

2023

**INVEST INTO
ZAKARPATTIA -**

INVEST INTO UKRAINE!



INTRODUCTION

Zakarpattia is a region with unique opportunities for launching new projects and ideas; the southwestern gateway of Ukraine to the European Union; an attractive region where residents in partnership with authorities and local governments work together to achieve comfortable living conditions; the land of preservation of cultural and historical monuments, traditions and nature; an area where there is a balance between the development of industry and the conservation of unique natural resources; a region where you want to live and work.

In the Zakarpattia region, you will find not only an attractive investment climate, but also a rich cultural heritage, known for its diversity and hospitality of the local population. This area is noted for its unique symbiosis of cultures, languages, and traditions, which creates a special atmosphere and provides a variety of opportunities for cultural exchange and cooperation. We invite you to study this investment passport to gain a deeper understanding of the field and the opportunities it provides. Your investment trip to the Zakarpattia region can be not only a successful business decision, but also a new stage in your own discovery of interesting prospects.

ZAKARPATTIA

is a historical region in the southwest of Ukraine located in the Carpathians' foothills and slopes and within the Tysa River basin. It borders Poland, Hungary, Slovakia, and Romania. Its multiculturalism and multiethnicity are reflected in various traditions and holidays. Ukraine's largest mountain lake, Synevyr, is located here. The administrative center of the region is the city of Uzhhorod.



SUMMARY OF THE AREA

Total Area 12,777 km² (2% of the territory of Ukraine)

Population 1 244,5 thousand people (as of 10.01.2023)

Gross regional product - 122 140 million UAH (2022)

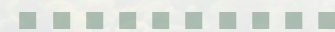
Territorial communities - 64

7th place in rating of population density among all regions of Ukraine (as of January 1, 2020)

The safest region for business in Ukraine (according to a survey by the Institute for Economic Research in 2023)



14 ADVANTAGES of the ZAKARPATTIA REGION



**Why to choose
ZAKARPATTIA REGION
if you are looking
for a place to invest**

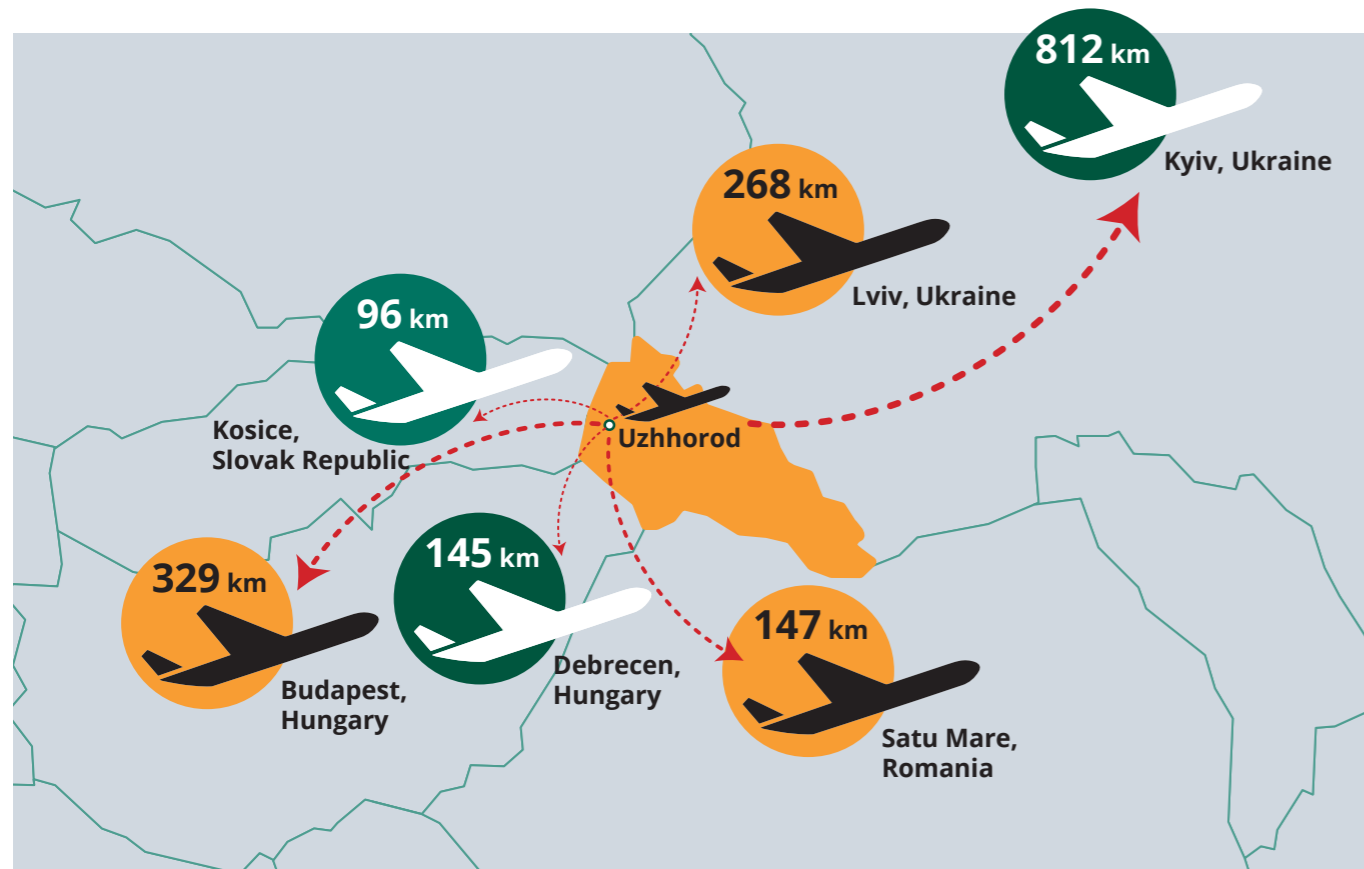
- 1 Advantageous and unique geopolitical location. Proximity to European markets.
- 2 Climatic, landscape and biological diversity.
- 3 Rich natural, forest, water, recreational and balneal resources. The highest indicator of the area of the territories of the nature reserve fund in the country.
- 4 The predominance of the rural population over the urban population. Cultural and traditional diversity.
- 5 The Planning Scheme of the Territory of the Zakarpattia for the period 2031 with the possibility of joint infrastructure facilities with neighboring countries is up-to-date and current.
- 6 Scientific, technical, and human resources for fundamental and applied research.
- 7 High business activity and labor mobility. No language barriers with the nearest neighbors.
- 8 Ramifications of transport, energy, environmental, municipal, industrial, social and communication infrastructure.
- 9 A significant number of places of recreation, accommodation facilities, processes of diversification of tourist services, tourist and recreational products. Positive environmental image of the region.
- 10 Prerequisites for the development of clusters.
- 11 High adaptability of small and medium-sized enterprises to changes in the market environment.
- 12 Successful experience in attracting investment and grant projects.
- 13 Active development of agricultural sector inherent in the region.
- 14 Significant natural, economic, demographic, historical and cultural potential of mountainous and rural areas.

TRANSPORT & INFRASTRUCTURE



The length of the network of public roads of the region is **3360.736 km**, including **363.6 km** of international roads and **295.2 km** of national roads.

