According to the World Bank since 2010 Ukraine has done more to improve its business climate than any post-communist country (CEE+CIS)

More reforms enacted in 5 years than in previous 23

I. UKRAINE UNDERGOING TRANSFORMATION

II. CRISIS
- 20% GDP
- 60% UAH
- 7% of territory occupied
- $15K on current a/c (!!!)
- Gold reserves <1 mo imports

III. STABILIZATION & TRANSFORMATION

Reforms:
- Decentralization
- Anticorruption
- Judicial
- Education
- Healthcare
- Pension
- Privatization/SOEs governance
- Banking sector
  - > 90 out of 180 “pocket” banks closed
  - currency liberalization
- EU-UA Association Agreement – DCFTA
- FTAs w Canada, Israel, Turkey (finalization)

IV. GROWTH AGENDA: 5-7% yoy
- 2Q 2019 = ↑4.6%, 3Q 2019 = ↑4.2%

Major Legislative Initiatives
- Law on Authorized Economic Operator
- Law on Railway Transport
- Law on Liberalizing Space Activity
- Law on Unbundling of Naftogaz
- Land Market Reform
- Digitalization of Ukraine
- Law on Concessions
- Law on Inland Waterways
- Launch of Large Privatization

EU vector
- Visa-free regime with 90 countries (including Schengen zone)
- 42% share of exports to the EU in Jan-Sep 2019

Ukraine in Key International Rankings

#1 Ukraine tops Good Country Index in the field of Science and Technology

Fitch and S&P upgraded the long-term foreign and local currency ratings of Ukraine to B from B-
### Macroeconomic Progress

- Return to economic growth:
  - Ukraine’s real GDP growth - ↑3.3% in 2018 (↑2.5% in 2017)
  - 3Q 2019 - ↑4.2%
  - 2019 growth proj. by World Bank - ↑3.6%
- Real industrial growth:
  - ↑11.1% in 2018 (↑10.4% in 2017)
- Real wages increase – ↑9.6% in Sep 2019 comparing to Sep 2018
- Consumer price index – 5.1% in Nov 2019 comparing to Nov 2018
- Public debt as % of GDP decreases – 60.9% of GDP in 2018 (down from 80.9% and 71.8% in 2016 and 2017, respectively)
- International reserves – $21.9 bn as at end of Nov 2019 – up from $5.6 bn in Feb 2015
- Infrastructure construction and modernization:
  - unprecedented renovation of fleet of locomotives and railway cars
  - dredging of sea ports (Yuzhnyi, Chornomorsk)
  - Beskydy railway tunnel opened
- Merchandise exports growth – ↑9.4% in 2018 and further 7.4% during Jan-Sep 2019
- Re-orientation to EU market – EU share in Ukraine’s exports rose to 42% in Jan-Sep 2019

### Reforms Progress

- All elements of anti-corruption infrastructure:
  - National Agency on Corruption Prevention
  - National Anti-Corruption Bureau
  - Special Anti-Corruption Prosecutor’s Office
  - Anti-Corruption Court (launched in Sep 2019)
- New fiscal policy (latest improvements):
  - paper checks replaced with electronic
  - further improvements in automatic VAT refunds system
  - “single window” during customs clearance
  - elimination of contraband
- On-going deregulation:
  - risk-oriented approach in the work of inspecting authorities
  - further cancelation of outdated regulations
  - simplification of land allocation and licensing procedures in oil and gas industry
  - new building standards approved
- Management of state-owned enterprises (SOE):
  - small privatization via systems of electronic auctions started in Aug 2018
  - search for advisors for large privatization
  - approval of sales terms of Centrenergo
  - approval of concession term in ports Olvia and Kherson
  - new approach to corporate governance at strategic SOEs – Independent Supervisory Boards of Naftogaz, UZ, Ukrainian Sea Ports Authority, Ukrenergo, Ukropshta, etc.

### Investment Attraction

- In 2018 gross FDI inflow reached $2.87 bn, showing restoration of investment activity
- Top FDI deals in 2018:
  - GE-UZ $1 bn deal – $400 mln of investment to produce 225 new diesel locomotives and upgrade 75 older models over a 15-year term
  - German Bayer – $200 mln – seeds processing plant in Zhytomyr region
  - Saudi Salic – $242 mln – acquisition of agroholding “Miyra”
  - Austrian Head – $95 mln – sports equipment manufacturing plant in Vinnytsia region
  - Norwegian Scatec Solar – $320 mln – solar power projects in Cherkasy and Mykoliv regions with total capacity of 251 MWe
  - Spanish Acciona Energy – $65 mln – a 57.6 MWe solar power plant in Kyiv region
- Top FDI deals in 2019:
  - NBT and Total Eren – $300 mln – wind power plant project in Kherson region
  - US Jabil – $16 mln – second electronics manufacturing plant in Zakarpattia region
  - Horizon Capital – $200 mln – new private-equity fund for investing in innovative and export-oriented companies in Ukraine
  - German STADA acquired Ukraine based Biopharma manufacturing facilities in Bila Tserkva, Kyiv region
- >100 global brands have R&D centres in Ukraine
- Global brands enter Ukraine – ZARA Home, H&M, Decathlon, etc.