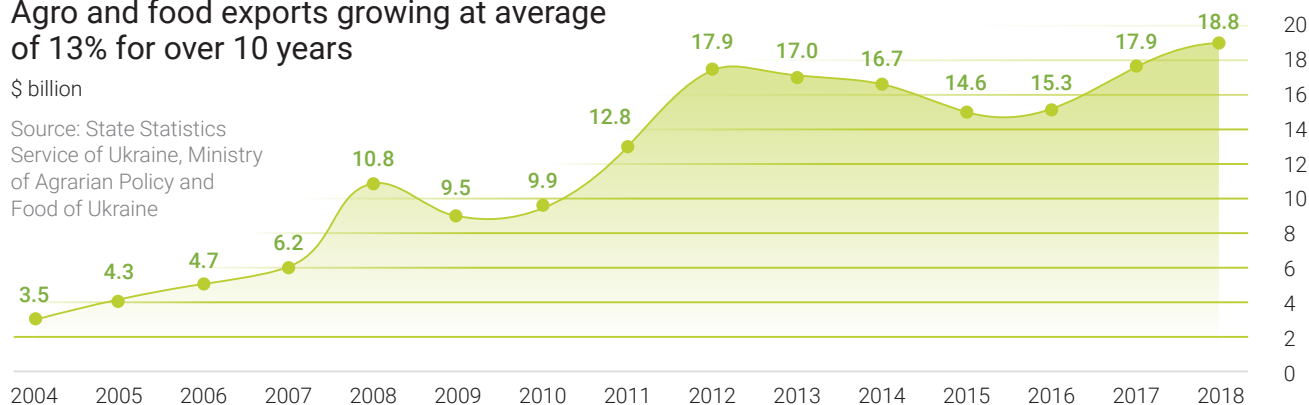
7

## UKRAINE'S PLACE IN THE GLOBAL FOOD MARKET

Agro and food exports growing at average of 13% for over 10 years

\$ billion

Source: State Statistics Service of Ukraine, Ministry of Agrarian Policy and Food of Ukraine





**EFFICIENCY UPGRADE**

Modern management practices  
New equipment  
High quality seed and inputs  
Logistics and distribution

**GROWTH POTENTIAL**

No. 3 in world food production  
by 2020  
Potential for tripling of output  
Huge export potential

**VALUE ADDED**

Food processing potential:  
dairy products • plant oils  
frozen foods • beverages

