

# Ukrainian Business Outlook

**ANNA DEREVYANKO**

European Business Association in Ukraine Executive  
Director, Global Business for Ukraine Cofounder

[anna.derevyanko@eba.com.ua](mailto:anna.derevyanko@eba.com.ua)



# Spanish business among the members



**SPAIN TOOK 8TH PLACE OUT OF THE TOP-10 COUNTRIES TO WHICH UKRAINE EXPORTED IN 2022 (\$1,6 BLN)**

# Ukraine before the war:

 Territory – **603 628 km<sup>2</sup>**  Population in 2020 – **42 mln**  Key policy rate **9%**

 **1st exporter of sunflower oil**  
(over half of global supply of sunflower oil from Ukraine)

 **2nd in the sunflower seed production**

 **3rd in the potatoes production**

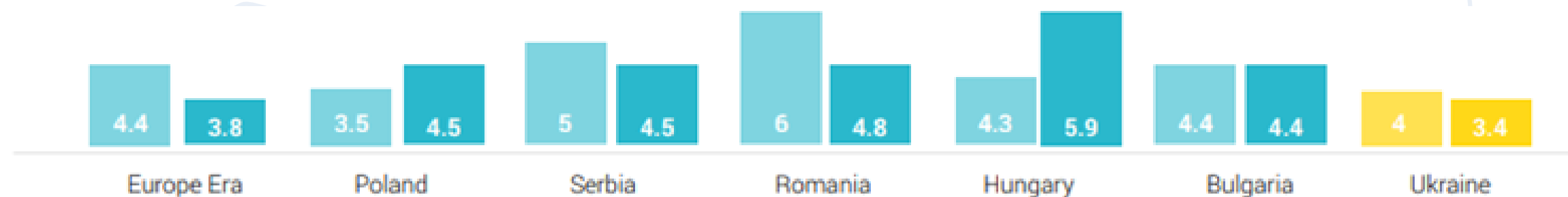
 **4th global corn exporter**

 **5th global wheat exporter**

GDP **\$181 billion for 2021**. Estimated growth in **2022 could be 3.4%**

GDP growth estimate forecast 2021-2022, %:

Source: IMF (as of April 2021)



**19 free** trade agreements with **46 countries**



**\$14.8 trillion** the total value of all mineral reserves



**Since 2013, moved up 48 positions in the Doing business rating**  
(In 2020: **64th place; Poland - 40; France - 32; Spain 30**)



