

ZAKARPATTIA
2021
INVESTMENT
PASSPORT



Zakarpattia Regional
State Administration



Department of
regional
development



Dear Sir and Madam!

We have the honour to represent you an Investment passport of Zakarpattia Region which we believe contains comprehensive and qualitative investment information of the region.

The Investment passport of Zakarpattia has been compiled by Zakarpattia District State Administration. It contains high-quality, relevant and comprehensive information about competitive advantages and investment opportunities of the area, as well as the aims of disclosing and implementing its investment potential.

The main advantage is a considerable natural and resource potential – highly productive land and forest fund and prospected reserves of mineral water. The unique tourist and recreational potential makes our region an attractive place for investments and business development.

Zakarpattia's neighbourhood with the EU countries gives it great opportunities to become the centre of business, trade and international relations, the original bridge for further country's integration. And natural conditions for tourism and recreation development have been recognized as the best in Ukraine according to the international scale.

Despite difficult current period in history of our state, Zakarpattia is very prospective for mobilization foreign investments. International business can work effectively and quietly in the region providing a benefit either to Zakarpattia and Ukraine or to our foreign partners. Zakarpattia is open to cooperation within the framework of trans-boundary collaboration. The region is constantly involved in realization of neighbourgood programmes that work at Eastern frontier of the EU.

Zakarpattia is a spiritual heart of Ukraine. There are Greek-Catholic, Rome-Catholic and Protestant churches which are yearly visited by millions of people from all over the world.

We hope that the publication will not be only a source of information for business, but also will increase the investment attractiveness of the area, will be an effective tool for establishing business contacts with potential investors, facilitate the adoption of decisions on investment on the territory of Zakarpattia.

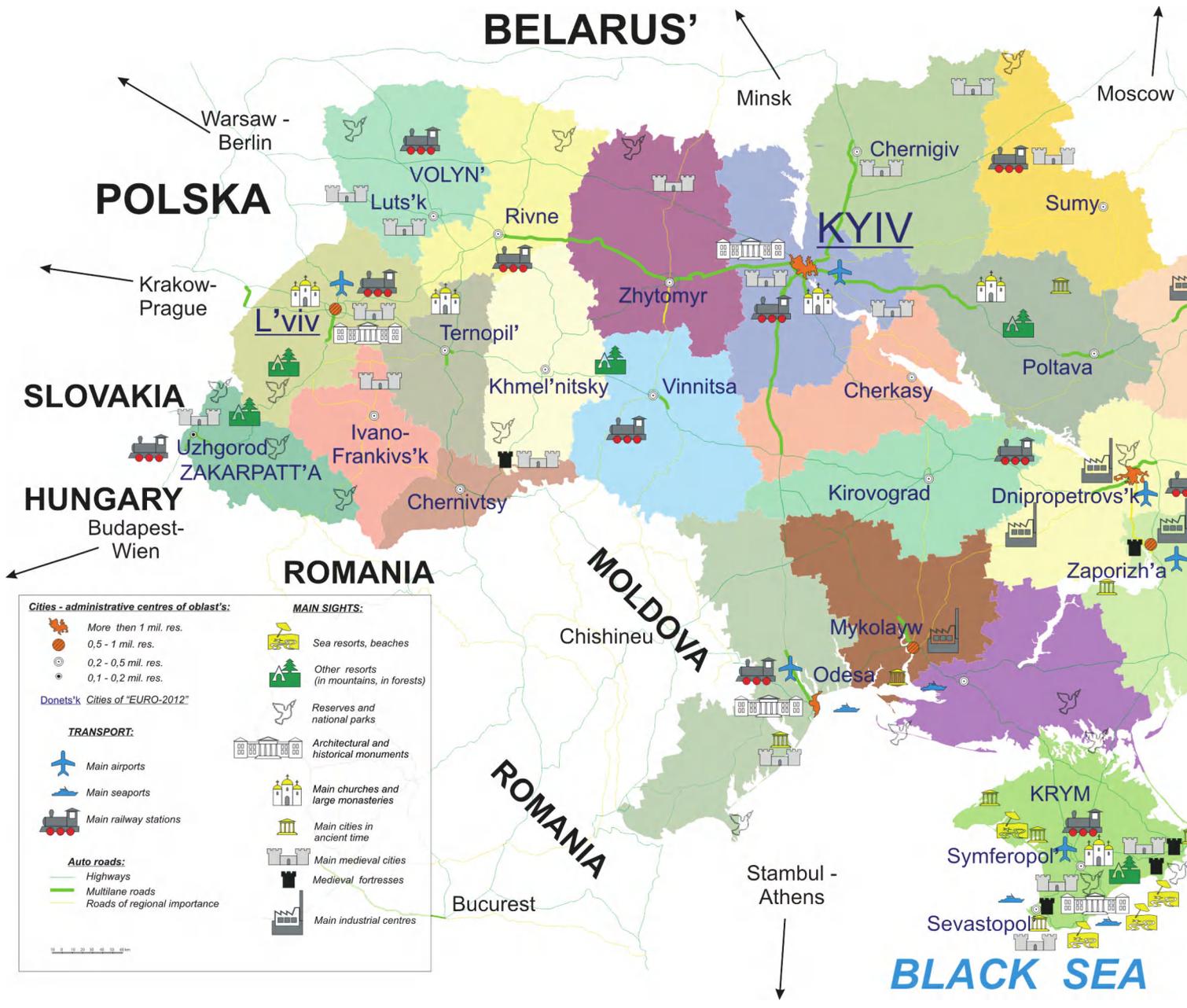
We invite potential investors to cooperate in order to have harmonious development of the regional economy in all directions. We can jointly build a strong economically developed Zakarpattia.

We welcome everybody for mutually beneficial partnership. We'll be very glad to hear your initiatives and propositions.

~ Zakarpattia Regional State Administration

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Zakarpattia – a geopolitical, geographical and energy center that is often associated with the “open gates” to Europe. The region in Southwestern Ukraine borders on four Eastern European countries: Poland, Hungary, Romania and Slovakia. For centuries this region wanted to be ruled by the most powerful kingdoms: Great Moravia, Kyivan Rus’, Hungary, Transylvania, Austro-Hungarian monarchy.

As for HR development index the region is among the five best in Ukraine. Border areas of Zakarpattia are attractive platforms for global outsourcing. Perspective cross-border industrial parks on the border with the EU are the result of joint development of the State Agency of Investment and Development of Ukraine and the partners of neighboring countries.

On the territories of the region’s priority development area 99 investment projects are approved. The Special Economic Zone “Zakarpattia” is counting 16 enterprises. Today, investors from 50 countries are running their activity in Zakarpattia.

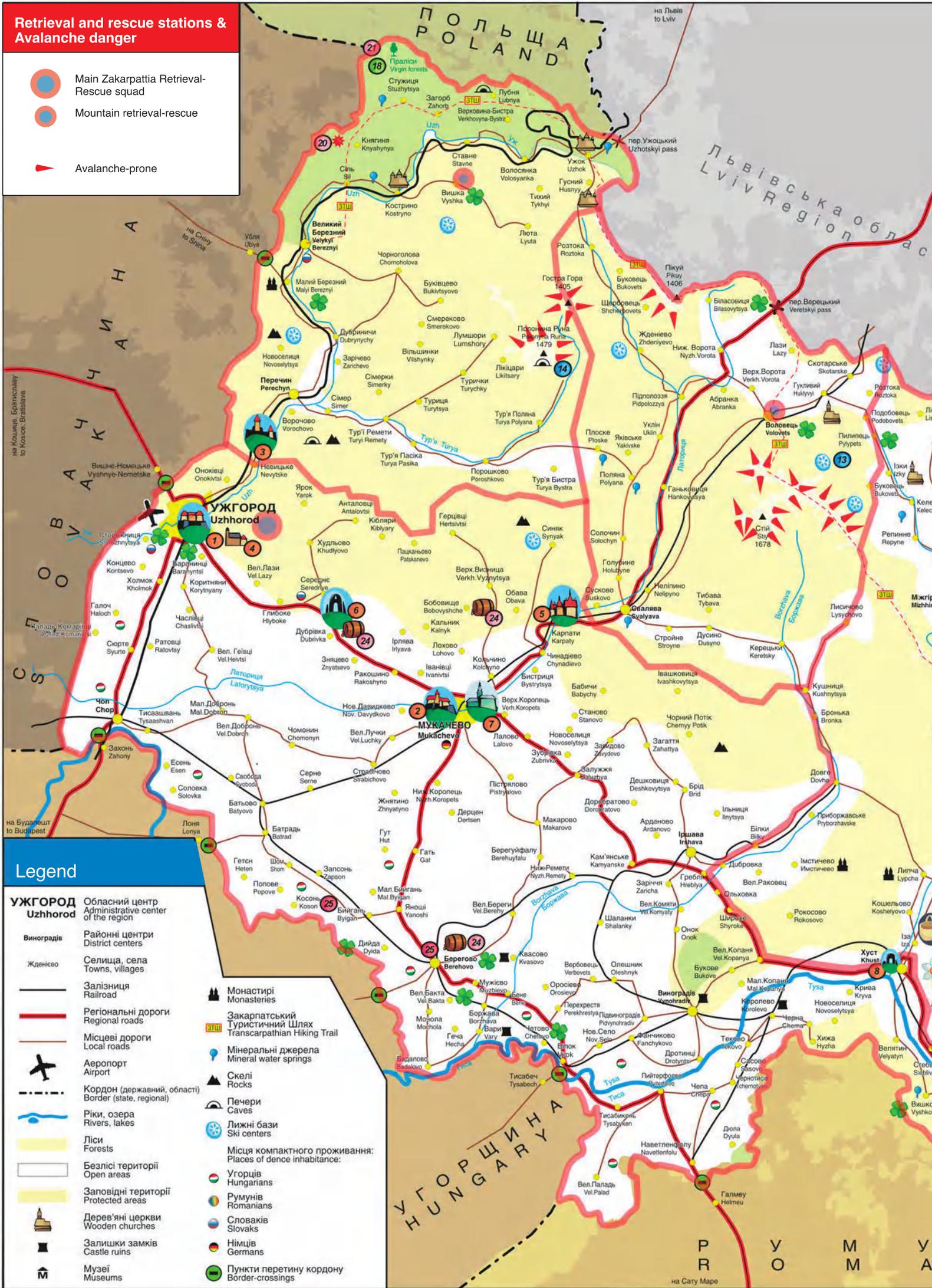
Zakarpattia is a zero-risk option for investment. By virtue, as the oblast (region) is located in the geographic center of Europe, it remains to be the transit bridge between Eastern and Western countries. All the communications – transport, financial or information exchange – are in high intensity.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