Nearest cities with an airport [distance from Uzhgorod]



CHECKPOINTS

BORDER WITH THE SLOVAK REPUBLIC

No	Name of Checkpoint/ Control Point	Checkpoint in the adjacent territory	Types of border crossing points	Checkpoint category, mode of operation	Character of transportation
1	Mali Selmentsi	Velké Slemence	Pedestrian & Cyclists	international from 09.00 to 21.00 (Kyiv time)	Passenger (citizens of Ukraine, the Slovak Republic, and the countries of the European Economic Area)
2	Malyi Bereznyi	Ublya	Automobile, pedestrian, and cyclist	International, 24/7	Passenger Cargo up to 3.5t
3	Uzhhorod	Vyshne-Nemetske	Automobile	International, 24/7	Passenger Cargo
4	Pavlove	Matyovce	Railway	International, 24/7	Cargo
5	Uzhhorod (control point)		Railway	International, 24/7	Cargo
6	Chop (Guardian)	Čierna nad Tisou	Railway	International, 24/7	Passenger Cargo

BORDER WITH HUNGARY

1	Chop (Tisa)	Záhony	Automobile	International, 24/7	Passenger Cargo
2	Chop (Druzhba)	Záhony	Railway	International, 24/7	Passenger Cargo
3	Batovo (control point)		Railway	International, 24/7	Cargo
4	Salovka	Epereschke	Railway	International, 24/7	Cargo
5	Dzvinkove	Lonya	Automobile (except buses)	international from 07.00 to 18.00 (Central European Time)	Passenger
6	Kosino	Barabash	Automobile (except buses)	international from 07.00 to 19.00 (Central European Time)	Passenger
7	Luzhanka	Beregshuran	Automobile	International, 24/7	Passenger Cargo up to 7.5 t.
8	Vulok	Tisabech	Automobile	International, 24/7	Passenger

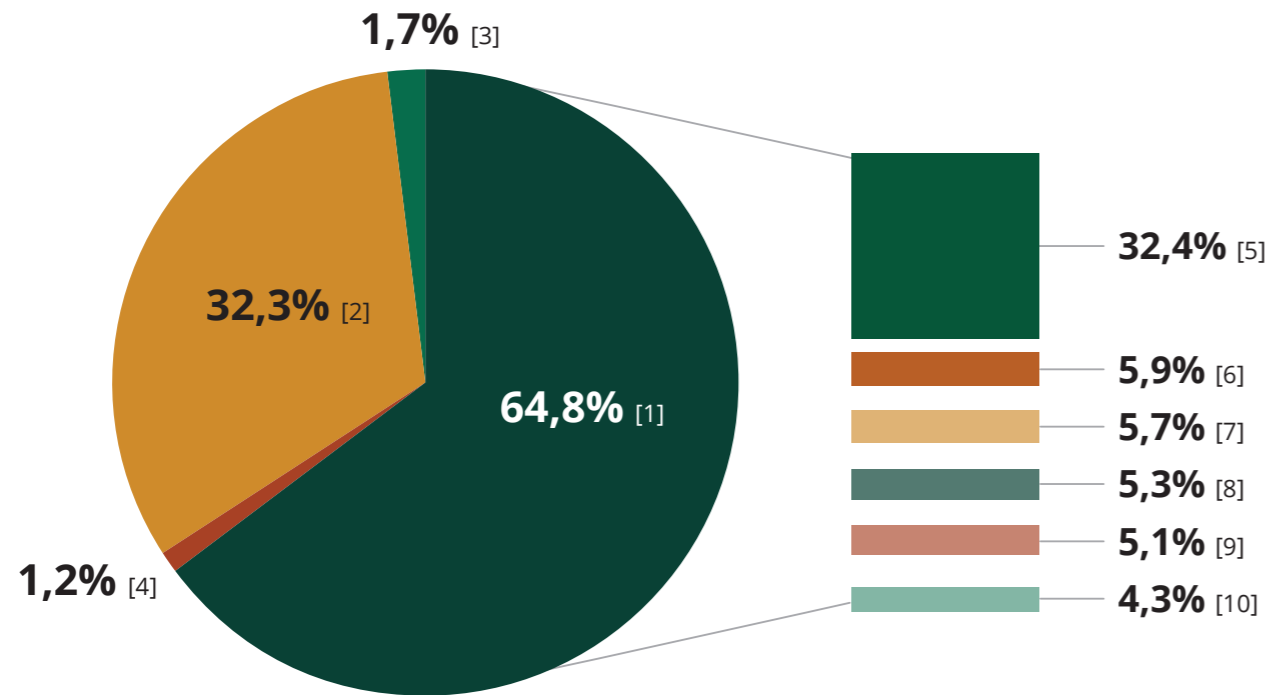
BORDER WITH ROMANIA

1	Dyakovo	Halmeu	Automobile	International, 24/7	Passenger Cargo
2	Dyakovo	Halmeu	Railway	International, 24/7	Passenger Cargo
3	Solotvyno	Sighetu Marmatiei	Automobile Pedestrian	International, 24/7	Passenger Cargo up to 3.5 t (no more than 9 seats, including the driver's seat)
4	Teresva	Kimpulung La Tisza	Railway	International, 24/7	Passenger Cargo
5	Dylove	Valea Visheului	Railway	International, 24/7	Passenger Cargo

INDUSTRY

The volume of industrial products sold in Zakarpattia region in January-June 2023 amounted to **16.84 billion UAH**.

The structure of industrial production of the region as of 2022:



- Processing industry [1]
- Mechanical engineering [5]
- Textile production, production of clothing, leather, leather goods and other materials [8]
- Supply of electricity, gas, steam, and conditioned air [2]
- Production of food, beverages, and tobacco products [6]
- Manufacture of wood product [9]
- Water supply, sewerage [3]
- Production of basic pharmaceuticals and pharmaceuticals, production of rubber and plastic products [7]
- Production of chemicals and chemical products [10]
- Mining industry [4]



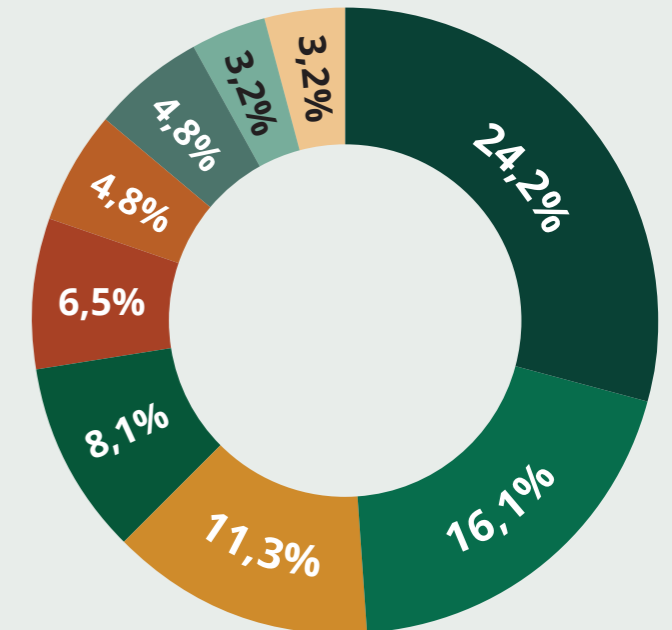
Since the beginning of Russia's full-scale invasion, 229 business entities have relocated to Zakarpattia from other regions of Ukraine.

Structure of relocated enterprises by industry

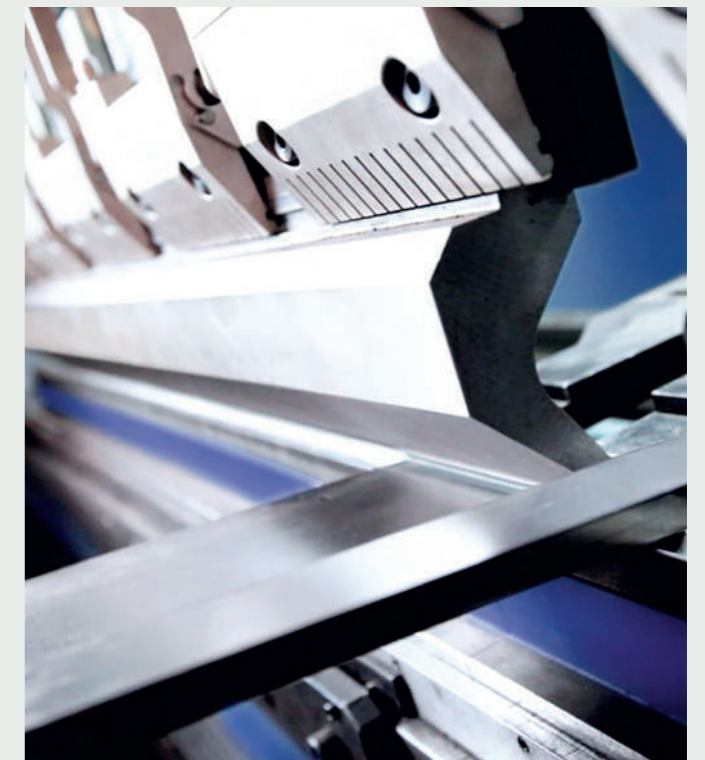
27.1% of the relocated enterprises are enterprises of the processing industry.



