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| **CABINET OF MINISTERS OF UKRAINE  RESOLUTION** |
| **as of December 27, 2017, No. 1017-r  Kyiv** |

On the Approval of the Export Strategy of Ukraine (Strategic Trade Development Roadmap) for 2017-2021

1. Approve the attached Export Strategy of Ukraine [(Strategic Trade Development Roadmap) for 2017-2021](https://zakon.rada.gov.ua/laws/show/1017-2017-%D1%80?lang=en#n13) (hereinafter referred to as the “Strategy”).

2. Approve the attached Action Plan for the implementation of the Export Strategy of Ukraine [(Strategic Trade Development Roadmap) for 2017-2021](https://zakon.rada.gov.ua/laws/show/1017-2017-%D1%80?lang=en#n13).

3. The interested central executive bodies shall:

ensure the implementation of the Action Plan approved under paragraph 2 hereto and allocate funds for its implementation when preparing budget funding requests for the respective year;

ensure the annual submission of the Strategy amendment proposals to the Cabinet of Ministers of Ukraine by March 31 of the respective year.

4. Ministries, other central executive bodies, regional state administrations, and Kyiv city state administration shall provide the Ministry of Economic Development and Trade with information on the status of the Strategy performance and implementation plan thereof on a quarterly basis by the 5th day of the month following the reporting period.

5. The Ministry of Economic Development and Trade shall be responsible for the preparation of the report on the Strategy performance status and implementation plan thereof and, as well as for its submission to the Cabinet of Ministers of Ukraine by March 31 annually.

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| Prime Minister of Ukraine | V. GROYSMAN |
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|  | APPROVED  by the Resolution of the Cabinet of Ministers of Ukraine No. on December 27, 2017, 1017-r |

**EXPORT STRATEGY OF UKRAINE   
(Strategic Trade Development Roadmap)   
for 2017-2021**

**General provisions**

Currently, with exports accounting for a half of Ukraine’s GDP (49.3% in 2016), therefore the large-scale strengthening of the presence of Ukraine in international markets becomes one of the key conditions for the effective functioning of the national economy, a prerequisite to its dynamic development, hence a strategic task for the country. Loss, in whole or in part, of Ukraine’s traditional markets over the last several years demands effective solutions in order to boost the Ukrainian exports.

Being crucial for the economy, the Ukrainian export structure is still largely dominated by raw materials (in 2016, agricultural products, steel and chemical products, as well as mineral products accounted for 70% of the total volume of exports). It means that recourses are not used effectively, thus making the Ukrainian economy dependent on price volatility on the global markets and posing a potential risk for economic and social stability.

The Export Strategy of Ukraine (Strategic Trade Development Roadmap) for 2017-2021 and the Action plan for its implementation have been elaborated to reduce these risks and to ensure sustainable growth of the Ukrainian exports.

The Strategy was developed in line with the Strategy for Sustainable Development “Ukraine - 2020”, that was approved by the Decree of the President of Ukraine as of January 12, 2015 No. 5/2015 and the Priority Action Plan for the Government int 2017, approved by the Resolution of the Cabinet of Ministers of Ukraine on April 3, 2017 No. 275-p.

**The goal of the Strategy**

The goal of the Strategy is to transition Ukraine to the exports of knowledge- and innovation-based products, thus ensuring sustainable development, as well as to enter the global markets.

To implement the Strategy, it is important to set the following strategic trade development objectives for the next five years:

create an enabling environment that stimulates trade and innovation for diversified exports;

develop business and trade support services that improve the competitiveness of enterprises, in particular, small and medium-sized enterprises (“SMEs”);

strengthen the skills and competencies of enterprises, in particular, SMEs, required to engage in international trade;

**Create an enabling environment that stimulates trade and innovation for diversified exports**

The current business environment does not sufficiently stimulate Ukrainian enterprises to pursue innovations and to diversify the economy. As a result, important pockets of talent remain untapped, the economy continues to operate below its potential, and the export basket is highly concentrated on a few and relatively low value-added products.

To achieve this goal, it is necessary to:

strengthen the institutional framework to stimulate innovations;

strengthen innovation capacities of enterprises;

improve business and policy environment for trade.

**Develop business and trade support services that improve the competitiveness of enterprises, in particular, small and medium-sized**

Currently, Ukrainian enterprises face numerous constraints that hamper their exports activities; some of these constraints arise in connection with the low quality of the trade support services available to enterprises.

Interested central executive bodies, institutions, and organizations that are responsible for the development of international trade shall comprise an integral framework, ensure an effective mechanism to coordinate their activities and provide enterprises, in particular, small and medium-sized, with a wide range of services required for their successful operation on the international market. Such services shall include, for instance, information sharing about entry conditions and opportunities to operate on the new markets, advising on the export demand for products (works, services) as well as providing practical recommendations in respect of the products upgrade aimed at improvement of exports competitiveness.

A key element of this strategic objective is the upgrading of the quality trade support infrastructure, as well as the development of effective financial solutions for the enterprises and facilitation of the trade procedures.

To achieve this objective, it is necessary to:

improve the coordination of trade support involved trade policy and export development;

strengthen the network of institutions engaged in rendering business and trade support services for exporters.

**Strengthen the skills and competencies of enterprises, in particular, SMEs, required to engage in international trade**

This strategic objective aims at the enhancement of professional knowledge and skills needed to engage in international trade. A key element of this strategic objective is to ensure that those willing to start a business find necessary support by creating conditions for the development of business ideas (to stop “brain drain”). Another important element is to synchronize and align skills required by the business and those developed by the education system; to formalize the informal economy and to encourage labor mobility.

To achieve this objective, it is necessary to:

stimulate entrepreneurship among business owners and employees, in particular, SMEs, and youth;

improve managerial skills of the employees within existing enterprises, in particular, SMEs;

align the offering of the educational system to the needs of the business, in particular, SMEs.

**Analysis of the macro-economic environment**

GDP growth in Ukraine has been characterized by high volatility. Following the crisis of the 1990s, the real GDP of Ukraine had been growing at an average annual rate of 7% in the period 2000-2008 according to the State Statistics Service. However, it contracted by 15% in 2009 as a result of the global financial crisis. Despite a recovery in 2010 and 2011 (GDP grew by 4.1% and 5.5% respectively), the military aggression of the Russian Federation, starting in February 2014, severely affected the Ukrainian economy resulting in the contraction of the GDP by 6.6% and 9.8% in 2014 and 2015 respectively.

In the period from January 2014 until January 2017, the Ukrainian national currency devalued from UAH 8.0/USD to UAH 27.2/USD, which boosted inflation (consumer prices increased by 43.3% in 2015) and resulted in a significant decline in consumption and investments. Apart from that, the Ukrainian economy was affected by the downturn in international markets.

Given the above, the Government and the National Bank had to undertake challenging anti-crisis measures aiming, among others, at setting economically justifiable energy prices/tariffs, fiscal consolidation as well as significant changes to the structure of the budget spending, including increased defence spending, suspended social spending, change to the subsidies policy, administrative currency restrictions and a rigid monetary policy.

Steps undertaken by the Government and the National Bank did have a positive impact – starting from the second half of 2015, the Ukrainian economy demonstrated gradual recovery of macro-economic stability and began to grow.

Lower import volumes and measures taken (including the introduction of the additional import surcharge) helped reduce the current account deficit to 0.2% of the GDP in 2015 compared to 9% in 2013.

Currently, the Ukrainian exports are dominated mainly by relatively low-tech intermediate products – the share of high-tech products in the total Ukrainian exports in 2015 amounted to 5.5% only. Therefore, it is necessary to upgrade technological processes in Ukrainian companies that would enhance innovation and knowledge-based economy and thus would strengthen the competitiveness of Ukrainian exports in the international markets. In 2016, the economy of Ukraine was characterized by a step-by-step recovery after the crisis and demonstrated a 2.3% GDP increase.

**Labour force and employment**

According to the State Statistics Service, the economic activity rate of the population aged 15-70 was 62.2% in 2016, compared to 71.1% for the working-age population. At the same time, women’s economic activity rate was significantly lower compared to men’s (55.9% vs. 69.1%).

In 2016, the number of unemployed people aged 15-70 (according to the International Labour Organization methodology) amounted to 1678.2 thousand; an unemployment rate constituted 9.3% of the economically active population of the relevant age, which is 0.2% higher compared to 2015. Young people under 30 are particularly affected by unemployment. In 2016, unemployed young people aged 15-29 accounted for 37.2% of the total number of unemployed population of Ukraine.

Employment is largely dominated by wholesale and retail business, industrial and agricultural sectors, as well as the fishing sector and forestry. The number of the employed population in these sectors in 2016 amounted to almost 9 million, which accounts for 54.5% of the total employed workforce. The number of persons working in the industrial sector has been relatively stable since 2001 and constitutes approximately 20% of the total employed workforce, whereas the share of the population engaged in agricultural, fishing sectors and forestry decreased from 20.8% in 2001 to 17.6% in 2016.

In 2016, the total number of the employed population was 16276.9 thousand, with the highest number of the workforce being employed in trade (wholesale and retail) and vehicles repair (3516.2 thousand persons, one in five persons) followed by agricultural, fishing sectors and forestry (2866.5 thousand, one in six persons), as well as by industrial sector (2494.8 thousand, one in seven persons). By professional categories, the biggest group was represented by basic-level professions (18.9%), followed by professionals (17.9% of the employed workforce) and employees of the trade in the products and services sector (16.8%).

There have been no significant changes in the Ukrainian employment structure over the past decade. At the same time, the share of the trade in the services sector increased from 52.9% of the employed workforce in 2001 to 63.1% in 2016.

Labour productivity in Ukraine remains low mainly due to the old industrial structure, domination of products with a low added value, as well as the small internal labor mobility. As a result, Ukraine ranked 132 out of 192 in output per worker in 2015. Extremely low productivity significantly affects the export capacities of the country.

