

# Doing Business Ukraine-Norway – what differences and similarities to expect?



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[www.nord.no](http://www.nord.no)

# Agenda

- About the project “Doing Business in Ukraine and Norway”
- Doing Business Ukraine-Norway – what differences and similarities to expect?
  - Key facts
  - Reasons for doing business
  - Cultural aspects
- Concluding points and take-aways

# Guides to Doing Business in Norway and Ukraine

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# Norway-Ukraine: Key facts



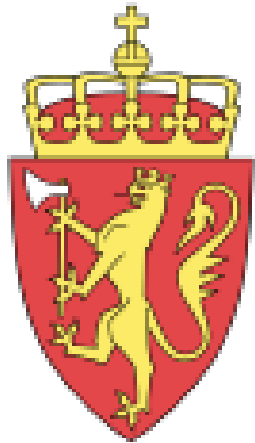
	Norway	Ukraine
<b>Political regime</b>	Constitutional monarchy with parliamentary system	Unitary semi-presidential constitutional republic
<b>Head of the State</b>	King Harald V of Norway	Petro Poroshenko
<b>Prime Minister</b>	Erna Solberg	Volodymyr Groysman
<b>Capital city (2018)</b>	Oslo	Kiev
<b>Area</b>	385 178 km <sup>2</sup>	603 628 km <sup>2</sup>
<b>Population est.</b>	5,302,778 (2018)	42,418,235 (2017)
<b>Life expectancy at birth, female/male (years) (2017)</b>	84/80	77/67
<b>Number of tourists visiting, million (2017)</b>	9 mln	14 mln

# Capital cities: Kyiv and Oslo



	Ukraine	Norway
<b>GDP - real growth rate (2017 est.)</b>	2.5%	1.8%
<b>GDP - per capita (PPP), 2017 est.</b>	USD 8,700	USD 71,800
<b>Labor force (2017 est.)</b>	17.99 million	2.797 million
<b>Imports (2017 est.)</b>	USD 44.42 billion	USD 79.9 billion
<b>Exports (2017 est.)</b>	USD 36.85 billion	USD 102.8 billion
<b>Inflation rate (consumer prices), 2017 est.</b>	14.4%	1.9%
<b>Unemployment rate (2017 est.)</b>	9.5%	4%
<b>Doing Business 2015 Ranking</b>	83	9
<b>Human Development Index 2017 Ranking</b>	83	1