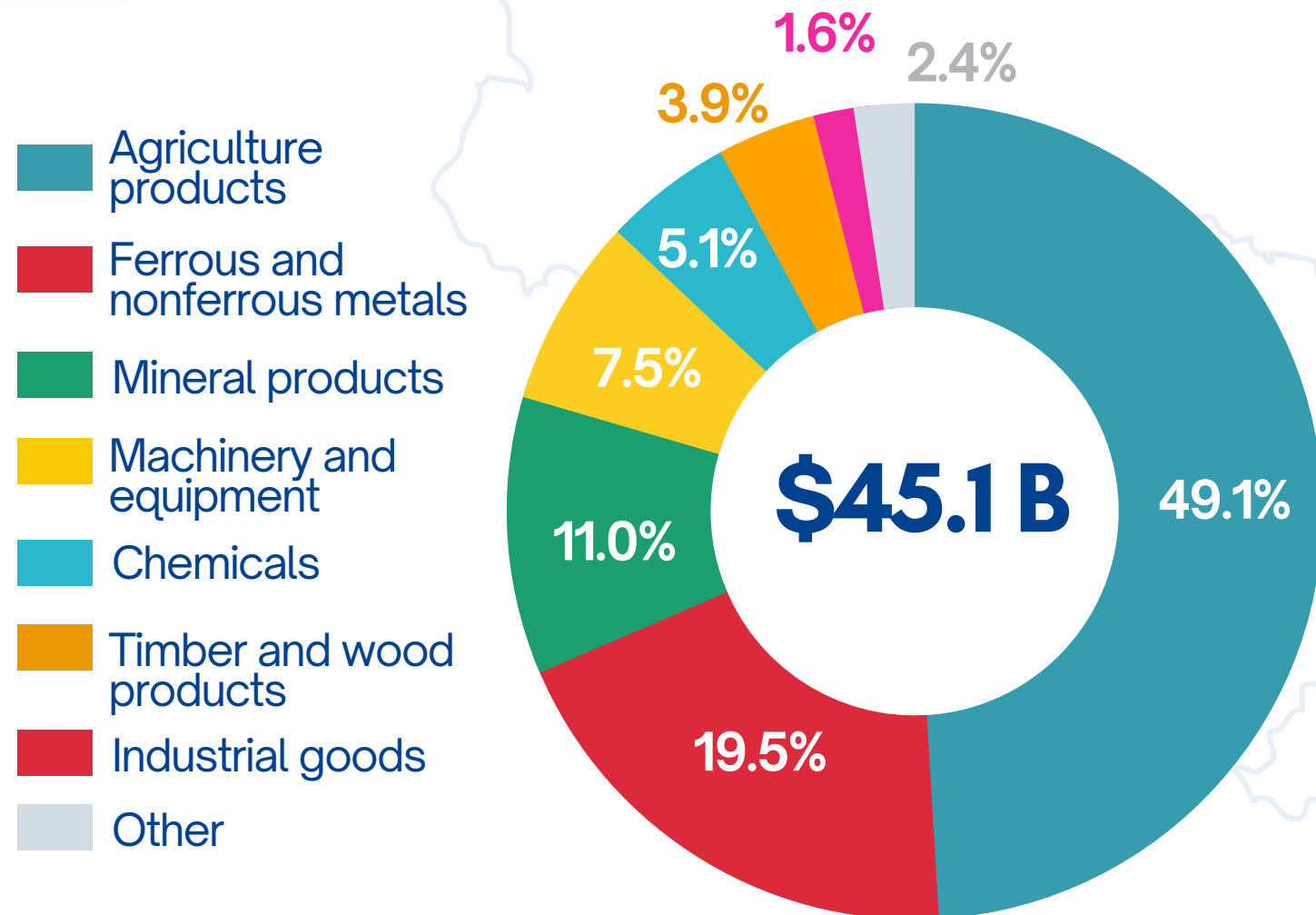
**Average salaries:**  
IT – from 931\$  
Agro – from 474\$  
Logistic – from 542\$  
Pharma – from 488\$