Currently, there is a mismatch of the skills offered by the education system and those required by the business needs, which also hinders productivity and growth potential.

The informal economy is another factor that significantly impacts the overall efficiency of the labor market. In 2016, approximately 4 million people were employed unofficially, which is 24.3% of the total engaged workforce. The highest rate of informal employment is observed in agriculture (40.8%) as well as in wholesale, retail, and construction sectors (20.9% and 15.5% respectively).

Allocation of resources on the labor market is also inefficient due to the low internal labor mobility considering existing constraints (administrative procedures, high rates of homeownership along with the poorly developed mortgage market, social benefits tied to the registered residence, weak labor market institutions).

Removing existing barriers to internal mobility will be a key element to achieving efficient labor allocation and solving the issue of the qualified personnel deficit. Policies aiming at fostering labor mobility, training, and professional development, as well as attracting direct foreign investments and technology transfer are also expected to contribute to the increase of labor productivity.

**Small and medium-sized enterprises**

The business landscape in Ukraine is dominated by small and medium-sized enterprises accounting for 99.8% of the total number of enterprises and employing about two-thirds of the entire workforce in the country. According to the State Statistics Service, 82.8% of 343,440 Ukrainian enterprises registered in 2015 employed fewer than 10 people (microenterprises), 12.7% employed between 11 to 50 workers (small enterprises). Medium-sized businesses (50-250 employees) account for 4.4% of the total number of companies, businesses employing more than 250 persons only account for 0.1% of the total number of companies.

The contribution of Ukrainian small and medium-sized enterprises to exports remains rather low. According to the survey conducted by the International Financial Corporation in Ukraine in 2013, only 11.8% of small enterprises employing up to 20 persons were directly or indirectly involved in export activities. Focus on innovative goods and services exported by small and medium-sized enterprises is an important component for the development of small and medium-sized enterprises.

**Foreign trade analysis**

**Exports**

According to the State Statistics Service, the total export of goods and services in 2016 amounted to 49.3% of the Ukrainian GDP or USD 45.1 billion. The export of goods accounted for 80.7% of the total exports, whereas the share of the exported services was 19.3%.

The structure of the Ukrainian exports is dominated by raw materials – almost 70% of the export of goods (USD 25.3 billion) are accounted for agro-sector, steel production, chemicals, as well as for mineral products, wood products and raw materials for the light industry.

Due to the contraction of steel and machinery exports, the value of goods exported in 2016 went down by 48% compared to 2008 (from USD 70 to 36.4 billion). The dynamics of the Ukrainian export revenues was also hindered by disruptions in the production chain and drop in prices for raw materials on the global market.

The share of agro-products and food in the exported goods in 2016 was 42%, which is more than twice higher the export share of these sectors in 2008. However, the percentage of the steelmaking industry in the total exports in the same period declined from 40+% to 22.9% due to the drop in prices for steel products and the military aggression of the Russian Federation, the biggest importer of the Ukrainian steel products. The temporary occupation of Ukrainian territories due to the military aggression of the Russian Federation resulted in deterioration of political and economic relations between the two countries. The Ukrainian exports and GDP were also affected by the fact that the Russian Federation had suspended the Free Trade Agreement with Ukraine starting from January 1, 2016, which resulted in the introduction of preferential tariff duty rates for Ukrainian products instead of zero duties. Additionally, the Russian Federation banned the import of selected agricultural products originating from Ukraine (meat and meat products, fish, milk and dairy products, vegetables, fruits and nuts, some other foods) and imposed restrictions on the transit of Ukrainian goods to third countries (Kazakhstan and Kyrgyzstan) through its territory.

Such restrictive measures resulted in a significant decline in Ukrainian exports to certain CIS countries (Central Asia and Transcaucasia countries), but also to other Asian countries.

Thus, the export of Ukrainian goods to Kazakhstan decreased by USD 312.6 million in 2016 (43.9%); to Azerbaijan – by USD 70.8 million (22.2%); to Turkmenistan – by USD 61.3 million (36%); to Kyrgyzstan – by USD 35.1 (46.5%); to Uzbekistan – by USD 32.1 million (18.4%); to Armenia – by USD 12.6 million (12.4%); to Georgia - by USD 11.9 million (3%); to Tajikistan - by USD 4.6 million (15.2%); to Mongolia – by USD 3.6 million (12.8%).

Subsequently, the share of the Russian Federation in the total exports from Ukraine decreased from 22.4% in 2008 to 9.9% in 2016. The loss of the Russian market presents a dramatic challenge for the Ukrainian export-oriented producers, especially in the sectors relying heavily on demand from the Russian Federation (for instance, machinery). Re-focusing on other markets can only partially compensate these export losses.

Affected by the persisting armed conflict, exports from Donetsk oblast in 2016 decreased by 7.2% or by USD 264.5 million compared to 2015 and amounted to USD 3.4 billion. The decline in exports from Donetsk oblast alone accounted for 15% of the total Ukrainian exports decrease in 2016.

On the contrary, companies from Lugansk oblast increased their exports by 69% or by USD 177.8 million and reached USD 435.7 million (exports from Lugansk oblast in 2015 amounted to USD 257.8 million). The share of the two oblasts in the total Ukrainian exports remained almost unchanged in 2016 compared to 2015 and amounted to 10.4%.

Ukraine has significantly expanded its presence in the global value chain over the past ten years, but this is still not enough. Active involvement in the global value chains requires changes in the structure of the Ukrainian exports and transition to mid- and high-tech products.

In recent years, Ukrainian exports have become more diversified geographically as Ukraine gradually reduced its orientation towards the CIS markets; though they remain important for the Ukrainian producers (share of the CIS markets in the Ukrainian exports in 2016 was 16.5%).

However, recent trends demonstrate that new destination markets have emerged for Ukrainian exports with the EU being the target one. The total share of the EU market in the Ukrainian exports increased from 25.9% in 2008 to 37.1% in 2016, predominantly due to autonomous trade preferences granted to Ukraine, as well as due to the launch of the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Ukraine. Exports to Egypt and India have been growing as well: the share of these countries in the exports from Ukraine was 6.3% and 5.2% respectively in 2016.

Analytical data demonstrate that Ukraine does not utilize efficiently its trade the potential with such countries as Canada, China, France, Germany, Ireland, Japan, Sweden, Switzerland, the United Kingdom, and the USA. It resulted in revenue shortfalls for around USD 6 billion in 2017.

The export of services decreased by 19.5% in 2016 - from USD 12.3 billion in 2008 to USD 9.9 billion in 2016, which amounts to 21.9% of the total exports from Ukraine.

Export of services is represented mainly by transport services (53.7% of exported services in 2016) with approximately 48% being the transportation of gas and oil, which makes Ukraine a net exporter of transport services (49.6% are delivered by pipeline transportation).

Ukrainian revenues from tourism declined significantly from USD 358.1 million in 2013 to USD 205.2 million in 2016. On the other hand, a significant increase in the export of information and business services, in particular, information and communication technologies, can be observed. Export of these services has almost tripled between 2009-2016 and reached USD 1.64 billion, which serves as a positive signal for the diversification and transformation towards new services.

**Imports**

The import of goods declined sharply in recent years and amounted to USD 39.2 billion in 2016 compared to USD 85.5 billion in 2008. Drop-in imports can be explained by several reasons including weak production activity, falling real household incomes, contraction of the domestic demand, hryvnia devaluation, and introduction of the temporary additional import surcharge.

Import to Ukraine is represented in its trade structure mainly by consumer goods contributing more than one-third of its total volume. The import structure is also defined by a high dependence on energy resources. In 2016, natural mineral products (salt, ore, energy materials, oil, etc.) accounted for 55.1% of the imported raw materials (USD 15.4 billion). Other essential import articles included machinery, equipment, and mechanisms (29.1%), chemicals and allied industries (21.6%), agricultural and food products (9.9%).

The structure of imports to Ukraine is characterized by the gradual increase of the share of EU countries – imports from the EU in 2016 accounted for 43.7% of the total imports to Ukraine compared to 33.8% in 2008. Imports from the EU to Ukraine is dominated by fuel, machinery, equipment as well as chemicals and pharmaceutical products.

At the same time, the share of the CIS countries in Ukrainian imports declined to 21.8% in 2016 compared to 27.9% in 2015, which largely resulted from the reduced imports of mineral products.

The current situation in international makes requires Ukraine to focus on several areas simultaneously: to increase exports to the EU market, to enter big markets with higher growth rates (Asia, Africa) as well as reinforce its positions on the traditional markets (CIS countries).

**Preferential foreign trade regimes**

In June 2014, following the Revolution of Dignity, the EU-Ukraine Association Agreement was signed. The in-depth and comprehensive free trade regime, which is a part of this Agreement, has been launched temporarily since January 1, 2016. Additional trade preferences for the Ukrainian exports to the EU entered into force on October 1, 2017 – they will be valid for three years and will envisage additional or accelerated liberalization for some of the products originating from Ukrainian.

To gauge new opportunities for the expansion of Ukrainian exports to the EU market, the Government of Ukraine started the process of joining the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (September 2016) and started the high-level Ukraine-EU dialogue concerning horizontal aspects and selected industry sectors (March 2017). The ratification of the Canada-Ukraine Free Trade Agreement was yet another step made.

In order to negotiate the signing of the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) with the EU (to be enclosed as a separate protocol to the effective Association Agreement), Ukraine must adjust its regulations to the EU legislation. It includes harmonization of the technical regulations and national standards in line with the EU directives and European standards. It is also vital to ensure that Ukrainian institutions, including standardization, metrology, and conformity assessment bodies, the accreditation agency and market supervision and control bodies follow principles and practices that are in line with those applied by the EU bodies.

So far Ukraine has signed 18 free trade agreements (EU, CIS, EFTA, GUAM, Canada, Georgia, Montenegro, North Macedonia) that cover 45 countries and give access to 800 mln of potential consumers.

