

Ukraine slide package for a foreign investor



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May 2012

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The information in this document is compiled and edited from a variety of sources. The Pan-European Institute assumes no responsibility for the completeness or accuracy of the information.

1. General information

a) Geographical facts

Land area:
603 700 sq km

Border countries:

Slovakia 97 km, Hungary 103 km,
Romania (south) 169 km, Romania (west) 362 km, Poland 526 km,
Belarus 891 km, Moldova 939 km, Russia 1 576 km

Distance from Kiev to some
European capitals:

Moscow 756 km
Helsinki 1139 km
Berlin 1206 km
Paris 2025 km
London 2133 km
Madrid 2864 km
[www.geobytes.com]

Sources: State Statistics Service of Ukraine,
CIA World Factbook



1. General information

b) Administrative and territorial constitution

Territorial constitution:

24 regions,

2 municipalities, one autonomous republic

Administrative divisions:

Regions (oblasts):

Cherkasy, Chernihiv, Chernivtsi, Dnipropetrovsk, Donetsk, Ivano-Frankivsk, Kharkiv, Kherson, Khmelnytskyi, Kiev, Kirovohrad, Luhansk, Lviv, Mykolaiv, Odessa, Poltava, Rivne, Sumy, Ternopil, Vinnytsia, Volyn, Zakarpattia, Zaporizhia, Zhytomyr

Autonomous republic:

Autonomous Republic of Crimea

Municipalities:

City of Kiev, City of Sevastopol

**Sources: State Statistics Service of Ukraine,
CIA World Factbook**

1. General information

c) Population

Population:
44 854 065 (July 2012 est.)

Population growth rate:
-0.625% (2012 est.)

Major cities:	(March, 2012)
Kiev (capital)	1 719 943
Odessa	2 387 615
Lviv	2 539 921
Kharkiv	2 738 961
Dnipropetrovsk	3 317 493
Donetsk	4 397 363

Share of urban population:
69% of total population (2012)

Sources: State Statistics Service of Ukraine,
CIA World Factbook

1. General information

d) Basic facts

Industries:

Coal, electric power, ferrous and non ferrous metals, machinery and transport equipment, chemicals, food processing

Agriculture:

Grain, sugar beets, sunflower seeds, vegetables, beef, milk

Natural resources:

Iron ore, coal, manganese, natural gas, oil, salt, sulfur, graphite, titanium, Magnesium, kaolin, nickel, mercury, timber, arable land

National Currency:

Hryvnia, UAH

Official exchange rates:

(As at May 14, 2012, National Bank of Ukraine)

EUR/UAH	10,34
USD/UAH	7,99
RUB/UAH	0,26

Sources: State Statistics Service of Ukraine,
CIA World Factbook

1. General information

e) Ethnic groups



Others:

Belarusian 0,6%

Moldovan 0,5%

Crimean Tatar 0,5%

Bulgarian 0,4%

Hungarian 0,3%

Romanian 0,3%

Polish 0,3%

Jewish 0,2%

Other 1,8%

Sources: CIA World Factbook (2001 census)

1. General information

f) Languages & religions

Languages:

Ukrainian (official) 67%,
Russian 24%,
other (includes small
Romanian-,
Polish-,
and Hungarian-speaking minorities) 9%.

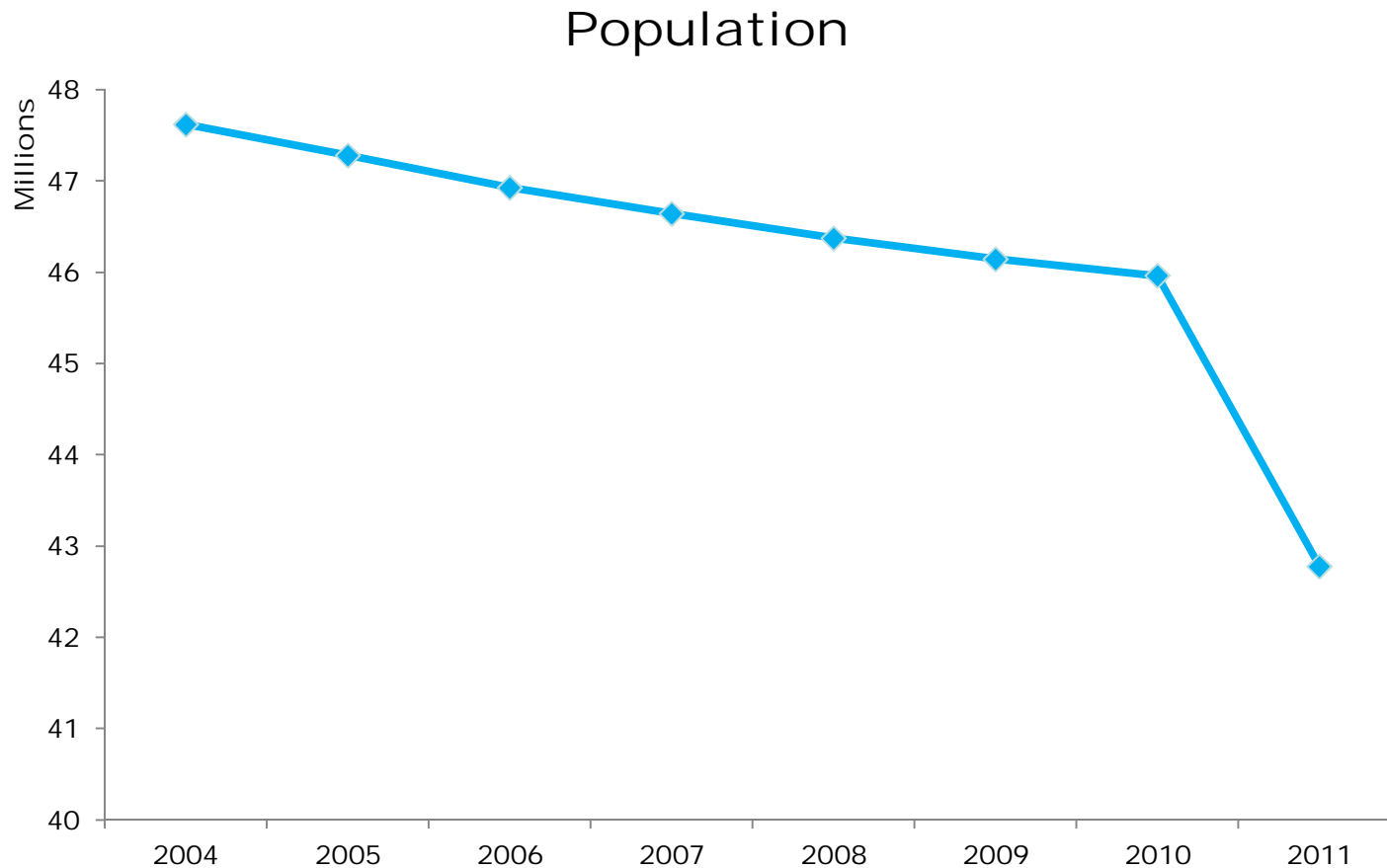
Religions:

Ukrainian Orthodox - Kyiv Patriarchate 50,4%,
Ukrainian Orthodox - Moscow Patriarchate 26,1%,
Ukrainian Greek Catholic 8%,
Ukrainian Autocephalous Orthodox 7,2%,
Roman Catholic 2,2%,
Protestant 2,2%,
Jewish 0,6%,
other 3,2% (2006 est.)

