



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN UKRAINE IN 2025

A REPORT FROM BUSINESS SWEDEN UKRAINE

TABLE OF CONTENTS

FOREWORD.....	3
ABOUT THE SURVEY.....	5
ECONOMIC OUTLOOK.....	7
THE MARKET	11
HOW SWEDISH COMPANIES SUCCEED IN UKRAINE	17
ACTING SUSTAINABLY	24
CONTACT US	30

KEY CONTRIBUTORS TO THIS REPORT

Business Sweden in Ukraine

Andreas Giallourakis, Trade Commissioner to Ukraine

Veronika Kalyta, Associate, Business Climate Survey Ukraine

2025

FOREWORD

Since the outset of Russia's full-scale invasion in February 2022, Ukraine has demonstrated extraordinary resilience and determination in defending its sovereignty, democracy, and European future. In this defining moment of modern European history, Sweden has stood firmly alongside Ukraine, providing unwavering political, humanitarian, military, and economic support.

To date, Sweden has committed over SEK 90 billion to Ukraine, including advanced defence systems, humanitarian aid, and economic assistance. Beyond government-to-government cooperation, Sweden's commitment is reflected in the engagement of the Swedish private sector, which continues to operate, invest, and contribute to Ukraine's economy under the most challenging conditions.

Sweden and Ukraine share strong and growing economic ties. Sweden is Ukraine's largest Northern European trading partner, and more than 80 Swedish companies are currently active in the Ukrainian market. These firms are present across a wide range of sectors: from machinery, pharmaceuticals, and medical technologies to retail, industrial services, and green infrastructure. In return, Ukraine provides Sweden with vital exports such as metals, furniture, chemicals, and timber, strengthening the economic partnership in both directions.

Despite the war, Swedish businesses are widely recognised and respected in Ukraine. Swedish products and services are associated with quality, innovation, and ethical standards, and this reputation significantly enhances the ability of Swedish companies to build trust and form meaningful local partnerships. The 'Swedish brand' continues to be a competitive advantage, especially in a market where transparency, reliability, and sustainability matter more than ever.

This year's Business Climate Survey in Ukraine was conducted during an extraordinary period, not only in terms of wartime resilience, but also in the context of Ukraine's forward-looking reconstruction, its EU integration path, and evolving business reforms. The survey offers critical insights into how Swedish companies are navigating the complex landscape, what they see as key opportunities, and where they encounter challenges - from customs and regulation to infrastructure and financial access.

The findings of the survey are an important tool for Business Sweden Ukraine, enabling us to tailor support more effectively, whether through export promotion, risk mitigation tools, sector-focused engagement, or policy dialogue with Ukrainian counterparts. We are deeply grateful to the companies that took the time to share their experiences – your perspectives are essential in shaping both strategic priorities and practical solutions.

In closing, I wish to express my sincere appreciation to all Swedish companies operating in Ukraine. Your resilience, professionalism, and long-term commitment, demonstrated in the face of immense uncertainty, are not only admirable but a critical contribution to Ukraine's recovery.

Together, we will continue to support Ukraine's reconstruction, growth, and integration into European and transatlantic frameworks – and deepen the enduring ties between Sweden and Ukraine in the years ahead.



Andreas Giallourakis
Trade Commissioner to
Ukraine

+34 respondents in Ukraine

Current business climate

68%

of Swedish companies perceive a neutral or positive business climate in Ukraine in 2025

Industry turnover

56%

of Swedish companies expect their industry turnover to increase

Future investments

29%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Brand awareness
2. Cost efficiency
3. Operational agility

Brand Sweden

70%

of Swedish companies in Ukraine consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Level of digitalisation
2. Work culture/business mindset
3. Distributors

Local conditions with least satisfaction

1. Physical infrastructure
2. Personal safety
3. Specialists and key personnel

Environmental considerations

20%

of respondents believe environmental considerations are a factor in their customers' purchasing decisions

Corruption

12% of the respondents faced corruption in 2024, mostly from public bodies and private counterparts

Human rights violations and labour rights abuse

Only 3% of respondents encountered forms of human rights violations or labour rights abuse in 2024

ABOUT THE SURVEY

Medium-sized Swedish businesses with longstanding operations shape market understanding in Ukraine

Business Climate Survey is a global Team Sweden initiative designed to map the opportunities and challenges that Swedish companies face when doing business around the world. It examines how Swedish firms have performed in the past year and gauges their expectations for the year ahead, offering insights into both market opportunities and potential hurdles.

The 2025 edition of the survey had a **record-high 37 markets** participating, reflecting an unprecedented global reach. For each market, the survey includes 18 standardised questions that allow cross-market comparisons, and in the case of Ukraine, an additional three custom questions were added to address the unique conditions of doing business amid war.

This report marks the **first Business Climate Survey in Ukraine** since Business Sweden established a permanent office in Kyiv in June 2024, underscoring Sweden's renewed engagement in the Ukrainian market during a critical period.

As of 2025, more than 80 Swedish companies are operating in Ukraine, spanning sectors like agriculture, machinery, IT, engineering, retail, and automotive. These industries offer strong opportunities for expanding trade and investment between the two countries.

With a significant production base in Ukraine, Sweden stands as Ukraine's 12th largest FDI partner, with over USD 661 mln invested into Ukraine's economy by Swedish companies as of 2024, setting up a base for further investments in the respective sectors.

Historically, Ukraine has not been a key export market for Sweden. As of 2021, Sweden ranked 24th largest exporter of goods and services to Ukraine. However, with the ongoing and upcoming reconstruction efforts, Swedish businesses are gaining more relevance in Ukraine. While individual deals still play a big role, Sweden's exports to Ukraine is already growing: from USD 315 mln in 2022 to USD 586 mln in 2023 and USD 619 mln in 2024.

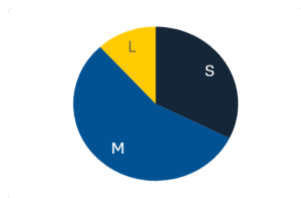
Business Sweden conducted the survey in early 2025. Approximately 60 Swedish companies active in Ukraine were invited to participate, out of which **34 companies** responded. This respectable initial turnout (approx. 56% of those approached) provides a valuable sample of Swedish business sentiment in Ukraine. Future editions aim to expand participation to capture an even more comprehensive picture. The purpose of the survey is not only to present a snapshot of current business climate perceptions but also to track trends over time and inform Swedish businesses and policymakers about the evolving market dynamics. In line with that purpose, the Ukraine Business Climate Survey 2025 assesses how companies fared over the past year and their outlook for the next year, while highlighting both the opportunities in Ukraine's recovering economy and the challenges posed by the ongoing conflict.

The majority of respondents (56 per cent) are medium-sized enterprises, defined as companies with a global workforce of up to 1,000 employees. Small-sized enterprises, employing up to 250 people globally, make up 32 per cent of the sample, while large-sized enterprises with more than 1,000 employees account for the remaining 12 per cent. In terms of industry composition, the responses are grouped into three primary sectors: industrial, professional services, and consumer goods. The industrial sector represents the largest share, with 57 per cent of respondents active in this segment.

Additionally, most surveyed companies have been present on the Ukrainian market long enough to be categorised as either experienced (entered between 2004 and 2019) or mature (established before 2003). Only 15 per cent of respondents are considered newcomers, having entered the market from 2020 onwards. This mix of experienced and newcomer companies provides a broad perspective – combining the insights of businesses with deep historical ties to Ukraine and those of firms that are investing despite, or even because of, the current changing landscape.

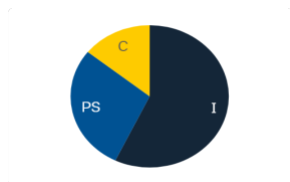
Most participating companies are located in or around **Kyiv**, the capital, which remains the primary hub for international business in Ukraine. Kyiv's prominence is not surprising, given its role as the country's economic centre and the base of operations for many foreign companies. However, a few respondents operate in other regions across Ukraine, indicating that Swedish commercial activity, while centred in Kyiv, does extend to various parts of the country. These other regions include key industrial or regional centres where Swedish firms have found opportunities. The presence of Swedish companies outside the capital demonstrates an engagement with Ukraine's broader regional economies, albeit on a smaller scale. It is worth noting that due to security considerations and infrastructure challenges, business operations in certain parts of Ukraine are currently limited; nonetheless, the companies that are active have adapted to operate where it is feasible, and their geographical spread provides insight into where Swedish businesses see potential amid the country's regional diversity.