**LAND RESERVES**

33 mln ha of arable land  
Huge reserves unused



**23.2 %** Profitability level  
of operating activity  
of agriculture enterprises

**Profitability level of agriculture production  
in agriculture enterprises**

in Ukraine in 2017

Source: State Statistics  
Service of Ukraine

**12.4 %**



Beet sugar  
factory

**15.6 %**



Crops grain &  
leguminous

**25.4 %**

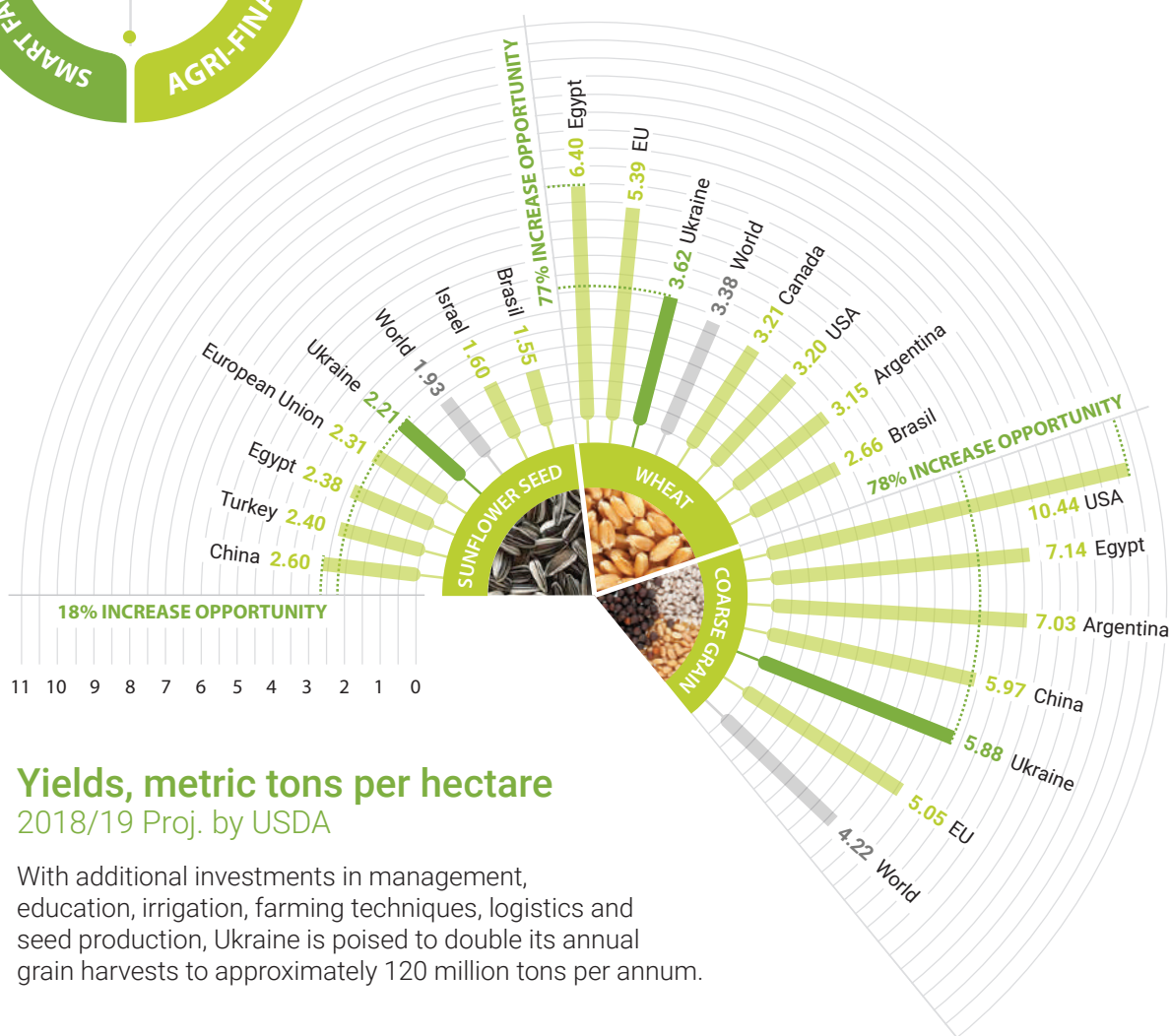


Crops  
vegetables

**41.3 %**



Sunflower



## Yields, metric tons per hectare

2018/19 Proj. by USDA

With additional investments in management, education, irrigation, farming techniques, logistics and seed production, Ukraine is poised to double its annual grain harvests to approximately 120 million tons per annum.



# High Value-added Agri Segments in Ukraine, 2018

## Agritech



Utilising sensors, drones and data management systems, agritech is poised to assist Ukraine in unlocking its potential in the agricultural sector.

- **\$18.8 billion** value of exports of Ukrainian agrarian companies
- **Up to 25%** net profit margin

- Ukraine is one of the top 10 exporters of the world's most popular agricultural crops
- Extensive arable land and top land fertility

## Value-added food processing



Ukraine's agricultural export is comprised mostly of raw and semi-finished goods, leaving huge space to establish value-added food processing in Ukraine.

- Global packaged food market by 2020 will be a **\$ 3.03 trillion** industry
- In 2018, total processed food production in Ukraine was **\$ 17 billion**
- Gross profit margin in the **40% to 60% range**

- Strong local market
- Well-developed agri-sector
- Relatively limited competition in the field

## Biofuel development



Production of fuel through biotechnological processes from renewable sources

- Gross potential of **61 million** tons of coal equivalent
- Market value of **\$ 2 billion**
- **30-35%** net margin

- Low energy costs
- Land fertility
- Abundant corn and sunflower are the primary source for biofuels
- Tax exemptions and subsidies

Niche

Financials

Why Ukraine?