Sources: CIA World Factbook

1. General information

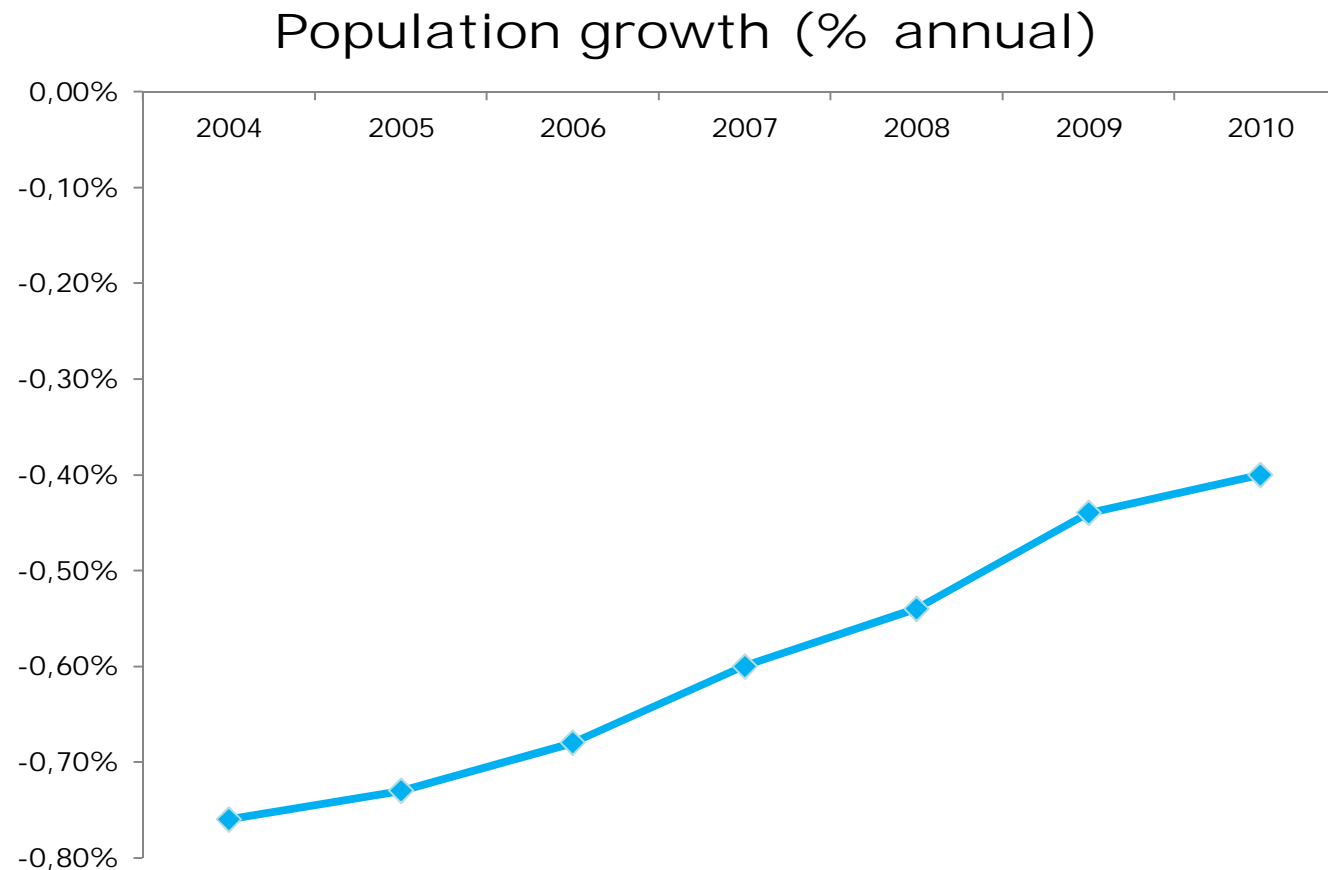
g) Total population change



Sources: State Statistics Service of Ukraine

1. General information

h) Population growth rate



Sources: The World Bank

1. General information

i) Transport infrastructure

Airports	437
Ports and terminals	Feodosiya, Kerch, Kherson, Mariupol, Mykolayv, Odessa, Reni, Yuzhnyy
Railways	22 473 km
Roadways	169 477km (paved in 2006, 97 % of total roads)
Waterways	2 253 km

Ukraine is also an important route for oil and gas exports from Russia to Western Europe.

Sources: State Statistics Service of Ukraine, CIA World Factbook, The World Bank, World Developments Indicators database April 2007

1. General information

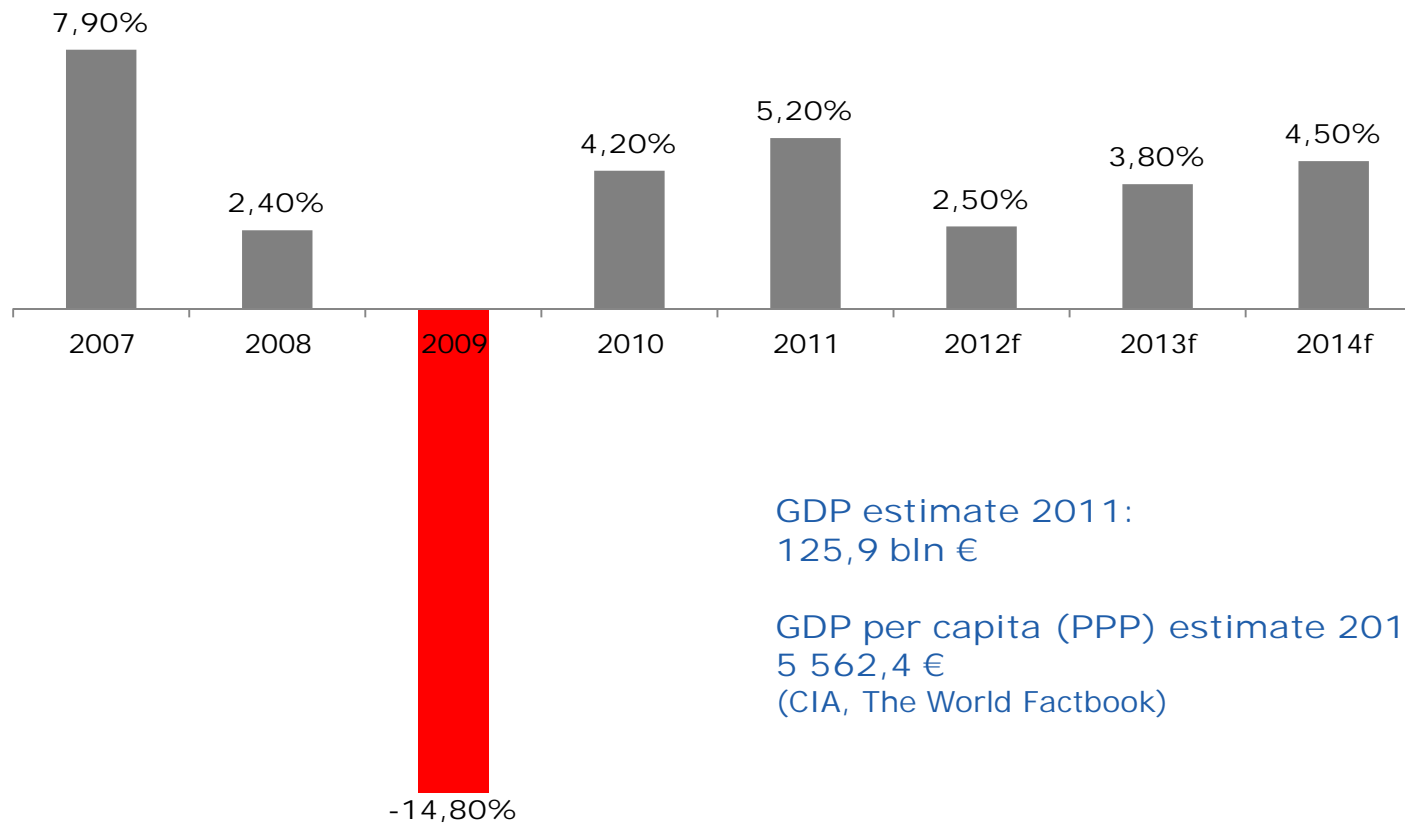
j) Largest companies in Ukraine by revenues, 2008

	Company name	Industry	Revenue from sales (mln €)	Net income (mln €)
1	Ukrغاز-Energo	Energy and Resources	5 043	132
2	Energorynok	Energy and Resources	4 370	129
3	MetInvest Holding	Energy and Resources	2 871	86
4	ArcelorMittal Kryvyj Rih	Manufacturing	2 652	535
5	Ilyich Steel & Iron Works	Manufacturing	2 523	199
6	NJSC Naftogaz	Energy and Resources	2 436	440
7	Azovstal	Manufacturing	2 309	290
8	Lisichansk Petroleum Investment Company	Energy and Resources	1 956	17
9	UkrTatNafta	Energy and Resources	1 913	0,07
10	Zaporizhzhia Automobile Building Plant	Manufacturing	1 826	79

Source: Deloitte, Top 500 companies in the Central and East Europe

2. Economic development

a) Real GDP growth



GDP estimate 2011:
125,9 bln €

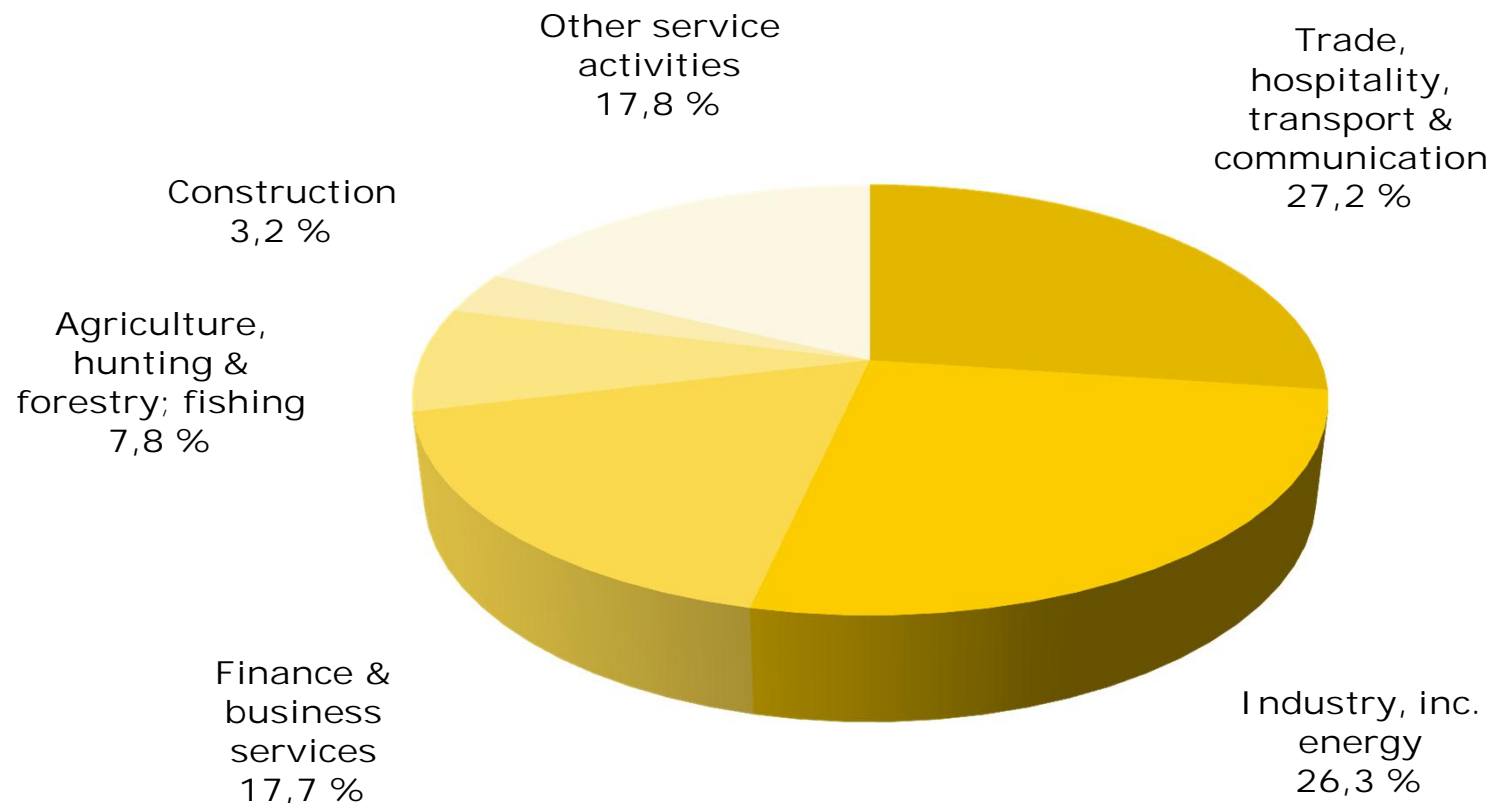
GDP per capita (PPP) estimate 2011:
5 562,4 €
(CIA, The World Factbook)