SIZE OF COMPANIES



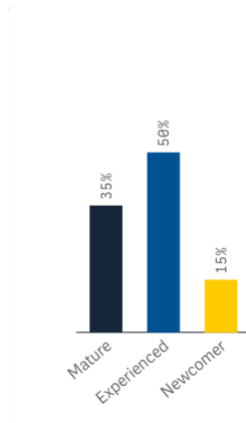
NOTE: Employees in Ukraine. Large >1000. Medium 250-1000. Small 0-249

MAIN INDUSTRY



NOTE: Industrial 57%. Professional services 29. Consumer 14%

AGE OF COMPANIES



NOTE: Mature (-2003). Experienced (2004-2019). Newcomer (2020-)

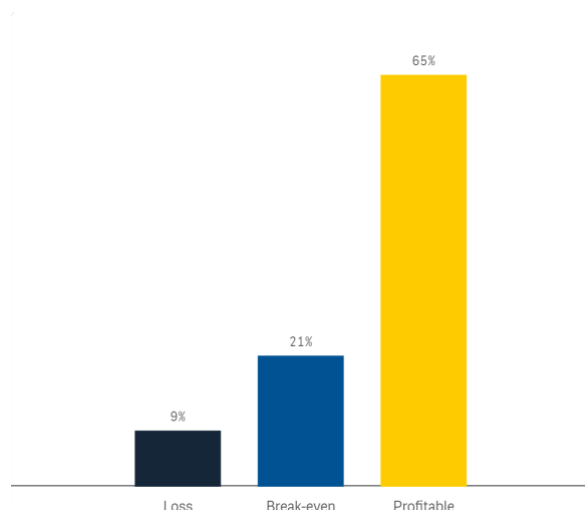
ECONOMIC OUTLOOK

65% of the surveyed Swedish companies reported a profitable year in 2024

Sixty-five per cent of respondents in this year's Business Climate Survey reported a profitable year in 2024. Profitability remained relatively strong across the board, reflecting the adaptability and long-term commitment of firms already active in the market.

While challenges were noted, particularly related to supply chain disruptions and operational risks, many businesses still reported solid financial outcomes in 2024. Companies with a longstanding presence in Ukraine often demonstrated resilience and stability, while newer entrants also showed promising results. This indicates that, despite the complex environment, there is continued confidence in the Ukrainian market and its long-term potential.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN UKRAINE IN 2024?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

Ukrainian GDP shows moderate growth in 2024, with stronger recovery expected from 2026

The Ukrainian economy has shown notable resilience in the face of Russia's ongoing full-scale invasion. Following a contraction of 29.1 per cent in GDP in 2022, the economy rebounded with a growth of 5.3 per cent in 2023, according to the State Statistics Service of Ukraine. Growth momentum slowed in 2024: the National Bank of Ukraine (NBU) reports 2.9% GDP growth for 2024, driven mainly by a surge in household spending and investment (especially logistics and energy infrastructure) even as agriculture and trade lagged.

The growth was largely driven by increased government spending, international aid, and a partial revival of domestic demand. In 2024, growth has been more moderate, with projections from the National Bank of Ukraine (NBU) revised to 3.0 per cent. This adjustment reflects ongoing challenges, including persistent energy infrastructure damage from missile attacks, labour shortages due to mobilisation, and logistical constraints. Inflation, which surged during the early phases of the war,

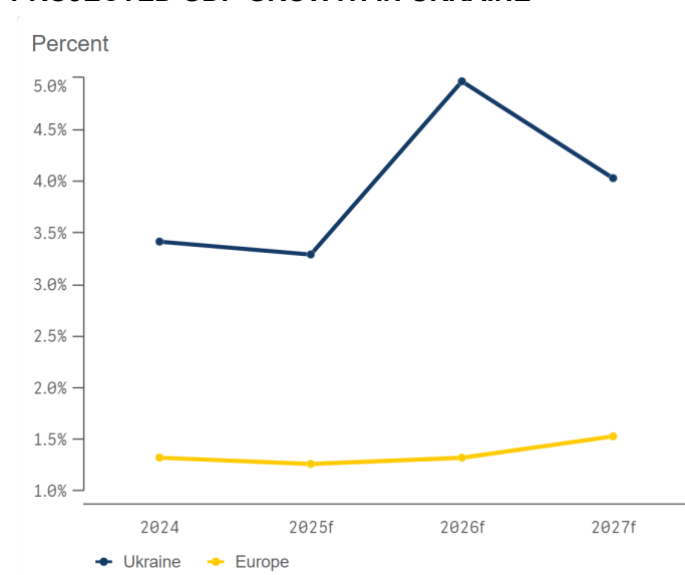
slowed significantly in 2023. However, as of early 2025, inflation has reaccelerated due to increased utility costs and disruptions in energy supply. The NBU revised its inflation forecast for 2025 to 8.7 per cent, up from the previously expected 6.9 per cent.

Most analysts expect continued but moderate growth in 2025, reflecting lingering war headwinds, repair of infrastructure, and heavy fiscal stimulus. Official forecasts for 2025 GDP growth cluster in the low single digits: IMF projects about 2.0 per cent, the EBRD about 3.3 per cent, and the National Bank of Ukraine around 3.1 per cent (the government's draft budget assumes 2.7 per cent growth). In general, growth in 2025 is expected to come from reconstruction activity, defence manufacturing and imports of capital goods, while the harvest and labour shortages remain constraints.

Inflation is expected to continue falling: the NBU projects 8.7% by end-2025 (IMF foresees 12.6% average), assuming energy imports and supply-chain strains gradually ease.

According to Oxford Economics, Ukraine's GDP growth is expected to remain relatively stable, starting at 3.4 per cent in 2024 and dipping slightly to 3.3 per cent in 2025. This modest performance reflects ongoing challenges related to the war, infrastructure disruptions, and cautious domestic recovery. The significant spike in 2026 suggests a pivotal moment in Ukraine's economic recovery and reconstruction, likely underpinned by international financial support and capital investments and recovery in key sectors such as logistics, construction, and energy.

PROJECTED GDP GROWTH IN UKRAINE



NOTE: Constant prices.

SOURCE: Oxford Economics, 11 March 2025

Over half of Swedish businesses in Ukraine expect industry growth in the next 12 months

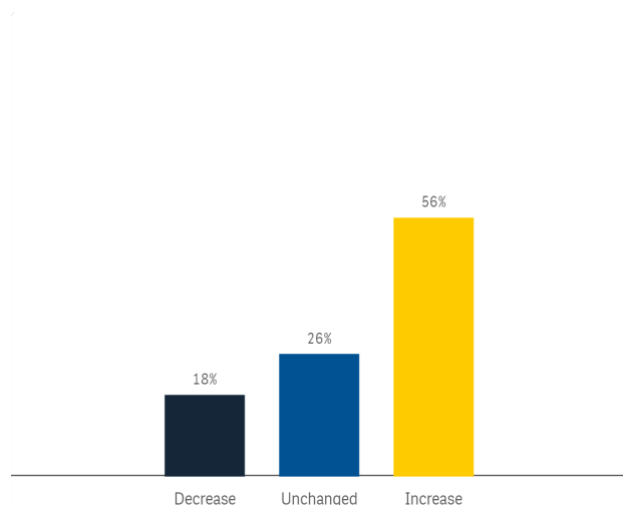
A majority of respondents (56 per cent) expect industry turnover to increase over the coming 12 months, reflecting a generally positive business sentiment despite ongoing challenges. In contrast, 18 per cent anticipate a decline in turnover, indicating some uncertainty across certain segments.

Expectations for turnover growth appear relatively consistent across company types, suggesting that optimism is broadly shared within the Swedish business community in Ukraine. While some sectors remain cautious due to the ongoing impact of the war and market volatility, others, particularly those tied to consumer demand and post-war recovery, are showing stronger signs of confidence. This balanced outlook highlights the resilience and adaptability of businesses operating in Ukraine, as well as their belief in the market's medium-term potential.

The findings reflect cautious but growing confidence in Ukraine's recovery prospects. Despite wartime conditions, companies across sizes and sectors anticipate continued market stabilisation, driven by domestic demand, reconstruction initiatives, and international financial support.

High expectations in the consumer goods segment likely reflect a rebound in household spending, especially in urban areas such as Kyiv, where retail and distribution networks are regaining strength. Meanwhile, steady optimism among professional services and industrial firms may be linked to increasing demand for advisory, logistics, and technical solutions to support infrastructure rebuilding and business continuity.

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN UKRAINE REGARDING TURNOVER?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in the figure.

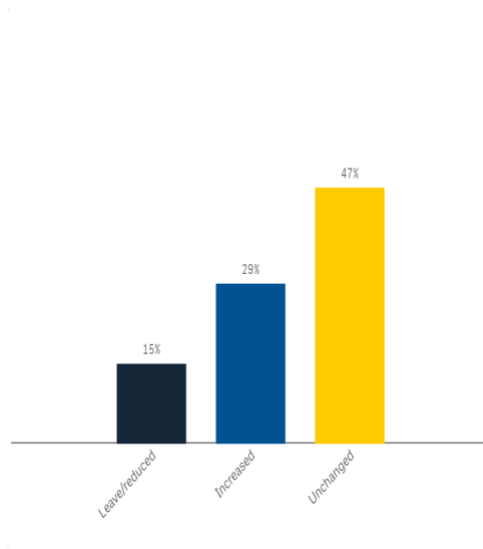
SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

Swedish companies signal a cautious commitment to Ukraine through a steady investment plan

When asked about investment intentions for the year ahead, nearly half of the surveyed companies (47 per cent) plan to maintain their current level of investment in Ukraine. This suggests a cautious yet enduring commitment to the market despite ongoing geopolitical and economic challenges.

Meanwhile, 29 per cent of respondents indicated plans to increase investment, a sign of measured optimism and a forward-looking approach among Swedish businesses. Although a smaller share (15 per cent) is considering reducing investment or exiting the market, the overall picture reflects a stable and resilient investment climate.

