

**Παρουσίαση επιχειρηματικού οδηγού για προσέλκυση επενδύσεων
σε Βιομηχανικά Πάρκα στην Ουκρανία**

Το Εμπορικό και Βιομηχανικό Επιμελητήριο Αθηνών (Ε.Β.Ε.Α.), σε συνέχεια σχετικής πληροφόρησης της Πρεσβείας της Ουκρανίας στην Ελλάδα, ενημερώνει τις επιχειρήσεις – μέλη του και κάθε ενδιαφερόμενο για την έκδοση Επιχειρηματικού Οδηγού προσέλκυσης επενδύσεων στη δημιουργία Βιομηχανικών Πάρκων της Ουκρανίας.

Επισυνάπτεται ο εν λόγω οδηγός.

INDUSTRIAL PARKS

OF UKRAINE



INDUSTRIAL PARKS OF UKRAINE

2026



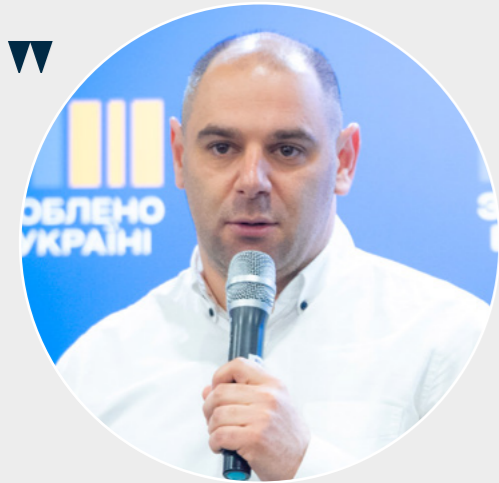
YULIA SVYRYDENKO

Prime Minister of Ukraine

Active government support for the development of industrial park infrastructure throughout 2024–2025 is already delivering tangible results. New factories and production lines are opening in industrial parks almost every month. Our goal is to create favorable conditions for attracting industrial investment and generating high-quality, well-paid jobs for Ukrainians, even amid the realities of a full-scale war.

In 2026, the Government continues to support the development of industrial infrastructure within industrial parks. State budget funds are allocated on a co-financing basis for the construction of energy facilities, access roads, water supply, and wastewater systems. Each such project requires the industrial park to commit to constructing at least 5,000 m² of industrial facilities and attracting no fewer than two manufacturing enterprises as resident participants.

The Government views industrial parks as an essential component of the “Made in Ukraine” policy aimed at strengthening domestic manufacturers. The consistent implementation of this policy remains a long-term state priority. I would like to thank everyone who continues to build and create during wartime.



DMYTRO KYSYLEVSKYY

Deputy Chairman of the Parliament Committee on Economic Development, Responsible in the Verkhovna Rada of Ukraine for the “Made in Ukraine” policy

Industrial parks in Ukraine are created and developed at the intersection of the interests of three key stakeholders: business, the state, and local communities. Only when all three parties recognize the importance of cooperation do industrial parks begin to evolve from visually impressive concepts into truly effective projects.

Entrepreneurs operating within industrial parks benefit from significant savings in both time and capital thanks to ready-to-use land plots, built infrastructure, and management company services, as well as tax and customs incentives. The Government, in turn, receives tax revenues from newly established factories to help finance the Armed Forces of Ukraine. Local communities benefit through job creation and personal income tax revenues allocated to local budgets. This synergy is shaping a fundamentally new culture of interaction between business and the state: minimum barriers and maximum facilitation.

As industrial parks’ management companies increasingly recognize the effectiveness of the “Made in Ukraine” policy, they are becoming leading drivers of its programs designed to stimulate manufacturing, investment, and exports. In this way, industrial parks are transforming from industry-designated territories into dynamic business environment that generates new meaning and new opportunities for Ukraine’s development.

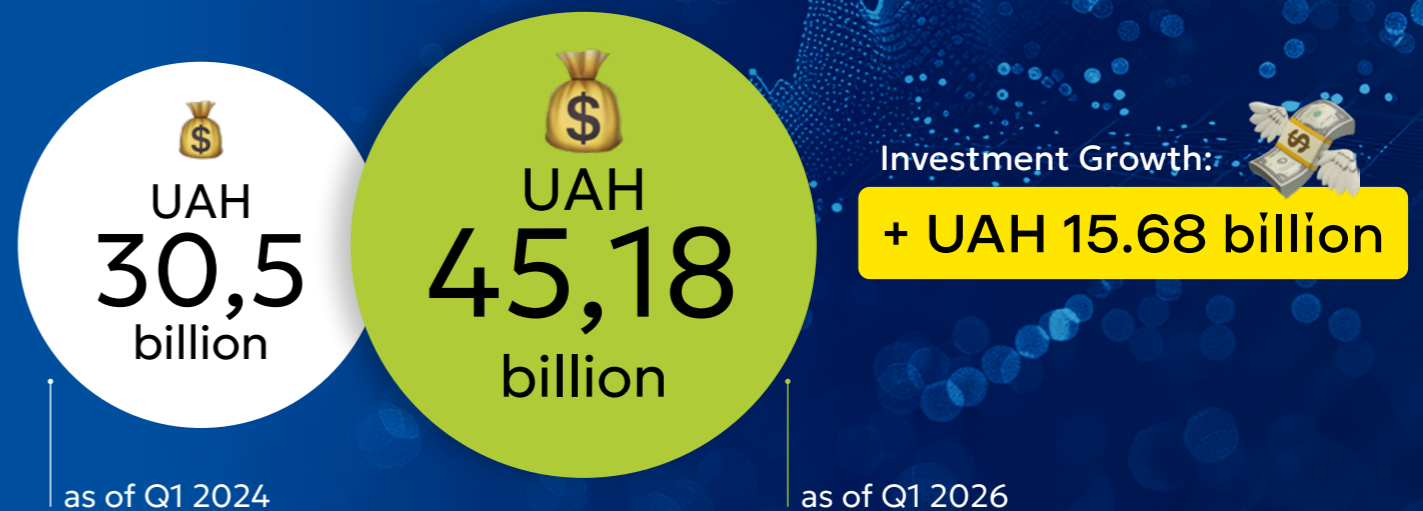
WHAT IS AN INDUSTRIAL PARK?

A READY-TO-USE PLATFORM FOR LAUNCHING INDUSTRIAL MANUFACTURING

- Ready-to-use land plots of the required size
- Fast connection to utilities and ready industrial infrastructure
- Availability of ready-built industrial facilities
- Stronger business case enabled by incentives
- Services provided by management companies

INDUSTRIAL PARKS IN NUMBERS

INVESTMENT IN INDUSTRIAL PARKS



Source: consolidated data based on official reports submitted to the Ministry of Economy and industrial park surveys as of Q1 2026.

“Modern industrial parks are a blueprint for a strong Ukraine with a resilient economy and a decent standard of living.”

Dmytro Kysylevskyy

Deputy Chairman of the Parliament Committee on Economic Development, Responsible in the Verkhovna Rada of Ukraine for the “Made in Ukraine” policy



The author of Ukraine’s industrial park legislation and Deputy Chairman of the Parliament Committee on Economic Development, Dmytro Kysylevskyy, shared insights on the current state of industrial park development and the future outlook for this sector of the economy.

Four years have passed since the adoption of the updated industrial park legislation. How would you compare the current state of the sector with the situation in 2022?

Four years ago, the full-scale invasion by Russian occupiers triggered a massive wave of industrial companies’ relocation. At that time, the key task for the Government and local communities in western and central Ukraine was to prevent factories from moving abroad and preserve them for our country. At the time, European Union countries were offering our entrepreneurs quite attractive terms for relocating their production facilities—they covered nearly all associated costs and capital investments. At this critical juncture, industrial parks became the tool that enabled local communities to convince many Ukrainian industrialists not to move abroad, despite the security risks. But the main argument at the time was not even the tax and customs incentives provided for by law, but a sharp change in the Government’s attitude toward business. It became clear to everyone: as long as the factories are running, the country is alive. It turned out that in wartime, Ukrainians—even at the everyday level—assess the state of affairs in the country not only by the news but also by the stability of the industrial enterprises around them. If the factory chimney is “smoking,” it means it’s not time to leave yet. If I compare the situation four years ago with today’s, I can confidently say that there has been a significant shift at all levels of central and local authorities in their attitude toward industry. Now, industrial parks are an important component of the comprehensive “Made in Ukraine” development policy for Ukrainian manufacturers.

Once the relocation wave of 2022–2023 ended, industrial parks entered a new stage of development – intense competition for investment. What factors now determine success in this competition?

Indeed, we are already seeing cases where investors planning to build new factories negotiate simultaneously with several industrial parks. The winners are those management companies willing to absorb the maximum amount of risk and upfront costs. Ready-to-use engineering and transport infrastructure is no longer a decisive competitive advantage, as it once was, but rather the minimum entry requirement. Without it, investors do not even consider participation in an industrial park. The harmful illusion held by many community leaders – that some “magician” would arrive in an empty field with a helicopter full of dollars, build roads, gas supply, water systems, electricity infrastructure, and a factory with 500 jobs – is now firmly in the past.



Competition for investment is not won by attractive presentations, but by industrial sites fully equipped with the infrastructure businesses actually need. Although now, in 2026, even this alone may no longer be sufficient to ensure an industrial park is confidently filled with resident companies.



So, are industrial parks now entering an even more competitive stage in the race for investment?

Yes, and a major driver of this shift has been the state’s co-financing program launched in 2024, under which the Government allocates infrastructure funding for industrial parks on a 50:50 co-financing basis each year. Funding for this program has also been included in the 2026 state budget. As a result, dozens of industrial parks across Ukraine have either already built or are currently developing engineering infrastructure. This is no longer a differentiating factor – it has become the new baseline. Competition is therefore moving to an entirely new level. Today, the decisive factor is the professional capability of industrial park management teams. They must be prepared to help industrial investors secure long-term, affordable financing, guide them through all permitting procedures, facilitate introductions to regional governors and respective industry deputy ministers, integrate them into supervisory boards of local vocational schools to support workforce training, and connect them to programs under the “Made in Ukraine” policy. These programs include everything from 5–7–9 concessional loans, UAH 8 million processing grants, and 15% compensation for purchased machinery and equipment, to war risk insurance. Each of these services provides businesses with measurable financial and time savings. If an IP management team still lacks expertise or connections in any of these areas, they need to build those knowledge and connections immediately. Because tomorrow, investor expectations will be even higher.

In Ukraine, several industrial park development models have emerged depending on who initiated the project: municipal parks, developer-led parks, and parks built around a large anchor investor. Which model is proving most effective?

All three models are viable and have already demonstrated effectiveness. An anchor investor usually provides strong momentum for the rapid launch of manufacturing operations within

an industrial park, which is critically important. However, with some exceptions, after this initial phase, attracting additional residents often slows down. Anchor investors should better recognize the value of bringing third-party businesses into their parks and begin taking concrete steps in this direction. Municipal industrial parks have certain benefits from the direct involvement of local community leaders, which simplifies the resolution of many startup challenges. However, many entrepreneurs remain cautious about partnering with municipalities due to perceived political risks. Municipal parks need to actively address and overcome these concerns. Against this backdrop, industrial parks developed by private developer companies are currently showing the strongest growth dynamics. They are proactively building lease-ready facilities and investing in service quality. However, in some cases, they place too much emphasis on logistics business rather than manufacturing. It is important not to forget that industrial parks are, first and foremost, about industrial production.



“Today, the decisive factor is the professional capability of industrial park management teams. They must be prepared to help industrial investors secure long-term, affordable financing, guide them through all permitting procedures, facilitate introductions to regional governors and respective industry deputy ministers”

If an industrial park consists only of warehouses, should it prepare for removal from the Register?

Industrial parks are expected to host operating factories. However, I would not automatically exclude such cases. We already have examples where IP residents initially occupied warehouse space and later installed manufacturing lines. If those intentions are genuine and supported by practical actions, such parks are not in the risk zone. More broadly, parks that combine both manufacturing and logistics capacities will always offer stronger value propositions to investors. For me, modern industrial parks represent a blueprint for a strong Ukraine with a resilient economy and a decent standard of living.

6 Overall, there seems to be a paradoxical impression that the state, local communities, and businesses were all somehow waiting for war before finally beginning to actively develop industrial parks.

