



Doing business in Ukraine before the war is over

The full-scale invasion of Ukraine, launched by Russia in February 2022 following years of hostilities and the illegal annexation of Crimea and parts of the Donetsk and Luhansk regions, presents the largest military conflict and humanitarian challenge in Europe since World War 2. Decision-makers in business need to take a multitude of factors into account when deciding when, or whether, to enter the Ukrainian market. A number of analyses suggest: the time is now. Here we take a look at the major factors within that approach.

The purchasing capacity is strong. Loss of territory and military hostilities were direct causes of a GDP slump of 28.8% in 2022, followed by a [moderate recovery](#) (5.3% GDP in 2023), bolstered by international support. The [EU Ukraine plan](#) makes provisions for EUR 50 bln of support in 2024-2027, EUR 38.27 billion of which will support the state directly – and this is important, considering that the vast majority of procurement will be conducted via the state budget. US-sponsored support stands at [USD 175 bln](#), and Sweden, as well as many other individual governments, has a Ukraine strategy until 2027.

There is a demand for Swedish solutions. The total direct damage to buildings and infrastructure across sectors since the beginning of the war is [estimated at approximately USD 152 bln](#). The total reconstruction and recovery needs in the health sector specifically are estimated at USD 17.8 bln for the next 10 years, and the international community will need to mobilize its resources and capacities to not only rebuild, but to upscale and modernize for sustainability – a core strength of many Swedish solutions offered today.

Relatively stable security situation. The risk of being directly affected by the war in non-frontline regions is insignificant, represented by long-range attacks by kamikaze drones and rocket missiles. The psychological risks are not negligible though, and include dealing with frequent air raid alerts. While most governments advise against all travel to Ukraine, the vast majority of Ukrainian and international companies in non-frontline regions operate normally. Before you plan your travel, study the security situation carefully and engage insurance providers to make sure that you have coverage.

Replacement opportunity and nearshoring. Ukraine remains the largest emerging market in Europe, excluding Russia – that counts both for imports and exports. Since there is a need and will to replace Russian and Chinese trade relations, Ukraine is a promising destination for Swedish and European exports. Conversely, it may also be a source of goods and services for export into Europe. A free trade agreement is in place between Ukraine and the EU, further facilitating trade relations and opening more opportunities for “nearshoring” – moving all or part of operations to a neighbouring country with view to scalability, an affordable labour force, logistics and alignment in values.

Manageable and transparent public procurement system. Since 2016 nearly all state-funded procurement in Ukraine has been conducted via Prozorro, an online platform where you can browse past tenders and place a bid for ongoing ones. The process is significantly easier with a local company or local partner – a potential setup for which we have also summarized the prerequisites.

Strong network of support. For Swedish healthcare companies support is available from the Team Sweden ecosystem, including but not limited to [Business Sweden](#), [EKN](#), and [Swecare](#). Together, these actors hope to scale up the volume of SE/UA trade, which has until now been on a par with much smaller and more distant partners – a status quo that may change in the coming years.