In the frame of Cross-Border Cooperation Zakarpattia has been the member of many EU neighborhood programs that operate on the eastern border of the European Union: TACIS, INTERREG, PHARE, CADSES, and today – ENPI. Cooperation with some regions of the EU, in particular the regions of Romania, Hungary, Slovakia, Poland, Germany, Czech Republic, Italy, Austria, Croatia serves as an example of civilized and pragmatic inter-regional dialogue.

The actuality to discuss several urgent issues of bilateral relations is determined by the priority of the European integration course. We support common initiatives towards governments of different countries. Thus, we have many highlighted issues of common efforts. Therefore, we sincerely look forward to everyone who intends to cooperate with Zakarpattia.

Retrieval and rescue stations & Avalanche danger

-  Main Zakarpattia Retrieval-Rescue squad
-  Mountain retrieval-rescue
-  Avalanche-prone



Legend

- | | |
|---|---|
| УЖГОРОД
Uzhhorod | Обласний центр
Administrative center of the region |
|  | Районні центри
District centers |
|  | Жденісво
Seliща, села
Towns, villages |
|  | Залізниця
Railroad |
|  | Регіональні дороги
Regional roads |
|  | Місцеві дороги
Local roads |
|  | Аеропорт
Airport |
|  | Кордон (державний, області)
Border (state, regional) |
|  | Ріки, озера
Rivers, lakes |
|  | Ліси
Forests |
|  | Безлісі території
Open areas |
|  | Заповідні території
Protected areas |
|  | Дерев'яні церкви
Wooden churches |
|  | Залишки замків
Castle ruins |
|  | Музеї
Museums |

- | | |
|---|--|
|  | Монастирі
Monasteries |
|  | Закарпатський Туристичний Шлях
Transcarpathian Hiking Trail |
|  | Мінеральні джерела
Mineral water springs |
|  | Скелі
Rocks |
|  | Печери
Caves |
|  | Лижні бази
Ski centers |
|  | Місця компактного проживання:
Places of dense inhabitation: |
|  | Угорців
Hungarians |
|  | Румунів
Romanians |
|  | Словаків
Slovaks |
|  | Німців
Germans |
|  | Пункти перетину кордону
Border-crossings |

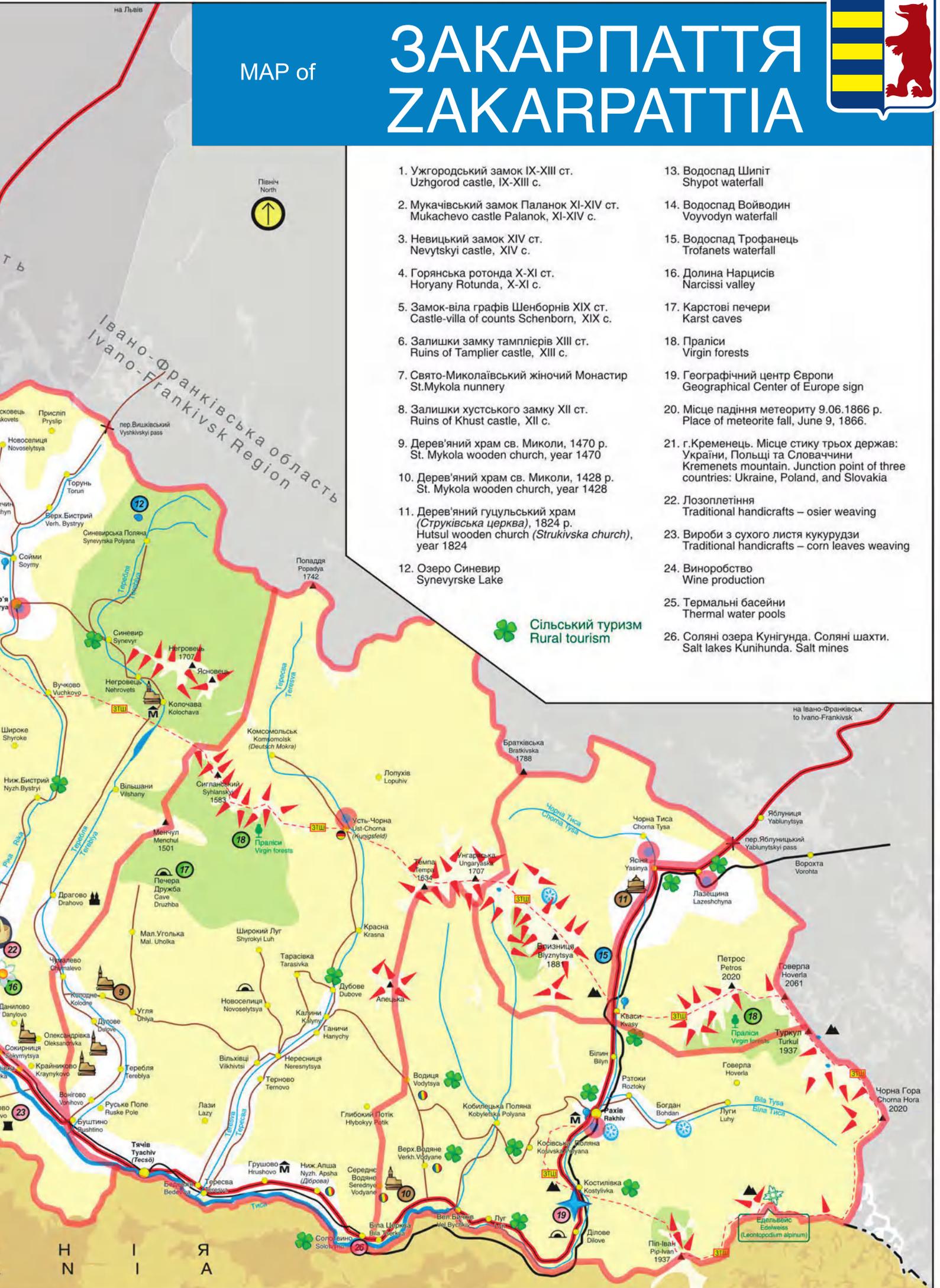
MAP of

ЗАКАРПАТТЯ ZAKARPATTIA



1. Ужгородський замок IX-XIII ст.
Uzhgorod castle, IX-XIII c.
2. Мукачівський замок Паланок XI-XIV ст.
Mukachevo castle Palanok, XI-XIV c.
3. Невицький замок XIV ст.
Nevytskyi castle, XIV c.
4. Горянська ротонда X-XI ст.
Horyany Rotunda, X-XI c.
5. Замок-віла графів Шенборнів XIX ст.
Castle-villa of counts Schenborn, XIX c.
6. Залишки замку тамплієрів XIII ст.
Ruins of Templier castle, XIII c.
7. Свято-Миколаївський жіночий Монастир
St. Mykola nunnery
8. Залишки хустського замку XII ст.
Ruins of Khust castle, XII c.
9. Дерев'яний храм св. Миколи, 1470 р.
St. Mykola wooden church, year 1470
10. Дерев'яний храм св. Миколи, 1428 р.
St. Mykola wooden church, year 1428
11. Дерев'яний гуцульський храм
(Струківська церква), 1824 р.
Hutsul wooden church (Strukivska church),
year 1824
12. Озеро Синевир
Synevyr Lake
13. Водоспад Шпінит
Shypot waterfall
14. Водоспад Войводин
Voynovdyn waterfall
15. Водоспад Трофанець
Trofanets waterfall
16. Долина Нарцисів
Narcissi valley
17. Карстові печери
Karst caves
18. Праліси
Virgin forests
19. Географічний центр Європи
Geographical Center of Europe sign
20. Місце падіння метеориту 9.06.1866 р.
Place of meteorite fall, June 9, 1866.
21. г.Кременець. Місце стику трьох держав:
України, Польщі та Словаччини
Kremenets mountain. Junction point of three
countries: Ukraine, Poland, and Slovakia
22. Лозоплетіння
Traditional handicrafts – osier weaving
23. Вироби з сухого листа кукурудзи
Traditional handicrafts – corn leaves weaving
24. Виноробство
Wine production
25. Термальні басейни
Thermal water pools
26. Соляні озера Кунігунда. Соляні шахти.
Salt lakes Kunihunda. Salt mines