# Ukraine before the war:

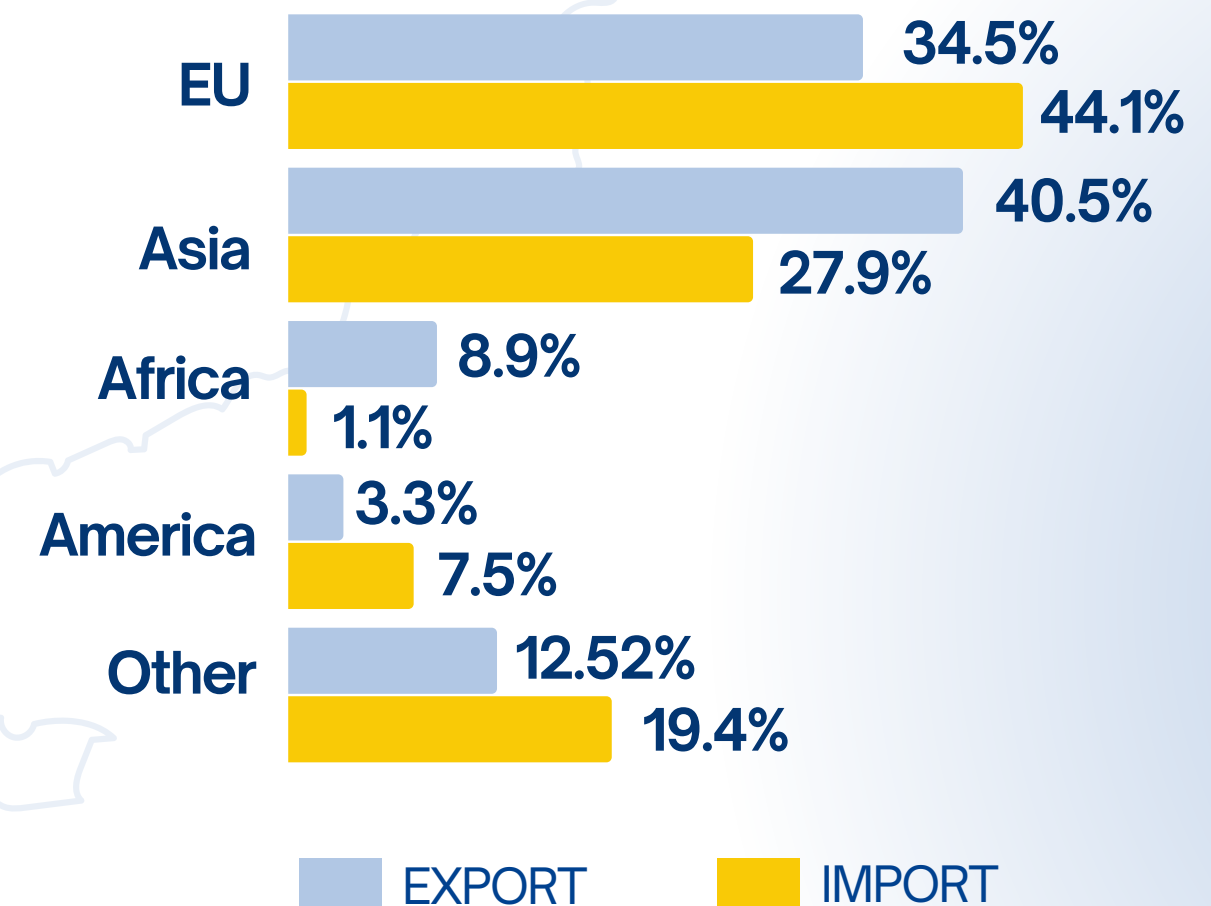
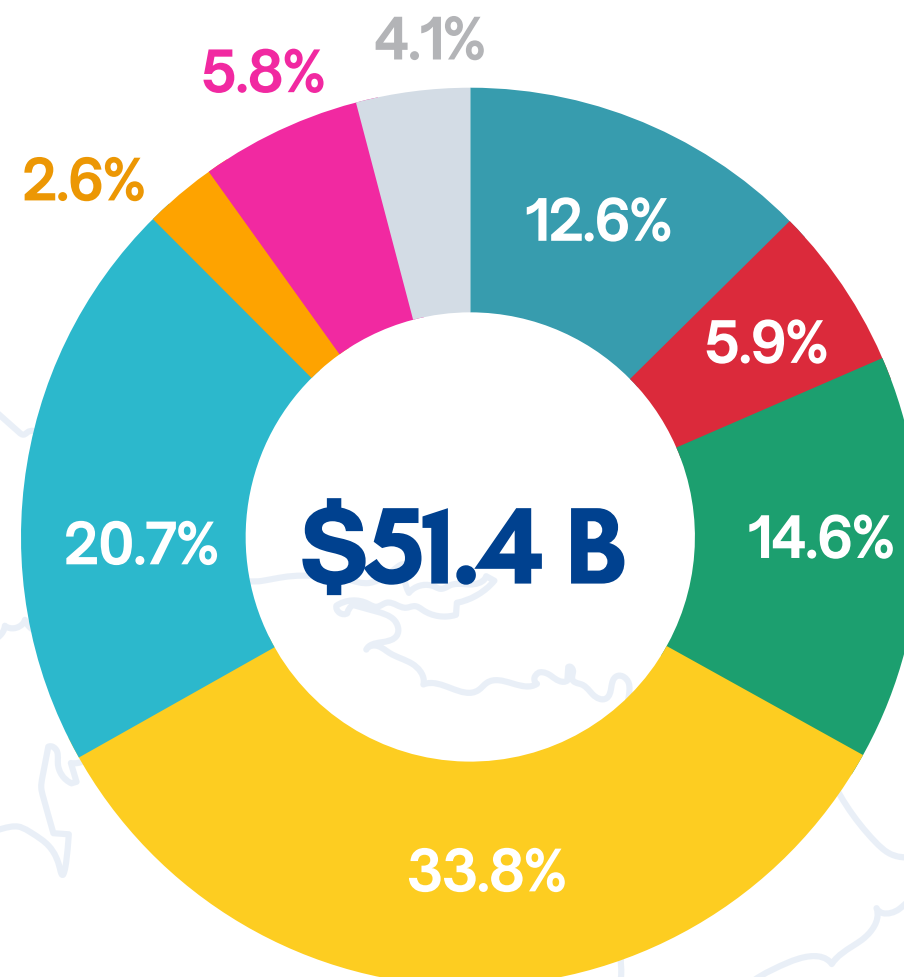
FDI - about **USD 62 billion**, by sectors:



## EXPORT



## IMPORT



# After the war started:

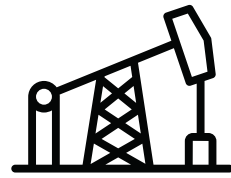
russia control  
of about **18%**  
of Ukraine's territory

Significant  
decline in its GDP of  
**31%**

NBU increased  
their key policy rate  
to **25%** per annum

Consumer prices  
rose to **26.6%**

In 2022, Ukraine exported  
goods worth **\$44.1 billion**  
(35% less than in 2021)



Because of occupation Ukraine  
losing **80%** of its oil and natural  
gas reserves.



Number of Ukrainians that  
crossed the border untill  
February 2023:

← ] **18,4 mln**  
left the country

[ → **10,2 mln**  
returned

Financial support  
from partners

**\$38.5 bln.**

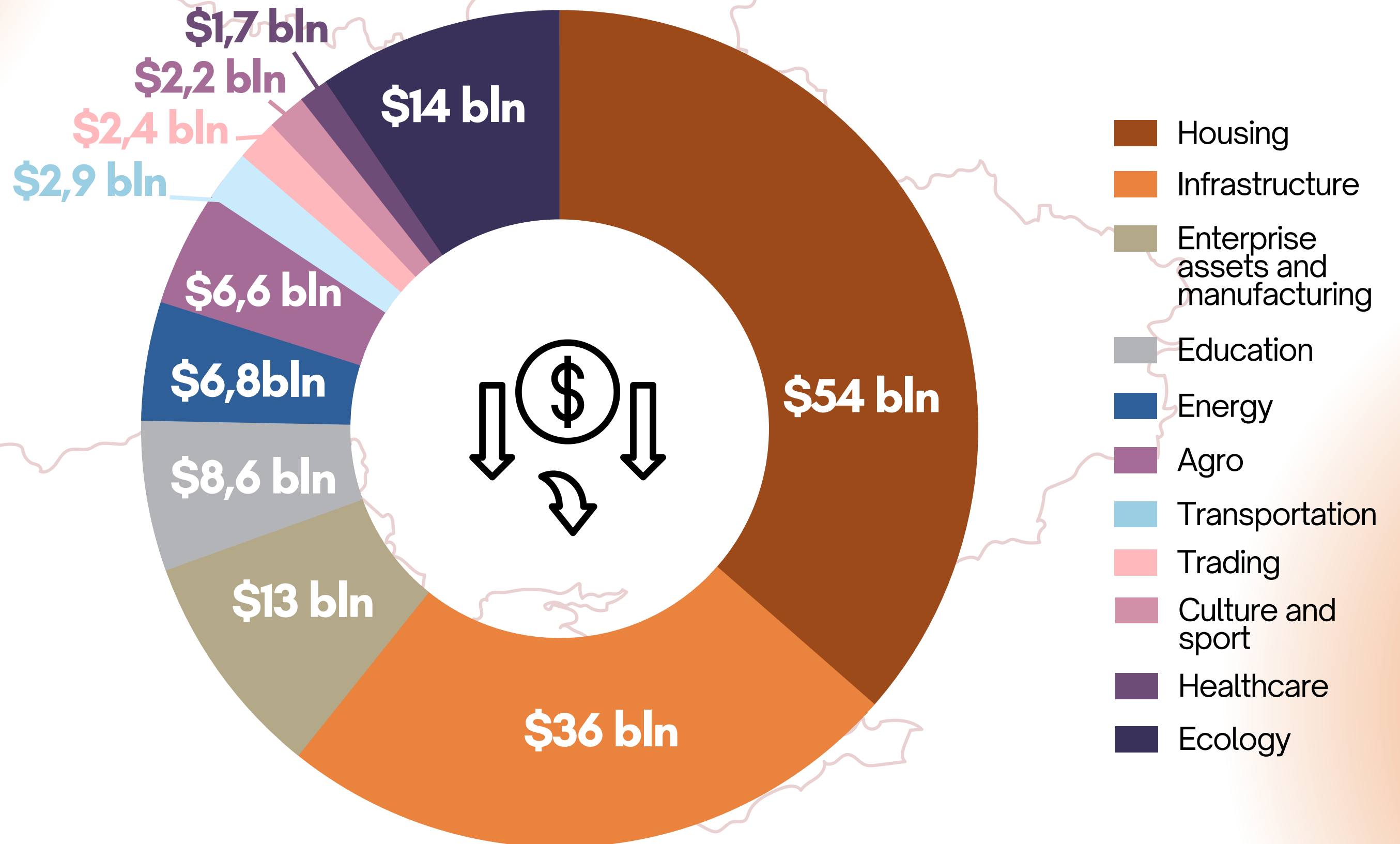
The USA (\$14 bln) and the EU (\$11 bln) are the biggest  
contributors.

