

INVEST Ukraine

Open for U



MINISTRY
OF ECONOMIC DEVELOPMENT
AND TRADE OF UKRAINE

Contents:



Foreword by the Prime Minister of Ukraine	4
Ukraine: Key Facts	6
Bold Reform Agenda	8
Top Reasons to Invest in Ukraine	10
Attractive Sectors	14
Business Associations	24



The people of Ukraine have made a historic and decisive choice, rising up during the Revolution of Dignity to demand basic rights and freedoms enjoyed by citizens of democratic nations throughout the world. Since then, despite immense challenges faced, Ukraine remains firmly committed to its chosen course towards Europe and the West. This distinct trajectory is embodied in the spirit of openness and transparency at all levels of society, in the core principles underpinning the reform agenda pursued by the Ukrainian government and in the deepening trade relationships between Ukraine and the West. The Free Trade Agreement (FTA) with the European Union that took full effect on January 1, 2016; the anticipated lifting of visa requirements for Ukrainian citizens visiting the European Union; the imminent signing of the Canada Ukraine FTA – these are all significant elements in the strong foundation being built to support enhanced trade

and cooperation between Ukraine and its partners throughout the world.

The reforms undertaken by the Government of Ukraine are far from routine. Deep and structural reforms are in process that require ongoing partnership and communication with civil society and business, both Ukrainian and foreign. Only in close partnership with people from the “real” economy can we take pragmatic steps to overcome the challenges currently faced by our country.

The Government of Ukraine has made significant progress in implementing reforms, enabling the country to move from achieving macroeconomic stability to stimulating economic growth, attracting investment and improving consumer confidence. We continue to introduce reforms in strategic areas that impact economic freedoms; including ensuring fair competition, rule of law and restoring trust in public institutions.

A positive sign for the business community is Ukraine’s high level of cooperation with reputable international financial institutions. Through our cooperation with the International Monetary Fund and the World Bank, as well as our multi-lateral and bi-lateral partners, over \$25 billion in financial support to Ukraine is expected to be provided through 2018. The reforms undertaken in relation to these programs are key to maintaining economic stability and starting a new era of attracting foreign investment, targeted at economic modernization as well as energy efficiency and independence through the implementation of new technologies.

Though much remains to be done, a great deal has already been achieved. The economy has begun to rebound, achieving growth in the first quarter of 2016 for the first time since 4Q2013, and is expected to grow 1-2% this year, after contracting 7% in 2014 and a further 10% in 2015. Industrial production and organized retail turnover are growing, consumer confidence improving and leading indicators point to emerging economic recovery across numerous sectors of the economy. We have begun the process of harmonizing Ukrainian legislation with European Union laws and policies to establish a simple and understandable business environment for international investors. We have brought gas prices for households and municipal utilities to import parity levels, which is expected to further stimulate energy savings, strengthen the country's energy independence and reduce the burden on public finances.

Ukraine has risen 65 positions since 2012 in the World Bank's Ease of Doing Business Rating, paving the way for increased investment and job creation. Moody's recently improved the outlook for Ukraine's banking system from negative to stable, on the back of Standard & Poor's, Fitch's and Moody's upgrading key credit ratings related to Ukraine in late 2015. Ground-breaking judicial reform legislation, approved by the Venice Commission, was passed recently in the Parliament of Ukraine by an over two-thirds majority of lawmakers, amending Ukraine's Constitution to limit the immunity of judges, transform the court system and introduce key anti-corruption measures; an achievement applauded by Ukraine's international partners worldwide. We strongly endorse judicial reform as we understand that investors require a business environment that guarantees equality and fairness, impartial legal

protection and high standards of legal justice.

The Government has given a "green light" to investors, recognizing investment as a key driver of Ukraine's future economic growth. Success stories of companies operating in our country are the best advocacy for Ukraine globally. All who have invested, or plan to invest, are our worldwide advocates and partners. We are open to new proposals and eager to listen and to jointly develop effective ways to restructure our economy and improve the investment climate.

We also encourage the international business community to participate in the process of decentralization of power and local government reform, already impacting on regional development. Infrastructure and local development projects in Ukraine may provide lucrative opportunities for foreign investors, including successful cooperation through public-private partnerships.

The Ukrainian Government welcomes the investment community to actively participate in Ukraine's renewed economic growth, industry modernization and spirited national dialogue.

Ukrainians have always been believers in democratic values. We see our future in partnership with international organizations, businesses, partners and developed Western nations.

We are open for cooperation! Welcome to Ukraine!

Volodymyr Groysman
Prime Minister of Ukraine

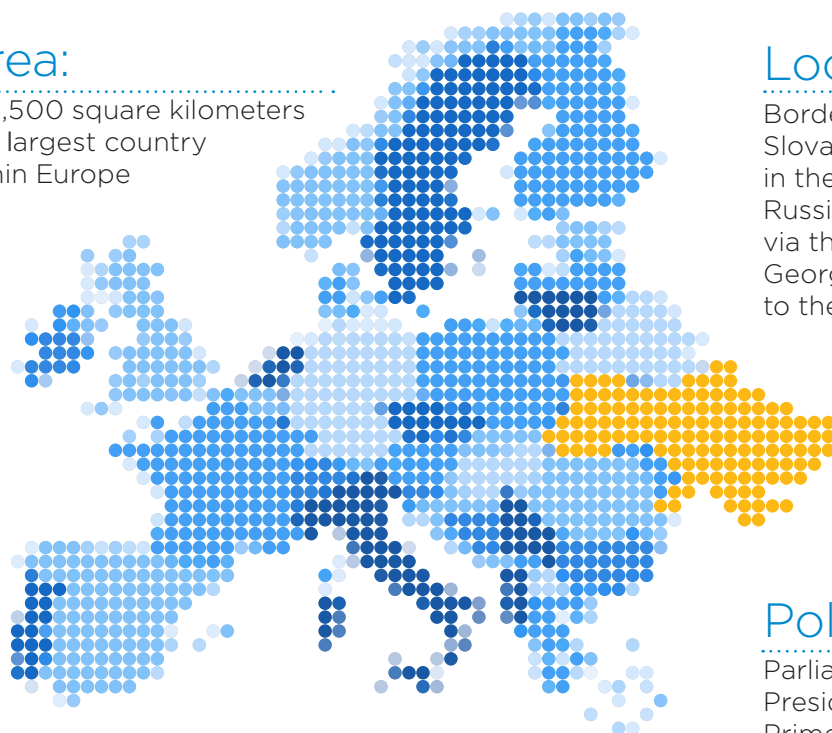
Ukraine: Key Facts

Area:

603,500 square kilometers
The largest country within Europe

Location:

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



Political system:

Parliamentary-Presidential Republic
President Petro Poroshenko
Prime Minister Volodymyr Groysman

Population:

45 million
70% urban-based

Diaspora worldwide:

20 million strong network throughout the world

GDP (PPP):

\$339

billion in 2015
top-50
economy
globally

Average salary:

\$179

per month
Most cost-competitive
manufacturing
platform in Europe

Big Mac price:

\$1.54

Visa free

travel
for short stays
for most
Western
countries

Trade:

1

Geographical center of Europe, making the country an ideal trade hub to the EU, Middle East and Asia

2

World
Trade
Organization
member

3

Deep and
Comprehensive
Free Trade Agreement
(DCFTA) with
European Union

4

Free trade: EU, CIS,
EFTA, FYROM,
Georgia, Montenegro,
Macedonia.
Ongoing negotiations
with Canada, Israel
and Turkey



Information Technology:

- #1 IT engineering force in Central and Eastern Europe(CEE)
- 20 times growth in IT outsourcing sales since 2003 to \$2.5 bln value of software outsourcing export in 2015 (30% CAGR in 2003-2015)
- #3 export sector
- 100+ global companies operate software R&D labs in Ukraine
- 130,000 engineering graduates annually
- 9.8% of graduates in math, sciences and computing, the highest level in CEE
- Jan Koum (WhatsApp) and Max Levchin (PayPal) born and raised in Kyiv