# Norway-Ukraine: Reasons for doing business





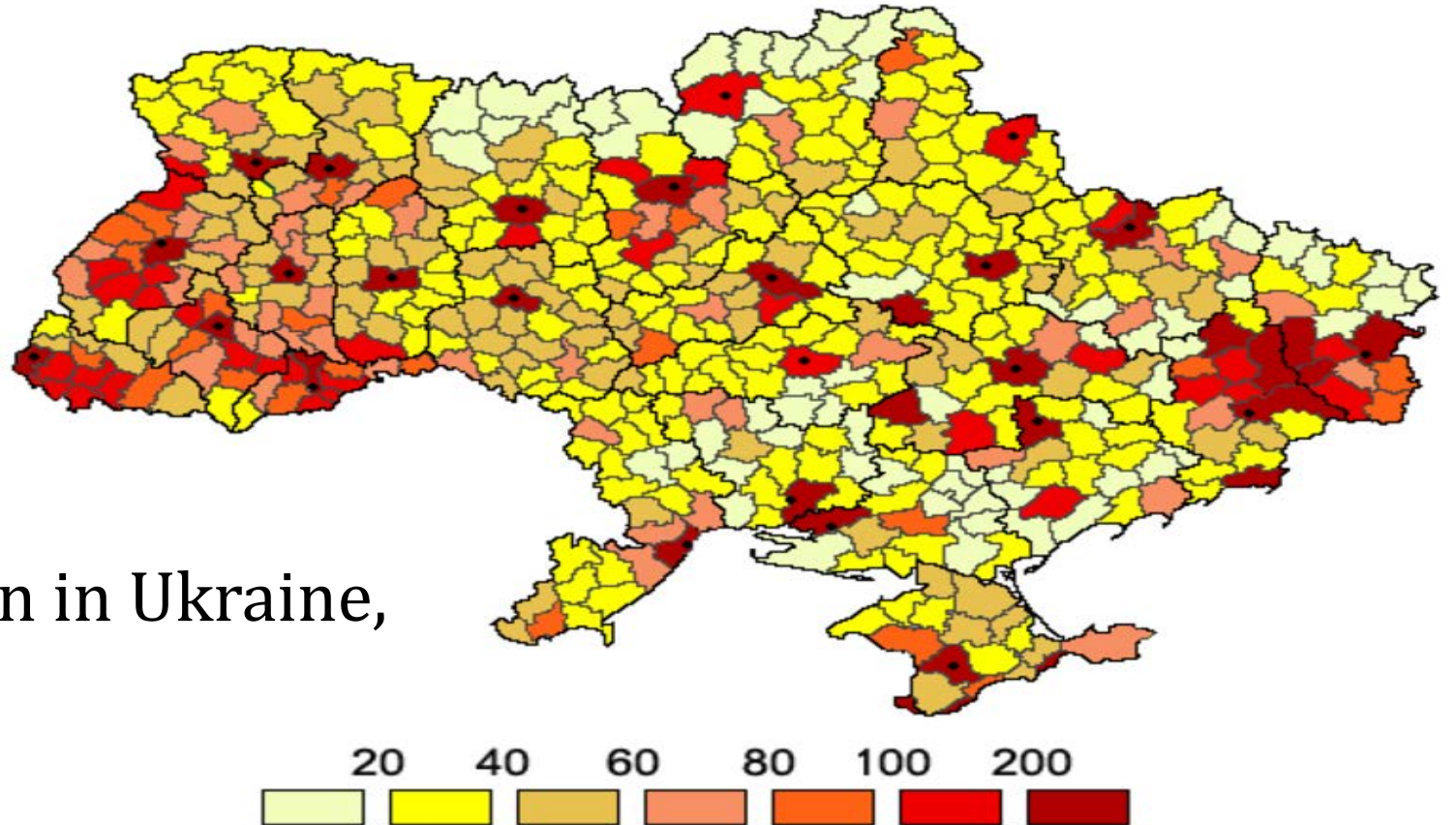
# Why do business Norway-Ukraine?

- **Norway**

- Stable and growing economy
  - Budget surpluses every year, low public debt, low inflation and unemployment, high GDP per capita
- High gross savings, growing consumption and industrial production
- Protection of private property, low corruption, quality of life:
  - Very high quality of life
  - Well-functioning legal system that protects private property
  - The salary differences among people are among the lowest in the world
  - One of the least corrupted states in the world

# Why invest in Ukraine?

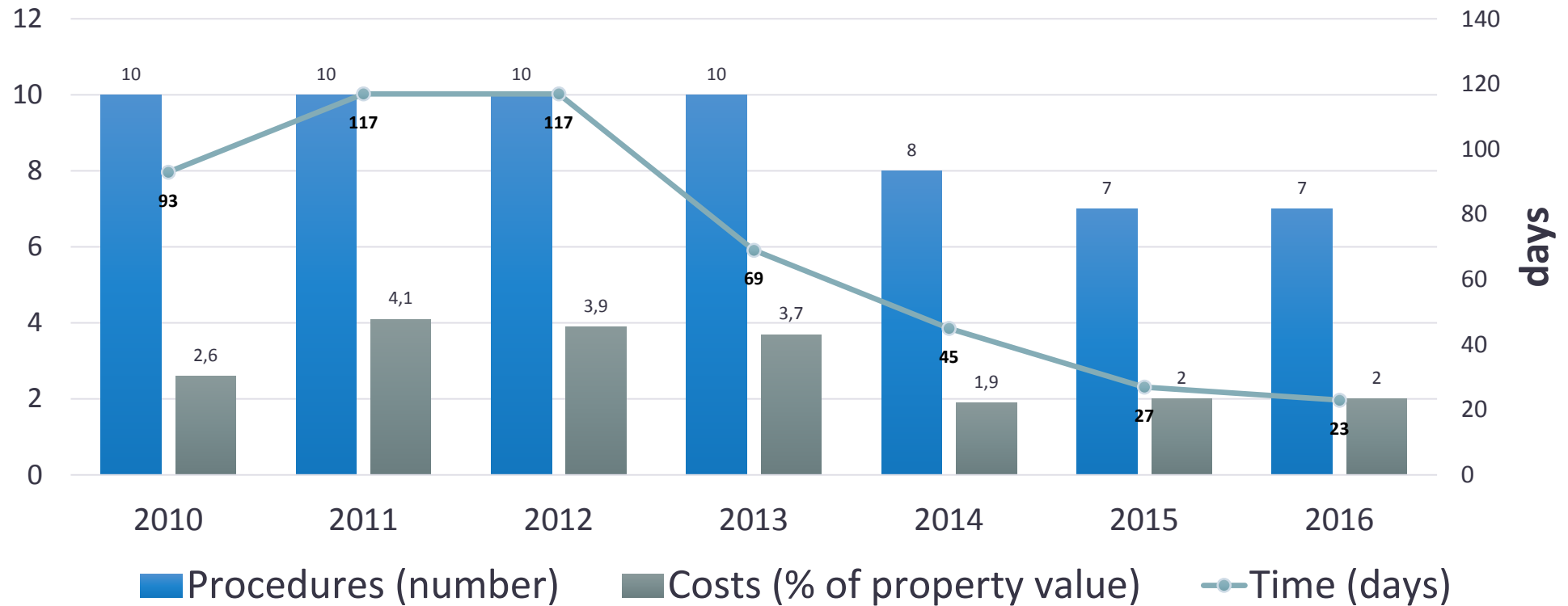
- The size of the country and the closeness to Europe



