



Ukraine

Open for **INVESTMENT**

Open for **MANUFACTURING**

Open for **FREE TRADE**



MINISTRY
OF ECONOMIC DEVELOPMENT
AND TRADE OF UKRAINE

Reasons to invest in Ukraine

1 Area & Location:

603,500 sq. km, largest country within Europe

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

Borders Poland, Romania, Slovakia, Hungary and Moldova, Belarus and Russia, and via the Black Sea, Bulgaria, Georgia and Turkey

2 Ground Floor Opportunity:

- Bold structural reforms unlock growth potential incl. robust deregulation
- Large consumption gaps = significant upside, at 10-50% CEE peers' level in most categories
- IMF estimates growth in 2016

3

Attractive Entry Valuations:

- Valuations discounted significantly vs. peer countries
- FDI key priority for Ukraine

5

FTA's:

Deep and Comprehensive Free Trade Agreement with EU

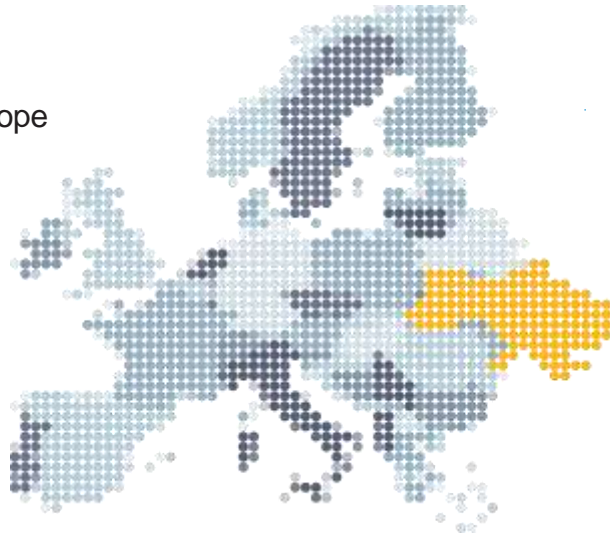
Free trade with CIS, EFTA, FYROM, Georgia, Montenegro, Macedonia

Finished negotiations with Canada. On-going negotiations Israel and Turkey

4

Competitive Advantages:

- Leading globally in IT outsourcing and Agribusiness
- Highly skilled workers at cost-competitive wages
- Low-cost, rapid logistics to EU, Middle East, Asia
- Most EU-hubs within 2 truck days away



FTAs' Benefits for UA-Based Manufacturers

Under FTAs UA exports enjoy **increased price competitiveness** in foreign markets



Cheaper

Substantial elimination of all customs duties. Making UA imports more competitive



Faster

Goods movement facilitation via customs and setting common rules on technical and sanitary standards



Predictable

More foreseeable policy environment (incl. FDIs, IPRs, competition rules and public procurement)

Tariff Savings

Without FTA:

Importers of UA exports pay regular import duty (e.g. 10%).

With FTA:

Importers pay no import duty or “preferential” lower duties (e.g. 2%)

Cheaper Inputs

UA-based manufacturers benefit from cheaper inputs imported without (or with lower) import duties and under predictable conditions from FTA partners - in addition to having access to inputs locally available

Ukraine's Network of Free Trade Agreements



Former Soviet Union Republics (CIS FTA and bilateral trade agreements)

Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation,

Generalized Systems of Preferences (GSP)

Canada, European Union(*), Japan, Turkey and United States

(*) GSP arrangement will be terminated in two years after the entry into force of the EU – UA DCFTA (1 January 2016)

Scope: liberalization of trade in goods

European Union (28 Member States)

Entry into force: provisional - 1 January 2016. Unilateral preferences for UA exports applied (pending ratification by all EU Member States)

Ongoing negotiations

Israel and Turkey

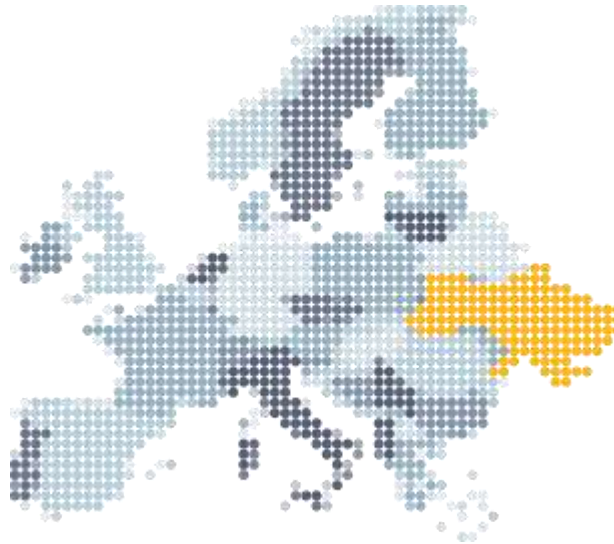
Population: approx. 35 mil

goods +
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Opportunities under EU-UA DCFTA

Removal of
97%
of duties



Market access
500 million
consumers

Ukraine and the EU signed the **Deep and Comprehensive Free Trade Area** on 27 June 2014, as part of the broader Association Agreement.

Provisional application of DCFTA starting from 1 January 2016.
Unilateral preferences for Ukrainian goods applied

Removal of 97% of duties on Ukrainian goods and reduction of the average tariff on Ukrainian exports from 7.6% to 0.5%

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THANK YOU!

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