Agribusiness:

- 33% of world's black-earth soil ("chornozem") is in Ukraine, considered the most fertile and productive agricultural land
- Over 70% of Ukraine is agricultural land, valued at > \$100 billion
- #1 in sunflower oil exports globally
- #3 in corn exports globally



Infrastructure:

- Railways – 22,000 kilometers (#12 globally)
- Roadways – 170,000 kilometers (#29 globally)
- Airports – over 20 passenger airports
- Ports – 13 along mainland of Ukraine
- Odessa ports handle over 65 million tons of cargo annually
- 4 of 10 European transport corridors run through Ukraine
- #5 worldwide in rail cargo traffic
- Pipelines – 36,720 km of gas, 4,514 km of oil and 4,363 of refined products



Natural resources:

- #1 black soil concentration globally
- #2 manganese ores and graphite deposits globally
- Top-3 iron ore deposits globally
- Local gas production covers nearly 60% of needs

Human Capital

4th

educated nation
in the world –
99.7%
literacy rate

70%
have
a secondary or
higher education

Ukraine rose 65
positions since
2012 in World
Bank's Ease of
Doing Business
Ranking

World's largest
cargo aircraft,
Antonov-225
Mriya,
designed and
manufactured
in Ukraine



Ukrainian
Maria Muzychuk
is the 2015 World
Chess Champion



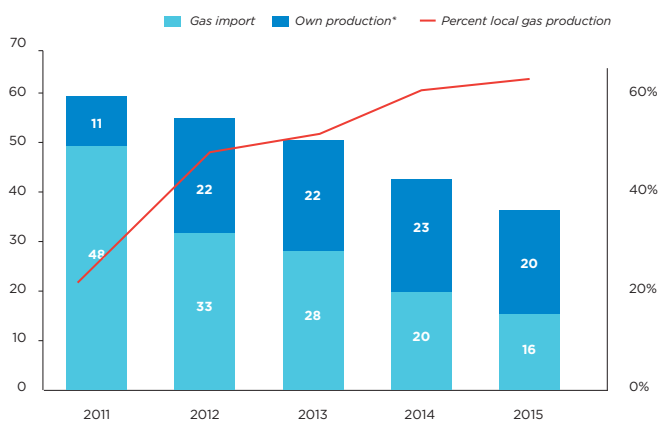
Bold Reform Agenda

Ukraine made a decisive and historic choice, pursuing a vector to Europe and the West that is firmly embraced by the government, civil society and business. The euphoria of toppling the former regime in February 2014 was immediately tempered by the need to mobilize all resources to protect Ukraine's territorial integrity following the annexation of Crimea and the fueling of conflict in two regions of Ukraine's Eastern border. The area of conflict occupies less than 3% of the territory of Ukraine and is over 700 kilometers from Kyiv.

Ukraine stabilized its economy, defended its territory and launched unprecedented structural reforms and EU convergence policies to create a solid platform for future sustainable growth. **Ukraine is open and ready for business.** In March 2015, the Ukrainian government proposed, and Parliament adopted, eight important reform laws targeting the budget, taxation, pensions, energy pricing, protection of investor rights and other areas. This new legislation paved the way for the International Monetary Fund (IMF) to approve \$17.5 billion in funding to Ukraine and led to economic and currency market stabilization. GDP growth is expected to return in 2016 with 2% growth forecast from 2017 onwards.

Energy

Reduction in imported gas; rise in local production BCM (left axis), percent local production (right axis)



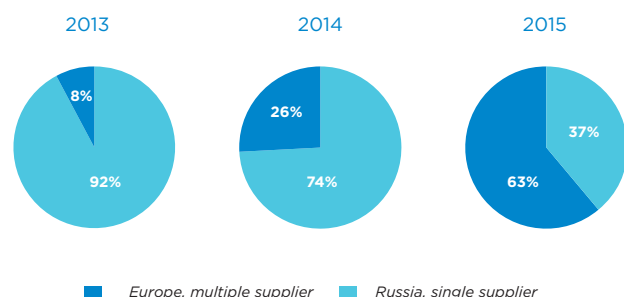
* includes gas usage from reserve (up to 6% of consumption)

Source: Naftogaz of Ukraine, Ukrstat

The impact of reforms is significant in Ukraine's energy sector where, for the first time, all contracts exclude intermediaries and the gas market was liberalized and aligned with the European Third Energy Package. Over 2/3s of gas imports are now met through European reverse flow contracts – a significant departure from exclusive reliance on Russian gas through 2013. As a result, the state gas monopoly Naftogaz will be deficit-free in 2016 – first time since its establishment.

The government's push to cease subsidies and more than triple gas prices for households, with targeted compensation for vulnerable families, is historic as no prior administration had the courage and political will to tackle this issue vital to Ukraine's independence and future development. This move is projected to drive energy savings and decrease gas consumption by 12 billion cubic meters, making the country fully energy independent of Russia, and creating an energy efficiency market exceeding \$35 billion over the next 10 years.

Gas Imports Diversified



Ukraine has Europe's largest underground gas storage capacity

Privatization

The Ukrainian government's ambitious **privatization program** aims to divest over 300 state enterprises in the first phase. State enterprises consume annual subsidies of 2.5% of GDP, contributing only 0.2% in dividends. The privatization program is expected to attract foreign investment, cut budgetary subsidies and level the playing field. In addition, data on top-100 state-owned enterprises has been made public, including detailed financial statements, thus increasing transparency and disclosure standards as well as improving management and corporate governance. The new privatization law abolished the requirement of the mandatory sale of the package of 5-10% of the shares on the stock exchange during the privatization. The requirement used to be a barrier for international companies to participate in privatization.

Time to register a new company cut to two days

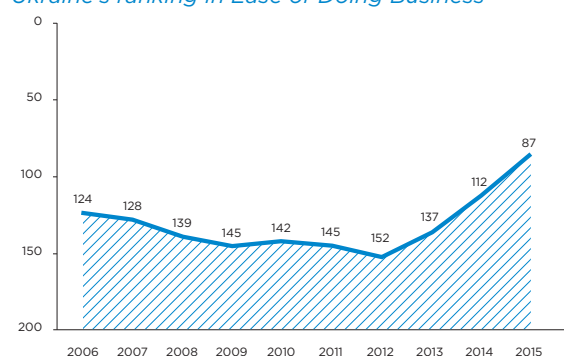
Deregulation

An ambitious deregulation program was launched with over 70 initiatives, from scrapping quarantine certificates for grain transportation to liberalizing the land market to simplifying the immigration rules for expatriates. Licensing for 26 business activities was abolished and 100 regulations scrapped.

Time to register a new company cut to two days. The Ministry of Economy estimates \$2.4 - \$3.3 billion in savings for the business community and a dramatic improvement in Ukraine's future standing in the World Bank's Ease of Doing Business Rating, paving the way for increased investment and job creation. Ukraine has already **risen 65 positions in the ranking** since 2012.

Ease of Doing Business

Ukraine's ranking in Ease of Doing Business



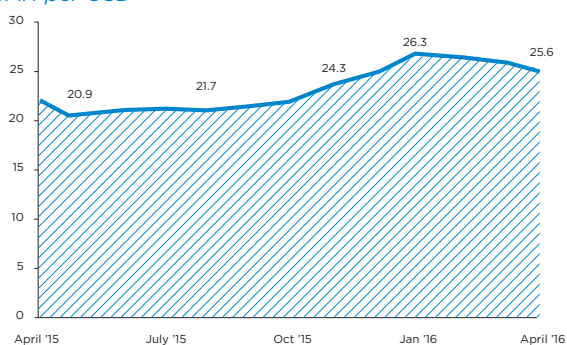
Source: World Bank, 2006-2015

Finance

The IMF and other multi- and bilateral international partners agreed to provide Ukraine with financial support totaling over \$25 billion through 2018.

