

Introduction

Ukraine is a country located in Eastern Europe bordering the Black Sea and the Sea of Azov. Neighboring countries include Belarus, Hungary, Moldova, Poland, Romania, Russia, and Slovakia. Most of Ukraine consists of fertile plains and plateaus, the Carpathian Mountains in the west, and the Crimean Peninsula in the extreme south.

The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Ukraine has a mixed economic system in which there is a limited private freedom, combined with centralized economic planning and government regulation.



Location: Eastern Europe

Capital City: Kyiv (+2 GMT)

Chief of State: President Volodymyr Zelenskyy

Head of Govt.: Prime Minister Denys Shmyhal

Currency: Ukraine Hryvna (UAH)

Major Languages: <p>Ukrainian (official) 67.5%, Russian (regional language) 29.6%, other (includes small Crimean Tatar-, Moldavian-, and Hungarian-speaking minorities) 2.9%</p>

Primary Religions: <p>Orthodox (includes Ukrainian Autocephalous Orthodox (UAOC), Ukrainian Orthodox - Kyiv Patriarchate (UOC-KP), Ukrainian Orthodox - Moscow Patriarchate (UOC-MP), Ukrainian Greek Catholic, Roman Catholic, Protestant, Muslim, Jewish</p>

Calling Code: 380

Voltage: 220

Key Websites

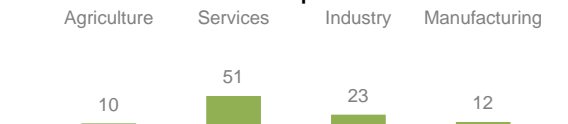
Main Government Page: kmu.gov.ua

Investment Promotion Agency: investukraine.net

Key Economic Facts

| | |
|--|-----------------------------|
| Income Level (by per capita GNI): | Lower Middle Income |
| Level of Development: | In Transition |
| GDP, PPP (current international \$): | \$533.87 billion (2018) |
| GDP growth (annual %): | 3.34% (2018) |
| GDP per capita, PPP (current international \$): | \$9,249.46 (2018) |
| External debt stocks, total (DOD, current US\$): | \$114,511,844,591.90 (2018) |
| Manufacturing, value added (% of GDP): | 11.52% (2018) |
| Current account balance (BoP, current US\$): | -\$4.37 billion (2018) |
| Inflation, consumer prices (annual %): | 7.89% (2019) |
| Labor force, total: | 20,206,988 (2019) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 8.88% (2019) |
| Imports of goods and services (current US\$): | \$70.40 billion (2018) |
| Exports of goods and services (current US\$): | \$59.15 billion (2018) |

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

| Index | Rank |
|---|-----------|
| Corruption Perceptions Index | 120 / 180 |
| EY Globalization Index | 47 / 60 |
| Global Competitiveness Index | 85 / 141 |
| Global Enabling Trade Index | 95 / 136 |
| Global Services Location Index | 24 / 55 |
| Index of Economic Freedom | 146 / 179 |
| International Logistics Performance Index (LPI) | 66 / 160 |
| Inward FDI Potential Index | 44 / 139 |
| KOF Index of Globalization | 45 / 185 |
| Networked Readiness Index (NRI) | 64 / 139 |
| Open Budget Index | 39 / 115 |

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Strategic position in Europe: transit point for 40% of Russian gas shipments to the EU
- Association and Free Trade Agreement with the European Union (2016), enabling a reorientation of foreign trade
- Significant potential in agriculture, with 55% arable land (wheat, maize, barley, rapeseed, sunflower, beet, soybeans), and in metallurgy (iron)
- Skilled and low-cost labor force
- Rigorous fiscal and monetary policy
- Low debt levels among economic participants (except the State)
- International financial and political support although conditional on reforms

Weaknesses

- Conflict with Russia and Russian-speaking populations in the Donbass region, affecting territorial integrity and preventing EU entry, but reopening of negotiations in "Normandy" format
- Business environment marred by corruption (notably in the justice system), oligarchy and monopolies, weak property rights, a lack of competition and inefficient public services
- Low economic diversification; sensitivity to weather and commodity prices
- Declining demographics; regional inequalities featuring poverty and the informal sector
- Credit constrained by doubtful loans (49%) and high real interest rates
- Managed float of the hryvnya; continued restrictions

on capital movements

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