

2nd QUARTERLY REPORT

to June 30, 2017

UkraineInvest

The Table of Contents

I Ukraine's Regional Opportunities	5
Oksana Markarova, Government Commissioner for Investments	
First Deputy Minister of Finance of Ukraine	
Daniel Bilak, Director, UkraineInvest	
Chief Investment Adviser to the Prime Minister of Ukraine	
II Investor Outreach – Driving to the Regions	6
• Outreach to the Regions	
• Regional Office in Ivano-Frankivsk.....	7
• Key investors in western Ukraine	7
• Meeting with key foreign investors in western Ukraine	9
• Meeting with local and regional authorities	10
• Forum: seven western Oblasts and local authorities	10
• Site visit to successful regional investment.....	11
• Other Regional Success Stories	11
• Investor/Government Round table in Mykolayiv.....	11
• Field visits in Mykolayiv/Kherson region.....	13
• International Investment Forum 'Ternopil Region Invest'	13
III Promoting Foreign Direct Investment.....	14
Outreach to Existing Investors.....	14
Outreach to New Investors.....	15
Key Sector opportunities.....	15
Targeting Potential investors	16
IV How We Promote Foreign Direct Investment	18
Communication and Outreach	18
Ukraine Speaking Engagements	18
Official State Visit of PM Volodymyr Groysman to Israel.....	19
International Speaking Engagements	20
Online Communications	22
Media Interviews and Articles.....	22
Media Reports and Guest Appearances.....	23
Investmonitor	23
Ease of Doing Business.....	25
V Work in Progress – The Way Forward.....	29
Upcoming Initiatives for Q3 2017	29
Our Partners	30

UkraineInvest

We **are** the government's investment promotion office created to attract and support investment in Ukraine

We **provide** clients with objective, practical advice on doing business in Ukraine

We **work** directly with investors and the Government on improving the ease of doing business in Ukraine

We **offer** one-stop services free-of-charge



UkraineInvest is led by Daniel Bilak,
Director and Chief Investment Adviser to the Prime Minister of Ukraine

I. UKRAINE'S REGIONAL OPPORTUNITIES



Daniel Bilak, Director, UkraineInvest

The second quarter of UkraineInvest's operations was marked by an intensified outreach to existing and potential new investors in Ukraine, with special focus on the regions, the development of which is crucial to attracting new investment. As part of the 4+1 sector strategy set out in our Q1 Report we continue to engage with existing and potential investors drawn to Ukraine's agribusiness, energy, infrastructure, and manufacturing sectors – Prime Minister Volodymyr Groysman's visit to Israel in May reinforced the importance of innovation technology to

growth in all of these areas.

During Q2 visits to the Mykolayiv, Kherson, Vinnytsia, L'viv, Ivano-Frankivsk and other regions, we learned that interest in opportunities in these sectors continues to rise, especially regionally. However, identified three principal impediments to accelerating investment in the country: transport infrastructure concerns; insufficient numbers of technically qualified workers; and regulatory impediments. The priority of these concerns differed by sector and by oblast, but were often interrelated – for example, regulatory issues seemed to be a bigger problem in the agro-business sector in the central and parts of eastern Ukraine, and were often connected with port and railroad bottlenecks, while, foreign investors in the huge automobile parts manufacturing cluster in western Ukraine felt that resourcing workers was of more significant concern than regulation and transportation matters.

To address these structural investment issues, with the assistance of the Canadian government's EDGE programme, in June we established our first UkraineInvest Regional Office in Ivano-Frankivsk to better serve investors directly and to help build capacity among local and regional governments to support investment in seven western Ukrainian oblasts: Volyn', L'viv, Ivano-Frankivsk, Ternopil, Chernivtsi, Zakarpattyia, and Rivne. The Office will engage with all stakeholders in western Ukraine to identify new investment opportunities, continue (together with the Government Commissioner for Investments) to resolve existing bottlenecks to help successfully unlock investment from existing investors, and to attract new investments. UkraineInvest plans to open similar offices in central and eastern Ukraine, hopefully by year's end.

The details of this push to the regions and how it relates to our overall strategy are described inside this report. You will also discover how UkraineInvest continues to facilitate the Ukraine investment plans of global players in our sectors of focus, including Hutchison Ports's Yuzhny Port concession, General Electric's diesel locomotive modernization, Bombardier's electric locomotive venture, EuroCape's massive wind-farm project, our major Japan outreach initiative, and more. This second quarterly report also describes our on-going efforts to communicate a narrative of Ukraine as an attractive investment destination, and our continued collaboration with stakeholders, especially Ukraine's business associations, to change regulatory impediments to investment.

We continue to be grateful for the unmitigated financial support we receive from the US Western NIS Enterprise Fund, and to our new regional partner, the Canadian government's EDGE programme.

As always, your feedback regarding what you read in these pages is always encouraged and welcome!



**Oksana Markarova,
Government Commissioner for
Investments
First Deputy Minister of Finance**

With Ukraine's economy continuing to grow at about 3% per quarter, and the Ukrainian Government's reform program underway, investor interest in Ukraine is growing.

I am happy to say that over the past three months, our team continued to deepen engagement with potential investors, including major Japanese businesses, helped remove a number of regulatory barriers interfering with business, and (often together with our partner, the Business Ombudsman Council) resolved a number of existing investor issues, including outstanding VAT refunds, bureaucratic interference and infrastructure bottlenecks. As part of the Ukrainian government's commitment to supporting investors, Prime Minister Volodymyr Groysman appointed the Government Commissioner for Investments to chair an inter-agency working group to supervise the resolution of investor issues with authorities – we start work in earnest in Q3!