Hryvnia exchange rate

UAH per USD



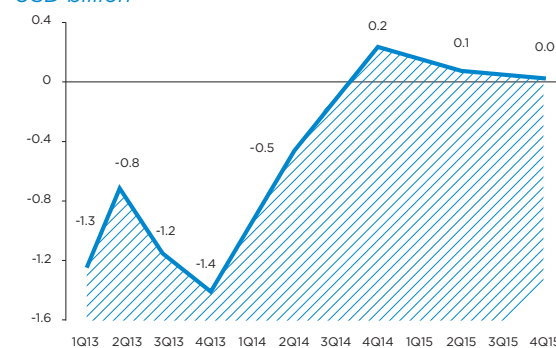
Source: bank.gov.ua

Reforms in the banking sector led to recapitalization of the banking system. Additionally, a clean-up of the sector was initiated. Since early 2014, over 69 of 180 banks closed as the National Bank of Ukraine increased capital requirements, accelerated closing "pocket banks", combatted related party lending and strengthened financial monitoring.

Disbursement of the first \$5 billion IMF tranche stabilized currency markets, with the Hryvnia exchange rate appreciating by over 30% versus its lowest point in February 2015. IMF financing helped Ukraine's official reserves to reach \$13.2 billion by April 2016 from just \$5.6 billion a year ago.

Current account balance

USD billion



Source: bank.gov.ua

Top Reasons to Invest in Ukraine

Ukraine is a ground floor investment opportunity at the frontier of the European Union, offering a highly skilled and productive workforce, low-cost manufacturing platform and attractive entry valuations

1

Ground Floor Opportunity

Ukraine, located at the European Union's frontier, with a pro-Western, pro-business government focused on implementing reforms and strengthening national security and institutions, is well-positioned to become a future economic turnaround success story.

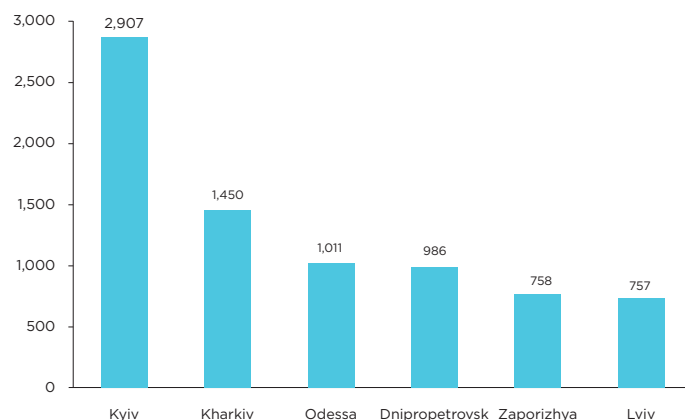
The challenges faced by Ukraine create momentum and urgency for pursuing structural reforms - key to the country's transformation and to unlocking future growth.

2

Highly Skilled Human Capital

Ukraine is a large country with a total population of over 45 million. Ranked the 4th most educated nation in the world, over **99.7% of Ukrainians are literate** and over **70% have a secondary or higher education**. The largest Ukrainian cities, including Kyiv, Kharkiv, Odessa, Dnipropetrovsk and Lviv, are educational hubs as talented young people strive for higher education and job opportunities.

Select Ukrainian cities by population
Thousand people



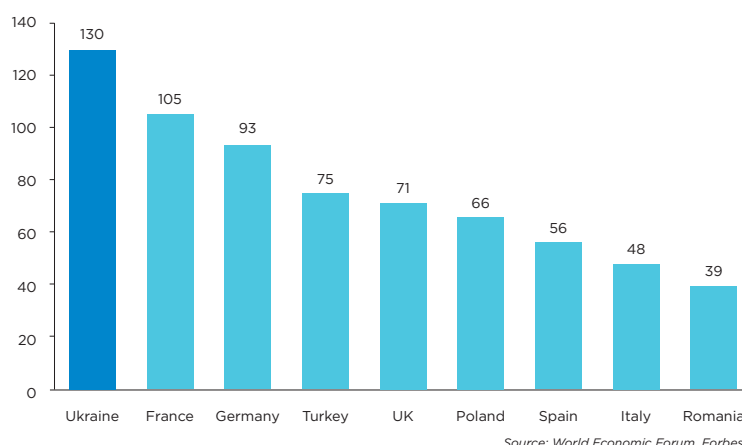
Source: State Statistics Committee



Ukraine has over 2.5 million university students with some 640,000 graduates annually.

Ukraine was 41st in the 2015 ranking of National Higher Education Systems by Universitas 21, a global association of research universities, surpassing countries like Romania, Turkey and India.

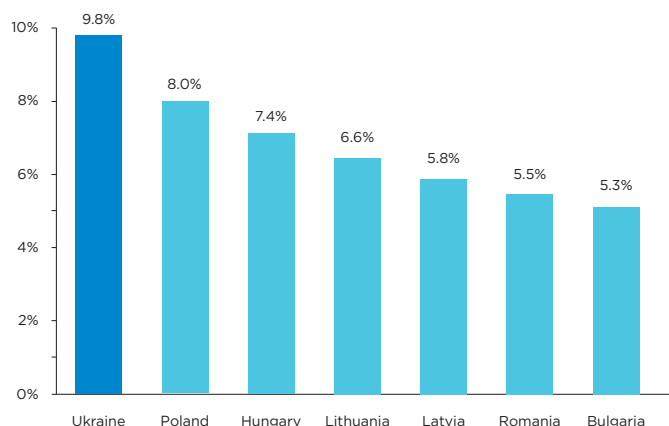
Top European countries by number of engineering graduates
Thousand people



Two Ukrainian universities based in Kyiv, Taras Shevchenko and Kyiv Polytechnic Institute, entered the TOP-500 world universities ranking in 2014.

With its distinct advantage of the educational system's strong focus on technical disciplines, Ukraine produces over 130,000 engineers and about 16,000 IT graduates each year. Ukraine is home to the largest IT engineering force in CEE.

Percent of math, science and computing graduates
%



Students by discipline
Total graduates

Students by field of study	Current enrollment	Annual graduates
Total	2,566,279	642,387
Agriculture	104,349	23,337
Education	145,589	54,488
Engineering, Manufacturing, Construction	541,922	130,391
Health and Welfare	160,311	36,392
Humanities and Arts	204,263	37,732
Sciences	163,299	33,846
Services	178,320	36,466
Social sciences, Business, Law	983,503	272,783
Unspecified	84,723	16,952

Source: World Economic Forum, Forbes

International companies operating and expanding in Ukraine demand highly skilled workers and set high standards for the entire labor market. Over the last 10 years, use of English language has become more widespread, becoming an integral part of the education system and a key focus for the Ukrainian government.

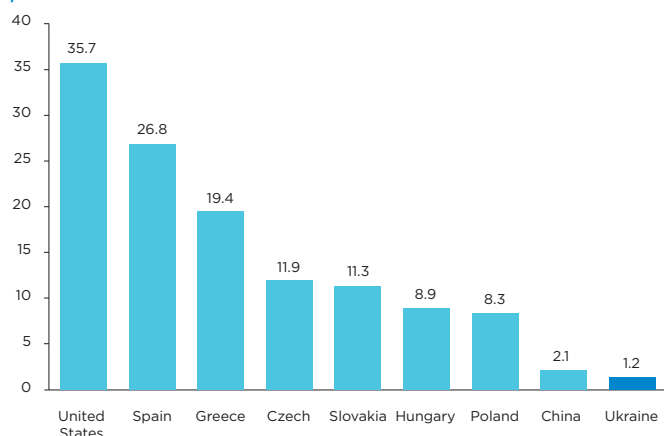
#1
IT engineering
force
in CEE

3

Low-Cost Production Platform on the EU Border

The DCFTA signed with the European Union and ratified by both Parliaments is already having an enormous impact on Ukrainian industry, lifting tariff and non-tariff barriers for Ukrainian exports, most notably in the agricultural and manufacturing industries, where Ukraine enjoys important competitive and cost advantages. Implementation of the first step, the one-way free trade zone with the EU, encouraged Ukrainian businesses to expand exports to the region. **Share of exports to the EU increased from 26% in 2012 to 34% in 2015**, with agricultural products and metals driving this growth. Automotive components are now the #1 export category to Germany. Future growth potential is great as per capita Ukraine exports remain low at \$847 per year versus \$4,942 in Poland and \$7,544 for the sixteen CEE countries.