## AQUAPONICS

Limited competition in the field and EBIT margin of up to 54% makes it an attractive investment

# 54%

# 100k\$

per average project

## AGRITOURISM

There are about 200,000 village farmsteads appropriate for agritourism. According to experts, an average project will be able to earn up to \$100k in annual revenues.



## Success Stories: Agri-Investment in Ukraine 2015-2018

## Unlocked FDI

"We in Cargill believe that Ukrainian agriculture has tremendous growth potential. We want our company to be part of this growth. Cargill has been active in Ukraine for more than 20 years and we remain dedicated to this market. We have a long-term view and are continuously looking into new investment opportunities".

**Martin Schuldt**  
CEO of Cargill Ukraine

# \$1.7 billion

**Cargill**



**Dr. Dirk Backhaus**

Member of the Executive Leadership Team and Head of Product Supply for the Crop Science division of Bayer

"This investment demonstrates Bayer's strong commitment to Ukraine. With more than 25 years of successful history in Ukraine, we have always been a key player in developing the country's agricultural sector. Bayer will continue working with farmers in Ukraine and is also planning to export its high-quality corn seed to EU states."



Ukraine is the world leader in sunflower oil production which comprises one third of the world's supply





# Investment Opportunities



## MANUFACTURING

Ukraine has a large manufacturing base, which historically has been concentrated in heavy industry, including mining, railway rolling stock, machine tools, aircraft engines, as well as light manufacturing, and the food industry.



Ukraine's heavy manufacturing sector is dominated by an extensive network of machine building enterprises. Over 25% of the population is employed by manufacturing companies involved in mining, railway rolling stock, energy, farm equipment, and road construction equipment. This manufacturing capacity, together with excellent educational institutes, has enabled Ukraine to become a global competitor in specialized industries such as production of aircraft engines and equipment for the light and food industries.

### HEAVY INDUSTRY

## AEROSPACE

Ukraine is one of the few nations with a developed aerospace industry, building civil, military and cargo aircraft, as well as supplying space technology:

- full cycle of design, production and operation of advanced aircraft
- an important supplier of turbine engines for aircraft, helicopters and aerospace industries worldwide



5

DESIGN BUREAUS



8

MANUFACTURING ENTERPRISES



> 150

UKRAINIAN ROCKET LAUNCHES since independence in 1991



5k

GRADUATES WITH AEROSPACE ENGINEERING DEGREES annually



15 +

GLOBAL FASHION BRANDS



220k +

EMPLOYEES

### FASHION INDUSTRY

Ukraine's garment industry is the latest sector to experience an unprecedented boom. A number of global fashion brands, such as Hugo Boss, Marks & Spencer, Tommy Hilfiger, already have production facilities in Ukraine and enjoy benefits of cost-efficient manufacturing. Ukraine is also emerging as a fashion hub – elegant and striking design collections from Ukraine have now captured the attention of elite fashion houses and their clients around the globe.

## AUTOMOTIVE PARTS

Ukraine's automotive industry has become one of the fastest growing manufacturing sectors owing to a favourable combination of increasing demand, availability of skilled workers, competitive salaries and integration into the European supply chain. In addition, as new vehicle sales increase, domestic vehicle manufacturers are increasing production figures and new investment opportunities are being explored, such as electric vehicles and batteries, with Ukraine possessing the world's largest lithium reserves.



20 +

GLOBAL AUTOMOTIVE COMPANIES



30 +

AUTOMOTIVE PLANTS



600 \$

MILLION of investment



60k

ENGINEERS, SPECIALISTS AND WORKERS employed in the industry

## PHARMACEUTICALS

Ukraine's pharmaceutical sector is one of the fastest growing and most crisis-resistant consumer industries in the economy. A major growth driver is import substitution, building a strong case for international pharma companies to increase investment through purchase of existing players or building their own manufacturing in Ukraine.


