

Ukraine is innovation and investment opportunity

Mr. Ihor Nikolaiko

Ministry of foreign affairs of Ukraine

Ukraine is Innovation and Opportunity!

In April 2017, the Government adopted its Strategy 2020 with the goal of boosting economic growth to 5-7% by 2020, thereby ensuring long-term prosperity for all Ukrainians.

The plan also lays the groundwork for positioning Ukraine as the Eurasian Hub, where it can use its geographic and market advantage to compete at the crossroads of two of the world's largest economic trading blocks, European and Asian.

Ukraine: Key facts

Area:

603,500 square kilometers
The largest country within Europe



Location:

Borders Poland, Romania, Slovakia, Hungary and Moldova in the west, Belarus and Russia to north and east, Bulgaria, Georgia and Turkey to the south over the Black Sea,

Economy:

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

Political System:

Parliamentary-Presidential Republic

Diaspora Worldwide:

20 million strong network



Currency:

Ukrainian hryvnia – UAH
Average rate – 26.6 UAH per 1 USD

Population:

45 million
70% urban-based
Source: World Bank, data as of 2016

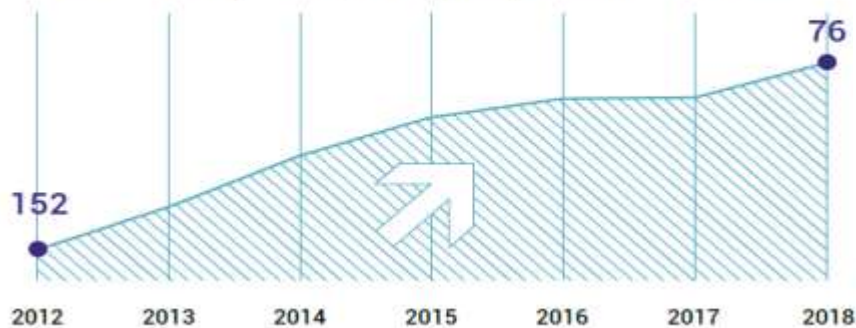
Ukraine: Key facts



Ukraine: International Rankings

World Bank Ease of Doing Business

2018's ranking is 76th, rising 76 positions since 2012



Source: World Bank, 2006-2018

Sovereign credit ratings in 2018

FitchRatings

B-/B; Stable

S&P Global Ratings

B-/B; Stable

MOODY'S

Caa2; Positive

2017 Bloomberg Innovation Index

Ukraine
is in the
TOP 50
world's most
innovative
economies

Source: <https://www.bloomberg.com/>

Human Capital Index

Ukraine ranked
24th
out of 130 countries



By World Economic Forum 2017

Ukraine: Key Sectors



Agribusiness:

33 million hectares of land under cultivation –
1/3 of Europe's arable land
33% of World's black soil (chornozem)

1st World's exporter of sunflower oil (2017)
3rd World's grain exporter (2016)

Opportunities for tripling of outputs,
efficiency upgrade and food processing



Energy:

Renewables - one of the highest feed-in tariff rates in Europe:

- Solar - above average solar irradiation
- Wind - above average wind speeds
- Bioenergy - large amounts of agricultural and forestry waste

Established traditional energy

- Oil & gas, coal and nuclear power plants
- Modernization and upgrade opportunities



Innovation Technologies:

Embraces all four sectors

Accomplished through more effective products, processes, services, technologies and business models

Driven by Ukraine's highly developing IT sector:

- #1 IT engineering force in Central and Eastern Europe (CEE)
- 130,000 engineering graduates annually
- 100+ global companies operate software R&D labs in Ukraine
- leader in cybernetics and natural language processing

Top technology opportunities: big data & analytics, artificial intelligence, cloud computing, digital payments, internet of things, robotics, cybersecurity

World's Digital Workshop



Top 5 reasons to invest in Ukraine

1

Country Transformation

Ukraine, located at the European Union's frontier, has a pro-Western, pro-business government focused on implementing reforms and strengthening the national economy and institutions. It is on its way to becoming an economic turnaround success story.