Negotiations have also been initiated to sign free trade agreements with Israel, Turkey, and Serbia.

Initiation of further free trade agreements shall only be driven by economic rationale, following respective studies and consultations with business and be offered to the countries that have the highest priority in terms of potential business opportunities.

**Trade protection**

Ukraine’s efficient use of the World Trade Organisation (WTO) mechanisms comprises a vital element of the Ukrainian trade policy development. Ukraine’s level of activity in the WTO has increased in recent years. In 2015-2016, Ukraine joined and ratified the WTO’s Trade Facilitation Agreement, the Agreement on Government Procurement and joined the Protocol amending the Agreement on Trade-Related Aspects of Intellectual Property Rights. In 2016, Ukraine participated in 14 meetings of six different WTO committees. Ukraine has successfully undergone its first Trade Policy Review within WTO in April 2016 and has actively involved in trade policy reviews of other countries, including the UAE, Turkey, Georgia, the Russian Federation, and the USA.

Ukraine has become more proactive in protecting its trade-related interests. Notably, it has become a more active user of the WTO dispute resolution mechanisms. Currently, Ukraine is a party to four disputes with the Russian Federation; under two of them (import of railway rolling stock and traffic in transit) Ukraine acts as a claimant.

The next step for Ukraine is to ensure its ongoing representation in WTO bodies, in particular in its General Council, dispute settlement panels, WTO committees, ministerial conferences. It is also necessary to revisit the tariff obligations of Ukraine within the WTO as a part of the Doha Development Agenda, to map further development and to participate in the working groups responsible for the admission of new members in order to improve new markets’ entry conditions.

**Trade Support Network survey and analysis**

Establishment of uniform integrated and capable network of trade support institutions (TSIs) is the required prerequisite of efficient export policy that has to properly address the needs of exporters and to provide a wide range of services and support tools like policy and regulations, consulting services, financing and trade insurance, testing and certification of products, international logistics and freight forwarding.

The existing network of trade support institutions in Ukraine is currently not able to ensure proper quality and range of services required for the effective support of Ukrainian exporters in international markets. It results from the lack of a customer-oriented approach, gaps in services, regulatory restrictions, as well as from the insufficient geographical coverage of the national and international markets.

The Ukrainian TSN network is dominated by the trade policy support institutions (53%), whereas business services have a disproportionally small share of 10%.

Apart from the limited range of services, the TSN network has a limited local reach, where trade policy support institutions dominate the trade support landscape, while business service providers are almost non-existent.

Limited access to the financial resources (in particular, export financing and insurance), as well as to the product certification services, branding, and brand promotion can be observed at all levels.

To ensure the active development of the Ukrainian exports, a comprehensive network of trade support institutions shall be established and be based on a single information center, affiliated trade support institutions and a single First Stop Export Web Portal.

The Ministry of Economic Development and Trade initiated the establishment of the Export Promotion Office subordinated to the Ministry and acting as a consultative and advisory body thereto. Export Promotion Office at the Ministry of Economic Development and Trade is an integral part of the trade support system, its scope of activity covers the distribution of information, support services to exporters, training programs for exporters and business opportunities offered.

Export Promotion Office at the Ministry of Economic Development and Trade shall become a one-stop-shop to help Ukrainian exporters and promote Ukrainian exports. It is also planned to establish a First Stop Export Web Portal in order to develop and to promote the brand of Ukraine, as well as to implement other steps in line with the Strategy.

In April 2013, the Council of Exporters and Investors was established at the Ministry of Foreign Affairs aiming to promote national priorities in foreign policy and international economic activity, to ensure the presence of Ukrainian exporters in global markets, to protect Ukrainian economic and trade interests in other countries, as well as to attract foreign direct investments into Ukrainian economy.

The existing TSN network also has significant gaps in the context of developing and implementing foreign trade policy. One of the bodies responsible for the operational regulation of foreign economic activities in Ukraine is the Intergovernmental Commission for Foreign Trade. It makes decisions on conducting anti-dumping, anti-subsidy, or special investigations that can result in relevant response to a detected violation.

Export-related issues are handled by numerous central executive bodies in addition to the Ministry of Economic Development and Trade. At the executive level, there is no single body in place in Ukraine that would be responsible for the discussion and coordination of the Ukrainian exports altogether. It leads us to the establishment of the International Trade Council as a single platform for the coordination of efforts aimed at the development of Ukraine’s international trade.

To ensure financial support for Ukrainian exports in line with the mid-term priority action plan of the Government for the period until 2020 and the priority action plan of the Government for 2017, the Strategy envisages the establishment of the Export Credit Agency.

Sustainable support of Ukrainian producers trading in international markets shall become an integral element in the comprehensive network of trade support institutions. The economic capacities of Ukrainian diplomatic institutions abroad must be revisited in order to strengthen Ukraine’s institutional capabilities (currently addressed by Export Promotion Office at the Ministry of Economic Development and Trade, Council of Exporters and Investors at the Ministry of Foreign Affairs) to meet the needs of Ukrainian companies in terms of distribution of information, consultative and advisory support, logistics, organizational and administrative issues related to foreign economic activities.

**Investment analysis**

In the early 2000, investment inflow into Ukraine was accounted for the privatization of big state enterprises and investments into the energy and telecommunication sectors. In the period 2000-2008, foreign direct investments (FDI) in Ukraine (equity capital) amounted annually to 43.8% and reached USD 10.8 billion in 2008.

In the aftermath of the global financial crisis, however, FDI inflows halved to reach USD 5.6 billion in 2009 with a slight rebound in the period 2010-2012. In 2014. Following the aggression of the Russian Federation and economic turmoil, FDI to Ukraine decreased to USD 2.5 billion.

FDI increase to USD 3.8 billion in 2015 and USD 4.4 billion in 2016 resulted mainly from re-investments by Ukrainian investors.

As of December 31, 2016, four countries dominated in terms of investment volumes accounting for 57.8% of the total Ukrainian FDI: Cyprus (USD 9.7 billion), the Netherlands (USD 5.8 billion), the Russian Federation (USD 4.3 billion) and the United Kingdom (USD 2 billion). Other major investing countries include the British Virgin Islands, Germany, Switzerland, France, Austria, Luxemburg, Poland, and Hungary. As of December 31, 2016, FDI from the EU accounted for 69.3% (USD 26.1 billion) of the total investments into Ukraine.

In 2016, most FDI to Ukraine came to the financial sector (27.4%), followed by the industrial production that received 25.4% of foreign direct investments (including 6.8% allocated to food & beverages, and tobacco products).

Despite the country’s comparative advantage in the agricultural sector, its share in total FDI stock remains very limited (1.3%), just exceeding USD 500 million.

Major obstacles for investments include the turbulent geopolitical situation, corruption, ineffective insolvency laws and procedures, underdeveloped transport infrastructure, the weak institutional framework that cannot properly protect the proprietary and intellectual property rights of investors, poor enforcement proceedings and heavy bureaucracy.

Currently, Ukraine has no appropriate incentives to attract domestic and international investors. It explains the fact that Ukraine is ranked 133 out of 138 countries in the Global Competitiveness Index for 2016-2017 in the category “effect of taxation on incentives to invest”.

To attract foreign investments and to support investors, the Government launched UkraineInvest – Ukraine’s Investment Promotion Office – in October 2016. UkraineInvest acts as a consultative and advisory body.

The Government has to face a severe challenge an ensure a favorable investment ecosystem. Sustainable and predictable regulatory policy, appropriate incentives for investors, uniform governance, and proper competition rules shall become the elements that would ensure favorable conditions for investors.

**Innovations development**

Ukraine’s economic development and its integration into Europe strongly depend on high technologies, knowledge-based production, and development of the human capital.

The research and technology potential of Ukraine is not currently utilized to the full extent. A significant part of the research work made by Ukrainian scientists is not used in practice, which means that research institutions are excluded from the market economy. Hence, it is crucial to establish a solid production chain linking research with the production of end products.

The technology gap between Ukraine and developed countries every year becomes more evident. Transition to the innovation-based economy is progressing too slowly. Innovative development institutions (venture capital funds, business incubators, technology and science parks, technology clusters, etc.) mostly exist only on paper in Ukraine. Their activity does not meet requirements nowadays.

The Law of Ukraine “On Innovation Activity” envisages the implementation of innovative programs and plans. However, funding for these efforts is limited.

Innovations are essential for the diversification of production, an increase in productivity, and added value. To ensure a gradual transition to a more innovative economy, efforts shall focus on foreign direct investments into the development of innovations through technology transfer and import thereof.

Elaboration of innovation infrastructure is also crucial for the development and engagement of innovations since it ensures horizontal and vertical ties between participants of innovation processes at all levels (national, regional, and local). Innovation infrastructure must include companies, organizations, and institutions that are involved in regular information exchange and provide consulting, marketing, financial, and other services fostering innovations.

In Ukraine, respective steps must be taken to modernize its production and technology environment; additionally, a mechanism must be developed to encourage innovations.

The mid-term priority action plan of the Government for the period until 2020 stipulates that the Innovation Development Office shall be established to support and to stimulate the development of innovative companies and start-ups by providing them funding, consulting services and technical support at all stages – from the innovative idea to the end product.

It is necessary to study and introduce best practices from a number of developed countries, to build up cooperation between universities and businesses, to develop joint training programs, internship programs for young entrepreneurs as well as to foster various forms of public-private partnership related to innovations.

**Main causes of Ukraine’s of low competitiveness**

The competitiveness of Ukrainian companies depends on many factors that can be divided into supply constraints, business constraints, market access constraints, and development constraints.

Demand constraints include low labor productivity and low labor mobility, limited lending opportunities, small domestic and foreign direct investments, insufficient innovations support system.

Business constraints include insufficient competition in some sectors of the economy; outdated transport infrastructure and structure of industrial production; heavily regulated, bureaucratic procedures; inefficient protection of intellectual property, ineffective customs procedures and low level of institutional support.