**115**

COMPANIES LICENSED  
TO MANUFACTURE  
MEDICINE


**23k +**

EMPLOYEES


**14%**

MARKET GROWTH  
IN-KIND IN 2016-2017



from

**2009**

GMP AND EU RULES  
ARE IMPLEMENTED

**15-25%**


The immense consumption gap versus peer countries is another growth driver: per capita pharmaceutical expenditures in Ukraine are only 15-25% of the levels of neighboring countries.

## Success Stories: Manufacturing Investment in Ukraine 2015-2018

### Unlocked FDI

"Of the problems we had when we first came here in 2003, 90% have gone. The Danish Business Association and European Business Association are constantly working through the administration to make life easier for investors. Ukraine is a good investment country; it's also a good country to live in. Ukrainians are highly educated, and here they are more Western-minded in business and politics."

**\$1.5 billion**


Lars Vestbjerg

CEO of SIKA Footwear,  
a Danish footwear manufacturer,  
and President of the Danish  
Business Association



Michael Aleksandrakis

Managing Director PM Ukraine, Caucasus and Moldova

"Ukraine has a huge potential and I hope the government will continue with the reforms needed to unleash this potential and improve the life of Ukrainian people and the business environment in order to be able to attract more investments."



**Ukraine is home to the world famous Antonov design bureau**  
known for designing the world's largest airplane, the AN-225 Mriya





Volume 5

# Investment Opportunities

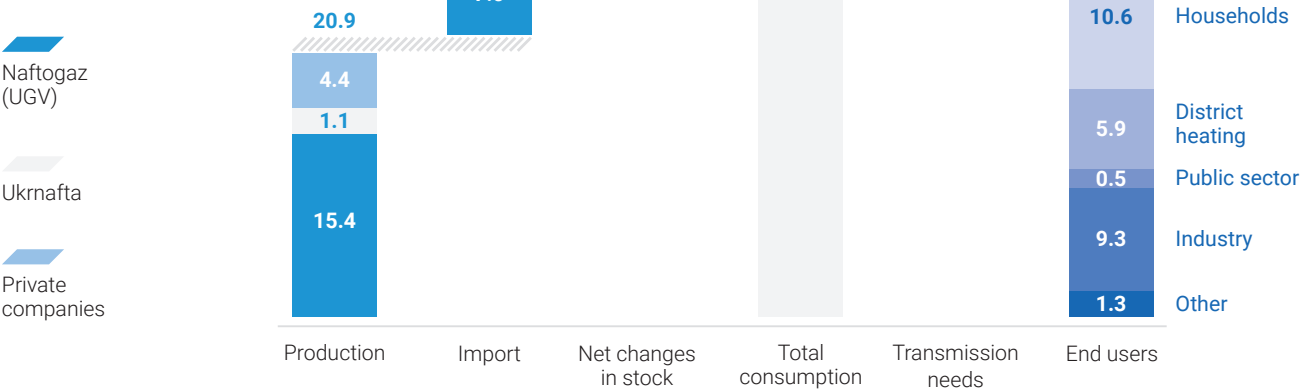


## OIL & GAS

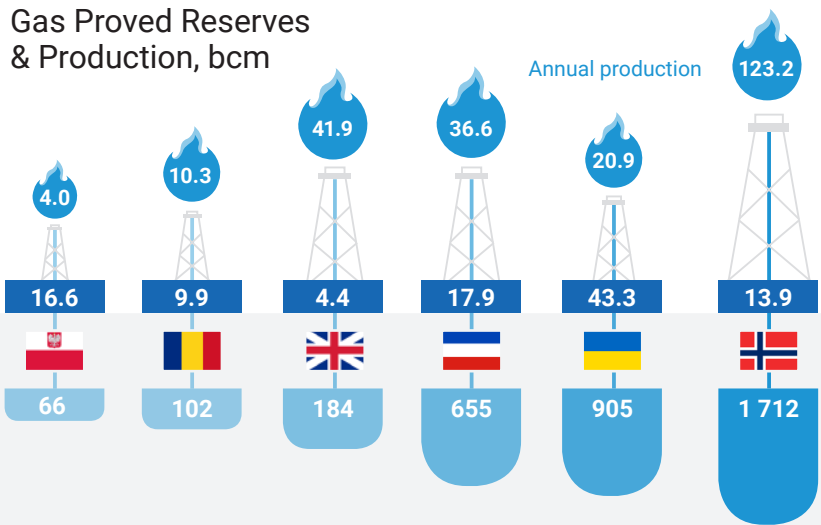
Natural gas occupies a significant part of the energy mix in Ukraine and currently constitutes 30% of the nation's energy demand. With gas consumption at 32 bcm in 2018, Ukraine imports one third of its total needs.

