



MINISTRY FOR DEVELOPMENT OF
ECONOMY, TRADE AND AGRICULTURE
OF UKRAINE

#ЕКСПОРТУЙ
EXPORT STRATEGY TEAM



Ukraine's Machinery Sector



NON - GOVERNMENTAL UNION
FOUNDATION FOR SUPPORT OF REFORMS IN UKRAINE



UKRAINE'S MACHINERY SECTOR OVERVIEW

Machinery is a critical sector for the world economy and presents its technological cornerstone. In mature economies, machinery sector significantly contributes into development of trade, growth in labor productivity, job creation and diffusion of innovations.



7.6%

of industrial output sales



16.7%

employees hired



2.4%

of Ukraine's Gross Value Added



4500

enterprises



2/3 of machinery Gross Value Added originated from vehicle manufacturing, in particular, aircraft and spacecraft, related parts and equipment

Machinery subsectors demonstrated gradual growth over the last decade



aircraft and spacecraft,
related equipment

by 4.3 percentage points

↑ to 11.1%



agricultural machinery and
equipment, including forestry

by 3.0 percentage points

↑ to 7.0%



general machinery
and equipment

by 2.6 percentage points

↑ to 8.9%



wires, cables and
wiring accessories

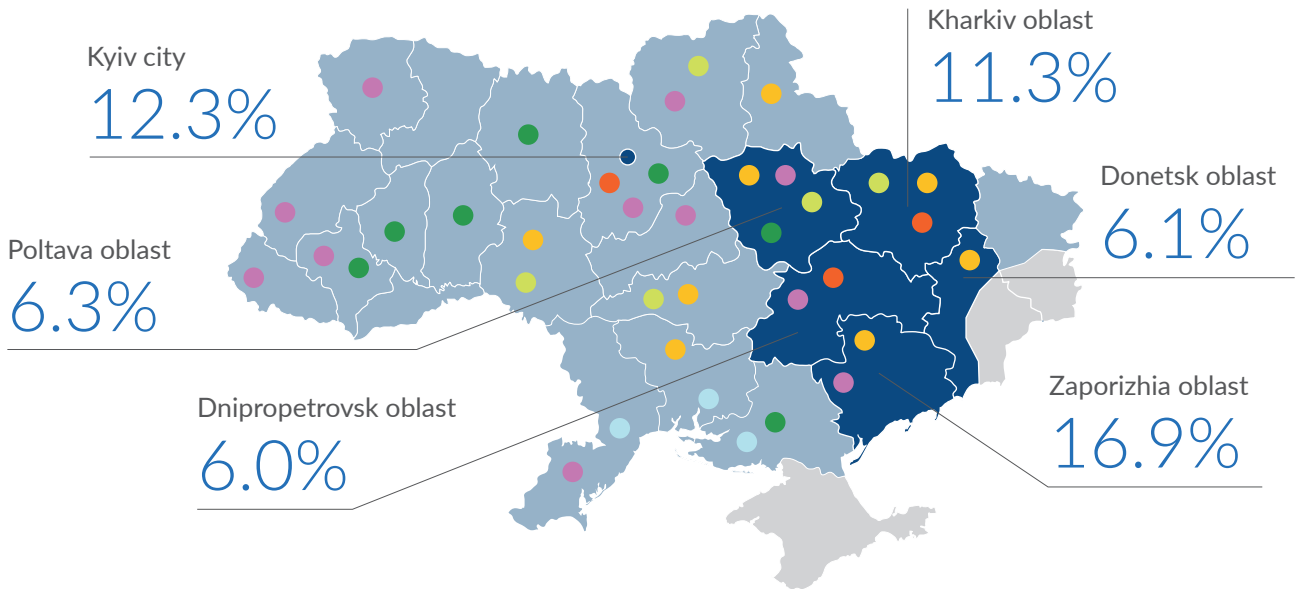
by 2.1 percentage points

↑ to 5.5%



BREAKDOWN OF MACHINERY SECTOR

60% of the revenue earned by Ukraine's machinery sector originated from 6 key regions



- Heavy machinery
- Aircraft and spacecraft manufacturing
- Transport manufacturing
- Tools and equipment, electrical engineering, electronics
- Shipbuilding
- Agricultural machinery