 Сільський туризм
Rural tourism



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N I A

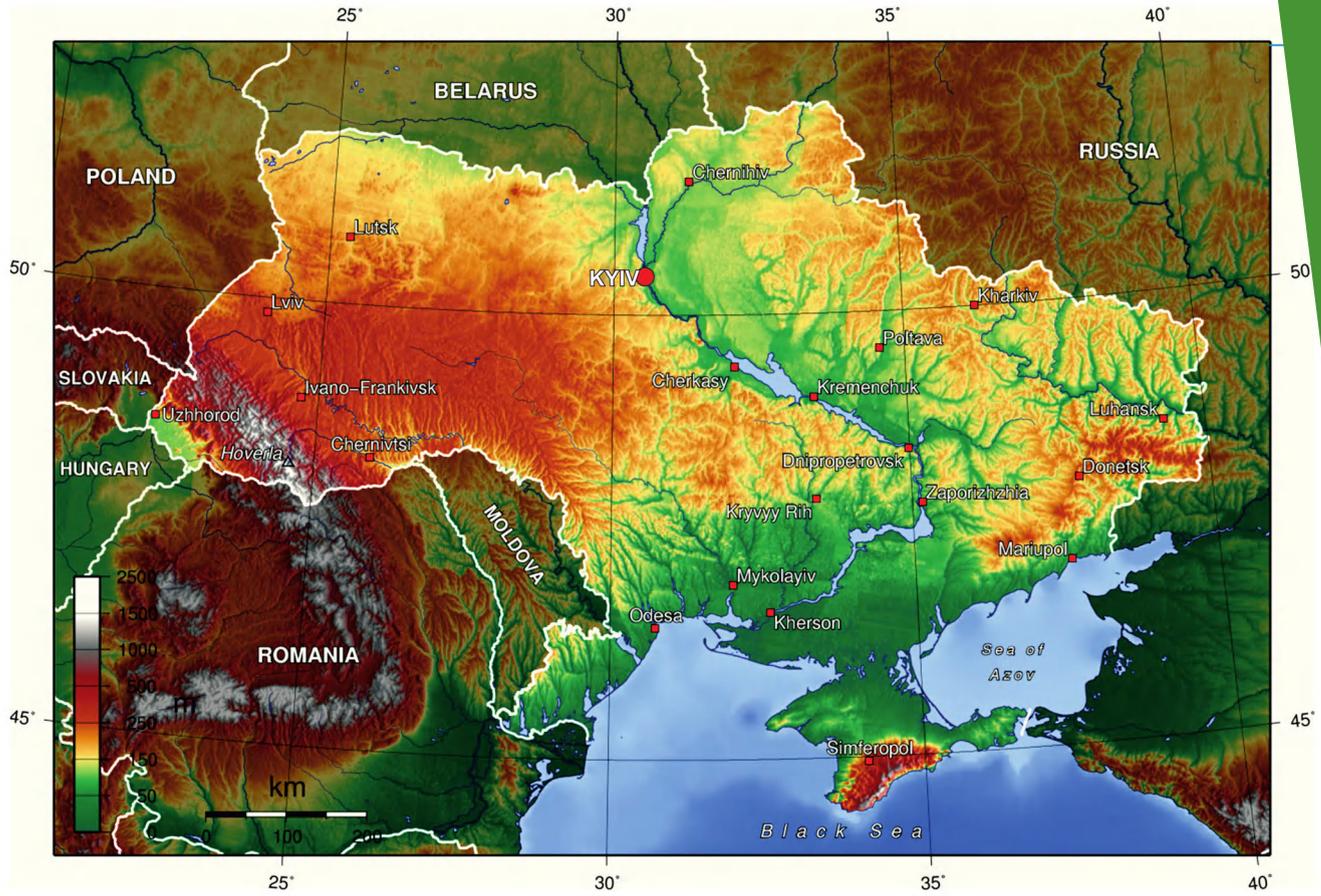


Zakarpattia region takes one of the key positions on the territory of Ukraine in sphere of development of nature preserving business. The percentage of real area of protected territories is 14%.

In fact, there are 463 objects of Nature Preserving Fund on the region territory which area is 178562,6198 ha, and 34 objects among them have the status of national importance.

According to the human development index Zakarpattia is among the five best regions in Ukraine. It would be logical to form a strategy aimed at creating new jobs through the use of excessive qualitative labor of the region.

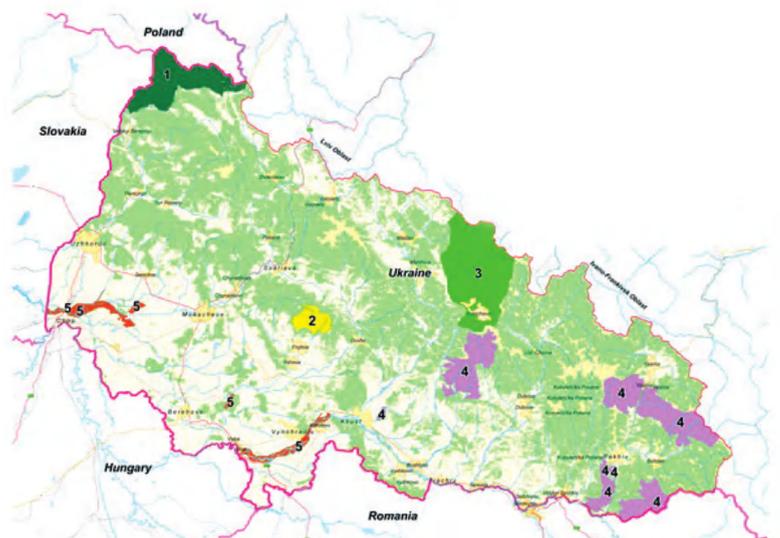
Zakarpattia is rich in unique mineral waters. To protect them, 227 springs that are considered to be the Nature Preserving Fund's objects – hydrological landmarks on the area of 13 districts. The biggest spring taken under protection is on the territory of Rakhivskyi district, but the mineral waters of Svalyavskyi district take the leading place according to their medical characteristics.



NATURE RESERVES IN ZAKARPATTIA

National Nature Parks and Reserves

- 1. Uzhansky National Nature Park
- 2. National Park 'Fascinated Land'
- 3. National Parks 'Synevyr'
- 4. Carpathian Biosphere Reserve
- 5. Regional Scenery Park 'Prytysyansky'



CLIMATIC RESOURCES

The climate of Zakarpattia is moderately continental with the sufficient and surplus moistening, unsteady spring, not very hot summer, warm autumn and mild winter. We should mark that climate of Zakarpattia is the most favourable by the amount of comfort days for active rest in the Ukrainian Carpathians.

ENERGY POTENTIAL OF ZAKARPATTIA

At the same time, the hydro-energetic resources of Zakarpattia are the most numerous in Ukraine per unit of water intake area. The reconstruction of existing hydroelectric power stations and the construction of the new ones of any capacitance is a very perspective investment. It is possible to build them near the sanatoriums, tourist centers, farmer economies and their building requires the minimum of land allotment and deforestation; they are almost fully provided with the massproduction facilities.

Geothermal energy occupies the second place among restoration sources (after hydroenergetics) in the world practice. It is also the second one in Zakarpattia for its importance. We already have the perspective for use explored deposits with the known descriptions on resource, temperature and quality of water discharge on the output of mining holes (these are in Berehovo, Kosyno, Zaluzhya, Tereblya, Velyatyn, Palad, Velyka Baktyan, Uzhhorod).

The solar power engineering also has prospects of development in Zakarpattia. Terms for sun radiation energy use are especially favourable in the low-level area. The amount of sun radiance in the Carpathian lowlands makes 2025 hours a year on the average which is almost half of the maximum possible (4450 hours).

LAND RESOURCES

In preagrarian period the territory of the region was almost fully afforested (over 90% of land), but after the intensive felling of the forests in the post-war period (especially in 1949-1960s) the amount of the forests was constantly diminishing. According to the State Administration of Forestry the area of forest fund of the region makes 694 thousand that is 51%. Agricultural lands make 37,1% of the territory of the region. They are divided according to their purpose into plough-land, pastures, hayfields, long-term planting, fallows.

WATER RESOURCES

The whole territory of Zakarpattia is the header of Tysa river pool (affluent of the Danube) which rises in the mountain forests in Rakhiv district (Bila and Chorna Tysa rivers). Tysa stretches about 220 km along the territory of Zakarpattia. Borzhava, River, Tereblya, Teresva, Chorna and Bila Tysa are the affluents of Tysa river, and waters of Latorycyia and Uzh also fall into Tysa outside Ukraine first being formed on the territory of the region and having fallen into the rivers of Laborets and Bodroh.

Lakes, ponds, storage pools are 137 in number (32 of them are alpine lakes) but they do not play a significant role in the regional water balance. The largest lake of the region is Lake ynevir ("Marine eye", area – 7 hectares) located on 989 m over the sea altitude. All mountain lakes of Zakarpattia are very exotic with clean and clear waters and surrounded by rich vegetation. These are unique ecosystems which are of great cognitive and recreational value.

Underground fresh waters, the prognosis supply of which makes 400 million of cubic meters in Zakarpattia region, 124 million cubic meters of them are ratified supplies per year (about 340 thousand cubic meters a day), as these waters are the cleanest ones they are very important for drinkable water-supply.



FOREST RESOURCES

Ukrainian Switzerland” - the land of “green gold”: forests, orchards and vineyards. Forest Fund, which is 50% territory of the region, featured by highly efficient even-aged stands of beech, spruce and oak.

