

Harnessing trade potential in Ukraine

The project seeks to boost Ukraine's economy by promoting trade and facilitating exports to the EU



The challenge: weak economic output and low export ratio

Ukraine's economy has been struggling for years. Exacerbated by the conflict on the Crimean Peninsula and in eastern Ukraine in 2014, the country's economic situation further deteriorated and the gross domestic product dropped by around 16 per cent between 2014 and 2015. Exports are declining too, particularly exports to Russia, which was previously one of the main markets for Ukrainian products. The export ratio decreased by more than a third between 2013 and 2016.

Ukrainian companies need to tap into new export markets to compensate for these negative developments as a way of boosting economic growth and creating new jobs. The association agreement between Ukraine and the European Union (EU) has created a free trade area that facilitates the sale of Ukrainian products in the EU. However, the general conditions and legal regulations in Ukraine need to be adapted. Companies must meet standards that comply with EU regulations and introduce a new standardisation system.

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This is posing considerable challenges to Ukrainian companies, which lack the know-how to apply the new guidelines.

Our approach: gaining easy access to European markets

On behalf of the German Government, GIZ is creating better conditions for Ukrainian companies that seek to sell their products on the European market. To facilitate access to the EU markets, the political framework for trade and export needs to be redesigned. GIZ is supporting the Ministry of Economic Development and Trade of Ukraine in drawing up action plans for the Ukrainian export strategy 2017–2021. Officials working in public institutions, experts from the private sector and representatives of business associations and chambers of commerce meet in working groups set up especially for this purpose to discuss solutions to implement the export strategy. With support from international experts, they can find out more about EU standards and about implementing policy measures. Modern dialogue formats are used to improve cooperation and exchange between participants.



Experts discuss sectoral and cross-sectoral strategies to improve trade conditions

GIZ is raising awareness among Ukrainian producers about the new standards system and is training staff in Ukrainian institutions such as the National Agency of Standardisation. Thus standards and norms in Ukraine are being adapted to the EU, and trade barriers overcome. In addition, the association agreement with the EU and the agreement under the World Trade Organization (WTO) reduce the administrative workload for exporters. In cooperation with the relevant ministries and authorities, GIZ is helping to introduce simpler and more transparent trade procedures. Companies can access all the relevant trade regulations through a new online platform. It is not only the companies themselves that benefit from better trade: the stronger economy will ultimately lead to an improvement in the living conditions of the entire Ukrainian population.



Ukraine's export opportunities to the EU improve

Our results: new guidelines for better trade conditions

GIZ is supporting the Ukrainian Government in developing five sectoral and four cross-sectoral strategies to improve trade conditions on the export market. More than 1,000 representatives from business and government met at three public consultations held in 2018 to develop and discuss action plans with experts. Thus actions plans are being developed for the food sector and the IT industry, for example; they include training sessions for Ukrainian entrepreneurs to prepare them for the requirements of the new target markets in the EU. Key cross-cutting topics in action plans include trade facilitation measures and innovations for export.

In addition, GIZ is supporting Ukraine's Agency for Standardisation in developing its new strategy. From 2020 onwards, it will comply with EU principles in its role as regulator and service provider.



Experts participate in national export strategy consultations



L.M. Vitkin: "Innovations for sustainable economic development"

As the Director of the Technical Regulation Department of the Ministry of Economic Development and Trade of Ukraine, L.M. Vitkin is very familiar with the project to promote a supportive framework for trade.

As Vitkin explains, "Cooperation with GIZ not only provides an opportunity to harness some of the best international experience in the field of Ukraine's modern quality infrastructure, but also to promote innovation geared towards sustainable economic development."

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