



UZHHOROD TOWN COUNCIL  
sq. Poshtova 3, Uzhhorod, 88000, Ukraine



## PLAN OF LOCAL ECONOMIC DEVELOPMENT

**“Uzhhorod is a city without  
boundaries, where fortune never let you down”**

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## UZHGOROD - 2018

**Dear colleagues and partners!**



**Uzhhorod** is the most western and the smallest regional center of Ukraine, but it does not prevent it from being the true heart of Zakarpattya. It is located at a distance of 820 kilometers from Kyiv and has an area of 40 km square.

In Uzhhorod, for centuries, as one family, representatives of different nations and nationalities live together, mutually enriching the traditions and cultural heritage.

Representatives of almost 70 nationalities coexist peacefully on a relatively small territory. Uzhhorod has the largest number of Ukrainians, Russians and Hungarians. Uzhhorod is located on the border of the European Union and it is always called the European city. Numerous humanitarian and business projects are being implemented here, together with partner cities and within the framework of cross-border cooperation, innovative and multidisciplinary initiatives are being realized. The most famous world corporations operate in Uzhhorod and near the city, they produce high-tech products and are constantly expanding their activities. This is facilitated by the availability of skilled personnel, logistical advantages of the location and the fact that the city authorities of Uzhhorod are ready to support the bravest projects and promote the realization of ideas, providing maximum comfort for doing business.

In May of 2018 Uzhhorod concurred with the initiative of EU «Mayors for economic growth» with the purpose of local economic growth activation, creation and implementation of developmental projects in cooperation with private sector and civil society. We began a development of new instrument of for community - Local economic development plan, that contains a lot of thoughts and hopes on city economics improvement.

This plan was developed in cooperation with businesses, public and municipality representatives. We expect that its introduction will be successful due to the partnership of all interested members of the society.

Uzhhorod is a reliable and perspective ground for development of your business, this is a city without boundaries, where fortune never let you down.

**We invite to cooperation!**

**Sincerely,**

**Mayor - Bohdan Andreev**

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## 1. Resume.

The city of Uzhhorod is a diversified economic, administrative and cultural center of the Zakarpattia region. The uniqueness of the geographical location is conditioned by the presence of a general border on the western city boundaries with Slovakia. The interpolation of the Zakarpattia region with Romania, Poland and Hungary gives an opportunity of connection with the four EU countries at once.

Economic development of city is moderate and does not distinguish it from other territories. The most developed spheres of the city economy are industry, trade and and public food consumption. They are provided with proper infrastructure and have markets of sale in countries and after their limits. There is a number of enterprises with long-term foreign investments in the city. Small and middle business on territory of city develops the LED rates, comparatively with Ukraine. City authority provides support for its development.

On a purpose of competitiveness enhancing of the local economy, employment level and well-being, the town of Uzhhorod joined the EU-initiative “Majors for the economic growth”.

For the urban development strategy “Uzhhorod-2030” there has been conducted a detailed SWOT-analysis of the main urban development factors that gave a possibility to examine advantages and disadvantages of the town’s economic development during the last five years and determine the main strategic development vectors for the following 12 years — the plan.

The pledge of entrepreneurship’s and local business’ further development in Uzhhorod is the reinstating of the middle enterprises’ activity scales, enhancing production capacity of the small business, increasing the quantity of agents, employment and production amounts in real economy of the town and also commercial activity branches that have a development potential (hotel and restaurant business, tourism and recreation, logistics and transport, consumption and business-related services).

The plan’s perspective corresponds the town’s strategic perspective:

Uzhhorod is the centre of the Transcarpathia’s economic, administrative and intellectual asset congregation, that integrates supporters of advanced technologies and innovations, modern forms of organisational structure and creative industries, engages new territories and partners from abroad into the orbit of mutually profitable perspectives.

For reaching of that perspective the main goals of the Local Economic Development Plan(LEDPP) were defined:

1. – *to create conditions for development of new informational technologies.*
2. – *creation of cluster and networks of local economic development, industrial parks, business-incubators, start-ups, technology transmitting centres.*
3. – *enhancing the commercial activity level, increasing the self-employed population part, opening new businesses.*

LEDPP contains the systems of actions the would contribute to the development of innovative economy, creative industry, entrepreneurship and service sphere, investment attraction and transnational cooperation. Namely:

- to create constantly functioning exhibition that would organise expos and presentations of innovative and investment offer and successfully realised projects;
- to contribute to the promotion of innovative industrial production of the town on the external markets;
- creation and erecting of innovative-technologic cluster;
- creation of an informational web-resource for innovative enterprises;
- creation of an informational web-resource for business;
- to contribute to the build-up of a network of institutions of small and middle business support in spheres of consulting, projective and financial management, innovations and IT.

Realisation of the LEDPP’s projects presumably results in:

- creation of infrastructure objects of the entrepreneurship support;
- increasing of the realisation amounts of the town's innovative industrial production on external markets;
- ensuring investment attraction into innovative development and industry's modernisation and expanding of a competitive production;
- increasing amounts of investments attracted to the town's economy;
- growth of the population's employment level.

Ensuring the realisation of the organisational and informational action's complex would be executed at the costs of the town's and state budget, costs of entrepreneurs, investors, non-governmental organisations, international financial organisations and international technical support. The financing amount of the plan of Uzhhorod's local economic development for 2019-2020 constitutes 34160,0 UAH thousand or 1077,2 EUR thousand (according to the exchange course of the National Bank of Ukraine as at 01.01.2019)

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## **3. List of abbreviations**

EU – European Union.

EBRD - European Bank for Reconstruction and Development

UNDP - United Nations Development Program

LEDP- Local Economic Development Plan

SEA - Subject of Entrepreneurial Activity

## **4. Introduction to the plan.**

Uzhhorod is one of the most attractive cities of Ukraine for investment. In the investment attractiveness rating, the city has a rating of Invest A +, which means high investment attractiveness and low sensitivity to investment risks.

Obviously, the comfortable geographical location (820 km to Kyiv, to Budapest - 330 km, Bratislava - 490 km, Warsaw - 550 km, Vienna - 555 km, Bucharest - 780 km, Prague - 720 km, Zagreb - 670 km, Belgrade – 585 km. The city is on the border with Slovakia), human potential (the city of young and well-educated people - 50% of the population has higher education), developed transport infrastructure (Railway station, two bus stations: Uzhhorod-1, Uzhhorod-2, Uzhgorod airport, developed business infrastructure and other factors give an opportunity to talk about the high investment potential of the city.

At the same time, the investment advantages of Uzhhorod is a developed industrial complex, activity of more than 5 thousand economic subjects, realization of products to the amount of about 200 million US dollars annually, substantial quantity of potentially attractive of the subjects of investment activity, simplified procedure of execution of documents as a result of CDAS(Centre for the Delivery of Administrative Services) establishment, development of control system in the field of construction.

To support local economic development by promoting economic growth and creation of workplace, establishing partnership relations between municipalities and the private sector and civil society, the mayor on May 15, 2018, on behalf of the territorial society of city, has signed an application to participate in the «Mayors for Economic Growth Initiative».

Implementation of the Local Economic Development Plan of the city of Uzhgorod will enable to:

- increase of industrial potential of city and stabilizing of work of industrial enterprises, technical re-equipment and modernisations of productions, that are based on effective energy-saving and environmentally friendly technologies;
- increase of volumes of home and foreign investments in priority industries of economy of city, attracting investors on principles of state-private partnership, improving the attractiveness of the city for foreign investors;
- creation of conditions for the development of entrepreneurial activity by expanding the network of infrastructure and realization of the state policy on the further formation of real mechanisms for supporting small and medium enterprises, attracting investment and financial resources, and encouraging citizens to conduct business.

It should be said, that the development process of the Strategy for development of the city “Uzhhorod-2030” aligned with the development of LEDP, that was entirely coordinated with the strategic goals and priority guidelines of city development, such as: - support of entrepreneurial development and consolidation of role in the solution of social and economic problems; productive capacity building of industrial enterprises and growth of its investment attractiveness.

Beyond that, by the ordinance of the mayor was formed a working group for development of the Plan of the implementation of the City development strategy «Uzhhorod-2030» at the stage of 2019-2021 consisting on principles of parity of scientific professionals, representatives of authority, business and community. The members of working group in the process of fulfilment of tasks laid on them, discussed the questions of modification of LEDP of Uzhhorod in accordance with recommendations provided by the Initiative of EU «Mayors for economic growth».