According to the European Convention, the nature reserve fund which is about 200 thousand hectares of area of Zakarpattia, is a major ecological, recreational and living environment in the heart of Europe, shared by many nations. In fact, the Carpathians are often called Europe’s lungs.

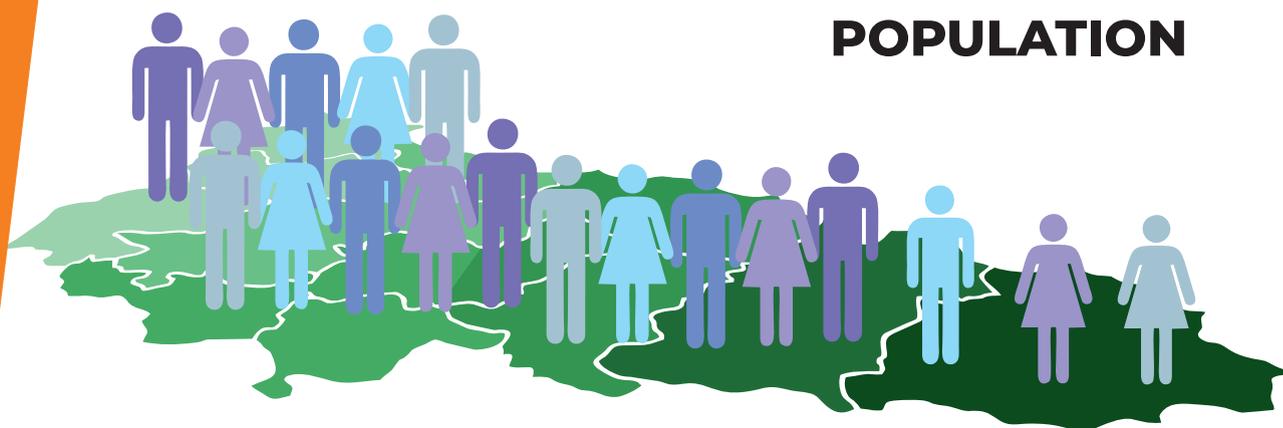
RAW MATERIAL POTENTIAL

The mineral wealth of this land is rightfully considered a natural treasure of not only European but also worldwide importance. It focused strategic reserves of gold, silver, zinc, lead and germanium; the world’s largest deposits of zeolite; barite ore is available; there is huge raw material potential for construction and decoration (marble, limestone, decorative tuff, andesite and andesite-basalt).

Water supplies are Invaluable treasure of the region. Prospective reserves of underground fresh water are over 400 million cubic meters.

Over 360 mineral and thermal water deposits possess medicinal properties. Thus, one of the most popular tourist destinations is therapeutic recreation. Sanatorium centers offer a high level of treatment and recreation. At the same time the potential of mineral sources is currently used by only 30%, so there are many prospects for development framework.

POPULATION



It is a vivid multinational region, where influences of both eastern and western cultures and traditions from lots states are successfully combined. Now representatives of about 30 faiths and 70 nationalities inhabit Zakarpattia in peace and harmony.

Constant population distribution according to separate age groups

(in thousands of persons; on January, 1st)

	Total population	0-14 years	0-15 years	0-17 years	16-59 years	15-64 years	18 years and older	60 years and older	65 years and older
	(in thousands of persons; on January, 1 st)								
2000	1261,2	283,5	305,7	349,1	764,1	844,9	912,1	191,4	132,8
2001	1258,2	275,5	297,7	341,8	766,7	847,8	916,4	193,8	134,9
2002	1254,6	267,1	289,5	333,5	770,2	850,4	921,1	194,9	137,1
2003	1251,0	258,1	279,9	324,3	777,4	854,1	926,7	193,7	138,8
2004	1248,3	250,7	271,9	315,8	784,3	857,4	932,5	192,1	140,2
2005	1245,6	244,9	265,4	308,1	788,7	859,6	937,5	191,5	141,1
2006	1242,6	239,4	260,0	301,2	793,7	860,8	941,4	188,9	142,4
2007	1241,0	235,4	255,3	295,7	796,8	863,2	945,3	188,9	142,4
2008	1239,8	232,2	251,7	291,6	797,7	866,5	948,2	190,4	141,1
2009	1240,5	231,8	249,9	288,7	798,6	869,5	951,8	192,0	139,2
2010	1242,0	232,7	249,5	286,4	797,5	870,7	955,6	195,0	138,6
2011	1244,5	233,8	250,5	284,7	796,2	874,0	959,8	197,8	136,7
2012	1247,9	235,8	251,8	284,7	795,5	875,0	963,2	200,6	137,1
2013	1251,6	239,2	254,4	286,6	794,3	873,7	965,0	202,9	138,7
2014	1254,0	242,2	257,2	287,9	792,6	871,6	966,1	204,2	140,2
2015	1256,7	246,3	260,3	289,9	788,8	867,9	966,8	207,6	142,5
2016	1256,3	248,4	262,7	291,2	784,5	864,2	965,1	209,1	143,7
2017	1255,9	250,8	264,0	292,0	780,4	859,7	963,9	211,5	145,4
2018	1255,3	251,2	265,0	292,3	775,0	857,1	963,0	215,3	147,0
2019	1254,0	250,3	264,6	291,4	769,6	855,7	962,6	219,8	148,0
2020	1251,0	247,9	262,9	290,7	764,2	851,9	960,3	223,9	151,2
2021	1251,0	245,8	261,1	290,3	757,9	848,7	957,0	228,3	152,8

Birthrate according to mother's age

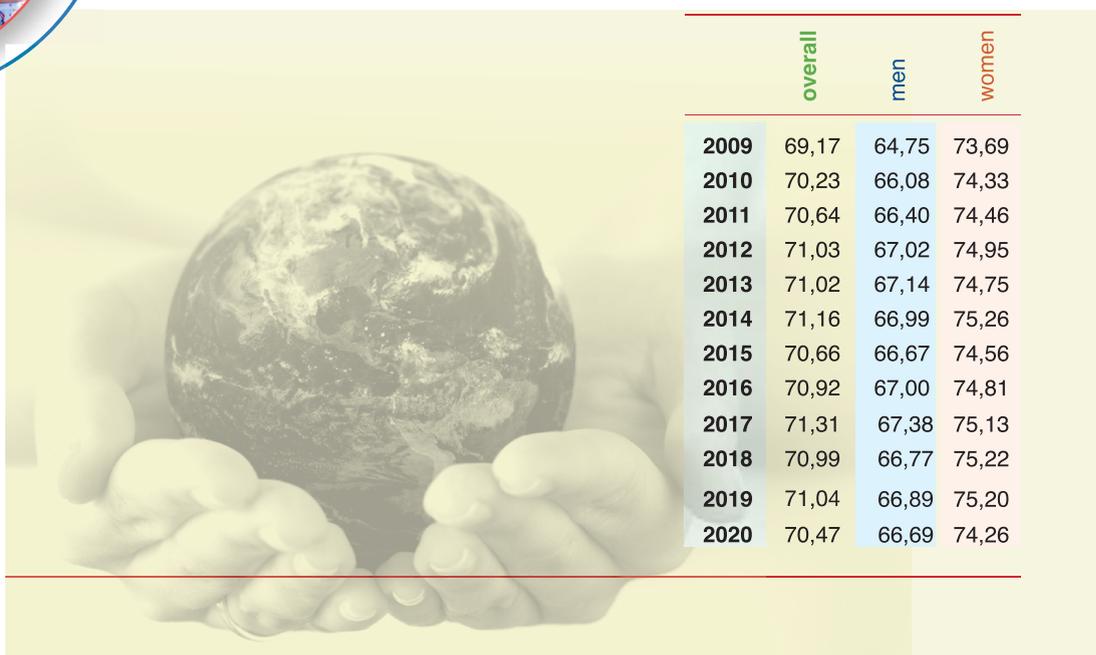
(quantity of live-born children per 1.000 of corresponding age women)

2000	43,8	49,8	127,1	73,3	33,9	13,0	3,4	0,1	1,504
2001	40,9	45,0	114,4	70,8	33,0	12,9	2,7	0,2	1,395
2002	42,8	47,0	118,3	75,1	36,4	13,5	3,2	0,2	1,421
2003	44,3	46,3	121,0	77,8	40,7	13,7	3,3	0,1	1,491
2004	46,4	49,5	128,0	79,1	40,4	15,2	2,8	0,2	1,543
2005	47,3	49,2	124,2	83,6	43,0	16,0	3,4	0,2	1,582
2006	49,7	50,9	127,1	92,3	44,0	16,2	3,1	0,2	1,627
2007	50,6	50,7	126,7	91,5	48,0	18,3	3,7	0,0	1,673
2008	55,2	56,1	135,5	100,1	51,3	21,0	3,4	0,1	1,758
2009	55,3	54,4	132,2	100,7	55,1	20,7	3,9	0,2	1,828
2010	56,0	51,9	134,3	101,1	56,1	22,6	4,6	0,1	1,834
2011	56,9	53,3	134,0	103,2	58,9	22,8	4,2	0,2	1,870
2012	58,9	53,1	135,8	109,1	61,0	25,3	5,4	0,1	1,950
2013	57,8	54,1	135,1	105,6	59,2	25,8	5,2	0,3	1,926
2014	57,9	51,6	137,1	107,4	60,5	26,4	5,3	0,1	1,942
2015	53,2	52,8	132,9	97,1	51,9	23,6	5,0	0,2	1,817
2016	51,0	49,4	128,1	97,8	50,0	23,0	4,9	0,2	1,766
2017	46,7	46,0	116,0	91,2	49,0	21,0	4,8	0,3	1,641
2018	44,8	45,3	110,5	90,7	47,5	20,8	4,8	0,3	1,599
2019	42,2	40,5	101,0	88,8	48,2	20,7	4,6	0,2	1,520
2020	44,0	39,8	105,8	94,6	53,4	22,0	4,7	0,5	1,604



Overage life expectancy

	overall	men	women
2009	69,17	64,75	73,69
2010	70,23	66,08	74,33
2011	70,64	66,40	74,46
2012	71,03	67,02	74,95
2013	71,02	67,14	74,75
2014	71,16	66,99	75,26
2015	70,66	66,67	74,56
2016	70,92	67,00	74,81
2017	71,31	67,38	75,13
2018	70,99	66,77	75,22
2019	71,04	66,89	75,20
2020	70,47	66,69	74,26





MAIN SOCIAL AND ECONOMIC PERFORMANCES

In 2020 industrial production decreased at 7.3% in comparison with 2019 (average drop in Ukraine was 4.5%). The growth was detected in manufacture of rubber and plastics products, manufacture of other non-metallic mineral products (+8.5%), in electricity, gas, steam and air conditioning supply (+23.3%).