2

Highly Skilled Human Capital – World's Digital Workshop

Ukraine is a large country with a total population of 45 million. The largest Ukrainian cities, including Kyiv, Kharkiv, Odesa, Dnipro, Zaporizhia and Lviv, are educational hubs where talented young people strive for higher education and job opportunities.

99.7%
literacy
rate

70%
have a
secondary
or higher
education

#1
IT engineering
force in CEE

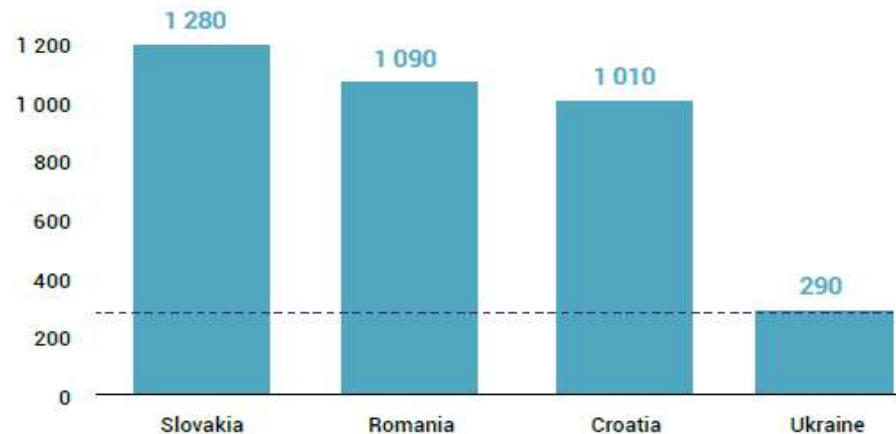
Top 5 reasons to invest in Ukraine

3

Efficient Production Platform in Europe

The Deep and Comprehensive Free Trade Agreement (DCFTA) signed with the European Union is already having impact on Ukrainian industry, lifting tariff and non-tariff barriers for Ukrainian exports, most notably in the agricultural and manufacturing sectors, where Ukraine enjoys important competitive and cost advantages. In January-September 2017, Ukraine's exports to the EU increased by 26%, compared to the same period in 2016.

Monthly manufacturing wages in selected countries, USD
January 2018



Source: tradingeconomics, UkraineInvest estimates

The significant devaluation of the Hryvnia transformed Ukraine into a global competitive cost efficient production platform. Labor, raw materials and other production costs have declined significantly in US dollar terms. In particular, labor intensive industries such as food and agribusiness, light manufacturing and small machinery-building benefit the most.

The average manufacturing salary, of \$290 per month (2018) is significantly below regional peers in CEE. At the same time, proximity to the large EU market makes Ukraine a competitive alternative to Southeast Asia.

Top 5 reasons to invest in Ukraine

4

Logistics and Infrastructure

With its geographic location, combined with low production costs, Ukraine strives to become a major service, manufacturing and trading hub at the intersection of Europe and Asia. Ukraine has a robust infrastructure for sustaining an export-oriented economy.



● Ukraine is ideally positioned to be a manufacturing hub for EU
Kilometers distance to selected cities



● Accessible to key global business hubs
Flight hours to selected cities



Top 5 reasons to invest in Ukraine

5

Improved Business Climate

The Government has emphasized the critical role that foreign investment plays in Ukraine's economy and has made great strides to improve the business climate in Ukraine. In fact, more reforms have been enacted in the past 4 years than in all the previous years since independence.

The Government has approved its Strategic Action Plan 2020, which provides for:

- On-going deregulation
- Improving corporate governance of state agencies and privatization
- Supporting innovation
- Improving the Ease of Doing Business



Thank you for your attention!

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