The provision of implementation of the complex of organizational and information measures of LEDP will be realized at the expense of the funds from local and state budgets, funds of SEA, investors, and also non-governmental organizations, international financial organizations and international technical assistance. The tentative cost of the projects comes- 34160,0 TUAH, as of September 1, 2019, at the rate of NBU 1 EURO is 31.71 UAH.

## **5. Process of development of the Local Economic Development Plan.**

The process of LEDP has been carried out within already formed working group for development of the Strategy, its membership was approved by the ordinance of the mayor (annex 1). The discussion and development of the plan of actions LED have been already considered during the meeting of this working group, and also at the meeting with mayor.

At the sametime, newly-formed working group for development of the Plan of the implementation of the City development strategy «Uzhhorod-2030» at the stage of 2019-2021 (according to the ordinance of mayor No.78 of 19.02.19 №78 — annex 2) were made final modifications to LEDP in accordance with recommendations provided by the Initiative of EU «Mayors for economic growth».

In the plane was used analytical data of the structural divisions of the city council, statistical data of the Main department of statistics in Transcarpathian region results of opinion polls of entrepreneurs and heads of industrial entrepreneurs of the city.

At the joint meetings of the heads of the structural divisions of the city council with SEA were discussed the main problems for doing business, determined the upcoming sectors of economy and measures for necessary realization by the municipal government for creation of favorable business climate and provision of economic growth.

The goals and objectives of LEDP were formed according to results of the holding these meetings, for which were attracted the heads of the structural divisions of the city council, city council deputies, public members, media personnels, scientific professionals and experts.

The process of LEDP was realized with observance of such principles:

1) **objectiveness** (development of the Plan basen on the data of the state statistical authorities, other central and local authorities of executive government and real goals and indicators(indexes), which can be really achieved and estimated);

2) **validity and practicability** (development of the Plan on the basis of the clearly defined goals of development and economically sound measures and projects, that promote to the achievement of economic and social development);

3) **disclosure and transparency** (provision of access for community, that provides information distribution aout the goals, priorities, expected results and indicators of Plan fulfilment);

4) **effectiveness** (definition and supporting of functioning of mechanism for achievement of objectives, execution of tasks, measures and projects within the prescribed time limits of this Plan).

## 6. Local Economic Analysis

### 6.1. Analysis of the local economic structure.

Uzhhorod is an administrative, economic center in which the regional and local governments are located. The city has a railway station, a bus station (bus service with regional centers of the western region, international connections) and it is planned fully to start to the end of 2018 work of airport "Uzhhorod". In Uzhhorod the western line of territorial city boundaries practically reaches the State border of Ukraine and Slovakia, where the international border crossing point "Uzhhorod" is located.

The city has significant tourist and recreational potential. Architectural sights, museums and galleries, theaters, national traditions and ceremonies, convenient routes of communication - all this made it possible for Uzhgorod to become a city of tourism. The city's business card are sakura trees and the longest in Europe alley from linden-trees which extends to the entire right bank of the city.

At the same time, in the city there are many comfortable and inexpensive hotels and cafes and over 100 restaurants with excellent Zakarpatian cuisine and European service.

The unique location of the city has become the basis of a favorable climate for business and entrepreneurship. Uzhhorod is an important socio-economic center of the region and business activity, characterized by the formed and present base business-infrastructure, which provides the need for economic entities of the city in financial, credit, insurance, legal, marketing, information-analytical and other necessary services. The most developed spheres of the city economy are industry, trade and catering. They are provided with proper infrastructure and have markets for sales to and from abroad. (For more details see table 1.1, appendix)

Uzhhorod successfully operates enterprises created by investing funds from well-known world firms, in particular, 148 enterprises with foreign investments. Total amount of foreign investments as on December, 31 of 2017 amounted to 49.5 million dollars. Major investor countries: Poland, Luxembourg, Cyprus, Czech Republic, Hungary and Canada.

Uzhhorod's business complex consists of industrial (industry, construction and forestry) and non-productive (other types of economic activity) sectors; small business sector (small businesses and entrepreneurs-individuals).

Non-productive sphere prevails over production (approximately in the ratio of 3: 1). In the manufacturing sector, the industry plays a key role.

Thus, in the course of recent years, the positive dynamics of the increase of realization of industrial products remained. The growth rates of the industrial products of Uzhgorod are significantly ahead of the regional substantially. (For more details, see Table 1.2, Appendix.)

Regarding the structure, in the total volume of industrial products sold, the mining and processing industry occupy the leading positions. The priority sectors of industry are: chemical, machine building, electricity, gas and water, light, waste, food and furniture production.

The largest industrial enterprises of the city such as: LTD. «Ungvayer» -production of electric and electronic equipment for vehicles, LTD. «Groklin-Karpati» -production of other units, parts and accessories for vehicles, "Uzhhorod Clothing Factory" - production of other outerwear, "Uzhhorod Turbogaz" -

production of engines and turbines, except aviation, motor transport and motorcycle engines; LTD "Interfil" - the production of perfume and cosmetics and others by involving of internal reserves and attracting foreign investment have modernized production and now produce competitive products in the domestic and foreign markets.

Uzhhorod is not the city of trans national companies. This is a small and medium sized city with all its advantages and disadvantages. Exactly it creates the profitable part of the budget. It is he in the shade. It is his cultural and consumer tastes that dictate the city's environment.

The main types of economic activity of the subjects of the small business sector of Uzhhorod are wholesale and retail trade, real estate transactions, processing industry, construction and provision of paid consumer services to the population. To a large extent, the sectoral specialization of small businesses of the city is due to the development of retail and retail infrastructure, where, in addition to the wholesale and retail trade of various formats, there are 14 markets for the sale of food and non-food products. (See Table 1.3, addition).

One of perspective of economic activity in the city of Uzhhorod is the service business. Consequently, positively, that during 2015-2017 the volume of services sold only increased. (See Table 1.4, addition).

At the same time, for the years 2015-2017, the structure of services implemented in the city of Uzhhorod also changed. Thus, in 2017, the share of transport, warehousing, mail and courier services increased to 51.3%. At the same time, the share of other types of services decreased: in the field of information and telecommunications - by 7.5 c. p. (up to 17,1%); in health care and social assistance - by 2.1 pp. etc. (up to 9,7%); in transactions with real estate - 1.5 pct. etc. (up to 6,2%).

It should be noted that the key to the further development of entrepreneurship and local business in Uzhhorod is the restoration of the volume of activity of the leading medium-sized enterprises, increase of production capacities of small business representatives, increase of the number of subjects, employment and volumes of production and sales of products in the sectors of the real sector of the city's economy, and also in types of economic activities that have development potential (hotel and restaurant business, tourism and recreation, transport and logistics, consumer and business services).

## **6.2. An intersectoral collaboration and co-operation at local level**

In its activity the city council is guided by well-oiled machine of work between business and community, built on the principles of partnership and transparency.

In 2018 with the purpose of development and business support in the city was developed and functions "Programme of support and partnership between the Uzhhorod city council and small and medium businesses in 2018-2019" measures oriented to the partial reimbursement of the credit interests taken for business development.

The important part in the development of business activity and closer cross-sectoral cooperation in the city play such organizations as: Agency of local development and information resources "Europolis"; Association of taxpayers in the city of Uzhhorod; Transcarpathian chamber of commerce and industry and others. With these organisations are held meetings and staid in permanent communication concerning the consultations about the plane of support and development of business.

In the city with the assistance of local government was opened The Center of entrepreneurial activity support, which activity directed at the creation of partnership relations between governmental authorities, local government and entrepreneurs for provision of development and support of business in Transcarpathian region.

It should be mentioned, that in connection with the geographical and geopolitical location of the Uzhhorod city, one of the priority guidelines in development of the city economics is a development of cross-border cooperation. So, for the creation of optimal conditions for activation of cross-border cooperation in the city was approved "Programme of cross-border cooperation development and support of the implementations of projects of international technical assistance in the city of Uzhhorodd in 2018-2022", which provides the extension of pertnership relations with the twin cities, international organizations, institutions in the sphere of international technical support.



### **6.3. A transparent, corruption-free administration that promotes business development**

The Uzhhorod City Council in its work is guided by the following principles: transparency, non-corrupibility, response to needs, customer orientation (residents, tourists, investors, etc.).

So by the decision of the executive committee of 08.02.2017 No. 44 was approved "Procedure for informing of community about activity of of the Uzhhorod city council, its executive authorities in the Internet". The implementation of this Procedure is provided by the promulgation of the information materials about activity of the Uzhhorod city council and its executive authorities in the Internet on the official website of the city council [www.rada-uzhgorod.gov.ua](http://www.rada-uzhgorod.gov.ua).