At the same time the decline was observed in other sectors of manufacturing of the region (-15.6%), e.g. manufacture of electrical equipment, machinery and equipment n.e.c. (-19.9%), of food products, of beverages and of tobacco products (-13.5%), of wood and of products of wood and cork, except furniture, of articles of straw and plaiting materials, of paper and paper products, printing and reproduction of recorded media (-18.2%).

In 2020 the total amount of sold production of the industrial enterprises was UAH 24.1 billion in comparison with UAH 26.1 billion in 2019, and decreased at UAH 2.0 billion. By sections the largest volume of sold production belongs to the manufacturing that accounts 67.5%, then follow electricity, gas, steam and air conditioning supply – 29.2%, sewerage, waste management and remediation services – 2.0%, mining and quarrying – 1.4%.

Gross agricultural output index of all types of households in 2020 was 96.5%, in particular the index of output produced by agricultural enterprises was 116.3%, and the index of output produced by private households – 94.5%. Gross vegetable production index was 101.2%, and gross animal production index – 91.8%.

Construction production output in 2020 was UAH 1932.0 million. Construction production output index in 2020 in comparison with 2019 was 82.0%.

In January – December 2020 UAH 5081.0 million of capital investments from all financing sources were consumed into the economic development of the region and in comparison with January – December 2019 their volume decreased at 58.0%.

Capital investment volume per capita was UAH 4067.6.

The largest volume of consumed capital investments belonged to tangible assets which was 99.6% of the total amount, including residential buildings, non-residential buildings and civil engineering works – 61.4%, machinery, equipment and transport vehicles – 34.0%.

In 2020 10103.2 thousand tons of goods were transported with freight vehicles, that is 3.2% more comparably to 2019, and 18.3 mil passengers with passenger transport that is 45.1% less than in 2019.

The amount of retailing trade turnover in January – December 2020 was UAH 23.5 billion that is 2.7% less (in comparable prizes) in comparison to 2019. The volume of commodity turnover in retailing trade was UAH 14.2 billion, that is 7.6% less comparably to 2019.

In December 2020 Consumer Price Index (CPI) – inflation – was 105.7% in comparison with it in December 2019 and around the country – 105.0%, and in comparison to November – 100.8% and 100.9% respectively



PRIORITY SECTORS

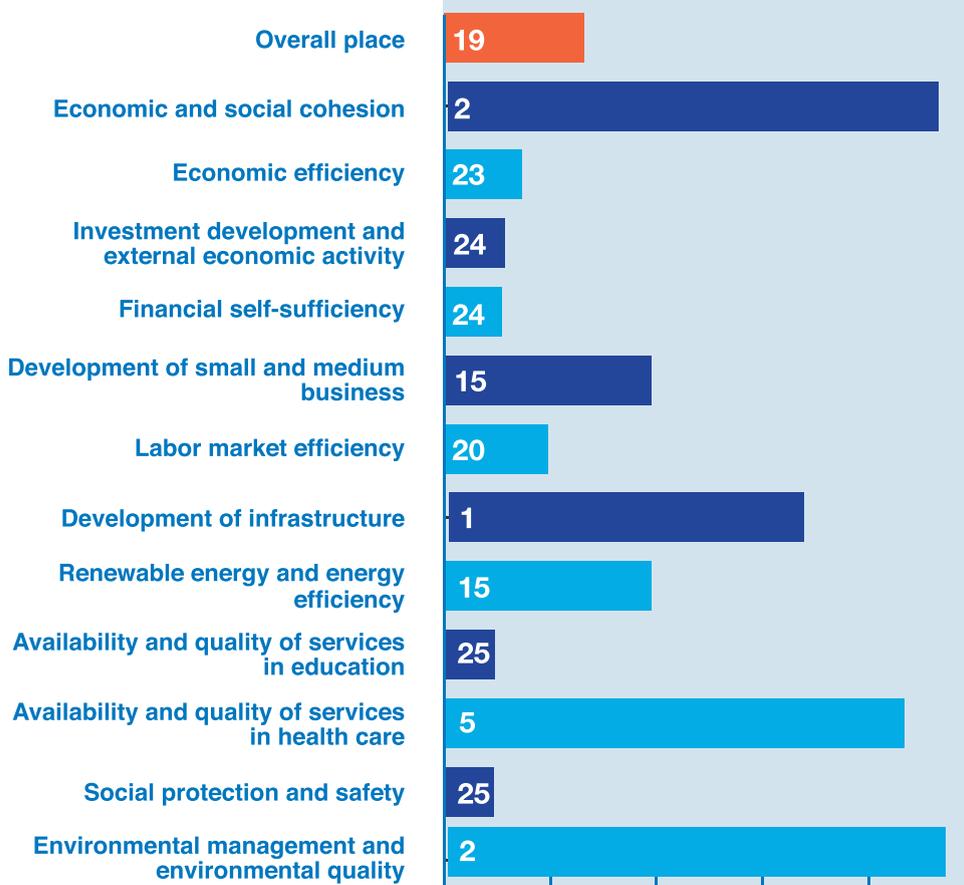
- agricultural complex;
- tourism and recreation;
- timber-processing industry;
- alternative fuel production;

PRIORITY FIELDS FOR INVESTMENTS

- highly productive agriculture and food complex;
- touristic and recreational complex;
- producing of alternative fuels;
- development of winter sports

Zakarpattia Region is a unique region in Ukraine, having borders with four countries. Located in beautiful Carpathian Mountains and on Zakarpattia lowland, it enjoys a wonderful climate, beautiful landscapes and has numerous historical and cultural landmarks. It's thermal waters are beneficial for health; it's 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.

Zakarpattia in the rating of socio-economic development of regions in 2020



INVESTMENT COOPERATION

On 01.01.2021 to the regional economy of Zakarpattia were attracted 242.0 million US dollars of foreign direct investments.

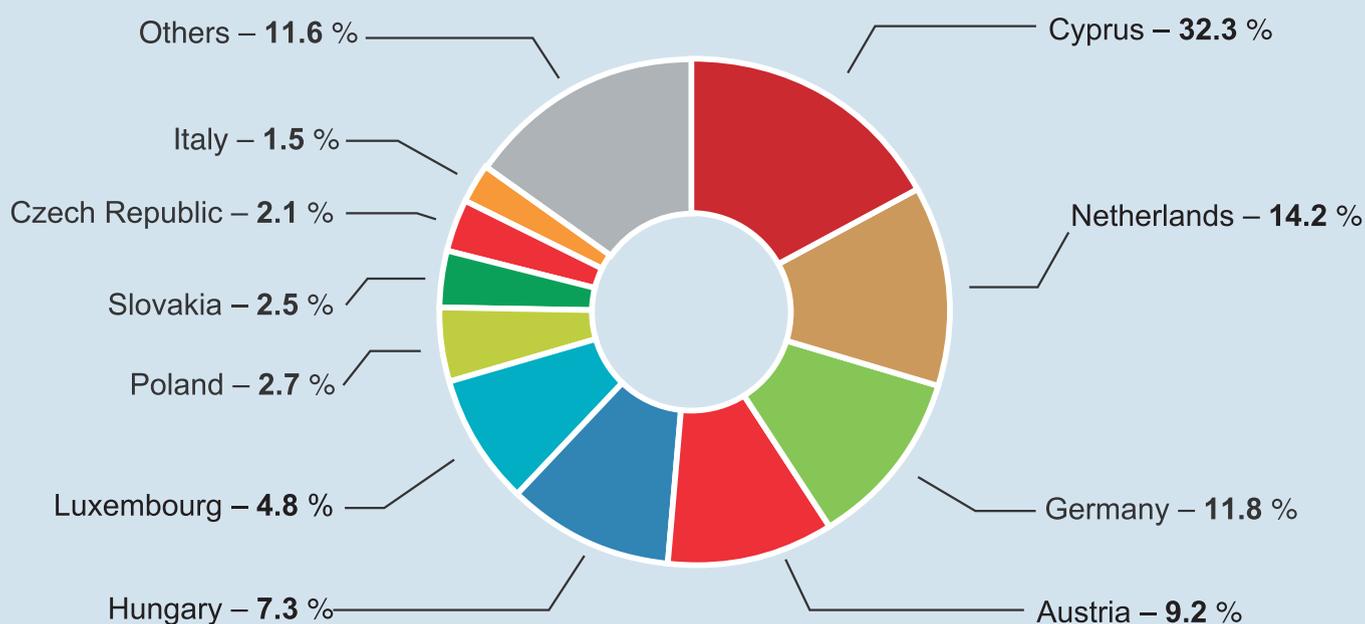
Regional enterprises attracted 225,1 million USD from the EU countries (93.0%) and 16,9 from other countries (7.0%).