In reality, the war forced the state to reassess the critical role of industry in national resilience. Local communities also realized that under missile attacks, importers simply halt operations, IT professionals pack their bags and relocate, while factories continue operating, paying salaries, and generating tax revenues. As for businesses, they had long been waiting for the types of support programs that now form the foundation of the “Made in Ukraine” policy. Thus, the war can be viewed not only as a factor of crisis, but also as a form of healthy stress that restored common sense to the relationship between the state, communities, and entrepreneurs. An effective industrial park emerges precisely at the intersection of government incentives, community interest in jobs and tax revenues, and the resilience of business.

In what direction should we expect industrial park legislation to develop?

I remain in constant contact with virtually all active industrial parks and regularly receive feedback on issues that can be resolved legislatively. A draft law containing a package of such

improvements and technical amendments is ready for second reading in the Verkhovna Rada. In particular, the planned changes include the following:

- expanding the list of facilities allowed within industrial parks to include renewable energy facilities, energy storage systems, and water supply infrastructure;
- expanding the list of economic activities allowed for industrial park participants – in particular, energy generation and storage, including energy from renewable sources (as an auxiliary function only);
- introducing a new legal basis for expanding industrial park boundaries upon request of the management company. At this time, expansion is possible only if there is no space left for new residents within the existing territory;
- allowing a simplified procedure for converting agricultural land outside city limits for industrial park development;
- allowing the initiator and management company to be the same legal entity;
- enabling industrial park management companies to access affordable financing under the 5–7–9 program, along with several other changes.



FROM PRESENTATIONS TO PRODUCTION FACILITY LAUNCHES

INVESTORS ARE BUILDING FACTORIES IN UKRAINIAN INDUSTRIAL PARKS

As of the end of 2024

As of the end of 2025

 **25 factories**
built or under construction

 **37 factories**
built or under construction



GOVERNMENT INCENTIVES FOR INDUSTRIAL PARKS

Fiscal incentives

01

Exemption from import VAT and customs duties on manufacturing equipment according to designated UCG FEA codes

02

10-year corporate income tax exemption for eligible activities subject to reinvestment

03

The right of local communities to provide local tax benefits



Financial incentives

01

Possibility of state budget financing for infrastructure and utility connections to IP*

02

Possibility of compensation for utility connection costs within the park*

* Financial incentives apply only if funding is available. The 2026 state budget allocates UAH 1 billion for industrial park infrastructure development.

“Industrial Parks Are Becoming Platforms for Realizing Our Economic Sovereignty”

Vitaly Kindrativ

Deputy Minister of Economy, Environment, and Agriculture

Deputy Minister of Economy, Environment, and Agriculture Vitaly Kindrativ shared his perspective on the role industrial parks should play in transforming the structure of Ukraine’s economy.

In your opinion, how active should the state’s role be in the development of industrial parks?

The state has identified industrial parks as one of the key instruments of the “Made in Ukraine” policy. Our role in this process must be as active as possible. Today, the state is not merely a regulator — it is building the framework for a new phase of industrial recovery, where industrial parks become platforms for realizing our economic sovereignty.

The Government offers industrial parks a program to compensate expenses for utility connections and infrastructure construction. What should the state receive in return for these industrial park infrastructure investments?

State investments in industrial park infrastructure are not irreversible expenses, but rather strategic capital investments with a clear payback period and measurable performance indicators. By receiving state funding, an applicant commits to constructing at least 5,000 square meters of industrial facilities and attracting at least two actual manufacturing enterprises within three years. This allows us to clearly forecast outcomes: by the end of 2027, we expect the launch of at least 30 new factories and 75,000 square meters of modern industrial real estate. The ultimate result for the state is sustainable budget revenues at all levels through taxes and the creation of thousands of jobs in local communities.

Ukraine’s state budget is currently heavily supported by international aid. How do foreign partners assess the Government’s priority of developing industrial parks?

Our international partners clearly understand that international aid is a resource for survival, but sustainable development and genuine independence are only possible through the restoration of our own industrial potential. That is why organizations such as the World Bank, United Nations Industrial Development Organization, Deutsche Gesellschaft für Internationale Zusammenarbeit, and Swiss State Secretariat for Economic Affairs not only support the priority of industrial park development but are also active participants in this process. They view this direction as a tool for transparent and structured reindustrialization aligned with the best global standards. For donors, industrial park development signals that Ukraine is preparing the foundation for private investment, which in the long term should replace direct budget support.

Is the Ministry of Economy satisfied with the implementation of IP infrastructure development projects that received state support?

We operate in the language of facts. In 2024, state incentives were provided to 15 industrial parks for the implementation of 34 infrastructure projects. This momentum continued in 2025, when 13 industrial parks received support for the construction of 22 infrastructure projects. Of these, 7 sites were completely new participants in the program, and 6 parks received

repeat funding to expand their capacities within the established funding limits. Today, we can state that construction at these sites is progressing at full speed, and some projects have already been completed.



How does the Ministry control the targeted use of state funds allocated for industrial park development?

The entire process is strictly regulated by Cabinet of Ministers Resolution No. 644, which establishes a mechanism ensuring that funds never come under the applicant’s unrestricted control. For private management companies, funds are accumulated in special escrow accounts at state-owned banks. For applicants that are municipal enterprises, funds are held in non-budget treasury accounts. The payment procedure itself includes several verification stages. In order for funds to be transferred to a contractor, the applicant must submit a work completion certificate with a mandatory signature of a consulting engineer. In addition, applicants shall provide documents confirming payment of their own co-financing share within the project. Only after the state bank or Treasury verifies that all these conditions have been met, the payment is released to the contractor.

The Government has already gained initial experience investing in industrial park infrastructure. Are improvements to state support procedures being prepared based on this experience?

This year, we have introduced another package of amendments to the state incentive procedures, with some proposals submitted by businesses and others initiated by Prime Minister Yulia Svyrydenko. One of the key innovations was the expansion of the preferential co-financing programme under the 80/20 formula. Previously, this mechanism applied only to de-occupied territories; however, it has now been extended to frontline communities that continue operating under extremely challenging security conditions. A separate and highly important focus in the new package of amendments is on the industrial parks whose infrastructure has been damaged or completely destroyed as a result of attacks by the Russian Federation. Our goal is to provide these sites with rapid support so they can restore operations and return to fulfilling their economic functions as quickly as possible.

The Ministry is responsible both for including IP in the Register and excluding them from it. Who gets removed from the Register, and for what reasons?

Recently, the Cabinet of Ministers of Ukraine adopted a resolution to remove seven industrial parks from the State Register. The primary reason was that these sites failed to attract a single industrial manufacturer for more than three years. Our analysis showed that due to insufficient capital investment in site preparation, workshop construction, and utility connections, these parks failed to achieve the necessary investment attractiveness, making it practically impossible to launch real economic activity. It is important to understand that removal from the Register does not mean liquidation of the park itself. It may continue operating as an industrial site, but without the right to receive any state incentives. Exclusion is primarily intended as an incentive to address shortcomings in infrastructure preparation. After six months, the initiator may reapply for inclusion in the Register.

How do you see the future role of industrial parks in the development of Ukraine’s economy?

We see the future role of industrial parks as the main foundation for Ukraine’s strategic transition from an outdated raw-material economic model to a modern manufacturing economy with high added value. A separate and extremely important vector of this development is the transition toward a model of eco-industrial parks. In 2025, Ukraine became the first country in Europe and the second country in the world to approve a national standard for eco-industrial parks. At present, the Parliament of Ukraine is already preparing corresponding amendments to the respective law in order to formalize this model at the legislative level. This decision is strategically important for Ukraine’s European integration and global competitiveness. The implementation of the eco-industrial park model will allow participating enterprises to align their production processes much more closely with strict European Union standards, particularly in the areas of: energy efficiency, decarbonization, and circular economy. This opens doors for Ukrainian manufacturers to access new markets where product sustainability is a mandatory condition for market entry. Thus, within the framework of the “Made in Ukraine” policy, we are building not merely industrial zones, but modern innovation ecosystems.



INDUSTRIAL HEMP: A NEW BREAKTHROUGH INVESTMENT NICHE

A unique economic experiment is underway in the village of Ryzhany, Zhytomyr region, at the Ma'Ryzhany Industrial Park. A group of Ukrainian investors is reviving an entire industry from scratch here — industrial hemp processing. They have invested USD 27 million in the first phase of a new factory built on the site of a former Soviet flax mill. To restore the area, groundwater levels had to be lowered by 3 meters. Following this, new infrastructure was built, including power grids, heating systems, and water supply facilities. The enterprise now produces long fiber for the textile industry, short fiber for nonwoven materials, paper, construction and insulation products, and hemp hurds for hempcrete, particle boards, and bioplastics.

Removing Barriers

The project was launched almost simultaneously with changes in Ukrainian legislation that clearly separated medical cannabis from industrial hemp. In December 2023, the Verkhovna Rada established that hemp varieties containing less than 0.3% tetrahydrocannabinol (THC) may be freely cultivated and processed. The relevant law came into force in August 2024, and as of January 1, 2025, licensing requirements for industrial hemp cultivation were abolished. This effectively removed the final restrictions introduced back in 1987 by the USSR Council of Ministers resolution "On the prohibition of citizens sowing and cultivating oil poppy and hemp."

Today, Ma'rijany Hemp Company, which is developing the industrial park, has successfully launched the first processing stage — hemp fiber production. **Processing volumes have already reached**

4,500 tons, with plans to increase this to 12,000–14,000 tons over the coming years. Employment is also expected to grow significantly – from current 200 employees to 700+ employees. The next development stage is the launch of yarn production, which will require an additional USD 25 million in investment.

Meanwhile, Ukrainian hemp fiber is already being exported to the European Union. Its quality has been highly praised by French and Belgian buyers, who had visited Ryzhany even before the factory was officially commissioned and immediately contracted 100% of its production output. This enthusiasm from European buyers may seem surprising only at first glance.

They remember that during the 1950s–1970s, Ukraine was a global leader in this market, accounting for approximately 70% of hemp cultivation and processing.

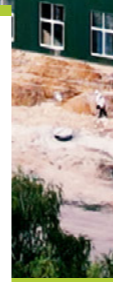
The situation changed dramatically in the 1980s due to the rise of cotton, appearance of cheap synthetic fabrics, and the already mentioned Soviet restrictions on hemp cultivation. Today, however, hemp is regaining its lost position, and Ukraine has every opportunity to capitalize on this global trend.



A New Old Trend

Overall, hemp fabric is experiencing a new wave of global popularity due to its unique properties. It is three times stronger than cotton. Hemp garments last for years without losing their shape, making them ideal for the increasingly popular European concept of slow fashion. Hemp fabric is naturally porous: it retains warmth in winter and breathes well in summer. In addition, hemp has natural antibacterial and antifungal properties, so these clothes don't retain sweat odors as much. With every wash, the fabric becomes softer while maintaining its durability.

Beyond consumer benefits, environmental factors also play a major role. The world is searching for alternatives to cotton and synthetic materials, both of which place heavy pressure on the planet. **To grow 1 kilogram of cotton, approximately 10,000–20,000 liters of water are required, while hemp needs 4–5 times less. Although cotton occupies only 3% of global agricultural land, it consumes 25% of all pesticides worldwide.** Hemp, by contrast, grows so quickly and densely that it requires almost no herbicides or pesticides. This crop also helps restore soil rather than depleting it and absorbs more



CO₂ per hectare than forests. Combined with modern processing technologies, these advantages have moved hemp products from the category of "rough burlap" into the luxury segment, where consumers are willing to pay a premium.

The Power of Leading by Example

In 2024, Ma'rijany Hemp Company independently organized the cultivation and harvesting of its first industrial hemp crop in the Zhytomyr region across 890 hectares. In 2025, this area expanded to 1,300 hectares. At the same time, an additional 500–600 hectares cultivated by regional farmers were integrated into the project. This makes the initiative the largest industrial hemp cultivation and processing project in Eastern Europe.

Engaging farmers has been one of the key challenges for the project's investors. Due to associations with narcotic substances, hemp initially raised concerns among agricultural landowners. For this reason, the company spent its first year demonstrating through its own operations that industrial hemp cultivation is not only profitable, but also safe. The project in Ryzhany also became a new experience for law enforcement agencies, which have traditionally exercised strict oversight over hemp cultivation. Police officers visited the fields and processing facility several times for inspections and ultimately concluded that

all concerns were unfounded. It is widely known that when medical cannabis grows alongside industrial hemp, it loses its narcotic properties and effectively becomes an ordinary industrial crop.