The main activities of these enterprises are as follows:



- clothing and footwear production
- production of finished metal products, except machinery and equipment
- production of machinery and equipment
- processing of wood and wood products, except furniture
- production of other products
- furniture production
- production of machinery and equipment
- production of chemicals and chemical products
- food production



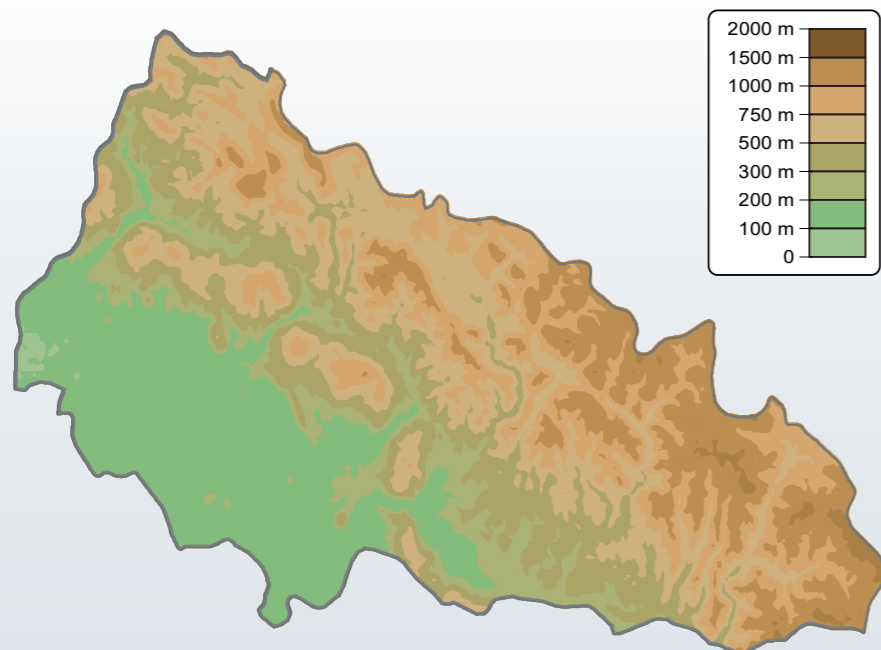
AGRO-INDUSTRIAL COMPLEX

The agro-industrial complex is an important sector of the region's economy, which annually forms up to 15% of the gross value added produced by all sectors of the economy, ensures the production of the main types of agricultural products and creates conditions for the development of the region.

Zakarpattia is one of the regions of Ukraine, in which the rural population prevails urban and is **63.0%**, with 31.9% in Ukraine.

To produce agricultural products, the main resource is agricultural land. In all categories of farms, **387.781** thousand hectares of agricultural land are accounted for, including **192.4** thousand hectares of arable land. Personal farms own and use **88.7%** of agricultural land and 84.4% of arable land. Agricultural enterprises use **43.6 thousand hectares** or 11.2% of agricultural land, including 30.0 thousand hectares of arable land or **15.6%** of the total area.

One of the features of Zakarpattia is a pronounced spatial vertical zoning, which includes **lowland, foothill, and mountainous** natural and economic zones.



In the LOWLAND ZONE, due to favorable natural and climatic, economic, and social conditions, the main production of a wide range of crop and livestock products (grain production, potato growing, fruit and vegetable growing, viticulture, fodder production, dairy cattle and pig breeding, beekeeping) is concentrated. Also, there is a wide range of valuable, dessert varieties of fruit and berry crops, grapes.

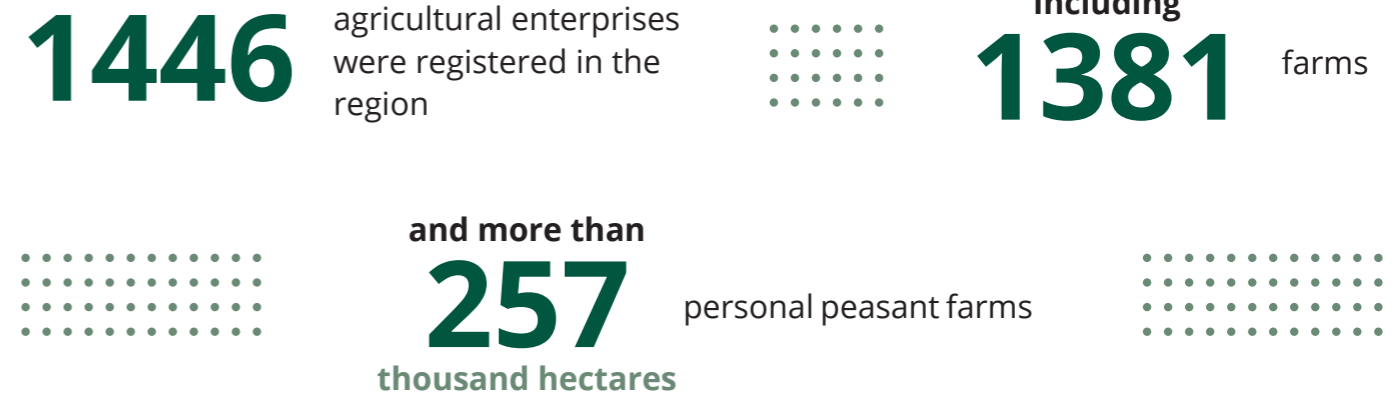
In the FOOTHILL ZONE of the Transcarpathian region, the share of livestock production is almost equal to the production of products. Historical traditions and unique natural and climatic conditions allowed producers of the foothills region to engage in the cultivation of early fruit and berry products, vegetables, and potatoes.

In the MOUNTAINOUS ZONE of the region, they specialize mainly in the production of animal husbandry, along with which crop production (mainly potato growing) is cultivated.



Compared to other regions of Ukraine, the ripening of these products in the region is faster on average by 2-3 weeks, which allows you to have favorable advantages in sales and a competitive price. Agricultural products of the region are sold in the food markets of the region, wholesale markets of agricultural products throughout the country.

As of 01.01.2022,



Production and yield of agricultural crops in all categories of farms for 2022

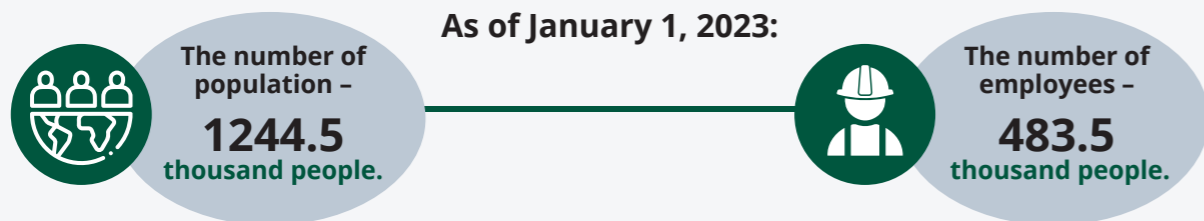
	Production of thousand tons	Yield c/ha
Total cereals	Total cereals	38,6
All wheat	90	35,8
Whole barley	5,7	29,6
Oat	3,3	24,7
Buckwheat	0,6	8,8
Corn	203,7	41,9
Legumes	2,4	16,7
Apples	83,9	113,6
Strawberries	1,7	80,8
Nut crops in total	7,8	71,7
Grape	30,8	100,0

Since the beginning of the government program of grant support for small and medium-sized businesses for the development of greenhouses, horticulture, berry growing, viticulture, the Zakarpattia region has been the leader both in terms of the volume of agreed grants and in perennial plantations laid out for grant funds.