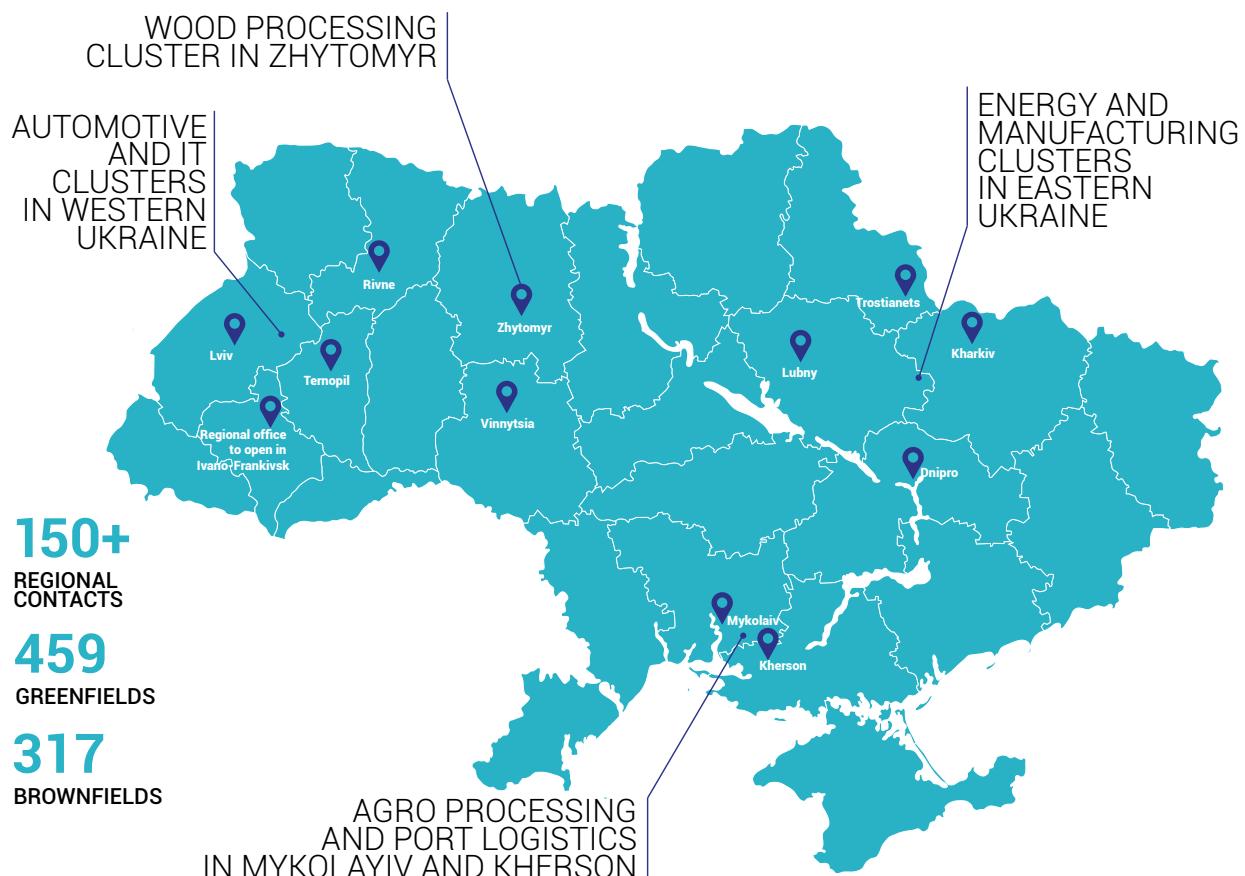
II. INVESTOR OUTREACH – DRIVING TO THE REGIONS

OUTREACH TO THE REGIONS

An important take-away from our Regional Forum held in Kyiv earlier this year was that business development is growing rapidly in the regions. **Sector specific industry clusters** are developing around the country as a consequence of Ukraine's comparative advantages, including access to markets, the availability of high-quality competitive labor, improving infrastructure and hospitable local and regional authorities.

These clusters are the best evidence of Ukraine's growing integration into the European supply chain and global markets. To date UkrainianInvest has been promoting the automotive and IT clusters in Western Ukraine, the wood processing cluster in Zhytomyr, agro-processing and port logistics in Mykolayiv and Kherson regions, and energy and manufacturing clusters in Eastern Ukraine.

UkrainianInvest's outreach to the regions is aligned with the government's regional development policy: competitiveness of all Ukrainian regions, social and economic cohesion and spatial development of the country, and effective governance



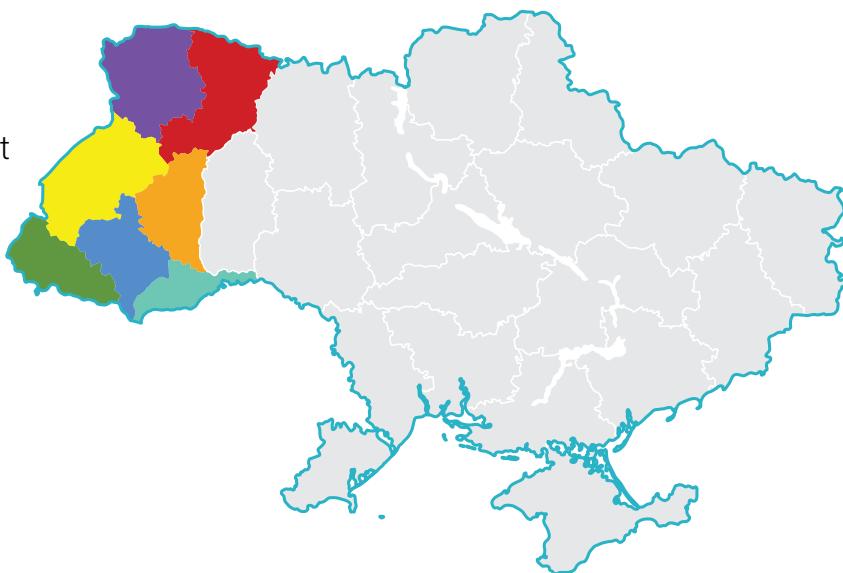
REGIONAL OFFICE IN IVANO-FRANKIVSK

Given the importance that Ukraine's regions play in investment decision-making, UkraineInvest initiated its regional outreach program to western Ukraine and opened a representative office in Ivano-Frankivsk on 6 June, 2017. The Office will serve the needs of investors in seven western Oblasts: Volyn, Rivne, Lviv, Ternopil, Chernivtsi, Ivano-Frankivsk and Zakarpattia and help develop the capacity of regional and city administrations to meet investor needs. This strategic initiative was informed by the progressive leadership demonstrated by regional and local authorities and in recognition of the prominence that the automobile parts cluster plays in integrating western Ukraine into the European automobile supply chain.