Gradually, more and more farmers are joining the ambitious Ma'Ryzhany project. Creating an environment for business cooperation is one of the core functions of industrial parks. The construction of a modern factory in Ryzhany on the site of an abandoned Soviet enterprise has given new momentum to the agricultural sector across the entire region. Instead of producing low-margin raw materials with unstable prices and export logistics risks, farmers are entering a stable local production chain with prospects for deeper processing and access to premium markets with a maximum added value.

The State as a Partner

Importantly, the role of the state in the industrial hemp market has transformed from a source of restrictions and penalties into a provider of incentives and partnership. Equipment imported for the new factory was exempted from import VAT. This created substantial savings, as the cost of Belgian hemp-processing equipment is approximately EUR 3 million. As a result, around EUR 600,000 in VAT did not have to be withdrawn from the company's working capital at the initial stage of project implementation.

Another opportunity available to investors for the further development of the industrial park is the state program supporting the construction of engineering infrastructure. Under this mechanism, projects may receive up to UAH 150 million on a 50:50 co-financing basis for the construction of roads, substations, water supply infrastructure, and power networks. **This support mechanism represents a significant advantage for the park's management company in negotiations with potential resident businesses.**

Ambitious Plans

Speaking about the project's prospects, its head, Andrii Mykytiv, emphasizes the need to expand cultivated areas, improve yields, and seek European partners for the industrial park. Negotiations are underway with Hyler, a Belgian manufacturer of harvesting equipment, regarding the localization of large-unit assembly in Ryzhany. Swiss partners from Openly have shown interest in using fiber from Ukrainian hemp for the production of construction materials. Consultations are also ongoing with potential investors for the factory's next processing stage — yarn production.



Step by step, the industrial park in Zhytomyr region is reviving an industry whose traditions in Ukraine date back to the 16th–17th centuries. During this period, Ukraine was the major supplier of hemp for sail production for ships in Great Britain, Spain, and Portugal.

It was under these sails that many of the great geographical discoveries were made. Now, in the 21st century, Ukraine has every opportunity to compete in the global industrial hemp market with France and China, the recognized leaders.



INDUSTRIAL PARKS ARE ONE OF THE EFFECTIVE MECHANISMS FOR SUCCESSFUL DECENTRALIZATION

Myroslav Biletskyi,
Head of Zakarpattia Regional Military Administration

Today, the role of industrial parks is evolving from simple industrial sites into instruments for the rapid recovery of production. The primary interest of regional authorities in the development of industrial parks lies in providing economic incentives to the local communities where the parks are located, by attracting investment, creating additional jobs, and increasing tax revenues. The parks facilitate infrastructure modernization, which contributes to industrial development and the revitalization of these areas.

In addition, industrial parks are one of the effective mechanisms of successful decentralization. Actually, decentralization is not merely a mechanical redistribution of taxes between budgets of different levels or a transfer of powers between Kyiv and the regions. True decentralization involves creating conditions under which local communities have the understanding, motivation, and tools to develop and improve the well-being of their residents by unleashing entrepreneurial initiative, attracting investment, creating jobs, developing production, and generating revenue for local budgets.

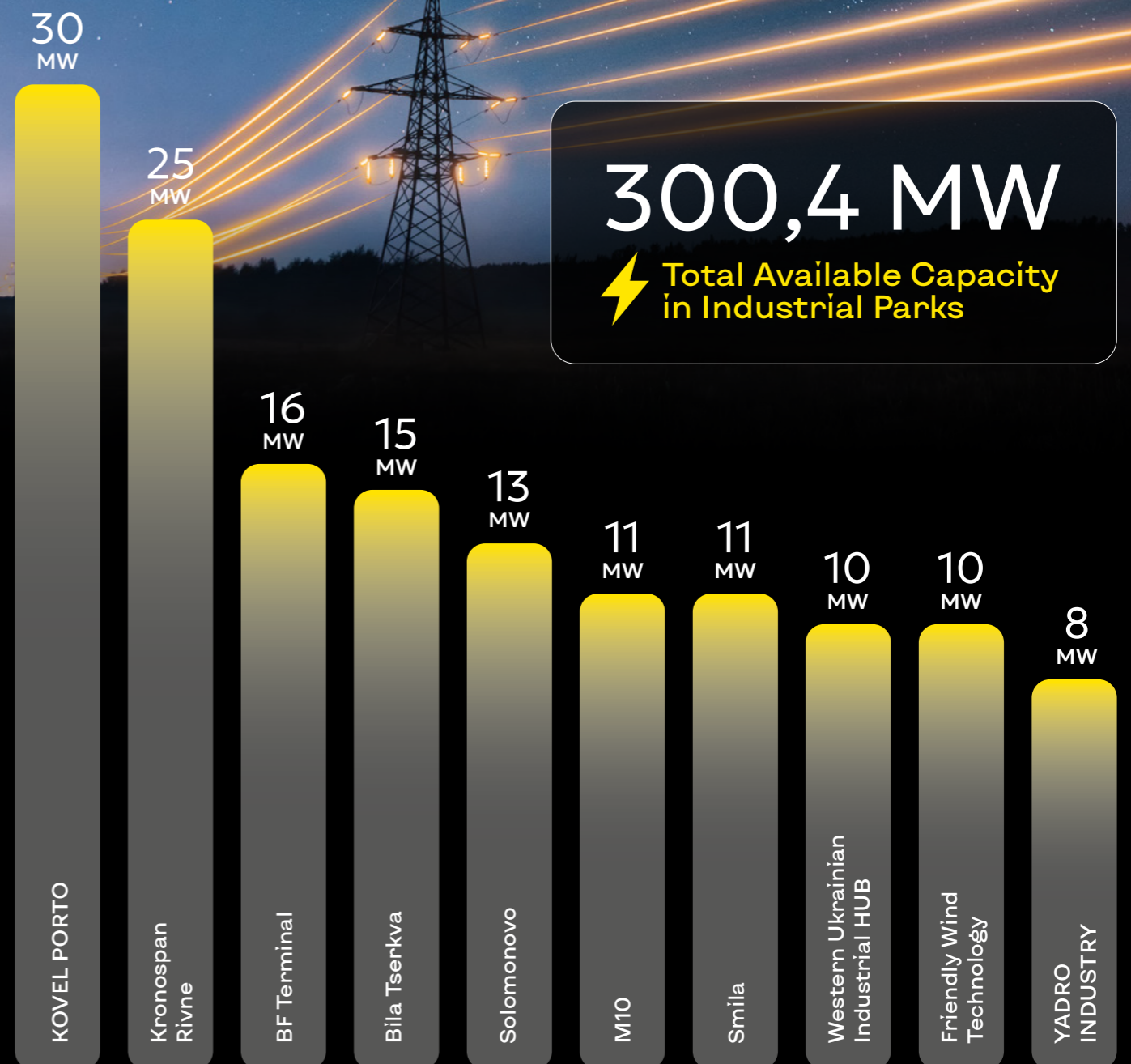
For Transcarpathia, the development of industrial parks is one of the key factors in adapting to all the challenges we face as a result of the war. Our priority in working with investors is openness and collaboration. That is why, during meetings, we strive to demonstrate the region's appeal to potential investors and make every effort to convince businesses to stay and operate in the region.

It is extremely important to note that industrial parks in Ukraine have evolved from largely theoretical projects before the invasion into a key tool for relocation during Russia's full-scale war against Ukraine. Before the war, industrial parks saw little development activity due to a lack of investment. The main focus of the parks at that time was infrastructure development. Industrial parks during the war are concentrated on the state support through tax and customs incentives, as well as the provision of state funding. A telling example of state support for industrial parks was the allocation in 2024 of UAH 152.51 million for two industrial parks in Zakarpattia ("Friendly Wind Technologies" and "BF Terminal"), and in 2025 — UAH 11.908 million ("BF Terminal").



INDUSTRIAL PARKS IN FIGURES

ELECTRICITY IN INDUSTRIAL PARKS



Source: consolidated data based on official reports submitted to the Ministry of Economy and industrial park surveys as of Q1 2026.

AGRI-PROCESSING MOVES INTO INDUSTRIAL PARKS

Ukrainian agricultural business is increasingly directing investments into agricultural processing. Companies aiming to enhance their profitability are gradually moving away from simply exporting raw materials abroad and instead investing in construction of new processing facilities. In support of this trend, the state is creating a comprehensive package of incentives, one of the most important being the development of industrial parks. Entire processing clusters are already being built within their territories.

Potato Processing Cluster in Cherkasy Region

On the outskirts of Cherkasy, construction is underway on a modern industrial potato processing cluster in the Biosense Industrial Park. The foundation of the first enterprise is already being installed in the excavation pit at the future construction site. Precast concrete structures are produced at a neighboring reinforced concrete plant and delivered to the construction site as ready-made elements. The investor, Field Group, plans to launch potato flour production at this facility as early as autumn 2026. This product is used in the bakery, confectionery, and meat-processing industries, as well as in the production of sauces and instant food mixes. Currently, potato flour is not produced in Ukraine and is fully imported from abroad.



The overall industrial park development plan provides for the formation of a five-enterprise cluster:

- potato flour production with a capacity of 25,000 tons per year;
- French fries production with a capacity of 60,000–150,000 tons per year;
- potato storage complex with a capacity of 20,000 tons;
- processing of potato peel into protein and starch; and
- greenhouse facilities integrated with a cogeneration unit.

The French fries production factory is expected to launch in 2027. At present, investors are being sought for potato waste processing facilities. To accommodate future enterprises, the industrial park has already initiated an expansion of its territory from 26 to 36 hectares. An additional 60-hectare adjacent plot is being considered as a reserve site.

The park's infrastructure is being developed with the state support. The Government allocated UAH 24 million in co-financing to the park for road construction, power line installation, and the launch of a cogeneration unit. One of the most significant upcoming challenges will be the construction of high-capacity water treatment facilities.

Sunflower Processing Cluster in Ternopil Region

Construction of an oil-processing cluster has begun at the Chortkiv-West Industrial Park, arranged in the city of Chortkiv, Ternopil Region. The project investor is A.V. Export Import, known as a wholesale operator in the agricultural commodities market. In 2025, the company decided to expand into processing operations. The first enterprise in the cluster will specialize in the refining and deodorization of sunflower oil. The plant is scheduled to launch by the end of summer 2026.

The first resident of the industrial park plans to establish a cluster consisting of three production facilities:

- sunflower oil refining and deodorization with a capacity of 50 tons per day;
- bottling operations with a capacity of up to 54,000 bottles per day; and
- sunflower seed processing with a capacity of 150 tons per day.

The infrastructure of the industrial park is being developed by the Chortkiv City Council. The municipality has already at-



tracted nearly UAH 8 million from the State Regional Development Fund to complete the construction of water supply and sewage networks. The Fund financed 50% of the project, while the remaining share was covered by the city council.

The city plans to implement the next infrastructure development project jointly with the Swiss Agency for Development and Cooperation under the UCORD program, with a budget of UAH 33 million. These funds will be directed toward the construction of water supply, drainage, and fire safety systems. In this project, 20% will also be financed from the municipal budget.

Fruit and Berry Processing Cluster in Bukovyna

Near the border with Moldova, in the village of Kolbochyn, Chernivtsi Region, an industrial cluster for fruit and berry processing is being actively developed within the Fruit Industry Industrial Park. The first enterprise – a concentrated juice produc-

tion plant – has already been virtually completed. The total area of industrial and warehouse facilities amounts to 11,000 sq. m.

Commissioning and start-up operations are scheduled for April 2026. The facility is equipped with both newly purchased machinery and equipment relocated from Interjuice, an enterprise from the city of Marhanets, Dnipropetrovsk Region, which was damaged as a result of military aggression.

The development of the fruit and berry processing cluster includes the production of concentrated apple juice (approximately 20,000 tons annually), as well as the processing of raspberries, plums, elderberries, and strawberries, including through shock-freezing technology.

The project is being implemented with support from the TAS Financial and Industrial Group, which has already invested approximately UAH 700 million, while the total investment volume in the first development phase of the industrial park is estimated at UAH 1 billion.



In the fourth quarter of 2025, the Fruit Industry IP received state support for infrastructure development. The Government allocated UAH 150 million for the construction of engineering and transport infrastructure, as well as wastewater treatment facilities. The total cost of this infrastructure project exceeds UAH 300 million.

The investor is already negotiating the supply of products, made by the industrial park enterprise, to major international and national companies targeting the European Union and United States markets. To support the further expansion of the fruit and berry processing cluster, the industrial park is preparing to initiate an expansion of its territory.

