

INVEST Ukraine

Open for U



MINISTRY
OF ECONOMIC DEVELOPMENT
AND TRADE OF UKRAINE

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There is no doubt that Ukraine today faces a challenging time with both political and economic problems that have crippled our economy. We are experiencing war, devaluation, and economic stagnation that were caused by the neglect, corruption and abuses of the previous regime. I firmly believe, however, that these economic problems are currently under control, and the war is confined to a small segment of our country. For the remainder of Ukraine, we are open for business.

During the past year, the people of Ukraine have endured hardship and pain as a result of Russian aggression. But at the same time, we constantly felt full support by, and solidarity with the international community, especially our European partners and our close friend and ally, the United States. Ukraine will forever be a European nation tied to the global community with common values and goals, and we will work together openly and transparently.

With international support, Ukraine has embarked upon a full scale business and economic reform agenda to address these problems. This reform agenda will harmonize our laws with those of the European Union and change the way we do business, by applying principles of freedom, rights, fairness and openness in all areas of society.

We are creating a new Ukraine.

This will not be an easy task; change is never easy. We recognise that this reform process will take time and, more fundamentally, require a change in attitude. We in the Government are committed to this reform path. We are also changing the face of Government, systematically replacing personnel of the old regime so that the new Ukraine will function as a normal western democracy without holdovers or corrupt business practices of the past.

On the positive side, Ukraine has a solid economic base and highly-skilled, talented people. As a Government we are now working diligently to unlock this potential and are looking for partners to join us in this effort, not through altruism but for mutual benefit. Ukraine needs business know-how, new technologies and investment. In return, our business partners will benefit from a transparent and fair business environment and high returns.

Numerous, mutually beneficial business opportunities now exist for American and Ukrainian businesses. For you as business leaders, there is an opportunity to make money and, as a consequence, Ukraine will benefit from your assistance in restructuring our industry to become more efficient and competitive and to drive our economy forward. The Government of Ukraine will support and encourage such symbiotic partnerships.

Today, Ukraine presents numerous opportunities waiting for a jump start. Ukraine is a relatively large economy with both material and human resources. But our industry

is not modern. Our production techniques are largely stuck in the past, many focused on archaic demands of our eastern neighbour. Now we need to retool, refocus and become modern, efficient producers. This is where your know-how will be essential for us.

The Maidan protests, in which Ukrainian citizens fought for closer ties with Europe, were not merely a symbolic gesture for western orientation, but a demand for real integration with the European Union. Our Deep and Comprehensive Trade Agreement will enable products produced in Ukraine to flow freely into the world's largest trading bloc. As Ukraine adopts EU business laws and practice, we will become a gateway for global business into the EU market, supplying agricultural, industrial, consumer products and services which will also create new business opportunities.

Therefore, Ukraine invites American business to partner with us in restructuring of our economy and we look forward to doing business together. I want to reassure you that it is safe to visit Ukraine, secure to invest with us and most importantly, mutually profitable.

Ukraine is open for you.

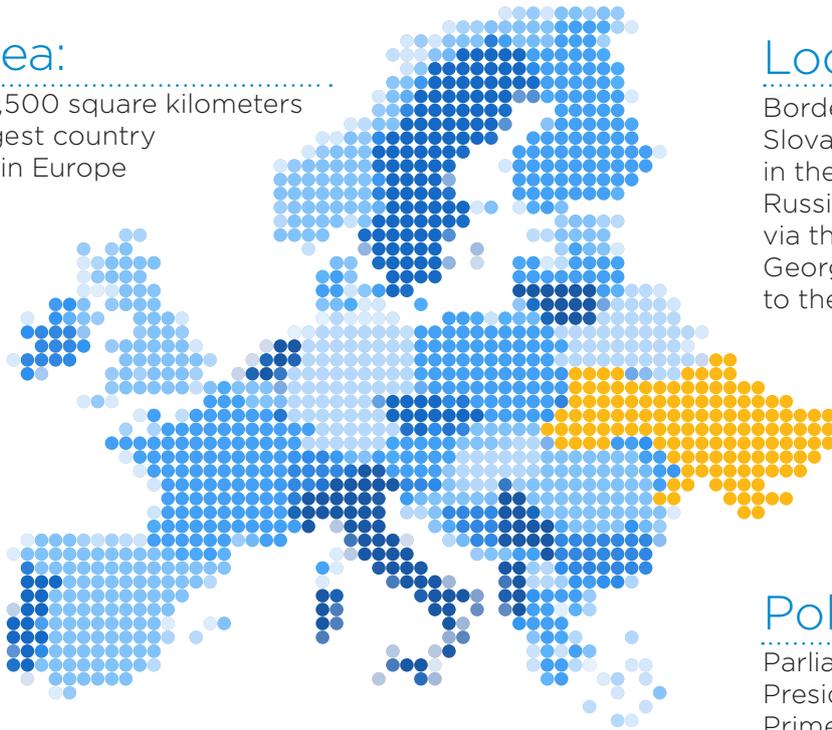


Arseniy Yatsenyuk
Prime Minister of Ukraine

Ukraine: Key Facts

Area:

603,500 square kilometers
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 Arseniy Yatsenyuk

Population:

45 million
70% urban-based

Diaspora worldwide:

20 million strong network throughout the world

GDP (PPP):

\$373

billion in 2014
top-50
economy
globally

Average salary:

\$156

per month
Most cost-competitive
manufacturing
platform in Europe

Big Mac price:

\$1.55

Visa free

travel
for short stays
for most
Western
countries

Trade:





Information Technology:

- #1 IT engineering force in Central and Eastern Europe (CEE)
- 20 times growth in IT outsourcing sales since 2003
- IT services are 40% of all exports to US - the #1 trade category
- 100+ global companies operate software R&D labs in Ukraine
- 130,000 engineering graduates annually
- 9.8% of graduates in math, sciences and computing
- 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
- #2 world grain exporter after the US
- #3 in corn exports globally



Infrastructure:

- Railways – 21,619 kilometers (#12 globally)
- Roadways – 169,694 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 over 50% of needs

Human Capital

4th

educated nation
in the world –
99.7%
literacy rate

70%

have
a secondary or
higher education

Ukraine rose 56
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

Western-Oriented Government Leading Structural Reforms

The Revolution of Dignity in Ukraine that began with Euromaidan in November 2013 marked a fundamental turning point in Ukrainian society, leading to a generational shift in political elites, a historical commitment to European values and economic convergence and launch of a bold reform agenda.

In 2014, the people of Ukraine replaced an authoritarian, kleptocratic former regime with a pro-European President Poroshenko and Parliament, both with five-year mandates, ensuring political stability in implementing the vector to Europe, and a reformist, democratic, pro-European Government led by Prime Minister Arseniy Yatsenyuk.

The
average
Minister's
age is

45

Critical
mass of
English-speaking
reformers with
well-respected
private sector
backgrounds

**Pro-business,
pro-reform
agenda**





Arseniy Yatsenyuk, Prime Minister, age 41

- Education: Chernivtsi State University, Chernivtsi Institute of Trade and Economy
- Youngest Prime Minister in the history of Ukraine
- Youngest former Head of Parliament in Ukraine



Aivaras Abromavicius, Minister of Economic Development and Trade, age 39

- Education: Concordia International University (Estonia), Concordia University Wisconsin (US)
- 19 years of investing and investment banking experience
- Successfully ran a multibillion regional investment firm



Natalie Jaresko, Minister of Finance, age 50

- Education: Harvard University's Kennedy School (US), DePaul University in Chicago (US)
- 20 years of investment experience
- Former Founder and CEO of leading CEE private equity fund



Oleksiy Pavlenko, Minister of Agrarian Policy and Food, age 38

- Education: Kyiv-Mohyla Academy, Nyenrode Business University (Netherlands)
- 18 years of investment, agricultural and industry experience



Andriy Pyvovarsky, Minister of Infrastructure, age 37

- Education: Taras Shevchenko University, Tufts University (US)
- 12 years of investment banking and industry experience



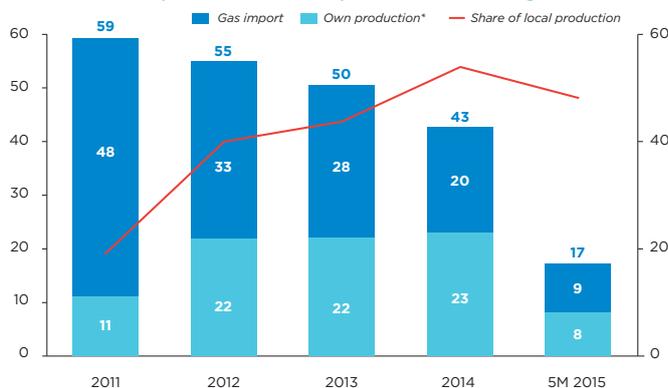
Bold Reform Agenda

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 3-4% growth forecast from 2017 onwards.

Energy

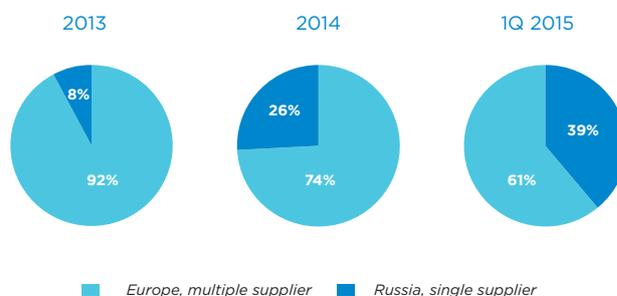
Reduction in imported gas; rise in local production
BCM (left axis), percent local production (right axis)



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. As a result, the former \$10 billion deficit of the state gas monopoly Naftogaz was reduced to less than \$2 billion, and is forecasted to be eliminated by year-end.