Insufficient use of the opportunities provided by the preferential trade regimes, difficulties in complying with technical regulations, limited knowledge of requirements and conditions for entering foreign markets, insufficient measures for the promotion of Ukrainian goods constrain access of Ukrainian goods and services to the international market.

Development constraints include a high poverty rate, depopulation, emigration of qualified workforce, gender inequality, regional differences, and a number of other factors.

**Takeaways of the analysis of the economic situation in Ukraine and key factors impacting it**

Given the above, the following conclusions can be made:

Ukraine will benefit from the diversified export portfolio. Transition to the innovative and knowledge-based economy shall ensure an increase of labor productivity, improve the international competitiveness of Ukrainian products and restore economic growth;

Sustainable and predictable regulatory policy, appropriate incentives for investors, uniform governance, upgrade of transport infrastructure, as well as stricter competition rules shall serve as the base for elaboration of efficient business environment;

Ukraine will benefit from attracting foreign direct investments, in particular into the export-oriented industrial production and labor-intensive agricultural sector making it possible to create more opportunities for diversification, to increase labor productivity and to create new jobs;

New export markets have only partially compensated the loss of Ukraine’s traditional markets so far. Many of them still have the potential for the expansion of the presence of Ukrainian goods and services. First of all, these are the markets of China, Japan, the USA, Canada as well as the EU, EFTA countries, Asian and African countries;

Ukraine needs an efficient national network of trade support institutions that can react to the needs of exporters and provide a wide range of services and support both in the domestic and international markets;

To enhance involvement of small and medium-sized enterprises in export activities and to increase their competitiveness in global markets, they shall be armed with necessary knowledge and skills– the major challenge here is to ensure a modern educational system that can generate skills and competencies matching the needs of a small and medium-sized business.

**Priority sectors for export development**

The Export Strategy aims at creating conditions for export development in all sectors of the economy by improving the regulatory environment and investment climate, building a support system for innovations and a comprehensive trade support network, as well as by enhancing the skills and competencies of the companies, institutions, and organizations.

Based on the strategic and operational of the Strategy and considering limited resources, priority sectors of the economy were selected based on set criteria to develop sectoral export strategies and to promote products thereof (goods, works, services) on the international markets.

**Selection criteria**

Given the possibility to offer a market a balanced portfolio of existing and new goods, works and services, priority sectors were selected on the basis of a combination of quantitative and qualitative criteria:

Sectors that can promote innovations, modernization, and generate high added value. Sectors meeting this criterion shall “give a hand” to other sectors, especially by helping them expand their product portfolio;

Sectors that have the potential for the development of small and medium-sized enterprises. Sectors selected by this criterion will allow moving away from the concentration of resources enjoyed by the big business and distributing them fairly among the entire population of the country;

Sectors that enjoy high demand in the international markets. Given the dynamics and development structure of the global economy, it is important to support the sectors that are developing globally and thus can become the driver for future growth;

Other factors include employment capacity, attractiveness for domestic and foreign investments, comparative advantages, and the possibility to be integrated into the global value chains.

Based on the above criteria, the following priority sectors of the economy were selected.

**Information and communication technologies**

This sector is represented by communication companies, outsourcing companies for software development and global research and development centers.

The market volume of communication and IT services has been growing significantly in recent years: from USD 110 million in 2003 it jumped to USD 3 billion in 2016. This sector employs 100,000 qualified professionals with approximately 13,000 new specialists graduating from universities every year. Based on the results of 2016, twelve Ukrainian companies made it to the top-100 ranking of the best outsourcing service providers. The ІТ sector ranks second by the export of services following transportation services. The advantages of the sector lie with the ability of Ukrainian IT companies to create complex products, high qualification of the local workforce, and low business costs. The Ukrainian IT sector can double its volume until 2020 if the government and business coordinate their steps properly.

**Creative industries**

The creative industry sector comprises the following:

Light industry. In 2016, the export volume of the light industry grew by 7.1% compared to 2015 and reached USD 963.2 million, which is equal to 2.6% of the total export of goods;

Fashion and design (graphic design, industrial, and interior design). Demand for the products of Ukrainian designers is growing both on the domestic and international markets;

Audiovisual services: cinema, television, radio, film-making, publishing and other performance and visual arts. Four national film studios work in Ukraine. 30 Ukrainian films were released in 2016;

Cultural and digital services, advertising, and PR. The export of advertising services in 2016 reached USD 149.9 million, which is equal to 1.5% of the total export of services;

Visual and performing arts;

Traditional culture: creative crafts, applied arts, festivals;

Cultural heritage objects: libraries, archaeological sites, museums, and exhibitions.

**Tourism**

Eco-tourism, extreme tourism, cultural tourism, business tourism, educational tourism, and religious tourism are especially promising are.

According to the World Travel and Tourism Council, the total share of the travel and tourism industry in Ukraine’s GDP in 2016 amounted to UAH 128.5 billion (5.6%); the tourism sector employed 247 thousand citizens (1.3% of the total workforce). Considering jobs indirectly supported by the tourism sector, its overall contribution to employment was equal to 5% (923,000 jobs).

**Aircraft maintenance, repair, and overhaul (MRO)**

The MRO sector comprises overhaul and line repair, checks and modification of aircraft and their components. This sector is closely linked to obligations related to compliance with airworthiness directives, inspections, and maintenance bulletins.

The global MRO market amounted to USD 135.1 billion in 2015, which is three-quarters of the aircraft manufacturing market (USD 180.3 billion).

In 2016, the export of MRO services from Ukraine accounted for 1.2% (USD 121.8 million) of the total export of services. Three-quarters of that volume was generated by aircraft overhaul services. The key importers of the Ukrainian MRO services in 2016 were the Russian Federation (29.9%), the UAE (19.9%), Belarus (8.9%), Algeria (8%) and Iraq (4.8%).

**Production of spares and components for aerospace and aircraft industry**

The Ukrainian aerospace industry is a consolidated sector manufacturing aircraft and aerospace products and supplying spares and components for the aircraft industry, including aircraft engines, radar systems, and avionics.

In the period 2012-2016, the share of spares and components for aerospace and aircraft industry in the total export of goods decreased from 1.4% to 0.2% and amounted to USD 79 million. Three-quarters of the sector’s export from Ukraine in 2016 went to the USA (25%), India (21%), China (15%) and Turkey (9%).

**Machine building**

The key export products of the machine building are turbojet engines, pumps, transmission shafts, bearings, engines and power units, metal rollers, boilers, turbines, electrical machines, and equipment. Transport machine building is represented by railway and tram locomotives, land transport vehicles, parts, and components thereto.

In the period 2012-2016, the export of the machine building sector contracted threefold from USD 12.9 billion to USD 4.3 billion, which was equal to 11.9% of the total export of goods. In 2016, three-quarters of the machine building exports were represented by the following products: insulated wires and cables – 47%, engines – 17%, water heaters – 6%, wagons – 4%. The biggest importers in this period were the EU countries (50%) followed by India (5%), Belarus (2%), and China (2%).

**Food production and processing**

Following products are the most promising in the food production and processing sector:

Ready-for-consumption products: confectionery, drinks, sunflower oil, honey, juices, canned vegetables, dairy products, and other products ready for consumption;

Food ingredients, including products with a high level of the processing;

Organic products meeting relevant requirements.

In 2016, food industry products accounted for 6.7% (USD 2.5 billion) of the total export of goods. Main share of exports in ready-for-consumption products lie with food waste and residues (40% of the entire food industry exports in 2016), sugar and confectionery made of sugar (14.4%), tobacco (13.1%), grain products (8.7%), alcoholic and non-alcoholic beverages (6.7%), cocoa and cocoa products (6.6%). The biggest importers of Ukrainian food products in 2016 were the EU countries (29%) followed by Belarus (10%), Georgia (7%), Turkey (6%) and Moldova (5%).

The sector can rely on sufficient raw materials, human resources, duly operating production facilities, and successful activities records.

Depending on the development status, maturity, and need for support, the selected priority sectors can be divided into three groups:

Depressed sectors or sectors whose pace of development has slowed down. These the are aircraft industry and heavy machine building. These sectors need investments and innovations;

Rapidly developing sectors. These are IT, food production, and processing. These sectors must use opportunities available in international markets and contribute to the existing value chain;

Emerging sectors. They need comprehensive institutional support in order to develop further and to become competitive in the international markets. These are creative industries and tourism.

To ensure effective Strategy implementation, the selected sectors of the economy must be grouped into three main clusters.

The first cluster is focused on generating a high added value and innovations. This cluster is based on the aerospace sector and comprises a number of interlinked sectors like software development, IT, production of spares and components for the aircraft industry, aircraft maintenance and machine building.

The second cluster has more capacity to contribute to the international image of Ukraine. It is based on tourism and creative industries. Its core development goal is to attract tourists and to promote the international image of the country through the steps taken in Ukraine.

The third cluster can contribute to the processing of raw materials in Ukraine into products with a high added value. This cluster depends on the development of the agricultural sector. It includes innovations from the first cluster and supplements the second cluster by contributing to the international image of Ukraine. Food production and processing, along with related sectors, are able to deliver positive results in the short-run.

The next steps are aimed at developing sectoral and cross-sectoral strategies based on the analysis of development trends in the global economy.

**Markets in focus**

The challenging and unpredictable situation on the traditional markets makes Ukrainian companies diversify their exports, be prepared for changing trends in the international market, and look around for new promising markets.

Materials prepared by the International Trade Centre experts were used to detect new markets where Ukrainian companies do not utilize the existing trade opportunities to the full extent.

Experts conducted additional analysis based on a wide range of criteria related to the market size, actual and forecasted growth, the stability of import growth rates, market entry conditions (preferential regimes, existing free trade agreements), territorial, cultural and even historical vicinity, as well as correlation between the export and import structure. Based on the analysis markets in focus were identified; these have the potential for most sectors of the Ukrainian economy and can become new export destinations.

