



# THE IMPACT OF THE WAR ON THE DEVELOPMENT OF THE LOCAL IT INDUSTRY IN CERTAIN REGIONS OF UKRAINE\*

\* Priority regions – Dnipropetrovsk, Donetsk, Kyiv, Zaporizhzhia, Luhansk, and Kharkiv.

# IT RESEARCH RESILIENCE

IT Research Resilience is the only comprehensive, in-depth study of Ukraine's tech industry during the war, which aims to analyze the current situation and forecast the future scenarios for development.

# OUR APPROACH TO THE STUDY



Due to the IT community's mass relocation and the dynamic situation in the country during the war, the IT Research Resilience sample was formed, taking into account the prior assessment of the main regions of internal relocation.



As a result of the assessment, it was indicated that the top regions for relocation are Lviv, Ivano-Frankivsk, Ternopil, Zakarpattia, Chernivtsi, Rivne, and Volyn regions.



Therefore, conducting a survey with a specialized modular sample in these regions provided coverage of IT community representatives who were on the territory of Ukraine during the research period.

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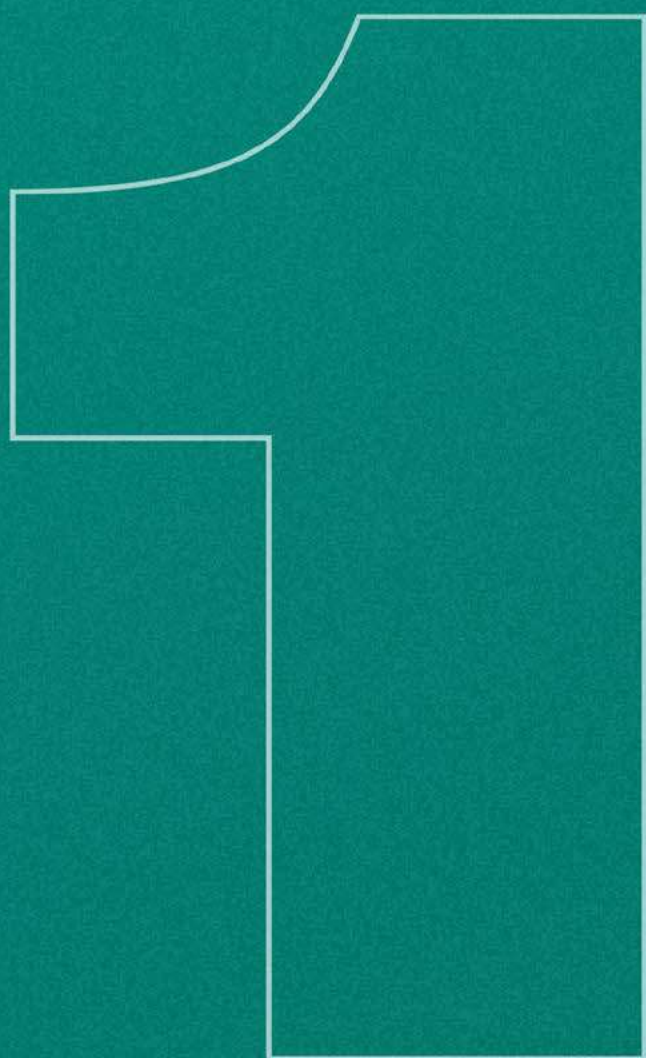
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# IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS



# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.1. Key indicators of the IT industry

**\$7.35** billion



export revenue  
in 2022\*

**+5.85%**



industry growth  
in 2022 compared  
to 2021

**\$645** million



The volume of capital  
investment "Information  
and Telecommunications"  
sector in 2021\*\*

\*Data from the National Bank of Ukraine

\*\*Reference from the Ministry of Economy of Ukraine regarding the investment climate in Ukraine

# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

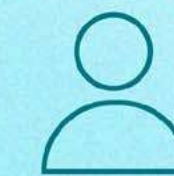
## 1.1. Key indicators of the IT industry

**\$1.68 billion** Export revenue for the first quarter of 2023\*

**-16 %** compared to the first quarter of 2022

**42%-49%**

The share of IT services in Ukraine's total service exports during the period of full-scale invasion remains significant, making the industry a key pillar for the economy



**255 - 271 000**

IT specialists\*\*



**29%**



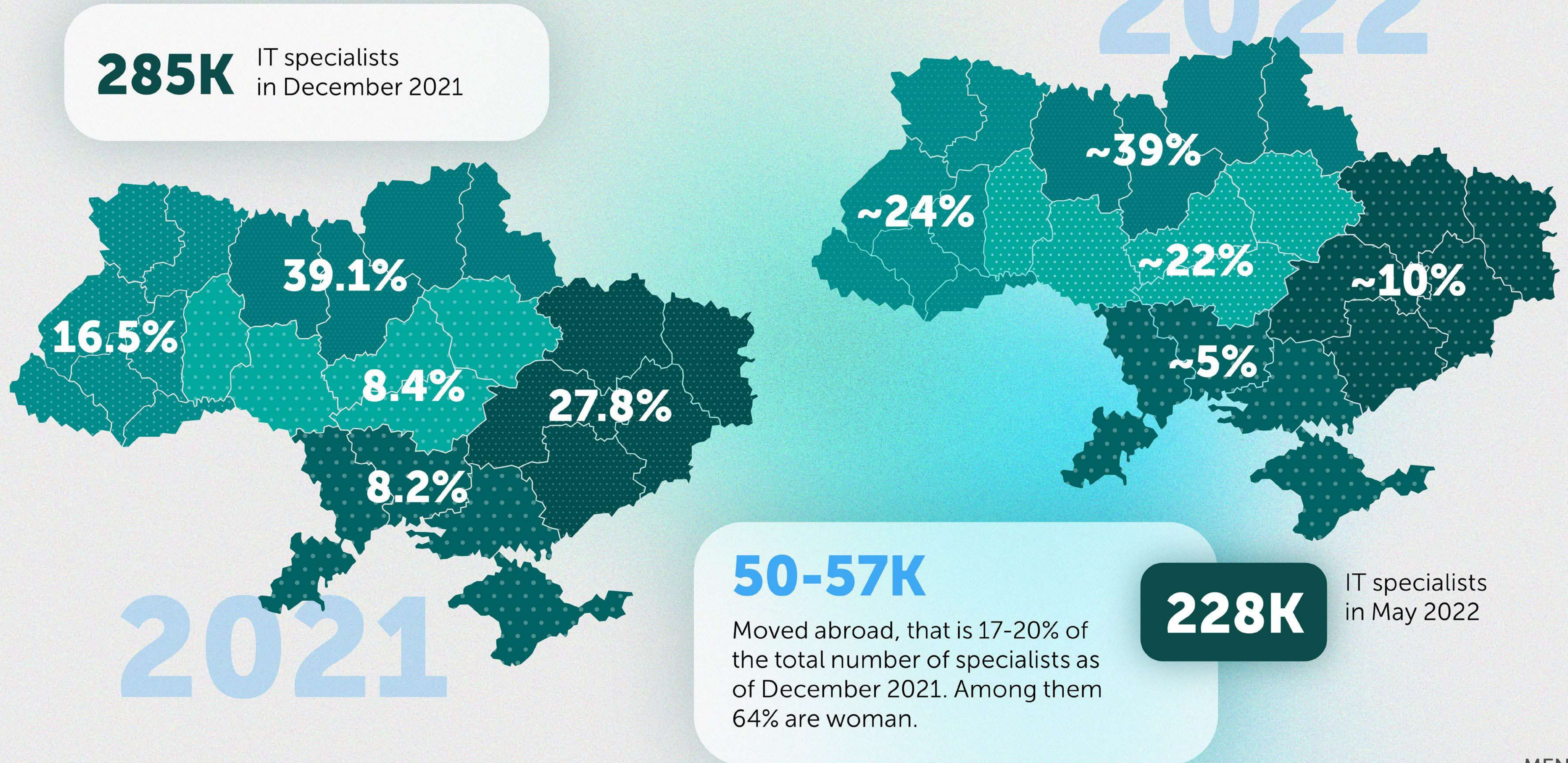
**71%**

\*Data from the National Bank of Ukraine

\*\*Reference from the Ministry of Economy of Ukraine regarding the investment climate in Ukraine

# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.2. Changes in the IT market landscape due to the war







# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.3. Key indicators of the local IT industry

3 out of 10 Individual Entrepreneurs (IEs) registered with the State Tax Service in Kyiv have registered their activities under IT KVED (Classification of types of economic activity) codes. In the city of Dnipro, it is every fourth IE accordingly.

	Estimated number of IT companies in 2023	The number of legal entities* in 2023	Legal entities ceased their activities and/or filed an application for termination from 24.02.2022*	IEs ceased their activities from 24.02.2022*	The number of IEs in 2023 **	The number of IEs in 2022	Dynamixs		
<b>Kyiv</b>	1 500-1 900	10 296	47	3 171	65 751	57 598	+12,4%		
<b>Kyiv region (without Kyiv)</b>	12	—***	—	—	15 215	12 826	+15,7%	<b>71,2%</b>	<b>28,8%</b>
<b>Dnipro</b>	370-470	1 037	83	4 773	13 817	—	—	—	—
<b>Kryvyi Rih</b>	17	73	9	910	2 553	—	—	—	—
<b>Dnipropetrovska region (including Dnipro and Kryvyi Rih)</b>	450-530	1 210	109	7 623	22 279	19 294	+13,4%	<b>72,6%</b>	<b>27,4%</b>

\*According to the primary KVED-2010 codes: 58.21, 58.29, 62.01, 62.02, 62.03, 62.09, 63.11, 63.12, according to the data from the State Tax Service

\*\* According to YouControl data

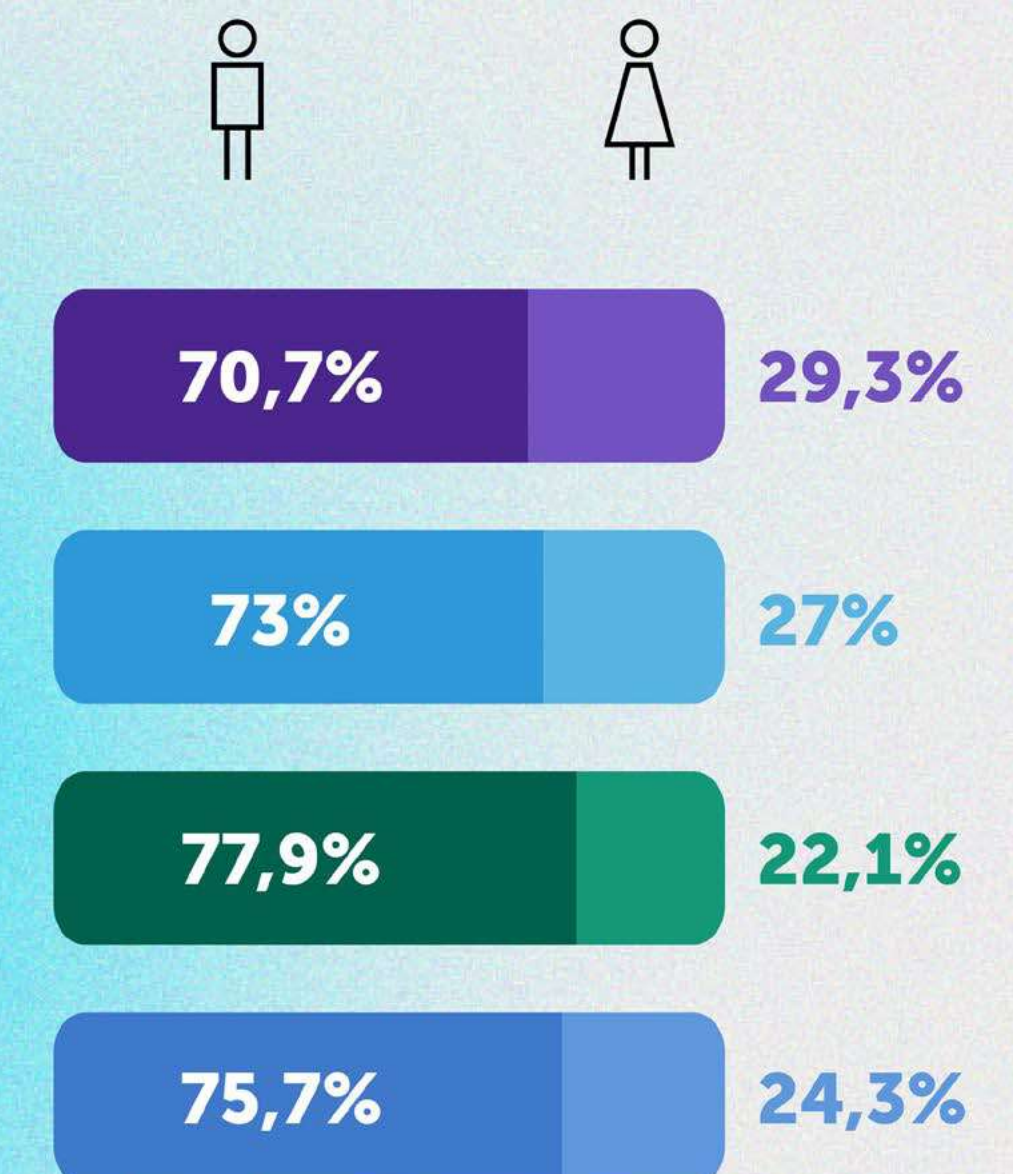
\*\*\* Data not provided upon request

# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.3. Key indicators of the local IT industry

11.6% of registered IEs with IT KVED codes, who were under tax registration at the State Tax Service in Luhansk region, have ceased their activities. Furthermore, an additional 39.5% have transferred their registration to another region.

	Estimated number of IT companies in 2023	The number of legal entities* in 2023	The number of IEs* in 2023**	The number of IEs in 2022	Dynamics
<b>Kharkiv region</b>	410-490	1 500	34 506	31 228	+9,5%
<b>Zaporizhzhya region</b>	130-170	516	9 238	7 908	+14,4%
<b>Luhansk region</b>	5-7	141	1 902	1 717	+9,7%
<b>Donetsk region</b>	11-13	—***	5 162	4 605	+10,8%



\*According to the primary KVED-2010 codes: 58.21, 58.29, 62.01, 62.02, 62.03, 62.09, 63.11, 63.12, according to the data from the State Tax Service

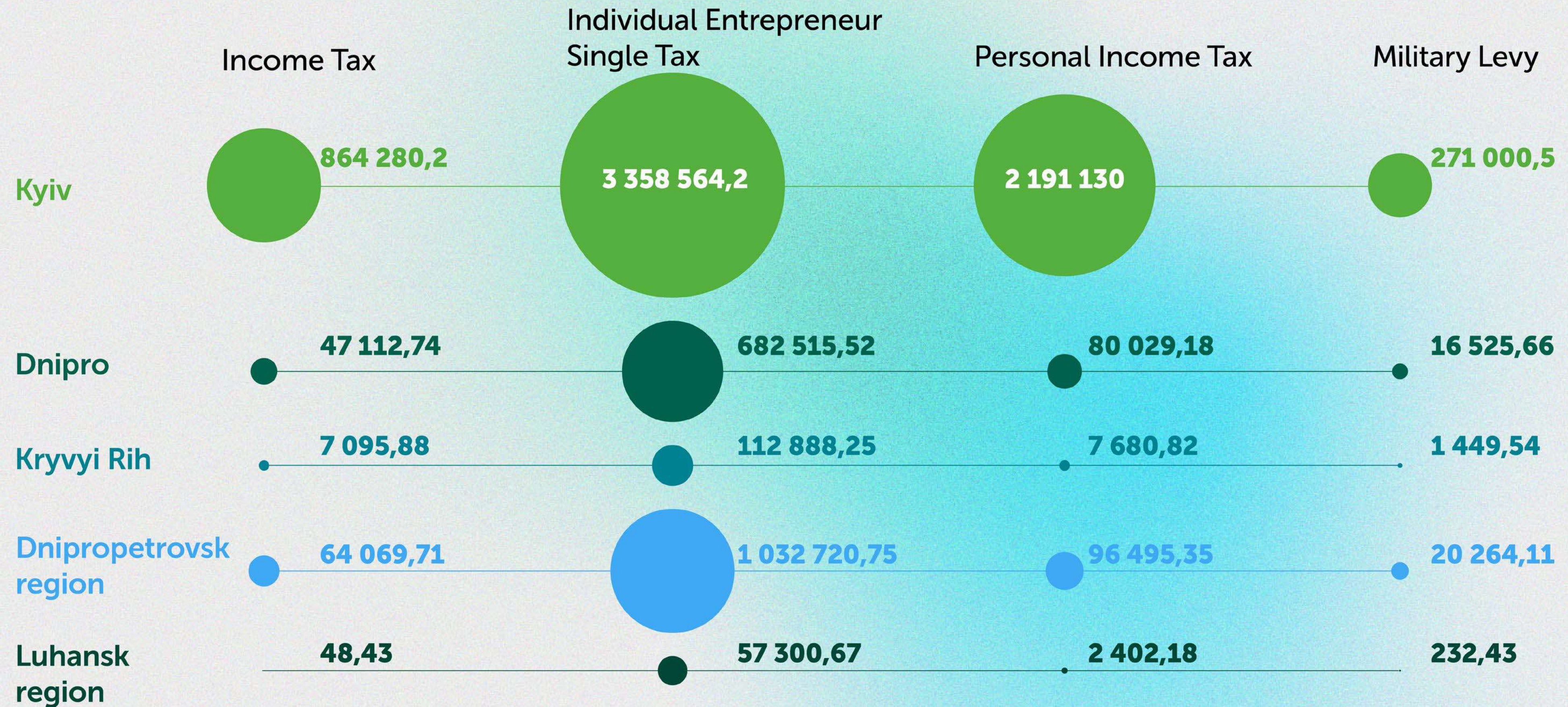
\*\* According to YouControl data

\*\*\* Data not provided upon request

# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.3. Key indicators of the local IT industry

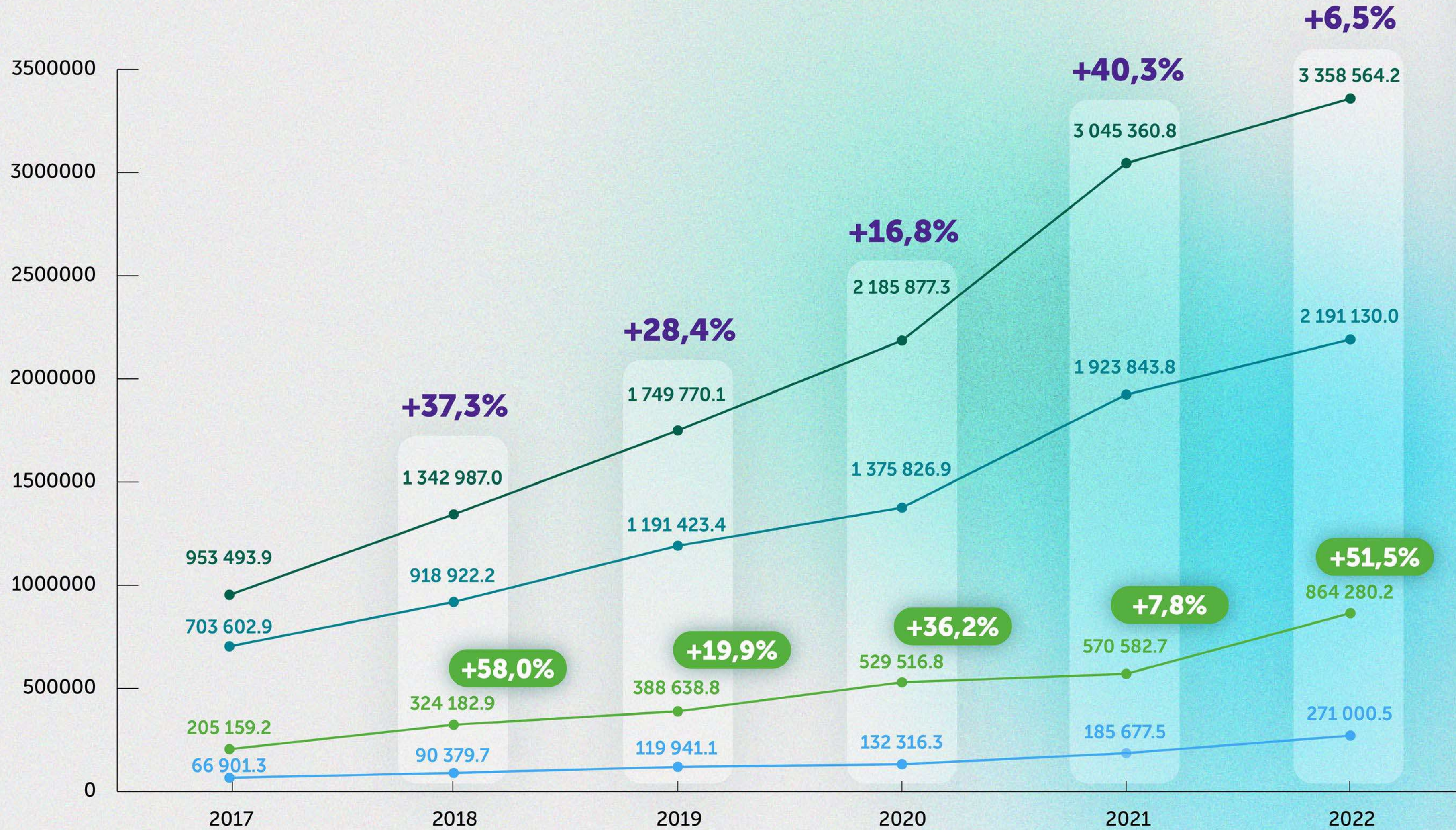
### Tax revenues in 2022 from IT companies, UAH thousand



# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.3. Key indicators of the local IT industry

**Dynamics of tax revenues from IT companies in Kyiv. Kyiv, UAH thousand**



### Total revenue

2017	<b>1 929 157.3</b>
2018	<b>2 676 471.8</b>
2019	<b>3 449 773.4</b>
2020	<b>4 223 537.3</b>
2021	<b>5 725 464.8</b>
2022	<b>6 684 974.9</b>

- Income Tax
- Individual Entrepreneur Single Tax
- Personal Income Tax
- Military Levy
- +6,5% Overall dynamics

# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.4. Profile of relocated IT specialists and relocation peculiarities

# 1/5

of displaced IT specialists have family members abroad, including those who moved because of the war.

This is 5% more than among IT specialists in Ukraine, so we expect a slightly lower level of migration intentions among relocated specialists.

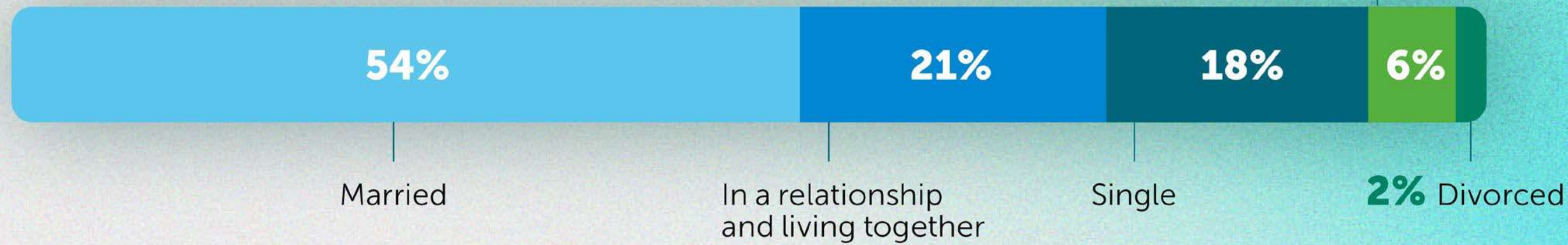
### Age

31 Mean and median age



### Marital status

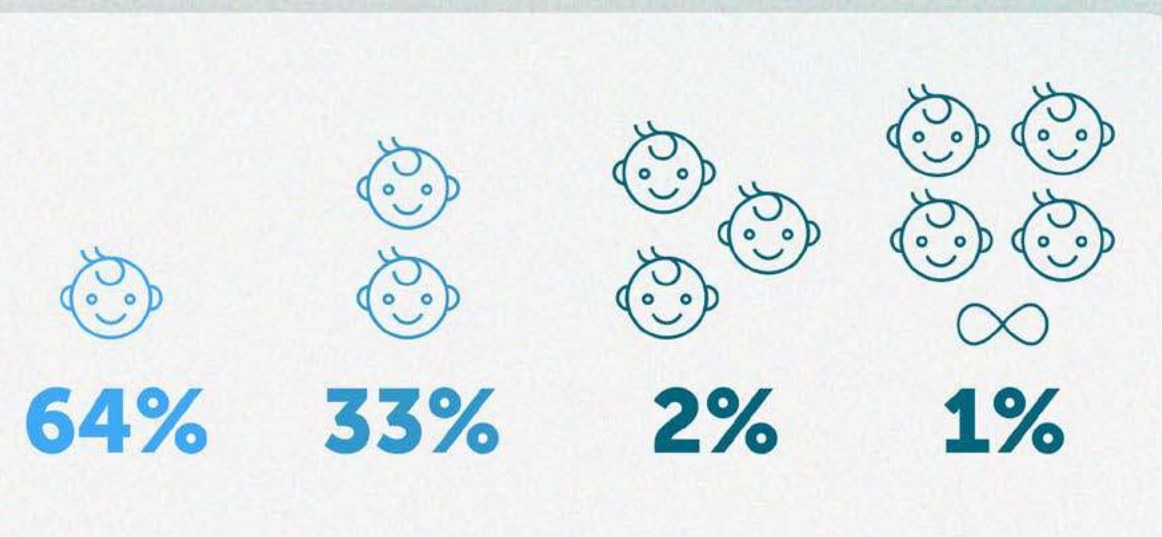
In a relationship but not living together