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.

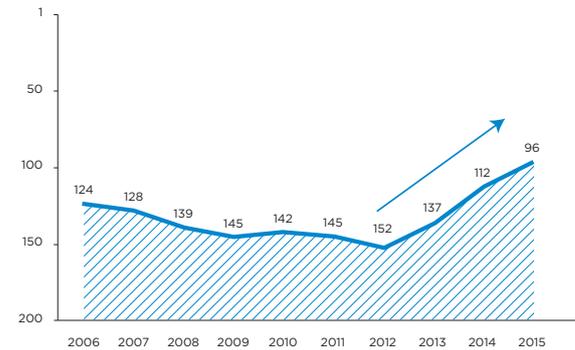
Time to register a new company cut to two days

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 16 regulations scrapped.

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 56 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. In addition, the government is negotiating \$15 billion in savings over the next four years from Ukraine's foreign commercial lenders.

Hryvnia exchange rate
UAH per USD

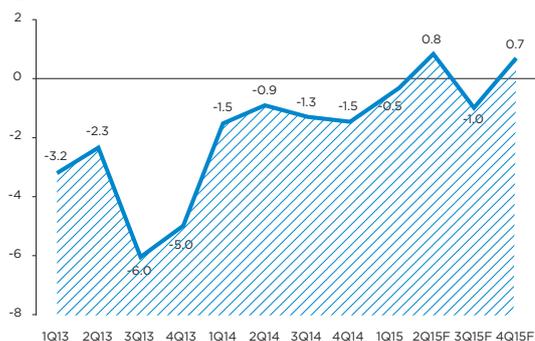


Source: minfin.com.ua

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 50 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 will help triple Ukraine's official reserves to \$18 billion by year-end from just \$5.6 billion.

Current account balance
USD billion



Source: National Bank of Ukraine, Dragon Capital

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.

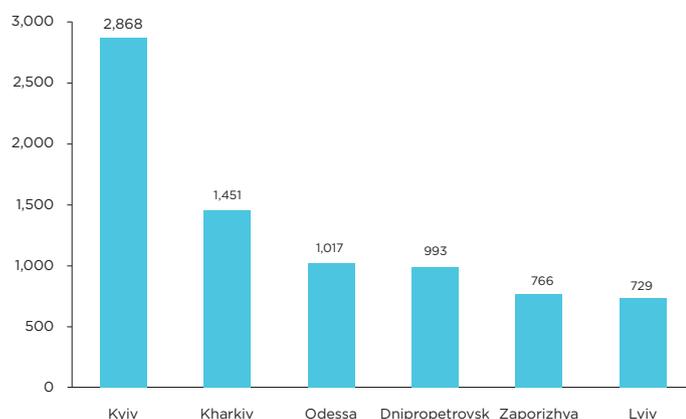
The challenges faced by Ukraine create momentum and urgency for pursuing structural reforms - key to the country's transformation and to unlocking future growth.

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



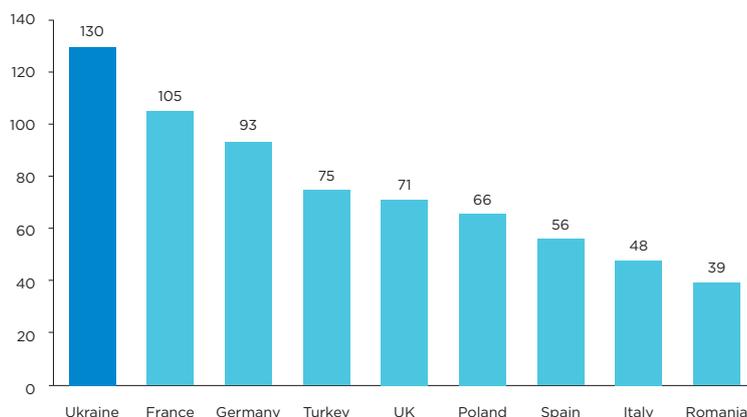
Source: State Statistics Committee



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

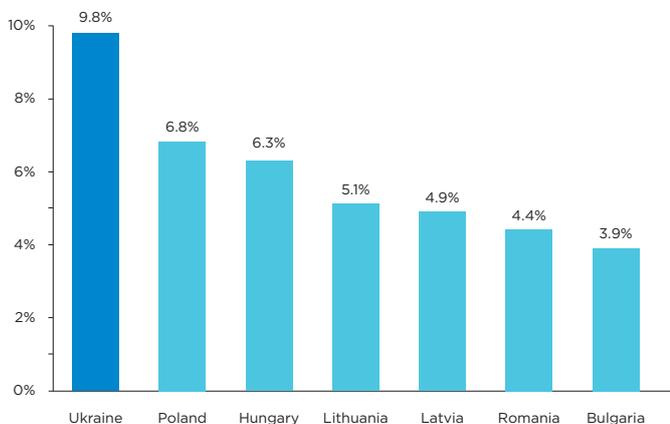


Source: World Economic Forum, Forbes

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 %



Source: Eurostat, Ukrstat

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.