The main markets in focus include the EU countries where Ukrainian exports are growing. Other markets that have a significant potential for Ukrainian exporters include Turkey, China, India, Egypt, Saudi Arabia, Canada, the UAE, the USA, Israel, Belarus, Georgia, Moldova, Japan, Indonesia, Thailand, Bangladesh, Lebanon, the Philippines, Nigeria, and Switzerland. A comprehensive study will be conducted to develop export opportunities for the foregoing countries. Further, that will result in the elaboration of strategic programs aimed at entering these markets.

**Implementation**

The Strategy lists key measures that shall be taken in the short, mid- and long-run and which are aimed at increasing the competitiveness of the Ukrainian exports.

The following is required to implement the Strategy successfully:

Effective leadership;

Involvement of stakeholders;

Institutional support;

Funding;

Regular monitoring;

Reporting.

**Effective leadership**

The First Vice Prime Minister – Minister of Economic Development and Trade and the Deputy Minister of Economic Development and Trade – Trade Representative of Ukraine are responsible for the overall management and supervision of the Strategy implementation, as well as for ensuring a constructive dialogue with the parties involved in the Strategy implementation.

**Involvement of stakeholders**

The Strategy shall be implemented by the Ministry of Economic Development and Trade in line with its powers as well as by other central and local authorities and non-governmental organizations (if agreed).

The Ministry of Economic Development and Trade coordinates activities related to the Strategy implementation.

Active involvement of ministers, central executive bodies, and non-governmental organizations, as well as improved communication among stakeholders, are crucial for the effective Strategy implementation.

**Institutional support**

Export Promotion Office was established at the Ministry of Economic Development and Trade to assist Ukrainian exporters in entering international markets. The core tasks of the Export Promotion Office include support of Ukrainian business on the global market by developing their exporting skills, promotion of Ukrainian goods and services abroad, assistance in cooperation and partnership development between Ukrainian and foreign companies.

According to the Resolution of the Cabinet of Ministers of Ukraine dated July 4, 2017 No. 455, the International Trade Council was established in order to support the development of foreign trade policy and coordinate activities of ministries, central executive bodies, local self-government authorities, business, institutions and organisations aimed at contributing to export growth, boosting cooperation with trade partners and facilitating international trade procedures. It is planned that the International Trade Council will coordinate the implementation of the roadmap.

**Funding**

The Strategy shall be funded from the state budget and local budgets, by international technical assistance projects, other international donors, as well as from other sources that are not prohibited by the law.

Appropriate funding is a key pre-requisite for the successful implementation of the Strategy objectives.

**Strategy monitoring**

The Ministry of Economic Development and Trade is responsible for the monitoring of the Strategy implementation; it also develops and approves the monitoring procedure.

Central executive bodies shall submit information on their progress of the Strategy implementation to the Ministry of Economic Development quarterly by the 5th day of the month following the respective quarter.

**Anticipated results**

Key performance indicators are used to assess the implementation of the key Strategy objectives. The Ministry of Economic Development and Trade calculates the key performance indicators (and conducts a survey) annually by March 31 of the year following the reporting year.

Based on annual exporters’ surveys, sector, and business associations as well as TSN institutions, the Ministry of Economic Development and Trade (with the support of sector and business associations) assesses the implementation of the key objectives. Survey results are included in the annual progress report on the Strategy implementation.

The key performance indicators for Strategy implementation are as follows:

|  |  |  |
| --- | --- | --- |
| Indicator | 2016 (baseline) | 2021 (expected) |
| Export of goods and services | USD 45.1 billion | Growth by 10% p.a. |
| Share of high and mid-level technologies products in the total exports (under the categories “Chemicals and allied industries”, “Polymer materials, plastics and products thereof”, “Machinery, equipment and mechanisms; electric equipment”, “Land transport vehicles, aircrafts, vessels”, “Devices and apparatus” according to the UCGFEA) | 17.3% | 27% |
| Enabling Trade Index | 95 | Top 50 countries |
| Global Entrepreneurship Index | 66 | Top 50 countries |

The Ministry of Economic Development and Trade conducts an annual survey among companies and business associations concerning changes in the ecosystem of services, development dynamics of skills and competencies, the involvement of women and youth.

The Ministry of Economic Development and Trade prepares an annual progress report in respect of the Strategy implementation and publishes it by March 31 of the year following the reporting one. Monitoring results may serve as the grounds for the Action Plan revisiting.

|  |  |
| --- | --- |
|  | Annex  to the Resolution of the Cabinet of Ministers of Ukraine as of December 27, 2017, No. 1017-r |

PLAN   
of strategic and operational objectives for the implementation of the Export Strategy of Ukraine (Strategic Trade Development Roadmap) for 2017-2021

