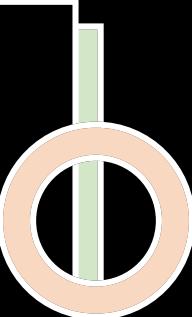


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Some remarks to
economic development
in free Ukraine
by
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- 15 years Ukraine, Managing Director of 2 companies, B2B Austria – Ukraine
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 - Chairman 2021-24 of Rotary Inter-Country Committee Ukraine - Austria

Status quo (1)

- Free Ukraine means freedom in economy and business, i.e. the principles of private enterprise with minimum of government interference and restrictions
- This is not the case:
 - Several 1,000 state companies, many of them with rent-seeking managers, produce a heavy loss to the state budget
 - State interest in the banking is market more than 50%; government is dragging feet on privatisation
 - Major parts of economy are in the hands of oligarchs with substantial influence on politics and even judiciary
 - Consequently competition is severely restricted in major industrial fields
 - Media, especially influential TV-channels belong to a few oligarchs as well; thus public opinion is considerably influenced by their vested interests

Status quo (2)

- Due to political powerplay Ukraine has slowly moved towards a presidential state; with president striving to foster his popularity (for re-election?), he pushes laws pleasing the population, but severely backstepping from market economy, e.g. in energy
- Lengthy fights with vested-interest circles on establishing the rule of law, erratic and non-compliant decisions in several industries – see renewables – cause protracted mistrust and hesitance by potential foreign investors and therefore considerably restrict economic growth
- Irrespective of the above, International Financial Institutions are continually supporting Ukraine, substantially contributing to its financial sovereignty
- In summary: a lot has been done, much is still missing, direction of development is basically right; action should be heavily accelerated, much growth potential has been missed already.

What has to be done?

- President and government must continue the fight for rule of law
- Information policy of state institutions should be institutionalized in line with international standards in order to build public trust
- Develop a competitive business environment, establish free market principles
- Political decision-makers should be chosen by their professional skills and experience rather than just by loyalty
- Privatisation should be accelerated, made more transparent and be freed from „poison pills“; tenders should be strictly according to international standards
- Fungibility of agricultural land should be fully established using the experience of other European countries
- No more laws with retroactive effect or laws just serving particular interests
- The above will lead to predictability, stability and sustainability of Ukrainian politics and the economy
- Consequently, Ukraine will enjoy a steep rise of foreign direct investment creating a substantial plus in prosperity and satisfaction in the population.