### Presence of children

# 37%

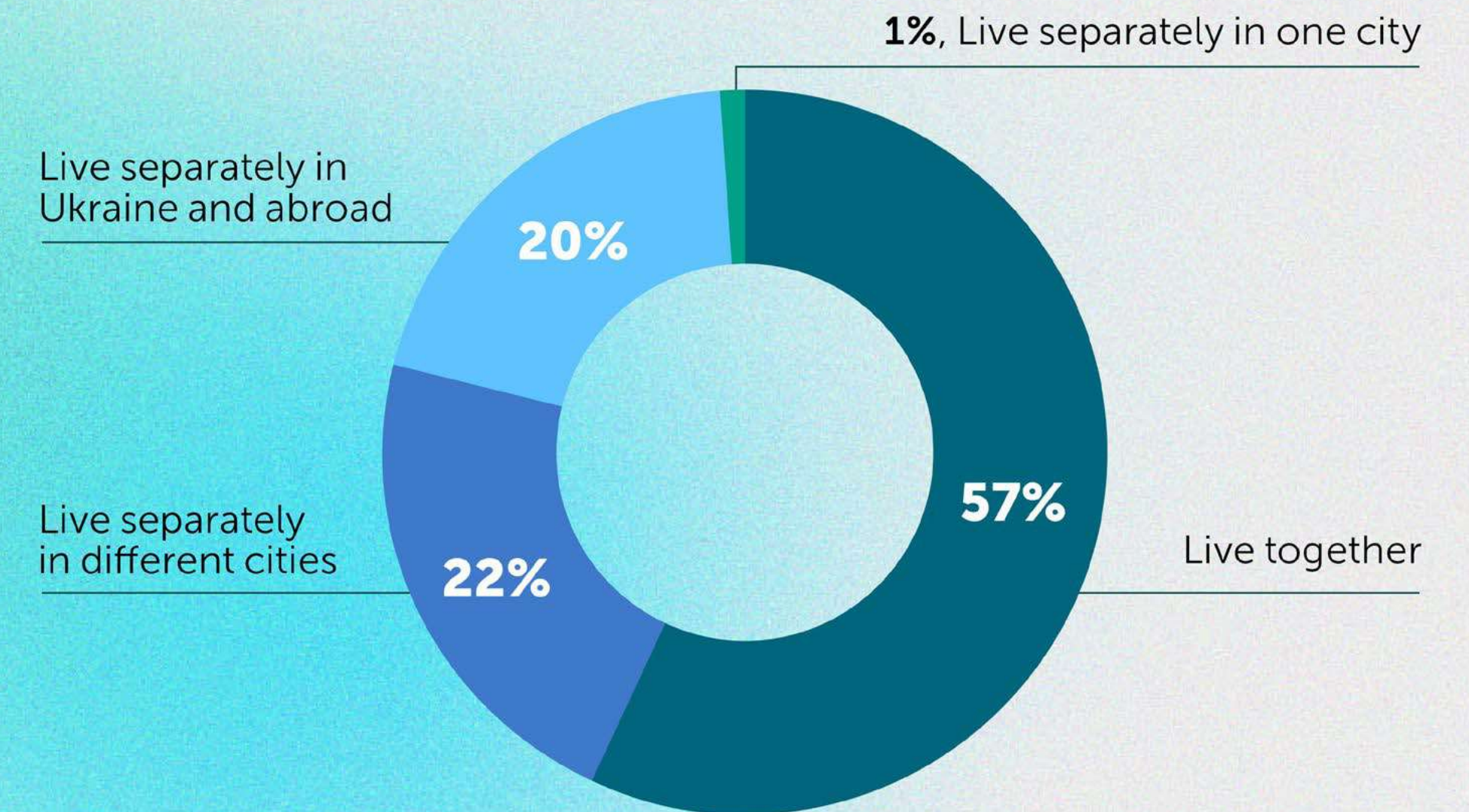
Have children



# 63%

No children

### Current location of the family



### Gender



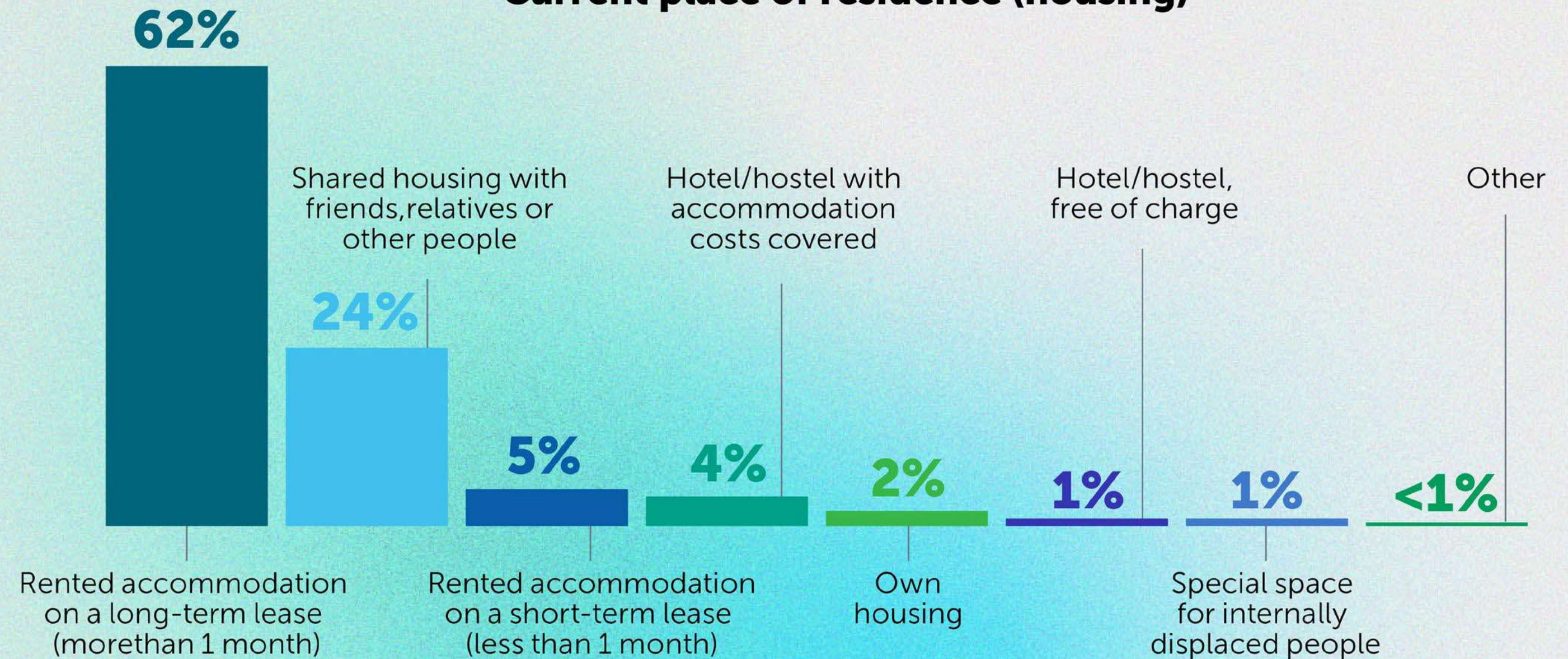
# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.4. Profile of relocated IT specialists and relocation peculiarities

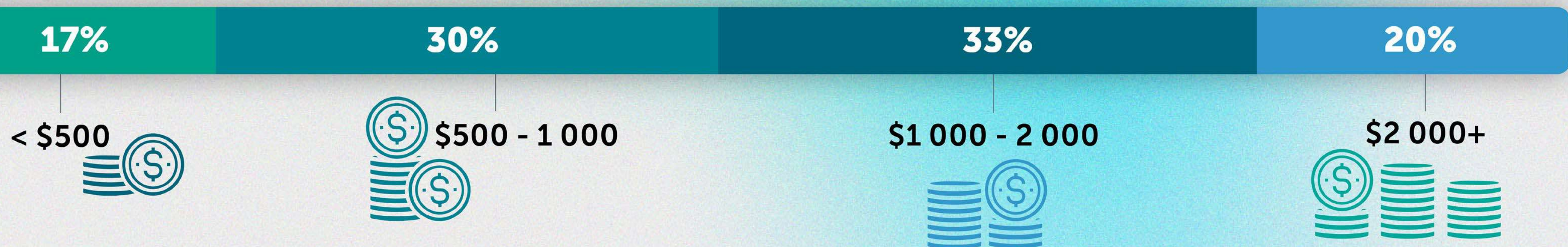
**\$1 200**

Median relocation expenses  
of a professional

### Current place of residence (housing)



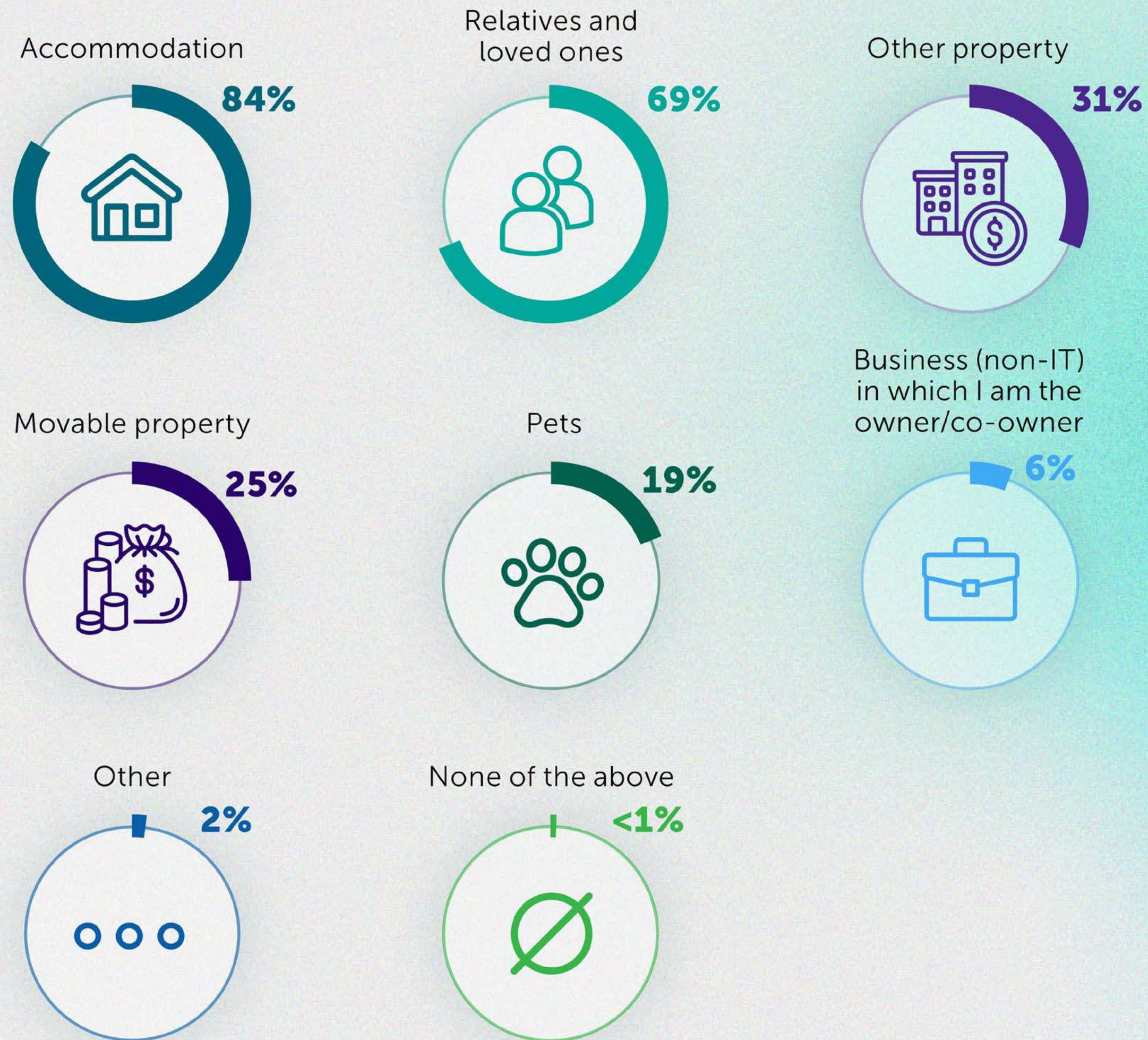
### Relocation expenses



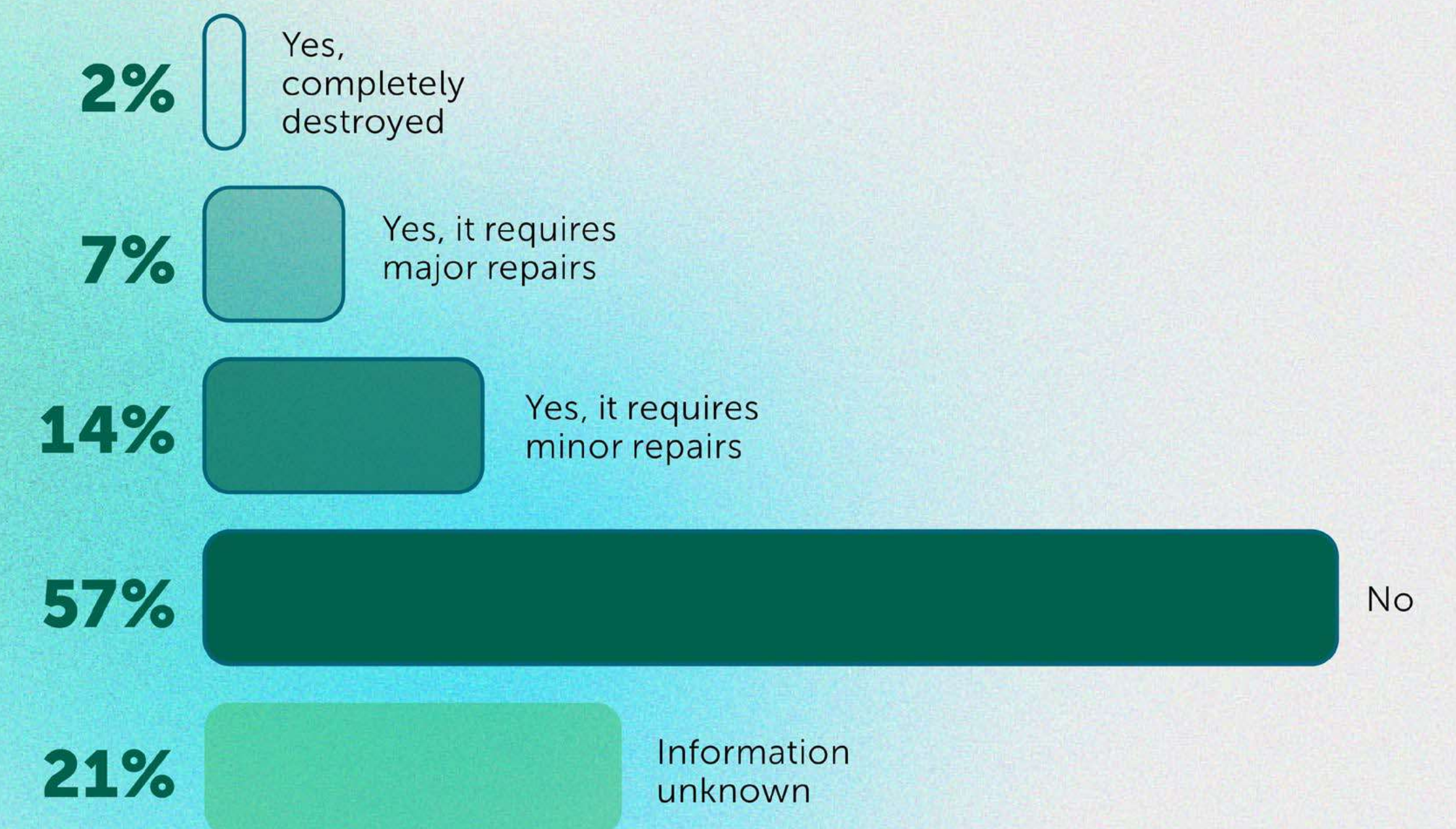
# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.4. Profile of relocated IT specialists and relocation peculiarities

### Who/what is left in the hometown/village



### Has your immovable property been damaged as a result of military actions?



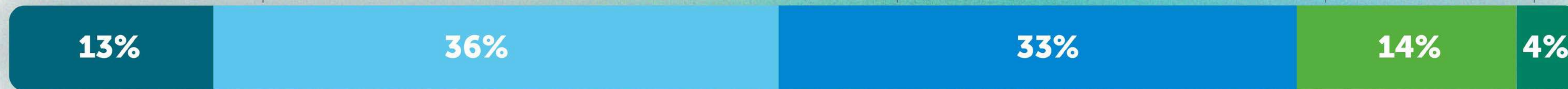
# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.4. Profile of relocated IT specialists and relocation peculiarities

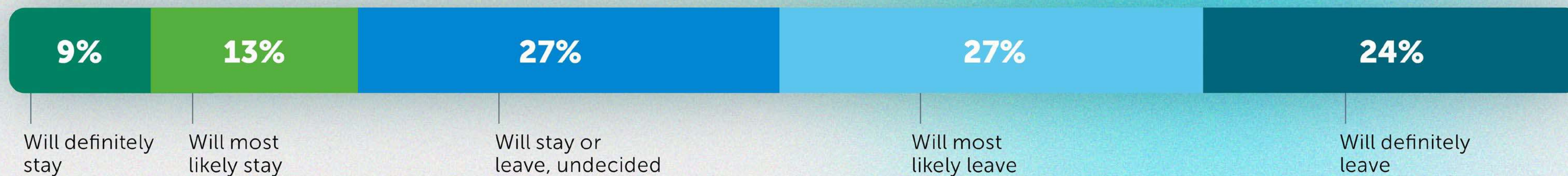
### Evaluation of the comfort of working conditions created in the current place of residence



### Assessment of the comfort of living conditions provided in the current place of residence



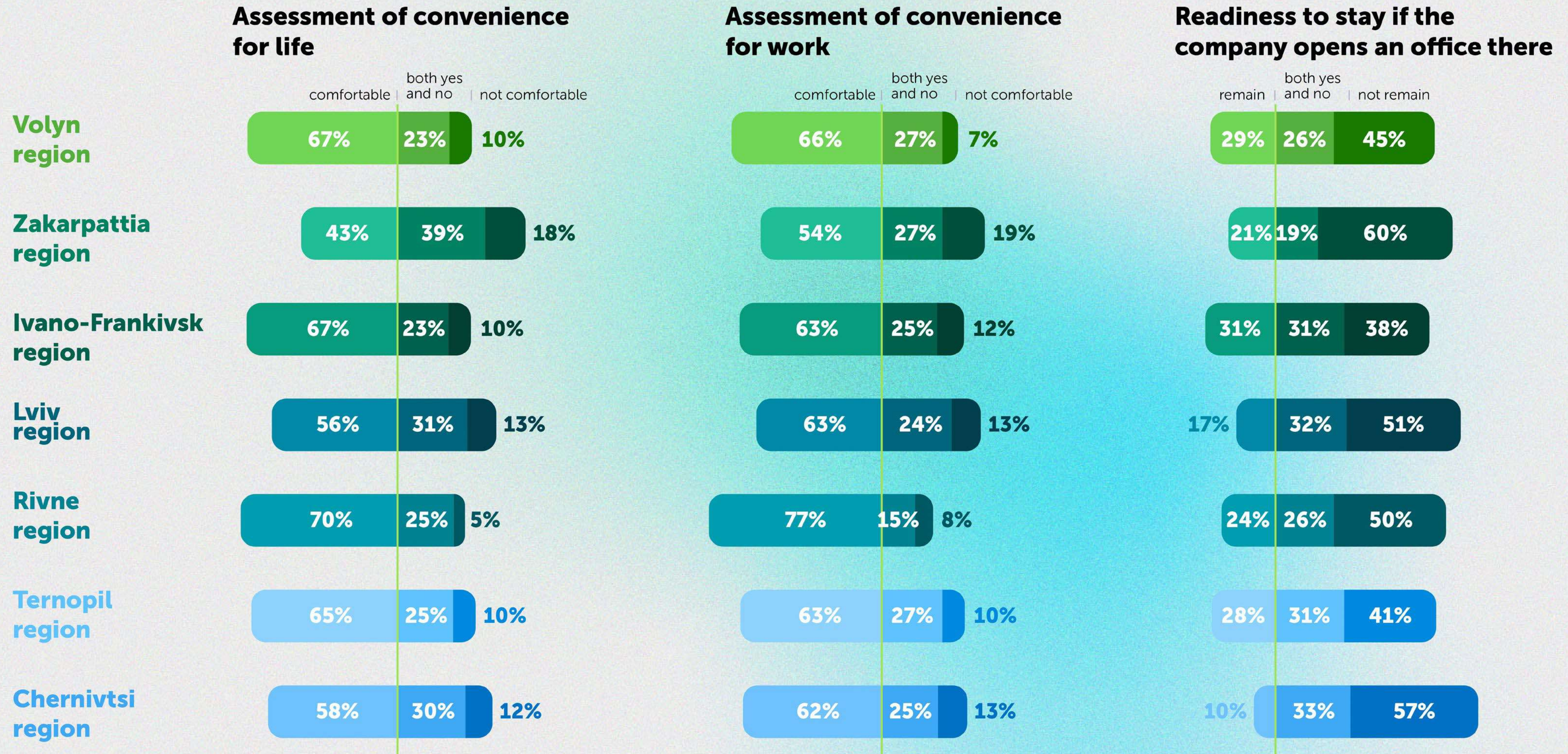
### Evaluation of the likelihood to continue to reside in the place of residence (where respondents relocated due to the full-scale invasion) if the company opens its office there





# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.5. Basic parameters regarding the willingness to stay in the Western regions of Ukraine for relocated IT specialists



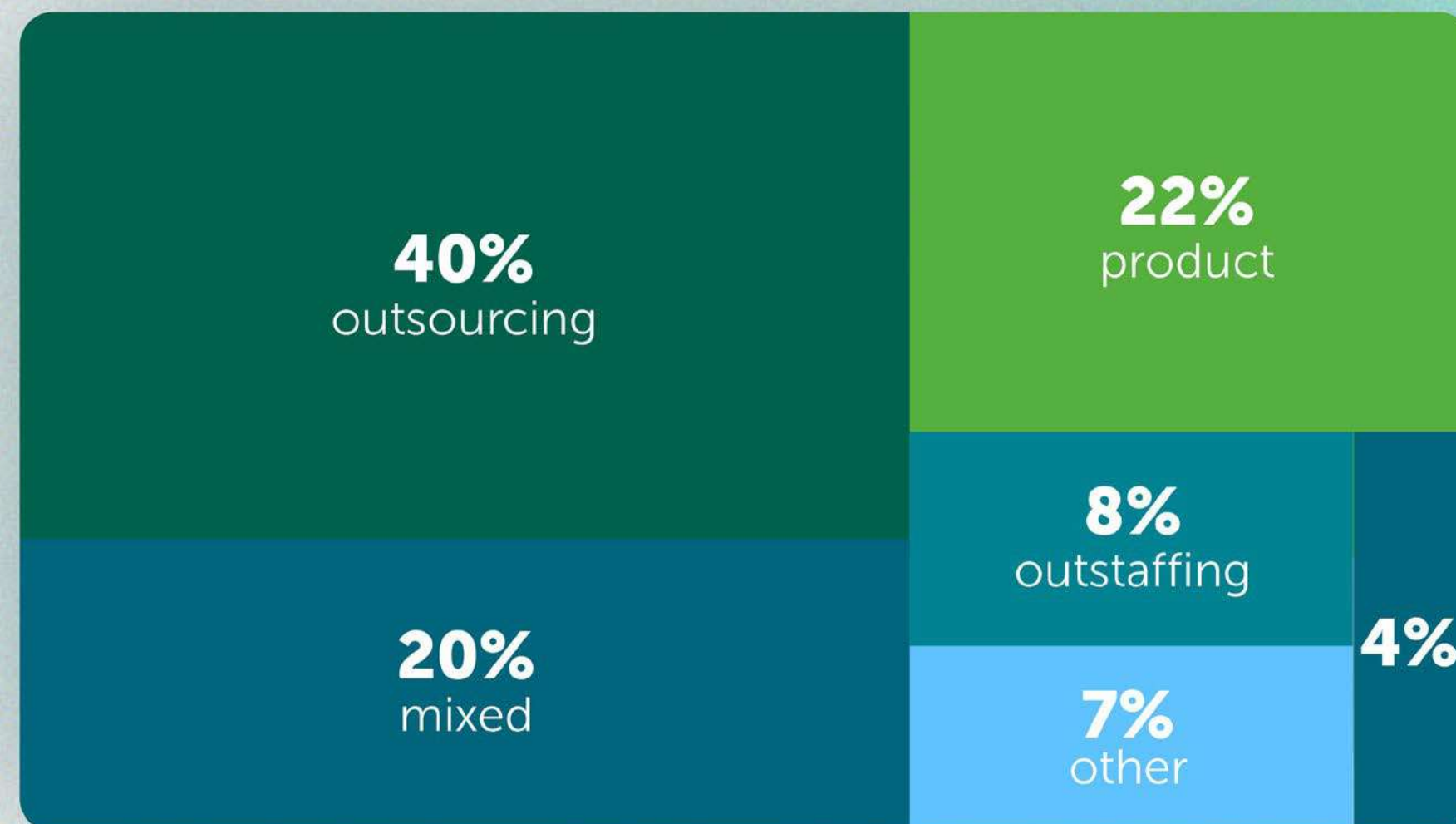
# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.6. Work profile of relocated IT professionals

**1/3**

IT specialists work in large companies of **1 000+ employees**.

