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# Ukraine on the global economic map

**Where is Ukraine today ?  
Why should I invest in Ukraine?**

Kyiv, October 6-7, 2016

# Opportunities for economic growth

- Economic growth will come from trade and investment
- Huge potential: resources, products, people, location
- Negative stimulus to economy: conflict in east is forcing Ukrainian business to seek new markets and develop new business strategies
- Positive stimulus to economy: AA/DCFTA with EU – Ukraine's biggest trade partner (exports have increased by almost 5% so far); other FTAs (Canada, Israel, Turkey ?)
- Business is the driver of growth, so business needs to be set free to enter global supply chains



# Positive factors

- Macro-economic situation has stabilised
- Government and NBU remain committed to economic reforms and EU integration
- Progress on the economic reform agenda
- Continued support from international donor community (IMF, EU, US..)
- Ukrainian businesses are already changing strategies and seeking new markets, new products

# Risks

- Geopolitical instability / re-escalation of conflict
- Russian actions to hinder Ukraine's economic growth and development (eg transit)
- Slowdown in pace of reform
- Resistance to reform by oligarchic and vested interests (eg. SoEs)
- Populist pressures which could damage economic stability and put reform programmes at risk

# What still needs to be done to raise Ukraine's potential for economic growth and foreign investment?

- **Economic reforms will struggle to achieve success without some fundamental changes to the business and investment climate:**
  - Rule of law: reduction in corruption & reform of justice system
  - Reform of state fiscal service (tax and customs) to reduce corruption and unjustified pressures on businesses
  - Reform of banking system : access to finance
  - Think small first (incentives and support for SMEs, new businesses, innovation)
  - Ukrainian businesses will need to rapidly adjust to new ways of doing business : competitiveness not protectionism

# Thank you for your attention

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