Breakdown of Machinery Sector Output Sales by Ukrainian oblasts, %



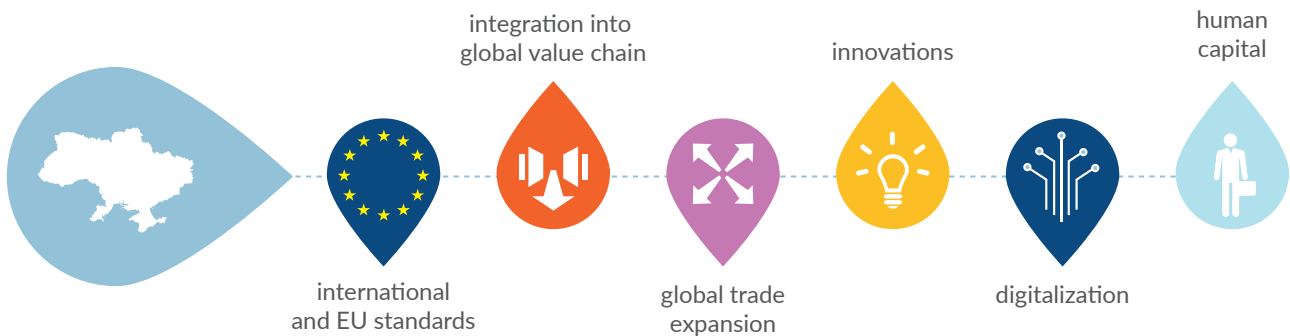
UKRAINE'S MACHINERY IS A DIVERSIFIED ECONOMY SECTOR

	Added value, %	Number of enterprises	Employees hired	Value of products sold, mln USD
Aircraft and spacecraft related equipment: Cargo and passenger aircrafts, production of aircraft parts, aircraft gas turbine engines for airplanes and helicopters, industrial gas turbine installations	21.7%	79	48 000	689
General purpose machines and equipment: Engines and turbines, bearings, gear trains elements of mechanical transmissions and gears, and other pumps and compressors	11.3%	463	45 000	599
Special purpose machines and equipment: Machinery and equipment for mining industry and construction, machinery and equipment for metallurgy, and machinery and equipment for food industry	10.7%	909	42 300	669
Motor vehicle assemblies, parts and accessories: Assemblies and parts for motor vehicles, electrical and electronic equipment for motor vehicles	7.7%	252	48 000	512
Electric motors, generators, transformers, electrical appliances: Electric motors, generators and transformers	7.1%	545	23 000	435
General purpose machines and equipment, n.e.c.: Industrial refrigeration and ventilation facilities, hoisting, loading and unloading equipment, and other general purpose machinery and equipment	6.5%	1 113	24 600	549
Railway rolling stock: Freight wagons for various industries, passenger carriage, subway products, metal structures	4.8%	99	22 000	500
Agricultural machines and equipment, n.e.c.: Wheeled and tracked tractors, special machines, sowing machines, seeders, cultivators, disc harrows, sprayers, fertilizer sprayers, trailers, loaders	4.7%	545	20 000	435
Wires, cables and wiring accessories: Electronic and electric wires and cables	3.3%	147	8 500	340
Measurement and research instruments and equipment: Instruments and equipment for measurement, research and navigation	3.3%	400	17 000	249
Home appliances: Consumer electronics	2.9%	169	8 000	177



GLOBAL RECOGNITION OF UKRAINE'S MACHINERY SECTOR

Why Ukraine?