# After the war started:

**GENERAL LOSSES  
BECAUSE OF WAR\***

**\$138+ bln**

(end of 2022)



\*KSE DATA

# Business sentiments (based on the EBA research)

**83%**  
of businesses are ready to join post-war reconstruction of Ukraine

**99%**  
of EBA companies plan to continue operating in the Ukrainian market in 2023

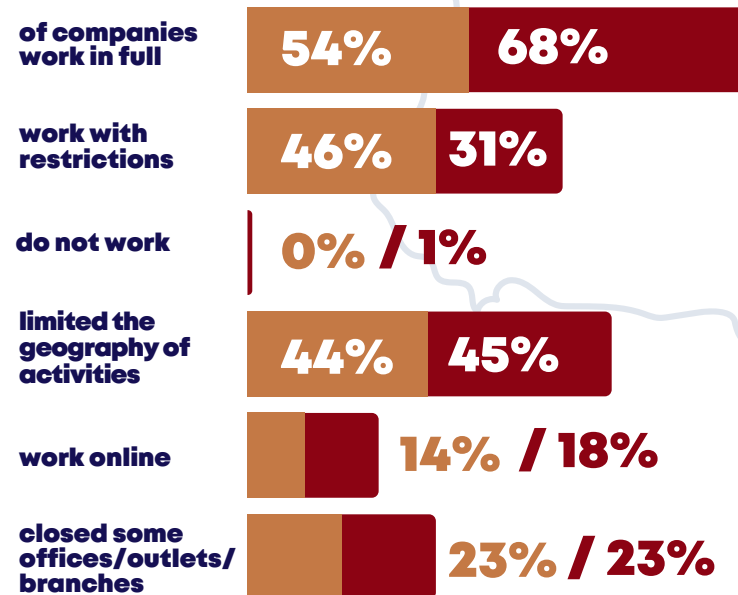
**63%**  
are going to invest in Ukraine even in wartime

**46%**  
of CEOs believe that it will not undergo significant changes but 22% predict an improvement

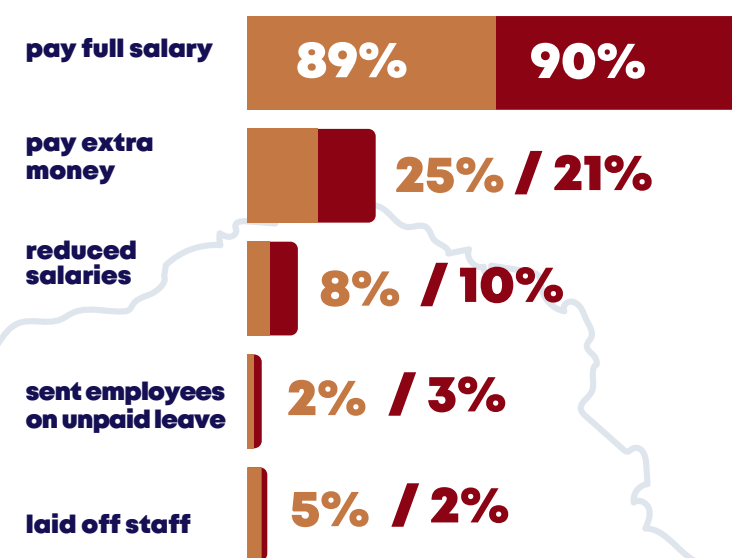
Half of the top managers consider the investment climate rather unfavourable.

The most popular sectors for investment remain agriculture, IT, pharma, transport, and FMCG.