The results point to a continued belief in Ukraine's long-term potential. Companies appear to be adapting their strategies in line with evolving conditions, with many maintaining or expanding their presence rather than withdrawing. This steady flow of investment signals both confidence in the market's recovery trajectory and a willingness to support Ukraine's economic resilience during a period of profound transition.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN UKRAINE, COMPARED TO THE PAST 12 MONTHS?

NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025

THE MARKET

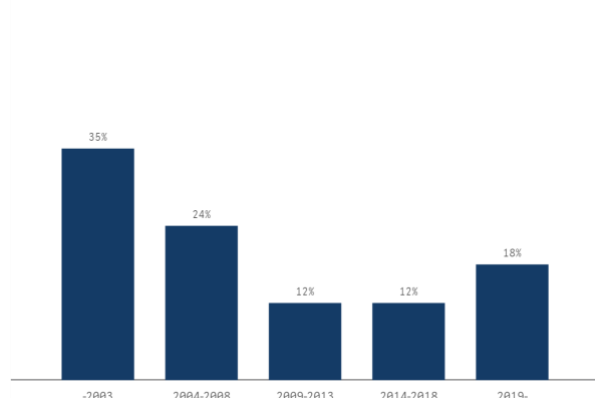
Swedish companies active in a broad range of sectors in Ukraine, with the majority represented by small and long-established enterprises

This year's survey highlights the diverse engagement of Swedish companies in Ukraine, with respondents active across more than nine industries. The automotive sector accounts for the largest share, representing 20.6 per cent of participants, followed by IT/electronics at 8.8 per cent. Several other sectors, including business services, healthcare/pharmaceuticals, heating (HVAC), industrial equipment, and retail/wholesale - are equally represented, each comprising 5.9 per cent of responses. Additional participants span sectors such as metals/mining, aerospace/defence, and other specialised segments, underlining the broad industrial footprint of Swedish firms in Ukraine.

In terms of market entry, the data shows that the majority of companies surveyed have an established presence in Ukraine, with 35 per cent having entered the market before 2003. A further 24 per cent established operations between 2004 and 2008. Notably, 18 per cent of companies are newcomers, having entered the Ukrainian market since 2019, indicating renewed interest and growing confidence in Ukraine's economic potential despite ongoing challenges.

Company size distribution indicates a strong dominance of small-sized enterprises, with 73 per cent of respondents representing companies with fewer than 250 global employees. Medium-sized companies (250–1,000 employees) account for 9 per cent, while large companies (more than 1,000 employees) make up 18 per cent of the respondent base. This structure reflects the flexibility and responsiveness of smaller Swedish firms, which continue to play a leading role in navigating and investing in Ukraine's evolving market landscape.

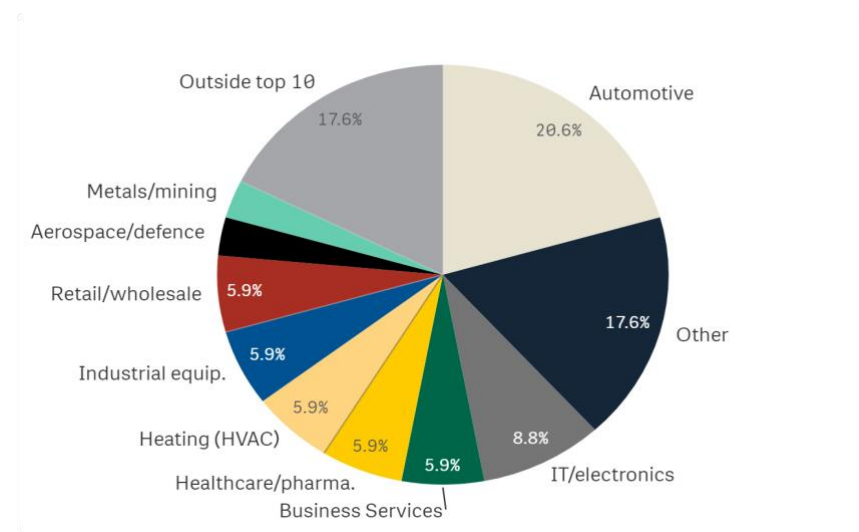
IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN UKRAINE?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

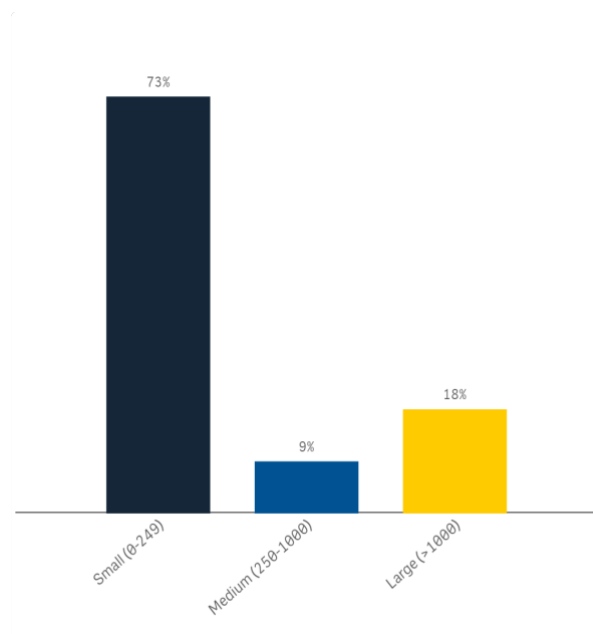
WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN UKRAINE?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN UKRAINE IN 2025



NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

Swedish companies remain cautious on Ukraine's Business Climate, with optimism concentrated among larger firms and newer entrants

The results of the Business Climate Survey reveal a measured and cautious sentiment among Swedish companies regarding the current business environment in Ukraine. While optimism exists, it remains limited amid ongoing wartime challenges and economic uncertainty.

Fifty-five per cent of respondents selected "Neutral", indicating a balanced perspective: while companies are not overwhelmingly pessimistic, they also do not view the current climate as strongly

favourable. This result suggests that most businesses are adopting a “wait-and-see” approach, focusing on operational resilience and short-term adaptation.

Thirty-two per cent rated the business climate as “Very poor/poor”, reflecting the continued impact of wartime conditions, such as security risks, infrastructure damage, logistical constraints, regulatory unpredictability, and currency controls. These concerns continue to influence how companies evaluate both present risks and immediate growth potential.

Only 13 per cent assessed the current business climate as “Very good/good”, indicating that positive sentiment is limited but not absent. This minority likely includes companies that have adapted quickly to operate in sectors benefiting from reconstruction or IT exports or are less directly affected by logistical or physical security issues.

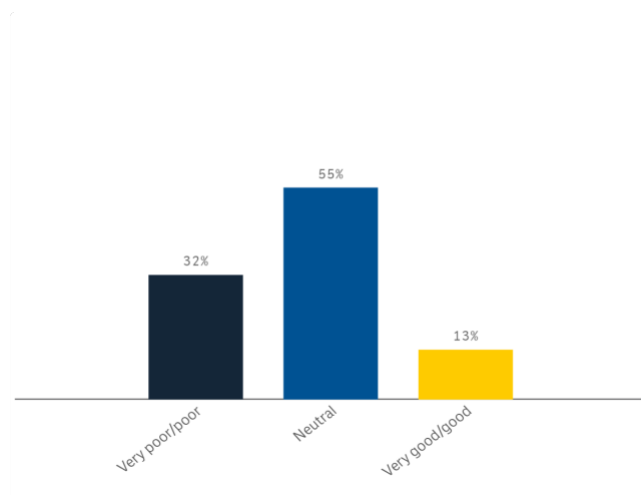
The Business Climate Survey reveals notable variations in how Swedish companies of different sizes perceive the current business environment in Ukraine. While the overall outlook remains cautious, larger companies tend to be more optimistic, whereas smaller firms report significantly higher levels of concern. 40 per cent of small-sized enterprises (with up to 250 employees) view the current business climate as “very poor” or “poor”, the highest share among all company sizes. This suggests that smaller firms, often with fewer resources and limited access to financing or local networks, feel more vulnerable to wartime disruptions, logistical complexity, and regulatory uncertainty.

In contrast, only 25 per cent of large companies (with more than 1,000 employees) share this negative assessment. These firms are typically better equipped to absorb shocks, manage risk, and access institutional support, which may explain their relatively more positive sentiment.

Most notably, 25 per cent of large companies describe the current business climate as “very good” or “good”, compared to just 12 per cent of medium-sized firms and 10 per cent of small firms. This optimism among larger players may stem from their deeper market presence, ability to pivot toward reconstruction projects, and access to government-backed financing or guarantees.

Therefore, perceptions of the business climate in Ukraine remain mixed among Swedish companies. While a significant share of respondents express a neutral view, there are clear signs of both cautious optimism and ongoing concern. These variations likely reflect differences in operational exposure, regional conditions, and individual company experiences.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN UKRAINE?



NOTE: The number of respondents for this question was 31. “Don’t know/Not applicable” responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

Swedish companies underline systemic constraints and institutional inefficiencies as key obstacles to Ukraine's business climate improvement

The qualitative responses from Swedish companies reveal a deeper layer of complexity behind the cautious sentiment expressed in the survey results. Beyond wartime disruption, many firms point to longstanding institutional and regulatory inefficiencies as key barriers to doing business in Ukraine. Challenges such as inconsistent legal enforcement, unclear mobilisation rules, excessive bureaucracy, and regulatory unpredictability, including foreign exchange controls and customs practices, are cited as limiting investment and complicating day-to-day operations. At the same time, some companies noted opportunities for growth, particularly in sectors aligned with logistics, infrastructure, or government-backed financing. These mixed experiences highlight a business environment marked by both structural limitations and sector-specific resilience.