In the region operate investors from 50 countries, 10 of them attracted 87,0 perc. of total amount of foreign direct investments.

Foreign direct investments income indices selected by countries (01.01.2020)

Enterprises attracted 242 million USD of direct investments in the regional economy

The FDI were attracted from 50 countries



FOREIGN DIRECT INVESTMENTS BY BRANCHES OF ACTIVITY

(01.01.2021)

INDUSTRY
81.5%

7,8% Real Estate Activities

2,8% Transport and Storage including Post

2,8% Wholesale and Retailing Trade

2,0% Catering and Accommodation

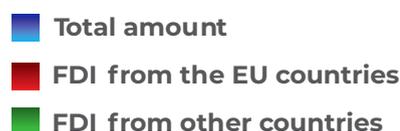
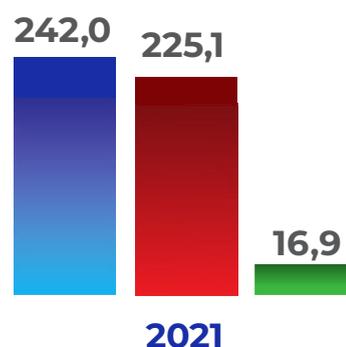
0,9% Administrative and Support service activities

0,4% Agriculture, Forestry and Fishing

2,8% Other

STRUCTURE OF THE ATTRACTED FOREIGN DIRECT INVESTMENTS IN THE REGION ON 01.01.2021

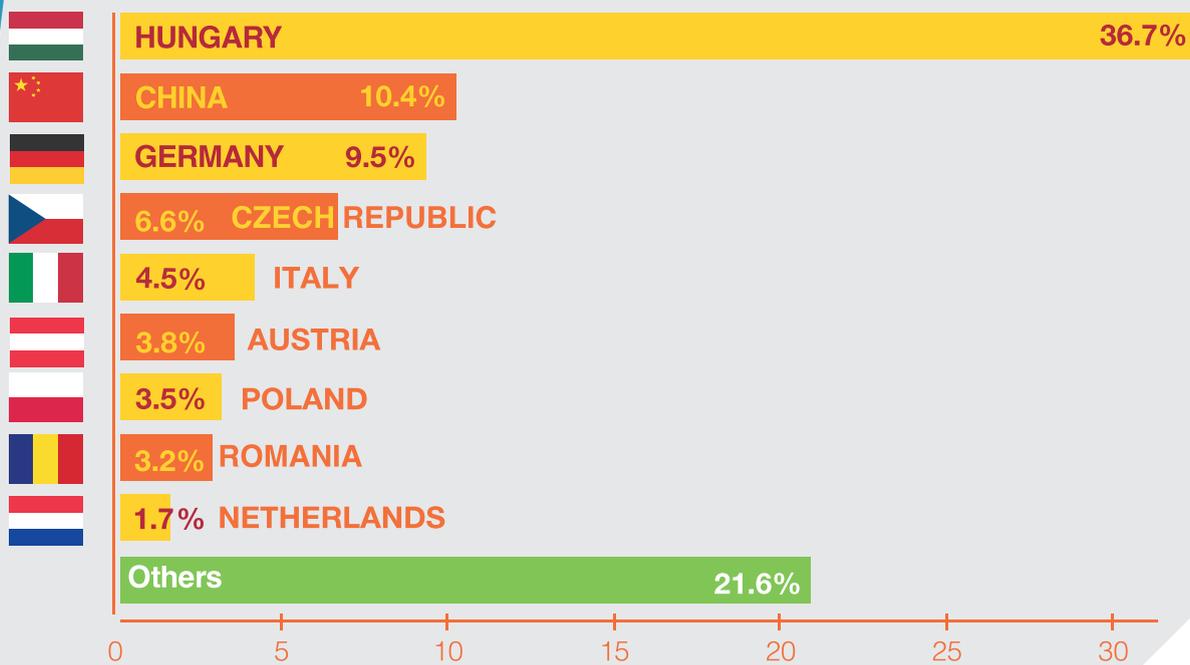
(mil USD)



FOREIGN DIRECT INVESTMENTS INCOME IN ZAKARPATTIA REGION



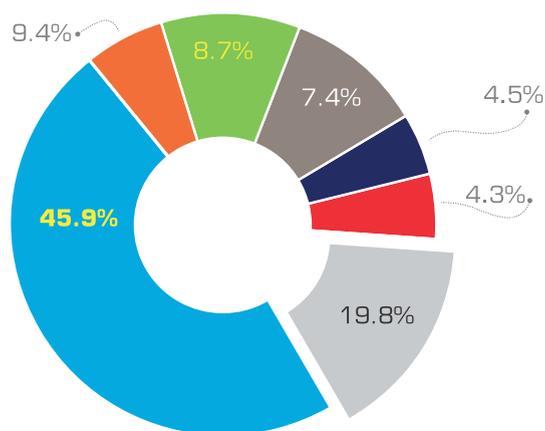
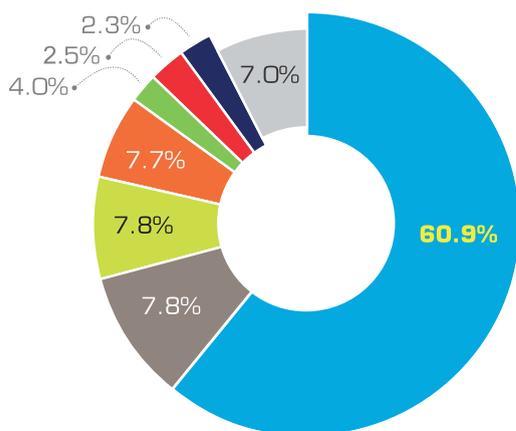
Structure of foreign trade selected by countries, Jan - Dec 2020 (goods balance)



Export Indices by Sections (goods balance)

Jan - Dec
2020

Import Indices by Sections (goods balance)

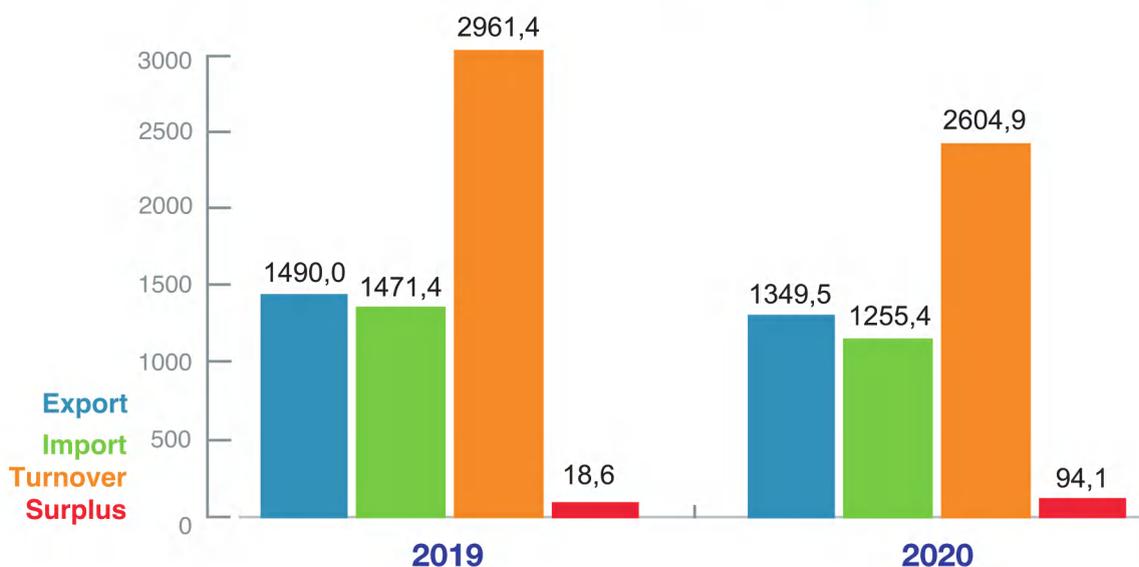


- Machines, machinery and electric equipment
- Timber and woodwork
- Miscellaneous manufactured articles
- Textile and textile goods
- Natural products
- Footwear, headgear, umbrellas
- Foodstuff
- Others

- Machines, machinery and electric equipment
- Plastics and polymers
- Overland transport vehicles
- Textile and textile goods
- Mineral products
- Miscellaneous manufactured articles
- Others

BALANCE OF TRADE IN GOODS (in thous. USD)