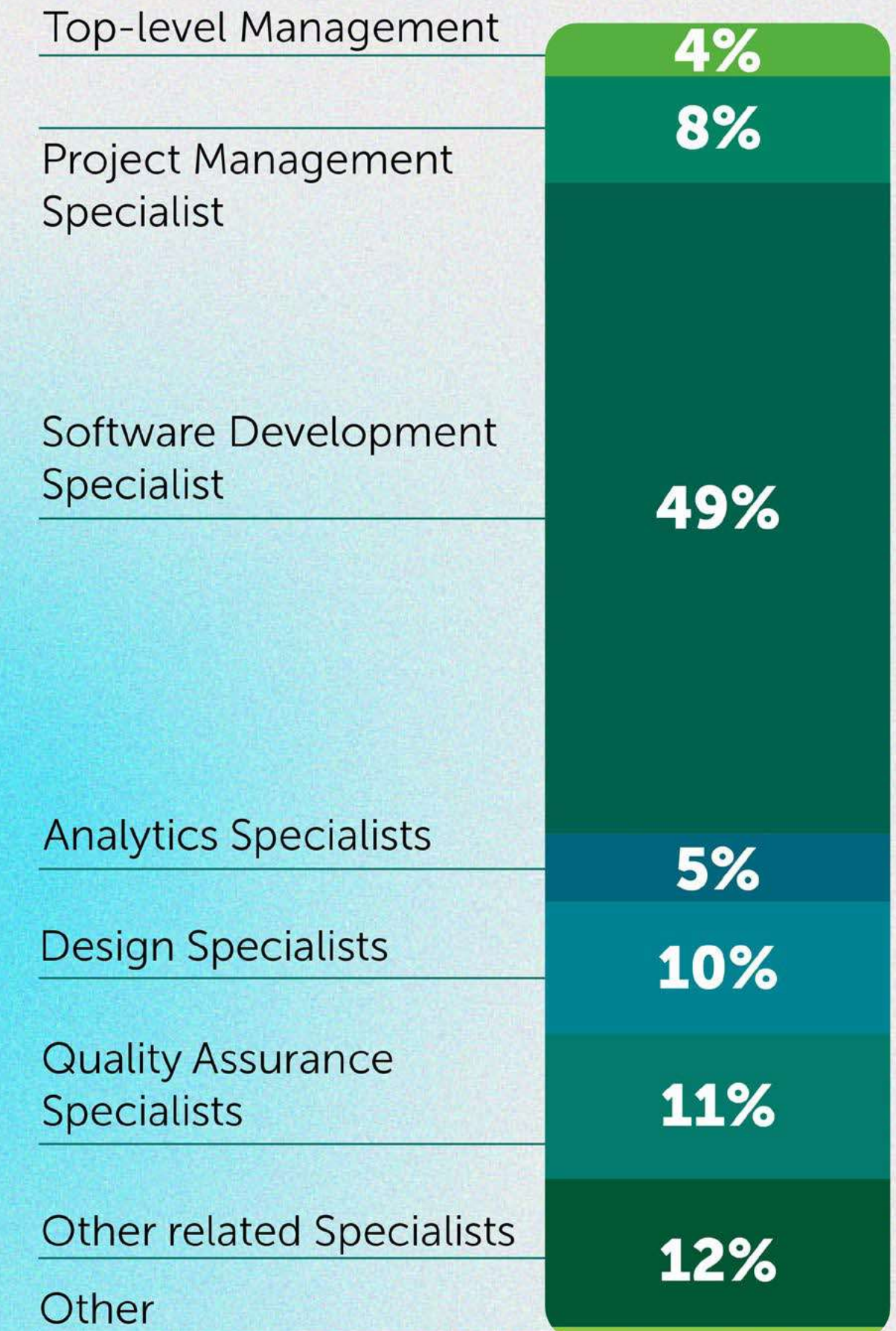
### Company type



### Company size



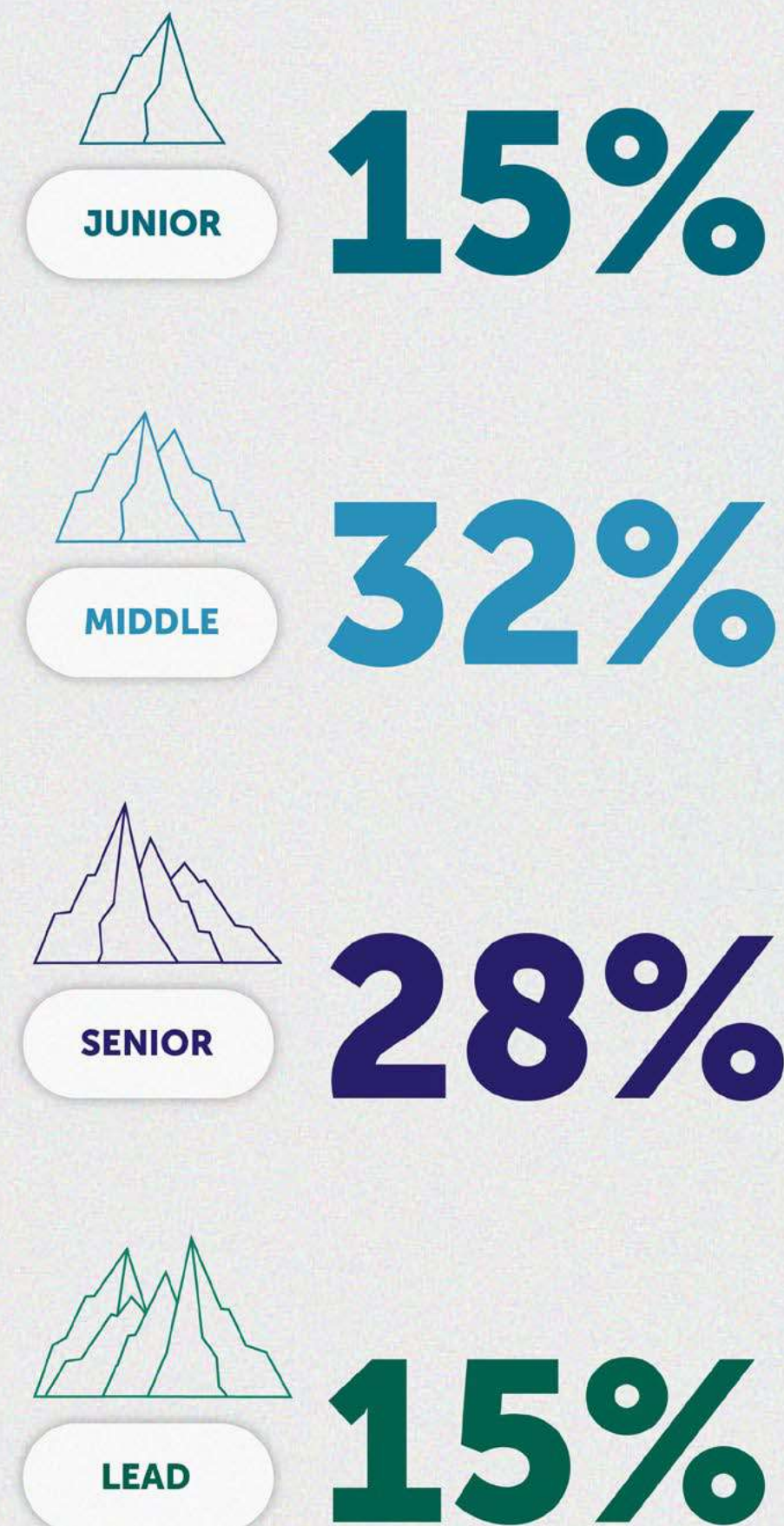
### Position



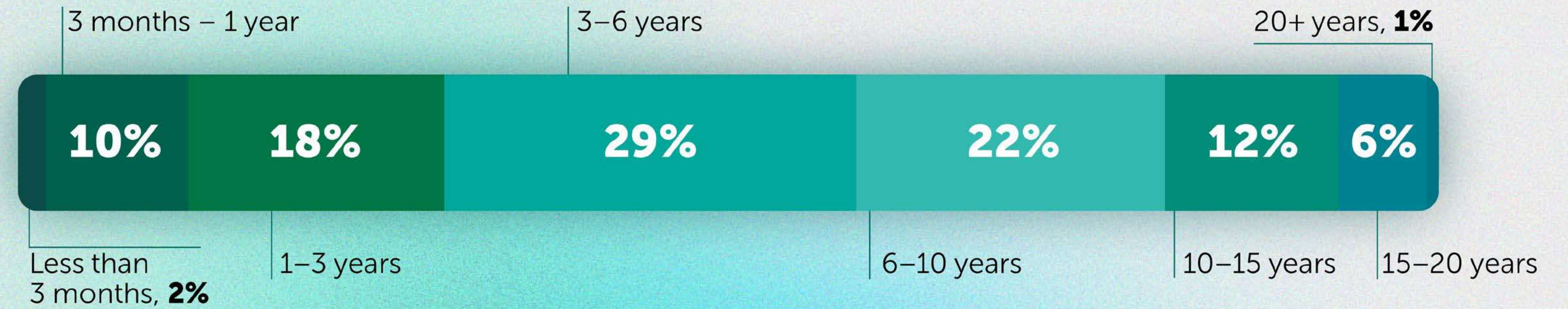
# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.6. Work profile of relocated IT professionals

### Qualification level



### Work experience in IT



### Education level



# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.7. Changes in work of IT specialists caused by the war

**49%**

noted that their work has changed

**30%** Changed the place of work

**12%** Switched to part-time employment

**10%** Lost jobs and are looking for new ones

**10%** Moved to another project within the company

**7%** Transferred to reserve (bench)

**6%** Changed position within the company

**5%** Moved to remote work mode

In addition to the usual changes in work, which were typical before the war, such as changing the place of work or switching to another project, new ones have also appeared — **part-time.**

### Other changes amounted to 11%:

- Reduced the amount of work (including loss of client/clients)
- Increase in the amount of work
- Lost (career) promotion, salary or bonuses (vacation, insurance)
- Reorganized the work process under new conditions
- Reduced work productivity / feel emotional desolation
- Changed the team composition, including the layoffs
- The company changed the market/expanded into new markets

# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.8. Form of employment of displaced IT specialists

**19%**

plan to legalize abroad as an Individual Entrepreneur

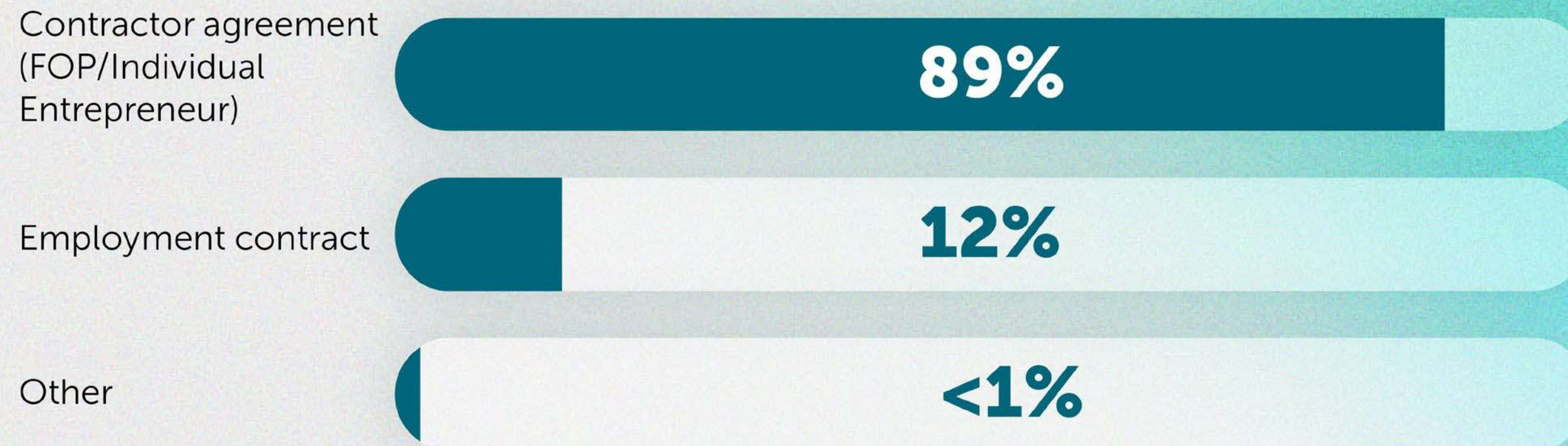
**16%**

switched to a simplified single tax system (2% instead of 5%)\*

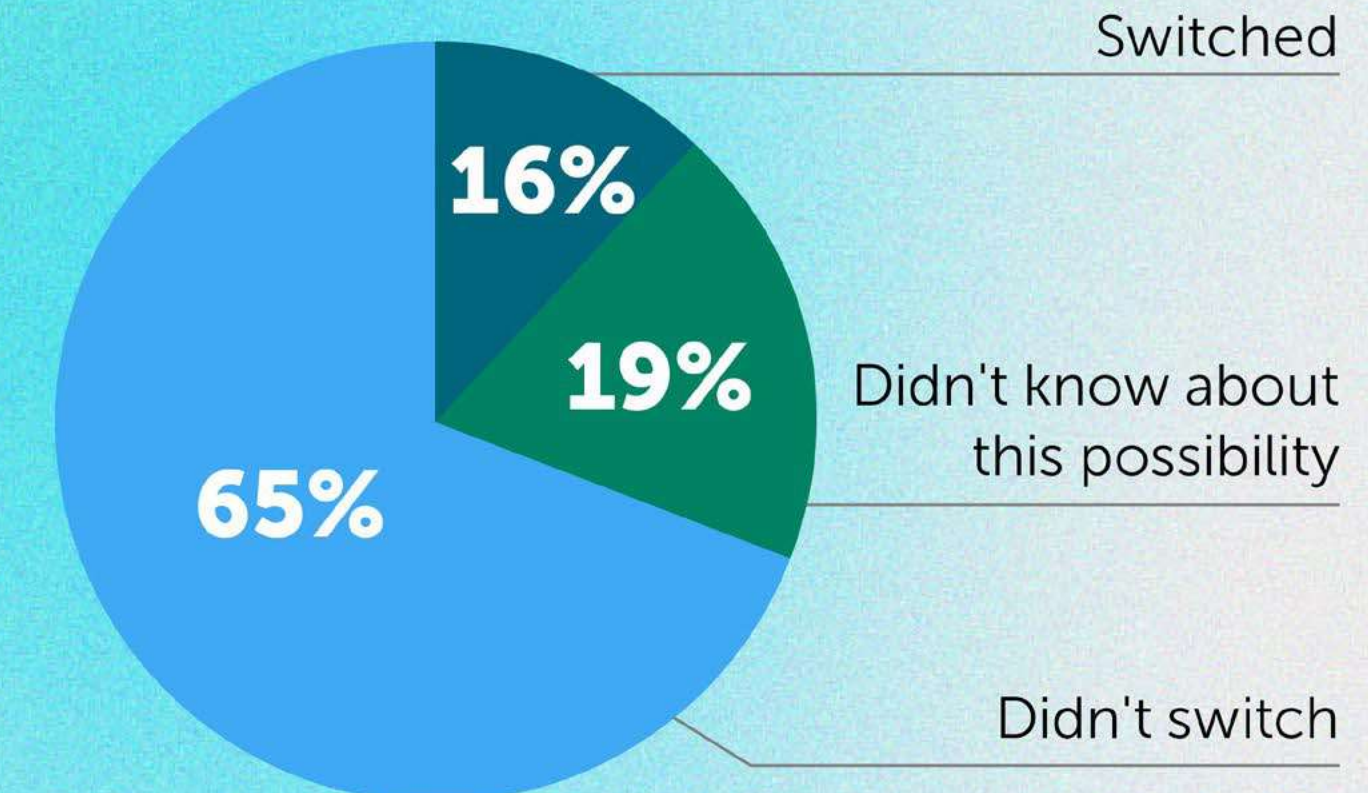
**3%**

plan to change the place of registration of Individual Entrepreneur

### Form of employment of IT specialists\*\*:



### Transition to 2% single tax system:

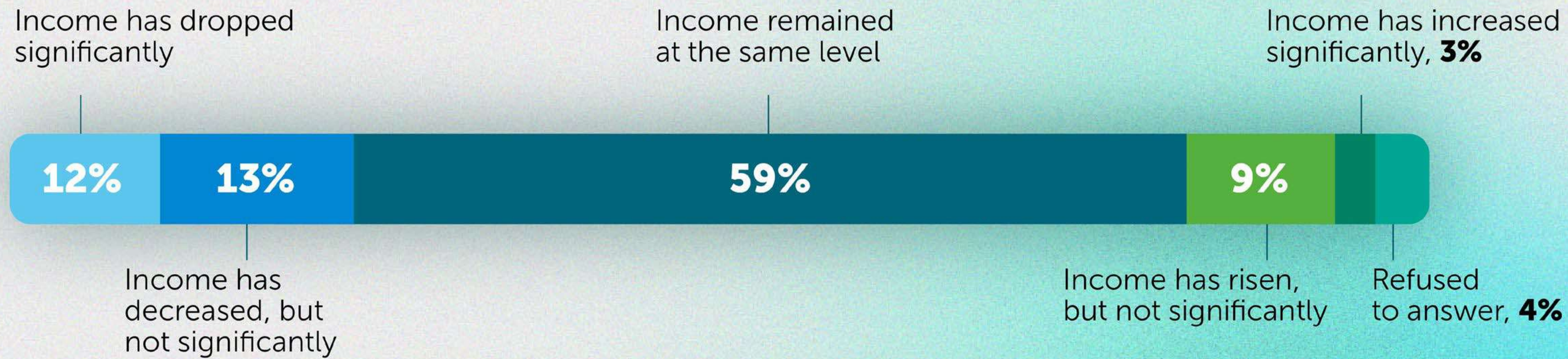


\* Among respondents working under a contract  
\*\* Respondents had more than one answer option

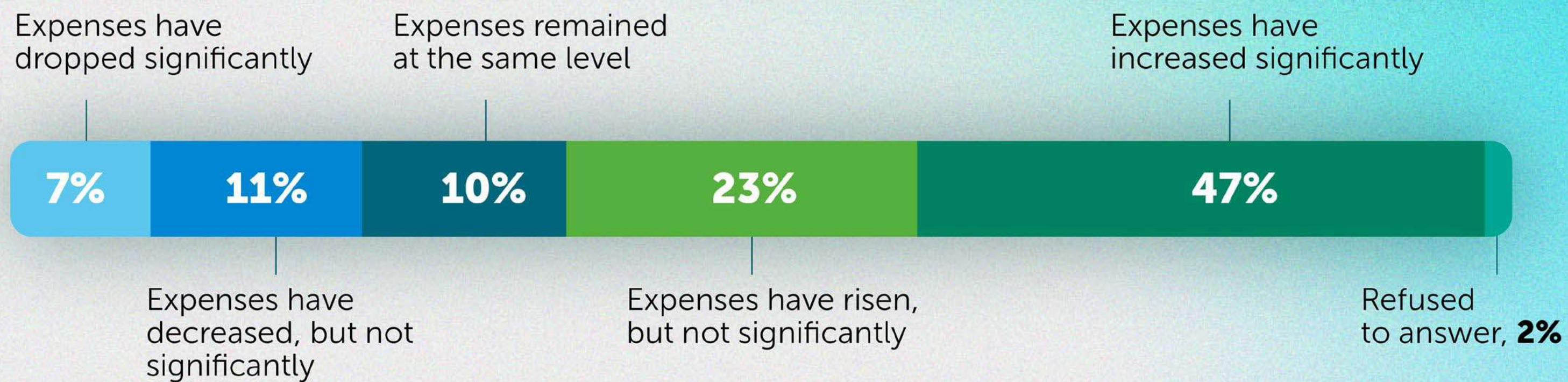
# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.9. Assessment of income and expenses of IT specialist

### Estimation of changes in monthly income



### Estimation of changes in monthly expenses



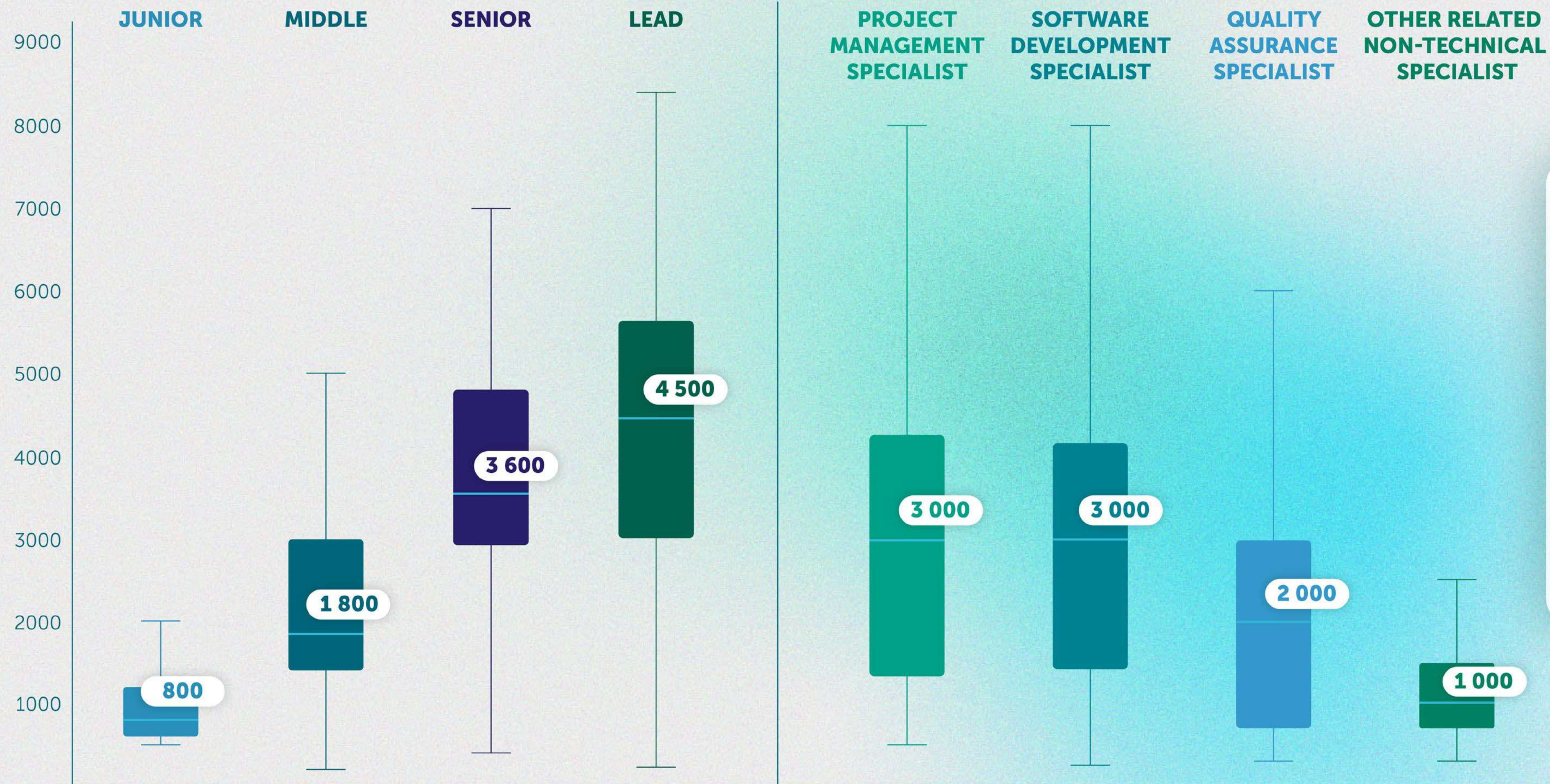
**71%**

of IT professionals indicate that their income has increased or remained at the same level. However, expenses have also increased.

# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.9. Assessment of income and expenses of IT specialist

### Median income of relocated IT specialists by positions, \$



**\$ 2 300**

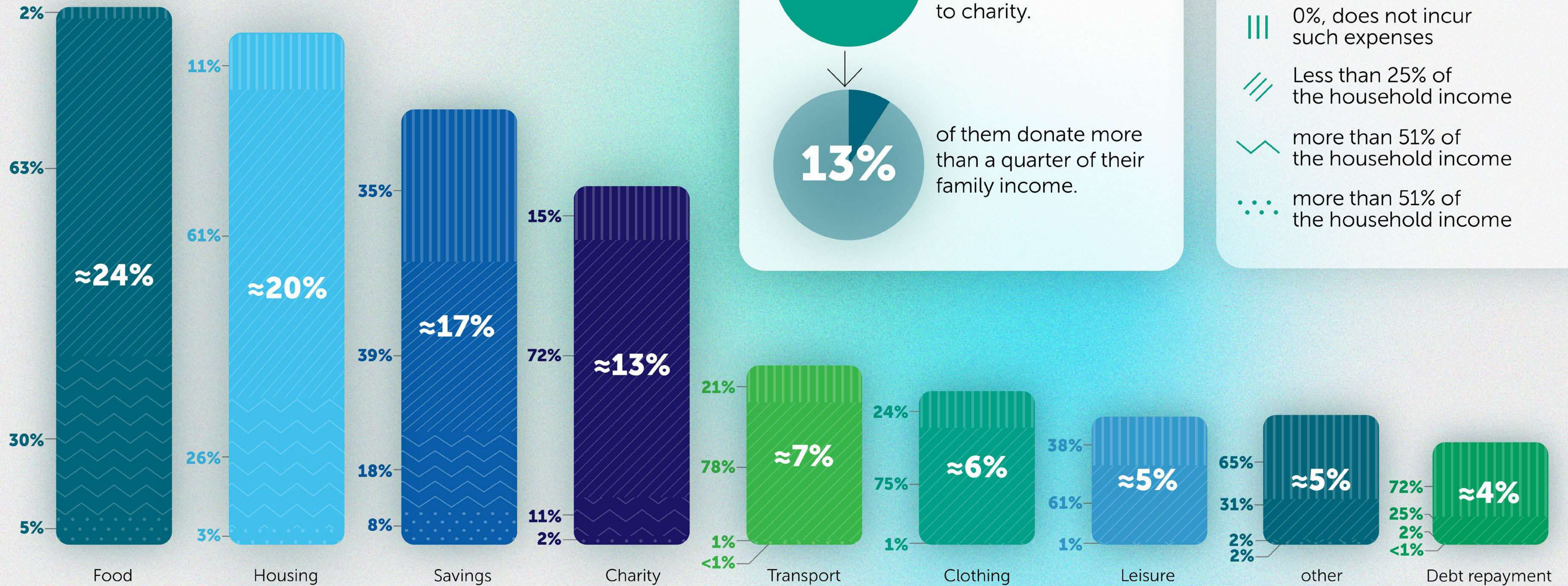
is the median income (gross) of a displaced IT specialist from the target regions.

This indicator is almost similar to the median income of IT specialists in Ukraine (\$2,360).

The data is provided only for those groups where more than 50 responses were received from representatives of the respective category.