Exchange rates according to the National Bank
of Finland 11 May 2012,
EUR 1 = 1,2944 USD

Sources: Economist Intelligence Unit
f-forecast (May 2012)

2. Economic development

b) GDP by major sectors, 2010



Sources: UNECE Statistical Database

2. Economic development

c) Labour force

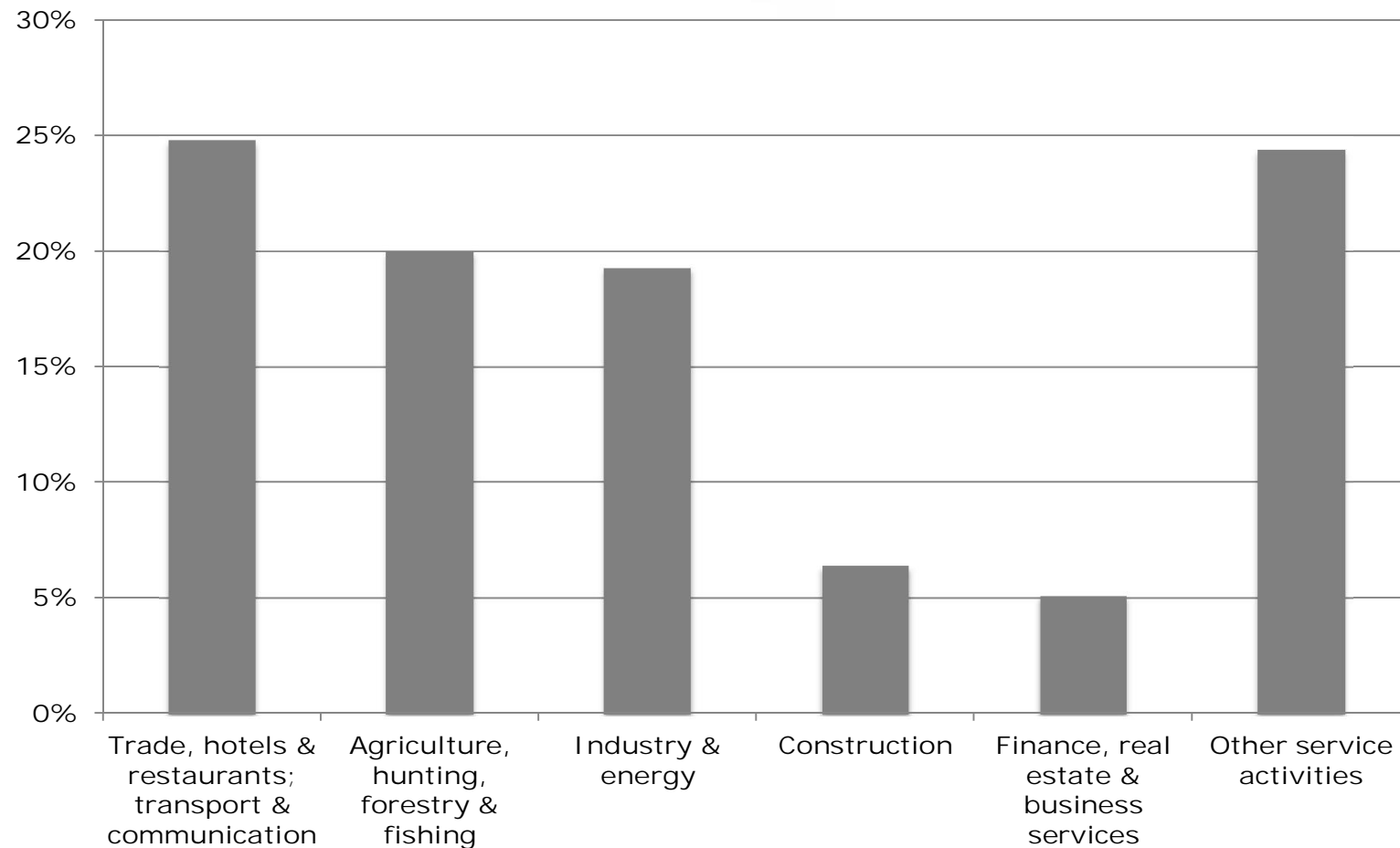
	2008	2009	2010	2011
Population	46 372 700	46 143 700	45 962 900	42 778 500
Economically active population (of working age)	20 675 700	20 321 600	20 220 700	20 247 900
Unemployed (of working age)	596 000	693 100	452 100	505 300
Unemployment rate (% of population of working age)	2,1 %	2,5 %	1,6 %	1,8 %