UkraineInvest Western Region Representative Office

Regional location

- Ivano-Frankivsk Oblast
- Ternopil Oblast
- Rivno Oblast
- Volyn Oblast
- Chernivtsi Oblast
- Zakarpattia Oblast
- Lviv Oblast



Key investors in western Ukraine





UkraineInvest regional team, from left to right: Bohdan Kindratskyi, Government Relations Manager; Vitalii Stasiuk, Regional Manager; Ulyana Khromyak, Deputy Director; Oleh Doskach, Head of Western Region Representative Office; Dmytro Romaniuk, Regional Coordinator; Yuryi Vengrynyuk, Relationship Manager

There is a paramount need for coordination in the field of greenfield and brownfield projects in the region. UkraineInvest will undertake to identify, evaluate and select the status of development projects coming on stream

Oleh Doskach, Head of Western Region Representative Office

UkraineInvest Western Region Representative Office will:

- Create a database of all available greenfields and brownfields in each oblast
- Conduct official meetings with regional authorities
- Prepare presentations on the regional investment climate and 'clusters' development
- Support of investment projects
- Support to foreign investors
- Liaise with current investors in the regions
- Cooperate with regional authorities on preparation of Greenfield sites



"Halychyna"
Ivano-Frankivsk Regional TV

Local TV coverage
of Office opening June 6, 2017

<https://www.youtube.com/watch?v=A2rLN63BV00>

Meeting with key foreign investors in western Ukraine 6 June 2017

As part of the official opening events in Ivano-Frankivsk, UkraineInvest organized a business networking meeting with foreign investors active in western Ukraine. The closed meeting brought together successful investors from Volyn', Zakarpattia, Ivano-Frankivsk, and Lviv regions to discuss urgent issues facing investors doing business in this region.



Stephan Schmidt, Managing Director,
Leoni Wiring Systems Ukraine



Alexander Goetz, Plant Manager, Tyco Electronics Ukraine Limited
Dmytro Romaiuk, UkraineInvest Regional Coordinator
Panov Volodymyr, of the Supervisory Board Member, PJSC Eurocar

Success will bring success
as satisfied existing
investors will become the
best ambassadors for
attracting new investment
to the same region

UkraineInvest director
Daniel Bilak



Reception with key foreign investors Ivano-Frankivsk region



Daniel Bilak, Director of UkraineInvest, and Oleh Honcharuk
Head of the Ivano-Frankivsk Regional State Administration

The Prykarpattya region is
already a well known cultural
and tourist center. Our goal
is to turn it into an attractive
investment region as well. I
am convinced that the new
Regional Office will contribute
to making this goal a reality

Oleh Honcharuk
Head of the Ivano-Frankivsk
Regional State Administration

Meeting with local and regional authorities 6 June 2017

As part of its Regional Office outreach, UkraineInvest officials organized a joint forum with the Ivano-Frankivsk State Administration which attracted over 50 participants from local authorities and regional officials representing seven Oblasts in western Ukraine. The meeting discussed the important interplay between progressive regional political leadership, the benefits of favorable geographic location, the need for infrastructure expansion and the need for constant replenishment of high quality human capital. State administrations were encouraged to work with foreign investors to further enhance the growth of existing clusters in order to unlock additional investment.

Forum with representatives of seven western Oblasts and local authorities



KEY ISSUES DISCUSSED:

- Establishment of cooperation between UkraineInvest and local and regional authorities
- Opportunities and challenges of attracting investment to the regions
- Problems incurred by foreign investors working in the regions

PROBLEM ISSUES AND SUGGESTED SOLUTIONS:

- **Customs and border crossing issues:** Improved and simplified customs clearance regulations
- **Better road maintenance:** The need for more and improved transport infrastructure to serve the needs of foreign investors
- **Concerns over adequate numbers of qualified labor:** The need to establish active cooperation between local educational institutions and foreign investors

Site visit to successful regional investment, 6 June 2017

Western Ukraine boasts one of the largest automobile parts manufacturing clusters in Eastern Europe. US based Delphi Corporation has successfully partnered with the "Karpaty" State owned enterprise to produce automotive cable wiring harnesses for export to Western Europe.



OTHER REGIONAL SUCCESS STORIES

Mykolaiv and Kherson regions were also the focus of UkraineInvest attention in Q2 2017. Mykolaiv stands at the edge of Ukraine's agricultural heartlands and is an important logistics and transportation infrastructure hub providing direct access to the Black Sea. It also boasts a long history of shipbuilding, with a significant number of engineering educational institutions providing the human capital needed to support this industry. More recently, it has emerged as an important IT outsourcing centre, leveraging its engineering prowess.

This regional success is being driven by Mykolaiv Mayor Oleksandr Senkevych and the Head of the Mykolaiv Regional State Administration, Olexiy Savchenko, who support investors and facilitate the resolution of any issues they have in an impressive effort to make Mykolaiv an increasingly attractive investment destination.

Exploratory visits were also made to discuss future cooperation with local and regional authorities in Zhytomyr, Kyiv Oblast, Ternopil, Lviv and Vinnytsia.

Investor/Government Round Table in Mykolaiv April 26, 2017

Participants:

- Deputy head of the Mykolaiv OSA - Oleksandr Kushnir and Mykolaiv City Mayor - Oleksandr Syenkevych
- UkraineInvest Director Daniel Bilak and Deputy Director Ulyana Khromyak
- Investor representatives (Bunge, COFCO, ED&F Man, MSP Nika-Tera, Agro-Yug-Service, Artel-Invest)



Left to right; Mykolayiv Mayor Oleksandr Senkevych, Deputy-Head of the Mykolayiv Oblast State Administration Oleksandr Kushnir, UkraineInvest Director Daniel Bilak

KEY ISSUES DISCUSSED:

- Investor cooperation with regional and local authorities
- Expansion of investment potential

PROBLEM ISSUES AND SUGGESTED SOLUTIONS:

- **Road repairs:** In particular, the Mykolayiv - Snihurivka - Kherson route, with a total length of 100 km) Investors are ready to participate in cooperation with Ukravtodor.
- **Port duties:** The need to build a ring-road around Mykolayiv to alleviate heavy transport problems
- **Port Duties:** Excessive and unjustified port duties in Mykolayiv port. Large agricultural sector investors submitted proposals for solutions of this issue
- **Dnipro river transportation:** Construction of locks on the Dnipro River.
- **Railway infrastructure:** Lack of sufficient numbers of freight cars to service grain traders

KEY TAKEAWAYS:

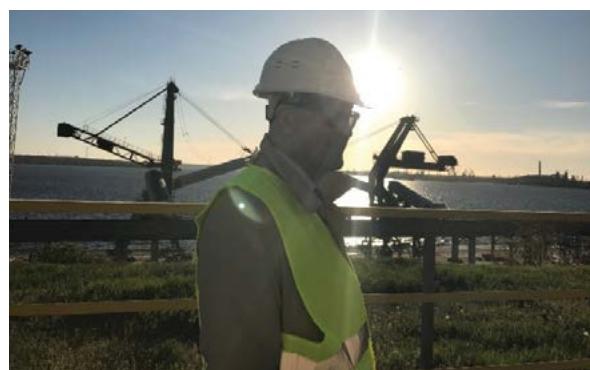
- Enhanced cooperation of regional and local authorities in Mykolayiv and Kherson regions
- Promising expansion of agro-processing cluster (AgTech) and port infrastructure, with significant improvements in transport infrastructure in the two regions
- Foreign investors generally satisfied with regional business environment and are working intensively on opportunities for expanding investments
- Anticipation of a Prime Minister visit to the region in the very near future
- Report of visit issues by UkraineInvest Director Daniel Bilak to the Prime Minister Volodymyr Groysman and the Government Commissioner for Investments

Field visits and assistance to foreign investors in Mykolayiv/Kherson region

ED&F Man (UK) – Site visit to ED&F Man's sugar plant in Mykolayiv and the opening of a new irrigation system in Kherson. To date ED&F Man has invested more than \$ 200 million in the region and is planning a further \$50 million expansion.

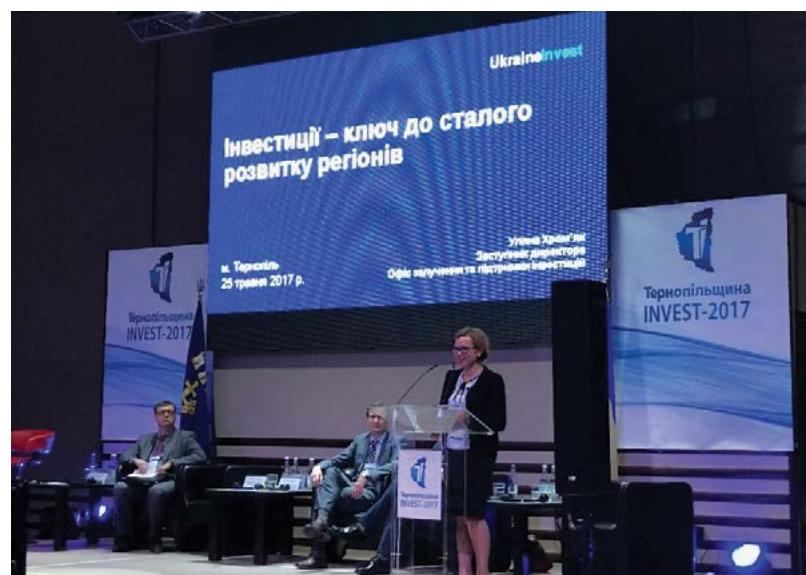


Bunge (US) – UkraineInvest visit to an oil seed crushing operation and provision of assistance to unlock a \$50 million terminal expansion in Mykolayiv port facility



International Investment Forum "Ternopil Region Invest" May 25, 2017

Chaired by UkraineInvest Deputy Director Ulyana Khromyak, the forum focused on the "Implementation of Investment and Export Potential: Opportunities for Regions and Foreign Partners". The forum was attended by representatives of 27 countries including eight ambassadors, thirty diplomats together with general and honorary consuls accredited in Ukraine.



UkraineInvest Deputy Director Ulyana Khromyak addresses the "Ternopil Region Invest" forum

III. PROMOTING FOREIGN DIRECT INVESTMENT

OUTREACH TO EXISTING INVESTORS

Ukraine's existing investors are pioneers in their sectors and their perseverance has brought them success and market position that can only accrue to early investors prepared to take a long view of their investment.

UkrainelInvest's services include interfacing on behalf of existing investors with government authorities at all levels and operating closely with the Business Ombudsman Council to resolve investor issues. We provide investors with guidance on specific issues where existing administrative frameworks are unable to facilitate a proper hearing or a resolution of investor issues within a reasonable period of time.

ASSISTANCE TO EXISTING INVESTORS EXPANDING OPERATIONS IN UKRAINE

Organized meeting for a leading US agribusiness investor NCH Advisors with Prime Minister Volodymyr Groysman to discuss potential further billion dollar investments in agriculture and related production

Consultations with major investor on the construction of a new **\$500 million** grain terminal and processing plant



AGRICULTURE

Consultations with Fairfax Financial on major equity investment in existing agricultural holding company doing business in Ukraine

Facilitated Cargill negotiations with Government officials to perform dredging to commence construction of a new terminal facility



INFRASTRUCTURE

Major expansion announced by FM Logistic providing transportation, warehousing and logistic services in Ukraine



MANUFACTURING

Advising Sumitomo regarding ongoing issues with government authorities in Ternopil region and proposals for their resolution



ENERGY

Consultations with JKX on **\$100 million** fracking expansion plan



INNOVATION TECH SECTOR

Consultations with investors on creating R&D capacity to complement existing IT outsourcing activities

OUTREACH TO NEW INVESTORS

UkraineInvest continues to reach out to new investors and communicate the advantages of Ukraine's greatest assets - its **"brains and grains"**. They reflect the country's extraordinary human capital, engineering prowess, commercially strategic location, and the abundance of rich, fertile agricultural land in Ukraine's regions. This message resonates with investors, who remain intrigued by the potential of Ukraine's diverse regions and the increasing comfort level regarding the security of their investments.