Cluster for Soybean, Rapeseed, and Sunflower Processing in Mykolaiv Region

In the village of Berezky, Mykolaiv region, near the Kyiv–Odesa highway, construction is nearing completion on a facility for processing soybean, rapeseed, and sunflower seeds within the territory of the Sunart Industrial Park. The Press-LTD new oil extraction plant is expected to begin processing the 2026 harvest. The project investor, the Olvia Group, operates a large grain elevator complex nearby with a storage capacity of 84.7 thousand tons. At the same location, commissioning and start-up works are underway for the first phase of a multi-grain oil extraction complex designed to process sunflower, soybean, and rapeseed seeds, with a production capacity of 1,200 tons per day. Therefore, the industrial park is effectively becoming the site for the second line of a deep oilseed processing complex.

The development plan for the soybean, rapeseed, and sunflower processing cluster includes the construction of the following facilities:

- pressing and preparation workshop;
- extraction workshop;
- refining, deodorization, and winterization workshop;
- oil bottling facility;
- oil storage complex; and
- in-house power generation facilities.

Another resident of the Sunart Industrial Park, Tropus-N Company, has already begun setting up production of granulated meal products. The full production line equipment has been purchased, and installation is currently in progress.

To support the development of engineering and transport infrastructure, Sunart Industrial Park has utilized state support mechanisms. Under a co-financing scheme, the Government allocated UAH 49.05 million for the construction of a boiler house, installation of fire safety systems, external water supply networks, and wastewater treatment facilities, as well as landscaping and greening of the territory.

Olvia's future plans include launching a deep corn processing plant for starch production within the industrial park. This facility will be integrated into a shared energy system with the oil production complex. A sunflower husk-fired boiler house will be used to generate steam required for starch drying.

Meat Processing Cluster in Khmelnytskyi Region

In the city of Volochysk, Khmelnytskyi region, Vitagro investment group is developing a large-scale meat processing cluster within the territory of the Future Industry Hub Industrial Park. The launch of the first pork processing facility is scheduled for May–June 2026. In the region, the group owns a network of farms with livestock exceeding 100,000 pigs and 5,000 head of cattle. The company now aims to move into the production of finished meat products and semi-finished foods.

The development of the meat processing cluster within the industrial park provides for investments in the following facilities:

- slaughterhouse with a capacity of 120 pigs per hour and 6,000 chickens per hour;
- sausage production facility;
- meat semi-finished products manufacturing;
- closed-type wastewater treatment facilities; and
- refrigerated warehouse for meat products' storage.

Total planned investment in the industrial park development amounts to UAH 2.9 billion. Of this amount, Vitagro has already invested UAH 120 million in engineering and transport infrastructure.

The company does not plan to operate in Future Industry Hub alone. Negotiations are already underway to attract partner processors who will install their own production lines. Available niches include the production of animal feed and gelatin using meat processing by-products.

AN INDUSTRIAL PARK IN TERNOPIL REGION THAT RAN OUT OF SPACE EXPANDS FIVEFOLD



The Western Ukrainian Industrial Hub industrial park (Ternopil region) has expanded its area from 10.6 hectares to 55 hectares. The original site has been fully developed with industrial facilities totaling 71,000 m².

The industrial park is currently finalizing an agreement to attract a new resident — a packaging manufacturing plant. The new enterprise will locate its production facilities on the park’s newly added site, occupying 10 hectares. To connect an additional 10 MW of electrical capacity to the new territory, Western Ukrainian Industrial Hub plans to utilize the state program for industrial park infrastructure development support.

As of December 2025, the Western Ukrainian Industrial Hub IP hosts 5 official residents and 22 other business entities. Among the companies currently operating in the park are:

- Delta-Food Industry (sauces and oil production),
- Nasha Ptytsia (meat products manufacturing),
- Ternopil Meat Processing Plant (meat products manufacturing),
- Babusia Marusia (fruit and vegetable processing and preservation), and
- APS Korm (animal feed production).

A total of 860 jobs have been created within the park.



OUR GOAL IS TO TRANSFORM EVERY INDUSTRIAL PARK FROM A PLOT ON THE MAP INTO REAL PRODUCTION FACILITIES

Vitaliy Bunechko,
Head of the Zhytomyr Regional Military Administration



For Zhytomyr region, industrial parks represent an opportunity to transform the region into a powerful industrial hub through the development of entire production clusters manufacturing products with high added value. Importantly, these are not merely our ambitions, but practical examples already successfully operating within our industrial parks.

For example, more than €300 million has already been invested in the development of a woodworking cluster located in one of the region’s industrial parks. As a result, we now have a number of enterprises producing competitive goods, including companies cooperating with international giants such as IKEA. This cluster has generated approximately 2,000 jobs with highly competitive salaries, millions in budget revenues, and the implementation of state-of-the-art environmental technologies. One example is the construction of Ukraine’s first pea-based bio-adhesive production plant, Rezalt Eco. In this way, the woodworking cluster is also creating new opportunities for the development of the region’s agricultural sector.

Today, industrial parks are economic fortresses. First, they enable the safe relocation and development of unique industries. Second,

they strengthen energy independence. Third, in wartime conditions, industrial parks are becoming points of stability and growth.

In Zhytomyr region, effective partnerships are consistently built with responsible businesses. At the same time, industrial park sites provide an opportunity for rapid business launch. Existing utility networks, access to industrial power supply lines, convenient logistics, and, in the case of our region, direct proximity to Kyiv, combined with our role as an important logistics hub on the route to EU countries, create significant competitive advantages.

The role of the Regional Military Administration is not to act as a supervisor, but as a driver and key assistant for investors. It is worth noting that Zhytomyr region introduced the institution of regional-level “investment nannies” even before it became a nationwide policy. Today, our role is to support every project — from assisting in securing state funding for infrastructure (such as obtaining UAH 83.5 million for the road leading to the Korosten Industrial Park) to coordinating, where necessary, the work with all state authorities and institutions at both regional and national levels. Our objective is for each of the 6 existing and 9 prospective industrial parks to evolve from plots on the map into real production facilities creating thousands of jobs.

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MINISTRY OF ECONOMY UPDATES THE INDUSTRIAL PARKS CATALOG

The Ministry of Economy, Environment, and Agriculture of Ukraine has updated the Industrial Parks Catalog. This state online resource contains detailed information for potential residents. In particular, the catalog includes data on:

- Engineering infrastructure
- Logistics infrastructure
- Land plot size and ownership structure
- Terms and conditions under which land plots are allocated to park residents
- Local tax and other incentives available for industrial parks and their participants
- Management company contact details

The purpose of updating the catalog is to make the process of searching for manufacturing locations more convenient and transparent for investors.



The catalog is available via the QR-code

INDUSTRIAL PARK REGISTRATION: WHERE TO START AND WHAT TO PAY ATTENTION TO

Valerii Kyrylko

Owner of the Industrial Parks of Ukraine Group and Chairman of the Board of the All-Ukrainian Association of Industrial Parks, has participated in the registration of 45 industrial parks.

He outlined the main stages of this process.



Where should any team begin an industrial park project?

1. Study of the Regulatory and Methodological Framework

The first step is to review the fundamentals—that is, the regulatory and practical “aspects” already available in the public domain. The team should clearly understand:

- the minimum permitted land plot size;
- requirements for real estate facilities (if already located at the site);
- requirements for the documentation package; and
- park establishment and registration procedures.

Without this stage, further actions will be chaotic and risky.

2. Land Plot Analysis

Once the requirements are understood, the next stage is a technical and legal analysis of the site where the industrial park is planned. Key parameters include:

Compliance with legislation

- land area of at least 10 hectares;
- if the site consists of several land parcels, they must be adjacent or, in exceptional cases, separated only by a road or another engineering and transport infrastructure facility.

Logistics

- availability and number of access roads;
- proximity to strategic highways;
- access to regional and international transport corridors.

Engineering utilities (critically important)

- electricity supply (capacity and connection options);
- gas supply;
- water supply and wastewater disposal; and
- where possible, railway access or the potential to construct a

railway connection.

3. Site Assessment

The type of site determines the next course of action:

- If it is a greenfield site (undeveloped land), engineering and geological surveys are mandatory, as soil conditions may result in significant limitations or additional costs.
- If it is a brownfield site (former industrial zone), the following should be conducted:
 - technical inspection of existing buildings;
 - audit of engineering network conditions;
 - assessment of reconstruction feasibility or the need for demolition.

4. Preliminary Expert Evaluation

After analyzing all factors, the team may submit materials to a sector-specific consultant or conduct its own assessment. The key question at this stage is: has the right land plot been selected, and does it have real potential for industrial park development?

5. Proceed to Concept Development and Documentation

Only after completing the previous stages does it make sense to move on to developing the industrial park concept and preparing the registration documentation package.



Main Stages of Industrial Park Registration: Procedure and Practical Challenges

The registration of an industrial park begins only after the initiator has identified the land plot intended for inclusion in the Register of Industrial Parks. This is exactly the moment when the formal procedure starts, which can generally be divided into three key stages:

1. Development of the industrial park concept.
2. Preparation of the registration documentation package.
3. Completion of the approval procedure leading to a decision by the Cabinet of Ministers of Ukraine.

Each of these stages has its own specific features and significant risks.

Stage I. Concept Development

The required structure of the concept is defined by the Law of Ukraine “On Industrial Parks.” However, the main practical challenge lies not in formally following the structure, but in the need to comply with expectations of all institutions involved in the evaluation process.

In practice, the concept is reviewed by approximately 15 authorities and institutions, each with its own focus of assessment:

- Ministry of Finance – financial model, tax calculations, and budget efficiency.
- Ministry for Communities and Territories Development – compliance of the land plot with urban planning documentation and the community development strategy.
- State Tax Service – tax administration issues and related risks.
- Other central and local authorities – within their respective competencies.

Each institution imposes requirements not only on content, but also on wording, individual section structure, and justification of indicators.

A common mistake is attempting to use an existing concept as a template. Practice shows that the approaches and expectations of public authorities are constantly evolving. Therefore, the document must be adapted to the specific land plot, development model, and current regulatory priorities.

In addition, the concept serves as the foundation for the second stage: all supporting materials must be fully aligned with its provisions. Any discrepancies become grounds for comments or requests for revision.



Stage II. Document Preparation: The Scope Is Often Underestimated

Formally, the list of required documents is defined by law. In reality, however, the package is significantly broader and shaped by the specific characteristics of each project.

In practice, the volume of supporting materials can be quite substantial. There have been cases where the full package exceeded 700 pages of supporting documentation.

Greenfield vs Brownfield

Greenfield projects (undeveloped land without existing buildings) usually require a smaller documentation package.

Brownfield projects require additional confirmations regarding existing real estate assets, their construction time, compliance with sectoral legislation, legal status, and related matters.

Urban Planning Documentation – A Key Risk Factor

A separate challenge is proving compliance with urban planning documentation.

Land plots located outside populated areas are particularly problematic. Even if the land has the designated use code 11.02 (“for placement and operation of industrial buildings and facilities”), this does not guarantee long-term strategic stability of land use.

The Ministry for Communities and Territories Development requires the provision of up-to-date urban planning documentation.

Within city boundaries, this issue is usually addressed through the existence of master plans.

Outside populated areas, however, such documentation is often absent and must be developed from scratch, which means:

- additional time;
- additional financial costs;
- risk of project parameter changes.

In addition to urban planning matters, financial capacity confirmations from the initiator are often required (particularly for the Ministry of Finance), along with other documents not explicitly detailed in legislation but requested during the approval process.

This stage may take considerable time and requires significant organizational resources.



FREE NICHEs IN INDUSTRIAL PARKS: WHERE AND HOW TO MAKE MONEY

Anchor investors in industrial parks create unique opportunities for the establishment of new manufacturing businesses. New enterprises can focus on production cooperation with existing manufacturers, waste processing for another producer, or using another company's products as raw materials or components for new goods. This business generation model within industrial parks offers a range of advantages that can create a competitive edge from day one.

Here are three key advantages:

- 1. Savings on engineering infrastructure.** Establishing a business next to an anchor investor usually allows access to energy, water, and other capacities that have already been commissioned.
- 2. Savings on logistics.** By using another manufacturer's products or even production waste, companies can rely exclusively on local transportation within the industrial park. This makes it possible to significantly reduce production costs.
- 3. Savings on customs and tax payments.** Ukrainian legislation allows industrial park projects to import production equipment without paying import duties or import VAT.