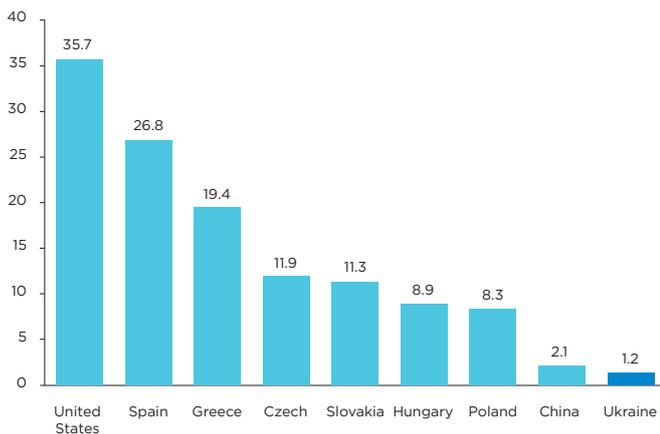


3

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 35% in 2015 to date**, 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 \$1,540 per year versus \$4,956 in Poland and \$6,605 for the sixteen CEE countries.

Hourly manufacturing wages in select countries
USD per hour



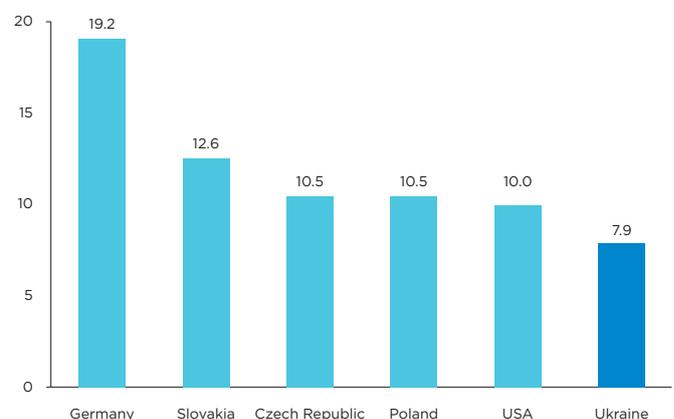
Source: U.S. Bureau of Labor Statistics, International Labor Comparisons, Ukrstat

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 \$156 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: Statista, Ukrstat, 2014

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 (-25%), Czech Republic (-25%) or Slovakia (-37%)**. Many European companies in textile, automotive, FMCG and home appliances are producing goods in Ukraine.

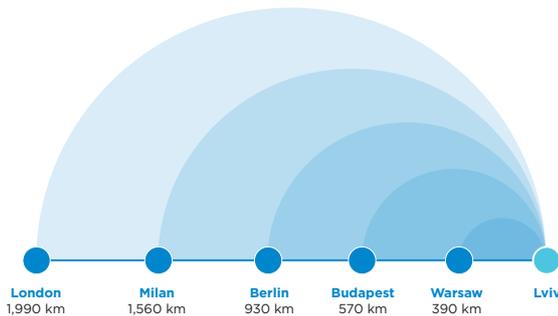
4

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.

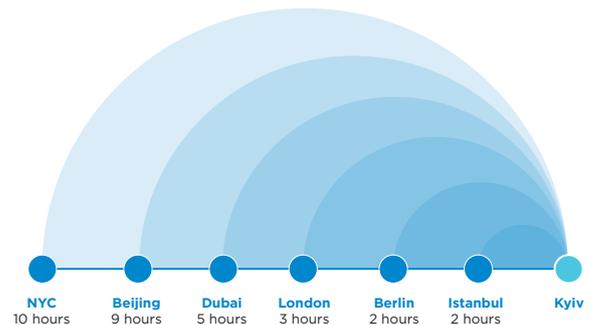
Ukraine ideally positioned to be a manufacturing hub for EU
Kilometers distance to select cities



The EU FTA 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 with the IMF projecting net FDI to increase to \$3.2 billion in 2015, then \$5.2 billion and \$9.0 billion over the next two years.

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 3 Ukrainian companies made the global Top-100 issued by the International Association of Outsourcing Professionals.