We continue to pursue our outreach via our **4 +1 sector strategy**, which promotes those economic sectors that drive sustainable economic growth and offer investors a distinct comparative advantage: **Agribusiness, Energy/ Energy Efficiency, Manufacturing and Infrastructure**. Ukraine's rapidly developing **Innovation technology industries** inform and provide added value to each of these sectors, unlocking new investment and integrating Ukraine into the global value chain in world markets.

KEY SECTOR OPPORTUNITIES



TARGETING POTENTIAL INVESTORS





On 3 April 2017, UkraineInvest organized a meeting between Prime Minister Volodymyr Groysman and a South Korean business delegation headed by POSCO DAEWOO President & CEO Yeong-Sang Kim to discuss investment projects planned for Ukraine.

A top investment priority for POSCO DAEWOO is establishing a grain handling terminal and opening a full-fledged subdivision of the company in Ukraine.

In addition, POSCO DAEWOO is interested in working with Ukraine in manufacturing electric cars and it is ready to assist in the creation of a national brand for Ukraine.



After addressing a delegation of the Japanese Business Federation "Keidanren" visiting Ukraine on May 30, 2017, UkraineInvest Director Daniel Bilak commented that, "Japanese investors were favorably impressed by Ukraine's creative and innovative IT sector, together with Ukraine's large HR capital of young and creative engineering graduates which form a highly trained workforce. However with only \$160 million Japanese investment in Ukraine to date, there is ample room for improvement and UkraineInvest will make every effort to attract Japanese businesses to Ukraine."



ASSISTANCE TO THE GOVERNMENT OF UKRAINE RE: NEW INVESTMENTS

SOLAR POWER - CHORNOBYL EXCLUSION ZONE

UkraineInvest is assisting with the initiation of a comprehensive feasibility study of the proposal and is taking an active role in preparing enabling legislation for the project.

KHMELNYTSKY BIOMASS POWER PLANT (KBPP)

UkraineInvest is facilitating the development of a leading power purchase agreement (PPA) in order to attract long-term financing investment from equity and debt providers.



IV. HOW WE PROMOTE FOREIGN DIRECT INVESTMENT (FDI) TO UKRAINE

COMMUNICATION AND OUTREACH

Our communications strategy continues to build on our Q1 efforts, involving a combination of diverse and creative activities ranging from traditional website and social media outreach, to more focused and targeted approaches, including international and Ukrainian speaking engagements, the organization of investment promotion events and the publication of key message articles in international media.

UKRAINEINVEST AT A GLANCE

10+	business association outreach engagements	80	companies contacted from the target list
29	speaking engagements	150+	meetings with potential and existing investors
30+	consultations with embassies and foreign trade missions	500+	companies we have met, introduced ourselves to and who now know UkraineInvest is the 'go-to' group for information about investing in Ukraine

UKRAINE SPEAKING ENGAGEMENTS



OFFICIAL STATE VISIT OF PM VOLODYMYR GROYSMAN TO ISRAEL 14-16 MAY, 2017

UkraineInvest Director, Daniel Bilak, was a member of the official Ukrainian Government delegation accompanying Prime Minister Volodymyr Groysman to Israel. The Prime Minister held a series of talks with Israeli government leaders and business representatives, including the application of Israel's best practices in agricultural production and cooperation in the high technology sector.



The delegation also paid a visit to the renowned Volcani Centre which operates under the Israeli Ministry of Agriculture and Regional Development. In separate discussions, Daniel Bilak and the Deputy Minister of Agrarian Policy and Food, Olga Trofimtseva, discussed with the Centre the application of research opportunities for local and international scientists and the Centre's world leadership in agriculture research, focusing on plant sciences, animal sciences, plant protection and agricultural engineering.



מינהל המחקר החקלאי | מרכז וולקני AGRICULTURAL RESEARCH ORGANIZATION (ARO) | VOLCANI CENTER

In addition, UkraineInvest Director Daniel Bilak met with hi-tech venture capital funds, agribusiness enterprises and Israeli businessmen regarding investment opportunities in Ukraine.



"Ukraine wishes to develop full-scale cooperation with Israel in the agricultural sector and to engage Israeli technologies in the full cycle of agricultural production".

