



UkraineInvest
Your Investment Matters

MANUFACTURING OPPORTUNITIES

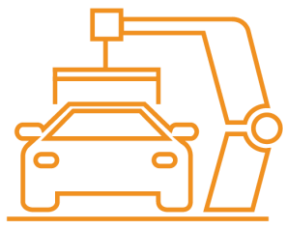
In Ukraine

NOW 
Ukraine



Kyiv, Ukraine
July 2020

KEY MANUFACTURING OPPORTUNITIES



AUTOMOTIVE



AEROSPACE

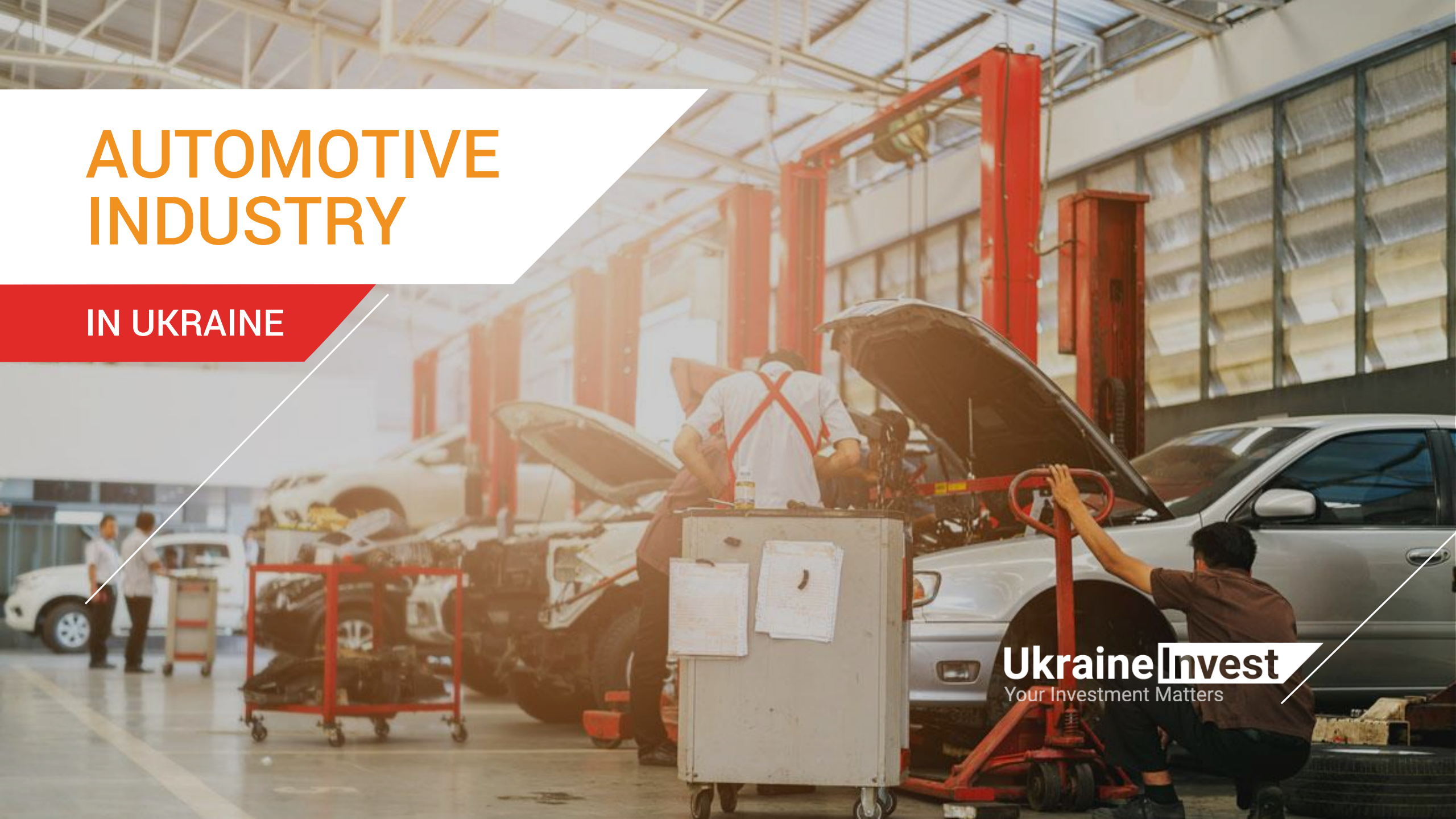


PHARMACEUTICAL

AUTOMOTIVE INDUSTRY

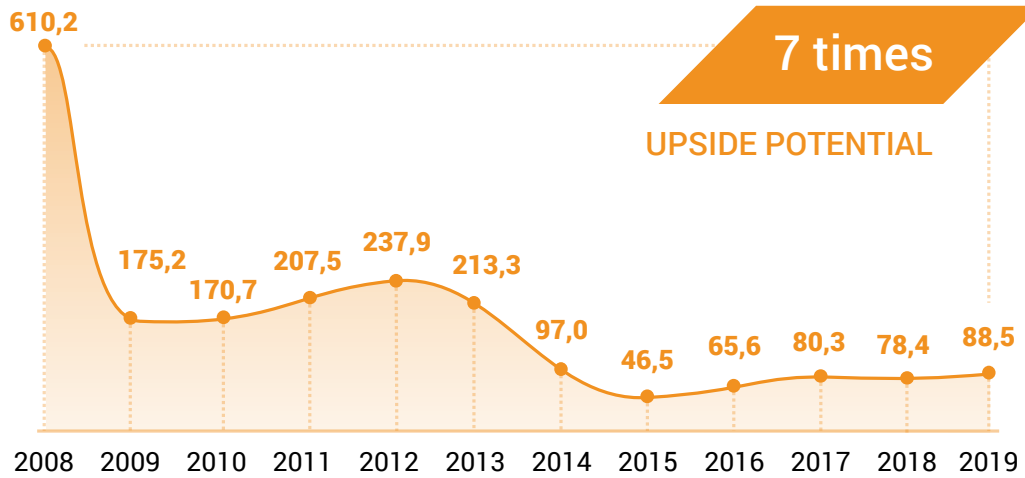
IN UKRAINE

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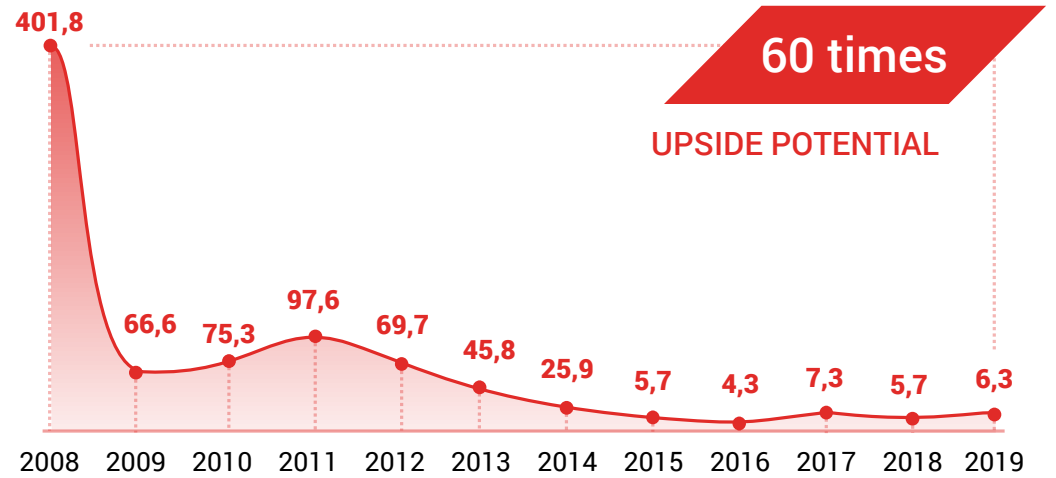


AUTOMOTIVE INDUSTRY in Ukraine

Cars Sales in Ukraine 2008-2019,
'000 units



Cars Production in Ukraine 2008-2019,
'000 units



The current actual production is **far beyond the potential level (60 times below)**

It means there are **underloaded capacities** waiting to be exploited

This situations draws **exclusive opportunities** for car manufacturers to expand their facilities in Ukraine

SOURCE: UkrAutoProm

UKRAINE'S OPPORTUNITIES

CHALLENGES IN EUROPE



SOLUTIONS IN UKRAINE

Digitalization & electric vehicles

1

Developed network of international R&D centers in Ukraine

Efficiency competition with Asia

2

4x cheaper production of car comparing to Germany
2.6x lower labor cost comparing to China