### Ukraine's Gas Balance 2018, bcm

Source: Naftogaz, Ukrtransgaz



### Gas Proved Reserves & Production, bcm



Given Ukraine's current natural gas production, the proved reserves base is underutilized. The government's recent deregulation efforts in the gas sector and the launch of open auctions of special permits for oil and gas extraction will attract more private companies with advanced technologies and boost gas production in Ukraine.

Years of production

Proved reserves

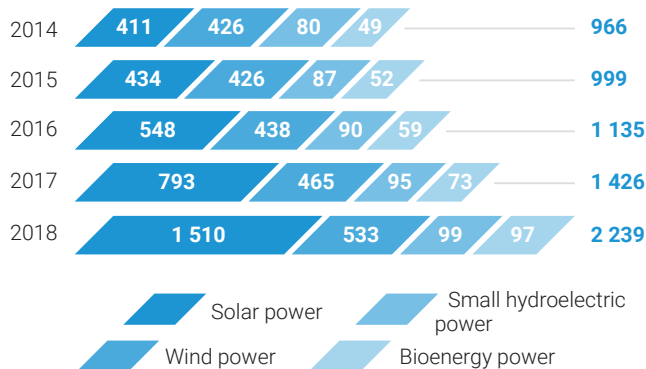
Sources: Naftogaz; BP Statistical Review of World Energy 2018; State Balance of Mineral Resources of Ukraine, 2017



## RENEWABLES

## Renewables Capacity as at Period End, MWe

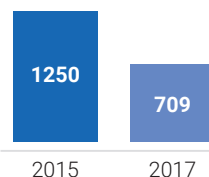
Source: State Agency on Energy Efficiency and Energy Saving of Ukraine



## Solar power technologies become cheaper

## Cost of PV plants construction in Ukraine

does not include expenses on project financing and additional work, euro/kW



Source: Energy Industry in Ukraine 2018



## New Market Model\* from January 1, 2020

Ukraine is now developing an auction-based model for the renewables market similar to that in force in most European nations. This will provide additional long-term stability to the renewables sector and create further opportunities for global companies to invest in Ukraine.



**auction-based model for energy projects:**

Solar (>1MW)  
Wind (>5MW)