The object of information is an activity of the city council, mayor, permanent and interim commissions of the council, deputies of council, executive committee, executive authorities and office holders of the council, commissions of the executive committee, bodies of self-organization of population.

In order to create a favorable business, investment environment for representatives of the private sector and civil society of the city, the Uzhhorod City Council is taking measures aimed at ensuring the openness and transparency of the work of the executive authorities.

Thus, on the official website of the Uzhhorod City Council, the following headings were created and regularly updated such as "Public Procurement" -which is conducted through ProZorro "Access to Public Information", "Indicators of Economic Development", "Investment Potential", "City Budget", " "Open City" and others. Also, a "Uzhhorod Office" was created which allows the city council employees to establish better cooperation and communication with the city's residents, to respond more quickly to Uzhhorod residents (simplified access to a wide range of administrative services, the ability to pay utility bills, register a business entity, to record a child in preschool and many other.

Also, the list of assets (land plots and rooms) was posted on the website, that on competition basis can be taken on lease or bought.

Under the transparent activity of the city council and access to information for citizens on the official website were posted such sections as: - "public procurement"; use of public funds; auctions contests; open budget and other headings.

At the same time, the city has a modern Center for the provision of administrative services. Currently, the local and executive authorities provide 224 types of administrative services in its structure - the Center for the issuance of permits. The most widespread among them are services on registration / withdrawal from registration of a place of residence, state registration of legal and natural persons-entrepreneurs, registration of real rights to real estate, registration of declarations on the beginning and completion of construction works, issuance of permits, extracts from the state land cadastre. The high responsiveness of the Center to the problems of business representatives is provided by means of electronic communication and provision of services in online mode.

Besides the provision of wide range of services, the city council planned also a financial support of the entrepreneurs in a part of credits interest rates compensation. This programme have to promote the improvement of conditions for small and medium business development of the city. Any subject of entrepreneurial activity can make use of this programme.

It should be emphasized, that for supporting of realization of state policy on the questions of prevention and fight against corruption in the city was created by the city council a division of prevention and fight against corruption, and interaction with the law enforcement authorities.

The stimulating factor for business development in the city will be expansion of the network of infrastructure for supporting small and medium enterprises, attracting investment and financial resources, encouraging citizens to do business through the creation and establishment of an innovative technological cluster in Uzhgorod, which will contribute to the growth of productivity and innovative activity of city enterprises that will be included in its structure and intensity of development of small and medium-sized enterprises, increase of attraction of investments, accelerated socio-economic development of our region, which ultimately will increase the number of jobs, wages, revenues to the local budget, sustainability and competitiveness of the regional economy (see Table x3. Branches (sub) with the prospect of growth and their problems).

#### **6.4. Access to financing**

One of the priority directions of the city's economic development is the creation of favorable conditions for the opening, maintenance and growth of small and medium enterprises through the access of business to financial resources.

Most of the business entities of the city meet the needs for financing capital investments at their own expense, since access to preferential loans is open exclusively on the financial and credit market of Ukraine or with the support of EU Structural Funds programs and programs.

The high risks of lending to the small and medium-sized business segment and the volatile situation on the lending market do not allow banks to actively lend to small companies at rates comparable to those for large businesses. According to the statistical data in the city is located

The main problems encountered by city entrepreneurs were:

- shortage of credit resources;
- shortage of capital assets (equipments, transport vehicles);
- problems are with a receipt in a lease or acquisition of apartments and other assets;
- null information is about doing business.

In its activity, the Uzhhorod City Council provides free access to community resources: land, infrastructure and real estate, provides reimbursement of interest on borrowed loans within the framework of the Business Development Program (2 million UAH is allocated), which in turn helps to boost local business development .

In addition, the economic entities in the city are granted significant tax privileges: - to landowners in the amount of 10% of the amount of tax; - land users in the amount of 50% of the tax amount, which in turn has created positive conditions for the activity of areas of high investment activity in such fields as tourism and recreation, light and processing industry, transport and logistics, automotive and instrument making.

However, state programs of financial and credit support of entrepreneurs are often not popular among entrepreneurs, and the use of even insignificant amounts included in the business development program is not guaranteed. The state control and participation of the treasury in the implementation of the program minimizes the motivation of entrepreneurs to receive funds through high administrative costs for participation in control measures of state bodies.

The main subjects of financial support of business in the city are: Uzhhorod City Council, financial and credit institutions of the city (banks-credit unions, etc.), international organizations and structural funds of the EU (EBRD, UNDP, EU Structural Funds programs, etc.) and state funds and programs aimed at business development.

An integrated information resource, which uses information as a connecting element between the owners of resources and their users (functioning of the innovation technological cluster in the city), can act as an effective tool for supporting and developing entrepreneurship in the city. Its use will affect the formation of an information environment and meet the needs of enterprises in accessing diverse information. In addition, this tool will be the basis for managing the implementation of regional development programs and will facilitate the implementation of business proposals and projects in the innovation field.

#### **6.5. Land resources and infrastructure**

It should be noted, that land resources in the regional centers are limited, therefore the city of Uzhhorod is no exception. The demand on the vacant land plots is always more than supply.

At the present time carries out the development of the territories detailed plans. Therefore with the purpose of rational use of the vacant land plots and vacant premises the city council was formed a list of the real estate units in the communal property of the Uzhhorod territorial community. This factor denotes, that everyone who wishes to do so, including an investor, can get to know with this information. For example, nearly 137 non-residential premises are leased. In maximum demand are the premises for shops, coffee shops, offices for individual entrepreneurs.

The process of land plots sale or their land lease are carried out in accordance with a legislation through holding of corresponding auctions (bidding), about it you can preliminarily learn on the website of the city council. This information are weekly published in the news-paper "Uzhhorod".

The municipal government continually held joint meetings with the heads of the biggest enterprises of the city the purpose of which were the discussions of the catalogue of available idle premises for opportunity of providing of them in the capacity of the propositions for prospective investors. (See table 4. Investment proposal).

The problematic questions are limitedness of land resources, juridical incoordination of the questions of the use of municipal lands and lands of neighboring populated localities (requirement of the city brand extension — as an alternative of surrounding area incorporation of the village councils); unavailability of big vacant land plots on the city territory, that is important for potential big investors and, unwillingness of the head of big industrial enterprises to give back of vacant territories and premises to the investors; unprofitability of activity and bankruptcy of a lot of enterprises is a cause of ineffective use of municipal lands etc.

The ways of solution: development of general plan, zoning, detailed plans of territory, conception of design and development; definition of optimal bounds of the city; coordinated land use and transportation planning.

## **6.6. Legal and institutional base**

One of the main priorities of the city's development, defined by the "Program for the Economic and Social Development of the City for 2018", is the creation of conditions for the development of entrepreneurial activity by expanding the network of infrastructure and implementing the state policy on the further formation of real mechanisms for supporting small and medium-sized enterprises, attracting investment and financial resources, encouraging citizens to do business.

An analysis of the state of entrepreneurship development in the city shows that, along with positive changes (increase in the number of subjects of entrepreneurship and personal income tax revenues), there are objective factors hindering business development in recent years, which became especially acute as a result of the political and economic instability in the country. Among them: the imperfection of the legislative and regulatory framework for the sustainable development of entrepreneurship; inefficiency of tax policy; the growth of energy prices, the lack of own working capital for business development, the lack of credit and investment resources, etc. (See Table 1.5 of the Annex).

The potential of administration in the city is higher, compared with the settlements of the region. First of all, this is due to the speed of solving tactical tasks, in particular - making decisions on granting approvals for business. The issues of opening and expansion (building) since 2017 can be solved locally, which prefers the city in front of a number of regional centers of Ukraine.

In order to balance the interests of the city authorities and businesses, the city council held joint meetings with business representatives, business support organizations, regulatory bodies, which discussed the issues of business development and ways to address them. In particular, among the main problems in general are the bureaucracy, high taxes, mischievous legislation, and pressure from the controlling structures. According to the results of the meetings, the main tasks were to regulate the regulatory framework for doing business, eliminate administrative barriers, financial and credit and investment support, human resources provision of business.

At another point, with the purpose of favorable entrepreneurial climate formation the city council foresee the implementation of the number of measures as follows: harmonization of the normative legal acts in force in compliance with the principles of state regulatory policy; development of partial reimbursement mechanism for the interest rates on credits from municipal budget, attraction of small and medium-sized businesses for realization of the investment projects; formation of regional investment proposals database, creation of network of research and information centers for small business; organization of personnel training and retraining via the system of business service centres, incubators and technological parks etc.