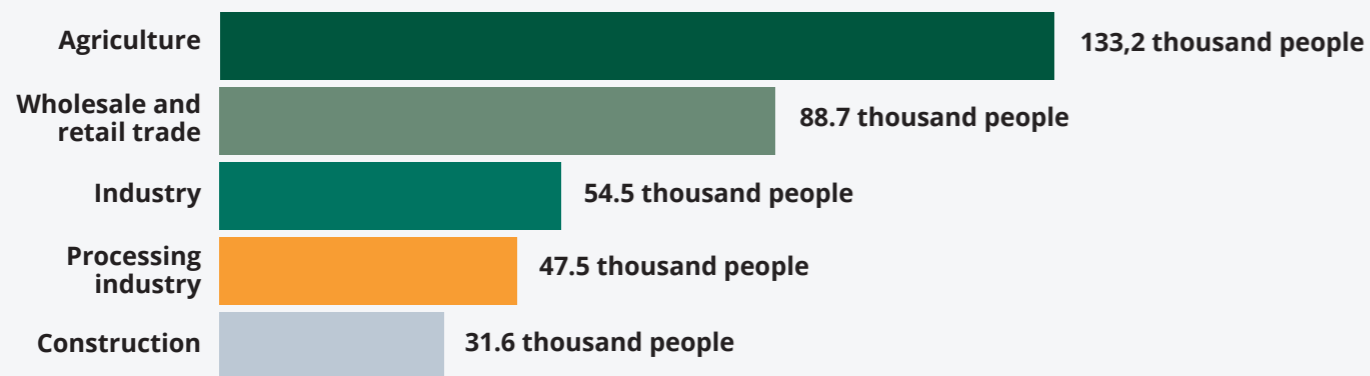
As of 01.10.2023, the amount of approved grants for 24 entities of the agricultural sector of the region amounted to 140,602.0 thousand UAH, which is 19.3% of the total amount in Ukraine. This will make it possible to create new berry orchards in the region on an area of 376.6 hectares.

HUMAN POTENTIAL

Zakarpattia has a significant labor potential, educational institutions train specialists in many specialties. Zakarpattia region has many unique features that make its people an important resource for the development of the region and the whole country.



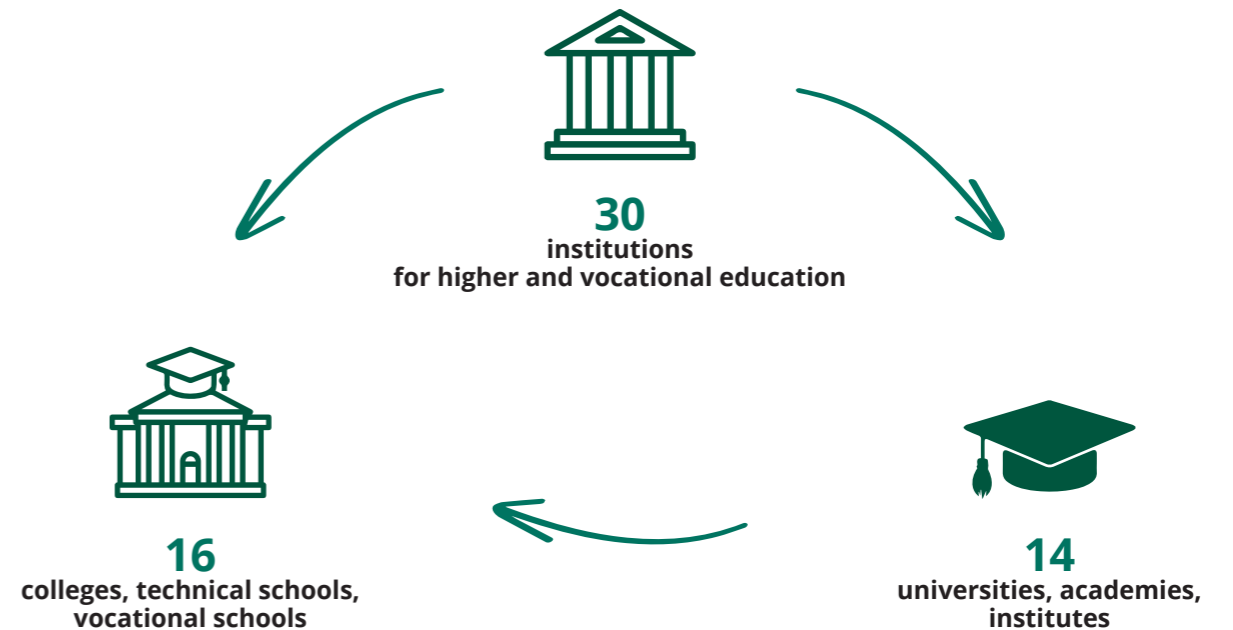
Employment of the population of the region by types of economic activity:



Since the beginning of the full-scale invasion, 137,000 internally displaced persons have been officially registered in Zakarpattia region. Internally displaced persons (IDPs) play an important role in the labor potential of the Zakarpattia region.

EDUCATION AND SCIENCE

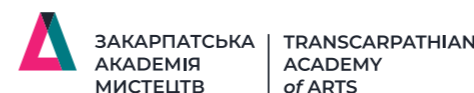
In total, there are 30 institutions for higher and vocational education in the Transcarpathian region, 16 of them are colleges, technical schools, vocational schools, and 14 are universities, academies, institutes.



In 2022, 2100 students were admitted to vocational (vocational and technical) education institutions and the number of students at the end of the year was 5827 people.

As for institutions of pre-higher professional education, in 2022 2539 students were admitted, and the number of students at the end of the year was 7649 people.

9183 students were admitted to higher professional education institutions, and the number of students at the end of the year was 21055 people.



MAIN UNIVERSITIES:

State Higher Educational Institution "Uzhhorod National University",

State Higher Educational Institution "Mukachevo State University",

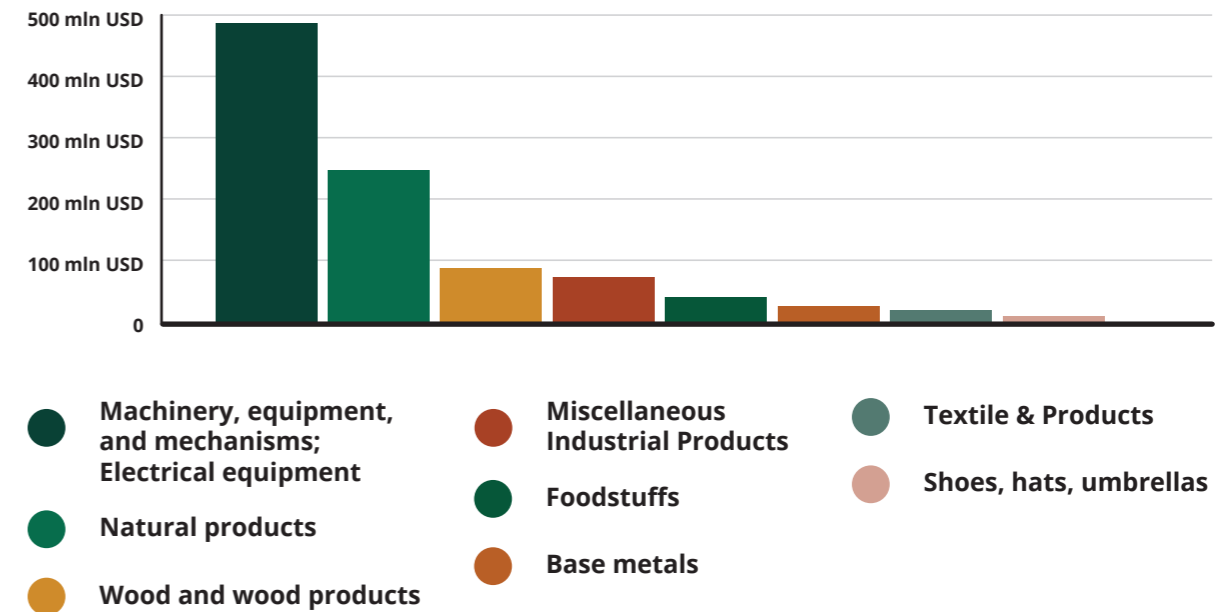
State Higher Educational Institution "Transcarpathian Academy of Arts".