# 1. IT INDUSTRY IN UKRAINE AND SPECIFIC REGIONS

## 1.10. Structure of IT specialists' expenses





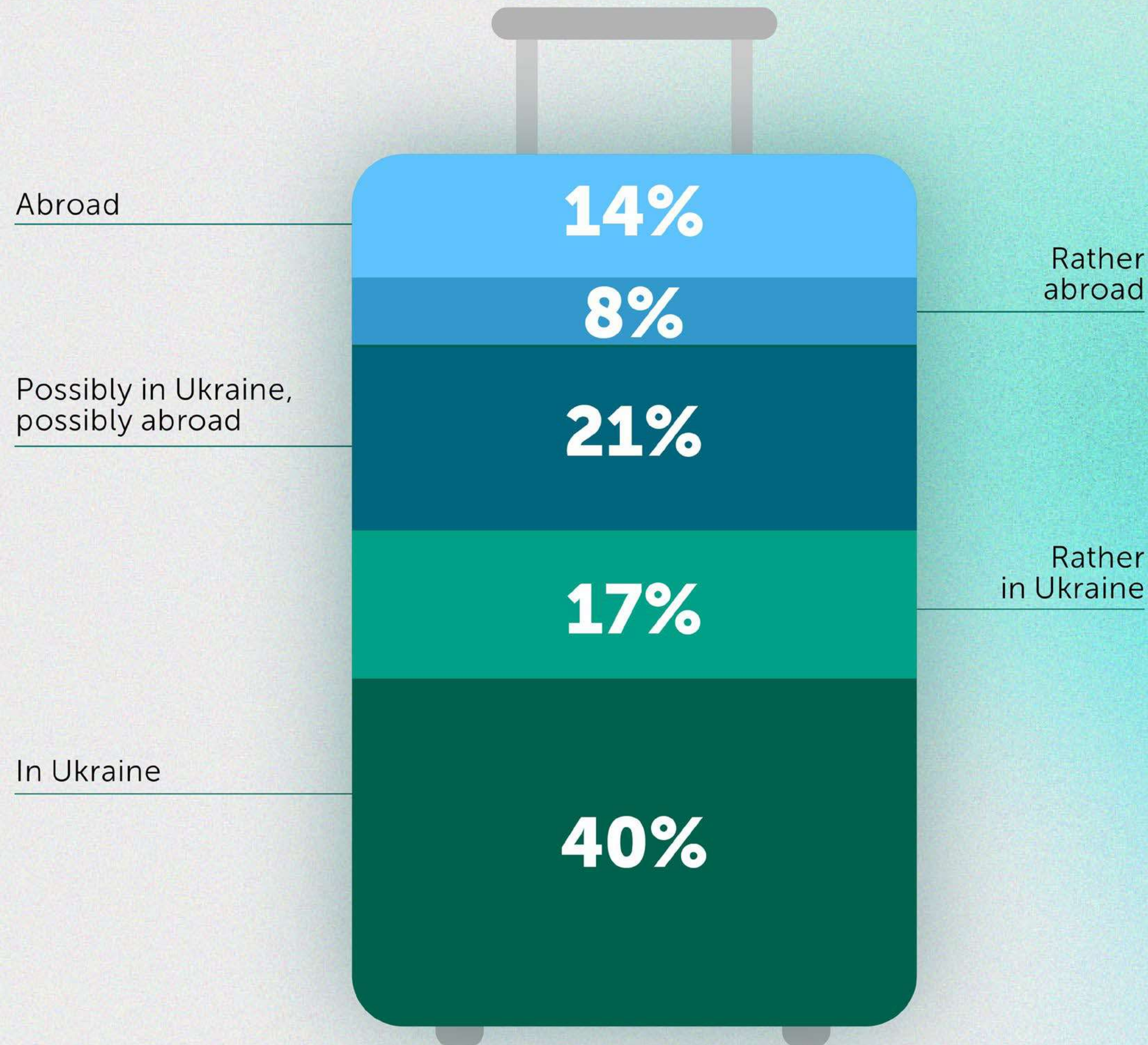
# MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE



## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

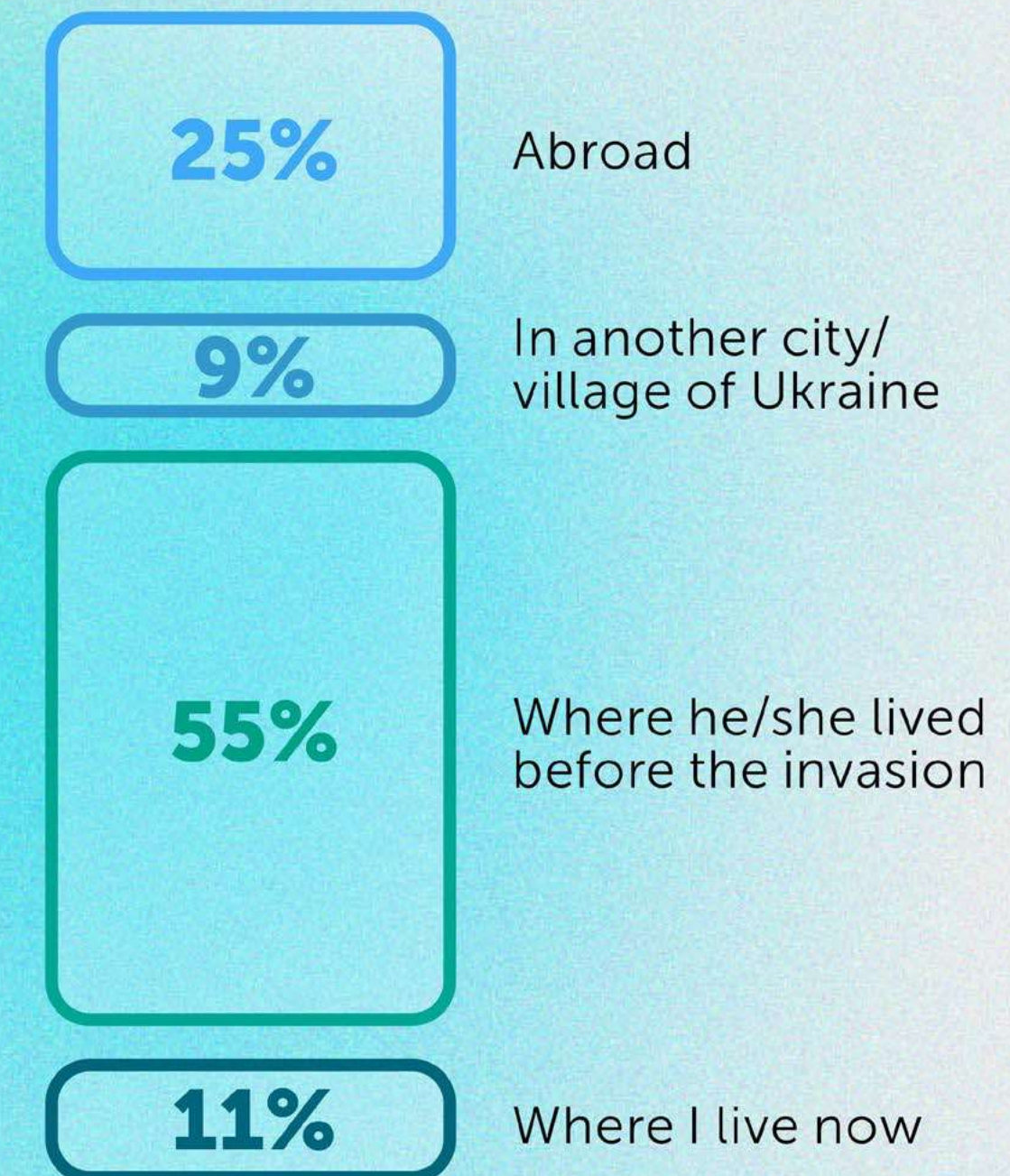
### 2.1. Overall migration attitudes

**If you were not limited in choosing a place to live, where would you like to live?**



**57%** of relocated IT specialists prefer to live in Ukraine

**Where exactly would you like to live?**



## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.1. Overall migration attitudes

**55%**

IT professionals who have been displaced due to the invasion express a desire to live in their hometown.

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
<b>If you were not limited in choosing a place to live, where would you like to live?</b>				
In Ukraine	37%	40%	33%	39%
Rather in Ukraine	17%	16%	17%	17%
Possibly in Ukraine, possibly abroad	24%	19%	22%	20%
Rather abroad	9%	11%	6%	9%
Abroad	14%	14%	23%	15%
<b>Where exactly would you like to live?</b>				
Where I live now	10%	6%	9%	14%
Where he/she lived before the invasion	57%	58%	50%	50%
In another city/village of Ukraine	8%	8%	9%	10%
Abroad	28%	27%	31%	26%

## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.2. Future scenarios

Tech industry continues working for the joint victory of Ukraine in the full-scale war.

Attitude on migration demonstrates reactions of the IT market to the possible scenarios of Ukraine's economic recovery after Ukraine's victory over Russia.

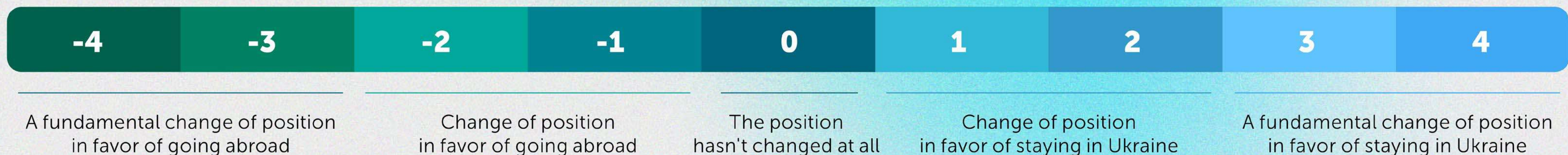
We've offered IT specialists three possible scenarios with the time interval of 1 year. Based on their assessment of each of these scenarios we indicated overall migration attitude and future scenarios.

### Migration balancer

Migration balancer indicates the change of the overall migration attitudes depending on the suggested scenarios in favor of living in Ukraine or moving abroad. The indicator is calculated separately for each respondent but is given as an average group value for each scenario / factor.

The indicator varies from -4 to +4.

### Scale of the migration balancer



## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.2. Future scenarios

#### Scenario "European integration and liberalization of the economy"

Ukraine's European integration, accompanied by the full support of the Western allies for the rapid restoration of infrastructure. The way to restore the economy – maximum deregulation, economic freedom, the state does not directly interfere in market mechanisms, only provides the necessary legal framework for the modernization of Ukraine.

#### Indicator of the "Migration balancer"



0.57



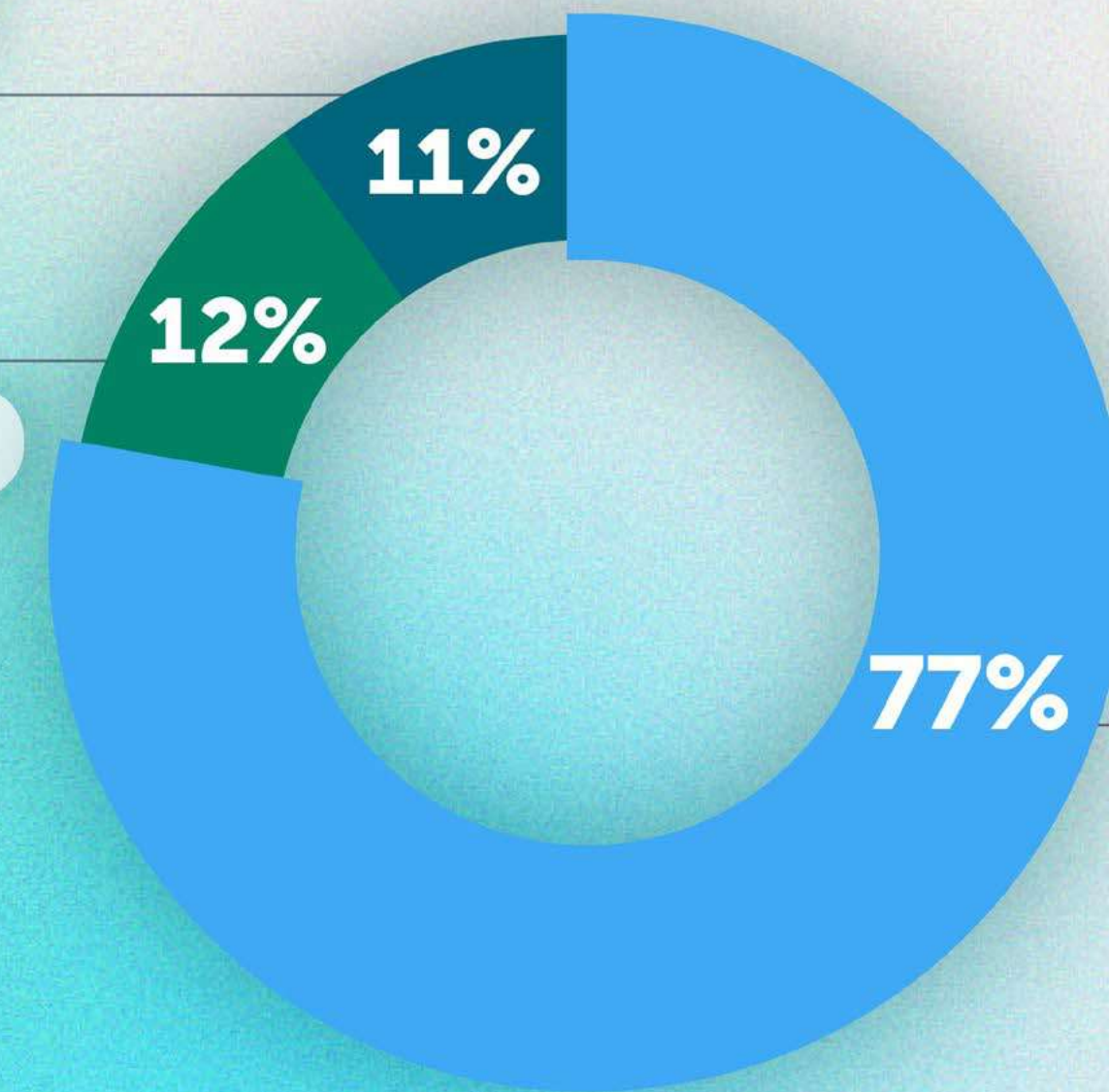
the condition basically doesn't change the individual overall migration attitude, but brings it closer to a change of position in favor of staying in Ukraine

Even according to the most optimistic scenario there is a threat to lose human capital

Difficult to answer

Will try to go abroad

Will stay in Ukraine



1% A fundamental change of position in favor of going abroad

A fundamental change of position in favor of staying in Ukraine

9%

48%

36%

6%

Change of position in favor of going abroad

The position hasn't changed at all

Change of position in favor of staying in Ukraine

## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.2. Future scenarios

#### Scenario "European integration and liberalization of the economy"

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	12%	12%	17%	11%
Difficult to answer	10%	10%	14%	10%
Will stay in Ukraine	78%	78%	69%	79%
Migration balancer	<b>0,63</b>	<b>0,58</b>	<b>0,61</b>	<b>0,62</b>
A fundamental change of position in favor of going abroad	1%	1%	2%	1%
Change of position in favor of going abroad	8%	9%	7%	9%
The position hasn't changed at all	46%	48%	48%	47%
Change of position in favor of staying in Ukraine	38%	35%	36%	36%
A fundamental change of position in favor of staying in Ukraine	6%	7%	7%	7%

## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.2. Future scenarios

#### Scenario "European integration and government regulation"

Ukraine's European integration, accompanied by the full support of the Western allies for the rapid restoration of infrastructure. The recovery and functioning of the economy is fully regulated by the state (as an option, the military economy, increasing the tax burden, in particular on the IT sector).

Under the condition of government regulation of the economy, the Ukrainian IT industry may lose 1/4 of specialists

#### Indicator of the "Migration balancer"



0.03

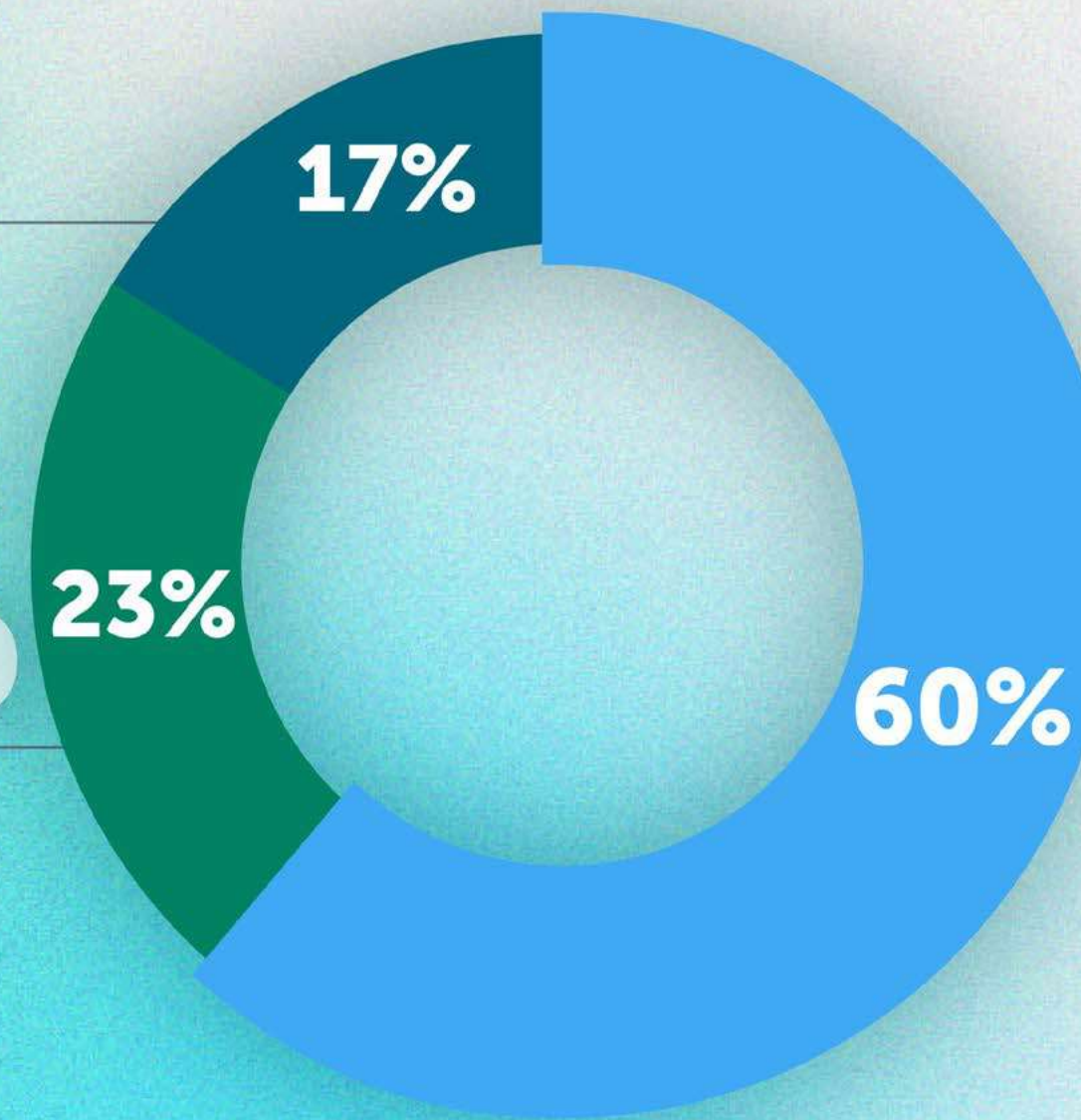


the condition basically doesn't change the individual overall migration attitude

Difficult to answer

Will try to go abroad

Will stay in Ukraine



3% A fundamental change of position in favor of going abroad

3% A fundamental change of position in favor of staying in Ukraine

21%

50%

22%

Change of position in favor of going abroad

The position hasn't changed at all

Change of position in favor of staying in Ukraine

## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.2. Future scenarios

#### Scenario "European integration and government regulation"

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	25%	24%	29%	23%
Difficult to answer	15%	17%	21%	17%
Will stay in Ukraine	60%	59%	50%	60%
Migration balancer	0,06	0,00	0,05	0,04
A fundamental change of position in favor of going abroad	4%	3%	4%	3%
Change of position in favor of going abroad	19%	24%	21%	24%
The position hasn't changed at all	50%	49%	49%	47%
Change of position in favor of staying in Ukraine	23%	21%	23%	23%
A fundamental change of position in favor of staying in Ukraine	4%	3%	4%	4%



## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.2. Future scenarios

#### Scenario "European integration on halt and government regulation"

There is no full support of the allies and the West, European integration processes have been stopped. The recovery and functioning of the economy is fully regulated by the state (as an option, the military economy, increasing the tax burden, in particular on the IT sector).

If the European integration stops and taxes increase, almost half of IT specialists might consider moving abroad.

#### Indicator of the "Migration balancer"

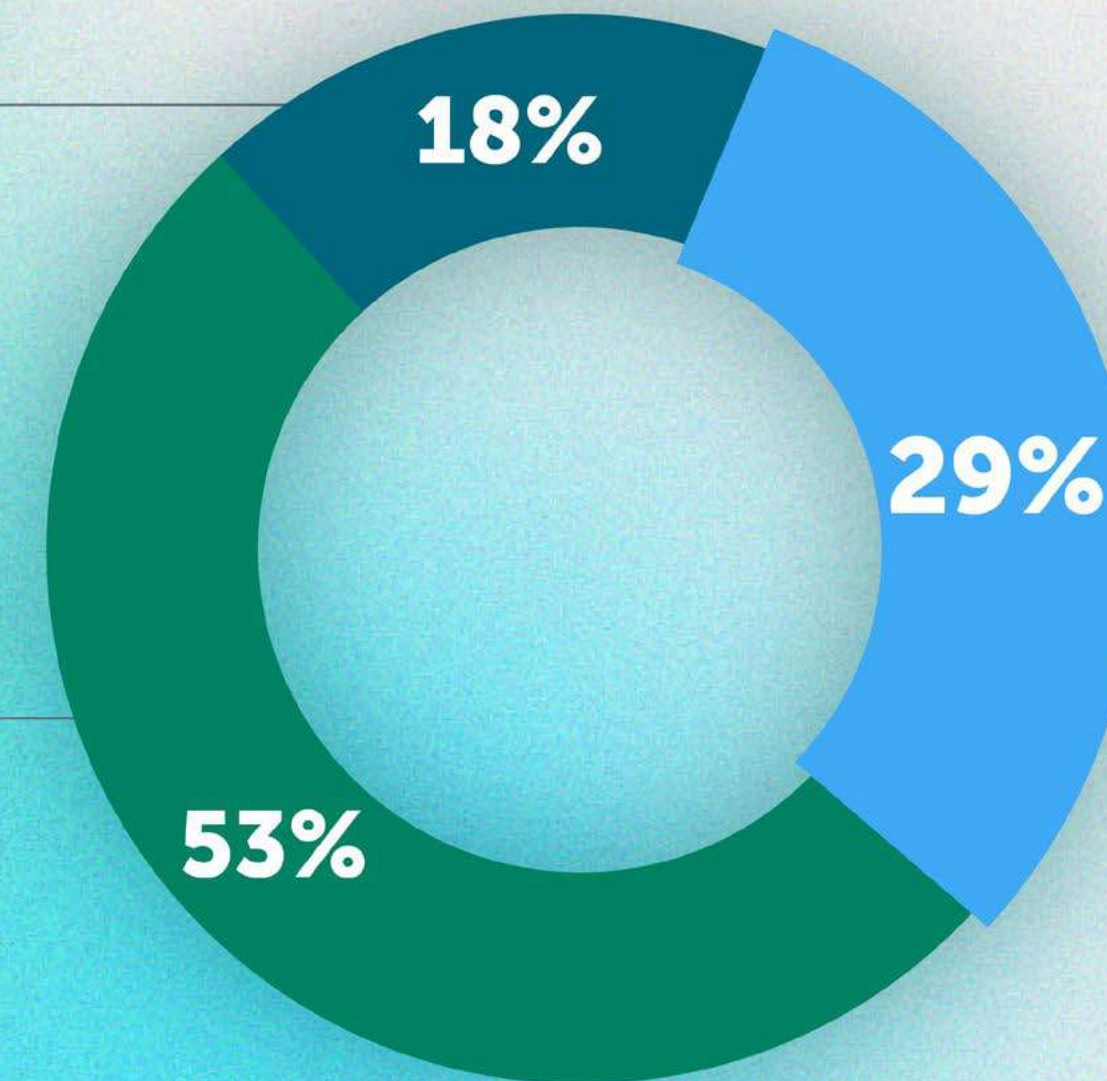


the condition still basically doesn't change the individual overall migration attitude, but brings it closer to a change of position in favor of going abroad

Difficult to answer

Will try to go abroad

Will stay in Ukraine



A fundamental change of position in favor of going abroad

1% A fundamental change of in favor of staying in Ukraine



Change of position in favor of going abroad

The position hasn't changed at all

Change of position in favor of staying in Ukraine

## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

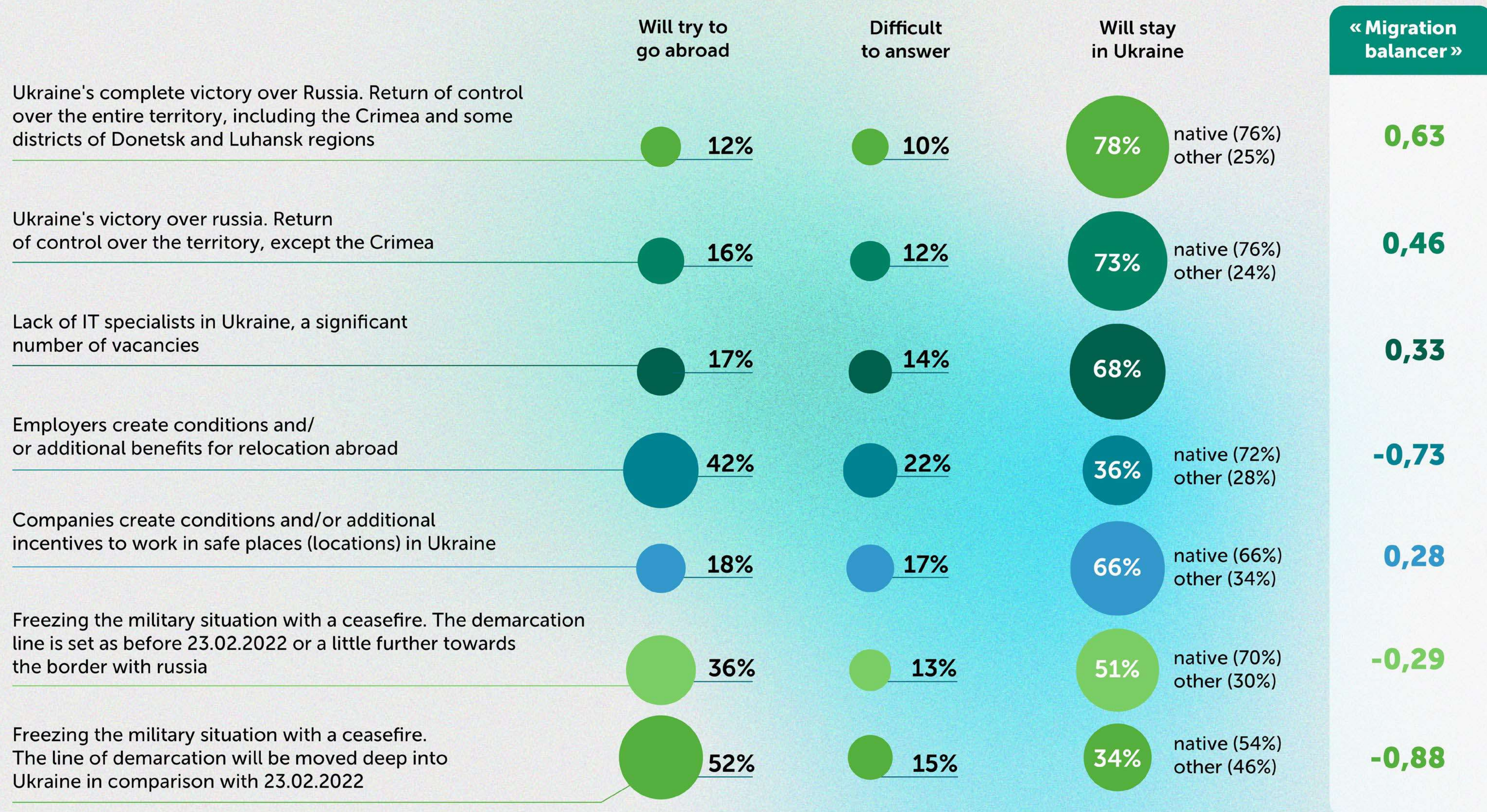
### 2.2. Future scenarios

#### Scenario "European integration on halt and government regulation"

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	56%	50%	65%	53%
Difficult to answer	17%	20%	20%	19%
Will stay in Ukraine	28%	30%	15%	27%
Migration balancer	<b>-1,00</b>	<b>-0,91</b>	<b>-1,15</b>	<b>-0,97</b>
A fundamental change of position in favor of going abroad	13%	13%	15%	14%
Change of position in favor of going abroad	45%	42%	45%	42%
The position hasn't changed at all	34%	36%	32%	34%
Change of position in favor of staying in Ukraine	7%	8%	8%	9%
A fundamental change of position in favor of staying in Ukraine	1%	1%	1%	1%