## 6.7. Skilled labor resources, inclusiveness

As of January 1, 2018 Uzhhorod had the smallest population among all regional centers of Ukraine - 114.0 thousand people. However, the key demographic characteristic of the city is the lowest rate of population decline among regional centers of Ukraine with the exception of Kyiv. During the period of independence (from 1991 to 2017), the number of permanent residents of Uzhhorod decreased by about 11 thousand people.

Despite the population replenishment of the city due to the influx of rural population, the migration balance has negative significance. An indication of incomplete realization of the potential of preserving the city's population is the fact that leaving the city is not only in other states, but also in other regions of Ukraine. The main reasons for leaving the city's residents for permanent residence, as well as for temporary employment or training, are low wages compared to neighboring countries (in the 4th quarter of 2017, the average monthly wage was -8767.0 hryvnias), the worst conditions life. Migrant flows constitute labor migrants. The intensity of the external labor migration of the population of Zakarpattia is the highest in Ukraine.

According to the data of the Urban Employment Center in 2017, the number of registered citizens was 3034 of them had the status of the unemployed of 1,493, a significant proportion of 68.9% of them (1029 persons) had higher education, 12.3% (183 persons) - vocational education, 10.6% (158 people) - complete general secondary education.

As of January 1, 2018, as of January 1, 2018, the number of unemployed decreased by 20.1% and amounted to 358 people, and three unemployed claimed one vacancy.

During 2017, the number of vacancies increased by 9.8%, namely 2698 vacancies registered; 2133 vacancies were filled by the employment service.

Cross-border mobility plays the role of an important social shock absorber, reduces the pressure on the labor market, medical and educational services, some of which are received by certain groups abroad. At the same time, emigration or employment in neighboring states leads to the loss of the most active and most engaging, young and educated cities.

It should be noted, that there are necessary precondition for rapid development of IT sector and establishment and network expansion of IT cluster. In IT industry of Uzhhorod occupied 800-1000 specialists, in the city work nerly 20 IT companies and their offices. The development of IT industry in the city grows fast: arised new companies, local IT communities began to hold regular meetings, intensified efforts on startups.

At the same time, migrants' experience of working in advanced productions with the proper level of organization of work is an important innovative resource, and familiarity with the domestic and transport facilities of European cities is valuable for the improvement of the city infrastructure of the native city of knowledge. If conditions are created for the realization of this potential, this may be an additional impetus for the development of Uzhhorod.

*Among basic problems in the sphere of employment is:*

- *A sharp shortage of skilled workers and workers for industrial enterprises and construction in the city.*

- Disparity of preparation and professional level of labour resources to the necessities of economy of city.

- spread of shadow self-employment and shadow employment of the city's population, which according to qualitative estimates of the size of the shadow economy is 35-45%.

In addition, the territorial extension of jobs for Uzhhorod residents to the Uzhhorod district (Jabil, Yazaki and Chop plants) (Eurocar plant, etc.), which is unfavorable to fill the city budget. Tab.5 SWOT analysis of labor resources.

With a view to promotion to the employment of population in the city was established and functions "Programme of the employment of population in the city of Uzhhorod for the period until 2020", the measures that foresee the creation of new productions and workplaces, development of business and other types of activity, participation of employers in execution of measures for provision of employment of population; professional training, retraining and advanced professional training of unemployed persons inclusive of current and future demand of labor market; granting of one-off payment, assistance in case of unemployment for opening of own business by the

unemployment persons etc.

For example, during the current year 490 employers worked with the employment center, that took an opportunity for staffing of 2152 vacancies.

In addition to it, the city council on the joint working meetings with the biggest employers of the city and consideration of the opportunities of improvement of conditions at the productions, employment assistance of youth and wage increase at the enterprises, that takes an opportunity to retain the young specialist in the city, change the employment pattern, stop the specialists outflow abroad.

## **6.8. External positioning and marketing**

*Uzhhorod is the Ukrainian city that unites Ukraine with Europe.*

Uzhhorod in imagination of its inhabitants is a city which the development of which rests upon a significant historic heritage and different opportunities for business activity, trans-border trafficking and qualitative recreation.

The strengths of the city development the Uzhhorod residents see in the opportunities of improvement of infrastructure and transport and pedestrian nets of the city, development of industrial area, development of human capital asset and human development index, increase of creativeness of population, conversion to the ecological energy sources and autonomous self-dependence of the city by the renewable energy, more intensive communication of the government with the inhabitants of the city on the different questions and many others. The weaknesses of the city development the Uzhhorod residents consider insufficient comfortable existence conditions of ordinary citizens, disproportion between center and microdistricts of the city in the development of infrastructure and services.

Unique geographical position and historical and architectural features form the strong positions of Uzhhorod, as one of the tourist centers of Ukraine. Infrastructure provision and information support of the city's tourist potential need to be improved. City authorities consider tourism as one of the strategic directions of the city's development.

The activity of foreign investors in the city is higher, in comparison with the low income per capita income, Uzhhorod is 8th in terms of foreign investments and 20th place in capital investment.

The low debt burden and the lack of credit obligations in the city government - one of the strengths of the city budget. Significant growth of budget revenues in recent years due to fiscal decentralization, increase in tax collection, and revitalization of business. There is a certain decrease in the dependence on transfers from the State Budget. Therefore Uzhhorod can be considered as a potentially reliable borrower who has a successful experience and understands the terms of cooperation with international institutions. Lack of experience in direct borrowing causes a low debt burden on the city.

Uzhhorod uses specific and unique historical, architectural, planning, ethno-cultural, natural, tourist, gastronomic and other features that form the image of the city in the eyes of Europe and the world on the positive side. Among the main promotional characteristics and features of Uzhhorod are:

1. The city with the Castle Hill and the present-day Uzhhorod Castle of the IX century (regional museum of local lore) - part of the quarter of historical and cultural heritage.

2. The city is one of the most famous in Ukraine and the European Carpathian region in the twentieth century "Zakarpattia School" artists (represented in the Zakarpattia Museum of Art named after Joseph Bokshaja).

3. The longest in Ukraine is the lake alley-quay (2.2 km).

4. The city of thousands of planted Japanese cucumber-sycamores, whose lush pink flowers each year attract tourists from all over the country to the festival "Sakura-Fest".

5. The city of monthly festivals and festivities, among which the originality and mass of festivals are distinguished: Bethelhem (January); Sakura Fest (April); "Parade of the Bride" (June); Uzhhorod regatta (July); City Day (October); "Zakarpattia Beauze" (November); Parade of Mykolaychikiv (December).

6. The only city is the regional center of Ukraine, the borders of which coincide with the

State Border (Slovakia).

7. A city with 20 twin cities in 11 countries in Europe and the United States and actively cooperates with them.

8. The city from which international highways and short distances can quickly reach many capitals of European countries: Budapest (330 km); Bratislava (520 km); Vienna (580 km); Warsaw (520 km); Prague (740 km); Belgrade (600 km); Zagreb (700 km); Bucharest (710 km).

9. University and youth city: every 7th Uzhhorod is a student of higher education, and Uzhhorod National University is the oldest and largest hinge of Transcarpathia and a forge of its personnel.

10. The city is more than 20 original sculptures sculpted by the metal sculptor Mikhail Kolodko.

11. The city, in the territory of which there are more than 20 manifestations of mineral waters of natural sources and artificial wells of Essentuki, Narzan and Nastunya.

For the purpose of promotion and advertising of Uzhhorod, that was approved and acts “Programme of development and creation of positive image of the city of Uzhhorod in 2018-2022”, that provides such measures:

- creation of tourism brand of Uzhhorod city and promotion of it on the global stage;
- print of information and promotional materials, carrying out of familiarization tours about the city;
- permanent update of information databases with investment offers of the city;
- preparation and implementation of investment projects, which have significant influence on the city development.

## 7. SWOT analysis: internal strengths and weaknesses, external capabilities and threats

Based on the analysis of a local economic structure and topical units was formed following SWOT analysis of the city. It became a framework for preparation of realistic activities plan, that should help the city community to enjoy maximally current comparative advantages and minimize the risks.