Hourly manufacturing wages in select countries USD per hour



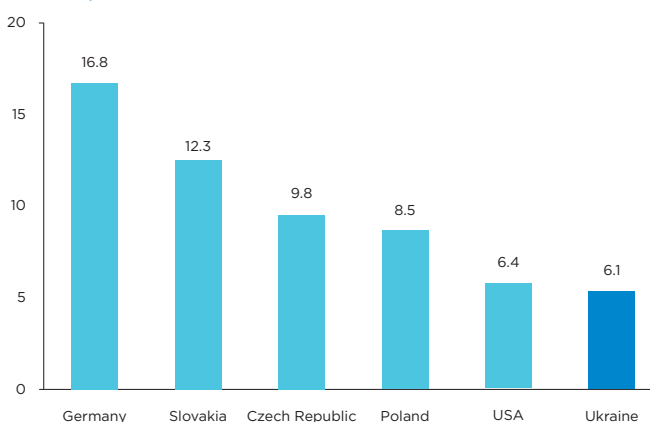
Source: U.S. Bureau of Labor Statistics, International Labor Comparisons, Ukrstat

The significant devaluation of the Hryvnia changed Ukraine into one of the most competitive low-cost production platforms globally. Labor, raw materials and other production costs have declined significantly in U.S. dollar terms. In particular, labor intensive industries such as food and agribusiness, light manufacturing and small machinery-building are benefiting the most.

The **average salary**, at \$179 per month based on current 2015 figures, 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, especially for industries demanding short supply chains and fast production cycles, such as textiles, apparel or footwear.

Delivering goods in **two days** to European hubs versus a ship container traveling from Asia over 40 days is an unbeatable advantage.

Electricity prices for industrial enterprises USD cent / kWh



Source: Eurostat, EIA, NERC

Electricity and other important cost components are significantly lower in Ukraine than in other European countries, a key factor in selecting a manufacturing platform. Based on current tariffs, electricity prices for industrial enterprises are **much lower in Ukraine than neighboring Poland (-38%), Czech Republic (-29%) or Slovakia (-51%)**. Many European companies in textile, automotive, FMCG and home appliances are producing goods in Ukraine.

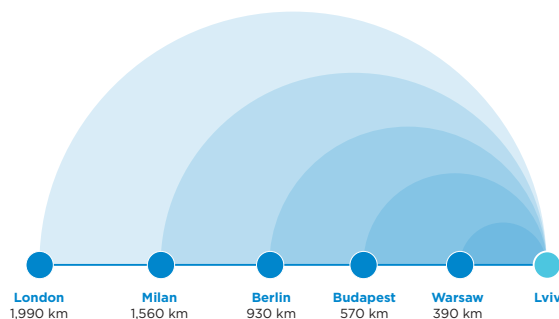
4

Proximity to Key Markets

Ukraine's geographic location, combined with its low production costs, creates the opportunity 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 – close to 170,000 km of roadways, some 22,000 km of railways, 13 sea ports along mainland Ukraine and over 20 passenger airports.

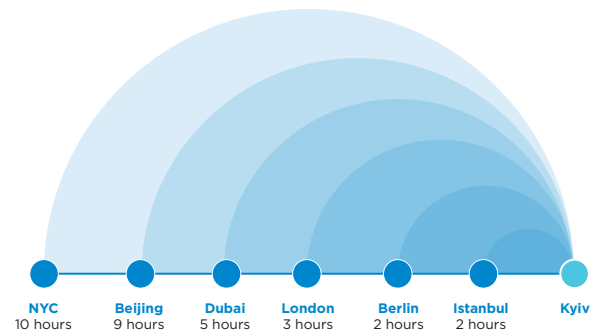
Ukraine ideally positioned to be a manufacturing hub for EU
Kilometers distance to select cities



The EU FTA is already unlocked the European market for Ukrainian exporters as currently the EU continues to apply its **preferential trade regime** for Ukrainian goods: for example, 83% of agricultural goods are imported duty-free to the EU. It is anticipated that exports will increase further given the **large 500 million consumers EU market** and the fact that major destinations in Europe may be reached within two truck days.

Ukraine is continually improving its logistics infrastructure. According to the LPI index that ranks countries according to their logistic efficiency, Ukraine rose from 66th place in 2012 to 61st (out of 160 countries) in 2014, thus **outperforming its CIS peers** in terms of trading costs and the potential for global integration.

Accessible to key global business hubs
Flight hours to select cities



5

Attractive Entry Valuations

Ukraine is experiencing increased demand for capital to renew and expand its industry. Ukrainian banks are primarily focused on improving their balance sheets, resulting in interest rates for local currency debt exceeding 20%. Demand is high for equity capital for operationally strong companies in attractive market segments with healthy balance sheets who seek working capital to finance growth, develop exports or modernize production.

Increasing foreign direct investment (FDI) is an important focus for the Ukrainian government. Net FDI increased from \$-0.5 billion in 2014 to \$3.1 billion in 2015.

Current market conditions create real opportunities for both new entrants to the Ukrainian market as well as foreign investors already operating in Ukraine.



Attractive Sectors



Information Technology

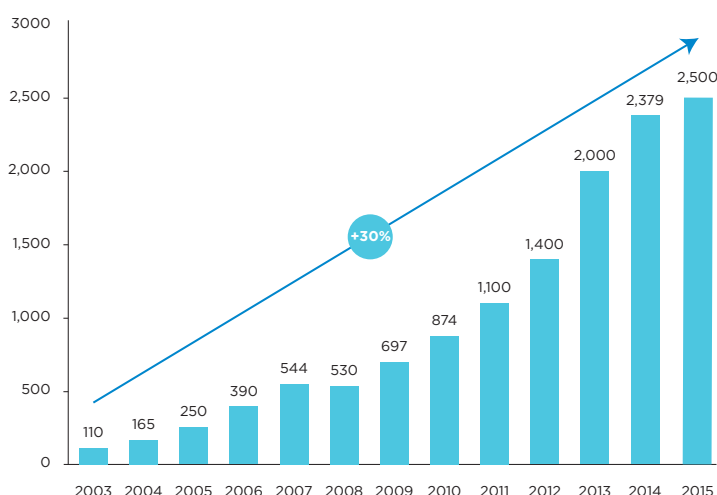


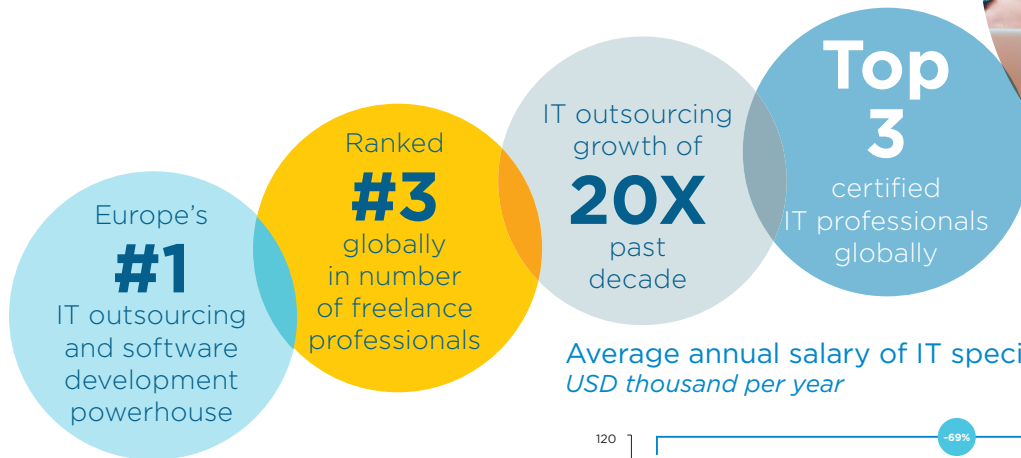
Ukraine has been featured as a **top-30 global outsourcing destination** by Gartner since 2007, capitalizing on a large, skilled and cost-competitive labor base of software engineers. The country is in the **top-3 by number of certified IT professionals**, while 10 Ukrainian companies made the global Top-100 issued by the International Association of Outsourcing Professionals.