Sources: State Statistics Service of Ukraine

Registered unemployment, March 2012: 1,9%

2. Economic development

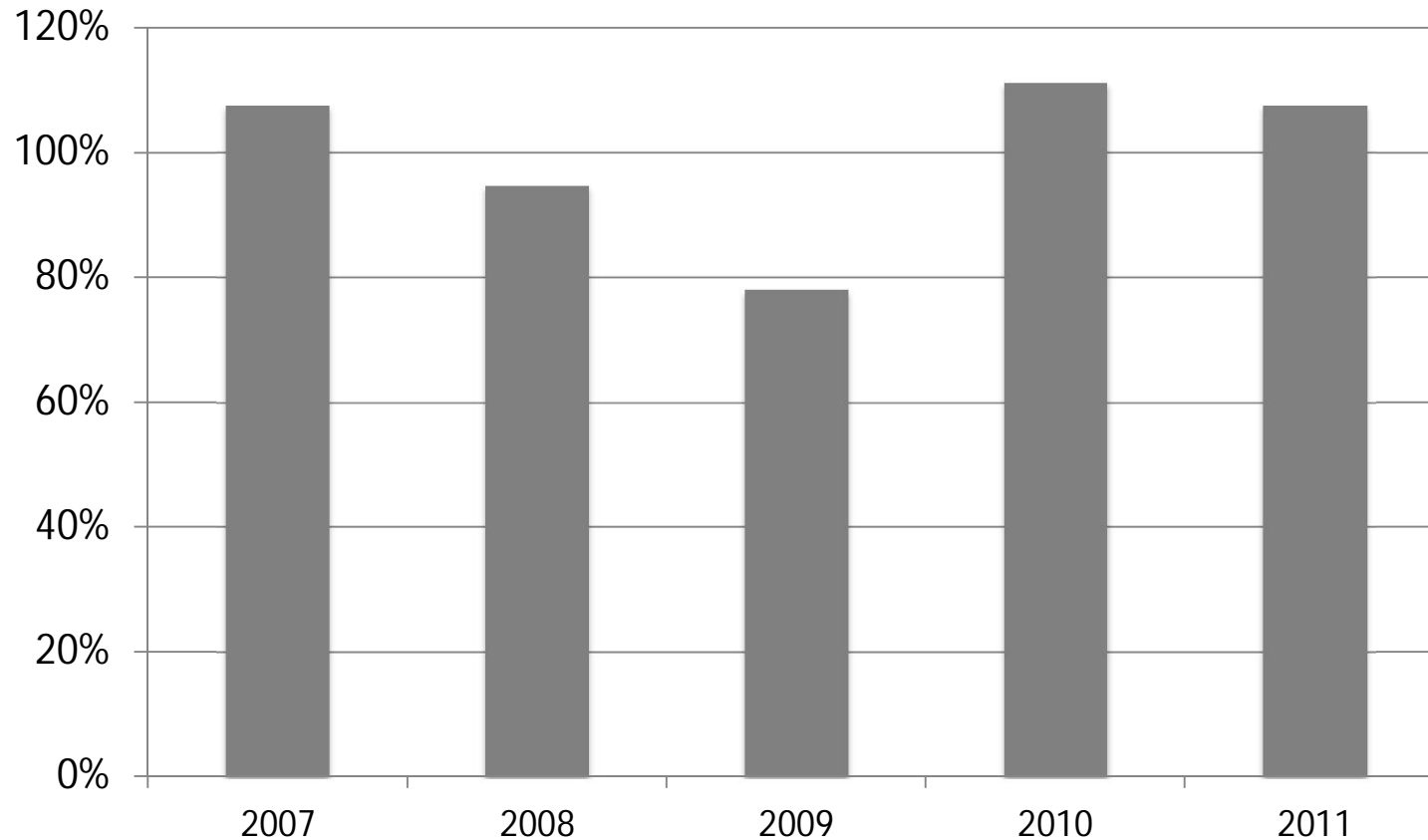
d) Employment by sectors, 2009



Sources: UNECE Statistical Database

2. Economic development

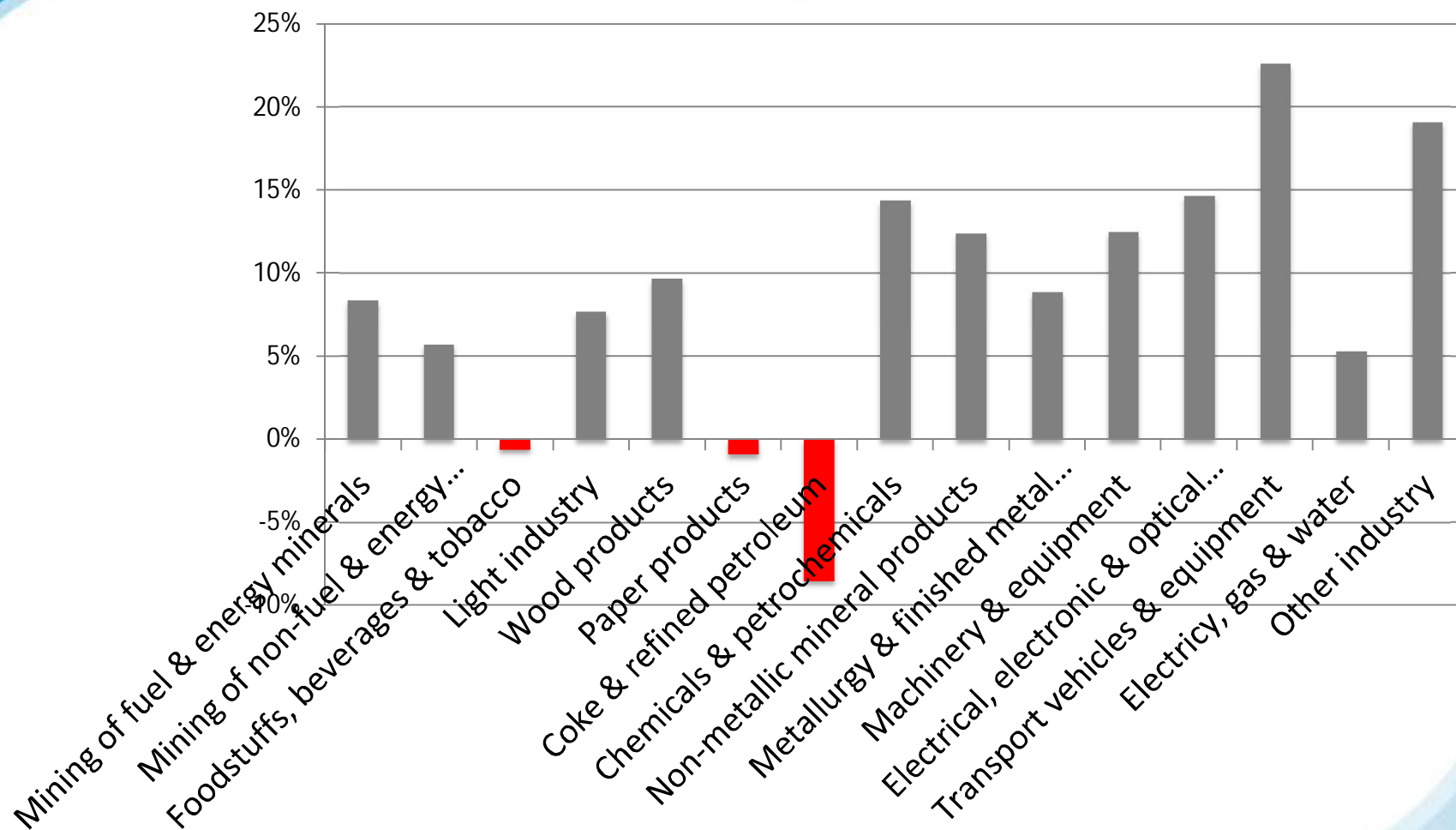
e) Industrial production growth rate*



Sources: State Statistics Service of Ukraine
*percent to the previous year

2. Economic development

f) Industrial production growth rate by sectors, 2011



Sources: State Statistics Service of Ukraine
*percent to the previous year

2. Economic development

g) Bank reserves & external debt (million €)

	2009	2010	2011
Total international reserves	20,14 mln €	26,27 mln €	24,15 mln €
External debt stock	78,59 mln €	88,75 mln €	95,91 ^f mln €
Current account balance	-1,32 mln €	-2,29 mln €	-6,84 mln €

Sources: Economist Intelligence Unit
f-forecast (May 2012)

3. Political scene

a) Democracy

Democracy Index 2011	Overall rank
Regime type: Hybrid regime	79/167
<i>Democracy under stress</i>	

Electoral process & pluralism	8,33
(on a scale from 0 to 10)	
Functioning of government	4,64
(on a scale from 0 to 10)	
Political participation	5,00
(on a scale from 0 to 10)	
Political culture	4,38
(on a scale from 0 to 10)	
Civil liberties	7,35
(on a scale from 0 to 10)	

Sources: Economist Intelligence Unit

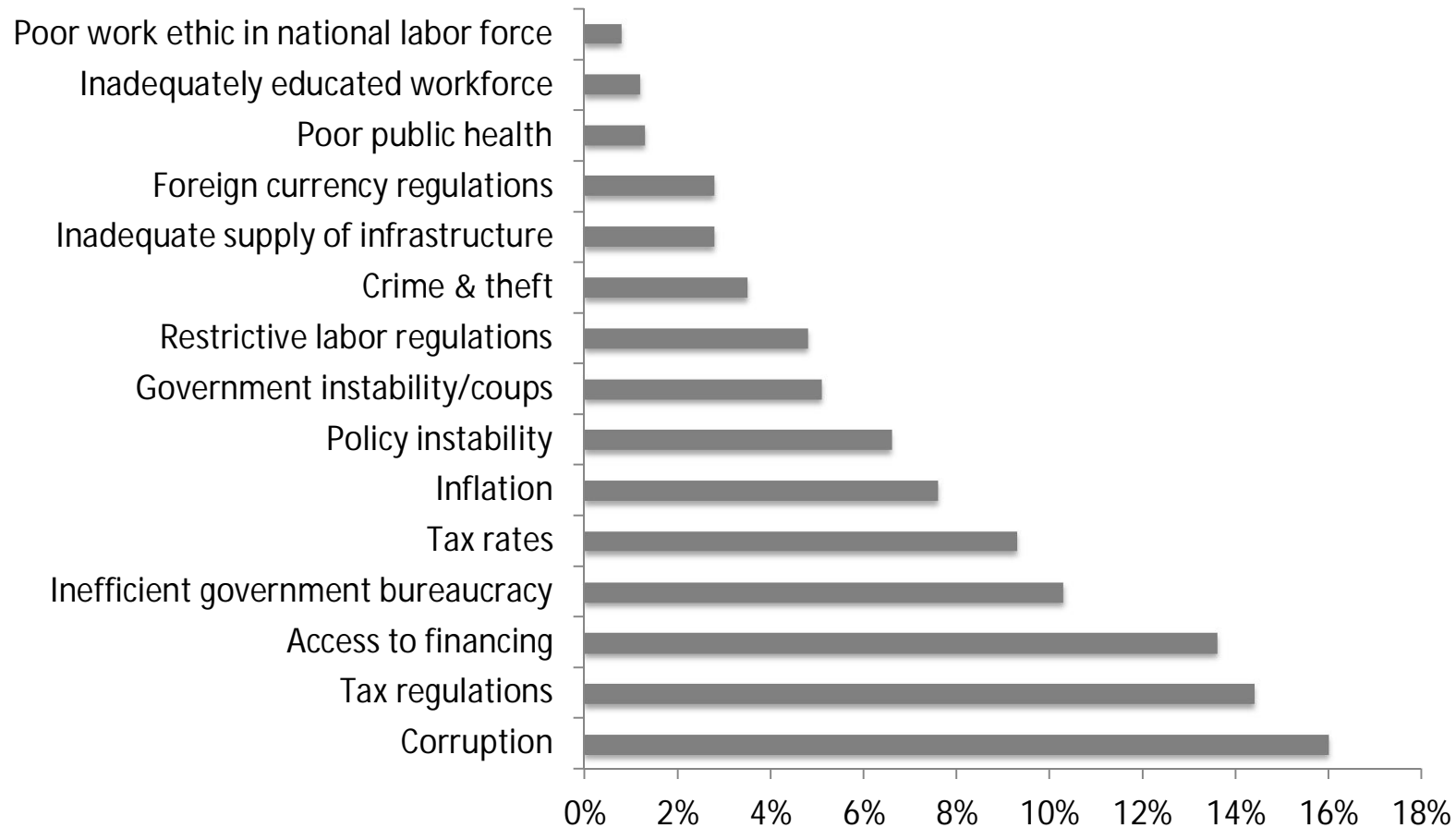
3. Political scene

b) Business freedom

Ranking index	Rank of Ukraine/ Total number of countries
World Democracy Audit overall ranking (World Audit, May 2012)	70/150
Press Freedom ranking (World Audit, May 2012)	80/150
Global Competitiveness Index 2011-2012 (World Economic Forum)	82/142 (+7 change to the previous year)
The 2012 Index of Economic Freedom (The Heritage Foundation)	163/179
Corruption Perceptions Index 2011 (Transparency International)	152/183 (16/20 within Eastern Europe & Central Asia)
Ease of Doing Business 2012 (World Bank)	152/183 (23/24 within Eastern Europe & Central Asia)