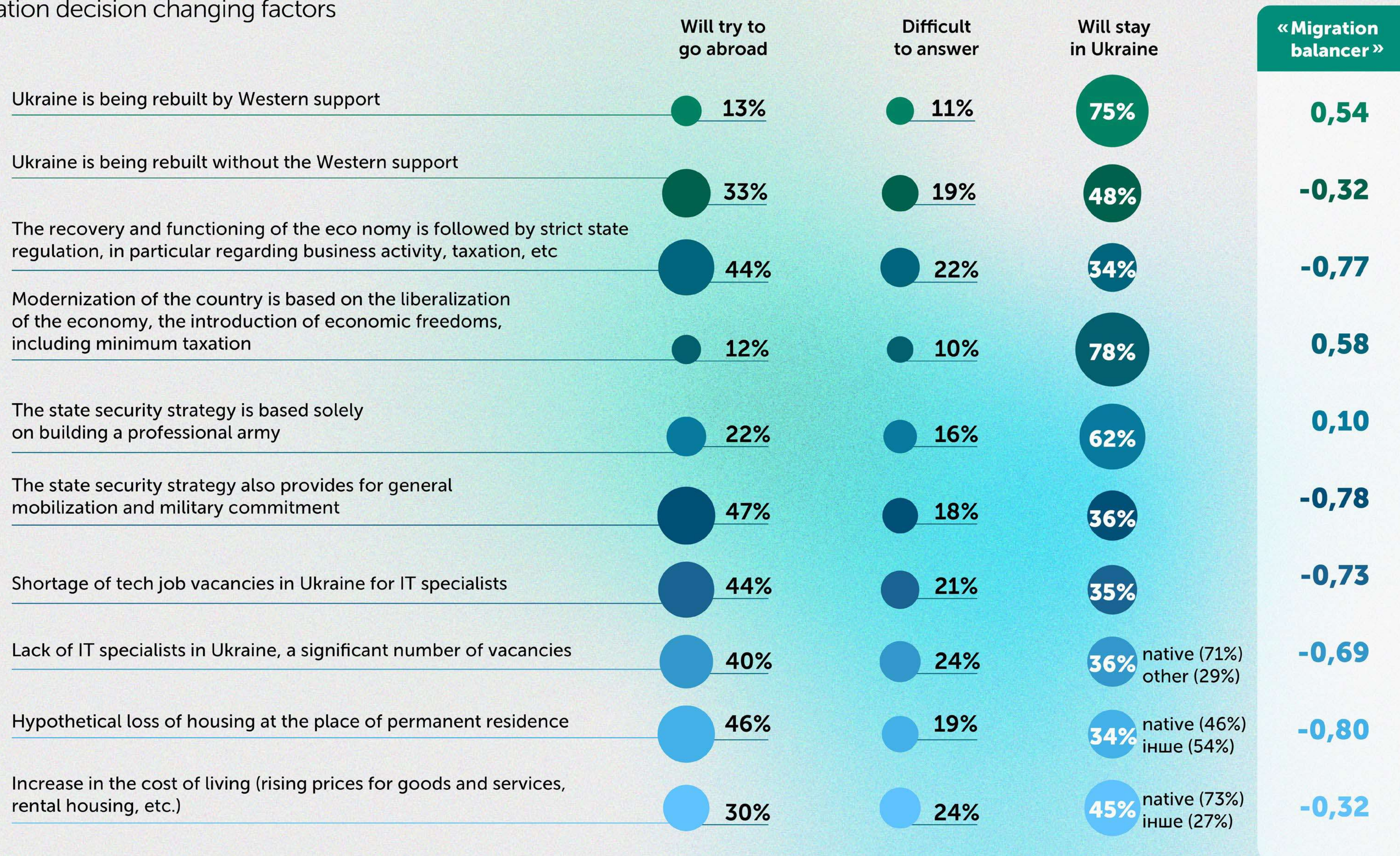
## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.3. Migration decision changing factors



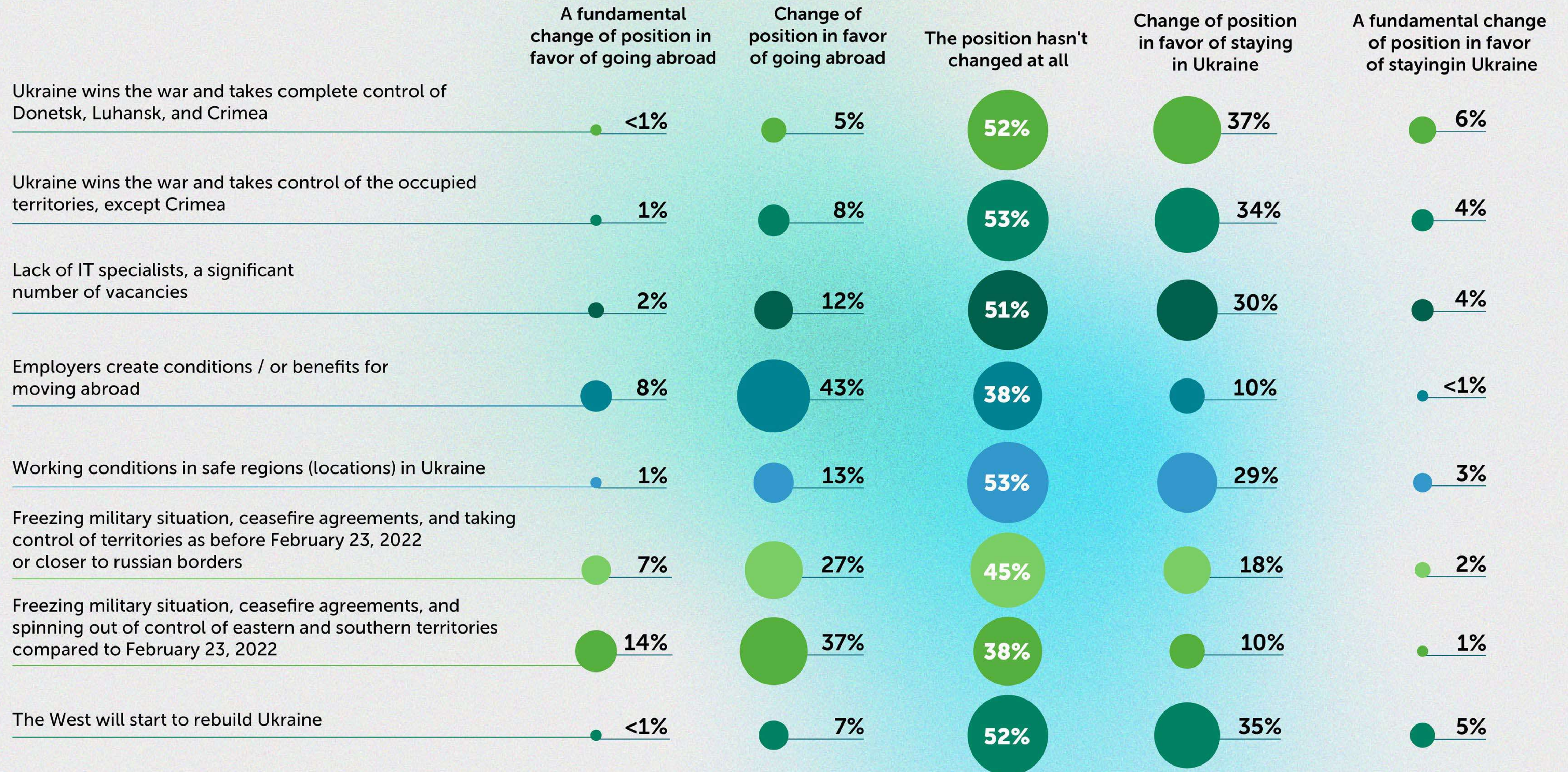
## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.3. Migration decision changing factors



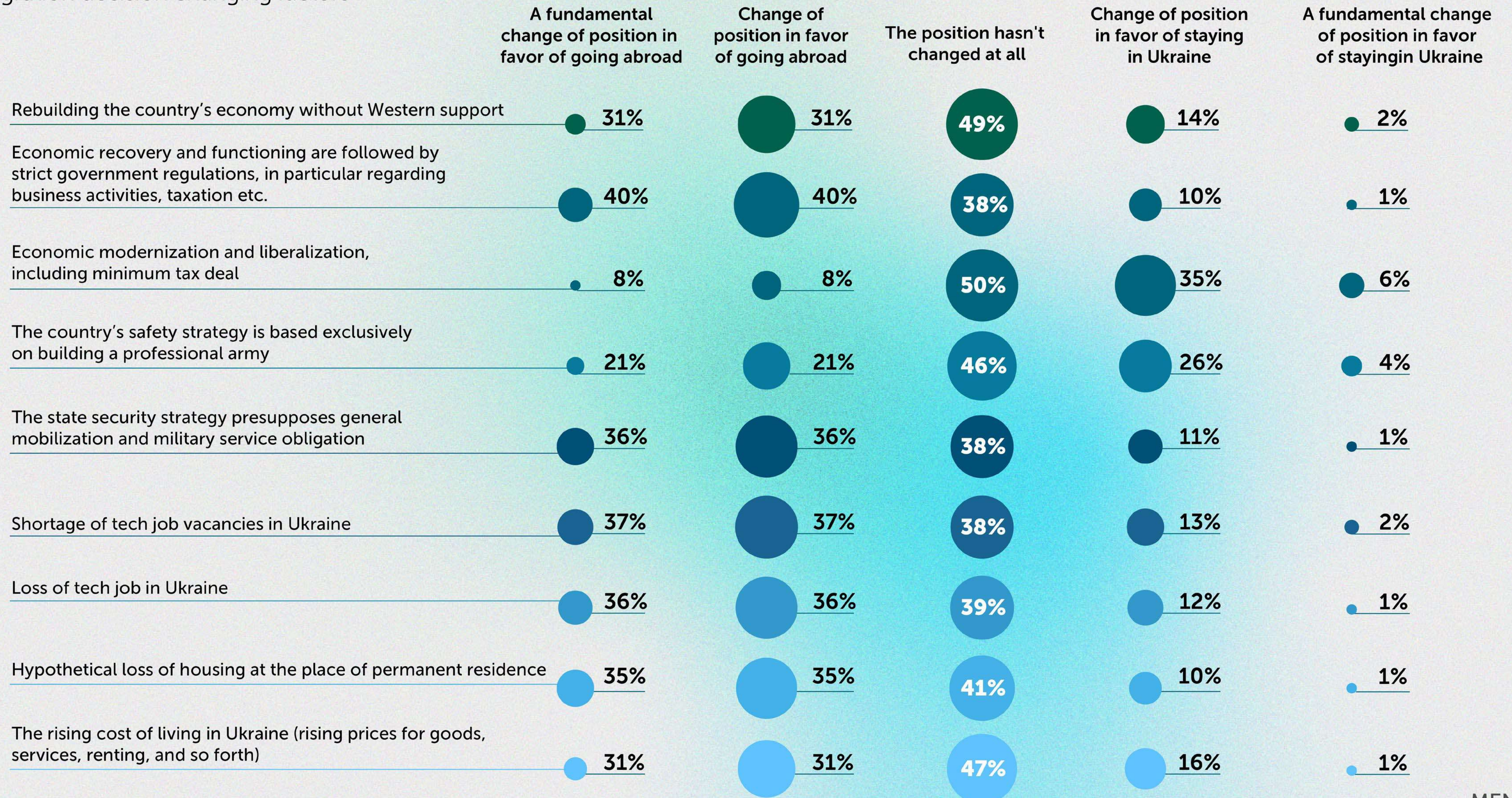
## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.3. Migration decision changing factors

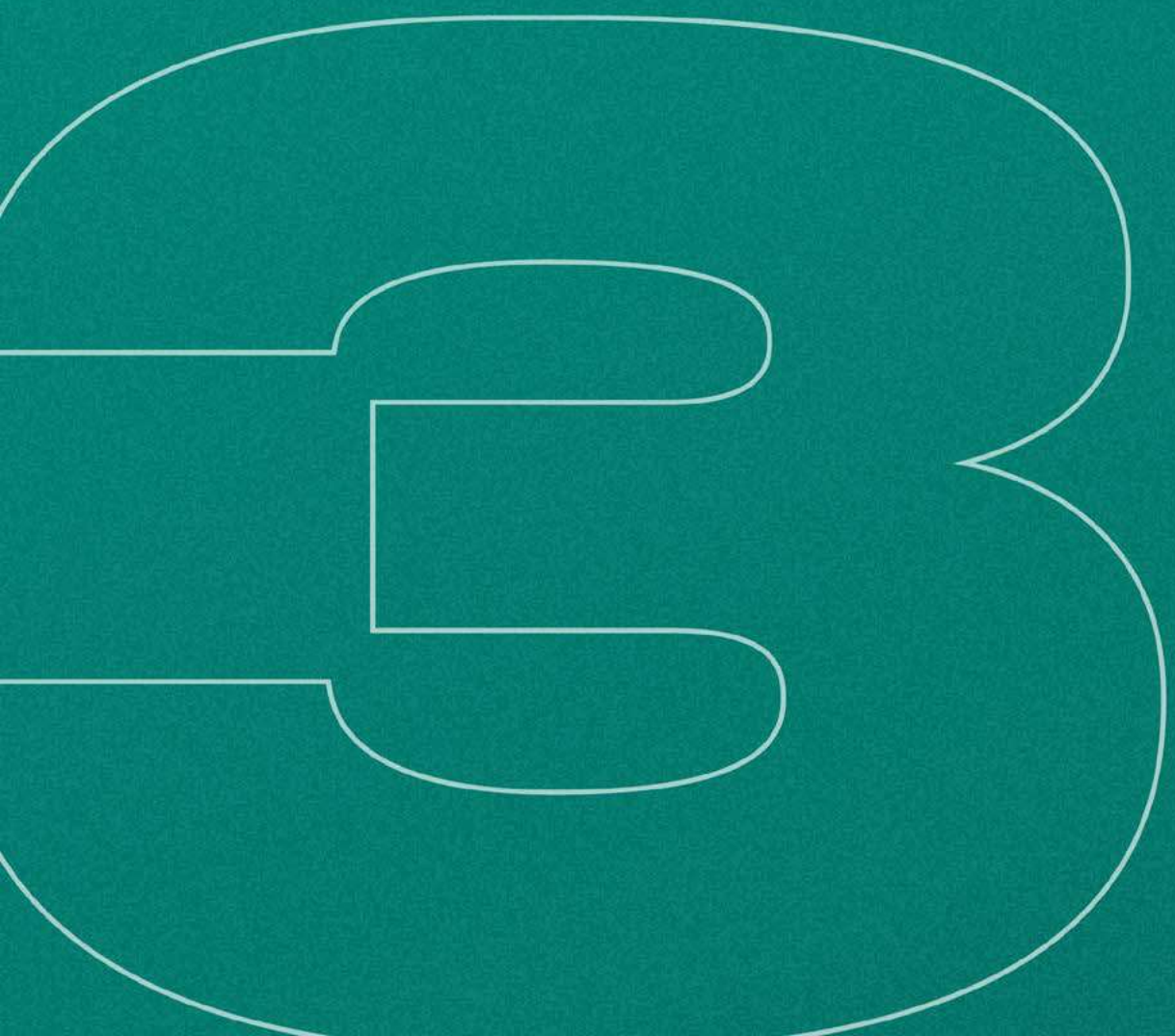


## 2. MIGRATION ATTITUDES AND STRATEGIES OF THE FUTURE

### 2.3. Migration decision changing factors



# WARTIME ECONOMY



### 3. WARTIME ECONOMY

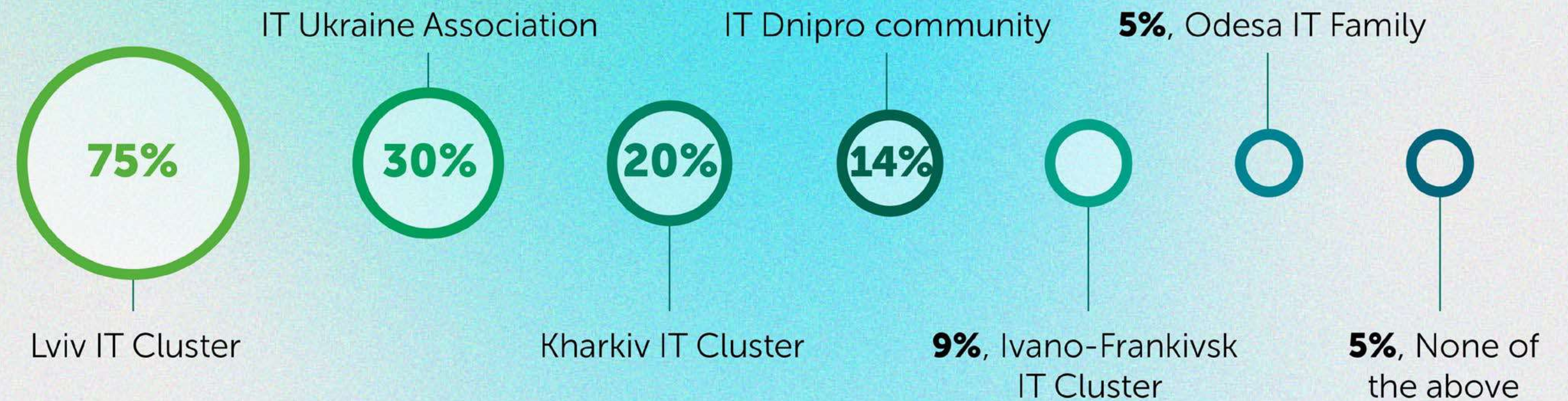
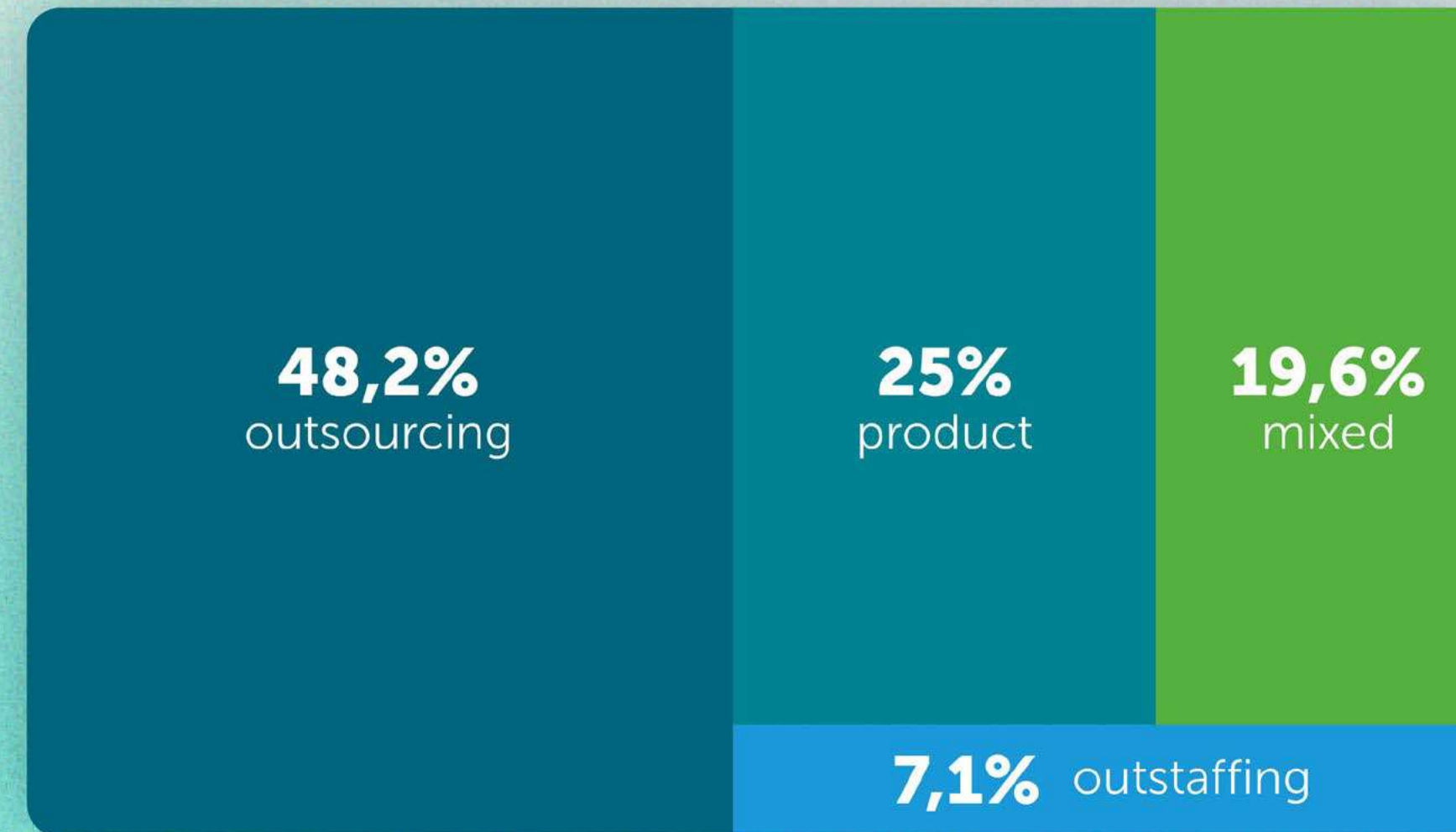
#### 3.1. Business activity, income and expenses of companies

##### Profile of IT companies participating in the survey

###### Company size



###### Company type

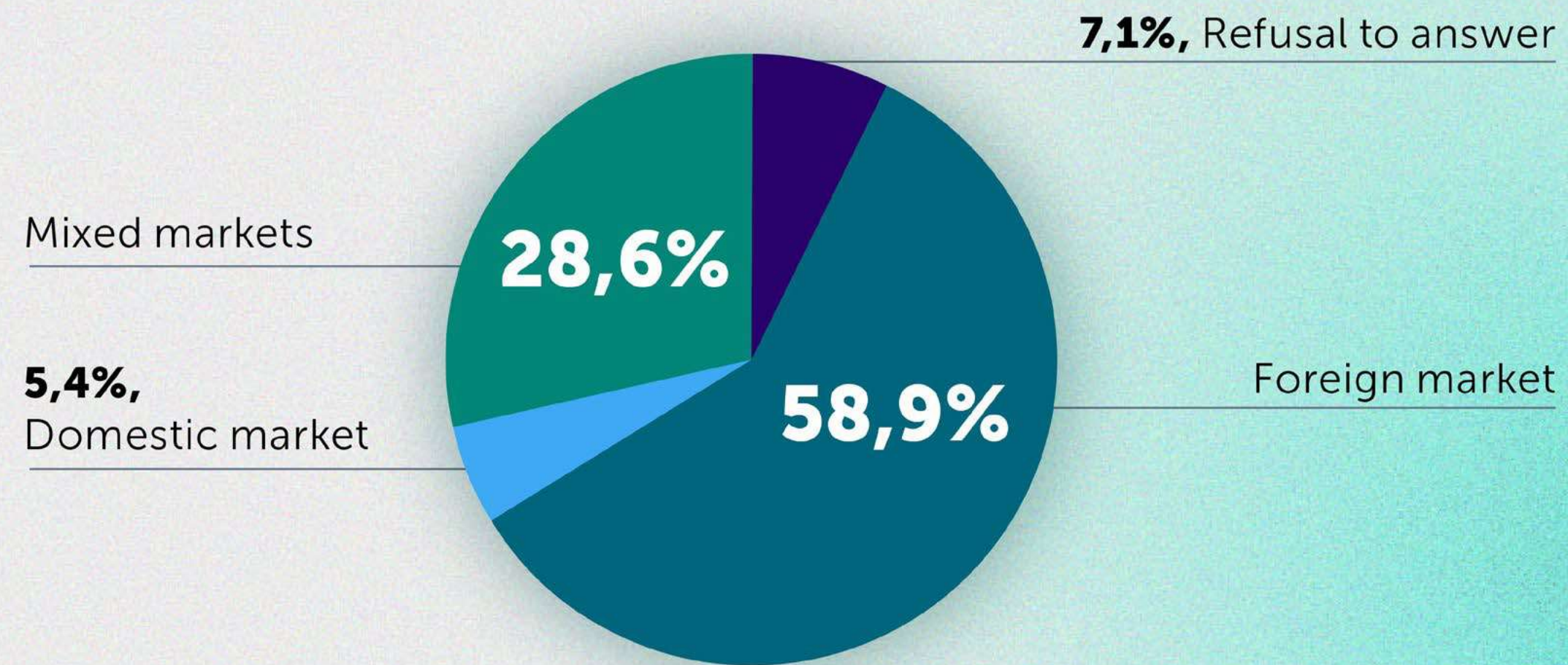




### 3. WARTIME ECONOMY

#### 3.1. Business activity, income and expenses of companies

##### Focus on markets



**13%** changed their HQ location after February 24, 2022.

**68%** of companies renewed their operations almost completely - by 90% or more.

##### Location of the company's decision-making center



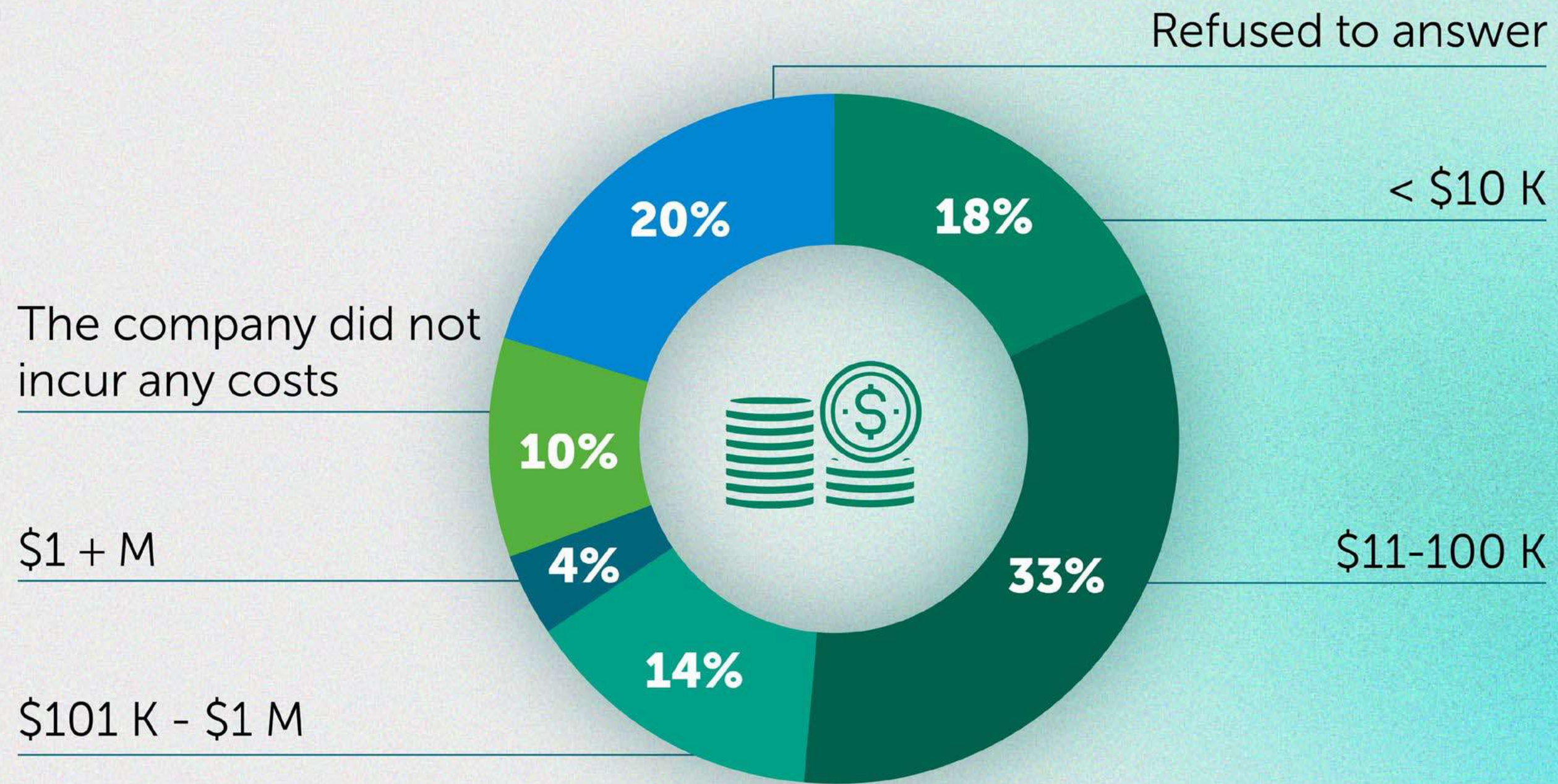
##### Annual turnover of the companies (all their Ukrainian offices) in 2022