“ There are many good legislative initiatives in Ukraine. Some of them are transformed into laws. The issue is that sometimes the main aspects of the law are not implemented in practice; or there is no mechanism of how to implement it in practice. ”

1. The huge concern is employee mobilization. The rules on employees' 'reservations' are not clear and change even backward. It takes up a lot of energy and resources to keep track, without guarantees. This is also a limiting factor for new investments into production.
2. Dividends withdrawal and currency purchase limitations. ”

“ State institutions and state-owned part of business is far too extensive in Ukraine (Soviet heritage). Privatisation desperately needed in the country if it ever should be able to function without aid being one of the largest contributors to economy. Bureaucracy in state institutions needs to be addressed – reforms needed inside these institutions – far too many people are employed in government institutions. ”

“ Volatility and high dependency on political intrigues and commercial 'blackmail' from the neighbouring countries in the conditions of limited logistics opportunities (e.g. Polish strikes on the border blocking the UA-EU border for 5 months) ”

“ No matter how odd it may sound, but our industry benefitted during the war – logistics and infrastructure changes incentivised our customers' business. Accessible and affordable financing programs supported by international institutions and (mostly) by the government of Ukraine allowed our business to grow. There are certain biases as to the segments which developed in a different way, but overall, the market has been growing despite geopolitical turmoil. We do expect the fiscal authorities (customs, tax) to be over-regulating in the coming months/years in order to compensate on the huge budget deficit. This will not improve the business climate, unfortunately. ”

Swedish companies cite digitalisation and collaboration as key strengths in Ukraine, while infrastructure remains a critical challenge

When asked to assess how well the Ukrainian market conditions meet their business needs, the surveyed companies provided a mixed picture, reflecting both structural strengths and wartime

challenges. The results highlight a blend of modern capabilities in digitalisation and partnership potential, contrasted with ongoing infrastructure damage and safety concerns.

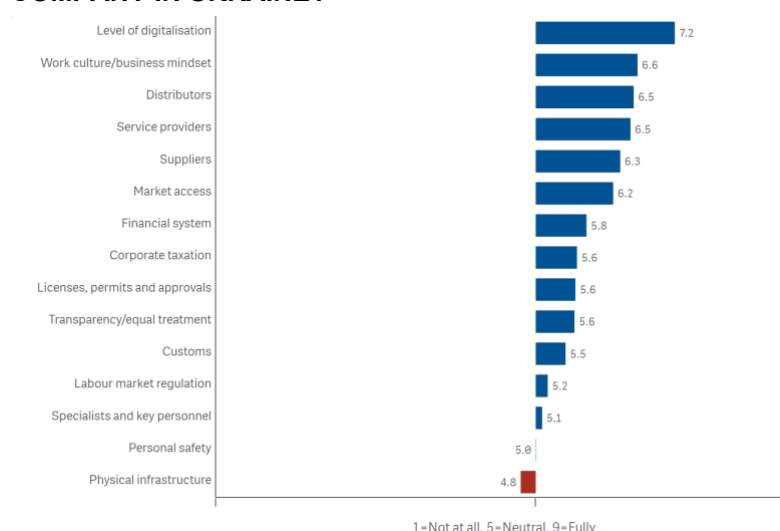
The highest-rated factor was the level of digitalisation, with a score of 7.2. This reflects Ukraine's notably advanced digital services ecosystem, including areas like e-government, e-commerce, and IT infrastructure. Despite the war, Ukraine's digital sector has remained resilient, continuing to serve both domestic and international markets.

Work culture and business mindset scored 6.6, suggesting Swedish companies find Ukrainian partners to be collaborative, pragmatic, and aligned with international business expectations. Similarly, distributors and service providers (both at 6.5) and suppliers (6.3) rank high - pointing to an active and adaptable B2B environment.

Several other aspects also received moderately positive feedback. These include the availability of suppliers (6.3) and market access (6.2) – both important indicators of logistical and commercial viability. Ratings for the financial system (5.8), corporate taxation (5.6), licenses and permits (5.6), and regulatory transparency (5.6) fell closer to the neutral mark, suggesting room for improvement but no immediate barriers to operation.

However, there are notable areas of concern. The lowest scores were given to physical infrastructure (4.8) and personal safety (5.0), which are likely linked to the ongoing war and related security risks. The surveyed companies also expressed challenges in accessing specialists and key personnel (5.1) and navigating labour market regulations (5.2). These issues may impact long-term planning and investment decisions, especially in sectors that rely on stable logistics and skilled talent.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN UKRAINE?



NOTE: The number of respondents for this question was 34.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

Customs and regulatory barriers remain key challenges for Swedish companies operating in Ukraine

Surveyed companies were asked whether they had encountered any trade barriers in the past year that had a noticeably negative impact on operations.

The chart below reveals that challenges are most acute in customs administration, followed by regulatory complexity and access to finance. Customs procedures were cited by 39 per cent of respondents - the most frequently reported barrier. This confirms that border inefficiencies, inconsistent inspections, and time-consuming documentation remain a major concern for foreign companies. Despite Ukraine's recent efforts to digitalise and align its customs procedures with EU standards - including the implementation of an EU-style Authorized Economic Operator (AEO) program and a "single window" system - businesses continue to encounter delays, valuation disputes and arbitrary physical inspections. As of early 2025, the AEO system remains underutilised, with just 83 certified operators nationwide, and automated processing systems are not yet fully deployed across all border checkpoints.

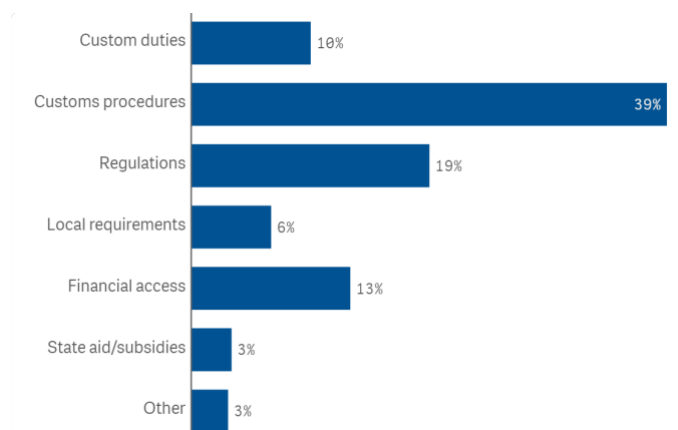
Regulatory barriers were noted by 19 per cent of the companies, reflecting ongoing issues with complex compliance frameworks, overlapping authorities, and frequent legal changes. Ukraine is working to harmonise its legislation with EU directives under the DCFTA and Association Agreement, yet implementation varies by sector and region. Frequent legislative updates and unclear enforcement of compliance rules - particularly in food safety, labelling, environmental controls, and product certification - continue to generate risk and uncertainty for businesses. International assessments, including from the U.S. Commercial Service and EBRD, consistently identify non-transparent certification, phytosanitary requirements, and variable customs classification practices as operational bottlenecks.

Access to finance was a challenge for 13 per cent, underlining persistent difficulties in securing affordable loans in a high-interest, risk-sensitive credit environment. Ukrainian SMEs and subsidiaries of foreign firms struggle with high interest rates, limited loan guarantees, and tight currency control rules. While institutions like the EBRD and Sweden's export credit agency (EKN) are supporting trade through guarantee mechanisms and concessional finance, most companies – particularly new entrants – still report difficulties in accessing affordable credit for expansion, trade, or working capital.

Custom duties (10 per cent) and local requirements (6 per cent) continue to create operational friction in tariff management, licensing, and local standards. State aid/subsidies and other issues were minimally reported (three per cent each), suggesting these are not currently critical obstacles for most Swedish firms.

Therefore, while Ukraine's trade environment is gradually improving, customs administration, regulatory clarity, and financial infrastructure remain core operational challenges. These are not just bureaucratic hurdles – they affect delivery timelines, pricing strategies, and long-term planning. Nevertheless, while risks remain, Ukraine's continued alignment with EU systems, commitment to infrastructure upgrades, and support from Sweden and international partners signal a strategic market with high long-term potential, especially for resilient and well-prepared investors.

HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN UKRAINE WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 34.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

HOW SWEDISH COMPANIES SUCCEED IN UKRAINE

Ukraine's economy has endured extreme shocks after Russia's full-scale military invasion but remains resilient. In 2022, output plunged roughly 28-29 per cent as the invasion severely impacted Ukraine's economy by occupying territories, destroying infrastructure, disrupting the supply chain, and leading to a social crisis with millions of displaced persons seeking refuge abroad or within the country.

This was followed by a sharp rebound: GDP grew about +5–6 per cent in 2023, although much of this reflected a low base and stepped-up wartime spending. Growth then slowed: in 2024, real GDP rose only about 2.9 per cent. Consumer inflation, which had spiked near 27 per cent ear-on-year in late 2022 due to war-driven supply disruptions, eased as the economy stabilised (CPI averaged about 13 per cent in 2023 and 6.5 per cent in 2024).