FOREIGN ECONOMIC RELATIONS

In January-August 2023, the turnover in foreign trade in goods of Zakarpattia region amounted to **1,946.5 million USD**. Exports of goods amounted to **1,012.6 million USD**, or **72.7 percent** compared to January-August 2022, and imports – **933.9 million USD**, or **82.9 percent** compared to January-August 2022. Foreign trade operations were carried out with partners from 120 countries of the world.

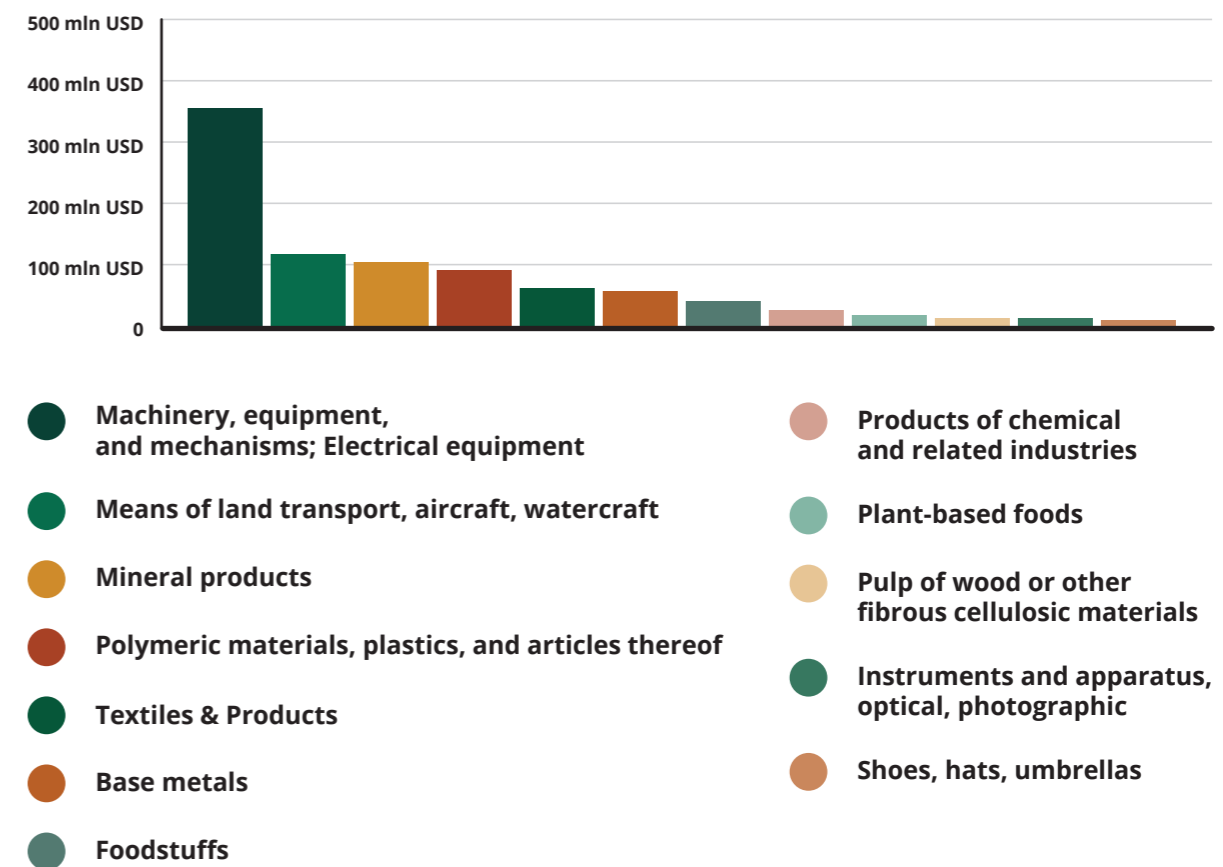
Structure of exports of industrial enterprises of Zakarpattia region in the context of the main commodity groups in January-August 2023

January-August 2023 year (millions of US dollars)



Structure of imports of industrial products of industrial enterprises of Transcarpathian region in the context of the main commodity groups in January-August 2023

January-August 2023 year (millions of US dollars)



FOREIGN DIRECT INVESTMENT






As of 2022, **571.3 million USD foreign direct investment** have been attracted to Zakarpattia region.

The volume of FDI per capita is 457.0 USD.

Investors from 49 countries of the world work in the region, 10 of them account for more than 94.0% of the total volume of attracted foreign direct investment.

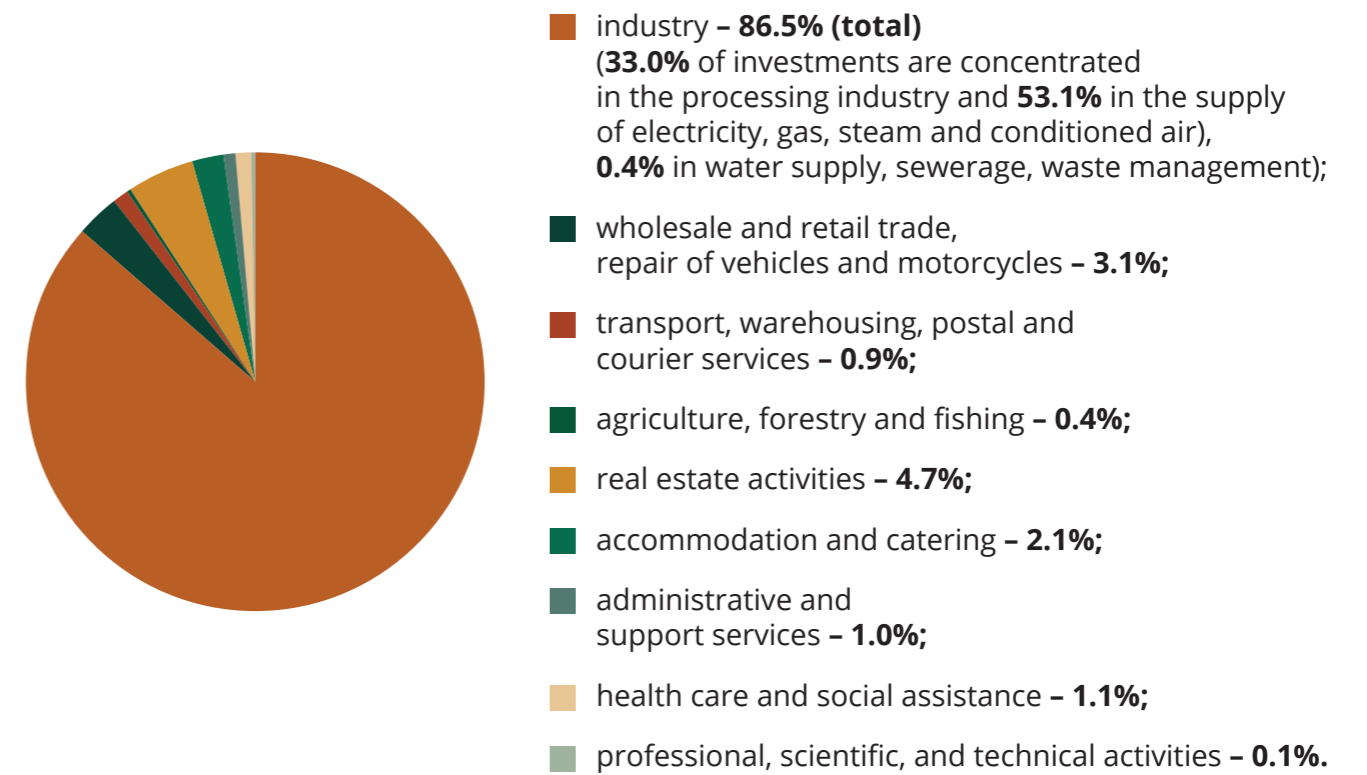
From the countries of the European Union FDI inflow was 549.5 mln. USD investments (96.2% of the total), 21.8 mln. USD (3.8%) – from other countries.