Prime Minister
Volodymyr Groysman

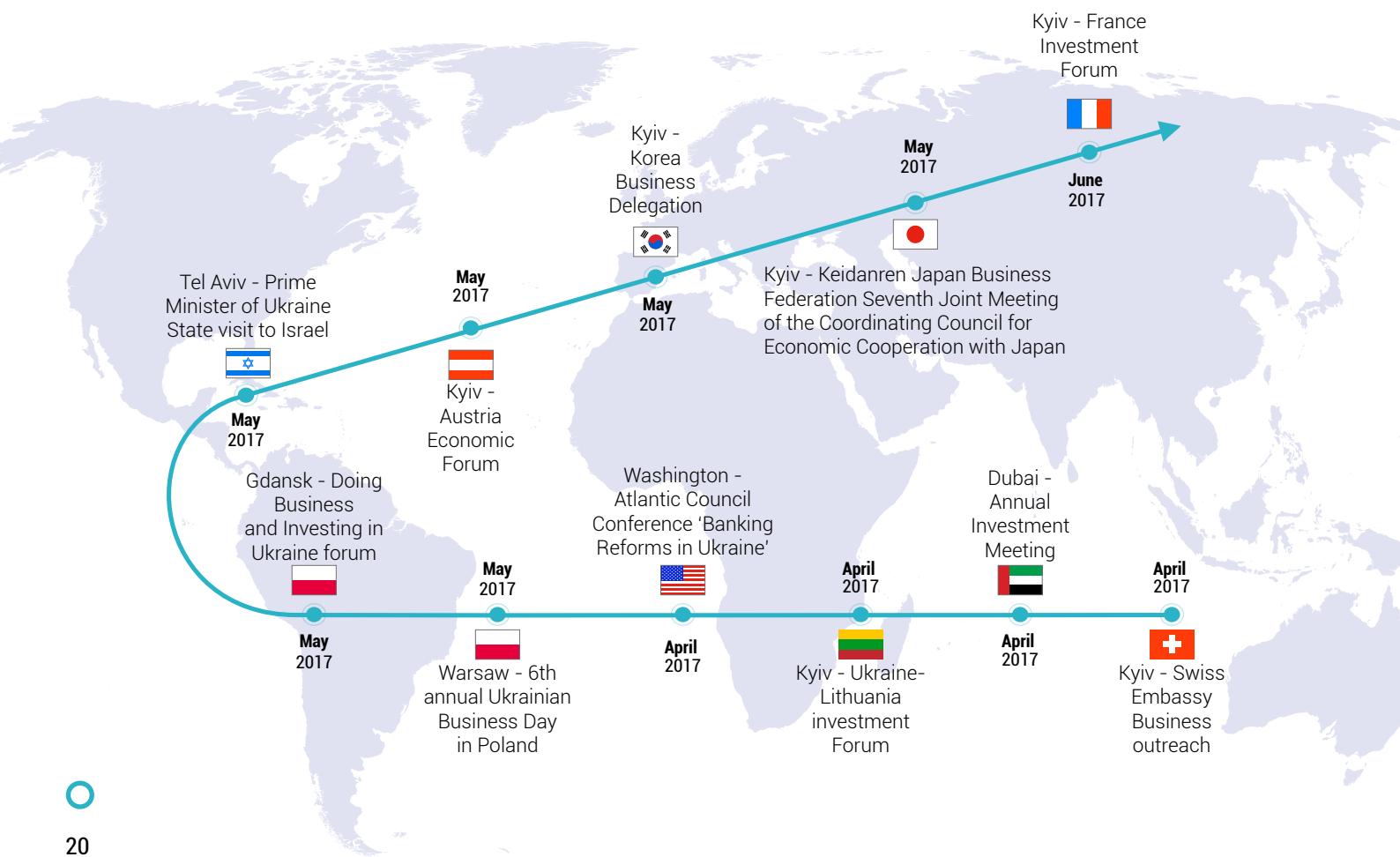


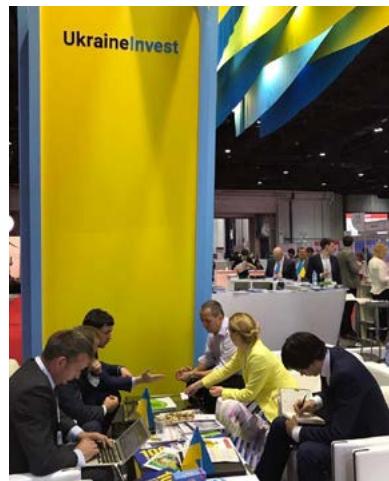
INTERNATIONAL SPEAKING ENGAGEMENTS



UkraineInvest officials promoted FDI by participating in 29 local conferences, seminars and related events hosted by business associations or related investment oriented forums and making 5 guest appearances and interviews on local TV stations regarding UkraineInvest's goals and activities.

INTERNATIONAL OUTREACH





DUBAI – in April 2017, UkraineInvest Deputy Director Ulyana Khromyak participated at the Annual Investment Meeting (the world's leading platform for Foreign Direct Investment (FDI), in Dubai UAE. Meetings were held with a number of potential foreign investors including DP World and Emirates airlines



WARSAW – Investment opportunities, innovation, reforms, regional projects, infrastructure, B2B were all front and center at the 6th Ukrainian Business Day in Poland, 18 May 2017 in Warsaw. UkraineInvest Deputy Director Petro Matiaszek held discussions with prospective Polish investors regarding hi-tech, IT, and manufacturing opportunities, and how to tap into Ukraine's huge innovative, cost competitive workforce.

GDANSK – UkraineInvest Deputy Director Petro Matiaszek traveled to Gdansk, Poland's Baltic Gateway to speak at a special event organized by Ukraine's Consul General Lev Zakharchyshyn and Pracodawcy Pomorza - the major local development agency: "Prowadzenie biznesu i inwestowanie na Ukrainie" (Doing Business & Investing in Ukraine).



<https://www.youtube.com/watch?v=dadkdILVcbA>

WASHINGTON – UkraineInvest Director Daniel Bilak participated on an expert panel at the Atlantic Council forum 'Banking Reforms in Ukraine' 23 May, 2017



WASHINGTON – UkraineInvest Director Daniel Bilak was the Keynote Speaker at a gala hosted by the American Centre for a European Ukraine on 24 May 2017 "U.S-Ukraine: Partners for Democracy and Security in Europe."

ONLINE COMMUNICATIONS

UkraineInvest continues to improve its web-page by expanding its services and linking them to other high traffic websites such as the European Business Association (EBA), US-Ukraine Business Council and the Turkish Ukrainian Chamber. A similar approach is also underway to link with Ukraine's Ministry of Foreign Affairs website. In addition, relationships are being developed with Bloomberg Media and Institutional Investor to promote Ukraine's investment story among other international media outlets.

12,728 HITS ON THE WEBSITE



Why Ukraine

- Reforms >** Government and institutional reforms are already having an impact on Ukraine's
- Key Figures >** In just 2 years, Ukraine's economy has made remarkable strides
- Cost Efficient >** The low cost of doing business in Ukraine makes it extremely attractive for a number of
- Educated Workforce >** 95.4 literacy rate, top number of Engineering graduates in Europe

1,000+ FOLLOWERS

FACEBOOK:



<http://ukraineinvest.com>

www.facebook.com/UkraineInvest/

MEDIA INTERVIEWS AND ARTICLES



In Q2 2017, UkraineInvest has also promoted the publication of interviews and articles by Prime Minister Groysman in leading international media, including **Bloomberg**, **Financial Times**, **Atlantic Council**.



MEDIA REPORTS AND GUEST APPEARANCES

Appearance on "Svoboda Slova" with Government Investment Commissioner Oksana Markarova



- 5 PRINT AND ONLINE MEDIA INTERVIEWS
- 5 TV GUEST APPEARANCES

<https://www.youtube.com/watch?v=Nnn-yodixcE>

Interview with UkraineInvest director Daniel Biak and regional media in Ivano-Frankivsk



<https://www.youtube.com/watch?v=tFD4-7I9sCE>

Interview with Oleh Doskach, Head of UkraineInvest - Western Region Representative Office



<https://www.youtube.com/watch?v=A2rLN63BV00>



Prime Minister Volodymyr Groysman participated in the first 'One Voice' conference organized by the government's communication team. UkraineInvest Strategy Development expert Alina Sevastyuk, presented on "Global megatrends and attracting FDI to Ukraine" as part of the conference program.