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Objective | Activities | Responsible implementing partner | Implementation period | Anticipated results |
| 1. Strengthening the institutional framework to stimulate innovations | 1) Strengthen the existing innovation support system by involving public bodies, business representatives and research institutions, ensuring state support and creating conditions for investments in innovations through the preparation and implementation of the Innovation Development Strategy in the Real Economy Sector for the period until 2025 and the High-Tech Industries Development Strategy for the period until 2025 | Ministry of Economic Development and Trade  Ministry of Education and Science  Ministry of Finance  National Academy of Sciences (upon request) | Q2 of 2018 | The Cabinet of Ministers of Ukraine has adopted Resolution “On the Approval of the Innovation Development Strategy in the Real Economy Sector for the period until 2025” |
|  | Q4 of 2018 | The Innovation Development Office has been established, The Cabinet of Ministers of Ukraine has adopted the Resolution “On the Approval of the High-Tech Industries Development Strategy for the period until 2025”, intergovernmental coordination has been improved |
| 2) Determine incentives and support mechanisms to attract investments for innovations:  analysis of the key obstacles affecting activities and protection of investors;  identification of possible remedies and incentives; introduction of regulatory acts and promotion of their implementation | Ministry of Economic Development and Trade Ministry of Finance  Investment Promotion Office  (upon request) | -“- | Analysis and recommendations related to the identification of the critical obstacles affecting activities and protection of investors; adoption of regulations to establish mechanisms that stimulate investments into innovations |
| 3) Strengthen legal protection of intellectual property and implementation of the Reform Concept for revisiting the system of the legal protection of intellectual property | Ministry of Economic Development and Trade Ministry of Agrarian Policy and Food | Q4 of 2019 | Adoption of regulations aimed at enhancing the protection of intellectual property in Ukraine and improving mechanisms for the legal protection of geographical names and traditional products |
| 4) Ensure the establishment and/or development of innovative technology centers and sectoral clusters in regions to foster the competitiveness of exporters. Such centers and clusters shall support start-ups in R&D activities, support the creation of production clusters, develop support packages to boost innovations | Ministry of Education and Science  Kyiv city and oblast state administrations  Ministry of Economic Development and Trade Minregion  State Agency for E-Governance  National Academy of Sciences (upon request) | Q2 of 2018 | Preparation and adoption of regional plans for the establishment and development of innovative technology centers |
| Q4 of 2018 | Preparation and adoption of the innovations support plan for each of the priority clusters |
|  | Q4 of 2021 | Implementation of projects aimed at establishing 25 regional innovative technology centers |
| 5) Enhance participation in international research and innovation programs and projects through knowledge and technology exchange with the EU and other trade partners in the format of dedicated workshops and events as well as through implementation of international programs | Ministry of Education and Science Ministry of Economic Development and Trade Ministry of Foreign Affairs  Ministry of Culture  Ministry of Information Policy  National Academy of Sciences (upon request) | Q4 of 2018 | Ukraine’s participation in projects in terms of international programs implementation |
| Q4 of 2021 | Ukraine is represented in international activities and projects related to innovations development on an ongoing basis |
|  |  | annually | Ukraine is represented in international forums on innovations development. An annual event on innovations development is organized and conducted in Ukraine jointly with the EU |
| 6) Raise awareness among Ukrainian companies on existing and proposed projects for the promotion and development of innovation activities; create an information tool and prepare the list of research and development programmes and the catalogue of innovative and high-tech products and their producers in Ukraine ,as well as existing mechanisms for enhancement of innovations; publish this information on the First Stop Export Web Portal | Ministry of Education and Science  Ministry of Information Policy  Ministry of Economic Development and Trade Export Promotion Office (upon request)  National Academy of Sciences (upon request) | Q4 of 2018 | A free database with information about Ukrainian and international programs related to research and development, the catalog of innovative and high-tech products and their producers in Ukraine, as well as existing mechanisms to stimulate innovations have been prepared and are subject to quarterly updates. Respective information is published on the First Stop Export Web Portal |
| 2. Enhancement of the business’s innovation potential | 1) Analyze and assess capacities for stimulating and encouraging innovative companies, develop a set of measures for providing state support to companies engaged in innovation activities | Ministry of Economic Development and Trade Ministry of Education and Science National Academy of Sciences (upon request)  National Investment Council to the President of Ukraine (upon request)  Investment Promotion Office  (upon request) | -“- | Capacities for stimulating and encouraging innovative companies are analyzed; if necessary, relevant regulations are prepared |
| Q1 of 2019 | Adoption and implementation of relevant regulations |
| 2) Raise awareness among Ukrainian companies in respect of innovative approaches in production and trade through information campaigns, including information sharing about possibilities for international cooperation, in particular, related to relevant EU projects; explore possibilities to cooperate with the official EU resources related to the protection of intellectual property | Ministry of Education and Science Ministry of Information Policy  Ministry of Economic Development and Trade Ministry of Ecology and Natural Resources  National Academy of Sciences (upon request)  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | 2018  Q4 of 2018 | An information campaign has been conducted; recommendations have been elaborated and information campaigns implemented (including a training program in innovation management, corporate and commercial law, intellectual property) in higher education institutions and business schools; programs in innovative development and training that will be implemented by trade support institutions and business associations have been developed; a legal database on corporate law, commercial law, and intellectual property rights has been created |
| 3) Stimulate the use of innovations and implementation of international practices that reduce the negative impact of industrial production on the environment (including the implementation of energy-efficient and resource-sparing technologies, as well as low or no waste production processes and environmentally safe processes) | Ministry of Ecology and Natural Resources  Ministry of Economic Development and Trade Ministry of Education and Science National Academy of Sciences (upon request) | Q4 of 2018 | An information campaign is conducted based on the principles of sustainable economic development |
| 4) Promote the adjustment of national standards to EU norms/standards as well as to the international standards  ISO 14000, ISO 19000; stimulate investments | Ministry of Ecology and Natural Resources  Ministry of Economic Development and Trade Ministry of Finance | Q4 of 2021 | A set of measures is prepared to activate implementation of environmental management in line with the international standards ISO 14000 and ISO 19000 |
| 3. Improvement of legal and economic conditions for international trade | 1) Develop e-commerce infrastructure to facilitate export of retail goods through Internet by harmonizing Ukrainian e-commerce regulations with EU regulations, including the adjustment of standards for electronic identification and trust services to EU standards; create conditions for the development of a system for the online settlement of trade disputes and procedures for the online identification of reliable retail web platforms | Ministry of Economic Development and Trade Ministry of Finance  National Bank  (upon request)  Ministry of Information Policy  Chamber of Commerce and Industry (upon request) | Q4 of 2018 | The plan for the harmonization of Ukrainian e-commerce regulations with EU regulations has been approved |
| Q4 of 2019 | The plan for the harmonization of Ukrainian e-commerce regulations with EU regulations and other measures have been implemented |
|  | -“- | Conditions for the development of a system for the online settlement of trade disputes and procedures for the online identification of reliable retail web platforms have been created |
| 2) Analyze the economic data of countries whose markets have a higher potential | Ministry of Economic Development and Trade Ministry of Finance  Ministry of Agrarian Policy and Food  Ministry of Foreign Affairs  SFS  Scientific institutions (upon request) | Q2 of 2018 | The list of markets in focus has been prepared to boost and strengthen trade and economic cooperation |
| 3) Finalize the procedure of joining the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, including: | Ministry of Economic Development and Trade Ministry of Foreign Affairs Ministry of Information Policy | Q1 of 2018 | Internal procedure for joining the Convention (adoption of the required legislation) has been finalized; the accession instrument has been placed at the Convention Depositary |
| Information campaign among companies concerning trade cooperation opportunities with the member states of the Convention; |  | Q4 of 2021 | Ukrainian producers have been briefed about prospects and possible areas of trade cooperation with the member states of the Convention |
| Negotiations on amending existing preferential trade agreements with the member states of the Convention |  | -“- | Rules of origin as per Annex I to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin have been applied in bilateral and multilateral preferential trade agreements with the member states of the Convention |
| 4) Develop mechanisms to improve the effectiveness and transparency of procedures related to the use of trade protection tools by Ukraine; ensure the participation of the Ministry of Economic Development and Trade in trade protection investigations against Ukrainian goods on the foreign markets | Ministry of Economic Development and Trade Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | July 2018 | Trade protection legislation has been adopted based on the results of Q2 of 2018 |
| Q4 of 2018 | Institutional capacity and the effectiveness of procedures for the protection of the interests of Ukrainian producers in international markets have been assessed; an action plan has been developed for the improvement of these procedures |
|  |  | -“- | A system for the information and analytical decision-making support based on IT technologies and trade protection tools have been developed. The system includes a tool for calculations and shall provide the stakeholders with access to information about trade protection investigations as well as ensure information exchange with the investigating bodies |
| 5) Improve the effectiveness and operation of joint intergovernmental bodies (commissions, working groups, sub-committees) with the participation of Ukraine and its partner countries aiming at protecting national interests, business interests, and markets in focus.  Ensure access to the information on their activities through: | Ministry of Economic Development and Trade Ministry of Foreign Affairs | Q1 of 2018 | Analysis and preparation of a concept for the improvement of the effectiveness of joint intergovernmental bodies |
| Mutual exchange of information among joint intergovernmental bodies (between Ukraine and its partner countries) in respect of amendments to the legislation in part of procedural and other import requirements aiming at publishing this information; |  | Q4 of 2018 | Amendments to the legislation aiming at improving the effectiveness of joint intergovernmental bodies have been developed and adopted |
| Preparation of countries’ overviews including problems that Ukrainian companies are facing on their markets and integration of this information into the information and analytical decision-making support system based on IT technologies for international trade |  | Q4 of 2019 | A database on the economic performance of countries, their foreign trade policies and activities of joint intergovernmental bodies have been prepared, and access thereto ensured. |
| 6) Implement the electronic "one-stop-shop" procedures for all customs clearance formalities | Ministry of Finance  Ministry of Economic Development and Trade SFS | Q2 of 2018 | The implementation plan for the electronic “one-stop-shop” procedures has been developed |
|  |  | Q4 of 2018 | Regulations on the implementation of the electronic “one-stop-shop” procedures for all customs clearance formalities have been prepared and approved |
| 7) Implement the project for the “one-stop-shop” set up dedicated to issues of customs clearance | Ministry of Finance  Ministry of Economic Development and Trade SFS  State Border Guard Service  State Service on Food Safety and Consumer Protection | Q2 of 2018 | The regulation on the implementation of the pilot project for the set-up of the “one-stop-shop” to perform customs clearance has been prepared and approved |
|  |  | Q4 of 2018 | Analysis has been made to check possibilities for establishing the border-crossing checkpoints that work under the “one-stop-shop” principle and identifying the location(s) for the implementation of the pilot project |
|  |  | Q2 of 2019 | Steps have been made to ensure the effective interoperability of electronic databases for the customs clearance |
|  |  | Q4 of 2019 | A pilot project for the set-up of the “one-stop-shop” to perform customs clearance has been implemented |
|  |  | Q4 of 2020 | Results of the pilot project have been analyzed; the system has been implemented at all border checkpoints |
| 8) Implement and ensure proper operation of the electronic information exchange system regarding “one-stop-shop” customs clearance | Ministry of Finance  Ministry of Economic Development and Trade SFS  State Service on Food Safety and Consumer Protection | Q4 of 2019 | A web portal on issues related to customs clearance services has been developed and launched |
|  | -“- | Steps have been taken to ensure the effective interoperability of electronic databases for the clearance of goods crossing the border |