E lance 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 \$2.4 billion in 2014, achieving an impressive cumulative **average growth rate of over 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 year
Total size of the market, USD million



Source: Ukrainian Hi-Tech Initiative, Symphony-solutions, MoEDT estimates



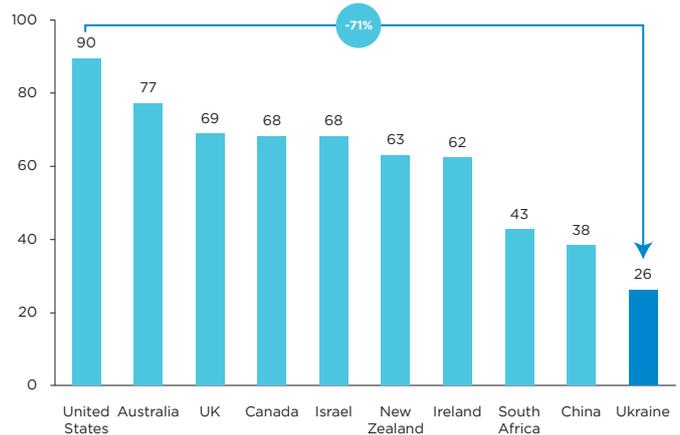
Ranked **#3** globally in number of freelance professionals

IT outsourcing growth of **20X** past decade

Top-3 certified IT professionals globally

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.

Average annual salary of IT specialists USD thousand per year



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

Online services	>		
Mobile	>		
Enterprise	>		



In addition, over

100

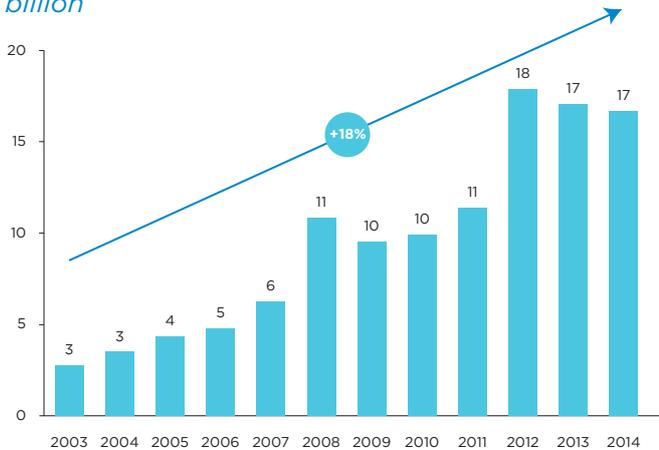
global players have located R&D facilities in Ukraine, further driving the high-tech sector



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 18%+ for over 10 years
USD billion



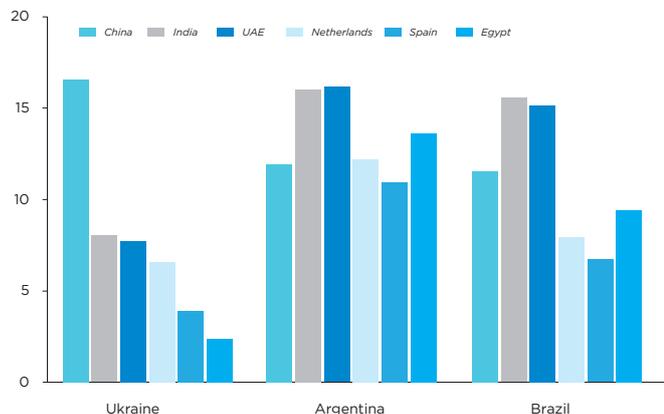
Source: Ukrstat

Ukraine is already a leading global agro-exports player

- #1 in sunflower oil
- #2 in grains
- #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.

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



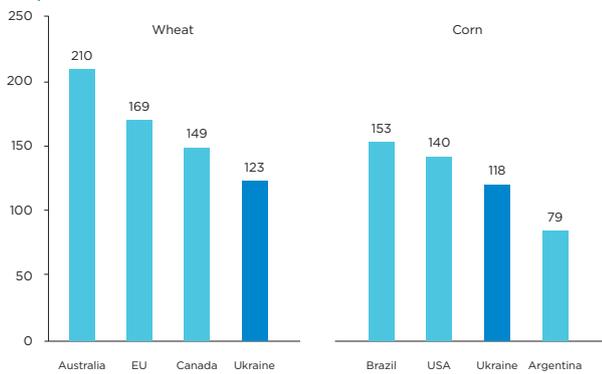
Source: Sea Rates

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.



The export of agricultural and food products is one of the most dynamic sectors of Ukrainian foreign trade. The industry grew at 18% per annum since 2003 and 2015 figures to date place the industry as the single biggest export contributor with 35% 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

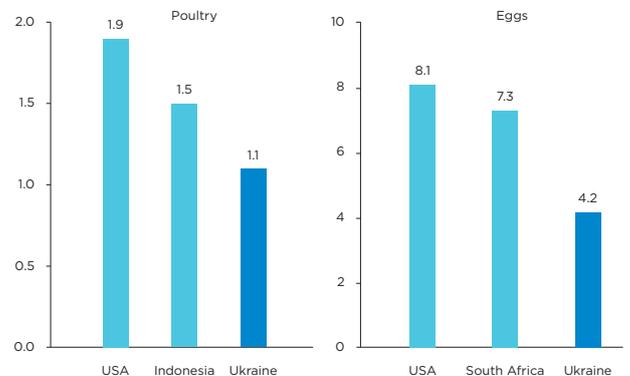


Source: MoAPaF, USDA, GRDC

In 2014, Ukraine achieved a record-high grain harvests of 63.8 million tons. Existing certified storage infrastructure allows for immediate storage of only 45-65% of annual production, leaving significant upside for storage infrastructure expansion.