INVESTMONITOR

Invest Monitor is a project launched at the request of Prime Minister Volodymyr Groysman, who saw the need for investors to have the means to quickly and easily assess which regions were ranked highly by existing investors for their support of businesses, and which regions and business processes require improvement.



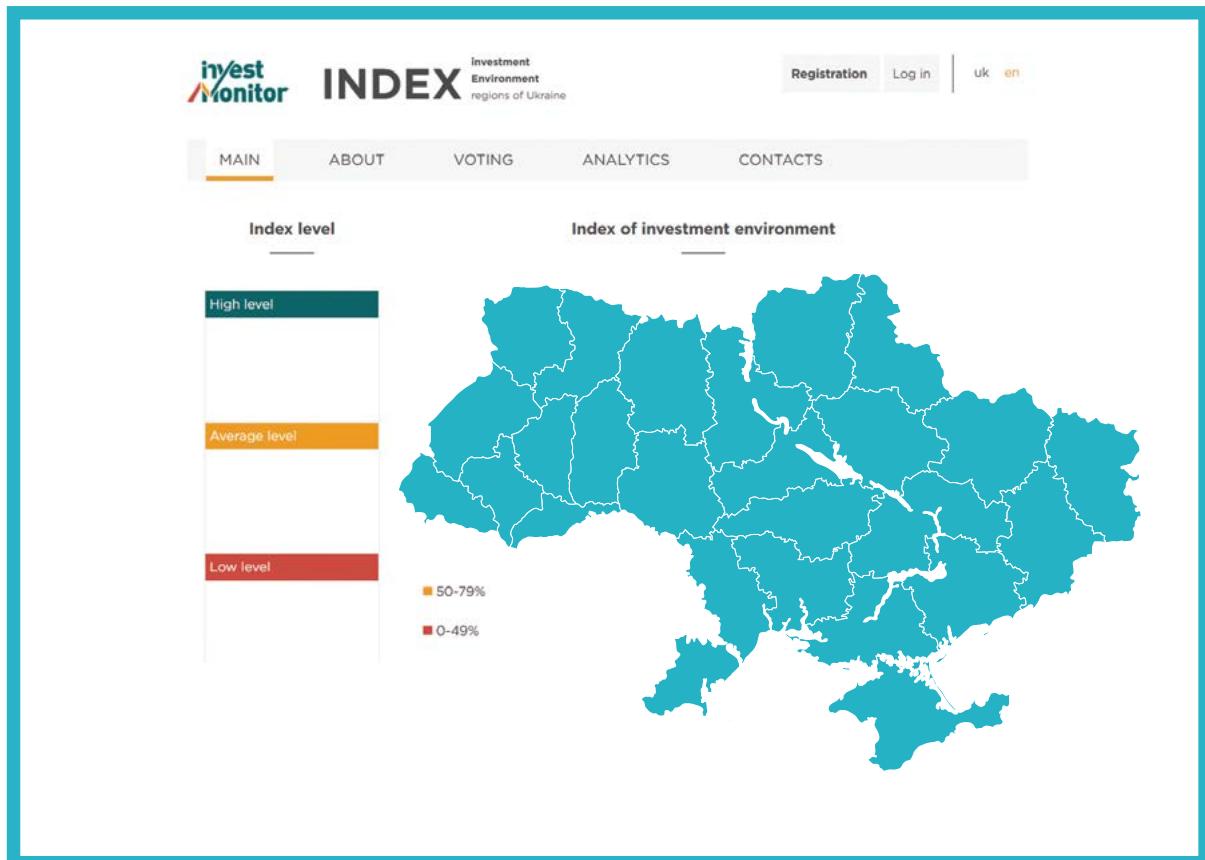
Accordingly, a new website was launched in late June with the primary purpose of gathering information from existing foreign investors conducting business in Ukraine. The core of the project is a survey questionnaire available online at www.investmonitor.com.ua. The survey is comprehensive and is designed to identify two important data sets:

- which regions do investors feel positively about, and
- in what specific ways can the conditions for business be improved in each region

In response to the survey, Oksana Markarova, the Government Commissioner for Investments has committed to following up on those areas that are identified as systemic problems and will work to have them resolved.

Additionally, and more importantly for new investors, InvestMonitor will identify those regions which are most business friendly and may be considered as a 'short-list' of best destinations for foreign investors.

The survey will be conducted until late November and will gather baseline information on the investment and business climate for each region. Upon completion the responses will be tabulated and shared online. Going forward, the survey will be updated on a yearly basis allowing for a year-over-year comparison of business in each region.



<http://investmonitor.com.ua/en/main/>

EASE OF DOING BUSINESS

As part of its mandate, UkraineInvest continues to analyze investor-related challenges to identify systemic issues that affect the business community in Ukraine. We work with all levels of government and more specifically in tandem with the Government Commissioner on Investments and the Business Ombudsman Council to promote "ease of doing business" and provide recommendations to government to improve the investment environment.





In June 2017, the Prime Minister of Ukraine announced the creation of an inter-agency working group, headed by Ukraine's Government Commissioner for Investments, Oksana Markarova, to resolve systemic investor issues and improve Ukraine's investment climate



Ukraine's business sector is the
'lifeblood' of our country and
deserves to be protected from
wanton government interference

Prosecutor General
Yuriy Lutsenko

UkraineInvest raised investor concerns with Ukraine's Prosecutor General and made recommendations regarding changes to government prosecutors' investigative procedures. These submissions were carefully considered by Prosecutor General Yuriy Lutsenko and on 23 June 2017 he issued a directive curtailing excessive searches of business premises during formal investigations.



<u>Abuse and/or inactivity of enforcement agencies</u>	19
<u>Tax issues</u>	18
<u>Abuse and/or inactivity of other state authorities</u>	16
<u>Permits & licenses</u>	10

<u>Customs issues</u>	4
<u>Court issues</u>	4
<u>Abuse and/or inactivity of local authorities</u>	4
<u>Other</u>	7
Total	82



As part of its focus on ease of doing business, UkraineInvest consulted with Parliamentary factions leading to the passage of legislation to relax formal requirements for obtaining temporary residency and work permits for international staff of foreign companies doing business in Ukraine. The legislation will come into effect in September 2017 and will also eliminate the need to register foreign investments in Ukraine.