Global market volume

Global value of machinery output sold in 2017 amounted to

USD 7,209 billion



Annual growth constitutes around

3%

Machinery output imported into the EU exceeds

USD 2 trillion

Imports into Asian countries approximates to

> **USD 2 trillion**



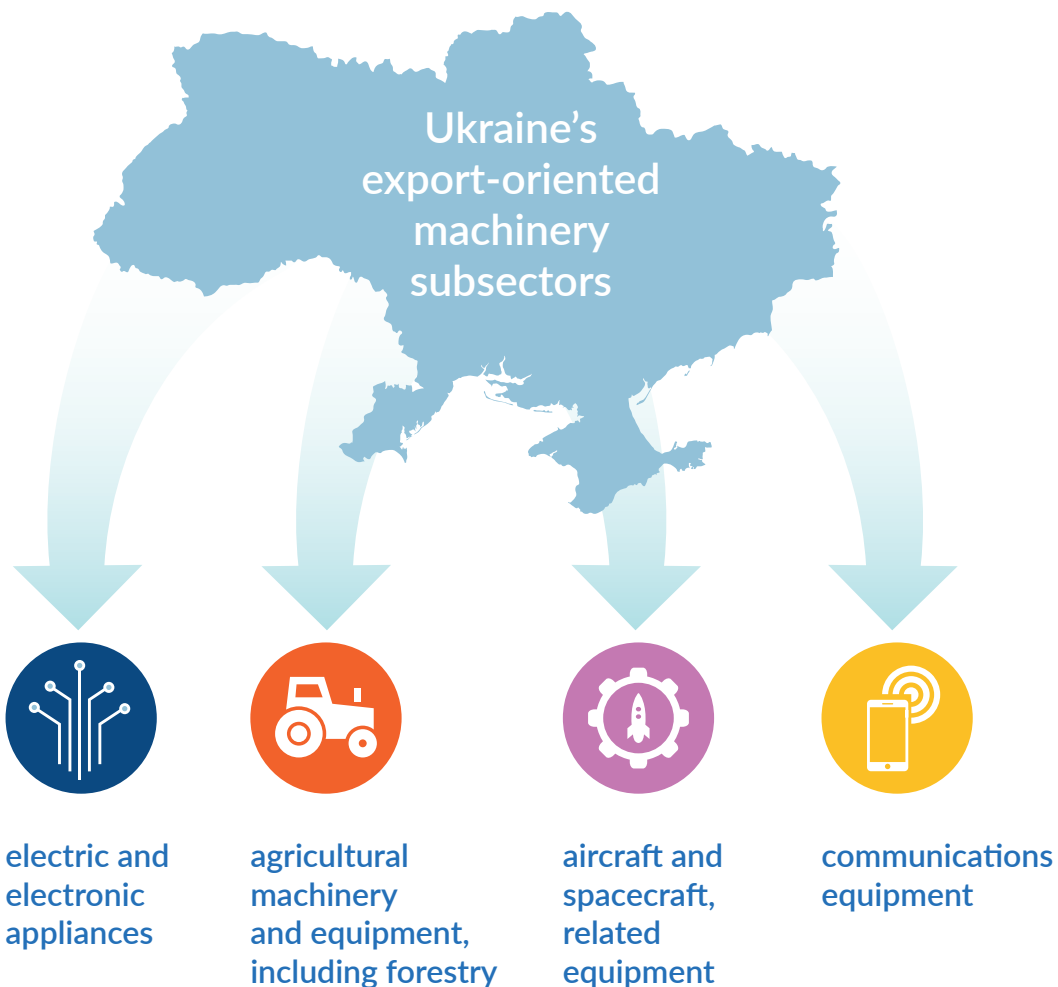
with an annual growth rate of

> **3.7%**

Export of goods and services, 2019

	Value of Industrial Products (mln UAH)	Products Sold Outside Ukraine (%)
Engineering, except repair and installation of machinery and equipment	187 618,9	41,0
Manufacture of computer, electronic and optical products	12 727,9	66,5
Manufacture of electrical equipment	34 235,5	67,3
Manufacture of machinery and equipment n.e.c.	62 276,6	41,0
Manufacture of motor vehicles, trailers semi-trailers and other transport equipment	78 378,9	66,5





Global trade growth	>	↑ 6%	↑ 3.6%	↑ 7%	↑ 5%
Ukraine's share accounts for	>	2%	0.18%	0.1%	0.04%

Subsectors with a fair potential of entering the EU and Asia markets



rail stock and locomotives manufacture



electric engines, generators and transformers manufacture



pumps and compressors manufacture



agricultural machinery and equipment, including forestry



EXPORT STRATEGY FOR MACHINERY SECTOR

Vision:

to develop innovative and modern machinery sector in Ukraine integrated into global value chains

Strategic objectives



to create a favorable business ecosystem to produce exportable machinery products and services

- stimulating production of exportable machinery offering
- enhancing entrepreneurship
- promoting innovations



to enhance competitiveness of machinery sector in foreign markets

- strengthening human capital, providing value-added services and creating appropriate infrastructure
- enhancing financial capacity of the sector and its ability to attract investors



to facilitate integration of machinery sector manufacturers into global value chains

- creating robust clusters
- integrating machinery subsectors into global value chains





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giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



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