

# **EBA Investment Attractiveness Index**

*Investors' moods in the 1st half of 2018*

# 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?

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*We asked 128 CEOs from the leading Ukraine's businesses (EBA members)*

# 3.10

points on a 5-grade scale

*+0,07 points if compared to H2 2017*

*3,03 points in the 2 half of 2017*

*Index left the negative area in 2017  
and is still there*



## index dynamics 2008-2018

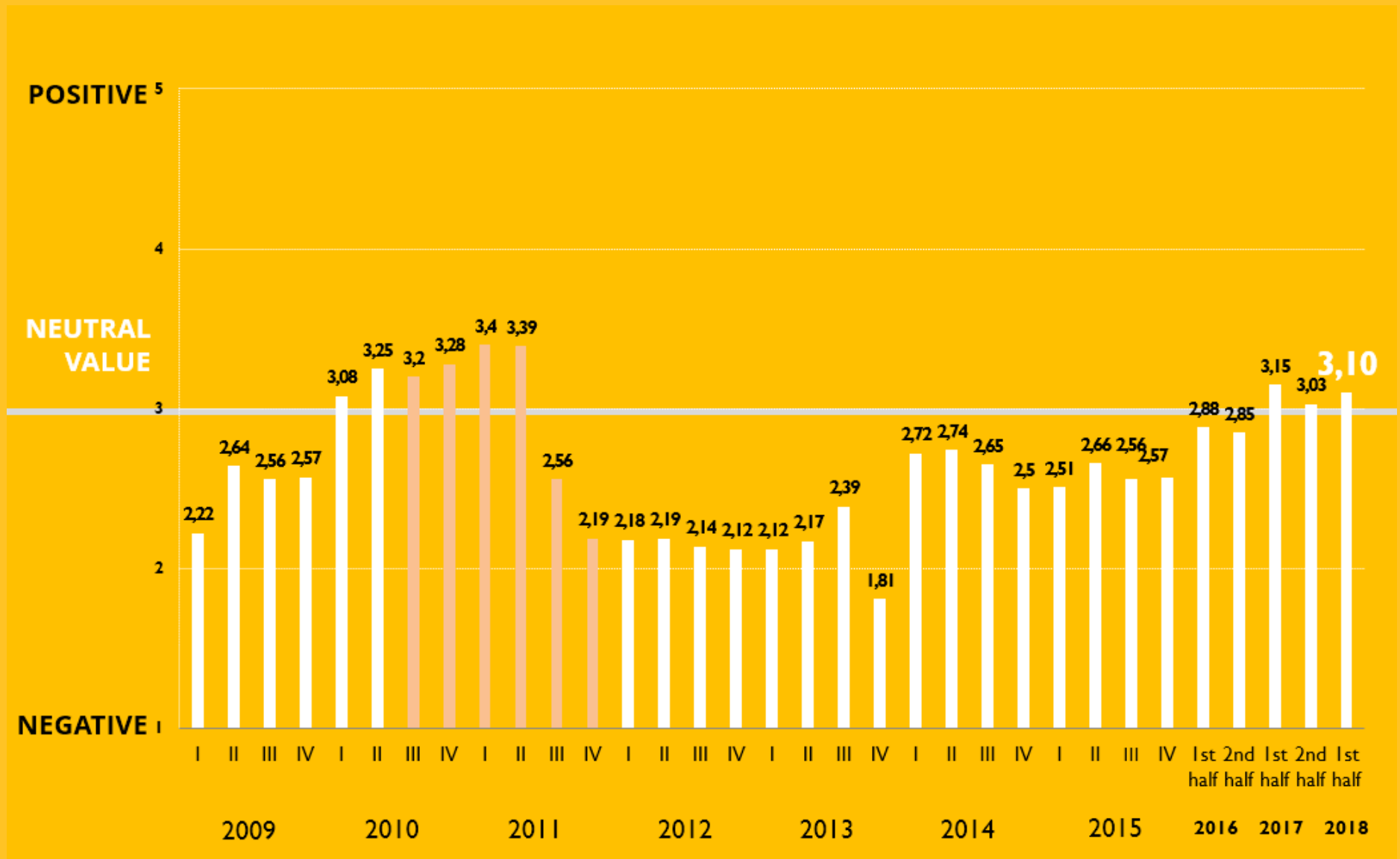
Index in Ukraine is measured since 2008 and has never reached the positive zone.

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

Result in H1 of 2017 is the highest since that period.

Now it is still situated in the neutral area.

# Index Dynamics



# 38%

businesses are not satisfied with the current  
investment climate

58% were not satisfied in H2 2017



*Corruption and courts remain bad. No improvements in business climate. Political cycle and populist actions increased due to pre-elections competition.*

# 28%

respondents think that IC is favourable

Only 11% thought the same in H2 2017



*Positive: law on currency; law on LLC; digital opportunities for business; online services etc.*

# Some positive changes in the eyes of business\*

- liberalisation of currency control, law on currency, stability of UAH
- law on LLC
- digital instruments for economic development
- law on anti-corruption court
- deregulation
- development of online services
- automatic VAT refund
- elimination of stamps
- new foreign investors in retail etc.



# NEGATIVE CHANGES AS SEEN BY BUSINESS

**46,1%**

high level  
of corruption

**40,6%**

weak court system

**35,9%**

no land reform

**8,6%**

technical barriers in trade



*No signs of fight against corruption, weak defense of investor's interests, uncertainty with respect to IMF program, higher risk of new crisis, growing political uncertainty.*

34% of CEOs think the business climate will improve in 2H of 2018

**32% of CEOs think Ukraine's market will be profitable for new investors in H2 of 2018**

*48% think investment climate for their business will remain the same within the next 6 months*

# WHAT SHOULD BE DONE?\*

- keep on fighting corruption (launch the work of Anti-corruption court)
- reform court system
- open land market
- reduce tax pressure onto salary fund
- combating illegal import
- promote positive cases
- reduce bureaucracy
- improve and implemet innovations

# more details

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