3. Political scene

c) The most problematic factors for doing business



Sources: The Global Competitiveness Report 2011-2012

*Answers selected by respondents

3. Political scene

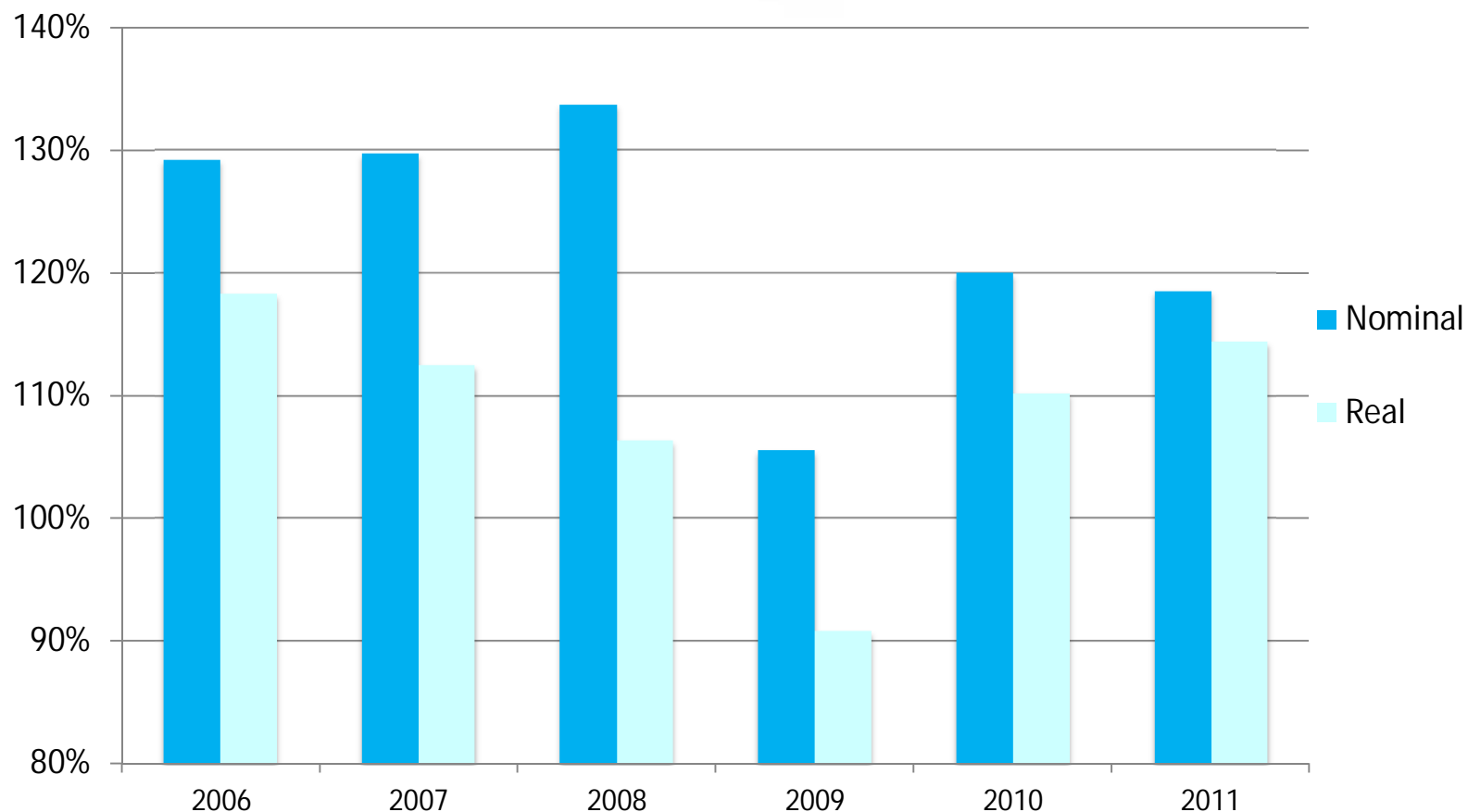
d) Taxes

Taxes	Rate
The standard income tax rate	17,0 %
The standard corporate tax rate	23,0 %
Other taxes (property taxes & VAT) & overall tax burden	36,9% of total domestic income
The trade weighted average tariff	2,8%
Governments spendings	48,5% of GDP
Public debt	40% of total domestic output
Budget deficit	over 3% of GDP

Sources: The Heritage Foundation

4. Prosperity and consumption

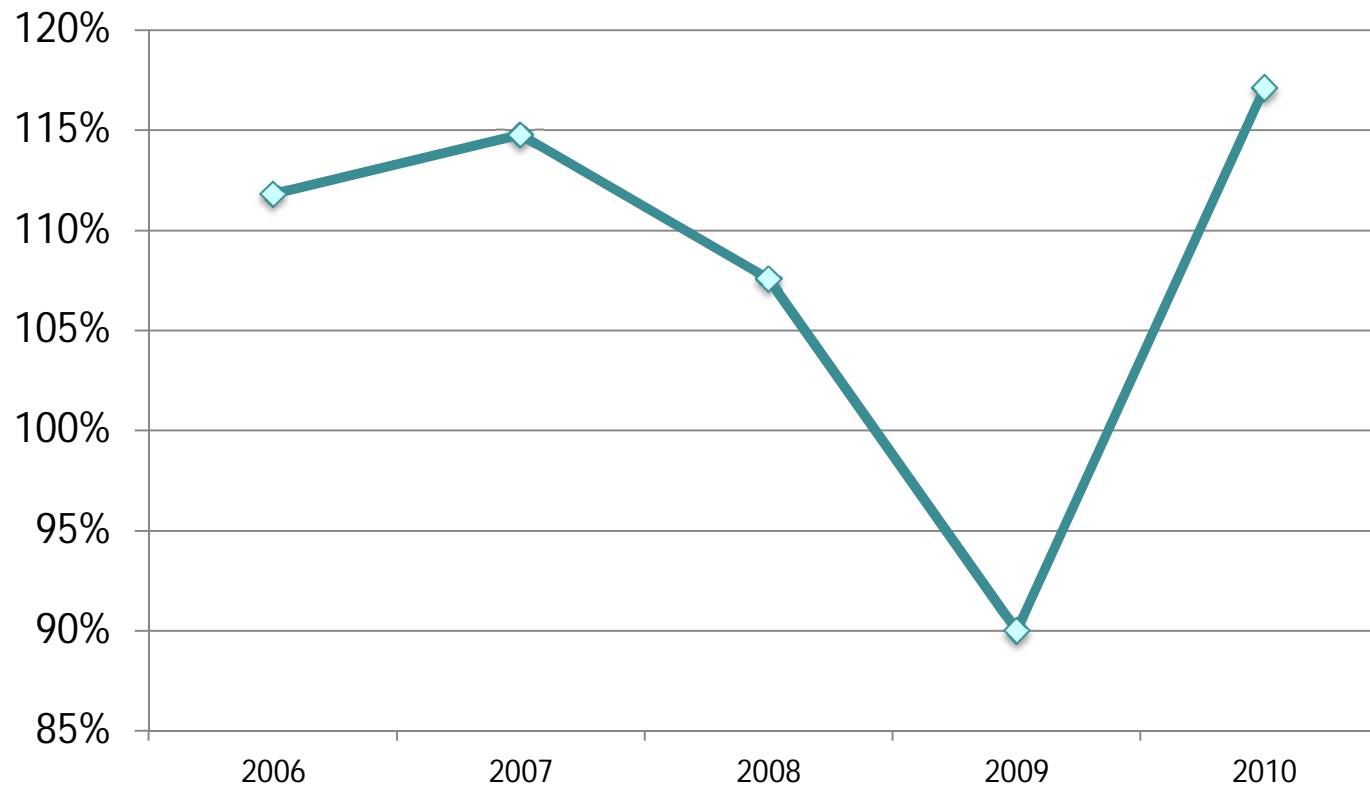
a) Average monthly wages of employees*



Sources: State Statistics Service of Ukraine
*percent change to the corresponding
period of a previous year

4. Prosperity and consumption

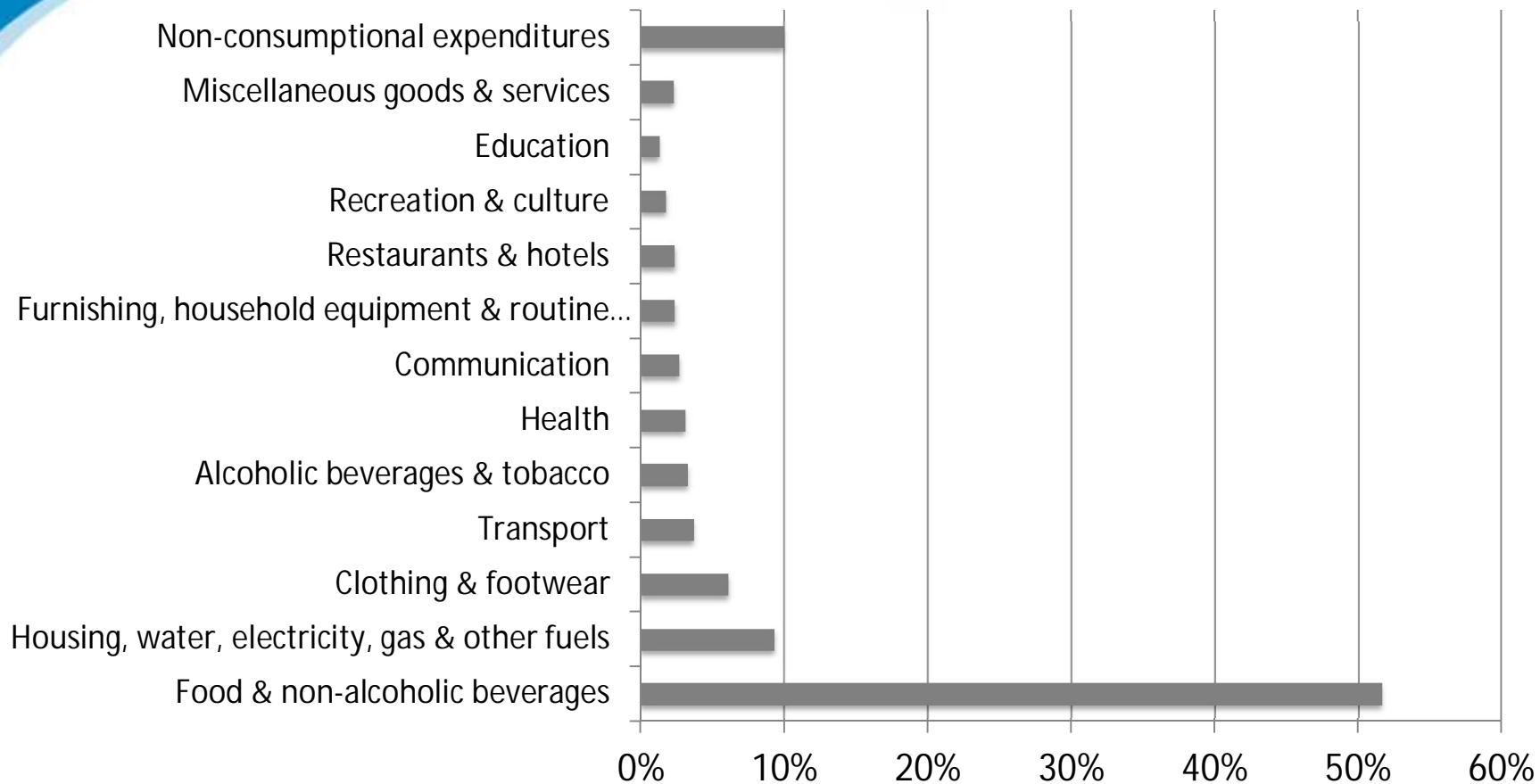
b) Population real disposable income growth