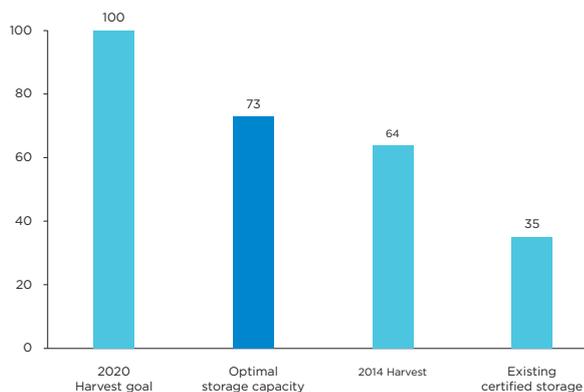
Modern storage infrastructure is a key component of the agricultural value chain, allowing farmers to ensure a higher quality of product, minimize losses and sell the harvest at the optimal time. The Ministry of Agrarian Policy and Food forecasts a grain harvest of over 100 million metric tons in five 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)



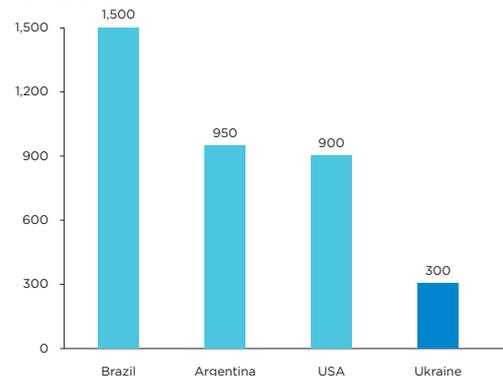
Source: MoEDT estimates, MoAPaF

Unmet demand for crucial agricultural infrastructure Million tons



Source: Dragon Capital, MoAPaF

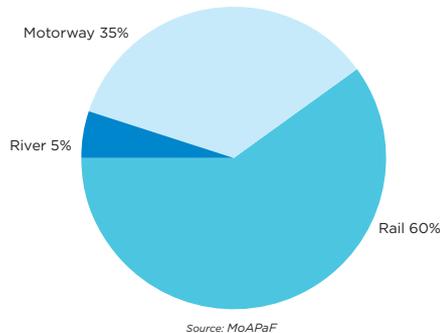
Average distance to port Kilometers



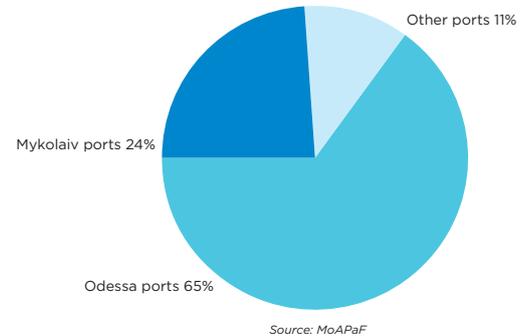
Source: MoEDT estimates, MoAPaF

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.

Mode of transportation of grains and oilseeds to ports
Volume



Grain export handling by port
Volume



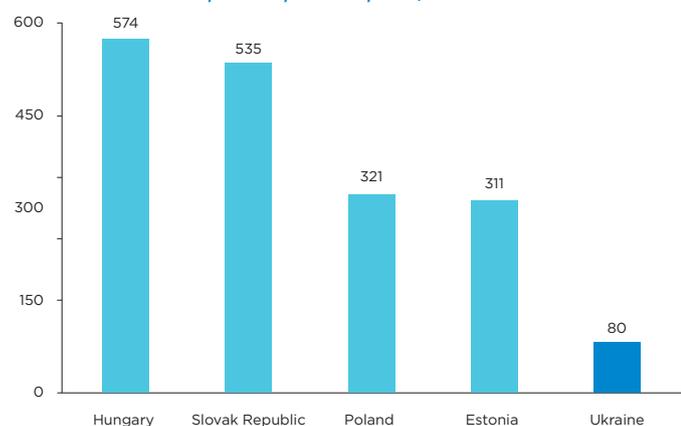
Healthcare and Pharma



Ukraine's pharmaceutical sector, **one of the fastest growing consumer industries**, reported a cumulative average growth rate of 6% in USD terms in the past five years, demonstrating the crisis-resistant nature of the industry. The total pharmaceutical market in Ukraine grew to \$3.4 billion in sales in 2014, including \$3 billion in revenues generated through pharmaceutical retail distribution chains.