**UkraineInvest,
Dear Ms. Khromyak and Mr. Bilak,**

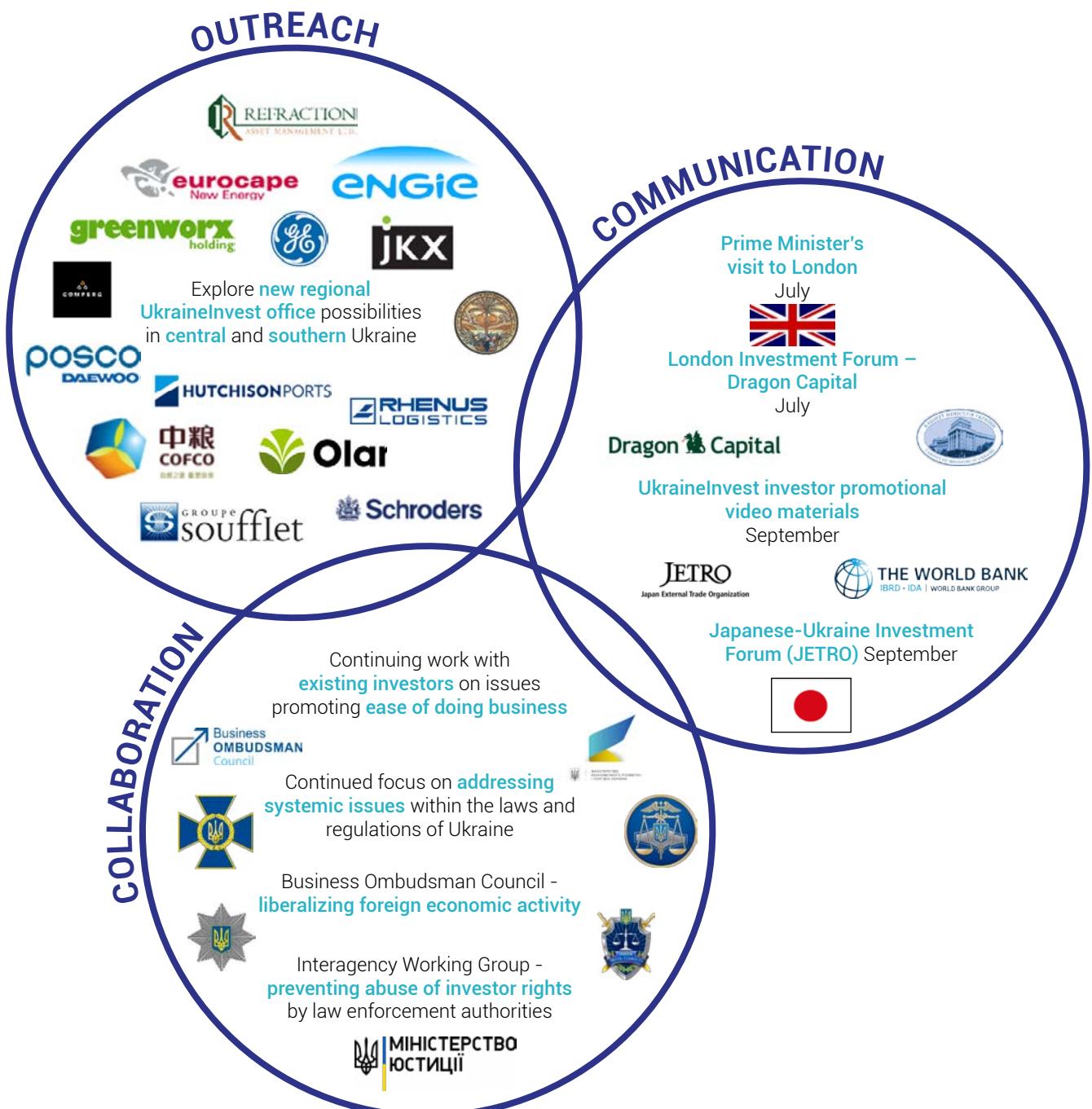
We are grateful to UkraineInvest for the generous support provided to our Radisson BLU Odessa project. With your assistance the Ministry of Culture was able to ensure that our appeal was well documented and grounded in law. Our proposal will now be reviewed by the state research institutes responsible for analyzing the project following which it will be submitted to the Office of Culture and Protection of Monuments of the Odessa Regional State Administration. We have already informed our foreign investors regarding the significant support received from your Agency and we look forward to a successful resolution of this issue. We wish you continued success in your very important work attracting foreign investments to Ukraine.

Regards,
Gorashchenko Volodymyr
President, Double W



V. WORK IN PROGRESS – THE WAY FORWARD

UPCOMING INITIATIVES FOR Q3 2017



OUR PARTNERS

Our partners include our Sponsors and Supporters, chief among them is WNISEF which provides the core funding supporting UkraineInvest operations.

SPONSORS



Western NIS Enterprise Fund

"As a fund with over 20 years of investment experience in Ukraine, we recognize how important it is for both state authorities and investors to 'speak one language'. That is why we support government initiatives aimed at helping investors to feel more comfortable in Ukraine" – Jaroslava Johnson, President and CEO of Western NIS Enterprise Fund, Press Release from UkraineInvest launch. For more information see: www.wnisef.org



EDGE (Expert Deployment for Governance and Economic Growth (EDGE), which provides technical assistance in the form of expert advice relating to the development of Communication Strategy and our upcoming initiatives in the regions

<http://edge.in.ua/>

SUPPORTERS

Thanks to:



PLEDDG (Partnership for Local Economic Development and Democratic Governance) for access to expert assistance.



European Union project "Support to Ukraine's Regional Development Policy" for access to expert assistance.

Contact us

UkraineInvest
Cabinet of Ministers of Ukraine
12/2 Hrushevskoho St., Office 148
Kyiv, 01008, Ukraine
Website: www.ukraineinvest.com
Facebook: UkraineInvest

SPONSOR:



UkraineInvest

Copyright © 2017 UkraineInvest