20 years PPA for successful bidder



"green" tariff for other renewables including small solar & wind projects



"green" tariff for all projects commissioned or with signed pre-PPA

\*Ukraine adopted Law on Renewable energy auctions and new PPA

## Success Stories: Energy Investment in Ukraine 2015-2018

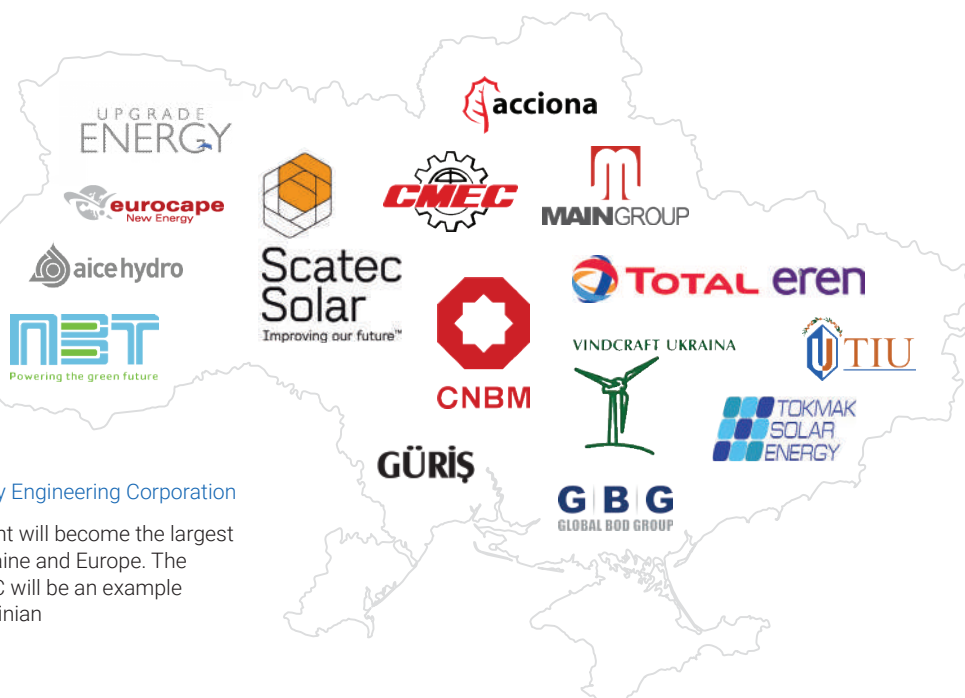
## Unlocked FDI

**\$1.5 billion**

"When the IMF prioritized renewable energy in Ukraine, we recognized that the core competencies of Canada created considerable investment opportunities for us in Ukraine. We see strong parallels between Ukraine's current energy independence efforts and the hydrocarbons boom in Canada of the last three decades."

## Michael Yurkovich

CEO, TIU Canada



## Mr. Zhang Chun

Chairman of China Machinery Engineering Corporation

"The Nikopol solar power plant will become the largest solar power generator in Ukraine and Europe. The joint work of DTEK and CMEC will be an example of cooperation for other Ukrainian and Chinese companies."

Ukraine's gas storage facilities are the largest in Europe (31 billion m3)



# Business Associations



American Chamber of  
Commerce



German-Ukrainian  
Chamber of  
Industry & Trade



Association of Ukraine -  
European Business  
Cooperation Assistance



International  
Turkish Ukrainian  
Business Association



British Business Club  
in Ukraine



Non-Governmental  
Organization «SUP»



British Ukrainian  
Chamber of  
Commerce ("BUCC")



Norwegian  
Ukrainian Chamber  
of Commerce



Business  
Sweden in Kyiv



Polish-Ukrainian  
Chamber of Commerce



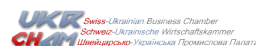
Camera di  
Commercioltaliana  
per l'Ucraina ("CCIPU")



International  
Chamber of Commerce



Canada-Ukraine  
Chamber of Commerce



Swiss-Ukrainian  
Business Chamber



Chinese Commerce  
Association



U.S. - Ukraine  
Business Council



Danish Business  
Association



Ukrainian  
Agribusiness Club



European Business  
Association



Ukrainian Chamber  
of Commerce & Industry



European Economic  
Chamber of Trade,  
Commerce and Industry



Ukrainian League  
of Industrialists  
and Entrepreneurs



French Chamber  
of Commerce



Ukrainian Venture  
Capital and Private  
Equity Association

## WE ARE

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

## WE PROVIDE

clients with objective, practical advice on doing business in Ukraine

## WE WORK

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

## WE OFFER

one-stop services free of charge

### Navigation and Guidance

Assistance in identifying opportunities  
Problem solving  
Personal approach



### Key Sector Expertise

Professional consultancy in high growth sectors and niche markets



### Introductions

Connections to all levels of government, business associations and investors



### Information and Insight

Local expertise  
Support informed decision making



### Regional Support

Headquartered in Kyiv with support to the regions  
Close cooperation with regional partners



### Advocacy

Important voice for business  
Direct access to government



# Ukraine

Find your  
opportunities  
here!



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