<b>Strengths:</b>	<b>Weaknesses:</b>
<ul style="list-style-type: none"><li>- geographical location - proximity to the borders, convenient logistics;</li><li>- diversified economy;</li><li>- developed cross-border cooperation;</li><li>- high educational level of the city population;</li><li>- availability of mineral resources base, natural resources and historic heritage, that promote the development of tourism and recreation branch;</li><li>- investment attractiveness of the region, success story of the foreign-invested enterprises;</li><li>- availability of well-developed infrastructure of the business and financial services;</li><li>- online delivery of administrative and municipal services by the contract signature;</li></ul>	<ul style="list-style-type: none"><li>- restrictions on the territorial development of the city, due to natural-relief features of the foothills and the Ukrainian-Slovak border.</li><li>- irrational and misplaced attitude to deposits and wells and natural mineral water sources in the city.</li><li>- the emergence of recent years has been the trend of increasing the migration of the city population.</li><li>- acute shortage of skilled personnel and workers for industrial enterprises and construction in the city.</li><li>- insufficient level of recreation-tourism infrastructure.</li><li>- insufficient economic development of priority sectors of the economy;</li></ul>

<b>Opportunities:</b>	<b>Threats:</b>
<ul style="list-style-type: none"> <li>- consolidation of role of the Uzhhorod city in the fields of transport logistics, business, incoming tourism and cross-border cooperation-creation of appropriate innovation and technologic cluster;</li> <li>- cross-border cooperation projects development for solutions of numerous current development problems of the Uzhhorod city;</li> <li>-increase of financial assistance from EU for implementation of development projects and reforming;</li> <li>-use the opportunities of financial decentralization for the development of city infrastructure and increase of its attractiveness;</li> <li>-opening of wide access to the international markets for the enterprises of the city;</li> </ul>	<ul style="list-style-type: none"> <li>-further deterioration since 2017 interstate relations between Hungary and Ukraine in connection with different approaches to the new "Law on Education ".</li> <li>-significant "shadowing" of small business, low official salary, a large number of unregistered workers.</li> <li>-strengthening of the fiscal pressure on the small business at the state level.</li> </ul>

## 8. Vision and Goals

*Vision.* The city of Uzhhorod is the center of concentration of economic, managerial and intellectual potential of Transcarpathia, which integrates supporters of breakthrough technologies and innovations, modern forms of organizational culture, logistics and creative industries, attracts into the orbit of mutually beneficial interests new territories and territorial communities and foreign partners, in it in practice, the principles of sustainable (balanced) development are realized.

### Main goals:

- 1.-*Create conditions for development of up-to-date and information technologies.*
2. *Creation of clusters and local economic development networks, industrial parks, business incubators, startups, technology transfer centres;*
- 3.*Increase of economic activity level, growth of population part, that is in business as subject of entrepreneurial activity, opening of new businesses;*

## 9. Plan of actions

Table 1.

Thematic block	The main goals	Actions/ideas for project	Duration (start / end)	Involved partners	Planned costs, TUAH (TEUR)*	Indicators of monitoring	Results
<b>-External positioning and marketing. Cooperation and interaction at the local level.</b>	1. Create conditions for development of up-to-date and information technologies.	1.1 Create the permanent exhibition center, that organizes exhibitions and presentations of investment and innovative propositions and successfully completed	in the year of 2019-2020	City council, SEA, industrial enterprises, IT companies, international organisations	700,0 TUAH (22,0)	Functioning of permanent exhibition center -1 unit. Quantity of carried out measures (exhibitions-presentations) -4 per year. Number of delivered trainings – 2.	Number of visitors (no less than 500) Quantity of signed agreements (no less than 10)

		projects;					
		1.2 Farther promotion for innovation and industrial production of the city on the foreign markets;	in the year of 2019-2020	City council, international organisation, industrial enterprises of the city	650,0 TUAH (20,5)	Quantity of carried out measures (exhibitions, festivals, presentations) - 6.	Increase of realization of innovative products – 35,0 MUAH per year
<b>- Cooperation and interaction at the local level.</b> <b>- Access to financing</b> <b>- Land resources and infrastructure.</b> <b>- External positioning and marketing.</b>	2. Creation of clusters and local economic development networks, industrial parks, business incubators, startups, technology transfer centres;	2.1. Creation and establishment of innovation and technology cluster.	in the year of 2019-2020	City council, IT companies, international organisations, education institutions, SEA	31,71 MUAH* (1000,0)	Кількість залучених ІТ-компаній – 10. Quantity of carried out measures – 20. Creation of innovation enterprises -10.	Quantity of completed projects in the field of application of information technologies (no less than 5 units). Number of registered startup companies (no less than 5 units)
		2.2. Creation of information portal for innovation enterprises.	in the year of 2019-2020	City council, IT companies, industrial enterprises of the city, SEA.	200,0 TUAH (6,3)	Created information portal for innovation enterprises - 1 unit	Number of visitors (no less than 1000)
<b>- Transparent, free of corruption power, assisting to business development.</b> <b>- Legal and institutional base.</b> <b>- External positioning and marketing.</b> <b>- Qualified labour resources, inclusiveness.</b>	3. Increase of the economic activity level, growth of the part of population self-employed in the field of entrepreneurial, establishing of new businesses;	3.1. Creation and support of information web portal for business;	in the year of 2019-2020	City council, SEA, IT companies, education institutions, industrial enterprises.	200,0 TUAH (6,3)	Functioning of information web portal for business – 1 од.	Number of visitors (no less than 1000)
		3.2. Farther development of network of institutions for support of small and medium business in the fields of consulting, project and financial management, innovations and IT;	in the year of 2019-2020	City council, SEA, IT companies.	700,0 TUAH (22,0)	Functioning of small and medium business support organisations – 1 unit. Number of enterprises, that sourced services – 30 units.	Quantity of new created enterprises, IT companies – 50 units. Quantity of new created workplaces -500 units.

\* - as of September 1, 2019, at the rate of NBU 1 EURO is 31.71 UAH.

TUAH – thousand ukrainian hryvnias

TEUR – thousand euros

MUAH – million ukrainian hryvnias

## 10. Chart of financing

Table 2. Outline of financing

<i>Actions behind the project (-s)</i>	<i>Planned costs (TEUR)*</i>	<i>Sources of funding</i>				<i>Lack of funding (TEUR)*</i>	<i>Notes</i>
		<i>Local budget (TEUR)*</i>	<i>Top-level budget</i>	<i>Private sector</i>	<i>Donors</i>		



			(TEUR)*	(TEUR)*	(TEUR)*		
1.1 Create the permanent exhibition center, that organizes exhibitions and presentations of investment and innovative propositions and successfully completed projects;	700,0 TUAH (22,0)	200,0 TUAH (6,3)	-	200,0 TUAH (6,3)		300,0 TUAH (9,4)	-
1.2 Farther promotion for innovation and industrial production of the city on the foreign markets;	650,0 TUAH (20,5)	250,0 TUAH	-	250,0 TUAH	-	150,0 TUAH	-
2.1. Creation and establishment of innovation and technology cluster.	31,71 MUAH* (1000,0)	7927,5 TUAH (250,0)	-	3782,5 TUAH (120,0)	-	20000,0 TUAH (630,0)	-
2.2. Creation of information portal for innovation enterprises.	200,0 TUAH (6,3)	150,0 TUAH	-	50,0 TUAH (1,5)	-	-	-
3.1. Creation and support of information web portal;	200,0 TUAH (6,3)	100,0 TUAH	-	100,0 TUAH. (3,1)	-	-	-
3.2. Farther development of network of institutions for support of small and medium business in the fields of consulting, project and financial management, innovations and IT;	700,0 TUAH (22,0)	500,0 TUAH	-	200,0 TUAH (6,3)	-	-	-

- as of September 1, 2019, at the rate of NBU 1 EURO is 31.71 UAH.  
TUAH – thousand ukrainian hryvnias  
MUAH – million ukrainian hryvnias

## 11. Indexes and monitoring mechanisms

The monitoring of status of LEDP realization is performed by the Committee for monitoring. During the meetings of the Committee for monitoring will be heard reports of status of projects implementation according to the Plan for the years 2019-2020 and achievement of defined vision and purposes (including expected results).