Crucially, an IMF Extended Fund Facility and tens of billions of euros in EU macro-financial loans have backed Ukraine's budget and currency, allowing it to continue paying salaries and imports despite heavy war costs. In short, Ukraine remains in wartime austerity, but macroeconomic support from international institutions has helped avoid economic collapse even as the recovery proceeds cautiously.

Ukraine remains a major global supplier of key commodities. It is one of the world's leading cereal exporters (ranked third in barley, fourth in maize and fifth in wheat as of 2023) and has rapidly scaled up shipments via alternate routes. In the 2023/24 season, roughly 50 million tonnes of grains and oilseeds were exported (about three per cent more than a year earlier) after Ukraine opened a new Black Sea corridor in late 2023. Metal exports are also recovering: iron ore shipments nearly doubled once Odesa ports resumed full operation. Altogether, 2024 exports reached about USD 42 billion (about 40 per cent below the 2021 pre-war peak), with roughly 60 per cent sold to EU markets (notably Poland, Germany, Italy, Spain and others). Importantly, EU-backed "Solidarity Lanes" (alternative rail/road links to Europe) have carried roughly 179 million tonnes of Ukrainian goods since mid-2022 (around 85 Mt of grain alone). This surge of freight via the EU network underlines Ukraine's integration into European supply chains despite the conflict. In summary, trade volumes are still below pre-war levels, but agricultural and metallurgical exports have rebounded significantly, and new logistics routes are steadily restoring Ukraine's foreign sales.

Strategically, Ukraine's Western pivot has sharpened its economic role. Kyiv is believed to hold sizeable reserves of critical minerals – graphite, titanium, lithium and others – vital for batteries, electronics and defense. In April 2025 the U.S. and Ukraine signed a landmark economic partnership establishing a joint Reconstruction Investment Fund, to be partly capitalised by future revenue from Ukrainian minerals. This agreement, together with EU-Ukraine accession reforms, signals a strong Western commitment to develop Ukraine's resource potential and rebuild its economy under market-friendly rules. For Swedish businesses, the implication is that Ukrainian raw materials and agricultural products will increasingly transit via Europe under Western security guarantees and EU-aligned standards. Although the war continues, each quarter of resumed growth and each reopened export corridor suggests that Ukraine is on a gradual recovery path. In this environment, opportunities for trade and investment (in grain processing, construction, logistics, energy and critical minerals, among others) are expanding, supported by both private initiative and multilateral frameworks.

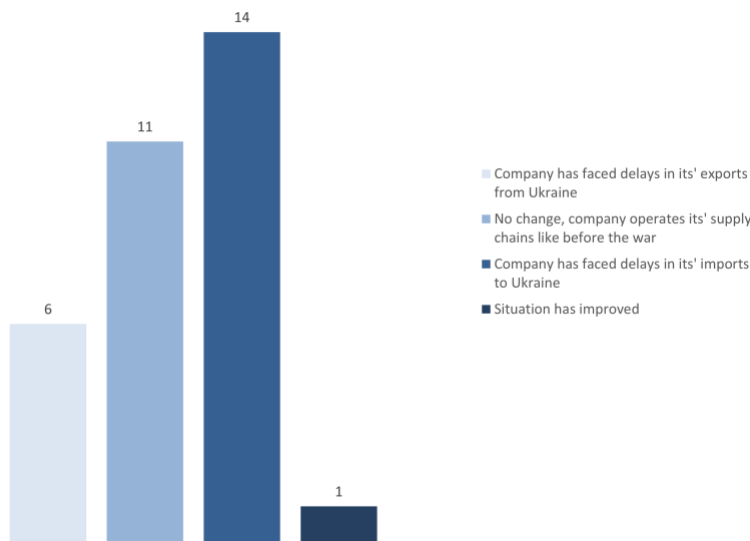
To complement the broader economic context, the survey included a set of Ukraine-specific questions aimed at better understanding how Swedish companies are navigating the realities of doing business during wartime. These customised questions provide insights into operational challenges, investment intentions, and expectations on the ground, offering a more nuanced view of the business climate beyond macroeconomic indicators.

Wartime logistics affect a majority of Swedish companies, while one-third remain stable

Swedish firms in Ukraine report a nuanced picture of supply chain disruption and resilience amid the ongoing war. Among 32 surveyed companies, 14 (44 per cent) have experienced delays in imports to Ukraine, and six (19 per cent) noted export delays from Ukraine. At the same time, 11 firms (34 per cent) indicated that their cross-border logistics operations continued as before the war, and one company (three per cent) even reported improvements. In total, nearly two-thirds of respondents (63%) have encountered some form of logistics or customs disruption, underscoring the continued impact of wartime conditions on supply routes.

This distribution highlights the dual reality facing foreign businesses: while many face persistent bottlenecks due to border security, infrastructure damage, and customs complexity, a substantial share of firms has successfully maintained operational continuity. This resilience reflects the adaptation of supply strategies and the relative stability of logistics infrastructure in the western and central regions of Ukraine. As donor-supported programs and border modernisation initiatives accelerate, particularly under EU and U.S. frameworks, the conditions for cross-border trade are expected to gradually improve.

HAS THE ONGOING WAR IN UKRAINE AFFECTED YOUR COMPANY'S CROSS BORDER SUPPLY CHAIN AND LOGISTICS OPERATIONS IN THE COUNTRY?



NOTE: The number of respondents for this question was 32. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

Swedish companies demonstrate proactive risk management in response to wartime supply chain challenges

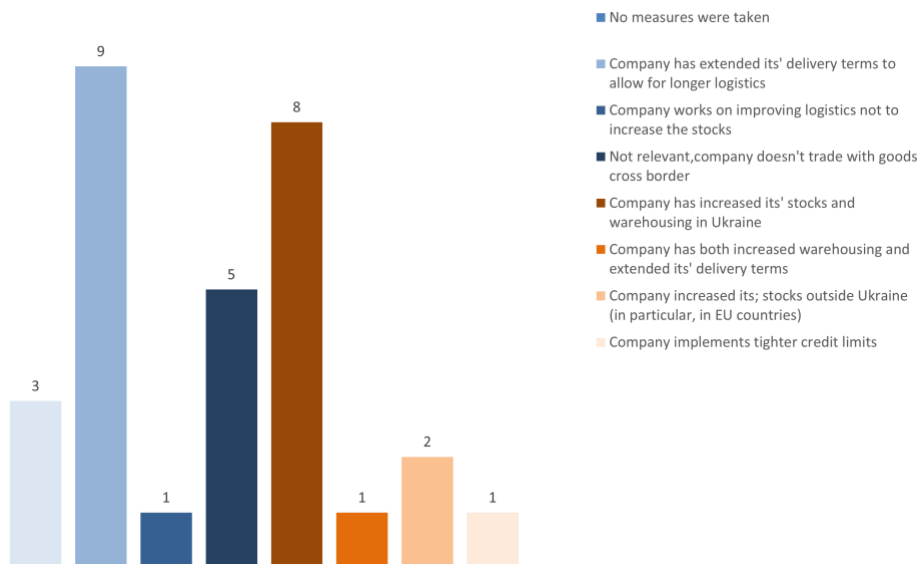
Despite the difficult operating environment, most Swedish companies have taken proactive steps to mitigate supply chain disruptions in Ukraine. Only three out of 33 respondents (nine per cent) reported taking no measures, while the vast majority introduced operational or logistical adaptations. The most common response was increasing domestic warehousing: nine companies (27 per cent) expanded their stocks and storage facilities in Ukraine. Closely following, eight firms (24 per cent) reported extending delivery timelines to account for longer lead times, and five companies (15 per cent)

reported implementing both warehousing and delivery-term adjustments, demonstrating a layered, risk-based approach.

A smaller group of companies chose to build resilience outside Ukraine's borders. Two respondents increased their stocks in EU countries, while one reported tightening credit policies – a signal of financial risk management amid instability. Notably, only one firm said the question was not relevant, indicating that nearly all surveyed businesses are engaged in cross-border trade and are actively responding to wartime logistics challenges.

These findings underscore both the adaptability of foreign businesses in Ukraine and their long-term commitment to the market. The prevalence of domestic warehousing and logistical reconfiguration suggests a strong intent to maintain continuity and safeguard delivery to customers, even amid ongoing security and infrastructure risks. As Ukraine continues to implement customs and transport reforms and receives support from international partners, these mitigation strategies may evolve further: from reactive adjustments to long-term investment in logistics resilience.

WHAT MEASURES HAVE YOU UNDERTAKEN TO MITIGATE SUPPLY CHAIN ISSUES IN THE CONTEXT OF ONGOING WAR IN UKRAINE?



NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

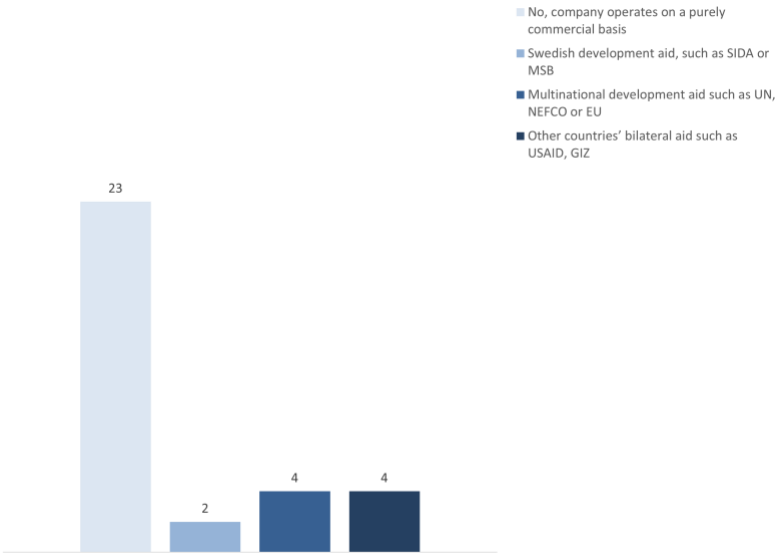
The majority of Swedish companies operate independently of donor funding, while selected companies engage in aid-supported initiatives

Most Swedish companies operating in Ukraine continue to engage on a purely commercial basis. Out of 33 respondents, 23 companies (70 per cent) reported that they had not delivered any products or services funded by development aid in 2024. This indicates that most Swedish firms are primarily oriented toward market-driven operations rather than donor-funded programs.

Nonetheless, nearly one-third of companies have participated in international assistance frameworks. Four firms (12 per cent) reported delivering under multinational programs (e.g., EU, UN, NEFCO), and another four (12 per cent) cited bilateral donor support from institutions such as USAID and GIZ. An additional two firms (six per cent) reported involvement in Swedish-funded programs through actors such as SIDA or MSB. This shows that while engagement in aid-funded reconstruction or technical assistance remains limited, there is a growing interface between private-sector activity and the donor ecosystem in Ukraine.

As international funding for Ukraine's recovery intensifies, particularly in sectors like energy, infrastructure, health, and civil resilience, Swedish companies may find new opportunities to align their offerings with donor priorities. Strategic positioning and local partnerships could enable wider participation in the EU, World Bank, and bilateral procurement processes in 2025 and beyond.

HAVE YOU DELIVERED ANY PRODUCTS OR SERVICES TO UKRAINE FUNDED BY INTERNATIONAL DEVELOPMENT AID SOURCES IN 2024?



NOTE: The number of respondents for this question was 33. "Don't know/Not applicable" responses are included but not shown in the figure.
SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

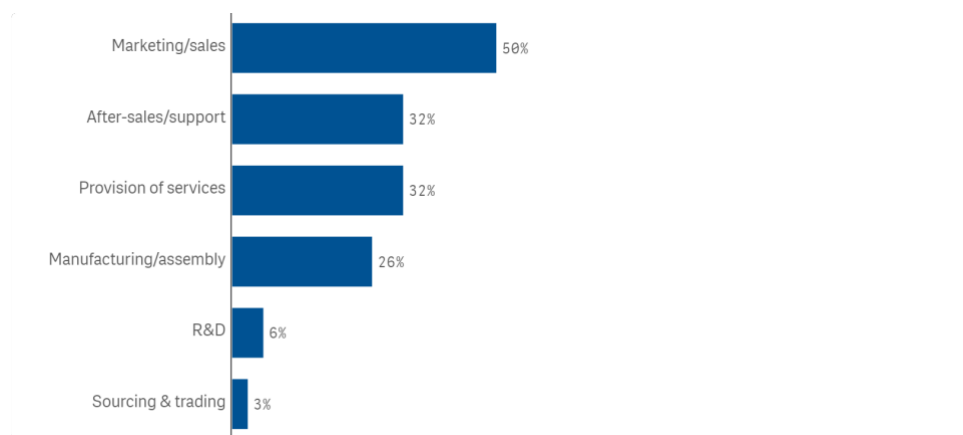
Focus on marketing and after-sales reflects commercial orientation of Swedish companies in Ukraine

As anticipated, marketing and sales emerge as the most critical operational focus for Swedish companies in Ukraine. Fifty per cent of respondents highlight these functions as key to establishing and maintaining a competitive position in the local market.

After-sales support and the provision of services follow as shared secondary priorities, each cited by 32 per cent of respondents. These areas are particularly relevant in sectors where product performance, maintenance, or localised service delivery are essential for customer retention and long-term market growth.

In contrast, functions such as manufacturing and assembly (26 per cent), research and development (six per cent), and sourcing and trading (three per cent) are less frequently emphasised. This distribution reflects both the current operational footprint of Swedish firms in Ukraine, which is more commercially oriented and the structural constraints that continue to affect production and innovation activities, particularly amid wartime conditions and infrastructure limitations.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

Cost efficiency, public affairs, and staff development are key to maintaining competitiveness for Swedish companies in Ukraine

Cost efficiency is the dominant factor, cited by 50 per cent of respondents. This result reflects the acute importance of cost control and operational optimisation, particularly in a market shaped by wartime disruptions, supply chain volatility, and inflationary pressures. The emphasis on cost efficiency reflects the realities of operating in a post-invasion economy, where price sensitivity, logistics disruptions, and inflation continue to pressure margins.

Public affairs and staff development are the next most frequently cited priorities (both at 35 per cent), underlining the dual importance of maintaining a strong local presence with authorities and communities and investing in human capital to sustain long-term operational resilience. The relatively high prioritisation of public affairs and staff development underscores the need for strong institutional navigation and workforce resilience in an environment marked by regulatory volatility and labour market flux. Companies that can navigate local regulatory landscapes and attract skilled employees are more likely to remain agile and trusted.

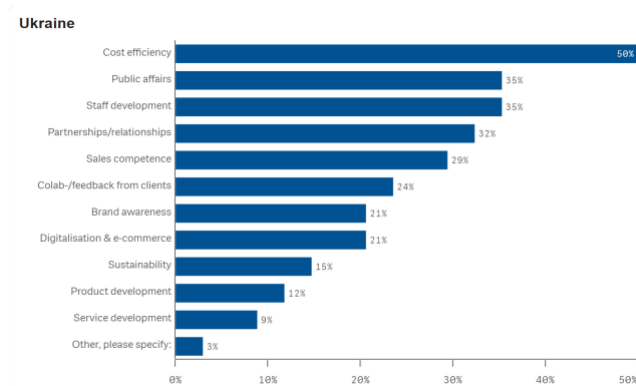
Partnerships and relationships are cited by 32 per cent of companies, emphasising the importance of local collaboration and stakeholder trust in navigating uncertainty. Building reliable local networks remains a critical enabler for distribution, risk-sharing, and adaptation to fast-changing conditions.

Sales competence (29 per cent) and collaboration/feedback from clients (24 per cent) also rank high.

Meanwhile, brand awareness and digitalisation/e-commerce were each cited by 21 per cent, reflecting growing but still developing attention to reputation-building and online channels as tools for resilience and customer access.

Sustainability (15 per cent), product development (12 per cent), and service development (nine per cent) were ranked lower overall, suggesting these longer-term strategic areas may be receiving less immediate focus amid current operational and logistical constraints.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN UKRAINE?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

The Swedish Brand is widely recognised as a valuable asset for companies operating in Ukraine

As part of the Business Climate Survey, companies were asked to what extent the **'Swedish brand'** contributes to their business success in Ukraine. The results reveal a strong and positive perception of Sweden's national image and its associated values in the Ukrainian business environment.

Forty-seven per cent of respondents report that the Swedish brand contributes partially or significantly to their business performance. A further 44 per cent state that it contributes very much, indicating a high level of brand equity and trust associated with Swedish origin.

Only six per cent of companies see little or no added value, suggesting that the Swedish brand is broadly regarded as an asset in local market positioning.

This overwhelmingly positive response underscores the reputation of Sweden as a country associated with quality, innovation, trustworthiness, and sustainability – attributes that resonate strongly in the Ukrainian context, especially during a time of rebuilding and modernisation.

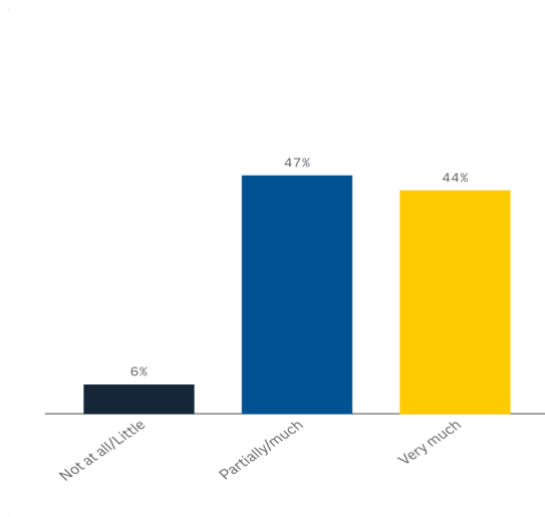
Generally, in Ukraine, the Swedish brand is closely linked to:

- High product standards and reliability, particularly in sectors such as industrial equipment, consumer goods, healthcare, and green technologies;
- A perceived commitment to ethical business practices and transparency, which is valued in a market where institutional trust and anti-corruption reform remain critical;

- Sweden's active support for Ukraine politically and economically which further boosts the reputational impact of Swedish companies and institutions.

Swedish firms that clearly communicate their origin – and align their messaging with Sweden's globally recognised values – are well-positioned to build credibility, attract talent, and deepen partnerships in Ukraine.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE “SWEDISH BRAND” CONTRIBUTES TO YOUR BUSINESS IN UKRAINE?



