

EBA Investment Attractiveness Index

Investors' moods in the 2nd 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?

We asked 115 CEOs from the leading Ukraine's businesses (EBA members)

3.07

points on a 5-grade scale

-0,03 points if compared to H1 2018

3,10 points in the 1 half of 2018

Index entered the neutral area in 2017 and is still there



index dynamics 2008-2018

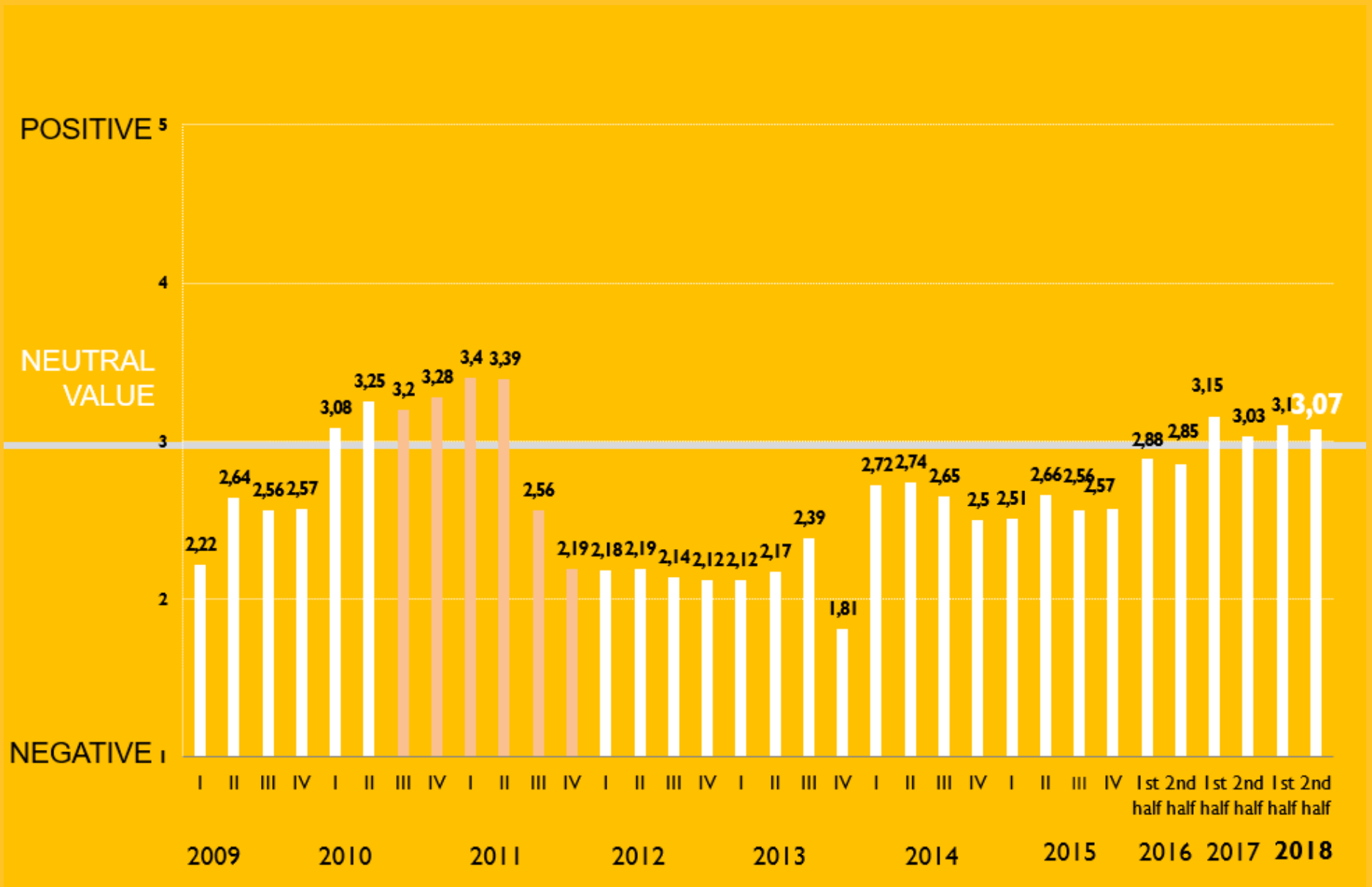
Index in Ukraine is measured since 2008 and has never reached the positive zone.