The density of population in Ukraine,  
people per km<sup>2</sup>

- Ease of opening business

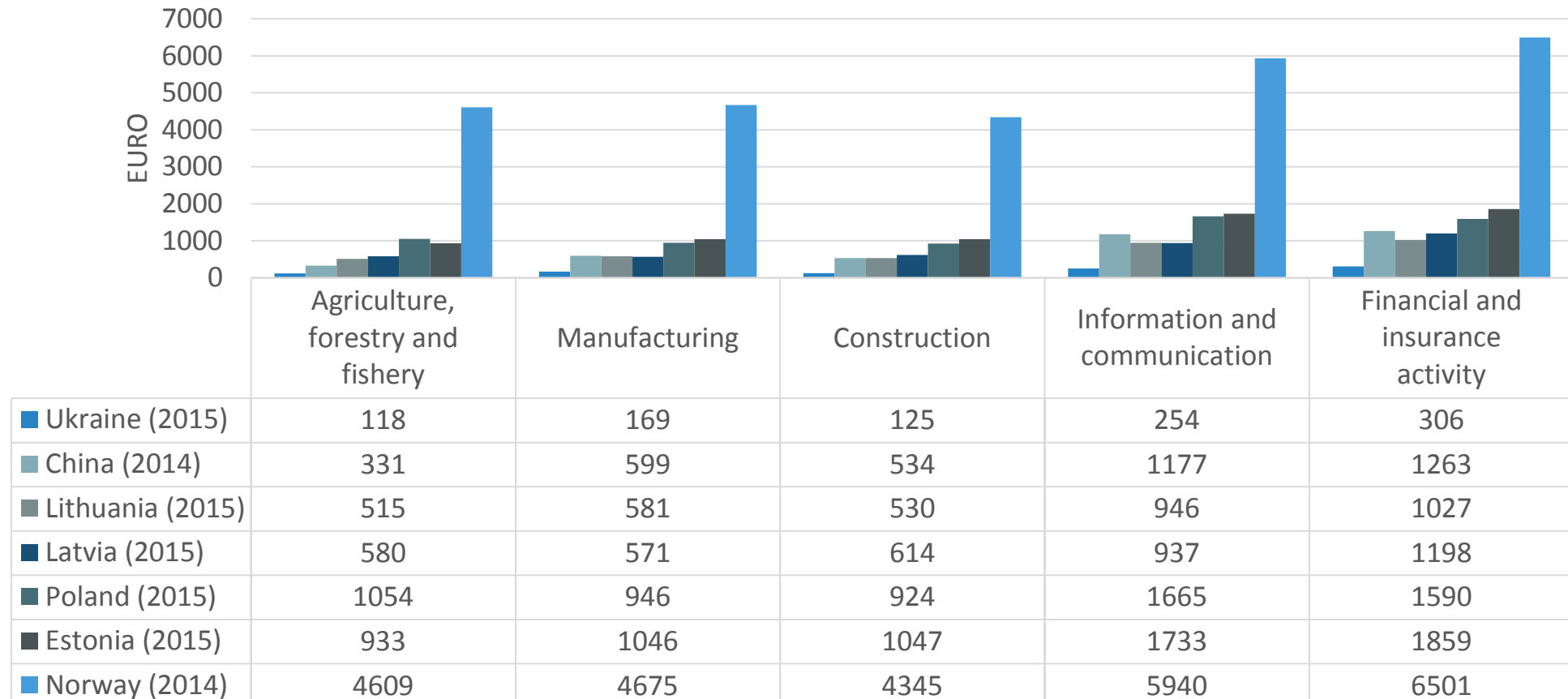
*Registering a property in Ukraine*



# Why invest in Ukraine?

- Persisting possibilities for cost arbitrage

*Average monthly salary in different countries, in EUR*



Source: [Statistics Norway](#), [State Statistics Service of Ukraine](#), [Central Statistical Office of Poland](#), [Statistics Estonia](#), [Statistics Lithuania](#), [Central Statistical Bureau of Latvia](#), [National Bureau of Statistics of China](#)

# Why invest in Ukraine?

Ranking in Doing Business index during 2012-2016

Country	Rank in Doing Business Index in				
	2016	2015	2014	2013	2012
India	130	142	134	132	139
China	84	90	96	91	87
Ukraine	83	96	112	137	149
Russia	51	62	92	112	124
Belarus	44	57	63	58	91

Source: World Bank Group - [Doing Business Reports](#)

# Why invest in Ukraine?

- Potential for improving the investment climate
- Highly educated labor and the new generation
- **Key areas:**
  - IT outsourcing and software development
  - Fish and seafood
  - Energy
  - Agriculture



# Some of the challenges

Between  
East & West

Corruption &  
bureaucracy

Economy &  
legislation

# Norway-Ukraine: Cultural aspects





Norway	Ukraine
<b>Distance between “the boss” and “the subordinate”</b>	
LOW	HIGH
<b>in society</b>	
Parents and teachers treat children as equals and vice versa	Parents and teachers teach children obedience
Children should enjoy leisure	Children should work hard at school
Children play no role in old-age security for parents	Children are a source of old-age security for parents
<b>in business</b>	
Powerful people try to look less powerful than they are	Powerful people try to look as powerful as possible
Decentralized decision structures	Centralized decision structures
Flat organizational pyramids	Tall organizational pyramids
The ideal boss is a resourceful democrat	The ideal boss is a well-meaning “father”
Subordinates expect to be consulted	Subordinates expect to be told

<b>Level of individualism</b>	
HIGH	LOW
<b>in society</b>	
Pleasure, affection and security are important goals in life	Duty, expertness and prestige are important goals in life
Importance of making specific friendships	Friendships predetermined by social network
Direct, purposeful communication style	Official, respectful, and polite communication style
<b>in business</b>	
Large foreign companies are preferred	Small local companies are preferred
Private time is highly valued by employees	Private time may be used in common interests

<b>Roles of men and women</b>	
SAME	DIFFERENT
<b>in society</b>	
Both men and women work and care for children to an equal extent	Men rarely take paternity leaves
Men and women should be tender, women should be tougher	Men should be tough, women should be tender
Values of men and women hardly different	Values of men and women quite distinct
Sympathy for the weak	Sympathy for the strong
Aggression is relatively rare	Aggression is more common
<b>in business</b>	
Lower job stress	Higher job stress
Preference for smaller companies	Preference for larger companies
Work not central in a person's life	Work central in a person's life
Work in order to live	Live in order to work

# Norwegian Companies in Ukraine



# Norwegian-Ukrainian Political relations (September 2018)



# Concluding points

- There are many potential areas of cooperation and business development
- To explore opportunities – one needs to know about potential challenges
- Learn from experience of others
- Cultural aspects

# Concluding points

## Norway

- Oil & Gas industry and fisheries, other attractive industries for business cooperation and business development;
- Pioneering technologies, energy-saving, clean production
- Norway is an expensive country to live in and do business – high salaries, costs, taxes
- Do business honestly. Norwegian customer appreciates if you don't do any kinds of tricks and if you don't cheat
- Contacts and good references are very important

## Ukraine

- Doing business in Ukraine may be very rewarding. The conditions for doing business in the country are becoming more favorable and more attractive
- The Ukrainian government is working on the simplification of the business registration process and the introduction of various online services
- Recently, Ukraine has faced exceptional challenges, but the country is overcoming them
- The human factor, a highly educated and patriotic workforce, and natural resources

# Q & A