**The responsible for final reports formation is the Department of Economic Development of the Uzhhorod city council.**

Table 3. Indicators and monitoring mechanisms

Actions / Idea of the project (s)	Duration (Beginning - Ending)	Expected results			
		from 1st to 6th month	from 7th to 12th month	from 13th to 18th month	from the 19th to the 24th month
1.1 Create the permanent exhibition center, that organizes exhibitions and presentations of	01.01.2019-31.12.2020)	Creation of the permanent exhibition center	Carrying out of exhibitions and presentations of investment and innovative projects	Carrying out of exhibitions and presentations of investment and innovative projects 2	Carrying out of exhibitions and presentations of investment and innovative projects 2

investment and innovative propositions and successfully completed projects;			2 exhibitions Number of visitors (no less than 250) Number of signed agreements no less than 5	exhibitions Number of visitors (no less than 250) Number of signed agreements no less than 5	exhibitions Number of visitors (no less than 200) Number of signed agreements no less than 5
1.2 Farther promotion for innovation and industrial production of the city on the foreign markets;	01.01.2019-31.12.2020)	Increase of realization of innovative products – 5,0, million UAH per year	Increase of realization of innovative products – 10,0, million UAH per year	Increase of realization of innovative products – 10,0, million UAH per year	Increase of realization of innovative products – 10,0, million UAH per year
2.1. Creation and establishment of innovation and technology cluster.	(01.01.2019-31.12.2020)	manufacture of construction documentation	Beginning of the execution of works for alteration of premises	Setting into operation	Creation and work of the innovation and technology cluster.
2.2. Creation of information portal for innovation enterprises.	01.01.2019-31.12.2020)	Number of visitors (no less than 500)	Number of visitors (no less than 500)	Number of visitors (no less than 500)	Number of visitors (no less than 500)
3.1. Creation and support of information web portal for business;	01.01.2019-31.12.2020)	Number of visitors (no less than 500)	Number of visitors (no less than 500)	Number of visitors (no less than 500)	Number of visitors (no less than 500)
3.2. Farther development of network of institutions for support of small and medium business in the fields of consulting, project and financial management, innovations and IT;	01.01.2019-31.12.2020)	Quantity of new created workplaces, IT companies - 5 units  Quantity of new created workplaces - 50 units	Quantity of new created workplaces, IT companies - 10 units  Quantity of new created workplaces – 100 units	Quantity of new created workplaces, IT companies - 20 units  Quantity of new created workplaces - 200 units	Quantity of new created workplaces, IT companies - 15 units  Quantity of new created workplaces -150 units

Table 4. Classification of enterprises by size  
(for 2017)

Type	Amount of busy	A volume of the realized products (commodities and services) is without thousand grn.
Micro business	35	2049974,1
Small business	7196	3957728,5
Average business	9030	8088108,8
Large business	-	-

Table. x2: Table 2: Classification on the basic kinds of economic activity

Type of economic activity	У тому числі							
	Large enterprises		Average enterprises		Small enterprises		Micro enterprises	
	units	%	units	%	units	%	units	%
Agriculture, forestry and fisheries household	-	-	21	1,8	1117	98,2	1064	93,5
industry	2	0,2	122	14,2	735	85,6	533	62
construction	-	-	4	1	406	99	344	83,9

Wholesale and retail trade	-	-	41	3,3	1220	96,7	1074	85,2
Wholesale and retail trade	-	-	3	0,5	634	99,5	607	95,3
Professional, scientific and technical activities	-	-	1	0,3	333	99,7	312	93,4
food organization	-	-	5	2,6	189	97,4	155	79,9
Courier activities	-	-	20	6,5	288	93,5	227	73,7

Table. x3 Branches (Sub-sectors) with growth prospects and their problems

Branch of growth	The main problems that you can solve with the help of business support services
Development of industry	<p><i>Problematic issues of the industry:</i></p> <ul style="list-style-type: none"> <li>- - undeveloped cooperative connection in industry, weak level of cooperation in the “state-business-science” chain in the field of development of complete production cycles by creating clusters (the centers of the appearance of such clusters can be, in particular, woodworking, machine building industry).</li> <li>- the absence of developed investment offers and projects by enterprises;</li> <li>- insufficient level of awareness of domestic and foreign investors about investment opportunities in Uzhhorod;</li> <li>- high level of rates on bank loans;</li> </ul> <p><i>Solving problems by providing business support services</i></p> <ul style="list-style-type: none"> <li>- informational activity on promoting the investment image of Uzhgorod – improvement of the institutional and organizational mechanism of investment attractiveness through informing about the investment attractiveness of the city, the production of printed information (booklets, brochures, catalogs), CDs, video films;</li> <li>- Extension of information on the official site of the city - to provide a list of proposals of investment projects, commercial offers of enterprises, free areas suitable for placement of production capacities;</li> <li>- development of investment projects in the priority sectors for the city economy;</li> <li>- participation in investment fairs, exhibitions, forums;</li> <li>- development and implementation of information exchange system with embassies, consulates, trade missions, missions, representations of international organizations regarding investment proposals and measures;</li> <li>- attraction of international technical assistance programs and other financial and non-governmental organizations through joint projects in the framework of interregional cooperation;</li> <li>- attraction of foreign investors on the possibility of establishing in Uzhgorod permanent exhibition center;</li> <li>- Creation of the Innovation-technological cluster will include in itself creation of the industrial technopark, on the basis of which the functioning of the permanent exhibition and consulting centers is planned, which in turn will contribute to the growth of the city's economy and the development of entrepreneurship, the employment of young people and the reduction of unemployment.</li> </ul>
Tourism and recreation	<p><i>Problematic issues of the industry:</i></p> <ul style="list-style-type: none"> <li>- insufficient investment in the development of the industry</li> <li>- lack of integrated approach to advertising of the tourist potential of the city of Uzhhorod</li> <li>- lack of a single integrated system of coordination of tourism development in Uzhgorod</li> </ul> <p><i>Solving problems by providing business support services</i></p> <ul style="list-style-type: none"> <li>- Conducting significant sports, tourist, cultural and promotional events in the city that will significantly strengthen the tourist brand in the domestic and international markets,</li> <li>- representing the city at international and national tourist and cultural events, presenting the city's potential during tourist-attractive promotional events,</li> <li>- the development of service infrastructure (a network of cafes, restaurants, hotels), the formation of a cluster of tourist services and implementation of appropriate quality of services,</li> <li>- taking steps to ensure attractive positioning of the city on the territory of Ukraine and abroad.</li> </ul>
Development of entrepreneurship	<p><i>Problematic issues of the industry:</i></p> <ul style="list-style-type: none"> <li>- Complexity of access of SPD to financial-credit resources;</li> <li>- insufficient information and legal awareness of business entities;</li> <li>- lack of skilled personnel in the field of providing services;</li> <li>- inconsistency of the existing infrastructure supporting small and medium enterprises as to the needs of small and medium enterprises, as well as the quantity and quality of providing services</li> </ul> <p><i>Solving problems by providing business support services</i></p> <ul style="list-style-type: none"> <li>- organization and holding of round tables, seminars, discussion of urgent questions of entrepreneurship development;</li> </ul>

- regular consultation of business representatives, their public organizations regarding to the changes in the legislative-regulatory framework on entrepreneurship;
- Organization of training and retraining of small business personnel for work in a market economy - conducting of trainings, seminars, training of the unemployed for the basics of entrepreneurship;
- involvement of business entities in participating in the city Enterprise Entrepreneurship Support Program, which will provide for reimbursement of interest on borrowed loans.

Table.x4. Investment offers

Name	Brief description	Initiator
Improving the economic potential of the city by creating an innovative cluster of technologies	Creation and installation of innovative technological cluster in the city of Uzhgorod on the street Mu'achivskaya 25, which implies reconstruction of this room with a total area of 4547.3 square meters.	Uzhhorod City Council, 88000, Ukraine, Uzhgorod, pl. Poshtova, 3 Tel. : (0312) 613176
Construction of recreation-health, sports and entertainment center on the geothermal sources of Uzhgorod	The project of creation of water sports complex "Aquatic Center Uzhgorod", which can become the basis of branding of Uzhhorod as a resort town, a socially significant project for Transcarpathia and a pilot example for the whole Ukraine. Project structure: 1. Resort hotel, medical center, SPA / WELLNESS in mineral waters; 2. Water sports complex according to the standards of FINA (International Swimming Federation); 3. Engineering center of heat generation and water treatment; 4. Training and consulting center for realization of similar projects in the regions of Ukraine. Project parameters: - Area of plot – 1,35 (1,8) ha. a) a) Water sports complex-10 000 square meters - Pool 50x25 m; - Pool 35x25 m; - Universal sports hall 42x24 m; - Gyms, studios. б) Resort hotel - 12 200 square meters в)Engineering center for heat generation and water treatment - 600 square meters	
Manufacture of peeled and planed veneer on the TPV "Uzhgorod mechanical factory"	The project of production of peeled and planed veneer on the TPD "Uzhgorod mechanical factory" aimed at increasing the production of peeled and planed veneer, as well as an increase in export supplies and manufacturing of bundle parts.	TGV "Uzhgorod Mechanical Plant", 88000, Ukraine, Uzhgorod, vul. Gagarina, 30 Phone: (0312) 2-37-52
Lease of production space in one building with an area of 10,0 thousand square meters.	Rent of free production facilities of the enterprise. The enterprise is located at a distance of 2.5 km from the city center, The total area where the buildings and structures are located is 15.86 hectares. The enterprise is provided with power and water supply, as well as with all necessary infrastructure for the activity.	
Ground areas.		
Uzhgorod, st. Pidgradskaya-Fidzinka-Dobryansky	Under the parking lot - Area -900 (sq. M)	Ужгородська міська рада, 88000, Україна, м. Ужгород, пл.Поштова, 3 Тел.: (0312) 613176
Uzhgorod, st. Babiaka (TC "New Line"), pos.1	For the construction and maintenance of trading buildings Area - 1 800 (sq. M)	
Uzhgorod, st. Babiyaka (TC "New Line"), pos. 2	For construction and maintenance of trade buildings Area - 2 000 (sq. M)	
Uzhgorod, st. Sobranetska - roundabout road	For the construction and maintenance of trading buildings Area - 3 300 (sq. M)	
Uzhgorod, st. Zagorsk	For placement and operation of main, subsidiary and auxiliary buildings and facilities of enterprises of processing, engineering and other industry Area - 34 300 (sq. M)	

