

Andy Hunder

What the Business Community Wants from Ukraine's Next President

Чого хоче бізнес-спільнота від наступного Президента України

Енді Гундер в своїй статті зазначає, що хто б не виграв в президентських виборах в Україні він повинен зосередитися на залученні прямих іноземних інвестицій. Хоча президент несе відповідальність за оборону країни, зовнішню політику, службу безпеки і прокуратуру, він повинен відігравати ключову роль у залученні інвесторів для початку їхньої діяльності або виробництва в Україні. Автор статті пише про численні історії успіху бізнесу, які вигідно працюють в Україні. Jabil Україна виробляє сотні тисяч кавових машин Nespresso. За два кроки від Jabil стоїть завод Yazaki, світовий постачальник автомобільних запчастин. Завод виробляє кабельні джгути для нового електричного кросовера Jaguar I-Pace. У сусідньому Мукачеві, Flex, американський багатонаціональний технологічний виробник, які виробляють споживчу електроніку, що експортується по всьому світу. Залучення прямих іноземних інвестицій буде надзвичайно важливим для посилення перспективної економіки України, зауважує автор.

<https://www.atlanticcouncil.org/blogs/ukrainealert/what-the-business-community-wants-from-ukraine-s-next-president>



Jabil Ukraine makes Nespresso coffee machines in Uzhhorod, Ukraine. Courtesy photo.

Sending law enforcement officers in balaclavas armed with Kalashnikovs kicking down a company's office door in a frantic search for financial records or tax documents is quite possibly the worst message a government can send to business owners, shareholders or executives. This is what I

told President Petro Poroshenko a couple of years ago in a hall packed with five hundred business leaders during one of his regular meetings with the international business community. Consequently, parliament introduced new legislation curtailing the brutality of business inspections. These dramatic raids on business are now all but a memory of the low points that investors faced while doing business in Ukraine years ago. Many reforms have been introduced since 2015, and Ukraine has started reappearing on investors' radar screens. However, foreign direct investment (FDI) remains too small, around 2 percent of GDP.

As Ukrainians prepare to elect their next president later this month, whoever wins, either Poroshenko or newcomer Volodymyr Zelenskiy, he will need to focus on attracting FDI. Though the president bears responsibility for the nation's defense, foreign policy, security service, and prosecution service, he should play a key role in attracting investors to launch their operations or manufacturing in Ukraine. Especially since both candidates are successful businessmen, the next president should watch closely that investors are welcomed and treated well.

I hear numerous success stories of businesses profitably operating in Ukraine, something that I learn day after day when speaking with our members. In March, I visited Uzhhorod, a city 500 miles west of Kyiv, for a factory expansion opening by Jabil, a global manufacturing services company headquartered in Florida. The company employs 177,000 staff globally, with 3,300 in Uzhhorod, one mile from the EU border with neighboring Slovakia. Jabil Ukraine makes hundreds of thousands of Nespresso coffee machines, those same machines advertised by actor George Clooney and sold around the world. A stone throw's away from Jabil stands the Yazaki factory, a global automotive parts supplier. The plant produces cable harnesses for the new all-electric Jaguar I-Pace electric crossover SUV. In neighboring Mukachevo, Flex, an American multinational technological manufacturer, has a workforce of more than 3,000 people manufacturing consumer electronics that are exported around the globe.

The business community in Ukraine knows what to expect with another five years of a Poroshenko presidency. If reelected, it will likely be a business as usual approach.

We know much less about Zelenskiy. Although he is a household name, a highly talented TV performer, comedian, and a successful business owner, we don't know how he may perform as president. His election program, thus far, is extremely thin on any details.

I met Zelenskiy a fortnight ago. He delivered a message that he is surrounding himself with reformers, the likes of former Economy Minister Aivaras Abromavicius, former Finance Minister Oleksandr Danyliuk, and MP Serhiy Leshchenko. During the meeting, Zelenskiy focused on assuring us that his views and intentions are aligned with the business community's priorities, specifically on rule of law, macroeconomic growth, and fighting corruption.

I raised the topic of intellectual property (IP) intensive industries, something Zelenskiy understands well, as his entertainment business has made him a small fortune. IP-intensive industries with proper copyright, patents, and trademarks enable people to earn recognition and financial benefit from what they invent or create. Such industries account for over 38 percent of the United States' GDP. This is an area where Ukraine can grow significantly.

Ukraine's economic growth at about three percent over the past three years is positive, but the country must increase this growth significantly in order to augment national wealth. This can only be achieved by significantly boosting FDI.

Stories like Nespresso coffee machines being made in Ukraine are lost in the international media today due to the clutter and noise around the elections. Whoever wins on April 21, attracting FDI will be absolutely crucial in boosting Ukraine's sluggish but highly promising economy.

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