Many **plants** in Europe run **at full capacity**

3

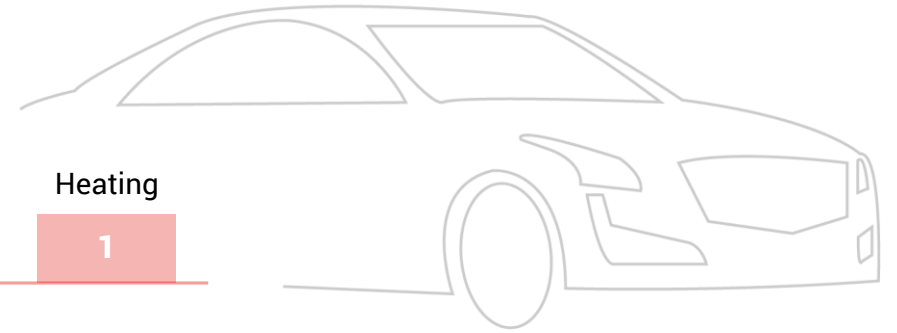
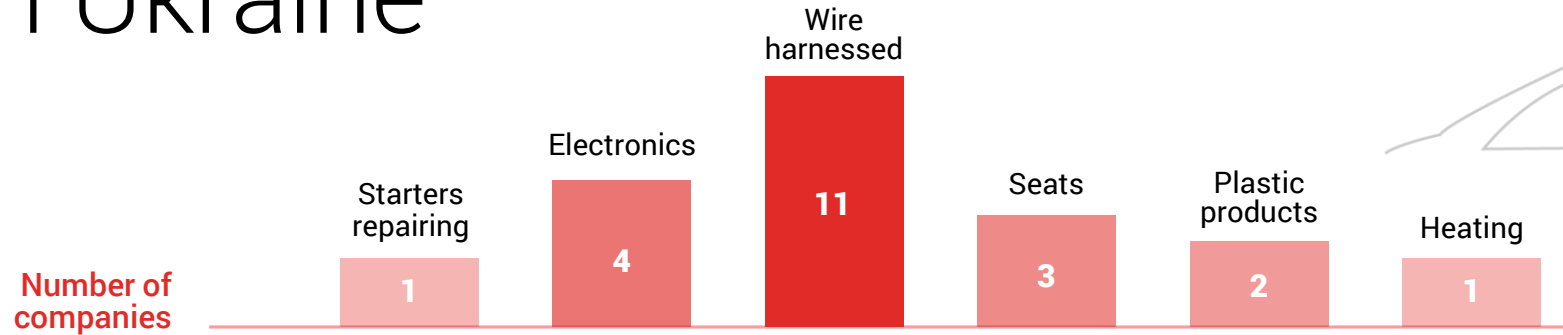
Effective usage of **under-used capacity** in Ukraine and efficient construction of new plants

Lack of experts (22.5 thousand – average number of engineering graduates annually among EU countries)

4

Highly skilled experts (130 thousand of engineering graduates annually)

FOREIGN AUTOMOTIVE BUSINESS in Ukraine



employees

about
60k

about



of investments
(from 1998 to 2017 years)

more than
€500 m

more than



factories

38



companies

22



countries

6

B BADER

SEBN

PRETTL

Nexans

KROMBERG & SCHUBERT

GROCLINGROUP.

YAZAKI

Fujikura

LEONI

• APTIV •

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AUTOMOTIVE IT SOLUTIONS in Ukraine

Connected Car

Navigation

IoT & Embedded

Cloud & DevOps

Security

ECU



HMI

Car2x

Instrument
Clusters

Autonomous
Driving & ADAS

Heads-Up Displays

Machine
learning & AI



AEROSPACE INDUSTRY

IN UKRAINE



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AEROSPACE INDUSTRY in Ukraine

Ukraine inherited **one third of former Soviet Union aerospace and defense industry potential** and is among 5 countries in the world with the **full cycle of plane production**



100+

**engineers, specialists
and workers** employed
in the industry



200+

**R&D, engineering centers
and production companies**
including Boeing, Skyrora,
Firefly Aerospace



100+

**companies engaged
in aerospace**



Ukraine's **An-225 "Mriya"**
is biggest aircraft in the world

UKRAINE IS A **SPACE NATION**

150+

VEHICLE LAUNCHES
have been completed

10+

COUNTRIES BENEFITTED
from cooperation with Ukraine
in aerospace

200+

SPACECRAFT UNITS
have been put into orbit

UKRAINE'S OPPORTUNITIES in Aerospace industry



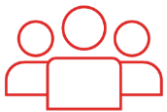
Ukraine has a long-term **technological and production experience** which will take years to build for other countries