Another major advantage for industrial projects located near an anchor investor of the industrial park is guaranteed sales channels or supply of production inputs. When such a manufacturer is located near-

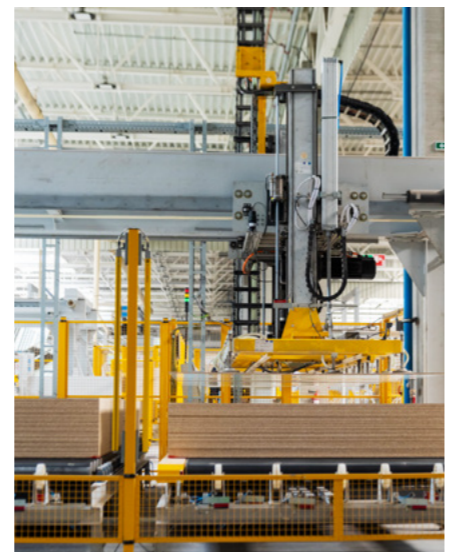
by, it eliminates a substantial number of problems related to finding suppliers or customers. Free niches for such businesses continuously emerge in Ukrainian industrial parks — entrepreneurs simply need to monitor market developments.

Furniture manufacturers and frame construction businesses are welcome in Rivne region

Kronospan industrial company, backed by Austrian investment and developing the Kronospan Rivne industrial park in the village of Horodok, Rivne region, is inviting small and medium-sized businesses to cooperate. Kronospan operates the large-scale production of wood-based panels, including OSB and particleboard. This creates free niches for entrepreneurs capable of building businesses across multiple sectors. Particularly attractive opportunities exist in the production of modular houses, furniture, and SIP panels.

The furniture industry and modular-frame construction have been rapidly developing in Ukraine in recent years, driven by stable domestic demand and solid export potential. Rivne region's relative safety as a western Ukrainian region and its proximity to EU borders make Kronospan's offer particularly attractive. However, the strongest argument for entering this niche is logistics: businesses requiring wood panels can source materials at factory prices with virtually no transportation costs while

also minimizing the risk of product damage during transit.



Pea processing waste creates free niches in two industrial parks

Another woodworking company, MDF, is developing an industrial park in the city of Korosten, Zhytomyr region. In autumn 2025, the company launched Ukraine's first pea-based bio-adhesive production plant on the park's territory. This immediately created a free business niche within the park — pea production waste processing.

Fiber residues and starch by-products are excellent raw materials for producing compound feed, as well as pet food for dogs and cats. A feed pelletizing line, which could be

located directly next to the adhesive plant, would gain a major competitive advantage through savings on transportation costs.

While partner searches continue, MDF has already created significant demand for local farmers simply by launching the pea-based bio-adhesive plant. The reason is scale: the facility requires 1 million tons of peas annually, which is more than double Ukraine's total pea harvest in 2024 and approximately 1.5 times the record 2025 harvest. MDF is currently conducting active negotiations with farmers regarding the expansion of pea cultivation in future seasons. The urgency is clear: another pea-based bio-adhesive production plant is already under construction in Zakarpattia, where MDF is also developing another industrial park — BF Terminal.

Fastiv Creates a Profitable Niche for Cardboard and Paper Production

Start-Industry, the management company of Fastindustry Industrial Park, is seeking a resident to establish cardboard or paper production. The park's anchor investor, Uninvest, is a major player in Ukraine's fast-food industry packaging market, supplying paper cups for McDonald's and KFC fast-food restaurants, as well as for major fuel station and supermarket chains across Ukraine.

The use of paper cups and packaging generates substantial recyclable waste volumes. This material could be processed by the partner that Uninvest is seeking in Fastiv. The produced cardboard and paper could be re-used on Uninvest's production lines. In other words, sales for a partner filling this vacant niche are virtually guaranteed.

Implementing this plan would help fulfill the long-held dream of entrepreneur Hennadiy Demchenko, who founded the Uninvest fac-

tory. He established the industrial park with the goal of creating an industrial cluster based on the principles of the circular economy. This involves integrating the production chains of the industrial park's residents so that one plant's waste becomes raw material for another.



Hemp Yarn Production Seeks €20 Million in Investment

The management company of Ma'Ryzhany Industrial Park, Ma'Rijany Hemp Company, is seeking partners for the next stage of

industrial hemp processing in Zhytomyr region. The first phase of the project has already been completed, with a factory manufacturing three major product categories:

- long fiber for textiles and technical fabrics;
- short fiber for paper, insulation products, and nonwoven materials;
- shiv for bioplastics, particleboard, hemp-concrete, and livestock applications.

Ma'Rijany Hemp Company exports long fiber to EU countries, where it is used for yarn production. First deliveries took place in 2025. However, yarn production directly within the industrial park could increase the project's added value by 3–5 times. This second processing stage requires approximately €20 million in investment. The funding is needed to purchase a high-tech wet spinning line, combing equipment, bleaching systems, and yarn softening technologies. Preliminary negotiations are currently underway to attract these investments from both Ukrainian industrial and financial groups and international investors. Successful implementation of this project would open the door to the third processing stage of industrial hemp: full-scale textile manufacturing.



“ALL INCLUSIVE” – INDUSTRIAL PARKS COMPETE FOR INVESTORS THROUGH SERVICE PACKAGES

Competition among leading Ukrainian industrial parks for investors continues to intensify. As a result, parks are offering residents an increasingly broad range of services. Just a few years ago, many IP initiators had an illusion that manufacturers could be attracted by the prospect of building a factory simply in an empty field. Such “eco-parks” often remained nothing more than overgrown grasslands. Today, however, Ukraine is seeing clear examples of management companies transforming into universal service platforms. At present they simultaneously combine the functions of project designer, construction manager, financial consultant, recruitment agency, educational hub, government relations specialist, and event organizer. They also consider practical needs such as where employees will eat, relax, and study.

Recruitment and Workforce Training

“When I was choosing an industrial park to build a new USD 15 million factory, workforce availability was a major issue,” says Oleh Averyanov, owner of Pozh-mashyna Company. “To launch production of agricultural and fire-fighting machinery and equipment, I need several hundred skilled workers, professional engineers, and experienced management. In Lviv, the park’s management company offered me

services from its own recruitment agency. That became a serious argument in favor of the location.” As a result, this manufacturer from Chernihiv region selected Formation.Lviv Industrial Park for its new project. Construction is already underway. Although the planned production launch is scheduled for 2027, workforce recruitment for the new facility is already in full progress.



Notably, this industrial park did not stop at offering only recruitment services to address labor shortages. Formation.Lviv has signed an agreement with Lviv Polytechnic National University, enabling student internships at the park’s industrial enterprises. The partnership also provides for the establishment of joint research laboratories and engineering coworking spaces, allowing students and university researchers to develop prototypes and test innovations under real production conditions. In addition, professional development programs are offered to university lecturers to ensure students receive practical, indus-

try-relevant knowledge. Dedicated spaces within the industrial park are also planned for training centers where current factory employees can improve their skills.

Government and Local Authority Relations

Another critically important element in launching a new industrial project is completing all required permitting procedures and establishing effective communication with local authorities. An increasing number of industrial park management companies now provide these services to their residents as well. During registration and the launch of active operations, the IP teams themselves go through an extensive approval process as industrial facilities. As a result, when an investor decides to become a park resident, they can already benefit from the management team’s accumulated experience. Environmental impact assessments, obtaining urban planning conditions and restrictions, construction permits, commissioning certificates, fire safety approvals, and emissions permits — all of these procedures can consume significant time and resources if entrepreneurs do not leverage the support of colleagues already familiar with both the relevant officials and the local specifics of bureaucratic quests.

“We maintain strong working relationships with virtually all regulatory authorities. This significantly simplifies the launch process for any of our residents,” says Serhii Badiak, owner of Euro-Invest Holding, the management company of Zakhid Resurs Industrial Park in Lviv region. This industrial park is being developed on land adjacent to Serhii Badiak’s large logistics center. As a result, the entrepreneur is now leveraging the experience and professional network built while growing his own business to support the IP development. The project is currently in the active phase of constructing industrial facilities. Detailed discussions are already underway with manufacturers that will occupy the leased premises, including matters related to going through permitting and regulatory procedures.

Naturally, when it comes to municipal industrial parks, opportunities to accelerate approvals are even greater. In Vinnytsia, this function is overseen by Andrii Ocheretnyi, Deputy Mayor specifically authorized to coordinate economic development. He supervises the city administration’s economic block and maintains ongoing communication with state authorities, local officials, and energy monopolies. This enables him to provide full support to the municipal VinIndustry Industrial Park as



well as other industrial parks operating in the city.

Another example of industrial park communications with public agencies to advocate the interests of residents is regular coordination meetings with the Ministry of Economy, environmental authorities, and agricultural agencies. Such meetings are held monthly with the participation of senior officials from the Ministry of Economy, as well as representatives of the Parliamentary Committee on Economic Development. In the event of any complications, management company representatives have the opportunity to communicate issues directly on behalf of their residents.

Attracting Financing

Bank loans, funding from international donors, and state support programs for Ukrainian manufacturers under the “Made in Ukraine” initiative — management companies of active industrial parks are increasingly helping residents secure the full range of financing instruments currently available to businesses. Residents receive assistance in accessing affordable “5-7-9” loans with limits of up to UAH 150 million, processing grants of up to UAH 8 million, as well as war risk insurance solutions.

In relations with banks, management companies also undertake an advisory role. “To kick off construction of a new plant in our industrial park, we first helped refine the business plan and then essentially guided our resident through the banking process, helping secure the majority of financing,” says Dmytro Kovalchuk, founder of Alterra Group, the management company of Formation.Lviv Industrial Park.



“The management company helps residents structure projects in a way that makes them understandable and bankable for lenders,” emphasizes Andrii Ropytskyi, CEO of Bila Tserkva Industrial Park. Andrii brings 14 years of experience in the banking sector, allowing him to immediately identify which weaknesses in a business plan should be addressed first. He also publicly advocates for improving the existing financial instruments available to industrial investors. “Our goal is to attract at least USD 250 million in investment to the industrial park. But for this to happen, the state must take a more active role in insuring investment risks,” Ropytskyi stated while commenting on the role of the Export Credit Agency in supporting Ukrainian industrial development.

As a result, competition among management companies for industrial investment enables park residents to save both time and money, allows banks and international financial institutions to work with more reliable borrowers, and pushes the state to continuously improve economic policy. Ultimately, the biggest winner is Ukraine.



WIND OF CHANGE FROM AN INDUSTRIAL PARK IN ZAKARPATTIA

A new plant, Friendly Composite, has begun operations in the city of Perechyn, Zakarpattia, launching serial production of blades for wind power plants. This new product line is another project of Friendly Wind Technology Company, which is developing an industrial park of the same name located 20 kilometers from Uzhhorod. The company is the only manufacturer of megawatt-scale wind power plants in Ukraine. The launch of blade production increased the localization rate of Ukrainian-made wind turbines manufactured at the industrial park to 80%.

Implementing this project required Friendly Wind Technology specialists to establish production processes unique to Ukraine. Each blade is 75 meters long and weighs 25 tons. Unsurprisingly, part of the engineering team responsible for launching the Friendly Composite plant has experience in shipbuilding, as products of this size are more typical for the construction of ultra-light and ultra-strong yachts.

The manufacturing process for each blade is highly meticulous and leaves no room for even the slightest inaccuracies.

It begins with giant composite molds that precisely replicate the geometry of the future product. These molds are cast from epoxy-based plastic. Next, two large halves, known as shells, are joined together and covered with a dense composite layer. The finishing process involves polishing the surface to perfect smoothness, as this

will ultimately determine the power plant's ability to generate maximum power.

Relatively cold winters in the Carpathian Mountains require the use of a special blade heating system. Ice buildup can reduce wind farm electricity generation by 20–40% or even cause emergency shutdowns. Heavy ice forms most quickly on blade edges. Previously, Friendly Wind Technology mainly launched wind farms in southern Ukraine, where such climate-related issues were less significant. To address this, heating elements are embedded between composite layers near the blade surface. Once sensors detect icing, the blade automatically starts heating itself.

Another challenge faced by Friendly Wind Technology engineers is lightning, which is a quite common phenomenon in mountainous regions. Without proper

protection, a 200-meter-high electrified structure becomes a natural magnet for powerful strikes, creating a risk of composite damage. To prevent the structure from lighting, a copper cable system is integrated into the blade to safely channel electrical discharge when needed. Transforming this threat into controlled lightning dissipation is a true engineering art. To meet the highest IEC 61400-24 lightning protection standard, Friendly Wind Technology used the expertise and technologies of the Swiss company Gurit.