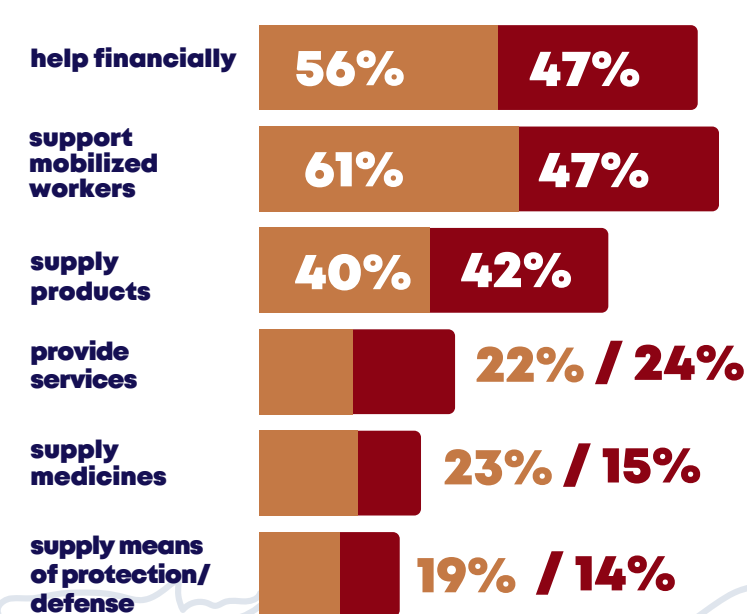
## WORK OF COMPANIES



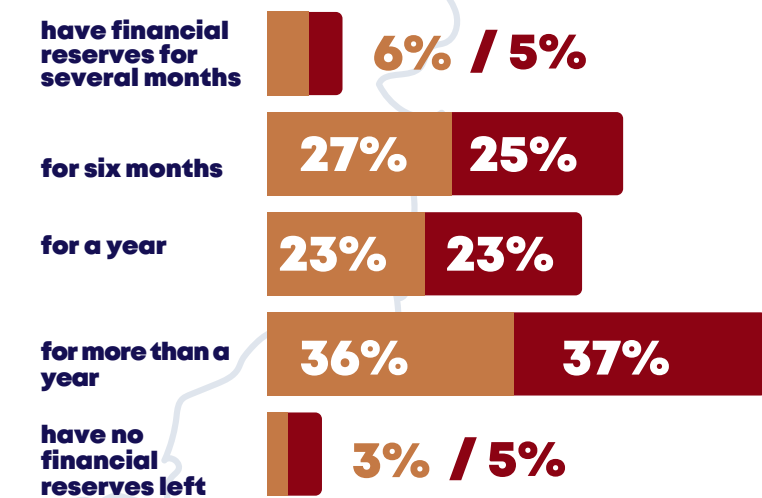
## SALARIES



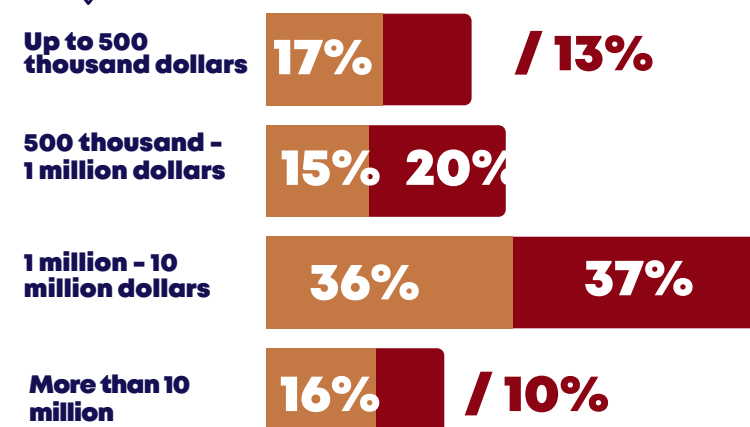
## ARMY SUPPORT AND HUMANITARIAN AID



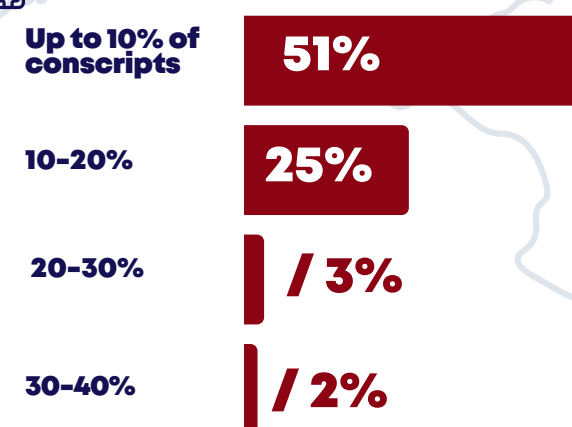