Elance ranks Ukraine as #3 globally in terms of freelance professionals, behind only the United States and India. The industry has **grown by nearly 20 times** over the last decade, from \$110 million in 2003 to about \$2.5 billion in 2015, achieving an impressive cumulative **average growth rate of 30%**.

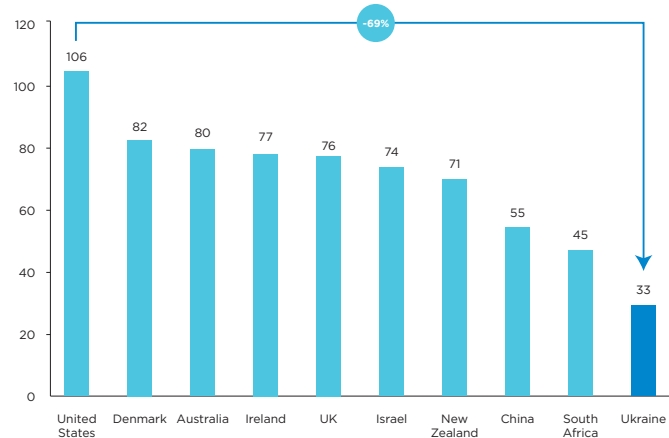
Ukraine enjoys a sustainable competitive advantage in the global outsourcing market, driven by (1) the high quality of education in the country, (2) the cultural and geographic proximity to the European market, (3) low comparative wages, and (4) English proficiency.

Ukraine IT outsourcing growing at 30% for over 10 years
Total size of the market, USD million





Average annual salary of IT specialists
USD thousand per year



IT outsourcing is the first level in the technology and software value chain. However, Ukraine is also rich in talented tech entrepreneurs who leverage their Ukraine-based platform to launch product companies, offering higher value-add, proprietary software products globally.

A number of these companies have emerged as global leaders in their respective sectors and niches, leveraging an abundant supply of top software engineers and a low-cost location for their operations.

Ukrainian tech: from local startups to global leaders *Selected companies*



Ukraine emerges as a global IT R&D hub *Selected companies with Ukrainian IT outsourcing or R&D labs*



In addition, over

100

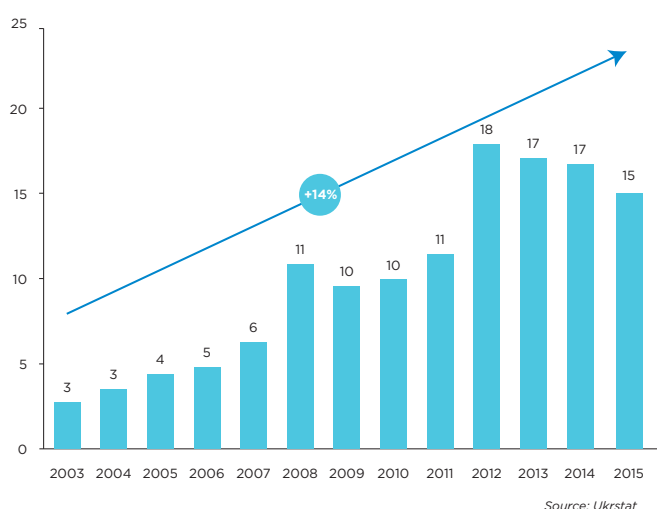
global players have located R&D facilities in Ukraine, further driving the high-tech sector



Agribusiness

Often referred to as the “**bread basket of Europe**”, Ukraine is focused on becoming the “food basket” of the world. With **33% of the world’s black-earth soil** concentrated in Ukraine, a favorable climate and proximity to key markets, Ukraine is positioned to become an agricultural export powerhouse.

Agro and food exports growing at 14% for over 10 years
USD billion



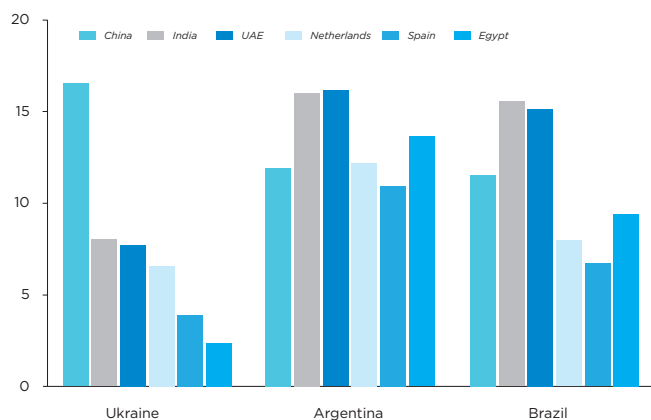
Ukraine is already a leading global agro-exports player

- #1 in sunflower oil
- #3 in corn
- #4 in barley
- #6 in wheat
- #7 in soybean
- #8 in poultry

Ukrainian agriculture, already enjoying **substantial cost advantages** due to very fertile soil, lower wages and competitive logistics, still has plenty of headroom for productivity growth as the yields per hectare remain significantly below Western benchmarks. Diversified transport systems provide opportunities for quick shipment of agricultural products to key markets.

Average corn yield in the United States is 11 tons per hectare, whereas in Ukraine it is only 6.2. With additional investment into management, education, irrigation, farming techniques, logistics and seed, **Ukraine is poised to double or triple its annual grain harvests** of about 60 million tons per annum.

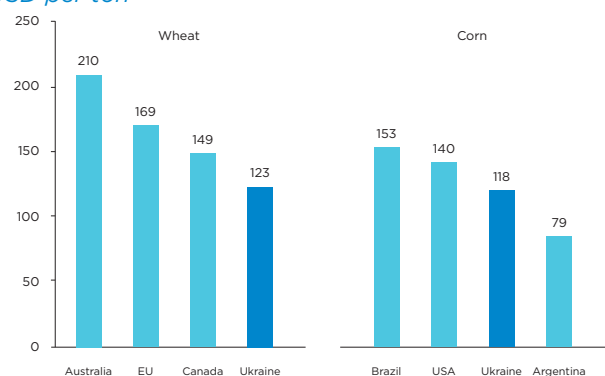
Ukraine’s advantageous proximity to key export markets
Average distance to key markets, thousand kilometers



The export of agricultural and food products is one of the most dynamic sectors of Ukrainian foreign trade. The industry **grew at 14% per annum** since 2003 and 2015 figures place the industry as the **single biggest export contributor with 38.7% share of all exports**. Growing concern over food security and demand from the developing world, supported by investments into Ukrainian agricultural infrastructure and market consolidation, amplified this growth. Ukraine's geographic location, on average much closer to main export markets and a shorter average distance from site to nearest port, gives Ukraine a lasting competitive advantage relative to other global exporters.