Table 5. SWOT analysis of labor resources.

<b>Potential of the city in labor resources</b>	
<b>Strengths sides</b>	<b>Weak sides</b>
<ul style="list-style-type: none"> <li>○ maintaining positive dynamics of birth rate, average expected life expectancy;</li> <li>○ favorable age structure of the population;</li> <li>○ high mobility and adaptability of the population;</li> <li>○ diverse ethnic composition of the population, wealth of cultural heritage;</li> <li>○ satisfactory level of secondary education;</li> <li>○ Historically formed links of the population with border countries;</li> </ul>	<ul style="list-style-type: none"> <li>□ territorial disproportions in quality (education, qualification skills, etc.) and the number of labor resources;</li> <li>□ narrowing the demographic basis of reproduction of the population through social factors;</li> <li>□ distribution of unproductive self-employment and shadow employment;</li> <li>□ super-high level of external migration;</li> <li>□ the presence of cells of long-term unemployment;</li> <li>□ lower middle-national level provision of educational and scientific institutions and personnel.</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>○ ensuring demographic stability by raising standards of living;</li> <li>○ raising the culture of the population towards a healthy lifestyle;</li> <li>○ improving the quality of labor potential through the creation of skilled jobs;</li> <li>○ increasing the competitiveness of the population by achieving high quality education and information provision;</li> <li>○ systematic formation of the cultural and artistic sphere with the use of ethno-cultural approaches;</li> <li>○ use of business qualities of migrants in business organization.</li> </ul>	<ul style="list-style-type: none"> <li>□ political destabilization and the inability of the authorities to make concerted decisions at different levels of government;</li> <li>□ low state social standards;</li> <li>□ economic risks that affect the sphere of socio-demographic and socio-economic relations (investment, technological, entrepreneurial);</li> <li>□ marginalization of the population, lowering its real incomes;</li> <li>□ lack of income for quality of life (education, health care, culture).</li> </ul>

Table 6: How the district is perceived by its tenants

<b>What city offers the world?</b>
<ul style="list-style-type: none"> <li>– many educated people, a large number of students (including foreign ones)</li> <li>– developed system of tourist routes, high-quality tourist infrastructure adapted for people with disabilities;</li> <li>– tourist products based on multiculturalism of the city</li> <li>– local legends / brands of Central European significance</li> <li>– developed transport network with large regional centers.</li> </ul>
<b>What is unique in the city?</b>
<ul style="list-style-type: none"> <li>- <i>miniature sculptures</i></li> <li>– School of painting of the first magnitude</li> <li>– Four historic cities in one, the White Croatian labors, Hungarian Drugets, the castle and the Scansene, the Austro-Hungarian Theresia, Bachinsky, Budyidlov, Dobryansky and the Eparchy, Czech-Krupki, A. Voloshina, P.Sovy</li> <li>– a lot of cultures and traditions,</li> <li>– city of spring pink sakura and linden alley of the golden Bokshayev autumn coat of arms wine</li> <li>– festivals</li> <li>– geographical location</li> <li>– natural resources,</li> <li>– personalities</li> </ul>
<b>What are proud of local people?</b>
<ul style="list-style-type: none"> <li>– paving the cultures and traditions of different countries</li> <li>– comfortable living and working conditions</li> <li>– historical heritage</li> <li>– talents and innovations.</li> </ul>
<b>What opportunities do Uzhgorod residents have?</b>

- decent work and comfortable living conditions
- unhindered travel to Europe
- receive high-quality education services, medicine, culture, social sphere and live for a long time
- create strong families and give birth to healthy children

Table 7. PEST-Analysis of city development factors

**INDUSTRY**

Opportunities and benefits	Challenges and threats
<b>Political factors</b>	
Implementation of the EU-Ukraine Association Agreement and Comprehensive Free Trade Agreement	prolonged and exhausting confrontation of Ukraine in the hybrid war on the part of the Russian Federation; aggressive closure by the Russian Federation of the market for Ukrainian producers; a permanent political crisis in Ukraine; lack of progress in overcoming corruption in public authorities
<b>Economic factors</b>	
the introduction of a free trade zone between Ukraine and the EU from 1 January 2016; increasing the level of competition and transparency of the public procurement system due to the launch of ProZorro's electronic government procurement system; intensification of state support of Ukrainian exports; simplification of the procedure for opening and running business, progress in deregulation of economic activity; The formation of the National Committee for Industrial Development, headed by the Prime Minister of Ukraine	weakening of the system of state regulation and control in the economy; disabling of entrepreneurial activity as a result of the maintenance of deep institutional problems; high level of economy shadowing; unfavorable investment climate; slow implementation of international standards of production and quality of industrial products, non-adaptation of the national system of technical regulation to international and European standards; delay in reforms, in particular, delaying the adoption of a number of strategic documents to stimulate industry development-Strategies for the development of the industrial complex and the plan for the development of the industrial complex by 2020, State program of development of domestic industrial enterprises taking into account the needs of domestic consumption, Strategies for the development of high-tech industries by 2025; the presence of financial and currency risks in Ukraine, high inflation expectations, lack of effective mechanisms for financing structural changes in industry; decline of personnel potential of industry development; monopolization of key markets and abuse of a monopoly situation
<b>Social factors</b>	
high labor-resource potential; high business activity of the population; high level of education	aggravation of problems in the labor market (unemployment growth is registered in all regions of Ukraine); low wages, availability of employment problems, wage shading; outflow of frames; lack of professional and managerial staff; migration to other regions and countries
<b>Technological factors</b>	
availability of enterprises ready to produce high-tech products	low level of scientific and industrial integration; lack of effective mechanisms for stimulating the introduction of intellectual and scientific-technical resources in the industrial processes of industrial enterprises; outdated technological structure of industry, its import dependence on high-tech goods; insufficient financial support of scientific and scientific-technical activities; slow implementation of energy-efficient and energy-saving technologies