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

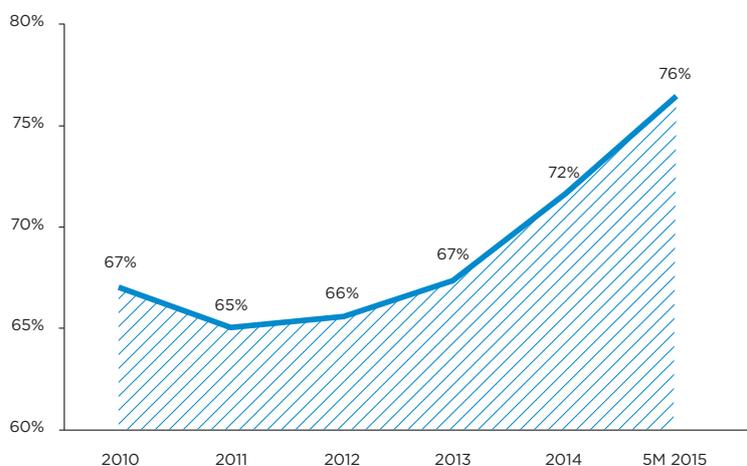
A major growth driver is the import substitution trend in the pharmaceutical sector, building a strong case for international pharma companies to increase investment through purchase of existing players or building their own manufacturing in Ukraine.

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

The **share of local producers** has increased in value terms from **29% in 2008 to 37% in 2014**, primarily due to the cost advantages they enjoy with a local manufacturing platform

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.



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 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.

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



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

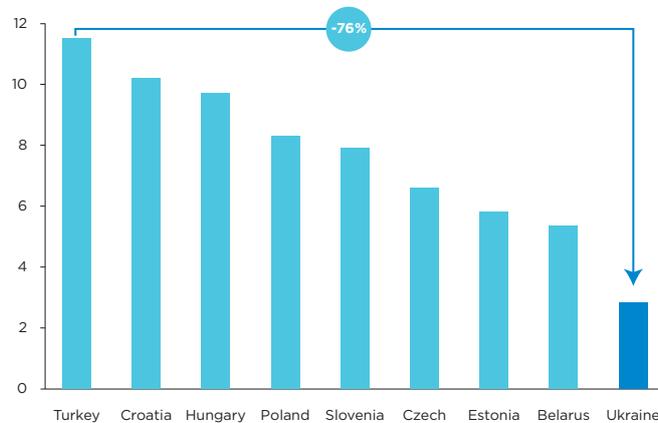


Energy efficiency



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 16% with domestic gas producers increasing production by 18%.