Sources: State Statistics Service of Ukraine
*percent change to the corresponding
period of a previous year

4. Prosperity and consumption

c) Structure of household total expenditures, 2010

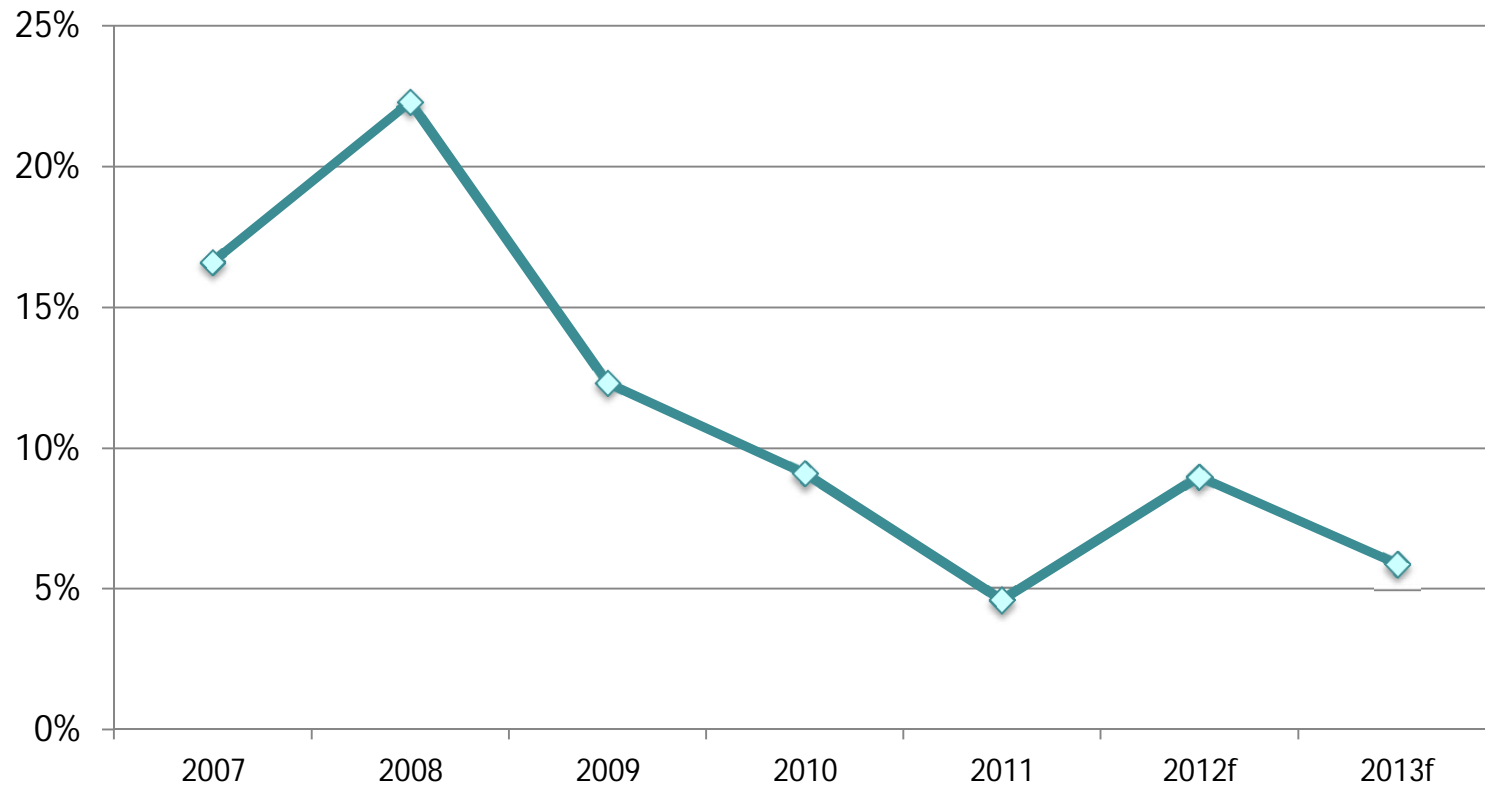


Sources: State Statistics Service of Ukraine;
Exchange rate according to the National Bank
of Ukraine 16.05.2012, 1 EUR = 10,26 UAH

Average monthly total expenditure per household, 2010:
299,48€

4. Prosperity and consumption

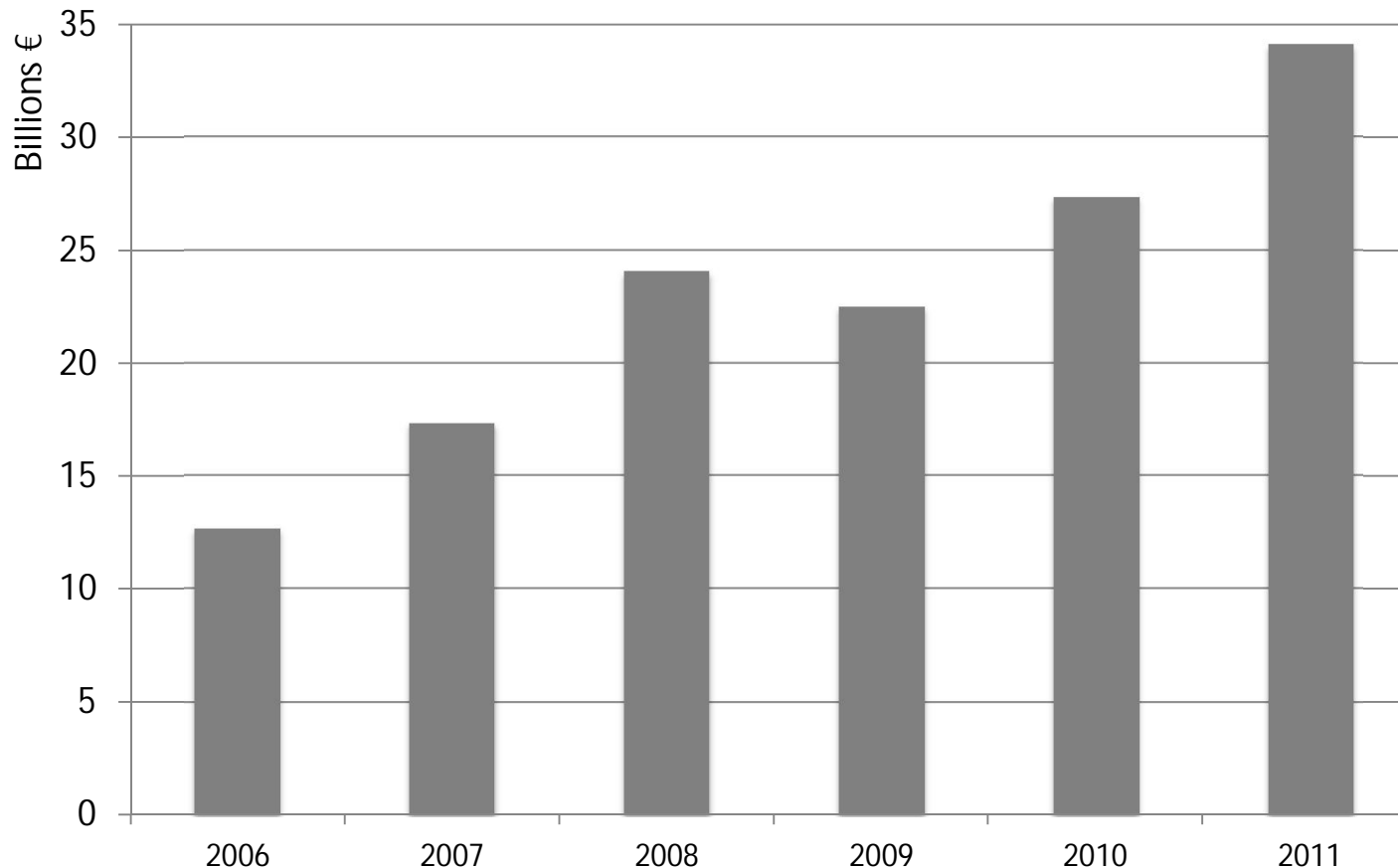
d) Consumer Price Inflation (end of period, %)