| 9) Analyze effective customs and other regulations applied by the SFS and other controlling authorities to exporters aiming at simplifying same, improving customs clearance procedures and publishing information in line with the WTO Trade Facilitation Agreement, the EU-Ukraine Association Agreement, as well as the results of the Doing Business ranking | Ministry of Finance  SFS  Ministry of Economic Development and Trade State Service on Food Safety and Consumer Protection | Q1 of 2018 | Analysis has been made, and recommendations have been provided to simplify regulations applied to exporters by the SFS and other controlling authorities |
|  | Q4 of 2018 | The implementation plan has been developed and approved for the WTO Trade Facilitation Agreement concerning the improvement of customs clearance procedures and publication of information |
|  | -“- | The Law of Ukraine on Authorized Economic Operators has been adopted, eligible companies have been certified accordingly |
|  |  | -“- | Provisions of the WTO Trade Facilitation Agreement related to the improvement of customs clearance procedures and three priority commitments related to Ukraine’s notifications within the WTO have been implemented |
| 10) Ensure the publication of trade information according to the Trade Facilitation Agreement | SFS  Ministry of Economic Development and Trade | Q4 of 2018 | Provisions of the WTO Trade Facilitation Agreement concerning access to trade information have been implemented |
| 11) Finalize the new version of the Transport Strategy of Ukraine | Ministry of Infrastructure  Ministry of Economic Development and Trade Ministry of Foreign Affairs  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | Q1 of 2018 | The new version of the Transport Strategy of Ukraine has been approved |
| 12) Identify and implement priority projects to develop and modernize transport and logistics infrastructure as well as to satisfy the needs of priority sectors listed in the Export Strategy of Ukraine (Strategic Trade Development Roadmap) 2017-2021 that are related to the transport infrastructure in the following key areas:  project “Transport Corridor: Silk Road”; | Ministry of Infrastructure  Ministry of Economic Development and Trade Ministry of Finance  SFS | Q4 of 2018 | Pilot projects have been identified for the development of transport and logistics infrastructure in the following key areas:  preparation of measures for the implementation of the project “Transport Corridor: Silk Road”;  Inland waterways (river ports);  Ukrainian railways;  Regional airports |
| Inland waterways (river ports);  Ukrainian railways;  Regional airports |  | Q4 of 2019 | Regulations have been prepared and approved for the implementation of priority development projects related to transport and logistics infrastructure |
|  |  | Q2 of 2020 | A set of measures has been prepared, and pilot projects have been implemented for the development of transport and logistics infrastructure |
| 13) Implement regular surveys and quarterly reviews of currency control regulations | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Finance | Q4 of 2018 | Recommendations concerning the liberalization of currency control have been prepared |
|  |  | 2018-2019 | Quarterly surveys are conducted |
| 14) Ensure the implementation of Export Strategy of Ukraine (Strategic Trade Development Road Map) 2017-2021; elaborate and approve sectoral, cross-sectoral and regional pilot strategies | Ministry of Economic Development and Trade Ministry of Infrastructure  Ministry of Finance  Ministry of Agrarian Policy and Food Ministry of Information Policy  Ministry of Culture  Ministry of Education and Science Kyiv city and oblast state administrations  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | Q4 of 2018 | At least two strategies have been prepared based on the analysis of global economic development trends.  The Cabinet of Ministers has approved sector, cross-sector and regional pilot export strategies (first of all, strategies for IT, machine building, creative industries, tourism, MRO, production of spares and components for aerospace and aircraft industry, trade information and export promotion, transport and trade facilitation, improvement of export skills, innovations for export) |
| 15) Elaborate the sector export strategy for food and processing industry | Ministry of Agrarian Policy and Food Ministry of Economic Development and Trade | Q4 of 2018 | The sector export strategy for food and processing industry has been developed based on the analysis of global economic development trends; the Cabinet of Ministers of Ukraine has approved the strategy |
| 16) Prepare a set of measures for the markets in focus | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Foreign Affairs  Ministry of Agrarian Policy and Food Ministry of Infrastructure | Q4 of 2021 | A set of measures based on the results of analysis has been prepared for at least three countries in focus annually |
| 17) Conduct the efficiency assessment of effective free trade agreements and prepare new free trade agreements based on economic studies and the needs of the Ukrainian economy | Ministry of Economic Development and Trade Ministry of Finance  Ministry of Agrarian Policy and Food Ministry of Foreign Affairs  Ministry of Justice  SFS | Q4 of 2018 | The efficiency assessment of the existing free trade agreements has been finalized |
| Q4 of 2021 | New free trade agreements have been elaborated based on economic studies |
| 18) Prepare annual and mid-term plans for the ongoing participation of Ukraine in the WTO bodies (including key performance indicators to assess the effectiveness of the protection of economic national interests) | Ministry of Economic Development and Trade Ministry of Foreign Affairs | Q1 of 2018 | A plan of measures has been prepared and approved to enhance Ukraine’s participation in the WTO bodies. The plan is subject to the annual update |
|  | Q4 of 2019 | The ongoing participation of Ukraine in the WTO bodies has been ensured to provide effective protection of the national economic interests |
|  |  | 2018-2021 | Annual analytical reviews are prepared with respect to the effectiveness of Ukraine’s participation in the WTO bodies |
| 19) Analyze changes in the import duties rates for selected products to support national producers in priority sectors of the Ukrainian economy | Ministry of Economic Development and Trade Ministry of Finance  Ministry of Agrarian Policy  SFS | Q4 of 2018 | A study to check the feasibility of changing the import duties for selected products to support national producers in priority sectors of the Ukrainian economy |
| 4. Improvement of the coordination of TSIs involved in the implementation of trade policy and export development | 1) Create and launch working groups in the International Trade Council at the Cabinet of Ministers of Ukraine | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Agrarian Policy  Ministry of Foreign Affairs  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | 2018-2021 | The working plan is approved annually |
| 2) Create the official network of trade support institutions to coordinate efforts aimed at fostering international trade | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Finance  Ministry of Foreign Affairs  SFS  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | Q3 of 2018 | A concept has been developed for the operations of TSIs; regulations have been analyzed to build up the network of trade support institutions; the Cabinet of Ministers has adopted a Resolution on the creation of the network of trade support institutions |
|  |  | Q4 of 2018 | A memorandum of understanding between TSI participants has been prepared and signed |
| 3) Foster coordination and cooperation among business associations related to the international trade development by enhancing joint initiatives and regular events; prepare a set of measures aimed at strengthening business associations in their function as business representatives (ambassadors) | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Finance  Ministry of Foreign Affairs  SFS  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | Q2 of 2018 | A set of measures has been prepared to intensify the participation of business associations in state policy formation for international trade development matters |
| 2018-2021 | A monthly electronic bulletin containing information on exports and export promotion is published on a monthly basis |
|  | Q4 of 2018 | A set of measures has been prepared to enhance sectoral associations as business representatives and to engage them in external consultations |
|  |  | Q4 of 2019 | Joint measures are developed (at least two measures per year) with the participation of business associations to improve their coordination and cooperation |
| 4) Ensure training and raising of awareness for companies and entrepreneurs concerning available services on trade and export promotion, possibilities to use e-government services and to participate in international electronic procurement | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Foreign Affairs  Ministry of Information Policy  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | 2018-2021 | Annual campaigns on raising the awareness- and educational campaigns take place to promote existing services in trade and export promotion, use e-government services and to participate in international e-procurement |
| 5) Create the institution to support and promote exports upon approval by the Cabinet of Ministers of Ukraine | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Finance  Ministry of Justice  Ministry of Foreign Affairs | Q2 of 2018 | The existing institutional system for export support has been analyzed; the draft Concept for the creation of the export support and promotion institution has been presented |
|  |  | -“- | The regulation on the creation of the export support and promotion institution has been prepared and adopted |
|  |  | Q4 of 2018 | The export support and promotion institution has been launched based on the Export Promotion Office |
| 6) Create a First Stop Export Web Portal for the information support of Ukrainian exporters (including representatives of priority sectors) | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Finance  Ministry of Foreign Affairs  Ministry of Agrarian Policy and Food Ministry of Culture | Q2 of 2018 | The proposal has been submitted to establish the First Stop Export Web Portal |
| Q3 of 2018 | Software solutions have been developed to establish the First Stop Export Web Portal |
|  |  | Q2 of 2018 | Measures have been taken to ensure the functioning of the First Stop Export Web Portal |
| 5. Improvement of coordination and cooperation within the network of institutions providing trade and business support services to exporters | 1) Ensure the participation of Ukrainian companies in international exhibitions and trade shows | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Foreign Affairs  Ministry of Finance  Ministry of Education and Science SFS  Chamber of Commerce and Industry (upon request) | Q2 of 2018 | The Cabinet of Ministers resolution has been prepared and adopted to determine the list of priority annual international exhibitions and ensure participation of Ukraine in these events |
|  |  | Q4 of 2018 | The Cabinet of Ministers resolution has been prepared and adopted to determine the procedure for funding the participation of Ukraine in international exhibitions abroad; the uniform graphic design for the national stands of Ukraine at international exhibitions has been approved |
|  |  | Q4 of 2018 | An awareness-raising campaign has been conducted for Ukrainian business to inform about possibilities to participate in international exhibitions and trade shows |
| 2) Boost the activities of trade missions in countries being Ukraine’s strategic trade partners | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Foreign Affairs  Ministry of Agrarian Policy and Food Chamber of Commerce and Industry (upon request) | -“- | A list of countries being Ukraine’s strategic trade partners has been approved |
|  | -“- | Information and analytical support system based on IT technologies for all trade missions that will be represented on the export web portal to facilitate decision-making has been developed. Information on scheduled trade missions is subject to regular updates. |
|  |  | -“- | Preparation of reviews of strategic markets to involve Ukrainian companies into trade missions and exhibitions |
|  |  | 2018-2021 | Tools have been developed for the effective promotion of Ukrainian goods (works, services) in international markets by arranging permanent trade missions in countries being Ukraine’s strategic trade partners |
| 3) Establish and develop direct business contacts between exporters and foreign partners with the participation of business associations | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Foreign Affairs  Chamber of Commerce and Industry (upon request) | Q4 of 2018 | A set of measures has been developed and approved to promote establishing and developing direct business contacts between Ukrainian exporters and foreign partners, as well as to improve the information and analytical support to enable decision-making based on IT technologies for all trade missions that will be represented on the export web portal |
|  |  | Q4 of 2019 | A set of measures has been implemented to promote elaboration and development of direct business contacts between exporters and international partners |
| 4) Prepare and implement a set of measures to promote the export brand of Ukraine in international markets (including though the cultural diplomacy) | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Foreign Affairs  Ministry of Culture  Ministry of Agrarian Policy and Food Ministry of Information Policy | Q4 of 2018 | The concept of the export brand of Ukraine as well as its promotion campaign have been developed and approved |
| 2019-2021 | The promotion campaign for Ukraine’s export brand has been conducted |
| 5) Summarize and disseminate information about international markets, conditions, and procedures for goods, works, and services to access them | Ministry of Economic Development and Trade Ministry of Foreign Affairs State Statistics Service  SFS  Export Promotion Office (upon request) | 2018-2021 | Exporters are informed about international markets, market entry requirements and procedures through the export web portal and the TSI network |
| 6) Strengthen economic functions of the Ukrainian foreign diplomatic missions | Ministry of Economic Development and Trade Ministry of Justice  Ministry of Foreign Affairs Export Promotion Office (upon request) | Q2 of 2018 | The resolution of the Cabinet of Ministers “On the Implementation of the Pilot Project for the Strengthening the Capacities of Economic Departments of the Ukrainian Foreign Diplomatic Missions Aimed at Representing Ukraine’s Economic Interests Abroad” has been elaborated and adopted |