Once the blades are completed, another challenge arises: transporting them safely and problem-freely to wind farm installation sites. Moving structures of this size through the mountainous Carpathian terrain is a complex logistical task. Any damage during transportation would undermine all production efforts. This process is



handled by a separate company, Friendly Logistic, which uses mobile cranes with lifting capacities of up to 750 tons, as well as specialized trailers and low-loaders capable of carrying cargo weighing up to 100 tons. After the wind farm installation, each blade is designed to operate in strong winds for at least 30 years.

In March 2026, Zakarpattia commissioned its first wind power plant using Ukrainian-made blades. The Nyzhni Vorota wind farm consists of 16 turbines with a total capacity of 80 MW. The new facility already supplies electricity to more than 50,000 households in the Nyzhni Vorota community. The first turbine began generating electricity back in summer 2024. By 2025, half of the park's turbines (8 units) were operational, while the full commissioning of all 16 turbines in March 2026 marked the completion of this large-scale project. During its testing phase alone, the wind farm generated 64 million kWh of electricity for the region.

The management team of the Friendly Composite plant is already conducting preliminary negotiations regarding the export of Ukrainian-made blades. However, for now, these blades will primarily be used for new wind farm projects in Zakarpattia. The next project, the Polonyna Runa Wind Farm, will be twice as powerful as the facility in the Nyzhni Vorota community. Its total installed capacity will reach 156 MW, enough to cover approximately half of Zakarpattia's annual household electricity consumption. The project includes installation of 30 modern wind turbines with a capacity of 5.5 MW each. This generation capacity will allow the production of around 500,000 MWh of electricity annually.

These ambitious plans are driving the further expansion of blade manufacturing at the Friendly Wind Technology Industrial Park.



In the first half of 2026, Friendly Composite is producing 4 blades per month, or approximately 48 blades per year, which is enough to fully equip 16 turbines. Since the industrial park has already announced plans to scale up production to 100 turbines annually, this will require the output of 400 blades per year.

As a result, news concerning new investments and workforce expansion at the Perechyn industrial park can be expected in the near future.

Investments in future talent for the industrial park are perhaps the clearest sign that the production facility relocated from Kramatorsk has put down long-term roots in Zakarpattia. In 2026, Friendly Wind Technology became the first enterprise in Zakarpattia to launch its own named scholarships for students of vocational education institutions. First- and second-year students at the Perechyn Vocational Lyceum, who are mastering the profession of CNC machine operators, now get considerable financial support directly from the industrial park. Scholarships are already received by 22 students. The highest-performing students get UAH 6,000, while those demonstrating strong results in pro-

fessional subjects receive UAH 4,000. This is a substantial supplement to the standard state scholarship, which currently amounts to UAH 1,250.

At the same time, construction has begun in Perechyn on a new educational institution designed to serve the needs of the industrial park — Karpaty International School & Community Space. The main idea of the project is to create opportunities for Ukrainian children to study at home while simultaneously receiving an international European-standard education. Students will graduate with both a Ukrainian secondary school diploma and a Cambridge certificate. The school is scheduled to open in mid-2026.



“MADE IN UKRAINE” PROGRAMS

“Made in Ukraine” is a policy for the development of Ukrainian manufacturers announced by the President of Ukraine, Volodymyr Zelensky. Its three key pillars are the development of domestic production, attracting investment into the real sector of the economy, and promoting non-commodity exports. Each pillar includes a range of programs and instruments.



ATTRACTING INVESTMENT INTO THE REAL SECTOR THROUGH ACCESS TO FINANCING, INDUSTRIAL INFRASTRUCTURE, AND INCENTIVES

Grants for Processing Industry Development

Manufacturing and processing companies can receive up to UAH 8 million in state grants to modernize their equipment fleet. Conditions include 50/50 co-financing and the creation of at least 5 jobs.

Recovery Grants

This program provides recovery grants of up to UAH 16 million for production equipment to businesses affected by destruction and war-related damage.

Affordable Loans 5-7-9

Manufacturing industry enterprises can receive up to UAH 150 million in low-interest investment loans. For energy independence projects, loans of up to UAH 10 million are available at 0% interest, as well as financing of up to UAH 250 million under the general terms of the program.

579 доступні кредити

Industrial Parks

For potential investors, industrial parks address several critical challenges: industrial designation land, connected utilities, available industrial buildings, stronger business cases through tax and customs incentives, and management company services.

Support for Significant Investment Projects

Investment projects worth at least EUR 12 million are eligible for a package of state support measures allowing reimbursement of up to 30% of invested capital. These include compensation for the construction of engineering and transport infrastructure and utility connections, reimbursement of forestry-related losses, and investment compensation through taxes, including incentives related to import duty, import VAT, and corporate income tax.

War Risk Insurance

For frontline territories, a property insurance program is available with coverage of up to UAH 30 million at a cost of 0.5% of the insured asset valuation. For all other regions, there is a compensation program covering insurance premiums of up to UAH 3 million per year (similar to the 5-7-9 program). An investment loan insurance program is also in place. These programs are administered by the Export Credit Agency.

Simplified Change of Land Use Designation

This measure allows agricultural land located outside populated areas to change its designated use under a simplified procedure. Instead of the standard 1-2 years, the simplified process takes only 1.5-2 months.



DEVELOPMENT OF DOMESTIC PRODUCTION THROUGH STIMULATING DEMAND FOR UKRAINIAN GOODS FROM THE STATE, PRIVATE SECTOR, AND CITIZENS

Localization in public procurement

This policy introduces local content requirements in public procurement for mechanical engineering products, light industry goods, metalworking products, cable and wire products, and others. In 2026, the required local content share is 30%, increasing to 35% in 2027, and later to 40%.

School Bus

This co-financing subsidy program for local communities supports the purchase of school buses, addressing several objectives simultaneously. Communities receive transportation for children to schools, while Ukrainian manufacturers gain new orders.

25% compensation for Ukrainian agricultural machinery and equipment

Ukrainian farmers or agro-processors purchasing Ukrainian-made agricultural machinery or equipment are eligible for a state reimbursement of 25% of the purchase price.

National Cashback

This program is a form of direct financial support from the state to citizens. Eligibility requires the purchase of Ukrainian goods. Consumers receive 5-15% of the product value back to their bank card. Accumulated funds can then be spent on Ukrainian goods and services. The National Cashback program is designed to make Ukrainian products the first choice for consumers.

національний кешбек

15% compensation for Ukrainian-made machinery and equipment

Private buyers of energy equipment, wheeled vehicles, elevators, and production equipment can receive state compensation of 15% of the cost, provided such machinery and equipment are produced in Ukraine and have at least 40% local content.

Ukrainian Product Labeling

Helping consumers recognize Ukrainian products and give them preference. If you produce in Ukraine, label your goods with the “Made in Ukraine” logo.



eOselya

The affordable mortgage program helps citizens purchase their own housing. In addition, it is an important driver of demand for construction materials, as financing is provided only for newly built residential properties.

Оселя

PROMOTING NON-COMMODITY EXPORTS THROUGH MARKET ACCESS AND EXPORT FINANCING

National Pavilions at International Trade Fairs

This program enables Ukrainian manufacturers to participate in international exhibitions on preferential terms as part of Ukraine's national pavilion.

Export Credit Agency Products

Financing from partner banks of the Export Credit Agency is available without collateral requirements. Through this program, the ECA facilitates Ukrainian exporters' access to export financing under a simplified procedure while also providing banks with protection against the risk of exporter loan default.

ECA Export Credit Agency



More details about these programs are available on the website:

madeinukraine.gov.ua





Guide to
Industrial Park
Registration



Tax
Incentives



Customs
Incentives



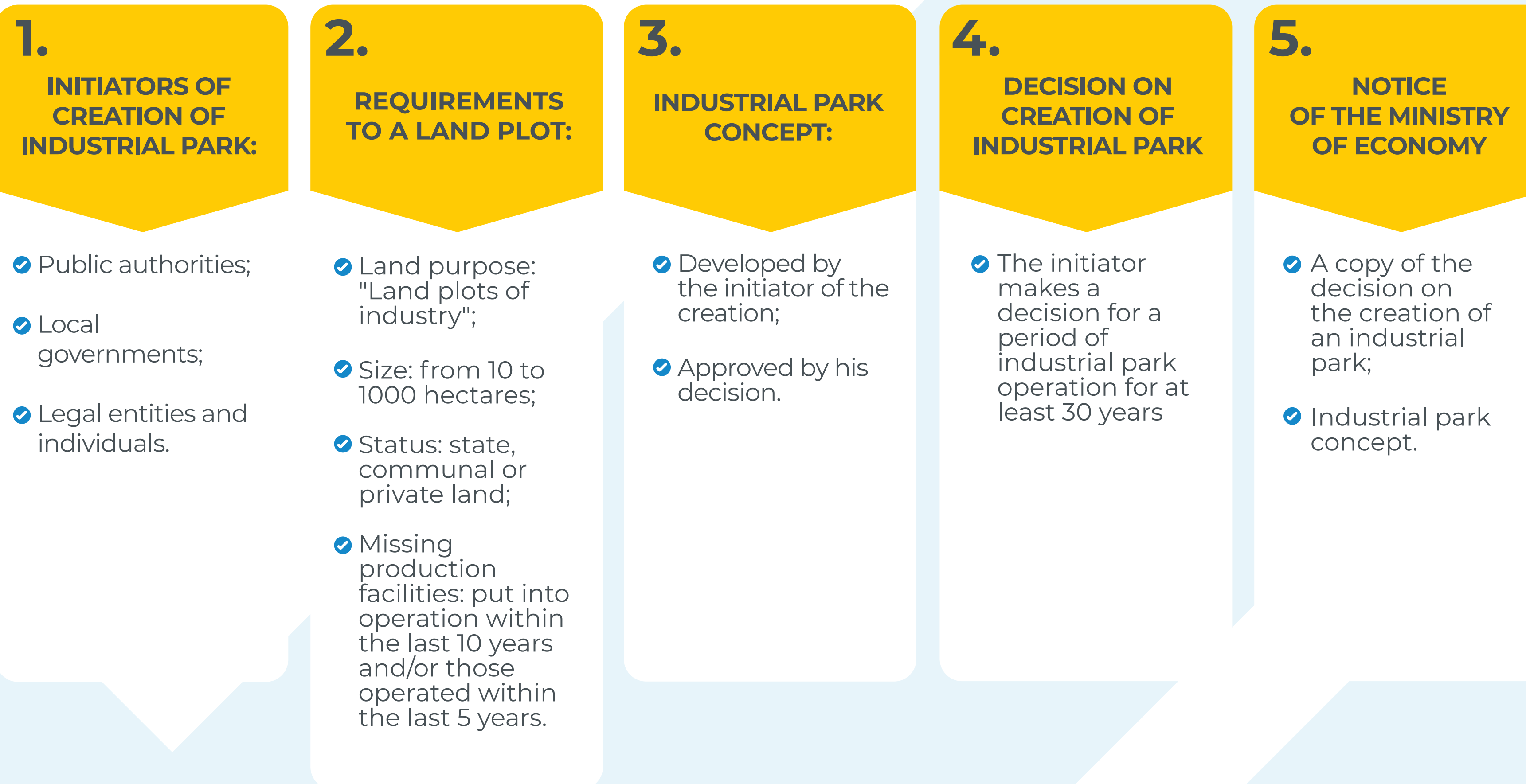
Information and analytical materials were developed and prepared for publication by the Office of Dmytro Kysylevskyy, People's Deputy of Ukraine and Deputy Chairman of the Committee of the Verkhovna Rada of Ukraine on Economic Development.

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CREATION OF INDUSTRIAL PARKS AND INCLUSION TO THE REGISTER OF INDUSTRIAL PARKS

*in accordance with the Law of Ukraine
"On Industrial Parks" (with amendments)*



6. AGREEMENT ON CREATION AND FUNCTIONING OF INDUSTRIAL PARK

- ✓ Selection of the management company;
- ✓ Conclusion of an agreement on the creation and operation of an industrial park;
- ✓ Written notification of the Ministry of Economy of "Ukraine"

7. INDUSTRIAL PARK REGISTRATION

- ✓ Submission of documents to the Ministry of Economy (list of documents in accordance with Article 15 of the Law on Industrial Parks).

8. PROCESSING DOCUMENTS AND INCLUSION TO THE REGISTER

- ✓ Review of documents by the Ministry of Economy and other bodies;
- ✓ Approval of the draft order of the Cabinet of Ministers of Ukraine;
- ✓ Decision to include the industrial park in the register.