Sources: Economist Intelligence Unit
f-forecast

4. Prosperity and consumption

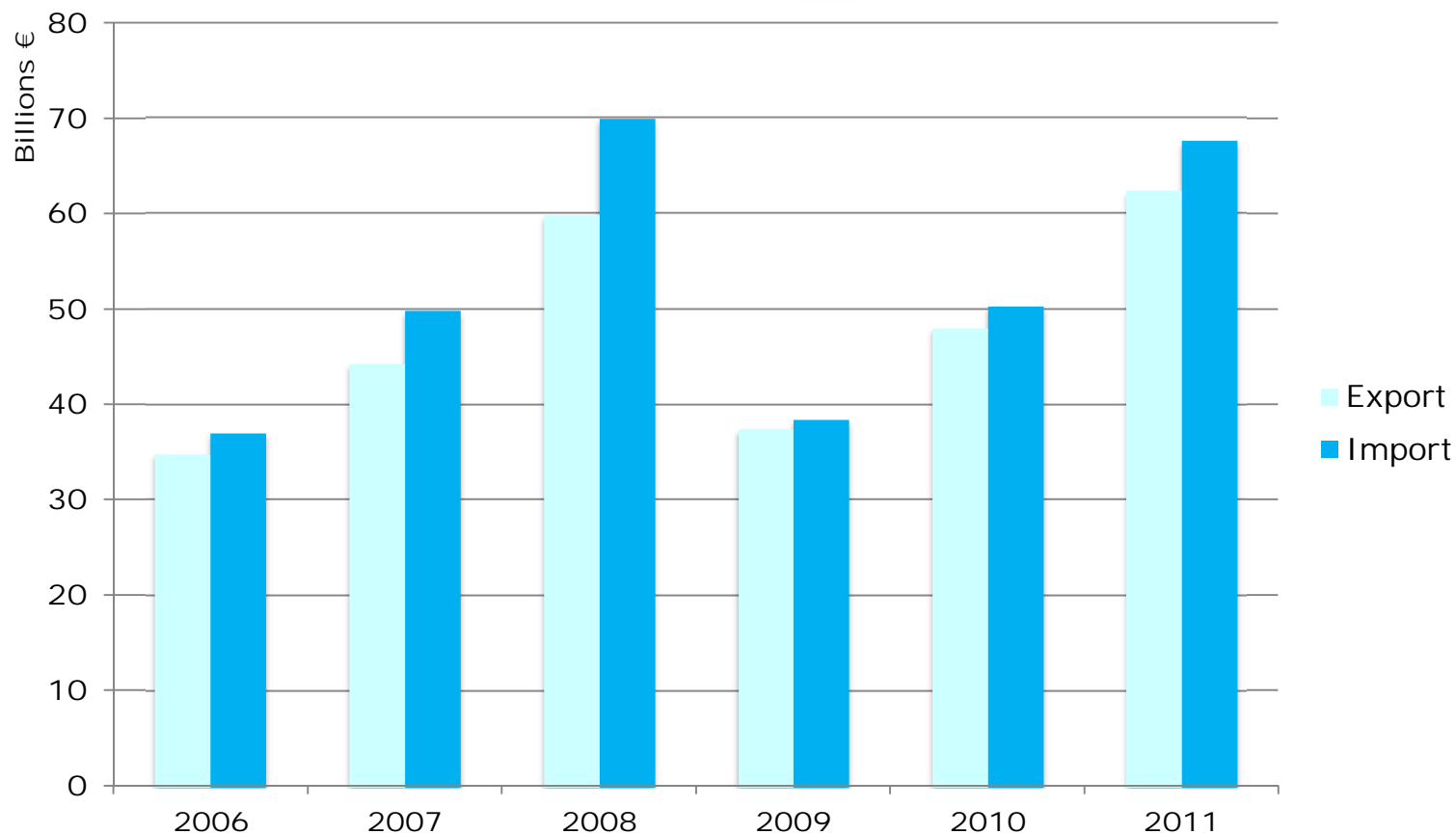
e) Retail trade turnover legalities (billion €)



Sources: State Statistics Service of Ukraine;
Exchange rates according to the National Bank of
Ukraine 16.05.2012, 1 EUR = 10,26 UAH

5. External economic relations

a) Development of foreign trade (billion €)



Sources: State Statistics Service of Ukraine;
Exchange rates according to the Bank of Finland
April 2012, 1 EUR = 1,3126 USD

5. External economic relations

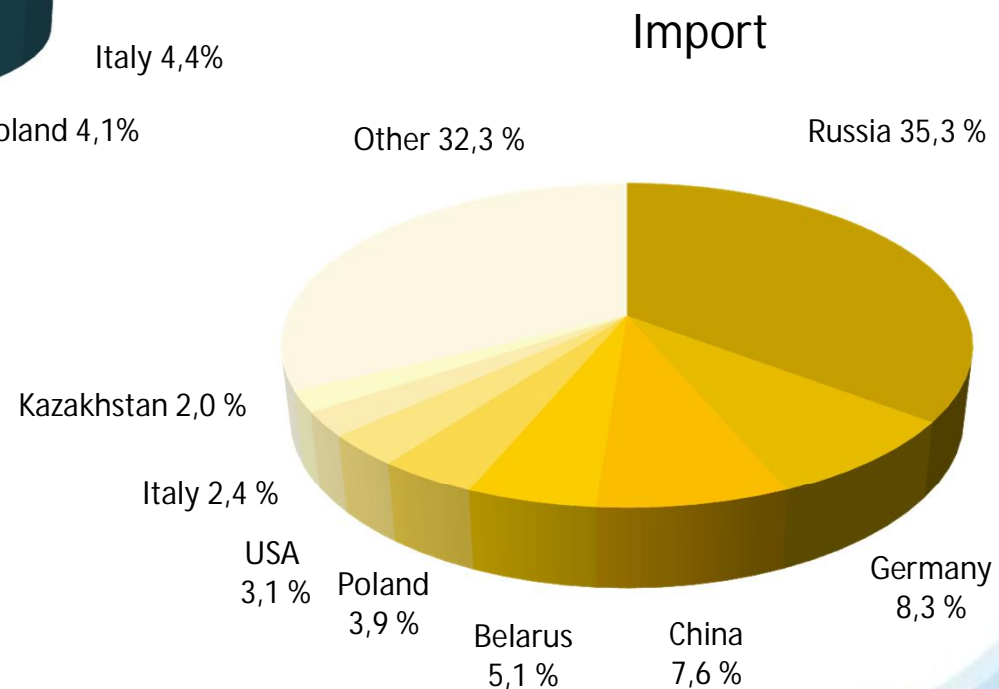
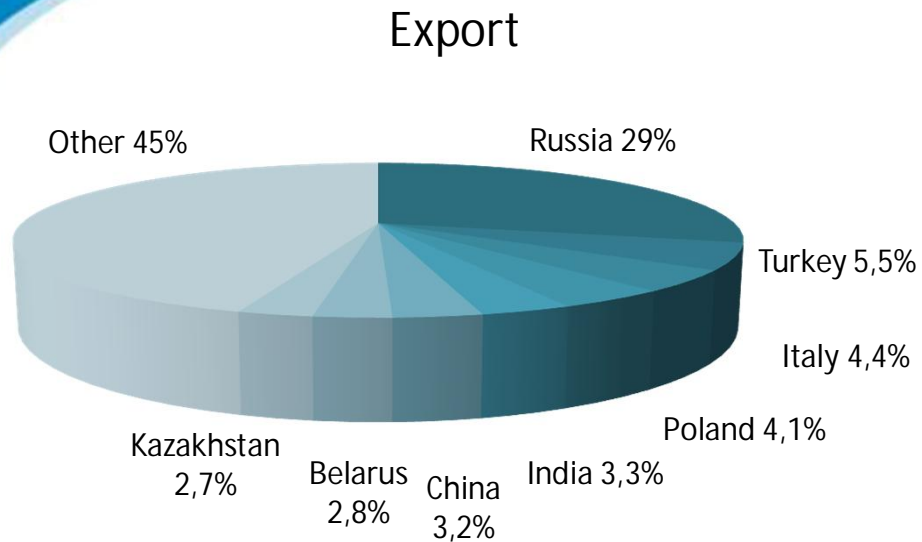
b) Foreign trade structure 2011

Export	Commodities	Import
32,3 %	Non-precious metals & articles	6,9 %
18,8 %	Agricultural & food industries products	7,8 %
15,0 %	Mineral products	36,4 %
9,9 %	Engineering products	15,5 %
7,9 %	Chemical industry's products	9,7 %
3,2 %	Timber & other pulp	2,7 %
1,8 %	Light industry's products	3,0 %
11,1 %	Miscellaneous	18,0 %