|  |  | Q4 of 2018 | Training has been conducted to up-skill employees participating in the forgoing Pilot Project |
|  |  | 2018-2021 | The foregoing Pilot Project has been implemented |
| 7) Develop tools and services to inform companies about foreign trade opportunities and international markets, including relevant regulations, customs procedures, standards and technical regulations, specialization, export/import structure, customer needs, and distribution channels | Ministry of Economic Development and Trade Ministry of Foreign Affairs Ministry of Information Policy  Ministry of Agrarian Policy and Food State Service on Food Safety and Consumer Protection  Export Promotion Office (upon request) | Q4 of 2018 | Tools and services have been developed and launched to inform companies about foreign trade opportunities and international markets, as well as to publish relevant information on the export web portal |
|  |  | Q4 of 2018 | A set of measures has been implemented to support exports and to strengthen capacities of Ukrainian companies to enter international markets |
| 8) Prepare and implement a database on external experts and entities that can consult and inform companies on selected sectors of the economy and international markets | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Foreign Affairs Ministry of Culture  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | -“- | A database that contains information on external experts and entities that can consult and inform on selected sectors of the economy and international markets has been prepared and implemented |
| 9) Prepare a set of measures to encourage the creation of private providers of trade support services, including training and consultations involving sector and business associations. The goal of this activity is to fill in existing gaps | Ministry of Education and Science Ministry of Economic Development and Trade Ministry of Agrarian Policy and Food State Service on Food Safety and Consumer Protection  Chamber of Commerce and Industry (upon request)  Export Promotion Office (upon request)  Sector and business associations (upon request) | -“- | A set of measures has been prepared to encourage the creation of private providers of trade support services, including training and consultations involving sector and business associations |
| 2018-2021 | Training and consultations are conducted at least once a year |
| 10) Implement the Technical Regulation System Development Strategy of the for the period until 2020 (approved by the Resolution of the Cabinet of Ministers dated August 19, 2015 No. 844) and the Comprehensive Strategy for the Implementation of Chapter IV (sanitary and phytosanitary measures) of the Title [IV](https://zakon.rada.gov.ua/laws/show/en/228-2016-%D1%80#n10) (approved by the Resolution of the Cabinet of dated February 24, 2016, Ministers No. 228) | Ministry of Economic Development and Trade Ministry of Agrarian Policy  Ministry of Foreign Affairs State Service on Food Safety and Consumer Protection | 2018-2021 | Implementation of the Technical Regulation System Development Strategy of the for the period until 2020 (approved by the Resolution of the Cabinet of Ministers of Ukraine dated August 19, 2015, No. 844) and the Comprehensive Strategy for the Implementation of the Chapter IV (sanitary and phytosanitary measures) of the Title [IV “Trade and Trade-Related Matters” of the EU-Ukraine Association Agreement](https://zakon.rada.gov.ua/laws/show/en/228-2016-%D1%80#n10) (approved by the Resolution of the Cabinet of Ministers of Ukraine dated February 24, 2016, No. 228) |
| 11) Ensure advisory and information support to relevant state bodies in terms of negotiating and signing of agreements on the mutual acknowledgment of conformity assessment results in line with the obligations of Ukraine under the WTO TBT/SPS agreements | Ministry of Economic Development and Trade Ministry of Agrarian Policy and Food Ministry of Foreign Affairs State Service on Food Safety and Consumer Protection | Q4 of 2021 | Effectiveness of negotiating and signing of agreements on the mutual acknowledgment of conformity assessment results in line with the obligations of Ukraine under the WTO TBT/SPS agreements has been improved |
|  | 2018-2021 | Annual trainings are conducted for relevant state bodies |
| 12) Development of a system for the financial support of exports (in particular, Export Credit Agency) | Ministry of Economic Development and Trade Ministry of Finance  Ministry of Foreign Affairs Ministry of Justice | Q1 of 2018 | Regulations on the creation of the Export Credit Agency have been developed and prepared |
|  |  | Q3 of 2018 | The Export Credit Agency has been established |
|  |  | -“- | The authorized capital of the Export Credit Agency has been paid-up |
|  |  | Q4 of 2018 | The Export Credit Agency has launched its operations |
|  |  | Q2 of 2019 | Additional regulations (if required) have been adopted concerning financial support of the Export Credit Agency |
|  |  | Q4 of 2020 | The state system for the financial support of exports has been launched |
| 13) Promote investments through non-banking credit institutions and develop an institutional structure for a venture fund to attract investments into innovations | Ministry of Economic Development and Trade Ministry of Finance  Investment Promotion Office  (upon request) | Q4 of 2018 | Regulations aimed at attracting investments have been amended |
| -“- | A regulation on the creation of an institutional structure for the venture fund has been prepared and approved |
|  |  | Q2 of 2019 | The venture fund has been established and has started its operation |
| 6. Business activities are fostered among companies (especially small and medium-sized businesses) and youth | 1) Conduct information and educational campaign in higher education institutions aimed at raising the interest of youth to entrepreneurship and international trade, as well as developing leadership and project management skills | Ministry of Education and Science Ministry of Information Policy  Ministry of Economic Development and Trade Export Promotion Office (upon request) | 1st half of 2018 | An information and education campaign has been conducted in higher education institutions aimed at raising the interest of youth to entrepreneurship and international trade. In terms of the campaign, practical projects were integrated into the curriculum of higher education institutions and business schools. Entrepreneurship awards have been established jointly with private business representatives. Contacts have been developed with European and international entrepreneurship networks; communication with their members takes place.  Programs have been developed for the internship of students and young entrepreneurs in successful companies; talented students have the opportunity to find jobs in the most successful global companies |
|  |  | 2018-2021 | Annual information and educational campaigns are conducted in at least three higher education institutions |
| 2) Ensure conditions for stimulating entrepreneurial spirit at the national level through the integration of entrepreneurship and international trade programs into the curriculum of primary and secondary schools, as well as into other educational institutions | Ministry of Education and Science Ministry of Economic Development and Trade Export Promotion Office (upon request)  Kyiv city and oblast state administrations | 2019 | Entrepreneurship and international trade program has been developed and introduced into the curriculum of primary and secondary schools, as well as into other educational institutions |
| 3) Establish business incubators and business accelerators aimed at promoting exporters taking into account the specifics of priority sectors | Ministry of Education and Science Ministry of Economic Development and Trade Export Promotion Office (upon request)  Kyiv city and oblast state administrations  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | Q4 of 2019 | A pilot project has been developed and implemented for the establishment of business incubators and business accelerators for exporters in oblast centers |
|  | Q4 of 2021 | Business incubators and business accelerators have started their operations in all oblast centers to foster exporters |
| 4) Organize national and regional information and educational campaigns to demonstrate successful business projects, to exchange business experience and to contribute to business development | Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Education and Science Ministry of Information Policy  Kyiv city and oblast state administrations  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request)  Ministry of Culture | Q2 of 2019 | The first information campaign has taken place |
| 2019-2021 | Annual information campaigns take place |
| 7. Improvement of the management skills among the employees (including small and medium-sized business) | 1) Build up a system of incentives for exporters to stimulate them to implement training programs for their employees (including distance learning, up-skilling, management skills, and professional development) | Ministry of Education and Science Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Social Policy  Kyiv city and oblast state administrations  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | Q4 of 2018 | A system of incentives for exporters has been established |
| Q4 of 2020 | A pilot program has been developed and implemented to up-skill employees of export companies in one of the priority sectors |
| 2) Assess the current level of management skills among companies of different types (especially in priority sectors) and ensure the development of relevant up-skilling programs | Ministry of Education and Science Sector and business associations (upon request)  Local self-government authorities (upon request) | Q4 of 2018 | The current level of management skills among companies of different types (big, small, medium-sized, - in particular, in priority sectors) has been assessed |
| Ministry of Economic Development and Trade Export Promotion Office (upon request)  Ministry of Social Policy | Q4 of 2019 | The program for the upgrade of managerial skills among employees has been implemented |
| 3) Disseminate training programs in foreign languages, as well as vocational training and education programs among exporters | Sectoral business associations (upon request)  Chamber of Commerce and Industry (upon request)  Ministry of Social Policy  Ministry of Economic Development and Trade Export Promotion Office (upon request) | 2018-2021 | Training programs in foreign languages, as well as vocational training and education programs, have been disseminated among exporters |
| 4) Introduction of the efficiency management system that comprises effective planning, monitoring and corporate performance assessment for exporters | Sectoral business institutions (upon request)  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request)  Ministry of Social Policy  Ministry of Economic Development and Trade Export Promotion Office (upon request) | Q4 of 2019 | A pilot project on the introduction of efficiency management system for exporters has been developed and implemented in one of the priority sectors |
| 2020-2021 | Efficiency management system for enterprises has been introduced |
| 5) Improve the competencies of small and medium-sized companies led by women and youth | Sectoral business institutions (upon request)  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request)  Ministry of Social Policy  Ministry of Economic Development and Trade Export Promotion Office (upon request) | Q4 of 2021 | Steps have been taken to ensure participation of small and medium-sized companies led by women and youth in programs aimed at improving professional skills and qualifications in line with the strategical and operational objectives determined by this action plan |
| 6) Develop and implement a set of measures aimed at improving management skills to manage business processes, including business activities and financial management, operational management, quality management, information systems, international marketing, as well as export strategies | Sectoral business associations (upon request)  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request)  Ministry of Social Policy  Ministry of Economic Development and Trade State Service on Food Safety and Consumer Protection  Export Promotion Office (upon request)  Local self-government authorities (upon request) | -“- | A pilot project has been developed and implemented for one action plan in each region |
| 8. Match the educational system with the needs of the business (especially SMEs) | 1) Improve the labor market regulation aimed at reducing informal employment and stimulating labor mobility | Ministry of Social Policy  Ministry of Finance  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request)  Ministry of Economic Development and Trade Local self-government authorities (upon request) | Q4 of 2018 | A comprehensive study has been conducted to identify reasons for informal employment |
| -“- | A set of measures has been approved, and amendments to the Labour Code of Ukraine have been adopted |
| 2) Strengthen cooperation in terms of qualified workforce training between research institutions, vocational training institutions, and companies aimed at identifying necessary skills and matching the qualification of graduates with the needs of companies | Ministry of Education and Science Ministry of Social Policy  Ministry of Economic Development and Trade Kyiv city and oblast state administrations  National Academy of Sciences (upon request)  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | Q4 of 2018 | An effective ongoing dialogue has been established among business, research institutions and vocational training institutions to strengthen cooperation for the qualified personnel training |
| Q4 of 2019 | Training programs and curriculum have been examined to identify if they match the needs of business and to improve employment opportunities for the graduates of vocational training institutions |
| 3) Stimulate labor mobility and improve the national database on Ukraine’s employment opportunities | Ministry of Social Policy  Kyiv city and oblast state administrations | Q4 of 2018 | Analysis has been conducted to clarify the reasons for the low labor mobility |
|  | Q2 of 2019 | An action plan has been developed to stimulate labor mobility |
|  |  | Q4 of 2019 | The national database on Ukraine’s employment opportunities has been improved to increase labor mobility |
| 4) Improve vocational education system for employees, in particular, those aimed at involving them into priority sectors of the economy | Ministry of Social Policy Ministry of Education and Science Ministry of Economic Development and Trade Kyiv city and oblast state administrations  Chamber of Commerce and Industry (upon request)  Sector and business associations (upon request) | Q4 of 2019 | The vocational training system in the selected priority sectors has been improved |