

INDUSTRIAL PARKS IN UKRAINE: STRATEGIC HUBS FOR ECONOMIC GROWTH

Amid wartime challenges, Industrial Parks ("IPs") are essential tools for development of the industrial sector, supporting business relocation, attracting both foreign and domestic capital. The number of registered industrial parks has doubled since the outbreak of the war, now surpassing 100.

KEY PLAYERS



INITIATOR

- State or municipal authority, legal entity, or individual with freehold or leasehold rights to land
- Responsible for the establishment and registration of the IP



MANAGING COMPANY

- Legal entity appointed by the Initiator through a formal agreement
- Manages and oversees IP operations



RESIDENTS

Ukrainian legal entities registered in the Register of the IPs

- Operate within the IP under agreements with the Managing Company
- Benefit from state incentives



OTHER PARTICIPANTS

- Legal entities operating within the IP without "Resident" status
- Not eligible for IP-specific incentives

AVAILABLE STATE INCENTIVES

TO INITIATOR AND MANAGING COMPANY

- Up to UAH 150 million per industrial park for infrastructure development (including electricity connections), covering up to 50% of the cost (80% - for de-occupied territories)
- Reduction or exemption from land tax or lease payments
- Managing Company may lease state or municipal land without competitive bidding
- Exemption from compensating forestry production losses

TO RESIDENTS

- 10-year exemption from CIT on profits generated from operation within the IPs, subject to reinvesting within this period
- VAT and customs duties reliefs on certain new imported equipment
- Reduction or exemption from land tax or lease payments

N.B.

Interest rate compensation on loans for IP development and operational activities (up to UAH 60 million for the Initiator and Managing Company, and up to UAH 45 million for Residents) is suspended during martial law.

ALLOWED ACTIVITIES



Processing industry



Industrial and/or household waste processing (excluding for waste disposal)



Renewables



Energy storage



Scientific and technical activities



Activities related to information and electronic communications

PROHIBITED ACTIVITIES

- production of excisable goods *except for biofuel, biocomponent, energy from alternative sources, and the production of passenger cars, car bodies, trailers and semi-trailers, motorcycles, vehicles intended for transporting 10 or more, and freight transport vehicles*
- certain commercial activities subject to licensing, *i.e.: lottery operations; gambling; foreign employment mediation; commercial catches of aquatic biological resources from outside the jurisdiction of Ukraine; production and distribution of certain narcotic drugs, psychotropic substances, and precursors; household waste disposal*

KEY REQUIREMENTS FOR IPs

- **30-year minimum duration** applies to both IP and land lease
- **Land area: 10 to 1,000 ha**, designated as "industrial land"
- **Industrial suitability** compliance with urban planning, sanitary, and environmental standards
- **Restrictions on existing facilities** no facilities commissioned in the last 10 years or active in the past 5 years before the IP's establishment (except coal facilities)
- **Project timelines** IP must build and commission at least 5,000 m² of industrial buildings within the first 3 years

OTHER FEATURES

DISPUTE RESOLUTION

Disputes may be resolved through international commercial arbitration or arbitration under Ukrainian law, as agreed by the parties. The governing law must be Ukrainian.

STATE INFRASTRUCTURE FINANCING

In 2025, the government allocated UAH 203 million to support two IPs — Kronospan Rivne in Rivne region and KIT in Kyiv region. In 2026, around UAH 4.8 billion is expected to be allocated from the state budget to attract investments in business, including the development of IPs.

CONTACT US FOR MORE INFORMATION



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