### 3. WARTIME ECONOMY

#### 3.1. Business activity, income and expenses of companies

##### Expenses of IT companies in connection with the relocation/opening of a new office\*



**87%**

of companies had to make changes to their office operations due to a full-scale invasion

**34%**

of companies have changed the location of their specialists and contractors

**\$30 000**

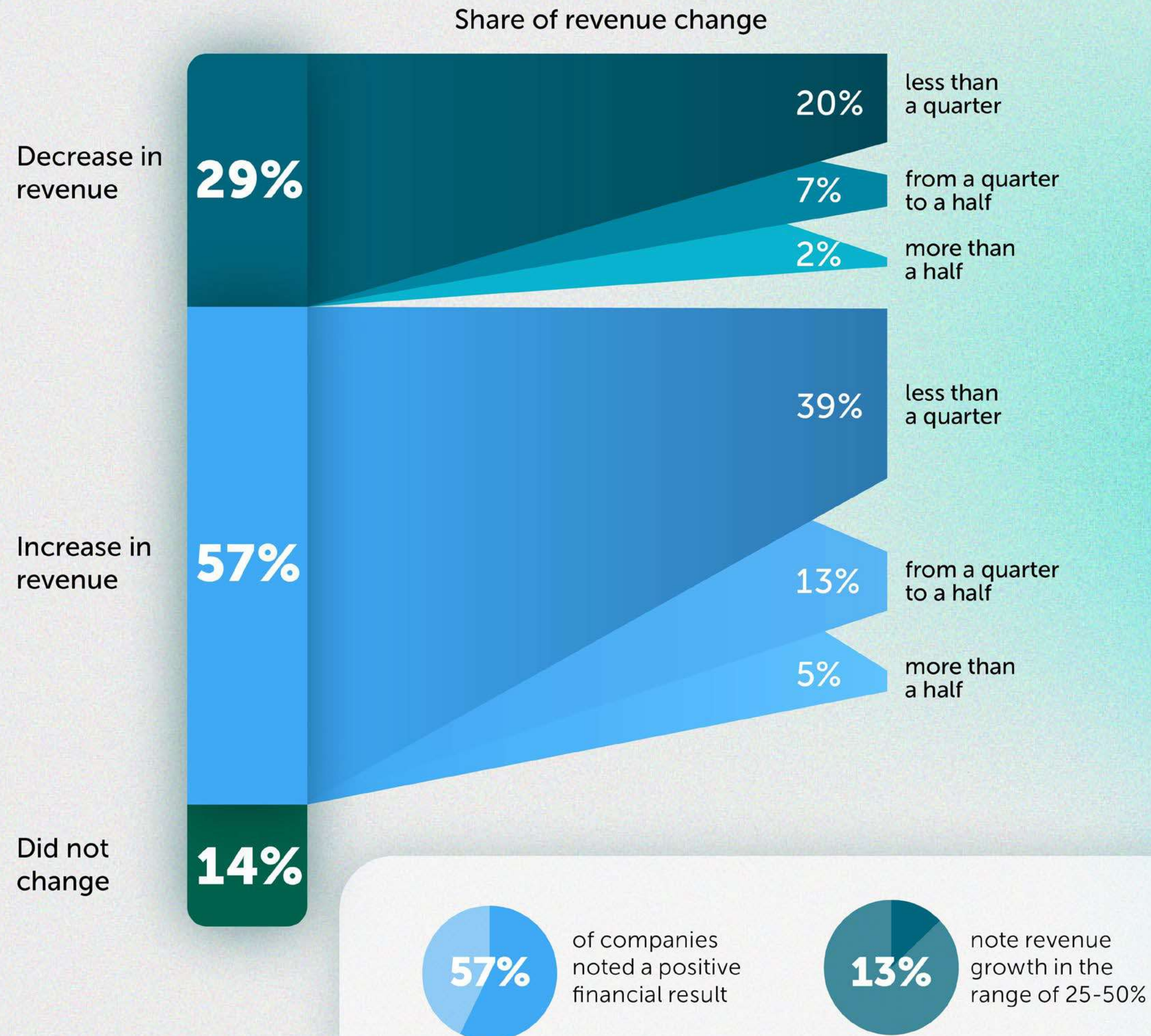
the median value of companies' expenses for office relocation

\*Among the respondents who declared changes in the work of their offices/representations after the start of the invasion

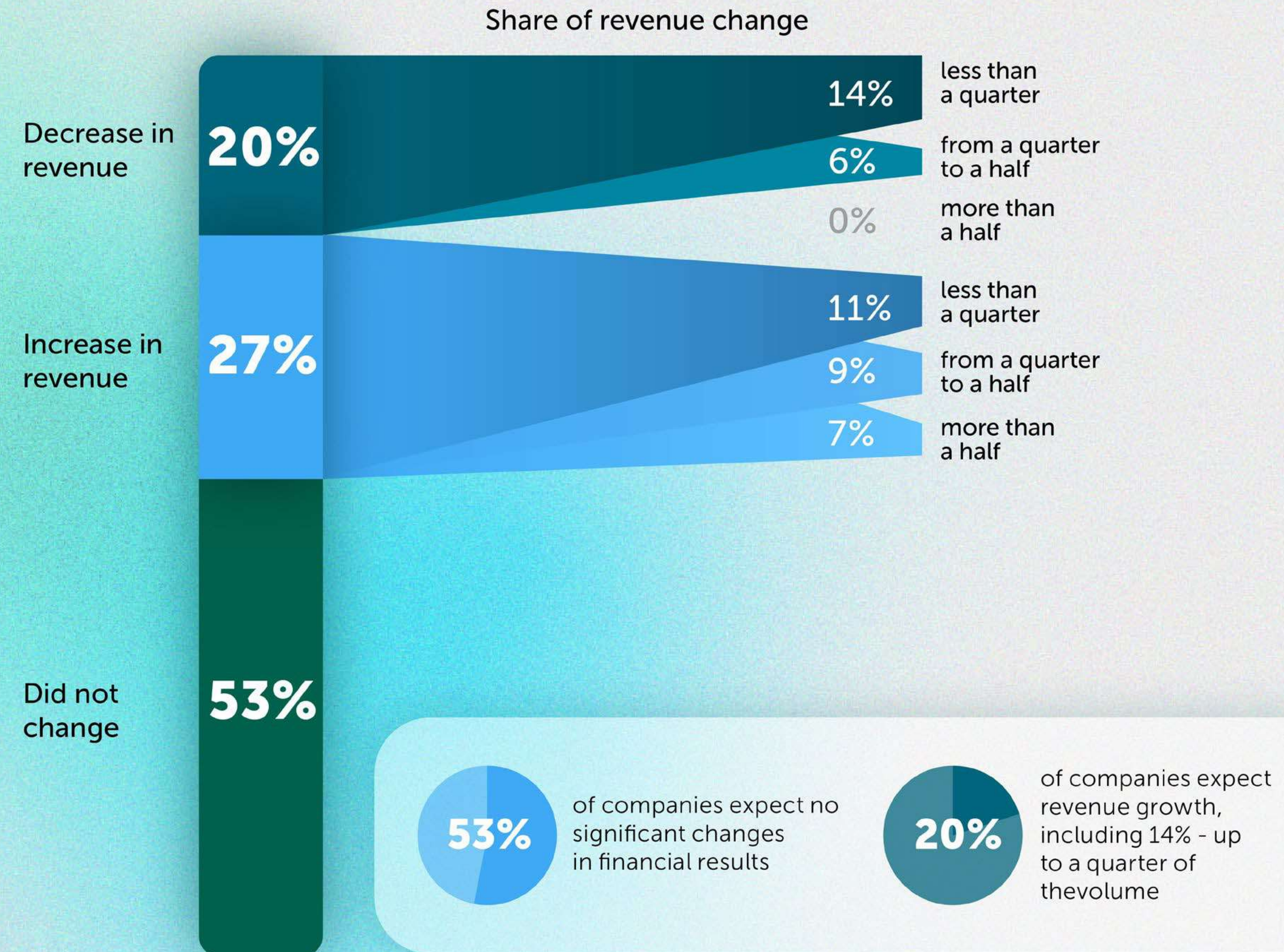
# 3. WARTIME ECONOMY

## 3.1. Business activity, income and expenses of companies

### Financial results of companies as of 2022



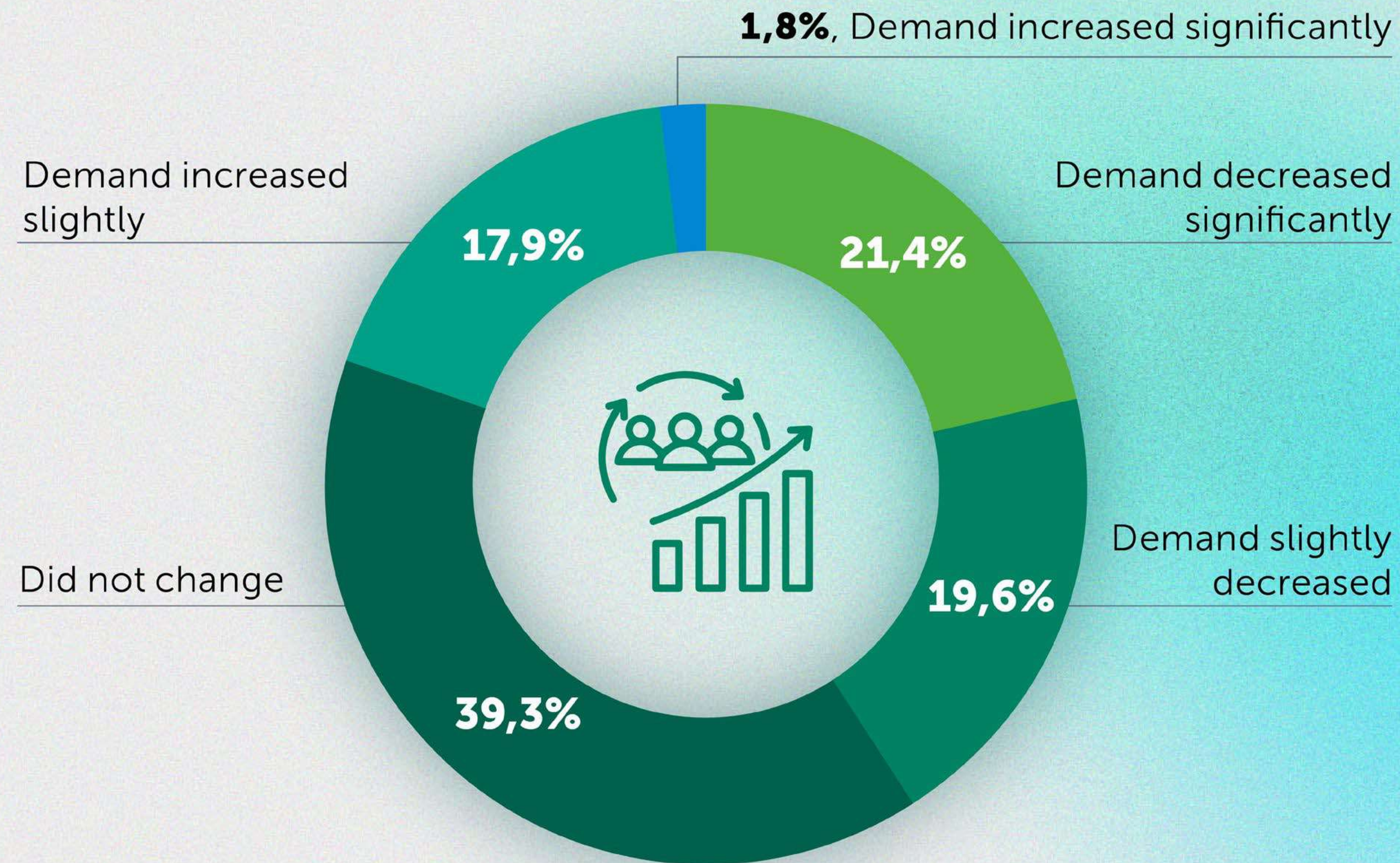
### Financial expectations of companies for the first quarter of 2023



### 3. WARTIME ECONOMY

#### 3.1. Business activity, income and expenses of companies

##### Assessment of customer demand for the company's services



**40%**

of CEOs indicate that they received messages from clients on suspension or postponement of projects due to the war in Ukraine

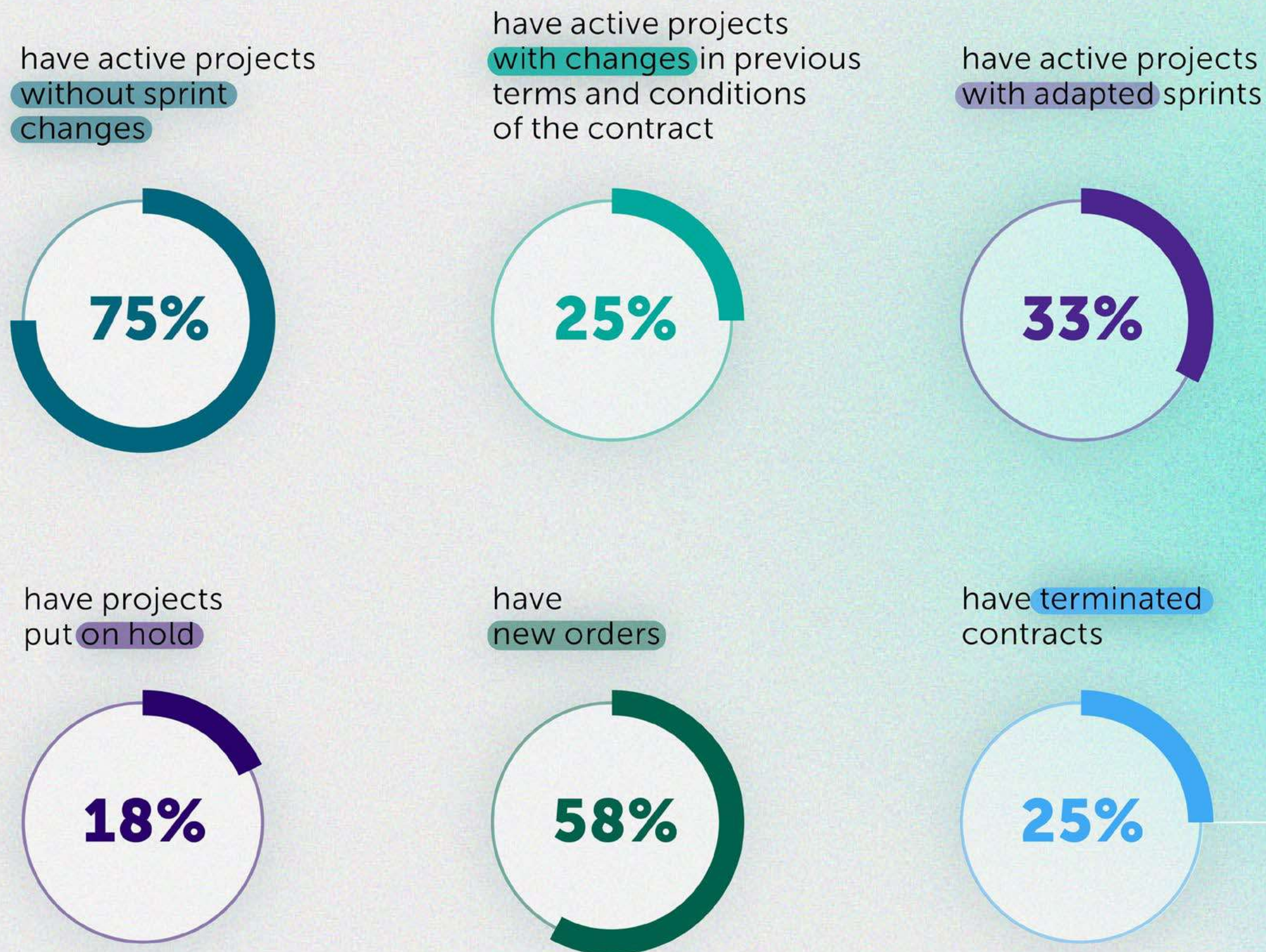
**65%**

of CEOs state that their company received messages from clients on new opportunities for cooperation as an act of support in connection with the war in Ukraine

### 3. WARTIME ECONOMY

#### 3.1. Business activity, income and expenses of companies

##### Cooperation of IT companies with clients\*



**58%** of companies indicate that they have new orders from clients.

**25%** of companies experienced contract terminations since the beginning of Russia's full-scale invasion.

**18%** of CEOs estimate the share of lost/non-received revenue due to terminated contracts due to the war at 25%-50%.

**7%** have lost more than half of their revenue.

\* Respondents could choose more than one option.

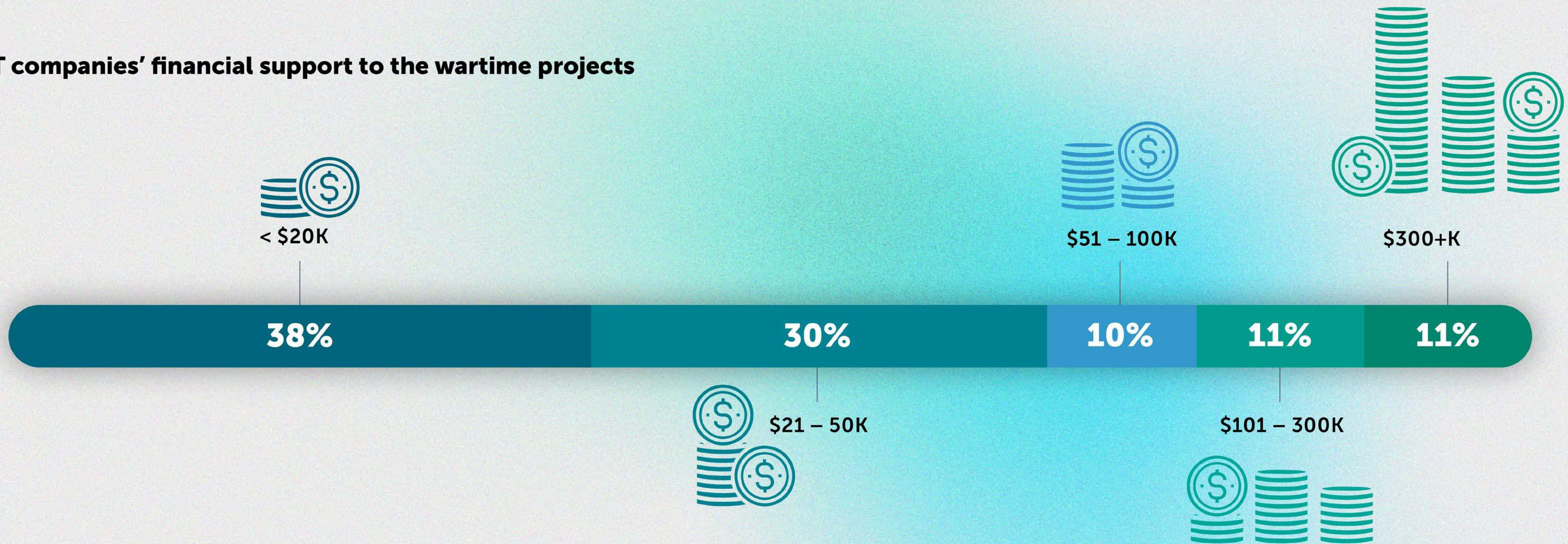
### 3. WARTIME ECONOMY

#### 3.1. Business activity, income and expenses of companies

96%

of companies state that they financially support the wartime projects\* that bring us closer to the victory

#### IT companies' financial support to the wartime projects



\*By wartime projects we mean financial support of the Ukrainian Armed Forces or Territorial Defence, humanitarian missions, purchase of equipment, etc

### 3. WARTIME ECONOMY

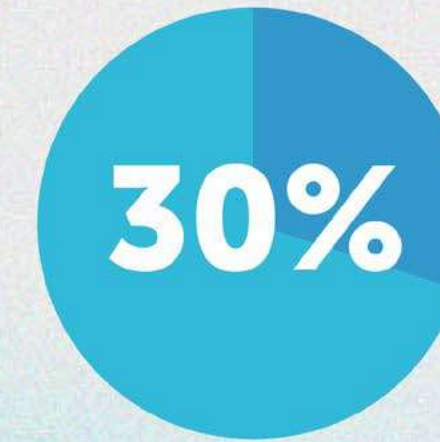
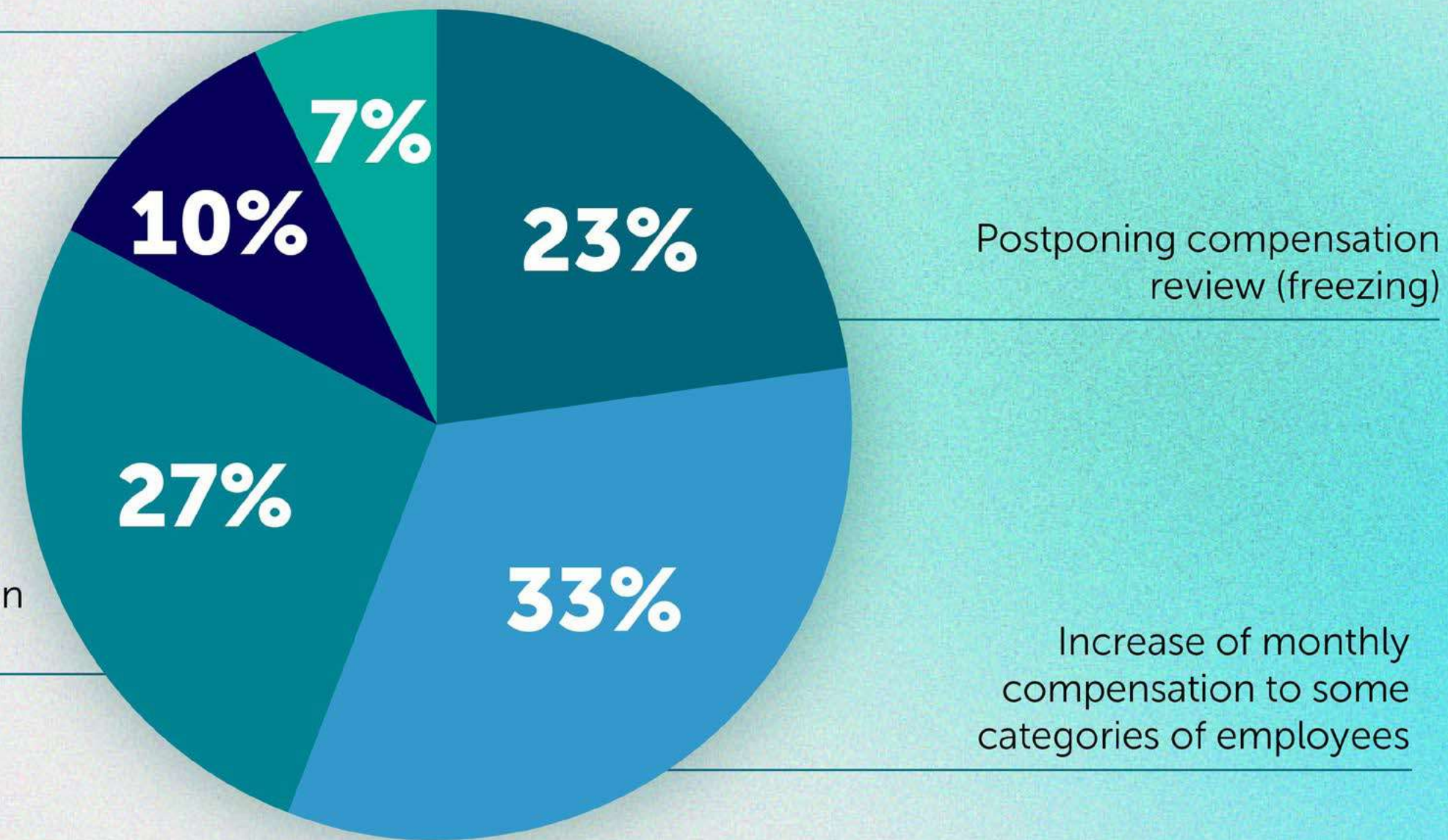
#### 3.2. Changes in the compensation policy

##### Changes in the companies' compensation policy\*

Reduction of monthly compensation to all employees

Reduction of monthly compensation to some categories of employees

Increase of monthly compensation to all employees



30% declared changes in the company's compensation policy since February 24, 2022

# 44%

IT companies have frozen planned compensation increases over the past six months.