Costs of agro-commodities production across the world
USD per ton

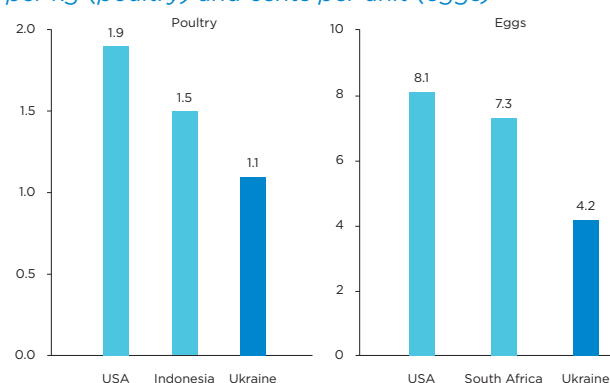


Source: MoAPaF, USDA, GRDC

In 2015, Ukraine achieved a high grain harvests of 59.96 million tons. Existing certified storage infrastructure allows for immediate storage of only 45-65% of annual production, leaving significant upside for storage infrastructure expansion.

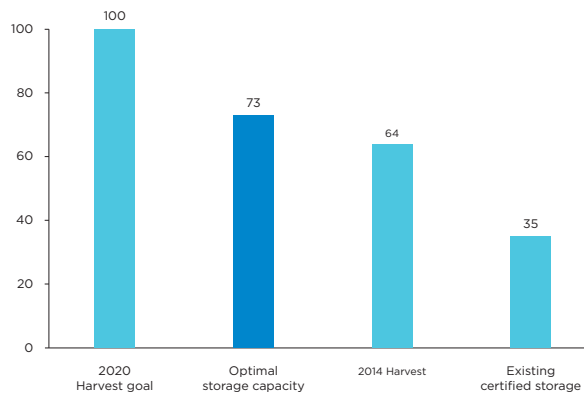
Modern storage infrastructure is a key component of the agricultural value chain, allowing farmers to ensure a higher quality of product, minimize losses and sell the harvest at the optimal time. The Ministry of Agrarian Policy and Food forecasts a grain harvest of over 100 million metric tons in five years, creating strong demand for new agricultural infrastructure, primarily storage facilities, logistics, as well as investment into transportation networks.

Costs of agro-commodities production across the world
USD per kg (poultry) and cents per unit (eggs)



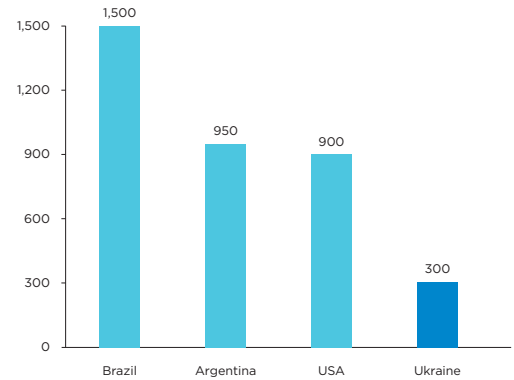
Source: MoEDT estimates, MoAPaF

Unmet demand for crucial agricultural infrastructure
Million tons



Source: Dragon Capital, MoAPaF

Average distance to port
Kilometers

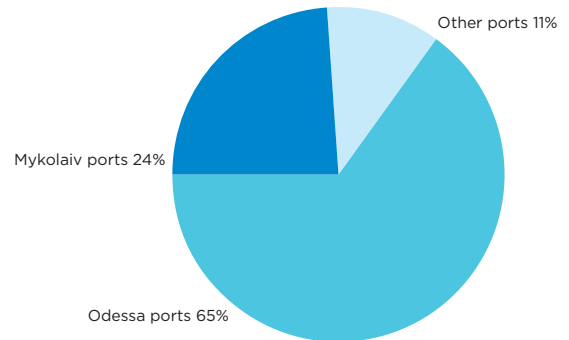


Source: MoEDT estimates, MoAPaF

In Ukraine, transportation from storage to port is mainly done by rail and demand for grain rail shipment will continue to grow due to the higher cost of shipping via truck. Barge shipment, an attractive and cost-saving alternative, requires significant investments into infrastructure. Port facilities, mostly concentrated around Odessa and Mykolaiv, are already operating close to capacity, creating significant demand for investments into deep water port facilities.

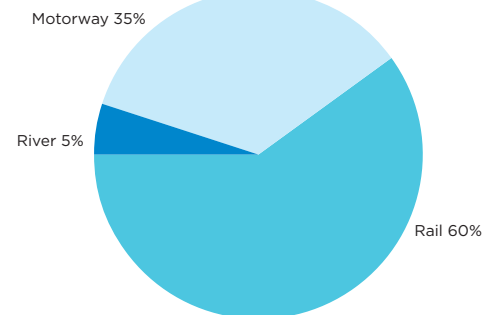


Grain export handling by port
Volume



Source: MoAPaF

Mode of transportation of grains and oilseeds to ports
Volume



Source: MoAPaF

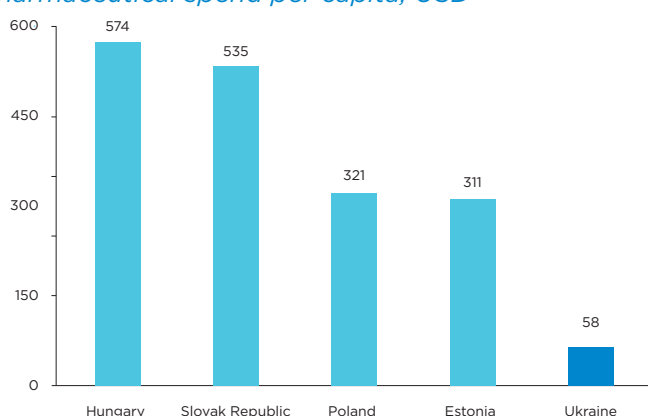


Healthcare and Pharma

Ukraine's pharmaceutical sector, **one of the fastest growing consumer industries**, reported a cumulative average growth rate of 6% in USD terms over 2011-2014, demonstrating the crisis-resistant nature of the industry. The total pharmaceutical market in Ukraine grew by 24% in national currency in 2015. However, currency devaluation in 2015 caused the market to decrease by 34% in dollar terms - to \$2.6 billion.

Combined healthcare spending totaled **\$7.3 billion** in 2014, with almost half of this amount represented by out-of-pocket payments, typical for most emerging markets. A number of reforms were initiated recently, including the modernization of clinics, attraction of private capital into the healthcare system and rules requiring more transparency of state-run tenders.

Plenty of upside in pharma spend vs regional peers
Pharmaceutical spend per capita, USD



Source: OECD, pharma.net.ua

A major growth driver is the import substitution trend in the pharmaceutical sector, building a strong case for international pharma companies to increase investment through purchase of existing players or building their own manufacturing in Ukraine.

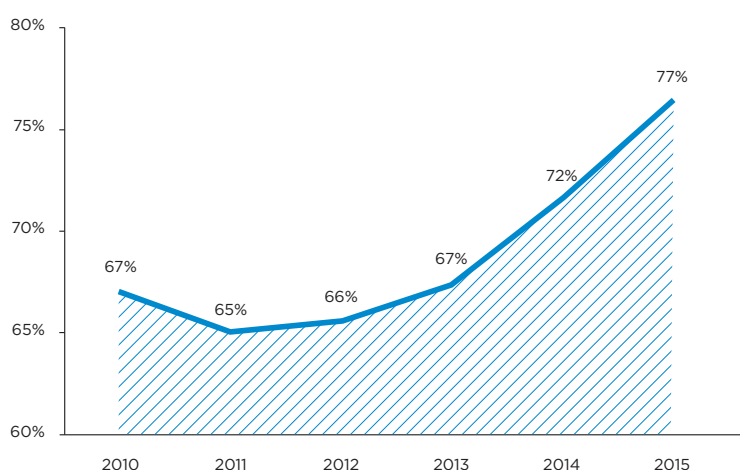
Three of the top five players are Ukrainian companies versus only one in 2008. In addition to focusing on modernizing production facilities, local pharmaceutical producers have also revamped packaging and branding, resulting in a noticeable quality and image improvement.





