

Investments

A Useful and Successful Launch

Aiming to improve Ukraine's investment image, as well as to create auspicious economical, legal and organizational environment for foreign investors, InvestUkraine (Ukrainian Center for Foreign Investment Promotion) was established in August 2005 by the Government of Ukraine. International experience and practice prove that the majority of the countries, regardless of the level of their economy, have established and successfully been running such organizations, which are all members of World Association of Investment Promotion Agencies.

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No matter how well-developed and independent the state is, the country's economy is always open for investments and close cooperation with neighboring countries. Therefore, it is essential to set up an organization which could provide perspective investors with professional and free services in establishing a business, buying land, searching for partners and contractors, making connections with the government. In our country, the role of such "guiding star" for foreign investors is taken by InvestUkraine.

Within this short period of time when InvestUkraine has been put into work, Igor Zaglada, Director of IU, together with his team, can be proud of their achievements. As Government's principal agency for facilitating foreign investments and promoting Ukraine as investment destination, InvestUkraine is following the model of CzechInvest, one of the most successful investment promotion agencies in the Eastern Europe. Experience exchange with CzechInvest led to the growth of InvestUkraine efficiency and extensive participation in many large-scale projects. This summer InvestUkraine became one of the organizers of the Ukrainian-Dutch Roundtable "Merging Capitals – Investing into the Future". Among the participants were H.E. Ron Keller, the Ambassador of the Kingdom of the Netherlands to Ukraine and Moldova, numerous representatives of the Ukrainian government and Ukrainian and Dutch companies. During the event it was mentioned that the Netherlands ranks 6th in the list of the countries with the highest investment inflow into Ukraine, as well as the fact that currently more 300 companies with "Dutch roots" are registered in Ukraine. Later InvestUkraine in the partnership with the "TECHINVEST" venture company held another roundtable. The delegation of the world's leading IT-corporation visited Ukraine within the global tour organized to assess innovation potential of different countries of the world. All events with company's

representatives evoked great interest and attracted a lot of participants: professors, students, representatives of the government and various IT companies. The managers of the corporation included Ukraine in their work plans – they realize the country's potential in the sphere.

Working with potential investors, the Center's employees have calculated that over 20% of potential investor requests are related to IT sector. In total, so far more than 50 potential investors have turned to the Center with their projects and proposals. Not only investors from neighboring countries like Poland and Hungary come to Ukraine or plan to become full members of the Ukrainian market, but also investors from such remote countries like Brazil, India and Japan. Other countries that regularly "supply" Ukraine with investors are USA, Great Britain, the Netherlands, Denmark and Germany. Investors demonstrated great interest to various areas of Ukraine's business and economy: metallurgy, fish industry, mineral water production, hotel and tourism services and engineering industry. A good example could be an American company - producer of components for commercial vehicles with offices in Australia, China, Great Britain, Belgium and Sweden. The company plans to bring its business to Ukraine. Other possible examples are entrepreneurs willing to invest into Ukrainian real estate market and hotel construction. Every time when investors turn to InvestUkraine, they are provided with detailed information about Ukraine's economy, investment climate and requested industry. The result of the collaboration between a potential investor and the Center is either assistance in searching for partners and location for the business project realization, or liaison with local government representatives in the regions.

Another on-going activity of InvestUkraine is representation of Ukraine at various international exhibitions, fairs, and other similar events. The InvestUkraine employees had a chance to present Ukraine's investment opportunities and InvestUkraine's activities at ten international events in Great Britain, France, Austria, Switzerland and Turkey. At such events, every participating country showcases its national exposition that focuses on investment potential of the country. These fairs and exhibitions are considered to be ideal platform for meeting possible investors of the country and the perspective partners.

Along with large-scaled international activities InvestUkraine is working hard on developing its regional network. It's early to speak about the establishment of the regional representative offices; however, InvestUkraine is successfully collaborating with the regions. Since early start of the InvestUkraine work, five regions have joined the network, and another five are planning to join in the nearest future. Thus, about ten "Memoranda on Cooperation and Coordination" with local oblast state administrations have been signed.

Developing the regional network, the Center at the same time has been working on its own growth. Increase of investor interest to InvestUkraine services gradually led to Center's growth. Since March 2006 the team doubled, as well as the premises occupied by the Center. All employees attend specialized trainings and participate in educational programs for investment promotion professionals.

Four of the Center's employees after going through the program and passing the exams, became certified professionals in foreign direct investment promotion.

As a result of increasing capabilities of the Center, local and international media responded with greater coverage of InvestUkraine activities and investment advantages of Ukraine. This change is a first step toward creating country's international image – the western analytic specialists have already acknowledged establishment the agency which target is not only attraction of investments, but also promotion of the country, its culture and history.

The Center reports on a regular basis to the Steering Committee to demonstrate its achievements and accomplished work. Nevertheless, no figures or statistical tables can represent the positive tendency – the Ukrainian Center for Foreign Investment Promotion is gradually transforming into the "InvestUkraine" brand. And this is only the beginning.