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



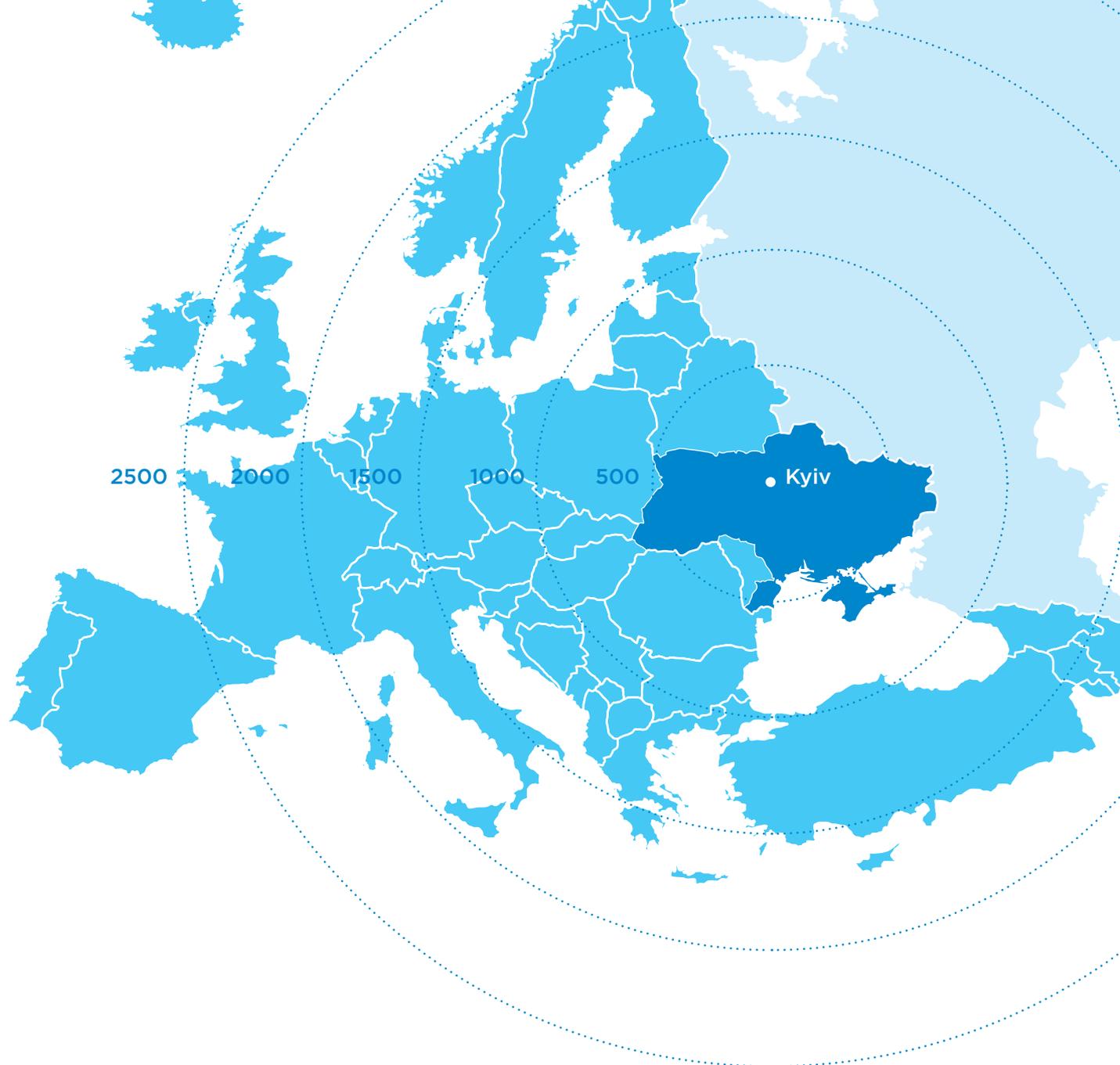
Source: American Chamber of Commerce

Business Associations

Business Association	Year Founded	Members	CEO	Contact info	
 ACC <small>THE CHAMBER OF COMMERCE</small>	American Chamber of Commerce	1992	602	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
 <small>ASSOCIATION OF UKRAINE-EU BUSINESS COOPERATION ASSISTANCE</small>	Association of Ukraine-European Business Cooperation Assistance	2014	-	Yuriy Kogut	03115, Peremohy Avenue 121-B, 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
 BBCU <small>British Business Club in Ukraine</small>	British Business Club in Ukraine	2002	-	Gerald Bowers	http://www.bbcu.com.ua/ 18/1G Prorizna Street Kyiv, Ukraine 01034 Tel: +38 067 320 1584
 British-Ukrainian Chamber of Commerce	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
 <small>BUSINESS SWEDEN THE SWEDISH TRADE & INVEST COUNCIL</small>	Business Sweden in Kyiv	2013	-	Daniel Larsson	http://www.business-sweden.se/ 52 Bohdana Khmelnytskoho St., Kyiv, Ukraine 01030 Tel: +38 044 496 0626 Email: ukraine@business-sweden.se
 <small>Camera di Commercio Italiana per l'Ucraina</small>	Camera di Commerciantaliana 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 Museinyy Lane Kyiv, Ukraine 01001 Tel: +38 044 495 8551 Fax: +38 044 495 8545 Email: ukraine@cucc.ca
 <small>Chinese Business Association Association of Producers</small>	Chinese Business Association	-	11	Alexander Gromyko	http://cba-ua.com/en/ 30V Fizkultury str., Business Center "Fahrenheit" Kyiv, Ukraine Tel: +38 044 490 2160 Email: info@cba-ua.com
 DBA <small>Danish Business Association</small>	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 Andriivskyy 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 Dimitrova 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
	Kyiv - The Netherlands Business Club	2000	40	Hans Ramaekers	http://bkn.com.ua/ 17/19 Nikolsko-Botanicheskaya St., Office 50 Kyiv, Ukraine 01033 Tel: +38 044 221 7135 Email: info@bkn.com.ua
	Norwegian Ukrainian Chamber of Commerce	2008	60	Arne Mjøs	http://www.nucc.no/ P.O. Box 634 Sentrum 0106 Oslo, Norway Tel: +47 408 61 467 Email: nordbo@nucc.no
	Polish-Ukrainian Chamber of Commerce	1992	200	Jacek Piechota, Oleksandr Shlapak	http://www.pol-ukr.com/ 2 R. Okipnoi St. Kyiv, Ukraine 02002 Tel/Fax: +38 044 568 4206/4453 Email: info.ukraine@pol-ukr.com
	The International Chamber of Commerce	1998	124	Volodymyr Schelkunov	http://www.iccua.org/ 19-B Reytarska St. Kyiv, Ukraine 01034 Tel: +380 44 234 42 73 Fax: +380 44 270 68 29 Email: office@iccua.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	82	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 Chyzykyov	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	100	Anatoliy Kinakh	http://uspp.ua/en/ 34, Khreshchatyk Street, Kyiv, 01001 Phone/Fax: +380 44 278 3069 E-mail: uspp@uspp.org.ua
	Ukrainian Venture Capital and Private Equity Association	2014	30	Jaanika Merilo	http://uvca.eu/ Tel: +380 63 392 23 95 Email:support@uvca.eu





MINISTRY
OF ECONOMIC DEVELOPMENT
AND TRADE OF UKRAINE

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