The largest volumes of foreign direct investment came from:

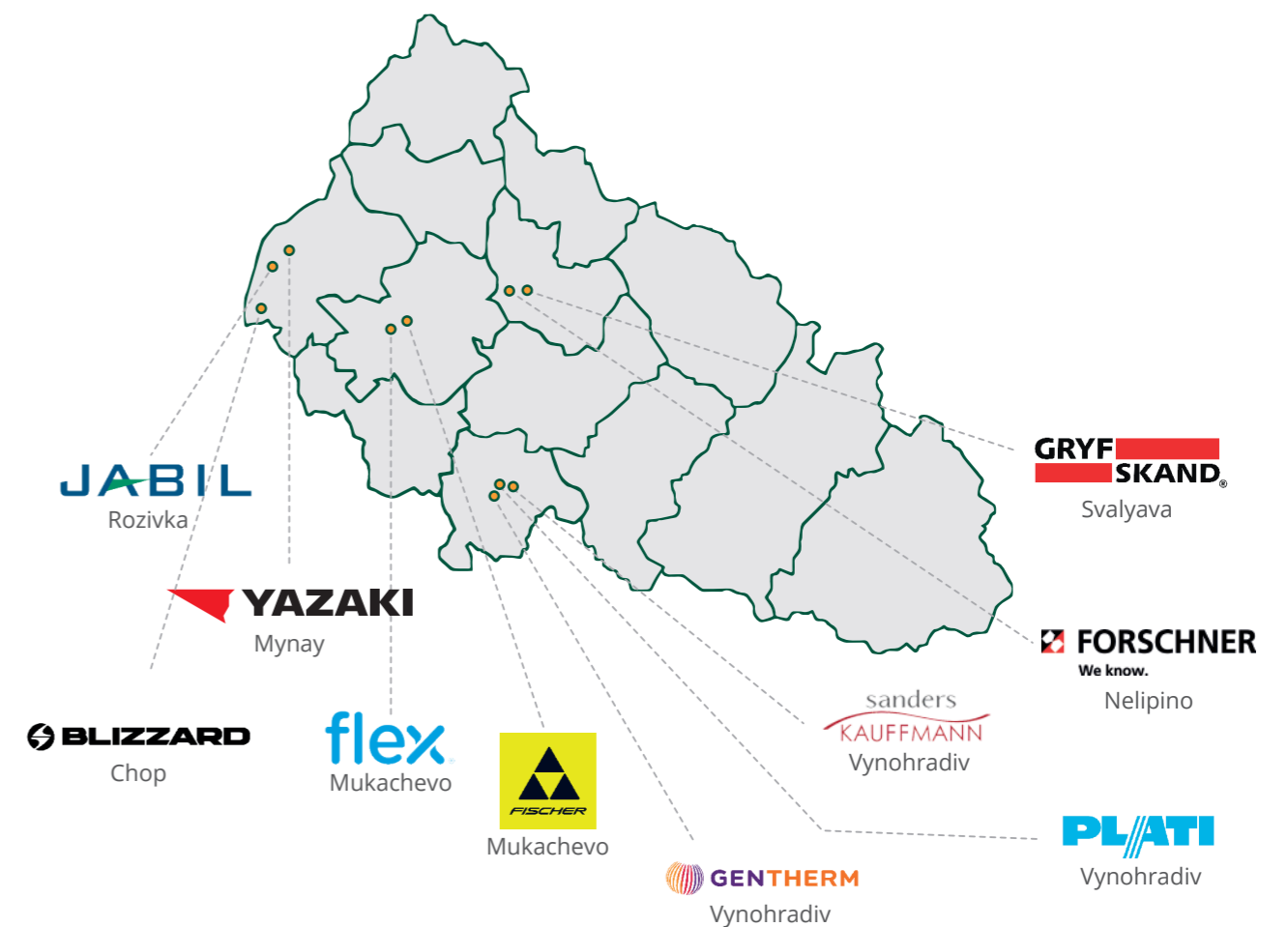
	Cyprus	314.7 million USD (55.1%)
	Austria	67.0 million USD (11.7%)
	Germany	46.5 million USD (8.1%)
	The Netherlands	42.4 million USD (7.4%)
	Hungary	31.0 million USD (5.4%)
	Luxembourg	14.0 million USD (2.5%)
	Czech Republic	6.7 million USD (1.2 %)
	Slovakia	6.1 million USD (1.1 %)
	United States of America	5.5 million USD (1.0 %)
	Italy	5.3 million USD (0.9 %)
	Poland	3.4 million USD (0.6 %)



Foreign direct investment by type of economic activity is as follows:



Key enterprises with foreign investments in Zakarpattia region



INVESTMENT OPPORTUNITIES

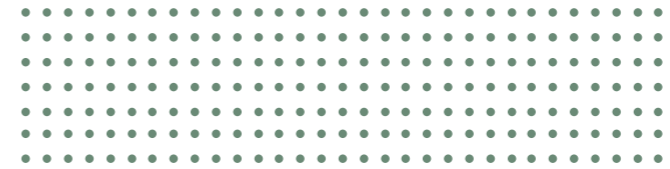
Zakarpattia is a zero-risk option for investment. The region is located in the geographic center of Europe, so it remains to be the transit bridge between Eastern and Western countries. All the communications – transport, financial or information exchange – are in high intensity. Today our land used to be named as the “Western gates” of Ukraine.

Zakarpattia Region is a unique region in Ukraine, having borders with four countries. Located in the beautiful Carpathian Mountains and on Zakarpattia lowland, it enjoys a wonderful climate, beautiful landscapes and has numerous historical and cultural landmarks. Its thermal waters are beneficial for health; its cuisine and wines are valued highly in Ukraine and beyond. Zakarpattia is an ethnically diverse region and has long-time traditions of tolerance and cultural dialogue.



PRIORITY SECTORS FOR INVESTMENTS

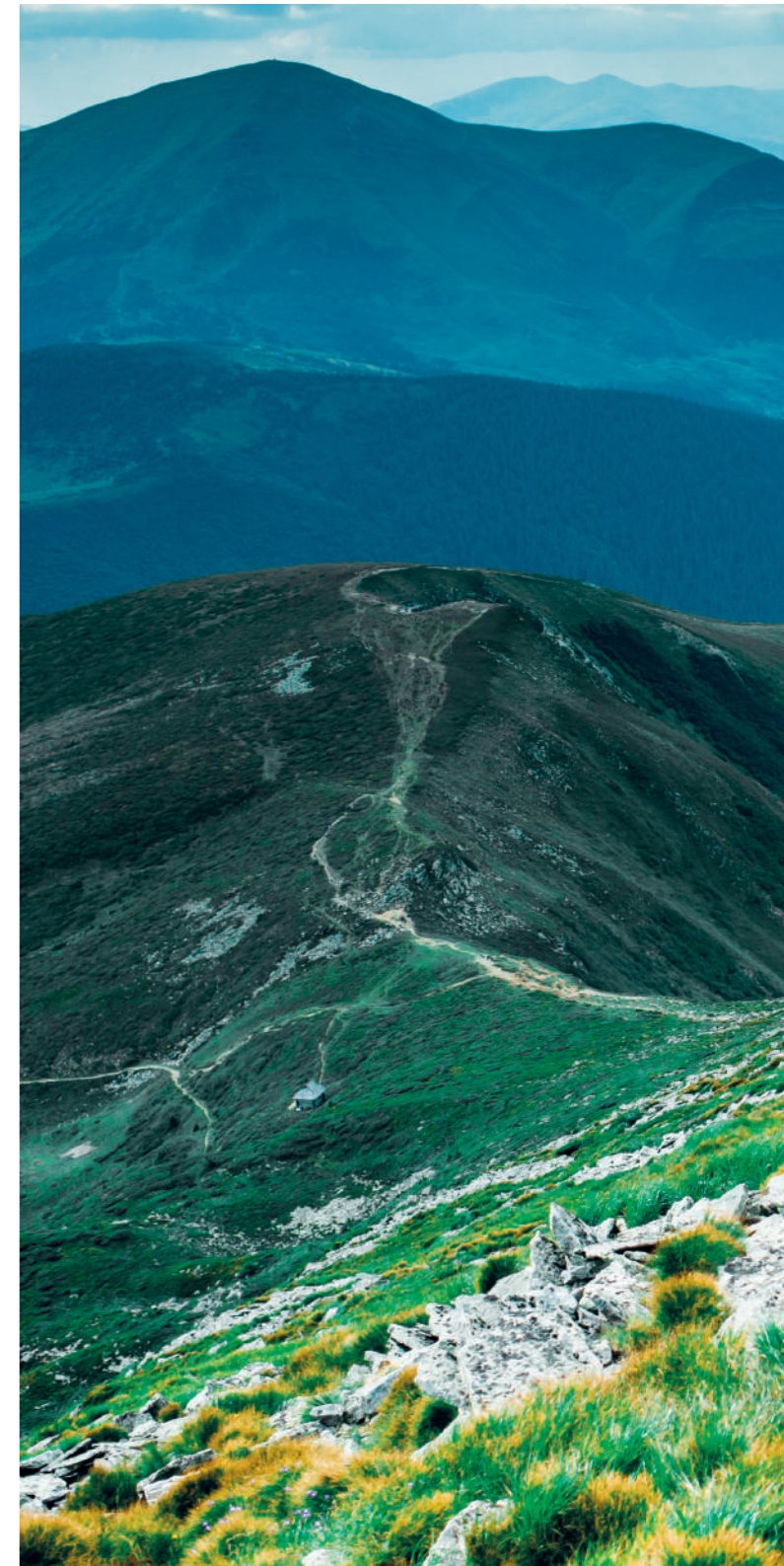
- agriculture and food complex;
- tourism and recreation;
- timber-processing industry;
- alternative energy production;
- development of winter sports;
- waste recycling;
- production of building materials;
- production of high-tech products;
- development of the IT sector;
- mining.