## FINANCIAL RESILIENCE



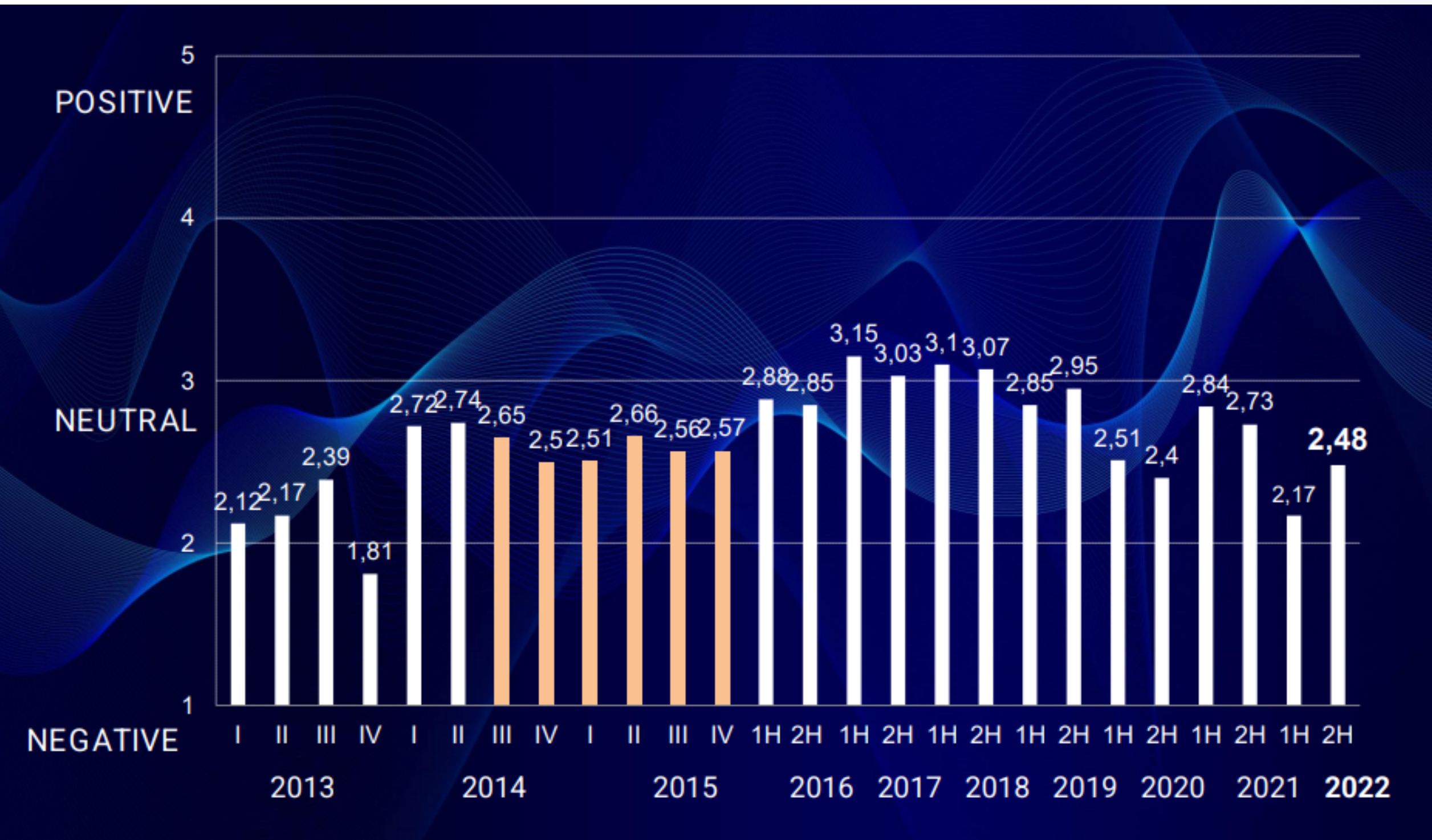
## WAR-INDUCED LOSSES



## MOBILIZED EMPLOYEES



# Investment dynamic



Over six months, the number of those who consider the investment climate to be extremely unfavorable has slightly decreased from 53% to 37%.