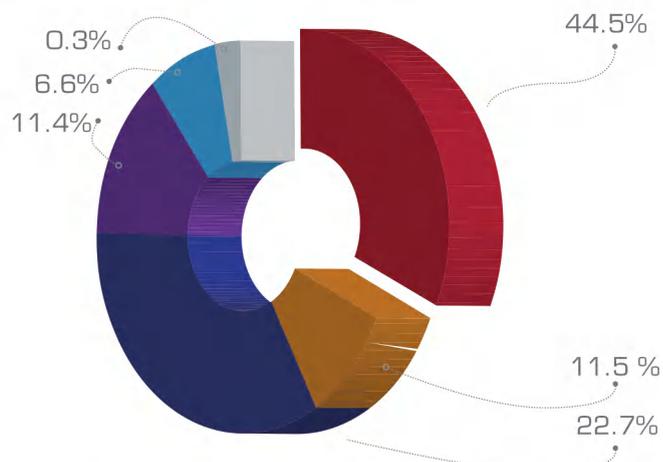
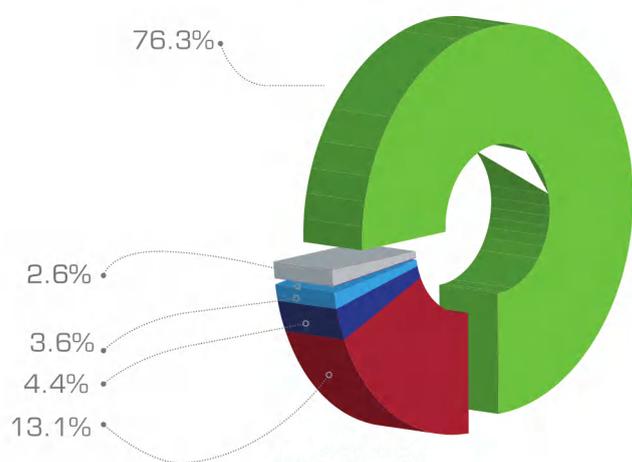
	January– December 2019	January– December 2020	Growth Rate (to relevant period in 2019, %)
Turnover	2 961 366,0	2 604 915,8	88,0
Export	1 489 957,9	1 349 544,5	90,6
Import	1 471 408,1	1 255 371,3	85,3
Surplus	18 549,8	94 173,2	



Export Indices by Sections (servises balance)

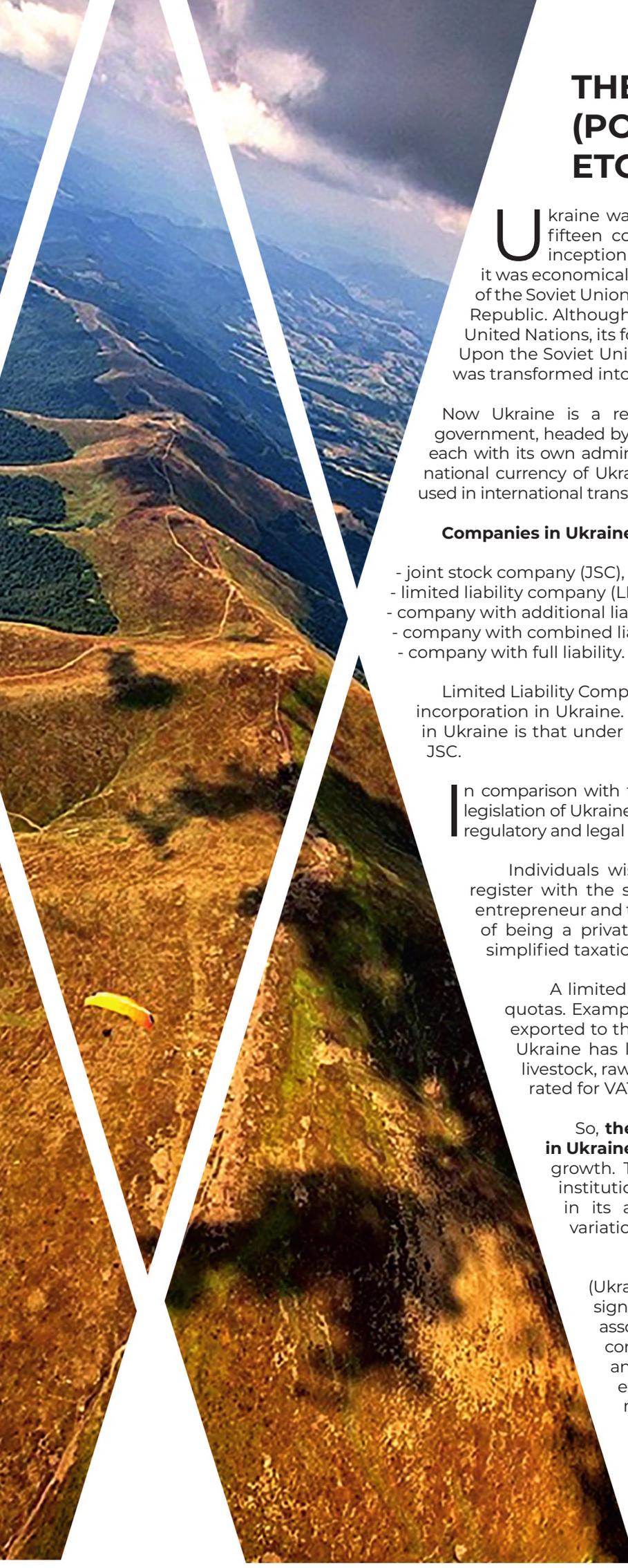
Jan - Dec
2020

Import Indices by Sections (servises balance)



- Services for the processing of material resources
- Transport services
- Telecommunications, computers and information
- Business services
- Other

- Transport services
- Business services
- Telecommunications, computers and information
- Travel services and related activities
- Royalties and related services to the usage of intellectual property
- Other

An aerial photograph of a mountain range, likely the Carpathians, showing rugged terrain with patches of green and brown. A paraglider is visible in the lower left foreground, soaring over the valley. The sky is filled with soft, white clouds.

THE ADMINISTRATIVE (POLITICAL, INSTITUTIONAL ETC.) FACTORS

Ukraine was a sovereign Soviet socialist state and one of the fifteen constituent republics of the Soviet Union from its inception in 1922 to its breakup in 1990. For most of its existence, it was economically and politically the second most powerful republic of the Soviet Union, behind only the Russian Soviet Federation Socialist Republic. Although the Ukrainian SSR was a founding member of the United Nations, its foreign affairs were tightly controlled by the Kremlin. Upon the Soviet Union's dissolution and perestroika, the Ukrainian SSR was transformed into the modern nation-state of Ukraine.

Now Ukraine is a republic with a constitutional democracy form of government, headed by the President. Ukraine is subdivided into 25 regions, each with its own administrative center. The Ukrainian hryvnia has been the national currency of Ukraine since 1996. The U.S. dollar is the currency most used in international transactions.

Companies in Ukraine may be established in the following forms:

- joint stock company (JSC),
- limited liability company (LLC),
- company with additional liability,
- company with combined liability,
- company with full liability.

Limited Liability Company (LLC) is the most wide-spread form of company incorporation in Ukraine. The special feature of Joint Stock Companies (JSC) in Ukraine is that under the law they fall into two types: public and private JSC.

In comparison with the entity types above-legal entities defined by the legislation of Ukraine a private enterprise is the least regulated in terms of regulatory and legal requirements that apply.

Individuals wishing to run their own business are required to register with the state tax authority by their residence as a private entrepreneur and to get a registration certificate. The main advantage of being a private entrepreneur in Ukraine is the ability to use a simplified taxation scheme.

A limited number of exports are subject to licensing and/or quotas. Examples include silver and gold, certain metal products exported to the EU and Russia, and oil or gas of Ukrainian origin. Ukraine has limited export duties on natural gas, scrap metal, livestock, raw hides and certain oil seeds. Export of goods is zero-rated for VAT purposes.

So, **the administrative (political, institutional...) factors in Ukraine** are still not quite clear, making it difficult to export growth. Thus, executive power is often a function of non-institutional and partisan factors, and that state weaknesses in its autonomy and capacity can explain much this variation.

A treaty between the European Union and Ukraine (Ukraine-European Union Association Agreement) was signed on 21 March 2014. That establishes a political association between the two parties. The parties committed to cooperate and converge policy, legislation, and regulation across a broad range of areas, including equal rights for workers, steps towards visa-free movement of people, the exchange of information and staff in the area of justice, the modernisation of Ukraine's energy infrastructure, and access to the European Investment Bank. It will help to recover our Ukrainian economy very soon.

SOCIAL AND ECONOMIC LIFE OF THE REGION

THE ADMINISTRATIVE (POLITICAL, INSTITUTIONAL ETC.) FACTORS

Stable and progressive development of financial and economic industries is aimed at assisting social sphere of development since the increase of welfare of Zakarpattians, social support of the unprotected layers of population are the basic tasks of the regional power.

By the index of human development the region is included into the best five of Ukraine. So it is logical to form the strategy directed on creation of new efficient workplaces on the basis of use of qualitative characteristics of labour resources.



MAJOR FOREIGN INVESTORS

JABIL USA electronics manufacturer
Uzhhorod

flex Singapore electronics manufacturer
Mukachevo

EUROCAR Ukrainian OEM automotive plant
Uzhhorod

FISCHER Austrian ski manufacturer
Mukachevo

YAZAKI Japanese electric wiring producer
Uzhhorod

GENTHERM German leather seats manufacturer
Vinohradiv



Zakarpattian culture contains elements of the Eastern European cultures, as well as some Western European influences. Ukraine has a shared culture with neighboring nations.

Religion is practiced throughout the country. Eastern Orthodox Christianity and Eastern Catholicism and Roman Catholic are the three most widely practiced religions.