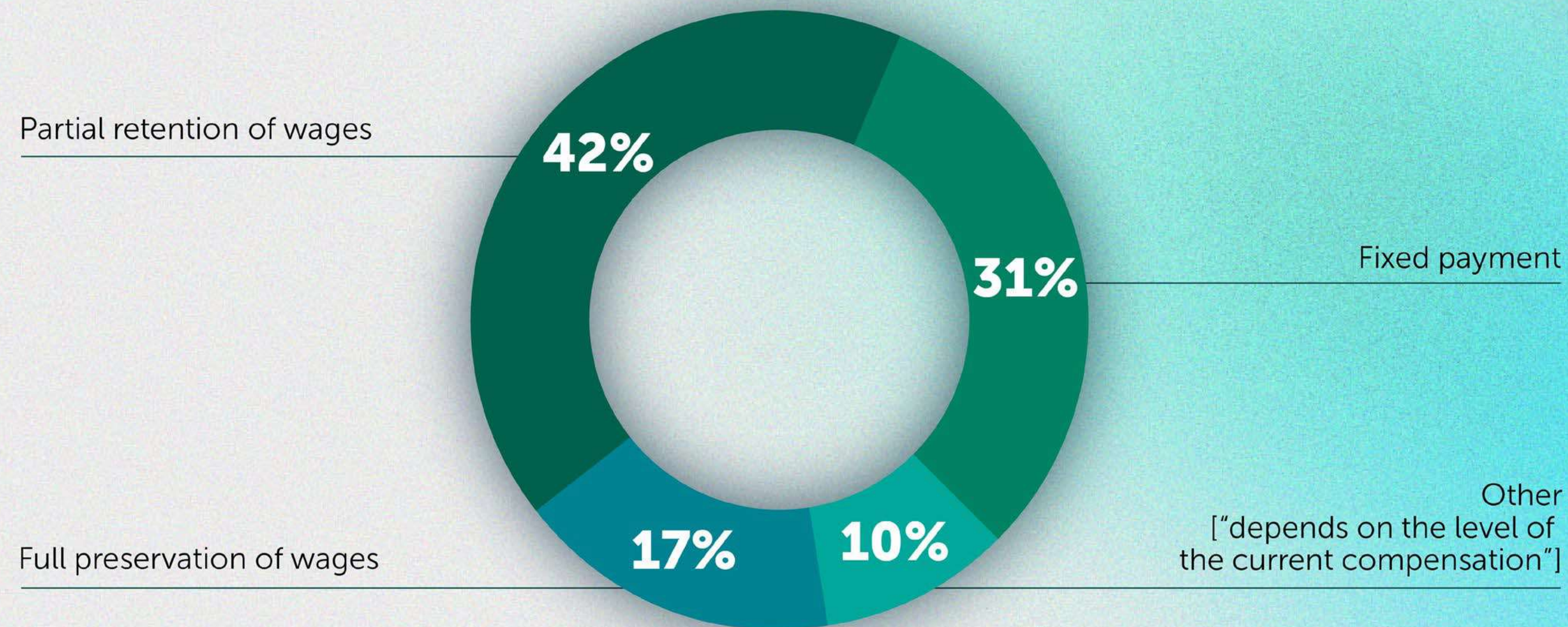
\*Among those who declared changes in compensation policy

### 3. WARTIME ECONOMY

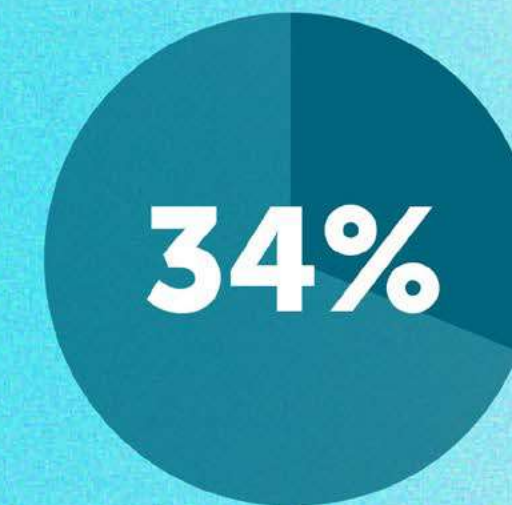
#### 3.2. Changes in the compensation policy

##### Specific features of the companies' compensation policy for some categories of employees\*

Mobilized to the Armed Forces



Companies support employees mobilized to the Armed Forces and Territorial Defence - partly compensate their salary or pay a fixed sum.



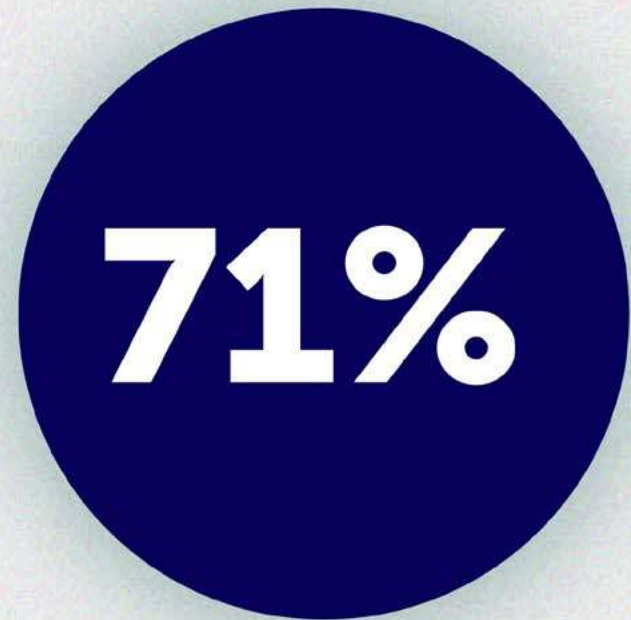
of IT companies reviewed financial relations with employees drafted into the Armed Forces

\*Among those who declared changes in compensation policy



### 3. WARTIME ECONOMY

#### 3.3. Employees and contractors: demand for personnel, recruitment, reserve



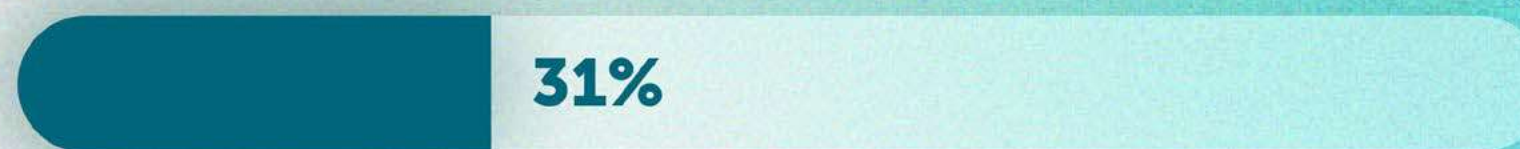
of IT companies note that, as of the survey, they were recruiting specialists for open vacancies



of the surveyed CEOs note that clients have additional requirements for the selection of specialists for their projects.

#### Hiring priorities:

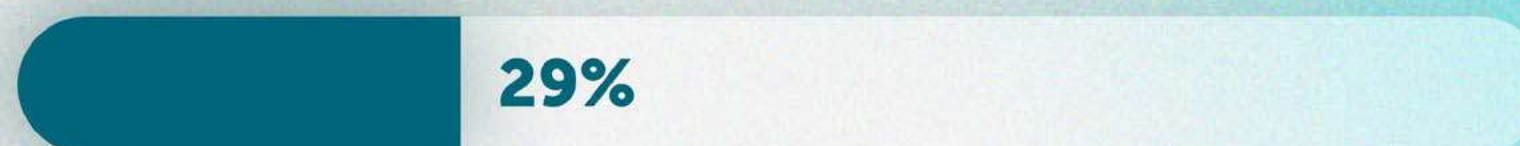
The place of residence of a specialist is not taken into account when hiring



Priority is given to hiring specialists who currently reside in Ukraine



Priority is given to hiring specialists who currently reside abroad



#### Additional customer requirements\*:

Employees staying abroad [At least part of the team, "it is a priority if the position requires live communication over online meetings (Sales, Business Development, PR, etc.)"]; employees staying in Western Ukraine; hiring only foreigners, "Of course, not in Russia or Belarus".

### 3. WARTIME ECONOMY

#### 3.3. Employees and contractors: demand for personnel, recruitment, reserve

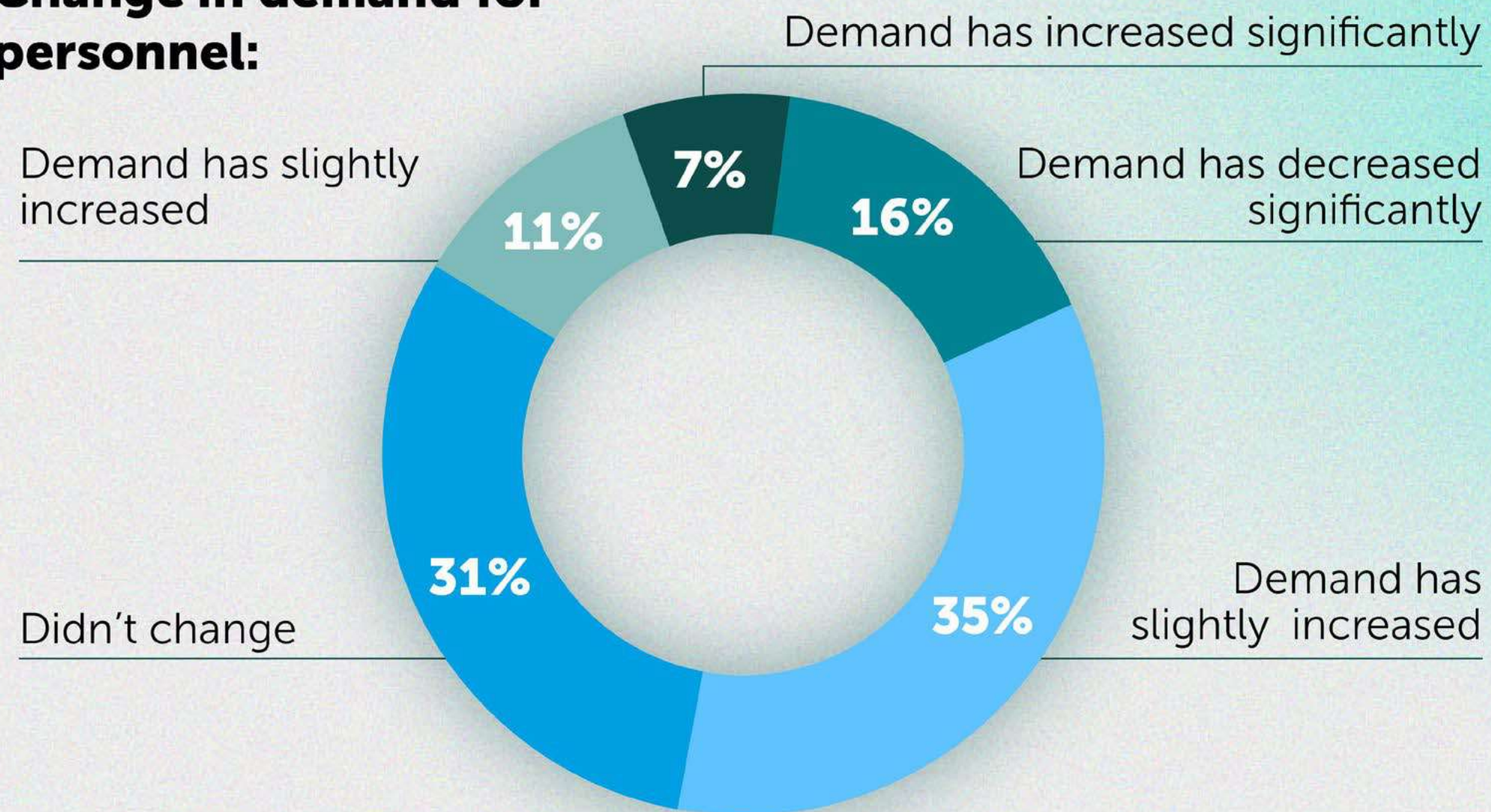
**19%**

of CEOs noted that the company had experienced unscheduled dismissals over the past year (both at the initiative of employees and the company)

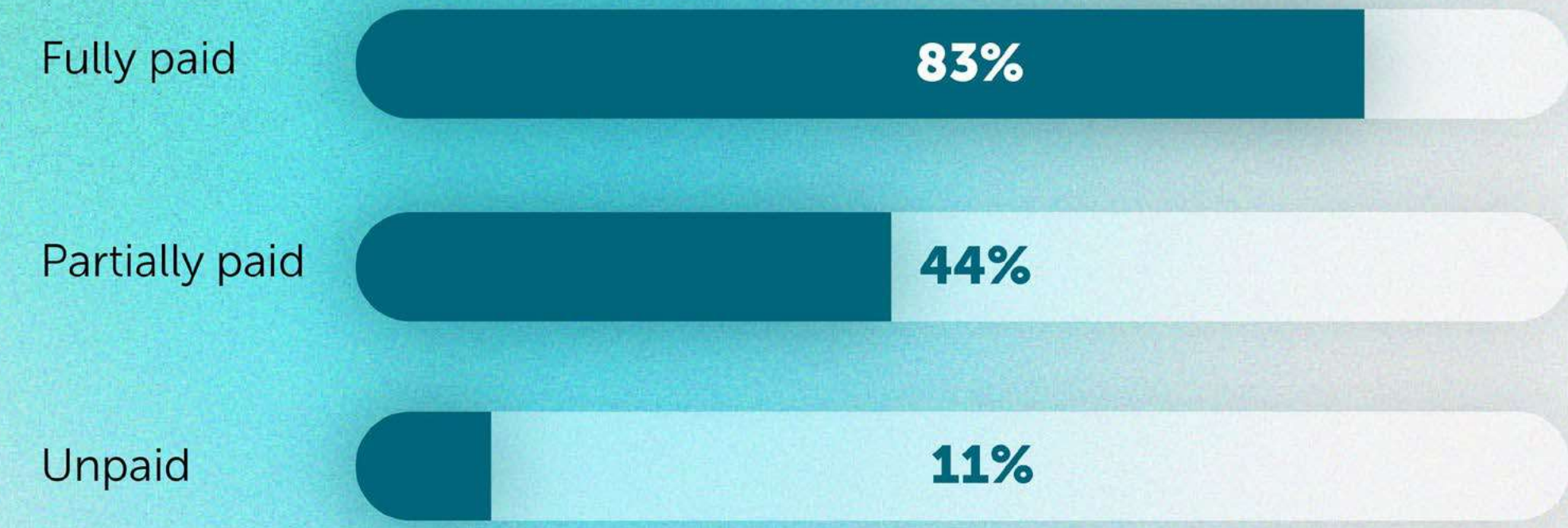
**54%**

as of the survey period, companies had employees transferred to the reserve.

#### Change in demand for personnel:



#### Compensation conditions for employees who are on bench\*:

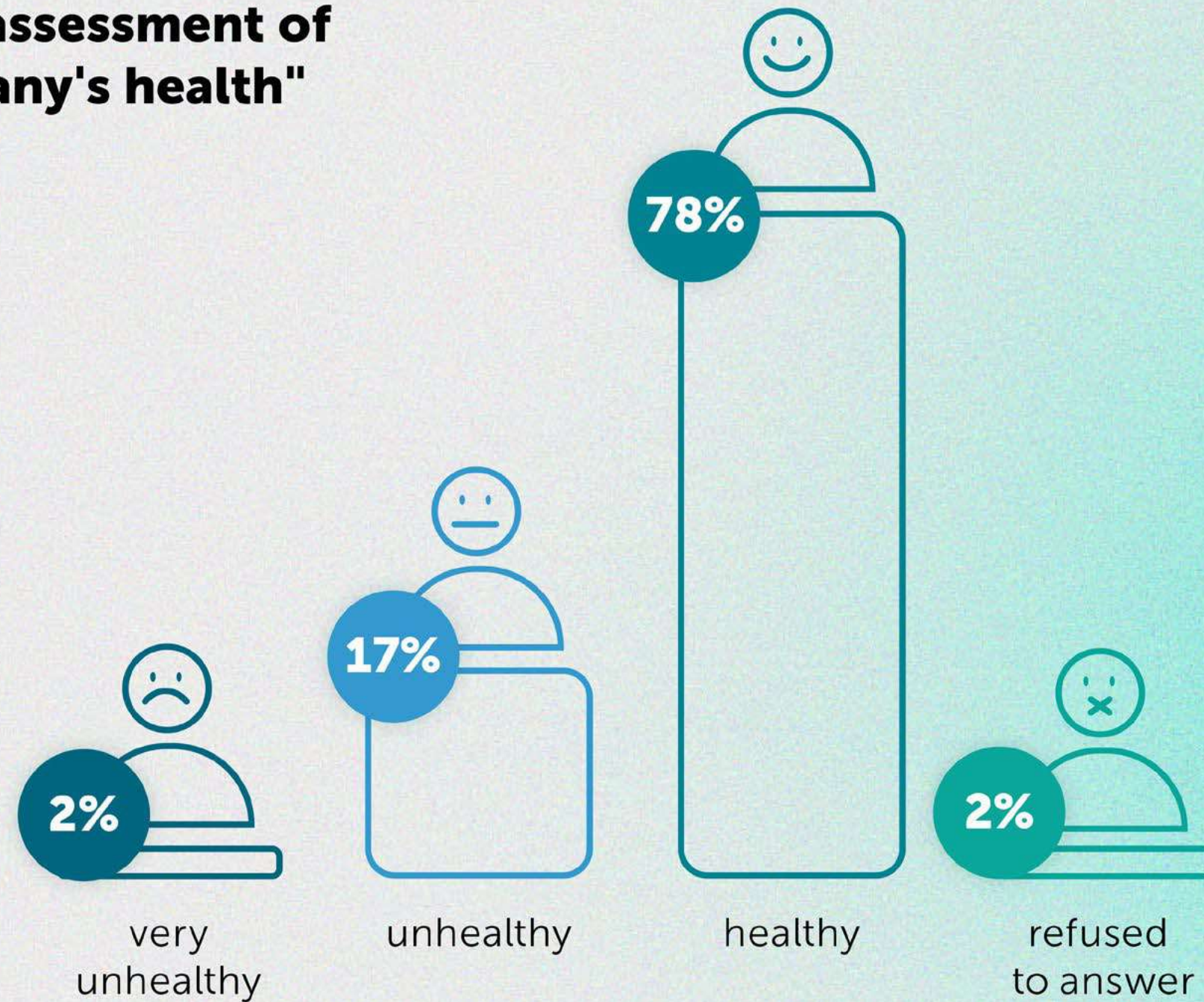


\* Among those who indicated that they have specialists in reserve

### 3. WARTIME ECONOMY

#### 3.4. CEOs' assessment of the "company's health"

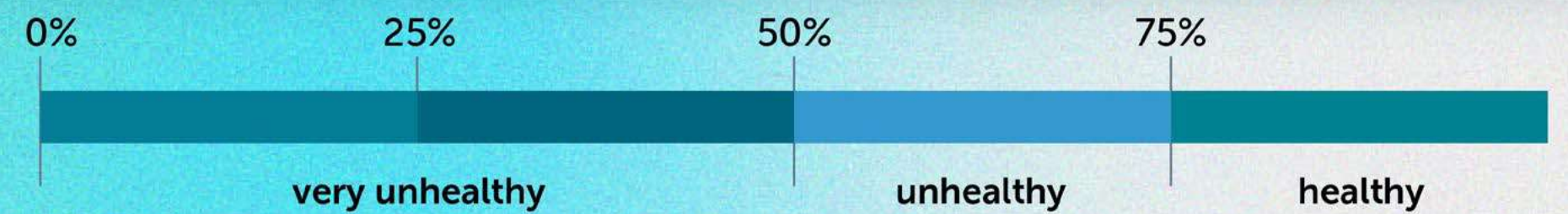
##### CEOs' assessment of "company's health"



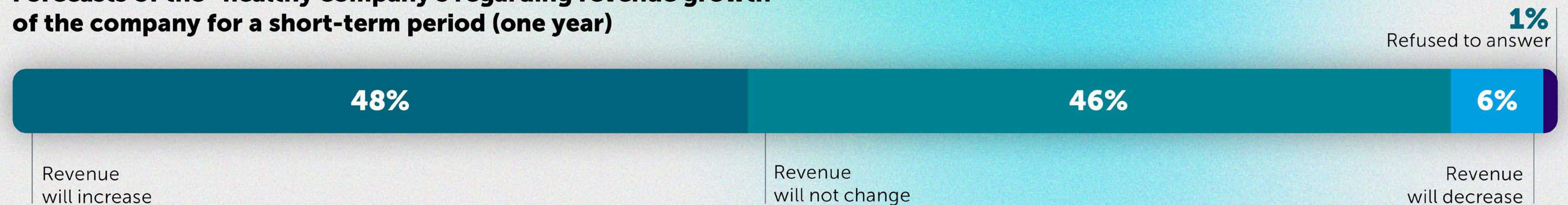
**19%** of companies assess their company's health\* as insufficient.

##### "Company's health"

a complex indicator that includes business activity, financial indicators, general well-being of the team, socially responsible activity, etc. The category of "conditionally healthy and healthy" includes those who estimated health at 75% and above, "unhealthy" - below 75%.

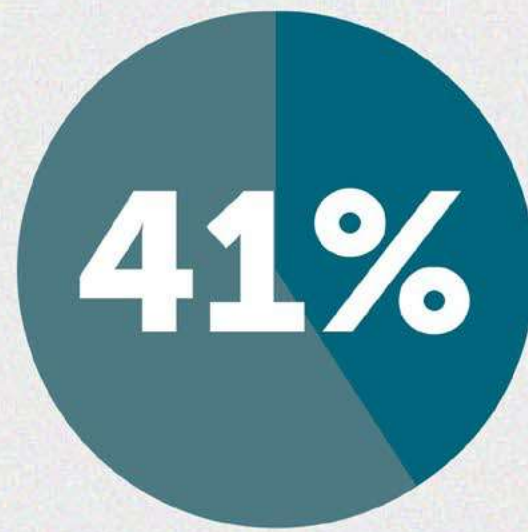


##### Forecasts of the "healthy company's regarding revenue growth of the company for a short-term period (one year)



### 3. WARTIME ECONOMY

#### 3.5. Plans to open new offices

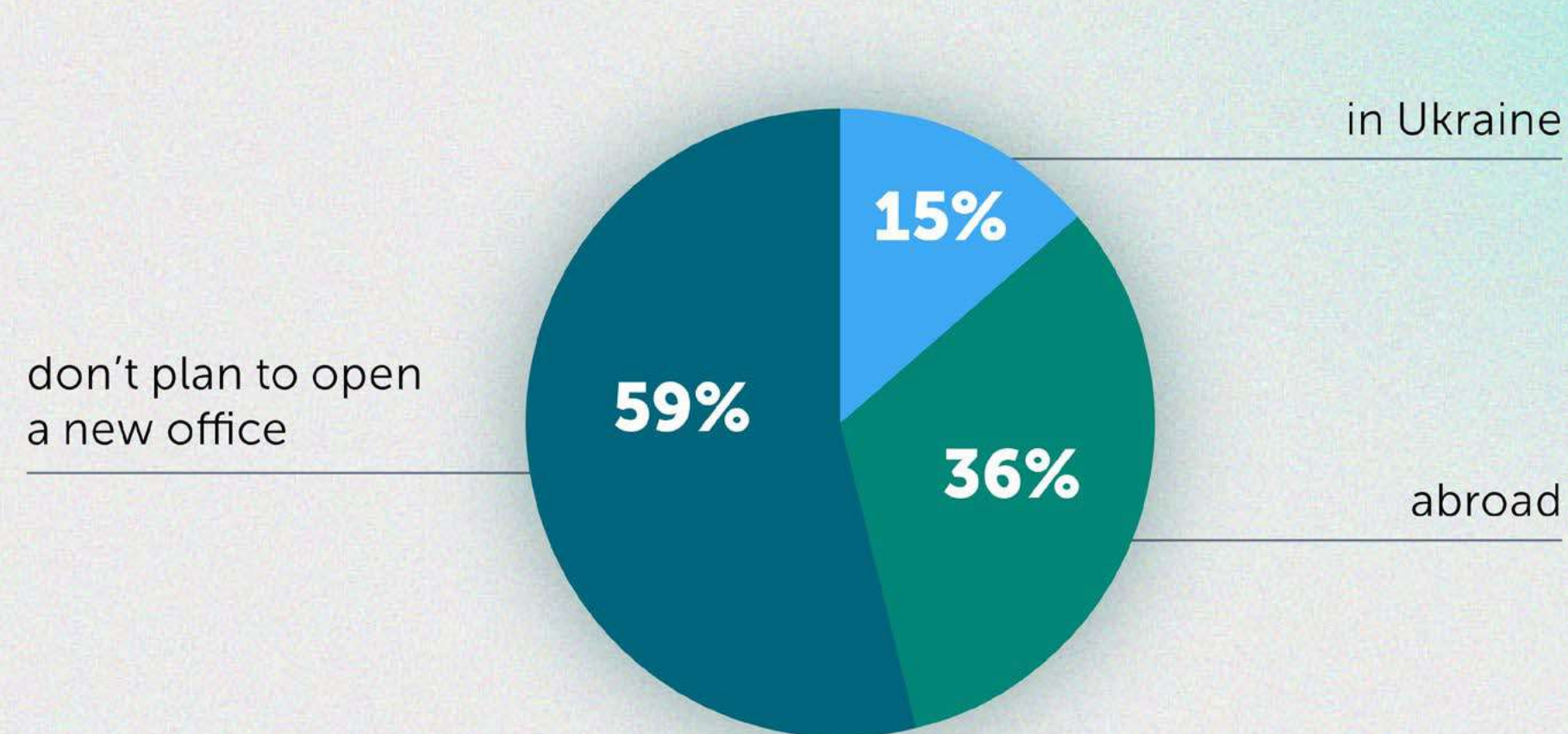


IT companies' CEOs plan to open new offices in the upcoming year. The most popular destination is Poland

A low level of interest in opening regional offices in Ukraine can be observed.