<b>RECREATIONAL- TOURIST POTENTIAL</b>	
<b>Opportunities and benefits</b>	<b>Challenges and threats</b>
<b>Political factors</b>	
Implementation of the EU-Ukraine Association Agreement and the Comprehensive Free Trade Agreement; the entry of Ukraine into NATO and the improvement of the openness of customs crossings at the border; a landmark of the local population on the benefits of European values	prolonged and exhausting confrontation of Ukraine in the hybrid war on the part of the Russian Federation; a permanent political crisis in Ukraine; influence of political elections in the neighboring countries on the tourist sphere of the region (recommended-not recommended); lack of progress in overcoming corruption in public authorities
<b>Economic factors</b>	
the introduction of a free trade zone between Ukraine and the EU from 1 January 2016; increasing the level of competition and transparency of the public procurement system as a result of the launch of the ProZorro electronic government procurement system; intensification of state and regional support of Ukrainian tourism; simplification of the procedure for opening and running business, progress in deregulation of economic activity; availability of a significant resource base: mineral, geothermal, climatic resources; the formation of a regional tourism organization at all levels	weakening of the system of state regulation and control in the activities of tour operators; disabling of entrepreneurial activity as a result of the maintenance of deep institutional problems; high level of tourism shadowing and hotel and restaurant business; unfavorable investment climate and lack of real support from local self-government bodies; slow introduction of international standards of service and maintenance in recreation and tourism, non-adaptation of the national tourism regulation system to international and European standards; lack of a plan and strategy regarding the direction of development of the tourism and recreational industry in the region; availability of financial and currency risk, high inflation expectations, lack of effective mechanisms for financing structural changes in industry; decline and migration of personnel potential of development of tourist-recreational sphere of the region
<b>Social factors</b>	
high labor-resource potential; high business activity of the population; closeness of border-customs transitions and Central European Tourist and Recreational Areas; high level of education	aggravation of problems in the labor market; low wages, availability of employment problems, wage shading; outflow of frames; lack of professional and managerial staff; over migration to other regions and countries
<b>Technological factors</b>	
the presence of facilities providing quality recreational services; the presence of facilities providing quality hotel and restaurant services	low level of scientific-industrial integration in tourism; lack of effective mechanisms for stimulating the introduction of intellectual-scientific and technical resources in the production processes of tourist enterprises; outdated technological structure of tourist and recreational sphere; insufficient financial support of scientific and scientific and technical activities for the development of tourism; the slow implementation of energy-efficient and energy-saving technologies in the field of tourism and hotel and restaurant business.

<b>SCIENTIFIC- TECHNICAL POTENTIAL INNOVATIVE ACTIVITY</b>	
<b>Opportunities and benefits</b>	<b>Challenges and threats</b>
<b>Political factors</b>	

Implementation of the EU-Ukraine Association Agreement and a Comprehensive Free Trade Agreement, visa-free regime; intensification of cooperation between Ukraine and the Visegrad countries; activation of state innovation policy; development of economic cooperation between countries, business and the scientific sector Ukraine's accession to the European Innovation	insufficient level of political stability; incomplete reform of local self-government and incomplete administrative- territorial reform; insufficient development of civil society; incompleteness of the formation of a law-governed state that would be effective, including in the fight against corruption; spontaneous initiation of innovations, inconsistency of state policy, imperfection of the legislative framework in terms of stimulation of innovation activity, material and moral stimulation of intelligence; budget funds for the implementation of innovative and anti-crisis strategies are limited;
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<p>Development Report (Innovation Union Scoreboard), which will allow obtaining the results of the European experts' analysis of the state of innovation development in Ukraine, the main problems and recommendations for their solution as well will give an opportunity to keep track of the indicators of innovation development in dynamics and in comparison with other EU countries and the world</p>	
<p><b>Economic factors</b></p>	
<p>"New industrialization" on the basis of the Fourth Industrial Revolution; The removal of cross-sectoral boundaries, the transformation of modern production companies into economic ecosystems, which constantly expand and diversify activities, integrating financial, marketing, service services through the development of a network of subcontractors and partnerships with specialized enterprises and organizations, which makes the process of production, sale, technical service and repair as efficient and resource-saving as possible;—the impact of globalization on the transfer of industry to regions and countries with lower levels of production costs; further development of capital markets and financial markets in Ukraine; formation of a stable positive situation on world markets; deregulation and demonopolization of key types of economic activity; development of culture and technologies of entrepreneurship;</p>	<p>unstable monetary policy, high NBU discount rate, high lending rates for commercial banks; high dependence of the country's economy on foreign loans; lack of working capital in enterprises; uncontrolled growth of prices for goods and services of natural monopolies (raw materials, energy resources); high level of material and energy consumption of products; low profitability of production; low purchasing power of the population; low solvent demand of the domestic market; shadow economy and unfair competition; significant administrative barriers to doing business and insufficiency of incentives for its development; the problem image of Ukraine in the international business environment and the low volume of direct foreign investments</p>
<p><b>Social factors</b></p>	
<p>revitalization of economic development and improvement of living standards of the population; solving the problem of unemployment; expansion and development of the system of institutions for assistance to vulnerable groups of the population at the state level; development of local community funds, philanthropy and corporate social responsibility.</p>	<p>low level of social protection of a wide range of people; the growth of social stratification of the population; insufficient financial independence of youth and low level of housing provision for young families; sufficiently high level of hidden unemployment; prevalence of crime and corruption phenomena; reduction of the number of specialists and workers at the enterprises under study; low motivation of workers; lack of skilled personnel to restructure production and services in all economic and social spheres; the lag and mismatch of the education system with the latest technical and technological requirements in the conditions of rapid development;</p>
<p><b>Technological factors</b></p>	
<p>intensive development of information technologies; - development of "cloud technologies" (Cloud Technologies) in the industry, which are replaced by server technologies and allow to significantly reduce transaction costs and operating costs of enterprises through the creation of shared databases and web services for storage, processing information and providing access to it to industrial enterprises, increasing the level of cooperation and interorganizational interaction in the industry of the dissemination of "large data" technology (Big Data), which can be used for analysis of industrial markets, development and the launch of new products on the market, optimization of the monitoring system of production processes, etc.;</p> <p>stimulating technological progress at the expense of state support and direct foreign investment;</p>	<p>the products manufactured by the majority of enterprises are obsolete, technologies with a low level of automation and intelligence, significant deterioration of the active part of fixed assets, insignificant level of introduction of new technologies and diversification of production; weak level of stimulation of introduction of innovative, use of information technologies in business; consolidation of the export-raw material model of economic development in Ukraine, deterioration of the technological structure of production</p>



**12. Attachments:1, 2. ordinance of the mayor.**  
**Tables : 1.1; 1.2;1.3;1.4;1.5.**

Table 1.1.  
 1(as of January 1, 2018,)

	2016	2017	2018
Number of subjects in the EDRPOU	5648	6237	6608
including			
with the right of a legal entity	5297	5828	6158
without the right of a legal entity	351	409	450

Table 1.2.

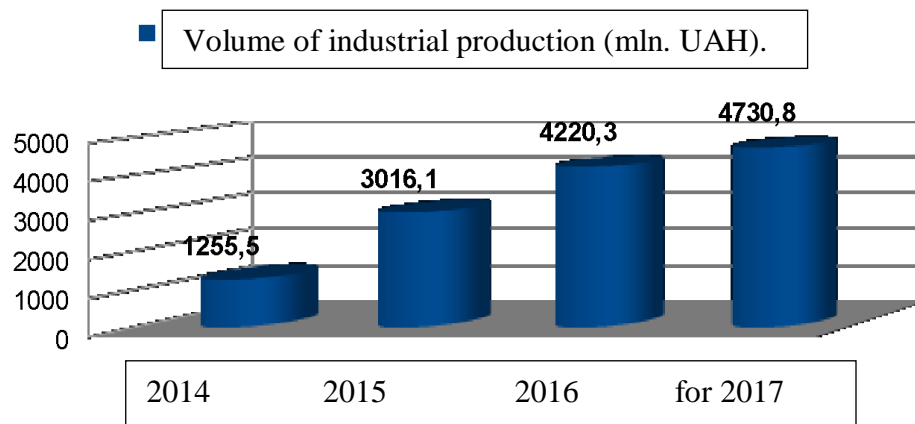


Table 1.3

Indexes	2015	2016	2017
Volume of retail commodity turnover (UAH million)	3271,8	3769,6	4103,3
Number of retail objects 1, od (legal persons)	284	271	226

Table 1.4

Indexes	2015p.	2016p.	2017p.
Volume of supplemented services (UAH million)	1073,0	845,8	1295,3
Volumes of realized services to the population, (UAH million )	403,7	370,0	510,4

Table 1.5

<b>ENTERPRISE ENVIRONMENT, DEVELOPMENT OF LOCAL BUSINESS.</b>	
<b>Opportunities and benefits</b>	<b>Challenges and threats</b>
<b>Political factors</b>	
broad support for business initiatives from the authorities, population and public	a high level of regulatory pressure on business; significant transaction costs associated with the launch and creation of a new business, including administrative nature
<b>Economic factors</b>	
development of the consumer market, increase of its capacity, intensification of interregional and cross-border cooperation, socio-economic development of the city	high cost and complexity of access of business entities to markets and resources, in particular financial- investment
<b>Social factors</b>	
increase in demand and increase in consumption of goods and services, in particular consumer	reducing the purchasing power of the population as a result of rising costs for social services
<b>Technological factors</b>	
strengthening the competitiveness of the city's economic complex through the development of cooperation between business entities, educational and research structures, representatives of the field of innovations and information technologies	technological and innovative "lag" of goods (services) local production in comparison with imported analogues