Follow the link or scan the QR-code to get acquainted with investment opportunities in the communities of the Zakarpattia region:



<https://drive.google.com/drive/u/1/folders/1kJP4wZww9AHyKLne09Zn6H6XLezxLpQB>



INDUSTRIAL PARKS

Industrial parks are registered on the territory of Transcarpathia, with a total area of **147.89 hectares** (as of 20.11.2023).

1. Industrial Park «SOLOMONOVO»

Location – Solomonovo, 66.2 ha, up to 6,000 employees. The functional purpose is to locate the production facilities of medium and precision engineering.

website:
<https://www.solomonovoindustrialpark.com/>

3. Industrial Park «UZHHOROD»

Location – Uzhgorod, 10.2 ha, up to 500 employees. The functional purpose is to locate the production facilities of industrial enterprises to produce various building materials and other industries.

E-mail: ipuzhhorod@gmail.com

5. Industrial Park «FRIENDLY WINDTECHNOLOGY»

Location – Perechyn, 16.56 ha, up to 745 employees. The functional purpose is the location of enterprises to produce building metal structures and their parts, the production of electrical equipment, their repair and maintenance, installation.

2. Maramures Industrial Park

Location – Tyachiv, 33.2 ha, up to 3,000 employees. The functional purpose is to locate the production facilities of industrial enterprises of woodworking, furniture, machine-building industries, and other industries.

website: <https://ipm.kp.org.ua/>

4. Industrial Park «WESTERN INDUSTRIAL»

Location – Bushtyno, 21.6 ha, up to 1,100 employees. The functional purpose is the location of industrial enterprises to produce wood processing, the production of building materials and the production of ready-made modular houses.



STATE SUPPORT FOR INDUSTRIAL PARKS



10-year
corporate
income tax
exemption



full or partial
compensation of
interest rates on
loans for arranging
an industrial park,
carrying out
economic activity



exemption
from **import duties**
for new equipment



non-refundable
financing for
arranging an
industrial park and/
or construction of
related infrastructure
facilities



land tax
exemption/
reduced land
tax rates



exemption
from payment of
forestry
production
losses



TAX SYSTEM

The taxation system in Ukraine is determined by the Tax Code. It consists of national and local taxes and fees.

The key payments for most enterprises and sole proprietors under the general taxation system are:

20% Value Added Tax Rate (the rate for exports is 0%) **18%** Corporate income tax rate (the rate for beneficiaries is 5%)

22% Single contribution to compulsory state social insurance (of wages accrued to employees) (for certain categories of citizens (people with disabilities) - 8.41%)

18% Personal income tax rate (of accrued wages or net income) **1,5%** The rate of military tax (of accrued wages to employees of the enterprise or net income)

In addition to the general taxation system in Ukraine, there is also a simplified taxation system.

For sole proprietor:

- Group 1 - **up to 10%** of the subsistence minimum. (The amount of income per year should not exceed 1 118 900 UAH)
- Group 2 - **up to 20%** of the minimum wage (The amount of income per year should not exceed 5 587 800 UAH)

For sole proprietor and legal entity:

- Group 3 - **3% of the amount of income** - in case of payment of value added tax; **5% of the amount of income** - if the company is not a payer of value added tax. (The amount of income per year should not exceed 7 818 900 UAH)
- Group 4 - **designed exclusively for agricultural producers.** (The tax base of group 4 is the regulatory monetary valuation of agricultural lands)

STATE SUPPORT FOR INVESTMENT PROJECTS WITH SIGNIFICANT INVESTMENTS

STATE SUPPORT



CIT exemption*
(for 5 years by choice)



Exemption from VAT for importing new equipment and components to it **



Exemption from import duties for new equipment and components to it **



Construction/ compensation for built engineering and transport infrastructure (highways, communication lines, utilities, etc.)



Lease of state or communal land plots without land auctions



Compensation for costs of connection to engineering and transport infrastructure, necessary for the implementation of an investment project with significant investments



Land tax exemption/ reduced land tax rates



Exemption from compensation for losses of forestry production

* Not applicable to projects in the sphere of extraction for the purpose of further processing and/or enrichment of natural resources. ** The list and volumes of equipment are approved by the Cabinet of Ministers for each project.

*** No earlier than 18 months before the date of submission of the application to the authorized body, the applicant may contribute investments in investment objects in an amount not exceeding 30% of the total volume of significant investments required for the implementation of an investment project with significant investments.

REQUIREMENTS TO PROJECTS



€ 12+ million of investments



10+ of new jobs



up to 5 years of project implementation



construction, modernization, technical and/or technological reequipment of objects