Ukraine is well-positioned and has all the necessary expertise to become **a part of foreign companies value chain**



Import **replacement of Russian materials** and components is an immediate business opportunity



Ukraine aerospace and aircraft **human capital** is key asset and business opportunity



Ukraine aviation industry **annual average salary is 6 times less than in the United States**

KEY SUBSECTOR OPPORTUNITIES



**CARGO &
PASSENGERS
PLANES**



**MILITARY
AIRCRAFT**



**AIRCRAFT
ENGINES**



HELICOPTERS



**LIGHT
AIRCRAFT**

FOREIGN AEROSPACE BUSINESS in Ukraine



+ 1 \$ billion
FDI

“As a British company, it’s helpful to have access to Ukrainian knowledge that can support our activity. We outsource some design tasks to a team over there that has a mixture of real launch experience and young dynamic university graduates.”

Daniel Smith,
Business Development Manager at Skyrora

PHARMACEUTICAL INDUSTRY

IN UKRAINE

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PHARMACEUTICAL INDUSTRY in Ukraine

Ukraine's pharmaceutical sector is one of the **fastest growing** and **crisis-resistant** consumer industries providing huge **opportunities for foreign business.**

 YURIA-PHARM

 Farmak

 DARNITSA

 LEKHIM

 бхфз  bcpp

 SYNBIAS PHARMA



9 Ukrainian companies received a GMP certificate in 2016-2018, a so-called "pharmaceutical visa-free regime" that opens Access to Ukrainian drugs to overseas markets.



113

companies are licensed for medicine manufacturing



24k

employees



15%

of net sales is spent on R&D activities (for comparison, 10% in IT)



3.4%

of total imports (\$1.9 billion in 2018)

GROWTH OPPORTUNITIES

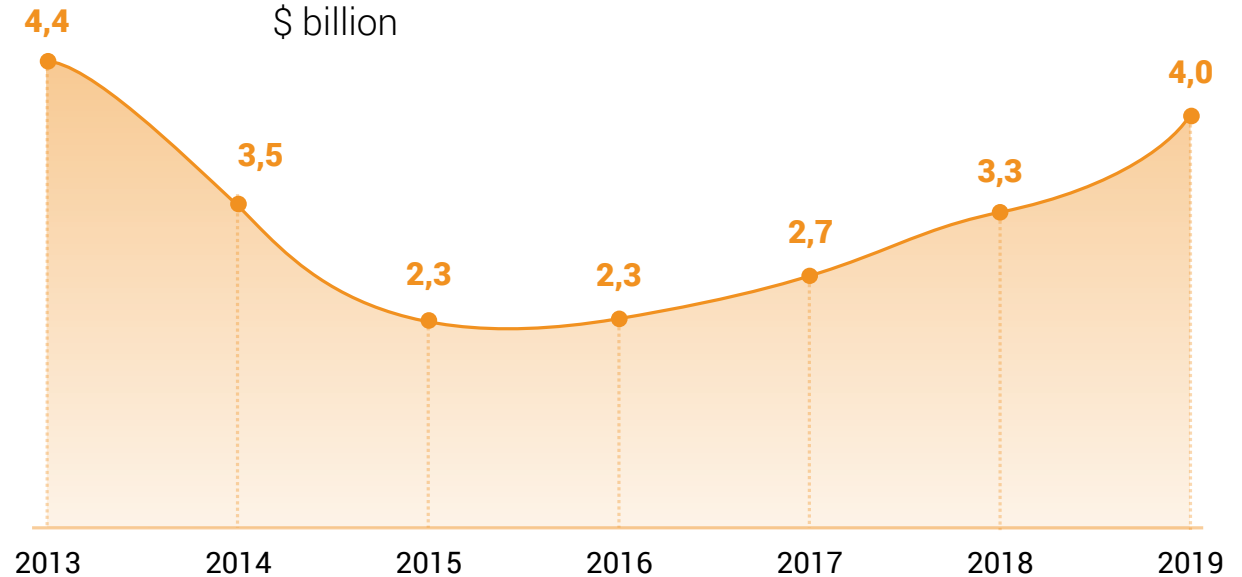
in Ukraine's Pharma Industry

Ukraine's drug market has not yet recovered from the 2014–2015 crisis, but it is **constantly growing**. The trend is likely to continue in coming years.