9. TENANTS OF INDUSTRIAL PARKS

- ✓ The business entity is registered on the territory of the IP;
- ✓ Acquired the right to a land plot and/or other real estate object;
- ✓ Signed an agreement with the management company on the implementation of economic activity;
- ✓ Carries out activities exclusively in the field of processing industry.

INITIATORS OF INDUSTRIAL PARKS CREATION OF INDUSTRIAL PARKS

(Clause 4 of the first part of Article 1, Article 13 of the Law)

National authorities

(on state-owned land plots)

Local governments

(on land plots of communal property)

Legal entities and individuals — tenants placed on land plots
Of state, communal and private property

Legal entities and individuals — owners of private land plots

IMPORTANT! The law provides that:

- initiator of the creation cannot be a tenant of the industrial park;
- management company cannot conduct business activities similar to the activities of industrial park tenants.

RESTRICTIONS REGARDING CREATION OF INDUSTRIAL PARKS

(Article 71 of the Law)



- Initiator of creation
- Management company
- Tenant
- Another subject

cannot be created/ founded by individuals/citizens of **state-aggressor** recognized by the Verkhovna Rada of Ukraine an aggressor state, an occupying state, legal entity, related persons registered with the state, recognized by the Verkhovna Rada of Ukraine as an aggressor state, an occupying state, in respect of which sanctions have been applied in accordance with the legislation of Ukraine or international law,
legal entities — owners of 10 percent or more of shares and/or **ultimate beneficial owner (controller)** who is a resident of a state recognized by the Verkhovna Rada of Ukraine as an aggressor state, an occupying state, a state recognized by the Verkhovna Rada of Ukraine as an aggressor state or an occupying state, an occupying state, a state recognized by the Verkhovna Rada of Ukraine as an aggressor state, an occupying state,
and/or **by economic entities connected by economic ties with the aggressor state** within the meaning of the Tax Code of Ukraine.

REQUIREMENTS FOR INDUSTRIAL PARK TERRITORY FOR INCLUSION TO THE REGISTER OF INDUSTRIAL PARKS

(Clause five of Article 14 of the Law)

An industrial park can be included in the Register of Industrial Parks, if it is provided that at the time of inclusion on its territory (within the limits) there are no:

- **Accepted into operation during the last 10 years until the decision to create an industrial park was made completed constructions of objects for the production purpose;**

the date of registration of the declaration on the facility's readiness for operation or the issuance of a certificate.

and/or

- **Objects of the production purpose, that were exploited during the last five years until the decision to create an industrial park was made.**

notification of objects of taxation or objects related to taxation or through which activities are carried out, according to form No. 20-ОПП

The restrictions of this article do not apply to the production facilities of the coal mining enterprise and/or its separate (adjacent) subdivision, which does not have the status of a legal entity, which has been liquidated, is in the stage of liquidation (termination) or is planned for liquidation

REQUIREMENTS FOR INDUSTRIAL PARK LAND PLOTS

(Article 8 of the Law)

The plot of land, the use of which is planned for the creation and operation of an industrial park, can be located within or outside the boundaries of settlements and must meet the following requirements:

- 1. belong to industrial lands;**
- 2. be suitable for industrial use, taking into account the conditions and restrictions established by the relevant urban planning documentation;**
- 3. the area of the land plot or the total area of adjacent land plots must be at least 10 hectares and no more than 1,000 hectares.**

The location between land plots of the industrial park of land plots on which engineering and transport infrastructure objects are located or are expected to be located in accordance with the urban planning documentation is allowed

INDUSTRIAL PARK CONCEPT

(Article 17 of the Law)

Concept is developed by the initiator of industrial park creation and approved by their decision.

The concept of the industrial park must include:

1. Name of the industrial park;
2. Initiator of the creation of the industrial park;
3. Purpose, task of creation and functional purpose of the industrial park;
4. Location and size of the land plot (not less than 10 hectares and not more than 1000 hectares);
5. Term for which the industrial park is created;
Important! Term begins from the date of the initiator's adoption of the decision to create an industrial park
6. Requirements for industrial park tenants;
7. Information on the approximate total volume of consumption of energy resources, water, etc., as well as on the necessary transport infrastructure and the plan for providing the industrial park with relevant resources;
8. Industrial park development plan;
9. Approximate resources necessary for the creation and functioning of the industrial park, expected sources of their attraction;
Important! In the Concept, it is expedient to mention the intention to obtain appropriate forms of state incentives
10. Organizational model of industrial park functioning;
11. Expected results of the operation of the industrial park;
12. Other information at the discretion of the initiator of creation.

NOTICE ON THE CREATION OF THE INDUSTRIAL PARK

(part two of Article 14 of the Law)

Initiators of the creation of industrial parks are **obliged** to notify the Ministry of Economy about the creation of an industrial park, to provide within **five calendar days** from the date of the decision to create an industrial park:

- **copy of the decision on the creation of an industrial park;**
- **concept of an industrial park.**

Information about the created industrial parks is public, access to it is provided by the authorized state body by placing it on its official website.

IMPORTANT!

Submitting a notification on the creation of an industrial park is not a basis for including the industrial park in the Register of Industrial Parks

SELECTING THE MANAGEMENT COMPANY OF THE INDUSTRIAL PARK

(Article 18 of the Law)

Selection of the management company of the industrial park, created **on the lands of state or communal property** carries out the initiator of the creation of such a park on a competitive basis by organizing and conducting an open competition in the manner specified by this Law.

If the land plots intended for the creation of an industrial park are **privately owned**, the management company is determined by the initiator of the creation independently.

If the initiator of the creation **is the lessee of the land plot**, the management company of such a park is determined by him independently with a written notification of this to the relevant state authority, local self-government body and the lessor no later than three working days.

ACQUISITION AND LOSS OF INDUSTRIAL PARK MANAGEMENT COMPANY STATUS

(Article 24 of the Law)

A legal entity **acquires the status** of a management **company from the day of agreeing on the creation and operation of an industrial park**, about which the initiator of the creation is obliged to notify the Ministry of Economy in writing within three working days.

*The authorized state body enters information on the legal entity acquiring the status of the management company of an industrial park included in the Register of Industrial Parks in the Register of Industrial Parks and places it on its official website no later than **three working days** from the date of receipt of such notification from the initiator of creation.*

A legal entity **loses the status** of a management company **from the day of termination of the agreement on the creation and operation of the industrial park**, about which the initiator of the creation is obliged to notify the authorized state body within the same day.

*Information about the loss of the status of the management company of an industrial park included in the Register of Industrial Parks by a legal entity is entered by the authorized state body in the the Register of Industrial Parks and posted on its official website **no later than one working day** from the date of receipt of such notification from the initiator of creation.*

MAIN DOCUMENTS NECESSARY FOR INCLUSION OF INDUSTRIAL PARK IN THE REGISTER OF INDUSTRIAL PARKS

(Article 15 of the Law)



application for inclusion of an industrial park in the Register of Industrial Parks;

initiator's decision to create an industrial park;

industrial park concept;

extract from the State Land Cadastre regarding the land plot and title documents for real estate objects located on it;

name of the management company and members (if available)

PROCEDURE FOR INCLUSION OF INDUSTRIAL PARKS IN THE REGISTER OF INDUSTRIAL PARKS

(Clause one and five of Article 16 of the Law)

The inclusion of the industrial park in the Register takes place within 45 working days from the moment of receipt of the application from the initiator of creation to the Ministry of Economy.

The authorized state body, by the procedure approved by the Cabinet of Ministers of Ukraine, reviews the documents within 21 working days from the date of receipt of the documents from the initiator of the creation.

The authorized state body submits a draft decision to the Cabinet of Ministers of Ukraine

or
on the inclusion of the industrial park in the Register
on the refusal to include the industrial park in the Register

The authorized state body is obliged, within three working days from the day of the Cabinet of Ministers of Ukraine's adoption of the decision to include the industrial park in the Register, to include the corresponding industrial park in the Register, to notify in writing the initiator of the creation, the management company, the relevant local state administrations and local self-government bodies, as well as to place relevant information on its official website.

THE DECISION ON INCLUDING THE INDUSTRIAL PARK IN THE REGISTER IS MADE TAKING THE FOLLOWING CRITERIA INTO ACCOUNT

(Clause two of Article 16 of the Law)

- availability of labor resources necessary for the development of the industrial park according to the concept;
- the availability and/or possibility of involvement by the initiator of the creation of financial, material and technical resources necessary for the development of the industrial park according to the concept;
- support of the industrial park by local self-government bodies and local executive bodies;
- expected results of the functioning of the industrial park by the concept of attracting investments, creating new jobs, exporting products and attracting small and medium-sized business entities.

DECISION ON REFUSAL TO INCLUDE THE INDUSTRIAL PARK IN THE REGISTER

(Clause three of Article 16 of the Law)

A decision on refusal to include an industrial park in the Register of Industrial Parks is made in the event of:

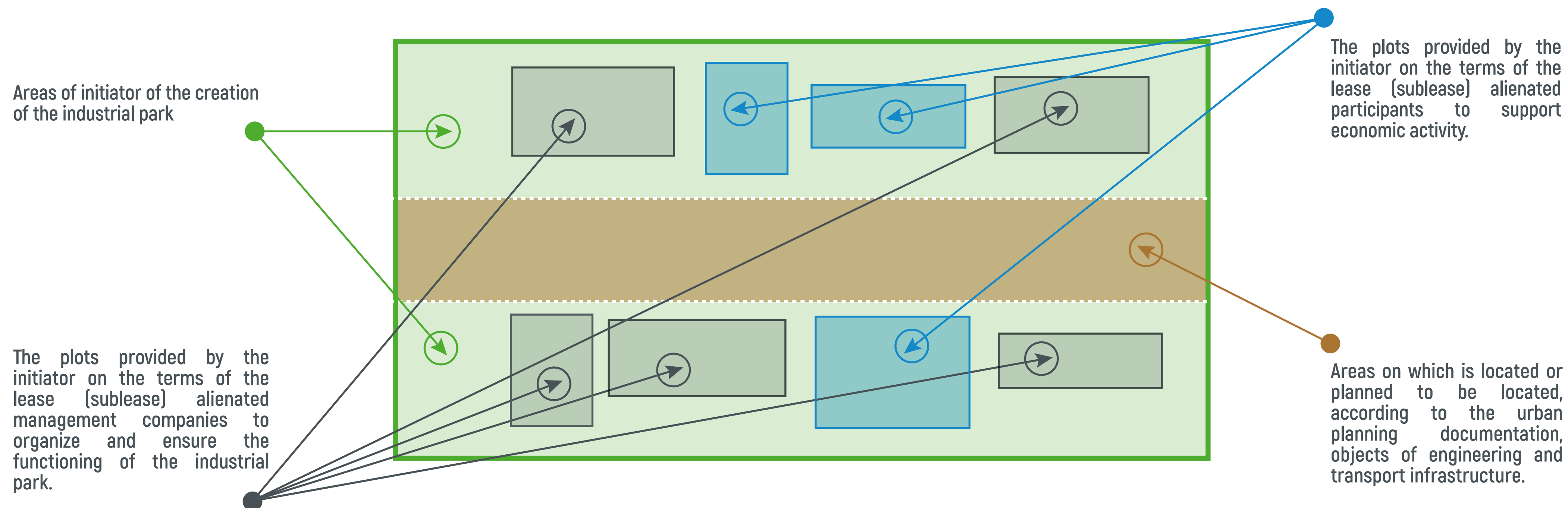
if the land plot, the use of which is planned for the creation and operation of the industrial park, does not meet the requirements established by Article 8 of this Law;

lack of support for the industrial park from local self-government bodies and local executive bodies;

the presence on the territory of the industrial park of objects of industrial purpose, defined by the fifth part of Article 14 of this Law.

Refusal to include an industrial park in the Register does not limit the possibility of the initiator of the creation to re-apply to the Ministry of Economy with the issue of including the industrial park in the Register of Industrial Parks.

Possible scheme for the implementation of land relations within the framework of the functioning of the industrial park



IMPORTANT!

The management company can rent/purchase only those plots within the industrial park, which are necessary for it to fulfill its obligations under the agreement on the creation and operation of the industrial park.