NOTE: The number of respondents for this question was 34. “Don’t know/Not applicable” responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

ACTING SUSTAINABLY

Environmental considerations are becoming more relevant for customers but remain secondary to core needs

Environmental aspects are becoming moderately relevant for customers in Ukraine, although they are not yet a defining factor in most purchasing decisions. Forty-three per cent of the surveyed companies reported that customers consider environmental factors only to a limited extent or not at all, while an equal share (43 per cent) observed partial or significant attention to sustainability. Only 13 per cent noted that environmental performance plays a major role in customer decision-making.

These findings indicate a growing awareness of sustainability, but one that remains uneven across sectors, company sizes, and customer segments.

Larger companies are significantly more likely to encounter customer interest in sustainability. Seventy-five per cent of large enterprises report at least partial consideration of environmental aspects by their customers, and none report complete disregard. In contrast, 56 per cent of small firms and 41 per cent of medium-sized companies perceive limited or no concern from customers. This suggests that larger firms, which are often embedded in international value chains and subject to greater reputational scrutiny, are more exposed to sustainability expectations from clients and end-users.

The survey reveals a varied picture regarding customer attention to environmental factors in Ukraine. Across sectors, approximately half of the respondents noted that environmental considerations are not a priority for their customers, while the other half observed at least moderate attention to sustainability. This split suggests that while environmental awareness is growing in certain segments, it remains inconsistent and market-dependent.

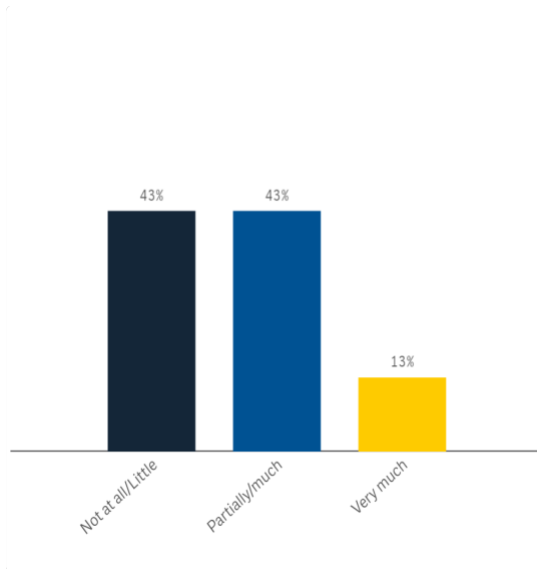
Company experience in Ukraine also appears to shape these perceptions. Newer market entrants tend to report greater customer focus on environmental issues, possibly reflecting newer client bases or exposure to global sustainability trends. In contrast, some long-established firms indicate lower levels of environmental prioritisation, likely influenced by legacy markets and procurement practices. Overall, the findings point to a gradual but uneven evolution in customer attitudes toward sustainability.

While environmental considerations are not yet a dominant driver in most Ukrainian purchasing decisions, the broader policy and investment landscape is rapidly evolving. Ukraine's sustainability agenda is increasingly shaped by its alignment with EU regulations, energy security imperatives, and global ESG expectations. In 2024, 77 per cent of Ukrainian consumers expressed concern about climate change, with many willing to pay a premium for eco-friendly products. Although these preferences remain secondary to essential needs amid wartime pressures, they point to a growing demand for sustainable goods and services.

At the corporate and institutional level, ESG adoption is accelerating, particularly among exporters and large enterprises. Key reforms, including Ukraine's 2024 Climate Law (Law of Ukraine "*On the Basic Principles of the State Climate Policy*"), an EU-style carbon trading framework, and green lending criteria, are prompting businesses to align with European sustainability standards. Renewable energy already accounts for 22 per cent of electricity generation, up from 8 per cent pre-war, despite temporary setbacks in wind capacity. Major investments in solar infrastructure, sustainable agriculture, and energy efficiency reflect this transition. Meanwhile, international partners such as the EU and EBRD are channelling billions into green recovery, embedding environmental criteria into procurement and funding. This trend is expected to deepen through 2030 as Ukraine

expands its renewable energy share and introduces corporate sustainability due diligence requirements.

TO WHAT EXTENT DO CUSTOMERS IN UKRAINE CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



NOTE: The number of respondents for this question was 30. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

Sustainability in Ukraine is viewed by Swedish businesses as constrained by war but critical for future reconstruction

As part of the 2024 Business Climate Survey in Ukraine, participating Swedish companies were invited to share their perspectives on sustainability within the context of ongoing war and post-war recovery. While quantitative findings point to moderate but uneven attention to environmental considerations among customers, the qualitative insights provide a deeper understanding of the systemic challenges currently shaping Ukraine's sustainability landscape. From infrastructure damage and regulatory setbacks to shifting consumer priorities and long-term ESG goals, the reflections below highlight the complex realities businesses face and the urgency of embedding sustainability into Ukraine's reconstruction and development agenda.

“In automotive industry emission standards are the key element is sustainability journey. In Ukraine they develop backwards: the war justified prolonging a very old (2014) Euro-5 emission standard as legal till 2027. Neither is there any incentive to go greener (Euro-6 or electric). This also allows/welcomes competition from less environmentally driven Korean or Chinese brands. Sustainability as such is not on top of the agenda, which is understandable. However, if we are to build a new Ukraine, these are the basic simple steps which should have been taken long time ago.”

“Decision-making relies more on price than sustainability. Long-term thinking in construction investments needs to be improved.”

“Ukraine faces numerous sustainability-related challenges, many exacerbated by the ongoing war. These include:

- **Environmental degradation and war-related pollution:** The conflict has led to widespread pollution from destroyed infrastructure, military equipment, and unexploded ordnance. This contamination affects soil, water, and air quality, posing significant risks to human health and ecosystems.
- **Damage to critical infrastructure:** Attacks on energy facilities, water treatment plants, and transportation networks disrupt essential services and hinder environmental management efforts.
- **Disruption of environmental monitoring and protection:** The war has limited the capacity of environmental agencies to monitor and respond to environmental threats.
- **Displacement and migration:** Millions of Ukrainians have been displaced, straining resources and creating challenges for social cohesion and economic stability.
- **Economic decline:** The war has severely impacted Ukraine's economy, leading to job losses, reduced investment, and increased poverty. This hinders sustainable development initiatives.
- **Mental health and well-being:** The conflict has taken a toll on the mental health of Ukrainians, impacting their ability to contribute to sustainable development. Mitigating these risks will require a multifaceted approach.
- **Post-war reconstruction:** Prioritising sustainable practices in rebuilding infrastructure and restoring ecosystems. This includes investing in renewable energy, green buildings, and sustainable agriculture.
- **International support:** Continued financial and technical assistance from international partners to support Ukraine's recovery and sustainable development efforts.
- **Strengthening governance:** Enhancing transparency, accountability, and public participation in environmental decision-making.
- **Investing in human capital:** Supporting education, training, and mental health services to empower Ukrainians to contribute to sustainable development.
- **Promoting innovation:** Fostering innovation in green technologies and sustainable practices to address Ukraine's unique challenges. Despite the immense challenges, Ukraine has a strong commitment to sustainable development. By addressing these risks and investing in sustainable solutions, Ukraine can build a more resilient and sustainable future for its people and the environment.”

“Overall society awareness and concern about sustainability in Ukraine remains low. Customers and consumers consider war-related risk to be of critical importance.”

“The war obviously has a negative impact on the work force and purchasing power. However, businesses have scaled appropriately to become more efficient. In the future, as the war end, there will be a return to full ESG agenda.”

Swedish companies report low direct exposure to corruption in Ukraine, though uncertainty and legacy risks remain

The surveyed companies report a relatively low level of direct exposure to corruption in the past year. Only 12 per cent of respondents reported encountering corruption-related challenges in interactions with either public authorities or private counterparts. Notably, none of the companies reported issues arising from internal stakeholders or employees.

Despite the low incidence of reported corruption, a considerable share of respondents expressed uncertainty: 21 per cent answered “Don’t know,” and 56 per cent selected “Not applicable.” This may

reflect limited operational exposure to risk-prone areas, a lack of visibility into certain transactions, or reliance on local partners to manage frontline interactions.

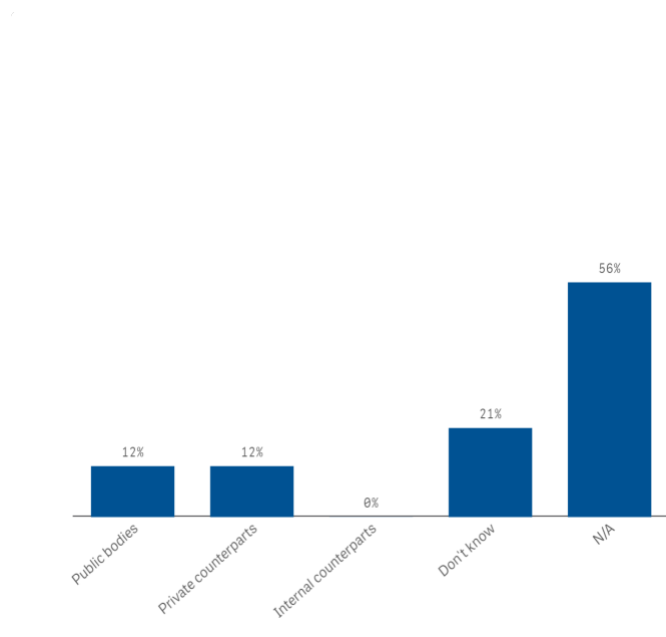
Company tenure in Ukraine appears to influence exposure to and awareness of corruption risks. Mature companies with longer operational histories in the country were more likely to report some level of exposure, likely reflecting their deeper involvement in legacy systems and longstanding interactions with public institutions and procurement frameworks. In contrast, newer entrants, particularly those established after 2022, reported no incidents of corruption, though many indicated limited engagement with regulatory or high-risk areas, suggesting a more cautious approach to market entry or more streamlined operational models.