+15%

CAGR for the past four years

Pharmacy market,
\$ billion



SOURCE: Pharmaceutical Industry In Ukraine 2019 (infographic report)

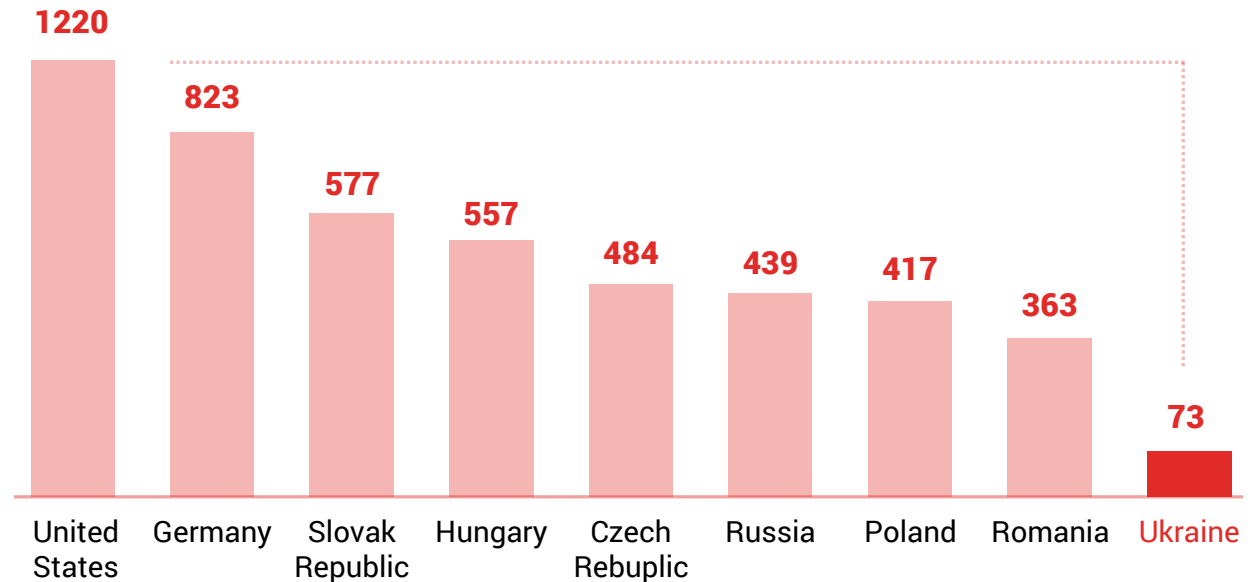
CONSUMPTION GAP vs. PEER COUNTRIES in Ukraine's Pharma Industry

The immense **consumption gap** versus peer countries is another **growth driver**.

+15-20%

per capita pharmaceutical expenditures in Ukraine of the level of neighboring countries

Pharmaceutical consumption by countries, \$ per capita



SOURCE: OECD, Pharmaceutical Industry In Ukraine 2019 (infographic report)

STATE SUPPORT & PRIVATIZATION

in Ukraine's Pharma Industry



GOVERNMENT SUPPORT PROGRAMS

of boost pharmacy consumption in Ukraine
("Доступні ліки», etc.)



INDAR PRIVATIZATION

Major opportunities exist for purchase
of existing local producers and privatization
of state-owned assets

FOREIGN PHARMA BUSINESS in Ukraine

In December 2019, German **STADA Group** acquired **the pharmaceutical business of Biopharma**, one of the leading pharmaceutical Manufacturers in Ukraine.



“We see great potential in the Ukrainian market. With this acquisition, we will become an important player in the Ukrainian pharma market with a strong local production footprint.”

Peter Goldschmidt, CEO at STADA

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



NAVIGATION & GUIDANCE



INTRODUCTIONS



INFORMATION & INSIGHT



ADVOCACY



KEY SECTOR EXPERTISE



REGIONAL SUPPORT



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+38 044 256 7832

howcanwehelp@ukraineinvest.com

Cabinet of Ministers of Ukraine
12/2 Hrushevskoho St.,
Kyiv-01008, Ukraine

ukraineinvest.gov.ua



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