Ukrainian pharma players have become GMP (Good Manufacturing Practices)-certified, a mandatory certification since 2013, and many have hired experienced management teams from leading Western companies to take their companies to the next level.

Share of locally produced drugs in pharmacy retail by volume, %



Source: apteka.ua

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

High market fragmentation, where the #1 player still only has 5% market share and top-10 companies account for one-third of total pharmaceutical retail sales, produces **significant headroom** for share growth and investment in this sector.

Finally, sales into the hospital segment still account for only 12% of total; the upside potential remains significant as medical insurance demand continues to grow and public healthcare spending recovers.

The **share of local producers** has increased in value terms from **29% in 2008 to 41% in 2015**, primarily due to the cost advantages they enjoy with a local manufacturing platform



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.

Ukraine's cargo aircraft AN Mriya-225, built by Antonov at its Kyiv and Kharkiv facilities, is the **largest cargo airplane ever built**, transports up to 250 tons of load, powered by the widest wingspan of any aircraft in operational service. Thus, Kyiv and Kharkiv are two key hubs for the aerospace clusters.

Ukraine also has a rich legacy of space exploration research and development. The Ukrainian space **cluster consists of 40 enterprises**. These enterprises commercially produce space launch vehicles, spacecraft, space management, orientation and trajectory measurement systems.

Ukraine is also an important supplier of turbine engines for aircraft and helicopters, used extensively in aerospace industries worldwide.

Ukraine was one of the four nations participating in the Sea Launch program, alongside the United States, Russia and Norway. Ukraine constructed the expendable carrier rocket Zenit-2, used extensively in space launches from this platform.



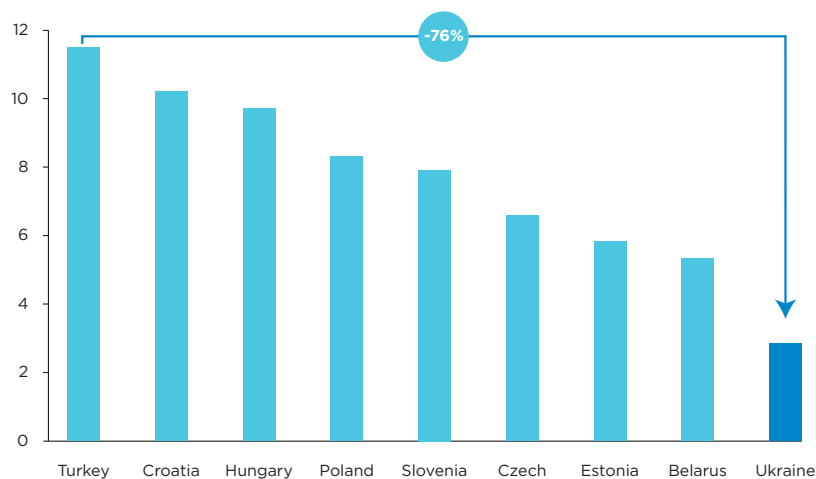
Eight universities offer aerospace engineering degrees, annually graduating **5,000** students



Energy efficiency

Ukraine's energy market is undergoing a complete overhaul, creating a wide range of business opportunities along the entire energy value chain from oil and gas exploration to gas and electricity infrastructure to energy management and conservation by metering consumption and building insulation.

Energy efficiency: large gap vs regional peers
USD of GDP produced from 1 kg of oil equivalent



Source: World Bank

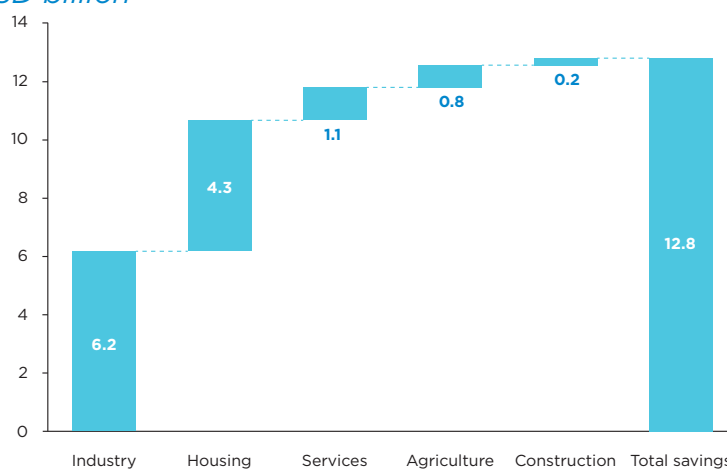


The impact of ongoing energy reforms (gas supplies diversification, gas tariff increases, removal of intermediaries from the supply chain) has already been felt, decreasing gas consumption by 21%.



These trends are expected to continue to grow as investments flow into the industry. Energy efficiency is a high-growth segment and estimates suggest that Ukraine could save annually up to over \$12.8 billion, assuming energy savings technologies are put in place.