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



40%

businesses are not satisfied with the current
investment climate

38% were not satisfied in H1 2018



Investment climate remains the same. Negative issues: Introduction of martial law. No sign of fight against corruption. Weak court system. Pre-election populism and labour outflows.

25%

respondents think that investclimate is
favourable

28% thought the same in H1 2018



Positive: liberalisation of currency legislation, national currency stability, fight against raider attacks, ongoing dialogue of state authorities with business.

NEGATIVE CHANGES AS SEEN BY BUSINESS

78%

high level
of corruption

74%

weak court system

66%

no land reform

65%

shade economy



"Start of presidential run involving many populists and demagogues"

"A lack of progress in fight against corruption"

"Increase of labour outflows"

53% of CEOs think the business climate will remain the same in 1H of 2019

42% of CEOs think Ukraine's market will be profitable for new investors in 1H of 2019

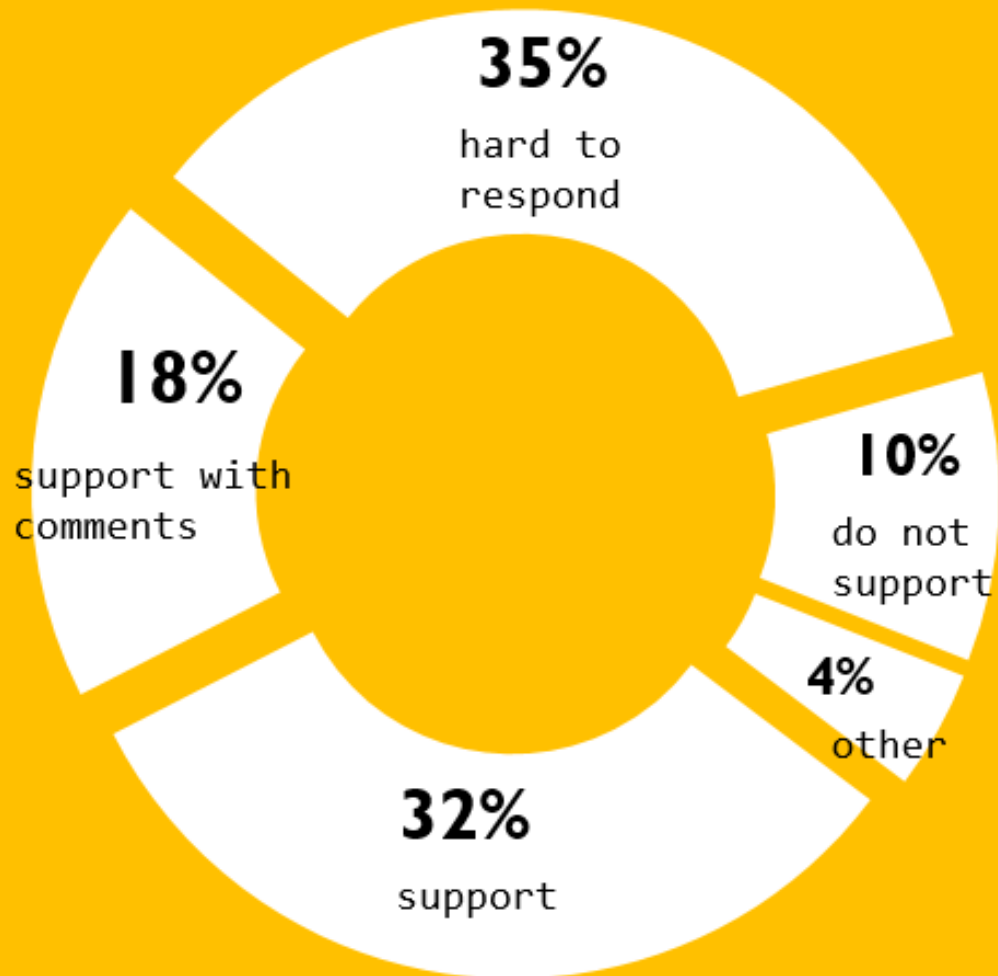
50% think investment climate for their business will remain the same within the next 6 months

WHAT SHOULD BE DONE?*

- real progress in fight against corruption and establishing the rule of law
- political stability
- fight against smuggling and shade economy
- open land market
- court reform
- transparent privatization
- infrastructure improvement
- IPR rights protection

additional question

[please indicate your attitude to the Draft Law №8557 (on exit capital tax)]



more details

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