# Investment stories even during the war



**Kingspan plans to invest 200 million euros in constructing a technological hub of building materials in Ukraine**



**Food giant Nestlé is investing \$43 million in a new food production facility in western Ukraine and is expected to add 1,500 jobs.**



**Bayer plans to invest 60 million euros in boosting the capacity of the company's seed processing facility in Ukraine's Zhytomyr region.**



**Lemtrans (and Levada-Cargo (subsidiary company)) invested \$8+ mln in 2022 into the building and developing of infrastructure projects.**



**USAID, Grain Alliance, "Kernel" and "Nibulon" invest \$44 million in export logistics of Ukraine.**



**Unilever will invest \$20 mln to build a new factory.**

# INVESTMENT MAP OF UKRAINE IN TERMS OF REGIONS



**116 projects**

**43% - PROJECTS FROM BUSINESS**

**57% - FROM THE MUNICIPALITIES**

**14 industries**

**around 1,8 bln USD**

**INVESTMENTMAP.COM.UA**

**WELCOME TO INVEST IN UKRAINE**

# Why Ukraine is an interesting place for business



**Geographical position close to the EU**  
(Most major destinations in Europe can be reached in two days by truck from Ukraine)



**The fastest business registration in the world – 2 seconds to become an entrepreneur in Ukraine, and 30 minutes to found a limited liability company**



**70% of Ukrainians have secondary or higher education**



**Fiscal system that is rather competitive, still, yes, the question is administration**



**Rebuilding potential of around \$415 bln**



**Ukraine has 33% of the world's black soil**



**DIGITALIZATION:**  
the first country with a valid digital ID - Mobile application Diia, cashless (for example, for payments in trade networks - 52.3%), online banking



**PERSPECTIVE SECTORS TO BE in logistics and infrastructure, construction, energy & green energy, agri& food, IT& creative industries, defence, and more.**

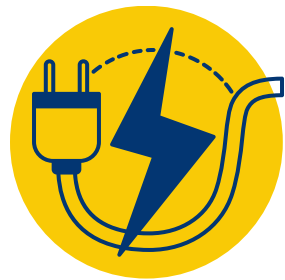


**Future EU membership**



**117 types of minerals found in Ukraine**

# Main challenges that businesses face



Impossibility to plan for mid and long-term



Difficulty for males to leave Ukraine even short term business trip + mobilization (88% businesses has mobilized workers)



Logistics (border crossing with the EU, blockage of ports (only grain corridor functions))

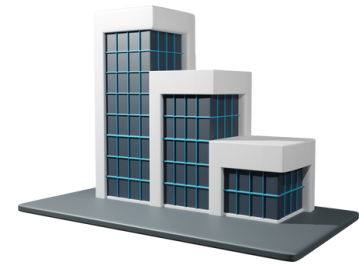


Migration (nowadays 7-8 mln people left Ukraine)



No risks insurance to enable investments from the private sector

# Key conclusions:



Companies that work in Ukraine **continue to be operational**. Most – even fully



Salaries became even more fragmented, however, generally, companies pay them; **some even with additional bonuses**



We see a **strong trend of employees** not employers market



Internal market shrunk, hence, many companies **have a focus on global cooperation**



Companies **continue to invest** in the country



Businesses (Ukrainian and international) have a strong interest to **participate in the reconstruction**



**People do not give up.**  
Yes, companies work in survival mode but are cash positive. And **everyone waits for the Victory of Ukraine soon!**



# How can we bring more value to your business during the rebuilding process?



If your business is already in Ukraine:  
Give high-level advocacy, individual and professional development for your employees, networking and more.  
[www.eba.com.ua](http://www.eba.com.ua)



If your business not present in Ukraine yet:

1. Give fast and comprehensive access to regularly updated information on doing business in Ukraine.
2. Give access to the network that will help to find partners, clients, and stakeholders in Ukraine.
3. Support in making the right decision on investments or further development.

[www.gb4u.org](http://www.gb4u.org)