Potential energy savings across industries *USD billion*



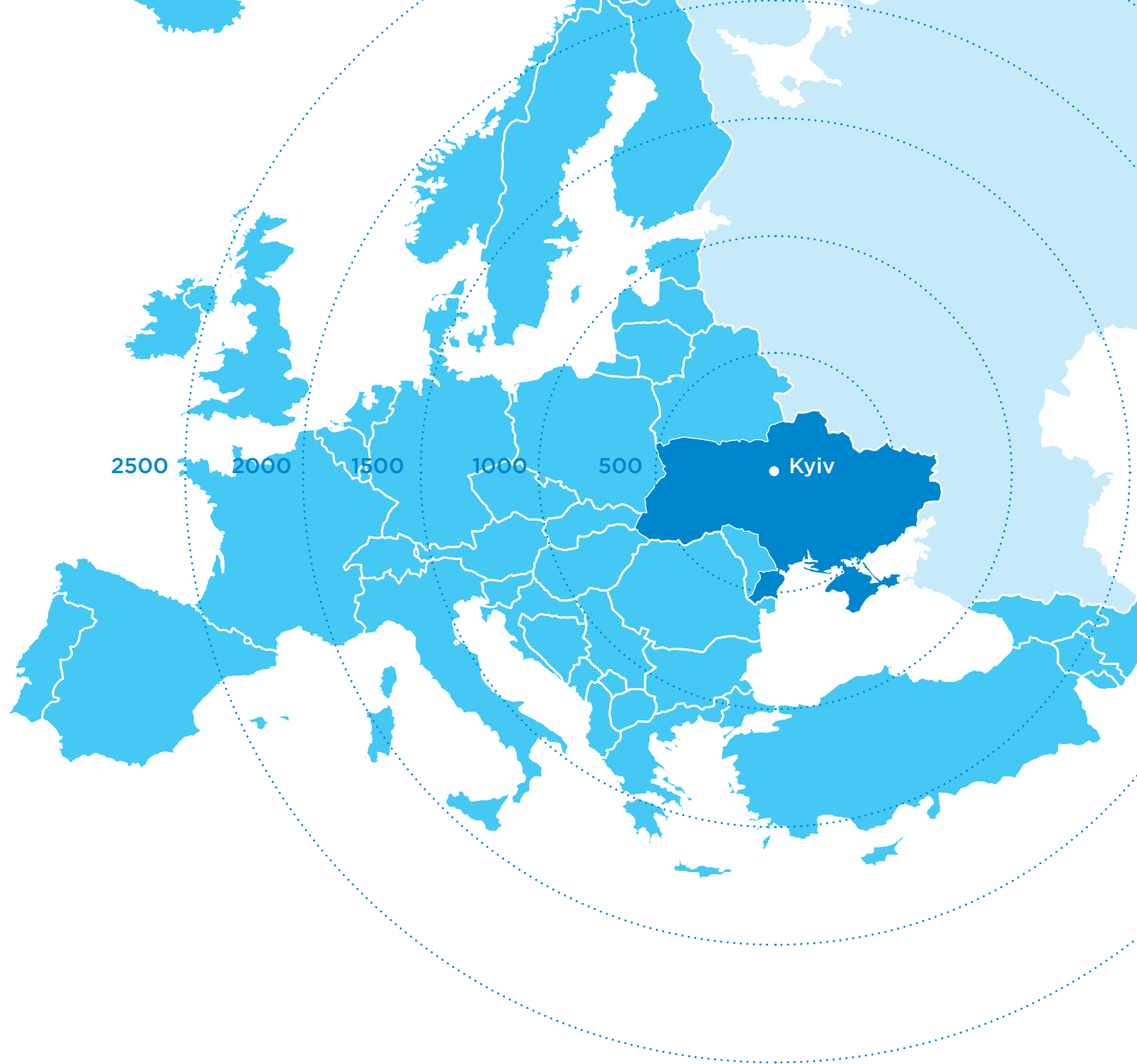
Source: American Chamber of Commerce

Business Associations

	Business Association	Year Founded	Members	CEO	Contact info
	American Chamber of Commerce	1992	630	Andy Hunder	http://www.chamber.ua/ Horizon Park Business Center 12 Amosova Street, 15 Floor Kyiv, Ukraine 03680 Tel: +38 044 490 5800 Fax: +38 044 490 5801 Email: chamber@chamber.ua
	Association of Ukraine-European Business Cooperation Assistance	2014	-	Yuriy Kogut	03115, Peremohy Avenue 121-5, Office 224 Kyiv, Ukraine 03115 Tel: +38 044 220 2982 Fax: +38 044 220 2978 Email: contact@euassistance.org
	Belgian-Ukrainian Chamber of Commerce	2010	50	Olga Bukavyn	http://www.ubcc.eu/ Driekhoekstraat 27 3945 Ham - BELGIUM Tel: +32 473 850 900 Fax: +32 13 31 48 67 Email: info@ubcc.eu
	British Business Club in Ukraine	2002	-	Spencer Monk	http://www.bbcu.com.ua/ 24A Mikhaylivska St., Kyiv, Ukraine 01001 Tel: +38 096 833 59 73 E-mail: spencer@bbcua.com.ua
	British Ukrainian Chamber of Commerce ("BUCC")	1997	300	Bate C. Toms	http://bucc.com.ua/ 18/1 Prorizna Street, Suite 7 Kyiv, Ukraine 01034 Tel: +38 044 278 1000 Fax: +38 044 278 6508 Email: BUCCUkraine@gmail.com
	Business Sweden in Kyiv	2013	-	Daniel Larsson	http://www.business-sweden.se/ 52a Bohdana Khmelnytskoho St., Kyiv, Ukraine 01030 Tel: +38 044 496 0626 Email: ukraine@business-sweden.se
	Camera di Commercio Italiana per l'Ucraina ("CCIPU")	2006	800	Maurizio Carnevale	http://www.ccipu.org/ 52 Dehtiarivska St. Kyiv, Ukraine 04112 Tel./Fax: +38 044 391 4118 Email: info.ua@ccipu.org
	Canada-Ukraine Chamber of Commerce	1992	106	Zenon Potichny	http://www.cucc.ca 6 Museyny Lane Kyiv, Ukraine 01001 Tel: +38 044 495 8551 Fax: +38 044 495 8545 Email: ukraine@cucc.ca
	Ukrainian Association of Manufacturers	-	11	Alexander Gromyko	http://uam-ua.com/ua/ 30V Fizkultury str., Business Center "Fahrenheit" Kyiv, Ukraine Tel: +38 044 490 2160 Email: ira@uam-ua.com
	Danish Business Association	2010	60	Lars Vestbjerg	http://www.dba-ukraine.com/ Gorodnytska 48A 79019 Lviv, Ukraine Tel: +38 067 674 6866 Email: lars@vestbjerg.com
	European Business Association	1999	870	Anna Derevyanko	http://www.eba.com.ua/ Head Office 1st floor, 1A Andriivsky Uzviz Kyiv, Ukraine 04070 Tel: +38 044 496 06 01 Fax: +38 044 496 06 02 E-mail: office@eba.com.ua

	Business Association	Year Founded	Members	CEO	Contact info
	European Economic Chamber of Trade, Commerce and Industry	2010	50	Stanislav Grygorskyi	http://www.eeig.com.ua/ 14a Dilova street Kyiv, Ukraine 03150 Tel: +38 044 200 1040 Fax: +38 044 200 1041 Email: info@eeig.com.ua
	French Chamber of Commerce	1994	100+	Thomas Moreau	http://www.ccifu.com.ua/ 10 Chapaeva street, Office 10 Kyiv Ukraine 01030, Tel: +38 044 235 3664
 Співка Українських Підприємців	Non-Governmental Organization «SUP»	2016	100+	Kateryna Glazkova, Vyacheslav Klimov	http://www.sup.org.ua Tel: +38 068 966 08 78 Email: info@sup.org.ua
	Norwegian Ukrainian Chamber of Commerce	2008	60	Arne Mjøs	http://www.nucc.no/ P.O. Box 634 Sentrum Holbergs gate 1, VI, 0166 Oslo, Norway Tel: +47 408 61 467 Email: nordbo@nucc.no
	Polish-Ukrainian Chamber of Commerce	1992	200	Viktoriya Ialovienko	http://www.pol-ukr.com/ Khoryva str. 4/10, 04071, Kiev, Ukraine Tel: +380 44 221 48 78 Fax: +380 44 463 67 73 Email: kyiv@pol-ukr.com ukrpol-kiev@ukr.net
	The International Chamber of Commerce	1998	124	Volodymyr Schelkunov	http://www.iccu.org/ 19-B Reytarska St. Kyiv, Ukraine 01034 Tel: +380 44 234 42 73 Fax: +380 44 270 68 29 Email: office@iccu.org
	The Swiss-Ukrainian Business Chamber	2005	-	Lieni Füglistaller	http://ukrcham.ch/ +41 43 377 5485 Seestrasse 42, 8802 Kilchberg/Zürich Email: info@ukrcham.ch
	U.S.-Ukraine Business Council	1995	205	Morgan Williams	http://www.usubc.org/ 4-A Baseyna St. Mandarin Plaza, 8th Floor Kyiv, Ukraine 01004 Tel: +38 050 358 2681 Email: ldudnyk@usubc.org mwilliams@usubc.org
	Ukrainian Agribusiness Club	2007	72	Alex Lissitsa	http://www.ucab.ua/en 146 Zhylianska Str., 3rd floor Kyiv, Ukraine 01032 Tel/Fax: +38 044 236 2097/79 Email: info@ucab.ua
	Ukrainian Chamber of Commerce & Industry	1992	10,000	Gennadiy Chyzhykov	http://www.ucci.org.ua/ 33 Velyka Zhytomyrska St. Kyiv, Ukraine 01601 Tel: +380 44 272 2911 Fax: +380 44 272 3353 Email: ucci@ucci.org.ua
	Ukrainian League of Industrialists and Entrepreneurs	1992	400	Anatoliy Kinakh	http://uspp.ua/en/ 34, Khreshchatyk Street, Kyiv, 01001 Phone/Fax: +380 44 536 96 41 E-mail: uspp@uspp.org.ua
	Ukrainian Venture Capital and Private Equity Association	2014	36	Olga Afanasyeva	http://uvca.eu/ 4A Donskaya str, 03110 Kyiv, Ukraine Tel: +380 99 565 77 67 Email: olga.afanasyeva@uvca.eu





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