PARTICIPANTS, OTHER SUBJECTS OF INDUSTRIAL PARKS

(clauses 8 and 9 of the first part of Article 1 of the Law)

A participant of the industrial park can be:

business entity of any form of ownership, registered **on the territory (within) the industrial park**, which by the law has acquired the right to a land plot and/or another object (part of an object) of real estate within the industrial park,

concluded an agreement with the management company on the implementation of economic activities within the industrial park in accordance with the concept of the industrial park

and carries out activities exclusively in the field of processing industry, processing of industrial and/or household waste (except waste disposal), as well as scientific and technical activities, activities in the field of information and telecommunications **only on the territory (within) the industrial park.**

IMPORTANT!

A participant cannot be an individual entrepreneur, since his location is his residential address.

PARTICIPANTS, OTHER SUBJECTS OF INDUSTRIAL PARKS

(clauses 8 and 9 of the first part of Article 1 of the Law)

Another subject of the industrial park can be:

business entity of any form of ownership, which, in accordance with the law, has acquired the right to a land plot and/or another object (part of an object) of real estate within the industrial park,

concluded the relevant agreement and/or on the implementation of economic activity within the industrial park with the management company

and carries out its business activities in areas not prohibited by this Law, **on the territory (within) the industrial park.**

IMPORTANT!

Another subject of the industrial park does not have the right to receive state incentives in accordance with this Law.

ACQUIRING THE STATUS OF INDUSTRIAL PARK PARTICIPANT

(part three of article 11 and part one of article 29 of the Law)

If two or more potential participants apply for one plot of land within the industrial park, the management company is obliged to hold a competition for the selection of the participant taking into account the concept of an industrial park

The business entity acquires the status of a participant, **provided the implementation of two criteria:**

conclusion of an agreement with the management company on the implementation of economic activities within the industrial park;

acquisition of the right to a land plot on the grounds and in the manner established by the land legislation of Ukraine, and/or to another object (part of an object) of real estate within the industrial park.

IMPORTANT!

The participant must be registered on the territory (within the limits) of the industrial park and carry out activities exclusively in the spheres defined by the Law only on the territory (within the limits) of the industrial park.

WITH THE PURPOSE OF CREATING AND FUNCTIONING OF INDUSTRIAL PARKS:

Management companies and initiators of creation — subjects of management of industrial parks:

Funds are provided on a non-refundable basis under the terms of co-financing for the development of industrial parks and/or ensuring the construction of engineering and transport infrastructure objects (roads, communication lines, means of heat, gas, water and electricity supply, engineering communications, etc.) necessary for the creation and operation of industrial parks;

Partial compensation for the costs of connection to electric networks is carried out;

Participants in industrial parks are provided:

Tax incentive — exemption from income tax for 10 years on a list of types of activities, subject to reinvestment;

Customs relief — exemption from payment of import VAT and duties on equipment according to the list of UCGFEA codes.



TAX INCENTIVES



Guide for Industrial Park Participants

Based on clarifications provided by the State Tax Service of Ukraine



State Tax Incentives for Industrial Park Participants

State tax incentives for industrial park (IP) participants provide a direct tool for capital savings and accelerated growth by exempting reinvested profits from taxation.

These incentives stimulate investment activity, accelerate technological upgrading, support the development of high-tech manufacturing, and promote industrial localization within industrial parks.

Regulatory framework:

Tax Code of Ukraine

Resolution of the Cabinet of Ministers of Ukraine (CMU) No. 1095 of 30 September 2022

Resolution of the CMU No. 1233 of 27 December 2010

Order of the Ministry of Finance of Ukraine No. 897 of 20 October 2015

Eligibility for Tax Incentives

Only IP participants operating **exclusively within the territory of the industrial park** are eligible.

■ Eligible activities (NACE/КВЕД):

- Manufacturing
(Sections 10; 11.07; 13–17; 20–33, with exceptions)
- Waste collection, treatment and recovery
(Section 38, excluding disposal/landfill)
- Research and experimental development
(Section 72)

■ Not eligible:

- Production of excisable goods (except for specific vehicles from the permitted list)
- Legal entities with offshore ownership or those listed in jurisdictions on the FATF blacklist.

Conditions for Applying Tax Incentives

- 1 Duration:** 10 consecutive years, provided that IP participant status is maintained without interruption
- 2 Scope:** Activities must be conducted exclusively within the industrial park
- 3 Dividends:** Accrual and payment of dividends are prohibited throughout the entire incentive period
- 4 Non-compliance:** Violation of any condition results in cancellation of the tax benefit effective from the date of violation



Application Procedure

- 1** Prepare a free-form application addressed to the controlling authority (pursuant to paragraph 42.4 of the Tax Code of Ukraine).
- 2** The application must specify:
 - Start date for applying the incentive (the 1st day of a month within a quarter)
 - Legal basis (paragraph 142.4 of the Tax Code of Ukraine)
 - IP details (name, identification code, territory)
 - NACE codes of the relevant activities
- 3** **Submission:** via the Electronic Taxpayer's Cabinet or by post.
- 4** **Approval:** if the State Tax Service does not issue a refusal within 10 working days, the principle of tacit consent applies.
- 5** **Effectiveness:** the benefit is effective from the date indicated in the application, but not earlier than the submission date.

Utilization of Tax-Exempted Funds

- 1** Funds must be **used exclusively for the development of activities within the IP by 31 December of the following year.**
- 2** Authorized expenditures (CMU Resolution No. 1095 of 30 September 2022):
 - Creation or upgrading of material and technical assets
 - Expansion of production capacities
 - Implementation of new technologies
- 3** **Consequences of non-use:** loss of the incentive, mandatory submission of an amending tax return, and imposition of penalties and interest.



Reporting in Tax Returns



Form: Order of the Ministry of Finance of Ukraine No. 897 of 20 October 2015.

Filing instructions:

Line 10 “Special marks” – tick “industrial park participant”

Line 05 ПЗ – profit exempted from taxation

Annex ПЗ: Table 1 – calculation; Table 2 – tax benefit code 11020401

Annex ПП: accounting of tax-exempted funds – utilized / unutilized

Taxable Items Despite Incentives



Transfer pricing (Article 39 of the Tax Code of Ukraine):

Additional tax liabilities are reflected in lines 06.4.1–06.4.2 of the tax return



Controlled foreign companies (CFCs):

CFC profit is reported in line 06.1 KIK, separately from incentivized activities

Common Errors

- 1 Submission of an application without specifying the start date
- 2 Accrual of dividends during the incentive period
- 3 Conducting activities outside the IP territory
- 4 Untimely utilization of tax-exempted funds



Control and Liability

- 1 Violation:** cancellation of the tax benefit retroactively from the beginning of the reporting period.
- 2 Sanctions:** additional tax assessment, penalties and interest (Article 50 of the Tax Code of Ukraine).
- 3 Requirement:** mandatory submission of an amending (clarifying) tax return.



Useful Links



Tax Code of Ukraine:

<https://zakon.rada.gov.ua/laws/show/2755-17>

CMU Resolution No. 1095 of 30.09.2022:

<https://zakon.rada.gov.ua/laws/show/1095-2022-п>

CMU Resolution No. 1233 of 27.12.2010:

<https://zakon.rada.gov.ua/laws/show/1233-2010-п>

Order of the Ministry of Finance of Ukraine No. 897 of 20.10.2015:

<https://zakon.rada.gov.ua/laws/show/z1415-15>



CUSTOMS INCENTIVES



Guide for Industrial Park Participants

*based on the Customs Code and Tax Code of Ukraine



CUSTOMS INCENTIVES



Guide for Industrial Park Participants

State Customs Incentives for Industrial Park Participants

State customs incentives for Industrial Park (IP) Participants allow for significant savings on working capital during the start-up or modernization phase of production.

This is achieved through exemptions from import duty and import VAT on the import of new equipment, which reduces capital expenditures and accelerates the payback period of investment projects.

Regulatory Framework:

Customs Code of Ukraine;

Tax Code of Ukraine;

Resolution of the Cabinet of Ministers of Ukraine
No. 997 of 07 September 2022.

Subjects and Objects of Customs Incentives

1 Subject Status:

Only an Industrial Park Participant, included in the Register of Industrial Parks, and conducting activities exclusively within its boundaries.

2 Permitted Activities (NACE/КВЕД):

- Processing industry (Sections 10–33);
- Waste recovery (Section 38);
- Scientific research and development (Section 72).

3 Objects of Import:

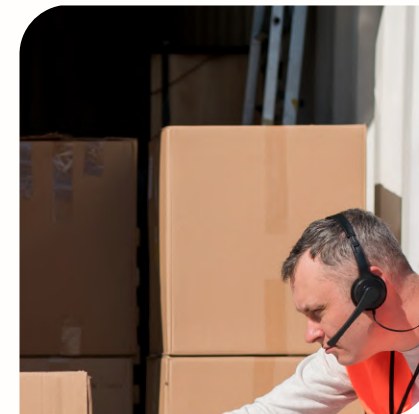
- New machinery (equipment);
- Component parts thereof.

4 Equipment Requirements:

- Must be new (not previously used);
- Manufactured no earlier than 3 years before the date of importation.

Conditions and Restrictions for Applying Incentives

- 1 Period of Targeted Use:**
5 years from the date the equipment is imported into the customs territory of Ukraine.
- 2 Localization:**
The use of equipment is permitted exclusively within the Industrial Park territory.
- 3 Strict Prohibitions (for 5 years):**
 - Alienation: Prohibited to sell, gift, or transfer ownership;
 - Transfer of Use: Prohibited to lease, rent, or lend to third parties (including other Participants of the same park).
- 4 Consequences of Violation:**
Premature loss of Participant status or violation of conditions obliges the payment of the full amount of unpaid customs payments and penalty interest.



How to Utilize the Incentive

Step 1

Customs Clearance When filling out the customs declaration, the special exemption code must be specified for Import Duty and Value Added Tax (VAT).

Step 2

Capitalization The Participant is obliged to recognize the imported goods on its balance sheet within 20 working days from the date of final customs clearance.

Step 3

Notification Notify the controlling authorities* of the fact of final customs clearance and capitalization by submitting a report.

*Controlling Authorities: Ministry of Economy, the territorial body of the State Tax Service at the tax address, and the State Customs Service body at the place of clearance.

How to Report*

- 1 Report on Capitalization (Annex 1):**
Submitted once, within 20 working days, addressed to the Ministry of Economy, the territorial body of the State Tax Service at the tax address, and the territorial body of the State Customs Service at the place of clearance.
- 2 Report on Targeted Use (Annex 2):**
 - Submitted quarterly (by the 25th day of the month following the reporting quarter) for 5 years;
 - If several goods are imported, the report is submitted separately for each.
- 3 Form of Submission:**
In electronic form with a Qualified Electronic Signature (QES).

*In accordance with CMU Resolution No. 997 of 07.09.2022



Goods Not Covered by the Exemption

1 Goods from the Aggressor State

Incentives do not apply to goods originating from a state recognized as an occupying/aggressor state, or imported from its territory (or from occupied territories).

2 Used Equipment:





- Equipment that has been used;
- Equipment manufactured more than 3 years before the date of importation.

3 Raw Materials and Supplies:

- The exemption applies only to equipment (machinery) and its component parts.
- Non-Targeted Spheres:

4 Equipment for the production of excise goods (except for permitted exclusions).

Typical Errors

-  **Transfer for Lease:**
Providing the exempted equipment for lease, sub-lease, or gratuitous use to third parties (including other Participants of the same park).
-  **Use Outside the IP:**
Physical relocation of the equipment to other production sites or warehouses located outside the Industrial Park territory.
-  **Failure to Meet Reporting Deadlines:**
Failure to submit the report on capitalization within 20 working days.
-  **Non-Compliance with Equipment Age Requirements:**
Importation of equipment manufactured more than 3 years before the date of border crossing.

Control and Liability

1 In Case of Violation of Conditions:

- If alienation, transfer for lease/use to third parties, or use of the equipment for non-targeted purposes occurred;
- If IP Participant status is lost prematurely (less than 5 years).

2 Financial Consequences:

Obligation to pay the full amounts of import duty and VAT that were not paid upon importation of the goods.

3 Penalties:

Penalty interest is additionally paid, calculated on the amount of the tax debt (in accordance with Art. 197.281 TCU and Art. 287 CCU).



Useful References



1. Customs Code of Ukraine (CCU):
<https://zakon.rada.gov.ua/laws/show/4495-17>

2. Tax Code of Ukraine (TCU):
<https://zakon.rada.gov.ua/laws/show/2755-17>

3. Resolution of the CMU No. 997 of 07.09.2022:
<https://zakon.rada.gov.ua/laws/show/997-2022-п>