The official language of Ukraine is Ukrainian. The majority of the Ukrainian population speaks both Ukrainian and Russian. English is also used in business. The Ukrainian educational system is organized into five levels: preschool, primary, secondary, higher and postgraduate education. Higher education is either state funded or private. Students that study at state expense receive a standard scholarship.

There are two degrees conferred by Ukrainian universities: the Bachelor's degree (4 years) and the Master's degree (5–6th year). These degrees are introduced in accordance with Bologna process, in which Ukraine is taking part. Historically, Specialist's degree (usually 5 years) is still also granted; it was the only degree awarded by universities in the Soviet times.

Ukraine (32%) say people succeed because of their own ability. Ukrainians and Russians are more likely than they were two decades ago to say that people get ahead at other people's expense. This is especially the case in Ukraine, where 44% shared this view in 1991. Younger people, who grew up in post-communist societies, are less likely than older generations to say that people who get ahead do so at the expense of others; rather, young people tend to credit ability and ambition.

Also Zakarpattian traditions of social behavior don't differ too much from Western standards. An average Ukrainian perceives the world around him in a way an average Westerner does. They have similar life values.



THE CULTURAL FACTORS

WOODEN SACRED ARCHITECTURE OF ZAKARPATTIA

The church of Saint Michael in the village of Uzhok is one of the most interesting buildings built in Boyky style on a high hill. This church and the church of the Ascension of the Lord Jesus Christ, which is the crown of Hutsul architecture in the village Yasinya were included to the list of World Heritage UNESCO on 21/June/2013 during 37 session of the Committee of World Heritage UNESCO in Cambodia.



BEECH PRIMEVAL FORESTS IN ZAKARPATTIA IS THE ONLY NATURAL OBJECT OF UKRAINE BELONGING TO UNESCO



Beech primeval forests in Carpathian Mountains on the territory of Zakarpattia and Slovak Republic and beech primeval forests in Germany were included to the list of UNESCO World Heritage as a serial object "Beech primeval forests in Carpathian Mountains and beech primeval forests in Germany" during 2007 and 2011. It is a unique sample of broad-leaved forests which only to some extent were influenced by human activity and they have a global meaning for the understanding of the history of the development of European forest ecological systems. To protect beech primeval forests as an object of UNESCO World Heritage, the complex of measures to protect and supply the constant development and welfare of mountainous settlements in Zakarpattia has been approved by the acts of the President and Government of Ukraine.

Land and resources. Land fund of the region is 1275.3 thousand hectares, among them 451.3 thousand hectares are used as fields, among them 199.7 thousand hectares are tilled soil. More than half of the territory of the region is covered by forest. The here are little lands in the region: each citizen uses only 0.36 hectares of field including 0.16 hectares of tilled soil. Almost the third part of the lands of the region 389.1 thousand hectares is used by citizens. Agricultural enterprises use 45.2 thousand hectares of lands, 205.5 thousand hectares of lands around used as property among them 34.1 thousand hectares are tilled soil.

Physical and legal persons own 284.6 thousand hectares of lands of the region. Citizens own 283.6 thousand hectares including 269.0 thousand hectares of agricultural fields among them 167.6 thousand hectares of tilled soil. Private agricultural enterprises own 0.1 thousand hectares, establishments and trade companies use 0.5 thousand hectares, industrial enterprises use 0.3 thousand hectares, recreation enterprises use 0.1 thousand hectares of lands.



ZAKARPATTIA IS TOURIST, REST, AND HEALTH RESORT REGION

Having unique border location and neighborhood with four European Union countries Zakarpattia is the biggest region of tourist, rest and health resort region in Western Ukraine. More than 400 sanatorium and spa treatment and tourist and recreation objects, about 460 village farm yards, 19 tourist and information centers on the territory of the region are ready to provide their services for tourists and guests. Every year, on the territory of the region, new objects in particular hotel and restaurant complex "Emigrand" in Uzhhorod and "Davir" in the village of Lumshory in Perechyn district are set up.



The network of wellness and resort, touristrecreational and hotel facilities of the region are counting 443 objects, among them: wellness facilities of the region comprise 18 objects, recreation facilities – 146 objects, tourist facilities – 279 objects.

By the initiative of the Regional State Administration several development concepts were elaborated: for the areas of Borzhava mountain-valleys in Volovets and for the “Sinevyr” national nature park in Mizhhiria, for the localities of “Drahobrat-Kvasy” in Rakhiv, localities of Ust'-Chorna's rural council and adjacent rural councils of Rusko-Mokriansk, Lopukhiv and Krasniansk in Tiachiv district, Runa mountain-valley in Perechyn, etc.

Actually, there are 105 developed tourist routes in the region, some are marked in the frame of international technical support programmes. Series of new tourism products are available now – thematic routes: “Zakarpattian tourist route”, “Zakarpattian tourist and gastronomic route”, “Zakarpattian tourist vine route”, “Carpathian Ukraine” and “The Arpad line” military routes, “by Hutsul paths” tourist route, and next in turn 2 brand-new thematic routes came to accomplishment this year: the “Honey Route” and the “Sweet Way”.

Tourism and recreation industry in Zakarpattia shows a positive momentum within the period of last few years. The network of sanatorium-resort, tourism and recreation, hotel establishments counts 328 objects. Winter tourism develops dynamically. Today 77 self-controls function in the region. The best mountain-ski centers are: villages of Pylypets, Podobovets, Izky in Mizhhirya district; STC “Synyak” in Mukachevo district; mountain valley of Drahobrat in Rakhiv district; Kراسiya mountain in Velykiy Berezniy district.

One of biggest-selling directions is health-related tourism with the use of thermal mineral waters. Sanatorium complexes offer modern methods of treatment, dwelling in comfortable rooms and developed infrastructure. These are “Teplytsya”, “Termal – Star” “Karpatiya”, “Suzirya”, “Borzhava”, “Hirska Tysa” “Synyak”.

Tourist recreation complexes are none the less popular. They offer a wide spectrum of additional services: saunas, bath-houses, pools, conference halls, internet clubs, beauty salons, massage rooms, fitness centers, tennis courts, billiards, juice bars, hookah clubs, wine fountains, solariums, jacuzzi, rental points of ski equipment, mountain bicycles and quad bikes; horse trekkings, rafting, trout fishing.

Thematic tourist routes, a new competitive tourist product, was developed and created for the period of last few years. These are: “Zakarpattian tourist tour”, “Zakarpattian tourist gastronomic tour” (presents the culinary art and variety of tastes of 9 national cuisines), “Zakarpattian tourist wine tour” (presents the Zakarpattian home wine making traditions), military tourist route of “Arpad Line”, tourist route of “Along the Huzul paths”.

Establishment and leadthrough of festivals is an alternative way to economic development of rural area. Nowadays over 200 festivals are held in the region.



Every year, in Zakarpattia, the regional societies organize international, regional, district and local festivals. They are artistic – theatrical, musical, chorographical, historical and gastronomic. Amateur groups of the region and “folk” or “model” groups and children and youth school groups and spectators from the whole region, country and even foreign countries took part in these events!

Among them: regional festival “Kolyady in Old village”, open festival-contest of song of Striltsy “Krasne pole”, regional contestfestival “Talents of families having many children”, district festival of blacksmithing and folk crafts “Hamora”, regional festival of folk art of Lemkos “Lemkivska vatra”, regional festival-fairs “Hutsulska bryndzja”, open art festival “Perechyn region calls for talents”, regional festival of Slovak folk art “Slovenska veselitsa” and others.





TRANSPORTATION



Railway Timetable

Train number	Rout	Rate	Departure	Arrival
29	Uzhhorod-Kyiv	Daily	22:00	10:11
81 «Desna»	Uzhhorod-Kyiv	Daily	16:35	07:27
107	Uzhhorod-Odesa	Daily	20:02	14:50
145	Uzhhorod-Lviv	Daily	04:29	10:14
114	Chop-Kyiv	Daily	19:23	10:44
800K	Chop-Bratislava	Variable schedule	17:35	05:26
8861	Chop-Kosice	Daily	11:35	13:49
139D	Chop-Vienna	Daily	03:28	11:21
033L	Mukachevo- Budapest	Variable schedule	12:30	18:37



Bus Terminal Uzhgorod - 1

Stantsiyna Str., 2, Uzhgorod
+38 (0312) 61-6981, 3-40-07

Bus Terminal Uzhgorod - 2

Fedyntzia Str., 61, Uzhgorod
+38 (0312) 3-70-04

Railway Station

Stantsiyna Str., 9, Uzhgorod
+38 (03122) 3-23-00



Nearest cities with an airport

[distance from **Uzhgorod**]

268 km	Lviv, Ukraine
329 km	Budapest, Hungary
96 km	Kosice, Slovak Republic
147 km	Satu Mare, Romania
812 km	Kyiv, Ukraine
145 km	Debrecen

INVESTMENT PASSPORT OF

ZAKARPATTIA

2021



Zakarpattia Regional State Administration

The Program for the improving of positive international investment image
and for the attracting foreign investments to Zakarpattia region



ZAKARPATTIA

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 FOR ECONOMIC AND REGIONAL DEVELOPMENT, TRADE, INVESTMENTS ATTRACTION, IMPLEMENTATION OF STATE PROGRAMMS AND MONITORING OF THEIR IMPLEMENTATION

Sq. Narodna, 4, Uzhhorod, Ukraine 88008
e-mail: economy@carpathia.gov.ua
tel. (0312) 61-53-05, 61-66-74