Sources: State Statistics Service of Ukraine

5. External economic relations

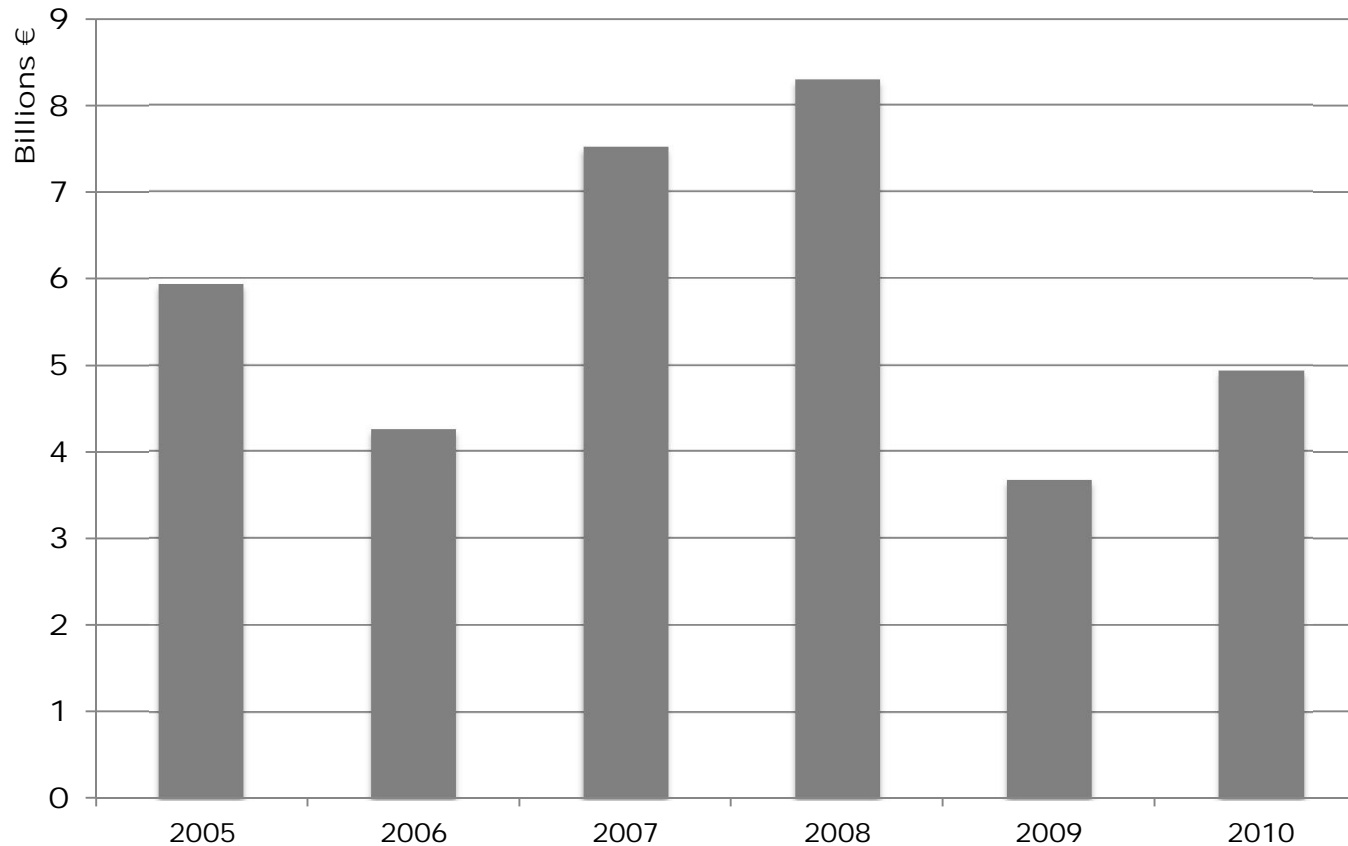
c) Major export and import partners in 2011



Sources: State Statistics Service of Ukraine

5. External economic relations

d) Foreign Direct Investment inflows (billion €)



Sources: UNCTAD, World Investment Report 2011;
Exchange rates according to the Bank of Finland
April 2012, 1 EUR = 1,3126 USD

5. External economic relations

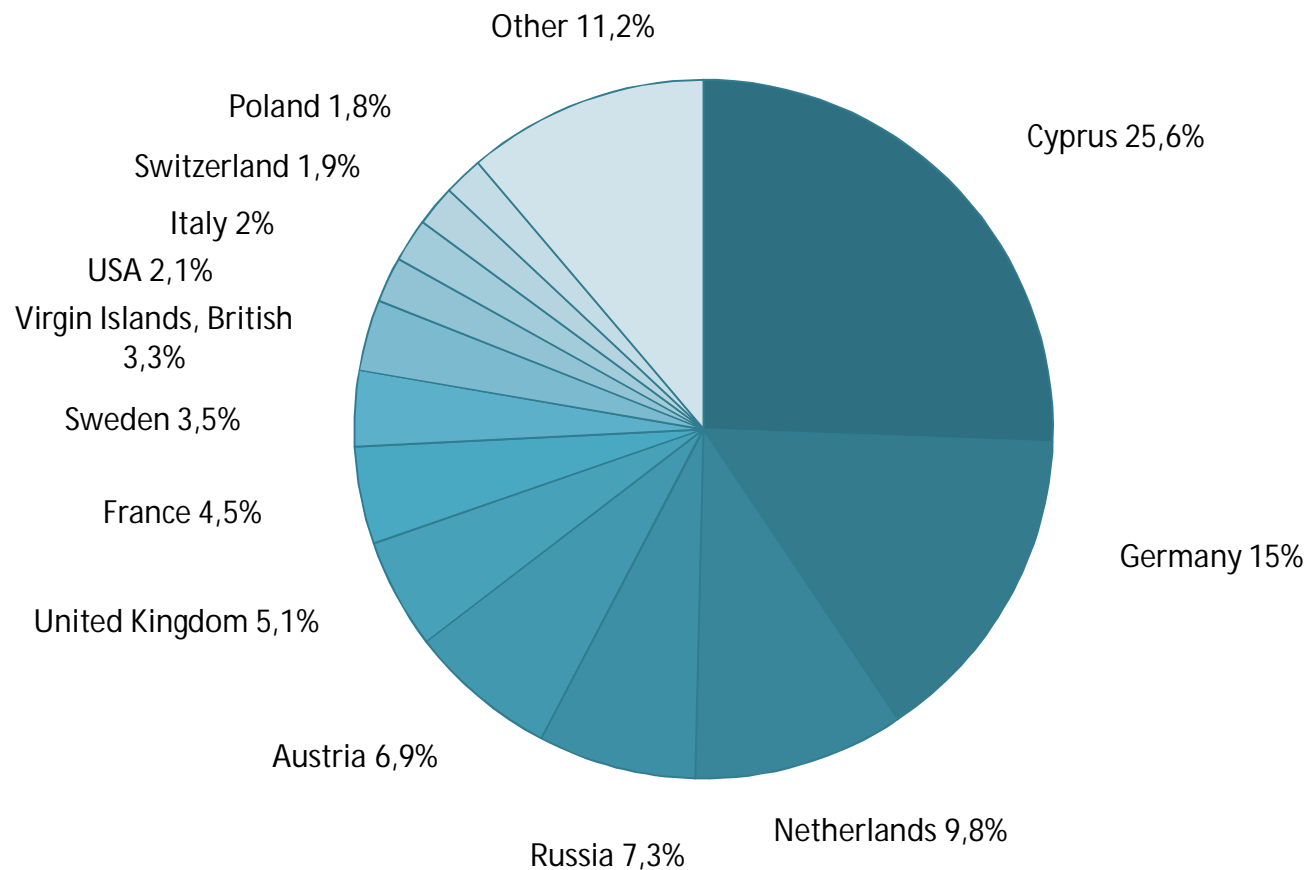
e) FDI stock

	2000	2010
FDI inward stock	2,9 billion €	44 billion €
FDI outward stock	129 million €	6 billion €

Sources: UNCTAD, World Investment Report 2011;
Exchange rates according to the Bank of Finland
April 2012, 1 EUR = 1,3126 USD

5. External economic relations

f) FDI (equity capital) by countries*



Sources: State Statistics Service of Ukraine

*Data are calculated on an accrual basis since the beginning of investment; volume of direct investment as of 31.12.2011

5. External economic relations

g) FDI by sectors 2011

Main sectors

Financial sector	33,10 %
Industry	30,90 %
Real estate	11,60 %
Trade, maintenance	10,50 %

Sources: State Statistics Service of Ukraine;
<http://www.egypt-import-export.com/en/country-profiles/ukrainia/investing>

6. Additional information

a) Business services and authorities

BUSINESS SUPPORTING SERVICES

Finpro Ukraine, Finland Trade Center

www.finpro.fi/ukraine

Business Directory

www.ukraine-today.com

Invest Ukraine

www.investukraine.org

SOME AUTHORITIES

Verkhovna Rada of Ukraine

www.portal.rada.gov.ua

Ministry of Economy of Ukraine

www.kmu.gov.ua

Ministry of Finance Of Ukraine

www.minfin.gov.ua

Ministry of Foreign Affairs and European Integration

www.mfa.gov.ua

National Bank of Ukraine

www.bank.gov.ua

Information subject to changes

6. Additional information

b) Embassy and European Commission's Delegation

Embassy of Finland, Kyiv, Ukraine

www.finland.org.ua

Contacts:

Embassy of Finland

vul.Striletska, 14

01901 Kyiv

Tel. +380 44 278 7049

Fax +380 44 278 3433

E-mail: sanomat.kio@formin.fi

Delegation of the European Commission to Ukraine

www.delukr.ec.europa.eu

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01024 Kyiv, Ukraine

Tel. +380 44 253 30 20

Fax +380 44 230 23 90

E-mail: delegation-ukraine@ec.europa.eu

Information subject to changes

6. Additional information

c) Other sources

CIA World Factbook

<https://www.cia.gov/library/publications/the-world-factbook/index.html>

Economist Intelligence Unit EIU

www.eiu.com

European Bank for Reconstruction and Development EBRD

www.ebrd.com

Eurostat

epp.eurostat.ec.europa.eu

International Labour Organization ILO

www.ilo.org

International Monetary Fund IMF

www.imf.org

Information subject to changes

6. Additional information

c) Other sources

State Statistics Committee of Ukraine
www.ukrstat.gov.ua

The World Bank
www.worldbank.org

United Nations Economic Commission for Europe UNECE
www.unece.org

Unicef
www.unicef.org

Information subject to changes