TOURISM

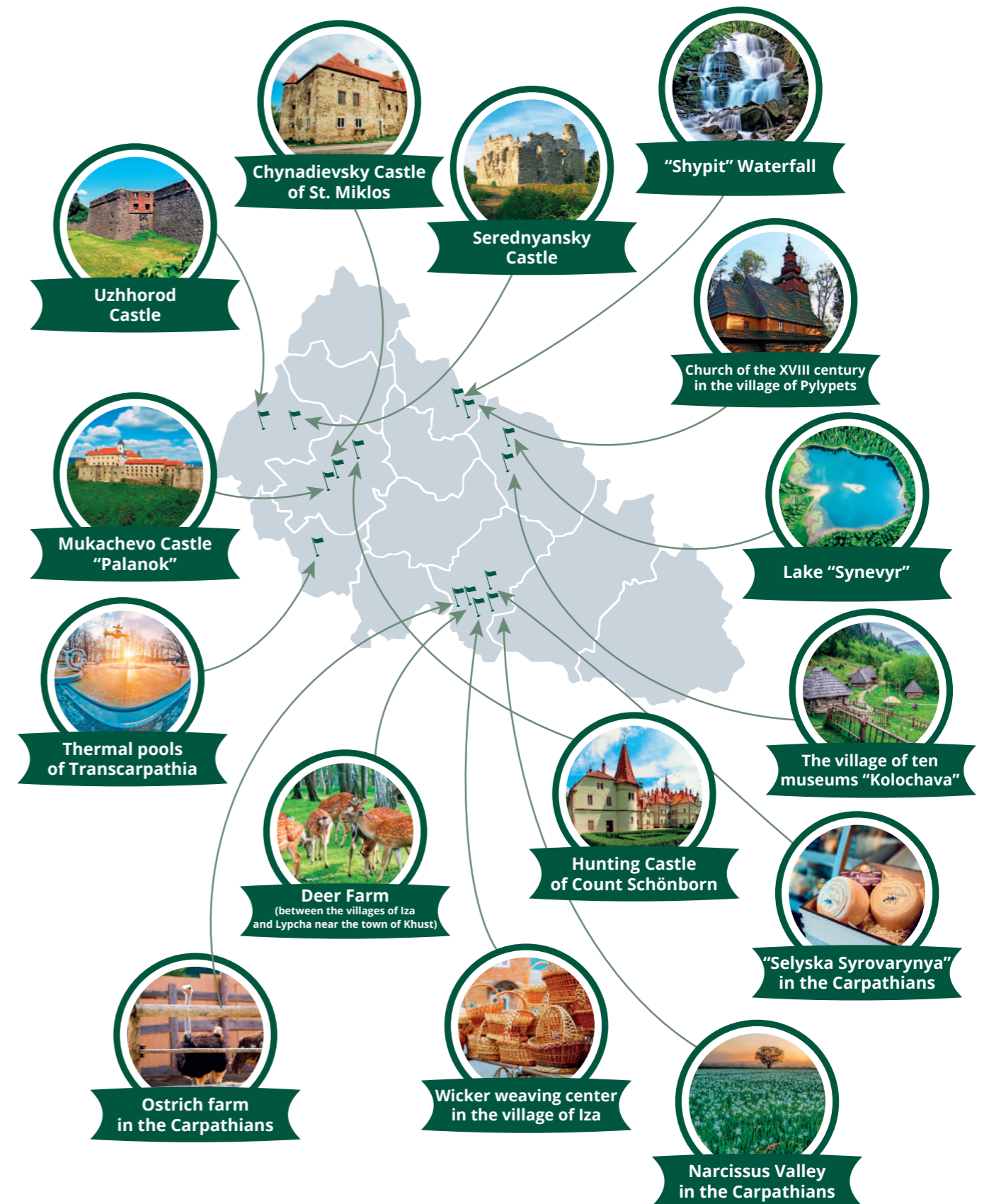
Transcarpathia is one of the most picturesque corners of Ukraine, located on the southwestern slopes and foothills of the Ukrainian Carpathians.

Tourism is becoming widespread and has already become one of the leading, highly profitable, and most dynamic sectors of the world economy.

The network of health, recreation, and tourist facilities on the territory of Zakarpattia region during martial law includes 706 objects, including: 23 health facilities. The region can accommodate about 30,000 people, almost 600 rural estates that are ready to provide tourist services, and 20 tourist information centers.



Top 15 places to visit in Transcarpathia:



MINERAL RESOURCE BASE

On the territory of Zakarpattia region there are 285 deposits of 27 types of various minerals, of which 2 types are combustible, 3 are metallic, 4 are mining-chemical, 4 are mining, 11 are construction minerals, 3 are groundwater.

Zakarpattia region is one of the richest in zeolites, which are represented by 3 deposits: Sokyrnytsky, Saryhych, and Zelenokamiane.

Such types of minerals as zeolite, marble is mined only in Zakarpattia, and their production is 100% of the total in Ukraine.

Zakarpattia region has a well-developed raw material base of building materials, on the territory of which there are 179 deposits of minerals for construction. Currently, 45 fields are licensed.

Zakarpattia is the only supplier of perlite raw materials in Ukraine. 3 deposits with reserves of 47.62234 million cubic have been explored here.

Types of minerals	The total number of deposits
Natural Gas	12
Coal	4
Nonferrous metal ores	3
Precious metals	4
Raw materials for liming acidic soils	2
Table salt	2
Mineral paints raw materials	2
Bentonite clays	5
Kaolin	2
Feldspar raw material	1
Zeolites	1
Limestone for burning on lime	3
Clay	3
Construction stone	3
Facing stone	50
Sawn stone	22
Keramzit concrete raw materials	5
Pearl raw material	1
Construction sand	3
Sand and gravel mixture	8
Glass raw materials	2
Brick and tile raw material	1
Underground waters:	81
- thermal energy	64
- drinking and technical	2
- mineral	24
	38
Total	285

In the Zakarpattia region, more than 360 sources of mineral waters with different chemical and medicinal properties have been explored. Mineral waters, which can be used for therapeutic purposes, are represented by about 60 main deposits. In total, out of 205 mineral water deposits developed in Ukraine, 38 main deposits are in Transcarpathia.

Mineral waters are used for medicinal purposes and industrial bottling.

Approved reserves of the main deposits of mineral waters of the region

Name of the deposit	Approved reserves per day, m ³	Name of the deposit	Approved reserves per day, m ³
Hirskotysyanske	422	Dravetske	24,6
Golubinske	250	Nelipynske	24
Novo-Polyanske	303	Kosinske	240
Velyatynske	30	Svalyavske	25
Polyanske	365	Dragivske	21
Ploskivske	88	Derenivske	190
Soimynske	743	Greenhouse	60
Syniakske	90	Baranynske	70
Shayanske	251,6	Lisarnyanske	12
Nizhneolotvinske	244	Vyshkivske	50



ENERGY POTENTIAL

According to the calculations of the State Design Institute, the total potential of renewable resources of Zakarpattia is more than 45 billion kWh per year, of which 30 billion kWh are estimated as real for development.

The potential of renewable energy resources can and should be used to

stimulate the innovative development of the economy of the region (and Ukraine as a whole), ensure energy security and achieve the country's global goals on climate change.

In the implementation of the Energy Strategy of Ukraine, the Zakarpattia region should be among the leaders.

	Natural conditions	Potential, Mw	Installed capacity, Mw	Growth prospects, Mw
Solar energy	Solar radiation level 3 - 4	1757,0	376.5 (63 stations)	1515,0
Wind energy	wind speed up to 7 m/s in mountainous areas	1163,0	0,0	1163,0
Hydroelectric power plants	the largest number of rivers in Ukraine	132,0	42.2 (14 stations)	89,8
Energy from substandard natural gas	10 gas fields, 4 of which have been explored	25,5	11.6 (5 stations)	22,5
In total		3077,5	287,2	2790,3



PROSPECTS FOR THE DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES

WIND farms

It is planned to place wind farms with a total capacity of 270 MW on the territory of Mukachevo district.

The estimated total number of wind turbines is 64 incl.

Wind farms within the Borzhava meadows - 30 wind turbines and wind farms "Nyzhni Vorota" - 34 wind turbines.

The wind turbine is a cone-shaped tower up to 130 m high, at the top of which there is a nacelle with a rotor and blades 85 m long.

The use of this energy potential can contribute to the sustainable development of the region, expand energy independence, reduce greenhouse gas emissions and contribute to the development of the economy. However, for the effective use of this potential, investment, and technological support, as well as the development of appropriate infrastructure, are needed.

GREEN hydrogen

The beginning of the development of the hydrogen ecosystem in Zakarpattia region will focus on local hydrogen production. At the moment, the hydrogen electrolysis process is the best way to save energy, excess electricity generated from renewable sources can be stored in the form of hydrogen and used without harming the environment.

AREAS OF APPLICATION of heat and power resource:

1. balneal application;
2. heat supply of the housing stock;
3. application in the food industry (heating greenhouses, growing mushrooms, etc);
4. power generation.





ZAKARPATTIA REGIONAL STATE ADMINISTRATION

Sq. Narodna, 4, Uzhhorod, Ukraine, 88008
e-mail: admin@carpathia.gov.ua
tel.: (0312) 69-61-00, 69-60-80, 69-60-78 (fax)

DEPARTMENT OF REGIONAL AND ECONOMIC DEVELOPMENT

Sq. Narodna, 4, Uzhhorod, Ukraine, 88008
e-mail: economy@carpathia.gov.ua
tel.: (0312) 61-53-05, 61-29-18