Across the broader sample, experiences with corruption were relatively uncommon, with many firms indicating either no exposure or limited visibility into such risks. This points to a business environment where integrity frameworks may be improving but where perceptions can still vary based on operational history and depth of market integration.

It should be noted that the survey asked about experiences over the past year only. As such, it may not fully capture longer-term corruption exposure, particularly among companies with a longer operating history in Ukraine. Some legacy concerns or earlier-stage challenges may not be reflected in the current findings.

While corruption remains a known risk in Ukraine's business environment, the survey results suggest that Swedish firms have, in recent times, largely avoided direct exposure. Continued progress on anti-corruption reforms, enhanced alignment with EU standards, and strong internal compliance practices among international firms are likely contributing to this trend. Nevertheless, the high share of uncertainty responses underscores the importance of sustained vigilance, transparency in local partnerships, and tailored support from Business Sweden to help firms operate securely and confidently in Ukraine.

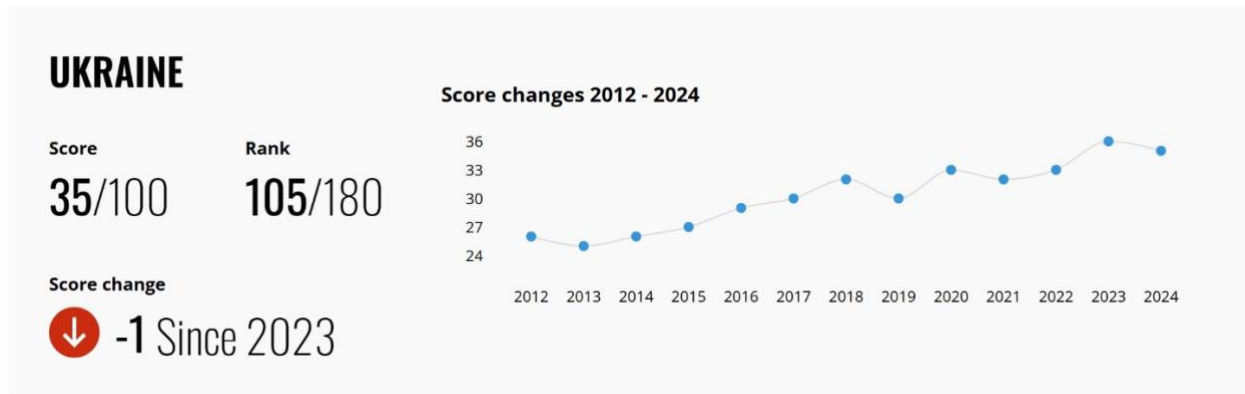
HAS YOUR COMPANY IN UKRAINE BEEN EXPOSED TO CORRUPTION SUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

CORRUPTION PERCEPTION INDEX 2024



NOTE: Ukraine has a score of 35 this year, with a change of -1 since last year, meaning it ranks 105 out of 180 countries.
SOURCE: Transparency International.

In 2024, Ukraine scored 35 out of 100 on Transparency International's Corruption Perceptions Index (CPI), ranking 105th out of 180 countries. This reflects a modest decline from 38 in 2023 but remains an improvement compared to the pre-invasion score of 32 in 2021. Corruption continues to influence both domestic business operations and foreign investor sentiment despite some signs of institutional progress.

According to a 2024 nationwide business survey conducted by the National Agency on Corruption Prevention (NACP) and Info Sapiens, 76 per cent of business representatives consider corruption a "very serious" issue – up from 73 per cent in 2023, while 57 per cent believe corruption has increased over the past year. However, only 23 per cent reported direct exposure to bribery or corrupt demands, suggesting a gap between perception and experience. This may reflect the impact of digitalised public services and evolving reporting practices. Positive developments are emerging. One in six firms reported corruption to authorities in 2024, reflecting growing trust in enforcement institutions such as NABU (National Anti-Corruption Bureau of Ukraine), SAPO (Specialized Anti-Corruption Prosecutor's Office), and the High Anti-Corruption Court. Nonetheless, widespread concern persists, particularly regarding legal unpredictability, judicial corruption, and enforcement inefficiencies. These factors remain key deterrents for international investment. A recent AmCham Ukraine survey found that 26 per cent of businesses identified anti-corruption progress as a top priority, second only to rule-of-law reforms.

Businesses continue to face indirect costs stemming from informal practices, particularly in customs, utility access, law enforcement, and land-related services. While areas such as tax administration and judicial enforcement show relative improvement, entrenched risks persist in legacy monopolies and high-stakes sectors.

In response, Ukraine has undertaken several reforms aligned with EU accession goals. Key initiatives include harmonising public procurement rules, strengthening the powers of oversight institutions such as the Accounting Chamber and ARMA, and creating a Public Integrity Council to support judicial vetting. International partners, including the OECD, IMF, and EU – have acknowledged this progress while emphasising that implementation and enforcement remain the critical challenges.

Looking ahead to 2025, the outlook is cautiously optimistic. Ukraine's EU candidacy and donor support provide strong incentives to sustain reform momentum. However, political uncertainty and wartime pressures may complicate progress. Continued investment in institutional capacity, including expanding the High Anti-Corruption Court and accelerating high-profile prosecutions, will be crucial to ensuring long-term integrity and investor confidence.

No human or labour rights violations have been reported by Swedish companies in Ukraine, though visibility and due diligence remain important

The Business Climate Survey asked Swedish companies in Ukraine whether they had encountered any human rights violations or labour rights abuses in their operations or through contact with

business partners, supply chains, or customers. The results show that such concerns are largely absent from the current experience of respondents.

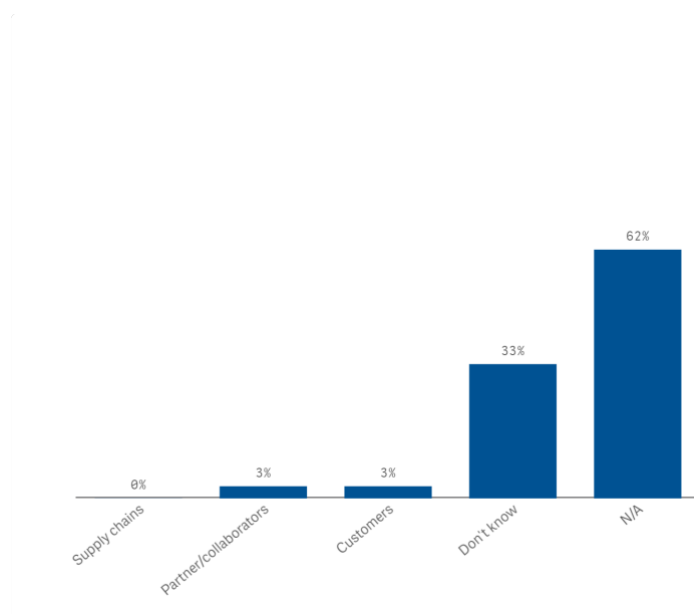
None of the companies reported experiencing or identifying violations within their supply chains – a strong indication of trust in their sourcing networks or limited local integration in high-risk supply tiers. Only three per cent reported potential concerns in relation to partners/collaborators or customers, respectively.

A significant 62 per cent responded N/A (not applicable), suggesting that either their business models do not currently involve local contracting chains where such risks would typically emerge, or they operate in segments with limited direct exposure to labour-intensive or high-risk practices. Thirty-three per cent answered “don’t know”, which may indicate a lack of formal risk screening or limited visibility into extended local operations and third-party relationships.

The absence of reported rights violations among respondents is a positive signal and reflects both the ethical practices of Swedish companies and the current structure of their operations in Ukraine, which often focus on marketing, sales, and services rather than high-risk supply chains. As Ukraine continues its reform and EU integration trajectory, companies will be well-placed to maintain strong compliance records – but growing expectations around formal due diligence will make monitoring, transparency, and documentation increasingly important.

However, challenges remain, particularly in wartime conditions, where labour shortages, informal work arrangements, and displaced populations can create potential vulnerabilities in subcontracting and regional operations. That said, Swedish companies typically operate with strong internal compliance mechanisms, often applying higher-than-minimum standards for working conditions and supply chain due diligence – in line with Sweden’s leadership in sustainability and human rights.

HAS YOUR COMPANY IN UKRAINE ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 34. “Don’t know/Not applicable” responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Ukraine 2025.

CONTACT US

BUSINESS SWEDEN

Andreas Giallourakis, Trade Commissioner

Andreas.Giallourakis@business-sweden.se

Veronika Kalyta, Associate, Business Climate Survey Ukraine 2025

Veronika.Kalyta@business-sweden.se

Website: [Welcome to Business Sweden Ukraine](#)

