

EBA Investment Attractiveness Index

Investor moods in the 1st half of 2017

Visible signs of growth since 2011

5 KEY QUESTIONS

- What do you think about the investment climate (IC) in Ukraine?
- How would you estimate the IC for your company now if compared to the previous 6 months?
- What are your expectations regarding the IC in the upcoming 6 months?
- Will it be profitable for new investors to invest in Ukraine within the next 6 months?
- What are your expectations in terms of the conditions of doing business in your main sector within the upcoming 6 months?

We asked 142 CEOs from the leading Ukraine's businesses (EBA members)

3.15

points on a 5-grade scale

+0,3 points if compared to H2 2016

2,85 points in the 2 half of 2016

"Tiny, but visible progress" moods prevail.

Finally Index left the negative area.



INDEX DYNAMICS 2008-2017

Index in Ukraine is measured since 2008 and has never reached the positive zone.

The highest Index rate ever was witnessed late 2010 - early 2011:
3,4 and 3,39 points respectively.

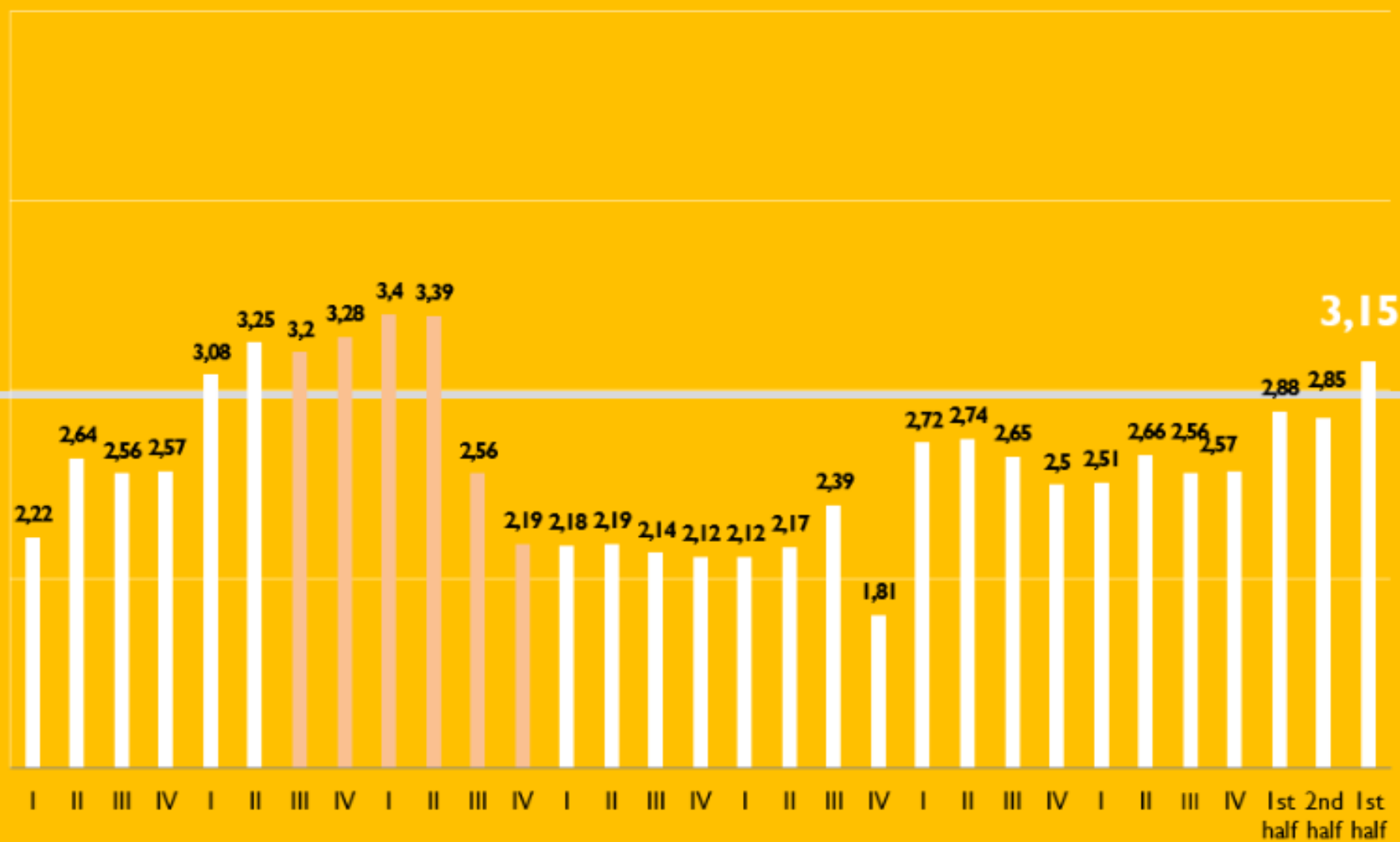
The latest result is the highest since that period.

Now it is situated in the neutral area.

POSITIVE ⁵

NEUTRAL
VALUE

NEGATIVE I



54%

businesses are not satisfied with the current
investment climate

67% were not satisfied in H2 2016 (-13%)



*Business environment has become more or less predictable for investors.
Businessmen get used to the situation and became more active
in doing business.*

13%

respondents think that IC is favorable

9% thought the same in H2 2016



Positive: stable exchange rate; slow, but constant adaptation towards EU regulations; great news about visa-free regime with the EU (it's a huge signal for investors!); Eurovision in Kyiv that shown our country as a modern and European destination to the whole world.

27%

respondents mentioned
financial stabilisation &
regulation

Some positive changes in the eyes of business*

liberalisation of currency control

open data from state registers

deregulation

development of online services

(electronic system of VAT refund etc.)

simplifying of the procedure for obtaining licences for

construction

moratorium for audits

etc.

**based on respondents' open comments*

15%

no tangible positive changes

39% thought the same in H2 2016

50% in H1 2016



Business did not notice any new negative signs within the previous 6 month, but a lot of unfavourable factors from the past still can be seen. Still the same problems with high rates of credits in the banks. Still no results with the investigations on corruption cases.

NEGATIVE CHANGES AS SEEN BY BUSINESS

20%

no considerable
changes

19%

no success in fighting
corruption

15%

slow pace of reforms



*No progress with judicial/land/police/prosecution reforms.
Slow progress in decentralization.
Lack of will to fight corruption.*

46% of CEOs think business climate will improve during next 6 months [35% in H2 2016]

38% of CEOs think Ukraine's market will be profitable for new investors in H2 2017

Only 19% of think Ukraine will not be a profitable destination for new investors next 6 months

WHAT SHOULD BE DONE?

tangible
anti-corruption
activities

36%

judicial
system reform

20%

free land
market

11%

decrease of
government
control, simplify
regulation

6%

Some corruptive practices are still in place.

Visible reducing of corruption and improvement of legislation in order to protect investors.

*Active information policy of UA government for attracting of the foreign investments (**new point!**)*

more details

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