#### Short-term plans to open new offices:



#### In Ukraine

- 3% | Kyiv
- 3% | Lviv
- 2% | Dnipro
- 2% | Odesa
- 2% | Chernivtsi
- Zakarpattia region
- Ternopil
- Ivano-Frankivsk
- Kamianets-Podilskyi

#### Abroad

- 20% | Poland [in particular, Warsaw, Krakow, Poznan]
- 4% | Spain [Malaga]
- 4% | USA
- 3% | Estonia [Tallinn]
- 3% | Portugal [Lisbon]
- 2% | Bulgaria [Varna]
- 2% | Romania [Split, Osijek]
- 2% | Croatia
- Great Britain
- Canada [Calgary]
- Lithuania
- Czech Republic [Prague]
- Germany [Cologne]
- UAE
- France
- India
- Latin America
- Luxembourg
- Mexico
- Switzerland [Basel]
- Turkey [Istanbul]

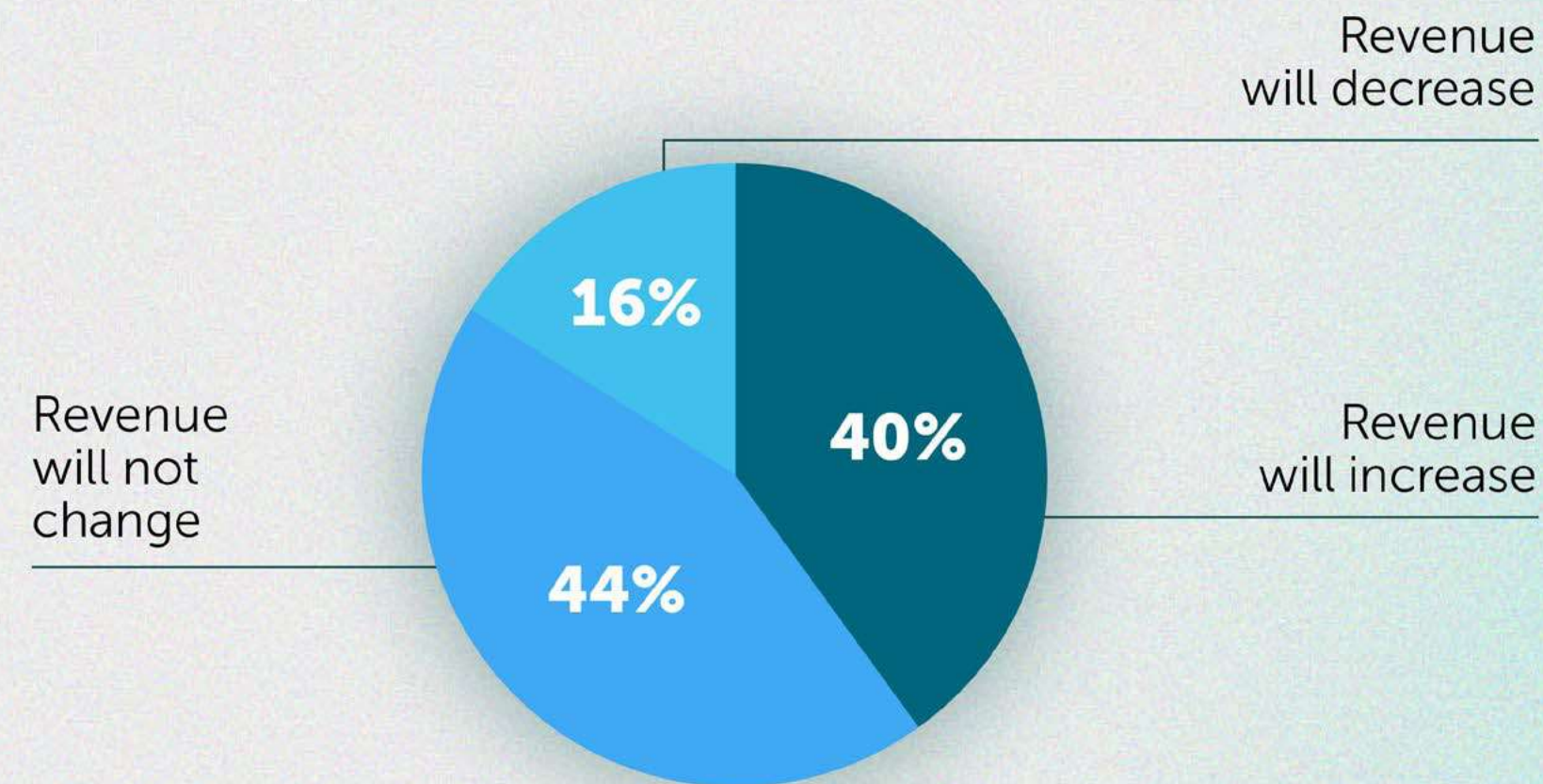
# IT INDUSTRY OUTLOOK AND FORECASTS



# 4. IT INDUSTRY OUTLOOK AND FORECASTS

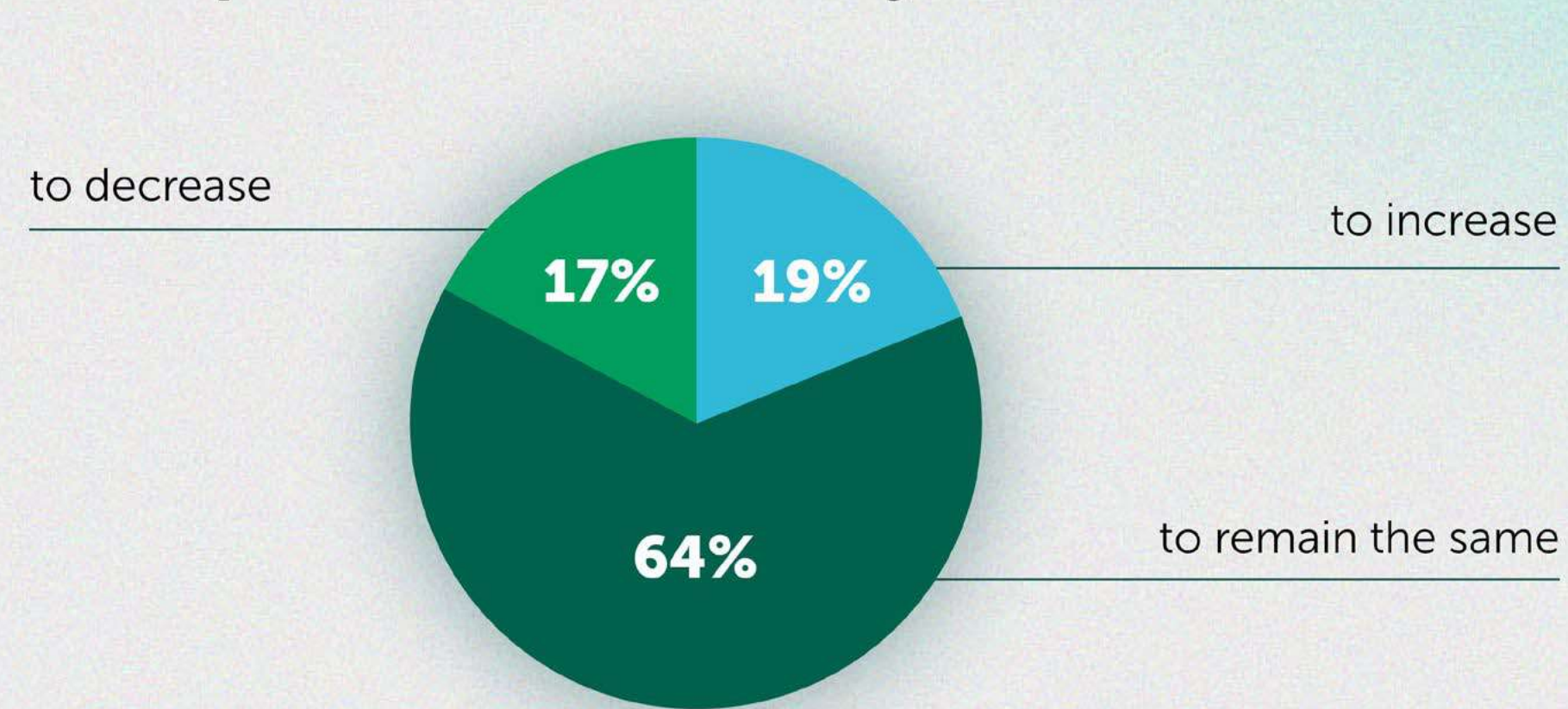
## 4.1. CEOs' outlook

### Over the next 12 months, CEOs expect

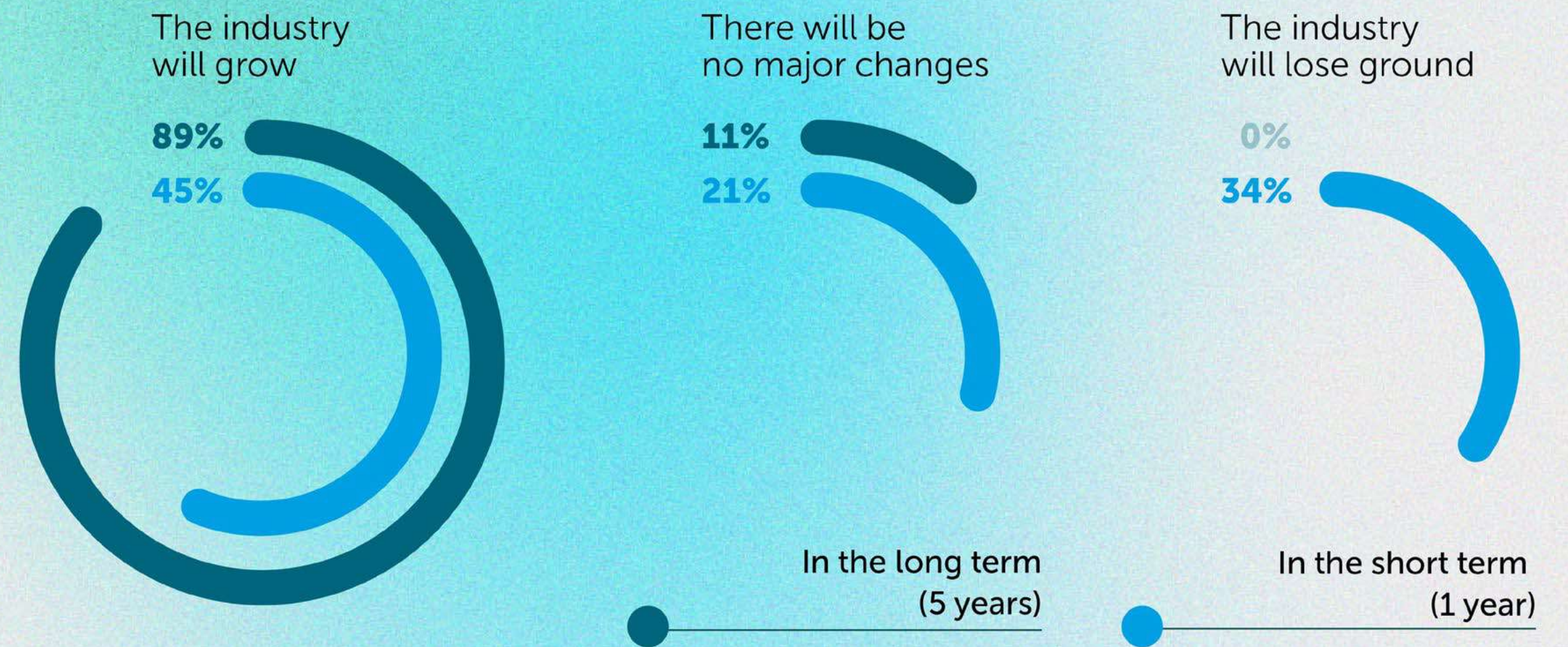


IT company CEOs' short-term forecasts are moderately optimistic, and the long-term – are strongly optimistic.

### Over the next 12 months, CEOs expect an IT specialist's median salary



### CEOs' forecasts for the growth of the IT industry in Ukraine



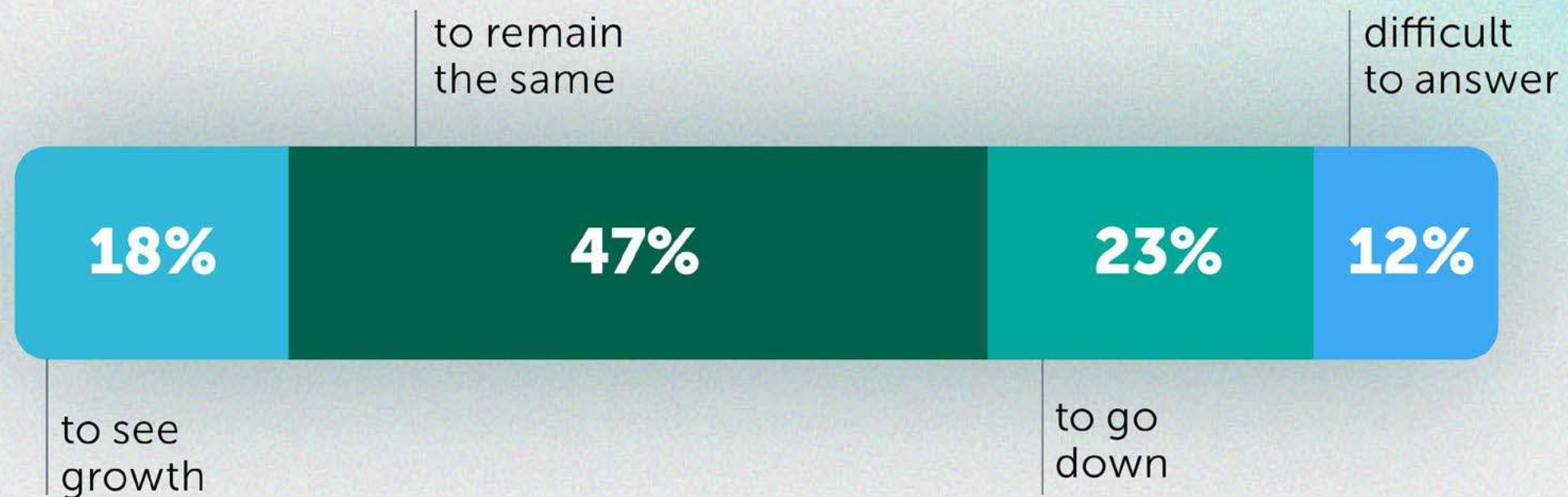
## 4. IT INDUSTRY OUTLOOK AND FORECASTS

### 4.2. IT specialists' outlook

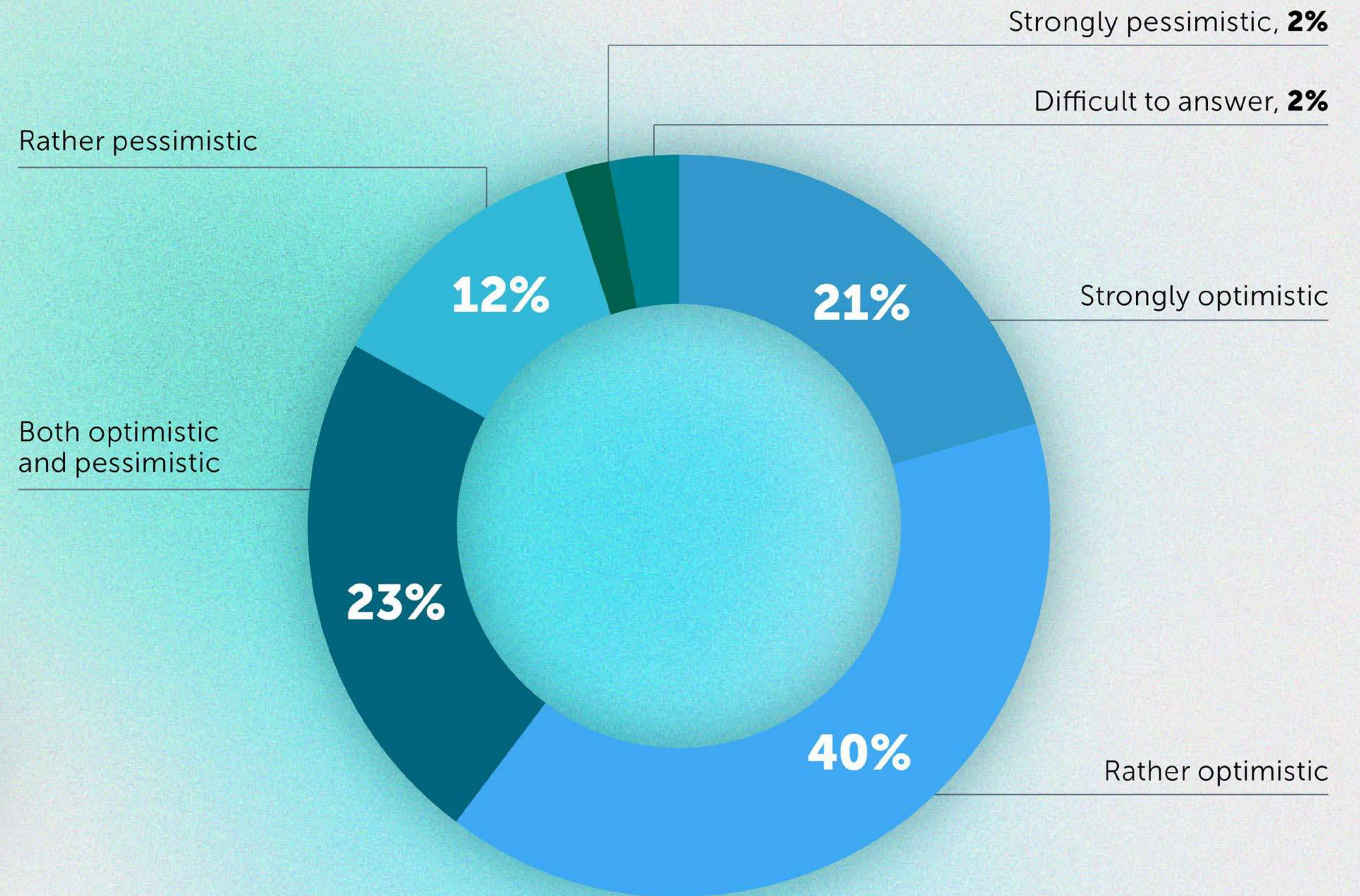
**61%**

IT specialists remain optimistic about Ukraine's tech industry economic future.

**Over the next 12 months, IT specialists expect a median salary...**



### IT specialists' estimate on IT industry short-term outlook



# FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS



## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

5.1. Ukraine's complete victory over Russia. Return of control over the entire territory, including the Crimea and some districts of Donetsk and Luhansk regions

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	12%	14%	17%	12%
Difficult to answer	9%	10%	13%	10%
Will stay in Ukraine	80% native* (76%) other (24%)	76% native (78%) other (22%)	70% native (74%) other (26%)	78% native (76%) other (24%)
Migration balancer	0,68	0,60	0,63	0,67
A fundamental change of position in favor of going abroad	<1%	<1%	1%	<1%
Change of position in favor of going abroad	4%	5%	7%	5%
The position hasn't changed at all	50%	52%	48%	51%
Change of position in favor of staying in Ukraine	39%	37%	39%	37%
A fundamental change of position in favor of staying in Ukraine	6%	5%	6%	6%

\* We provide clarification on the desired place of residence for respondents who chose the answer options "I will stay living in Ukraine" and "I would rather stay living in Ukraine" regarding the proposed factor. The complete formulation of the proposed alternatives is as follows: "I will return to my "native" city/village" [native city] and "I will stay living in Ukraine but in another non-native city/village" [another city].

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.2. Ukraine's victory over russia. Return of control over the territory, except the Crimea

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	14%	18%	22%	16%
Difficult to answer	13%	11%	18%	11%
Will stay in Ukraine	73% native (77%) other (23%)	71% native (78%) other (22%)	60% native (74%) other (26%)	72% native (77%) other (23%)
Migration balancer	0,51	0,43	0,38	0,48
A fundamental change of position in favor of going abroad	1%	1%	2%	1%
Change of position in favor of going abroad	8%	8%	9%	8%
The position hasn't changed at all	51%	53%	51%	52%
Change of position in favor of staying in Ukraine	35%	34%	34%	34%
A fundamental change of position in favor of staying in Ukraine	5%	4%	3%	5%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

5.3. Freezing the military situation with a ceasefire. The demarcation line is set as before 23.02.2022 or a little further towards the border with russia

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	37%	38%	44%	39%
Difficult to answer	13%	14%	19%	15%
Will stay in Ukraine	50% native (72%) other (28%)	48% native (66%) other (34%)	37% native (%) other (%)	46% native (71%) other (29%)
Migration balancer	-0,29	-0,40	-0,43	-0,43
A fundamental change of position in favor of going abroad	7%	7%	10%	9%
Change of position in favor of going abroad	27%	32%	27%	30%
The position hasn't changed at all	44%	43%	44%	42%
Change of position in favor of staying in Ukraine	20%	15%	18%	17%
A fundamental change of position in favor of staying in Ukraine	2%	3%	2%	2%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

5.4 Freezing the military situation with a ceasefire. The line of demarcation will be moved deep into Ukraine in comparison with 23.02.2022

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	52%	56%	66%	58%
Difficult to answer	15%	14%	16%	13%
Will stay in Ukraine	33% native (58%) other (42%)	30% native (36%) other (64%)	19% native (47%) other (53%)	29% native (43%) other (57%)
Migration balancer	<b>-0,87</b>	<b>-1,01</b>	<b>-1,12</b>	<b>-1,03</b>
A fundamental change of position in favor of going abroad	13%	17%	21%	17%
Change of position in favor of going abroad	38%	39%	36%	39%
The position hasn't changed at all	38%	35%	34%	35%
Change of position in favor of staying in Ukraine	10%	9%	8%	9%
A fundamental change of position in favor of staying in Ukraine	1%	1%	1%	1%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.5. Ukraine is being rebuilt by Western support

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	13%	14%	18%	12%
Difficult to answer	10%	13%	14%	13%
Will stay in Ukraine	76%	73%	67%	35%
Migration balancer	0,59	0,49	0,53	0,56
A fundamental change of position in favor of going abroad	<1%	-	1%	<1%
Change of position in favor of going abroad	7%	9%	9%	8%
The position hasn't changed at all	50%	52%	52%	52%
Change of position in favor of staying in Ukraine	37%	35%	32%	35%
A fundamental change of position in favor of staying in Ukraine	6%	5%	7%	6%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.6. Ukraine is being rebuilt without the Western support

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	35%	33%	46%	35%
Difficult to answer	20%	19%	18%	17%
Will stay in Ukraine	45%	48%	36%	48%
Migration balancer	-0,35	-0,34	-0,43	-0,32
A fundamental change of position in favor of going abroad	4%	4%	7%	4%
Change of position in favor of going abroad	32%	31%	33%	31%
The position hasn't changed at all	49%	50%	42%	48%
Change of position in favor of staying in Ukraine	14%	13%	16%	15%
A fundamental change of position in favor of staying in Ukraine	2%	2%	2%	2%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

5.7. Modernization of the country is based on the liberalization of the economy, the introduction of economic freedoms, including minimum taxation

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	12%	13%	16%	12%
Difficult to answer	9%	11%	15%	11%
Will stay in Ukraine	79%	76%	69%	77%
Migration balancer	0,64	0,50	0,60	0,58
A fundamental change of position in favor of going abroad	1%	1%	2%	1%
Change of position in favor of going abroad	7%	10%	9%	9%
The position hasn't changed at all	48%	49%	44%	49%
Change of position in favor of staying in Ukraine	37%	34%	38%	35%
A fundamental change of position in favor of staying in Ukraine	7%	6%	7%	7%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

5.8. The recovery and functioning of the economy is followed by strict state regulation, in particular regarding business activity, taxation, etc.

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	47%	44%	56%	45%
Difficult to answer	20%	22%	22%	21%
Will stay in Ukraine	32%	34%	23%	34%
Migration balancer	-0,80	-0,78	-0,87	-0,78
A fundamental change of position in favor of going abroad	12%	10%	12%	11%
Change of position in favor of going abroad	39%	44%	44%	41%
The position hasn't changed at all	38%	36%	31%	37%
Change of position in favor of staying in Ukraine	10%	9%	12%	11%
A fundamental change of position in favor of staying in Ukraine	1%	1%	1%	1%



## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.9. The state security strategy is based solely on building a professional army

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	20%	25%	29%	25%
Difficult to answer	18%	17%	19%	17%
Will stay in Ukraine	61%	58%	51%	58%
Migration balancer	0,16	-0,04	0,07	0,02
A fundamental change of position in favor of going abroad	3%	3%	6%	4%
Change of position in favor of going abroad	20%	26%	22%	22%
The position hasn't changed at all	45%	46%	40%	46%
Change of position in favor of staying in Ukraine	28%	23%	28%	25%
A fundamental change of position in favor of staying in Ukraine	4%	3%	4%	3%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

5.10. The state security strategy also provides for general mobilization and military commitment

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	45%	50%	60%	50%
Difficult to answer	19%	18%	16%	18%
Will stay in Ukraine	35%	32%	24%	32%
Migration balancer	-0,72	-0,91	-0,97	-0,87
A fundamental change of position in favor of going abroad	11%	15%	18%	15%
Change of position in favor of going abroad	38%	40%	38%	38%
The position hasn't changed at all	38%	35%	32%	34%
Change of position in favor of staying in Ukraine	12%	10%	11%	11%
A fundamental change of position in favor of staying in Ukraine	<1%	1%	2%	1%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.11. Shortage of tech job vacancies in Ukraine for IT specialists

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	43%	47%	56%	47%
Difficult to answer	23%	19%	20%	19%
Will stay in Ukraine	33%	34%	24%	33%
Migration balancer	-0,70	-0,79	-0,86	-0,78
A fundamental change of position in favor of going abroad	10%	14%	13%	13%
Change of position in favor of going abroad	38%	36%	40%	37%
The position hasn't changed at all	37%	38%	34%	37%
Change of position in favor of staying in Ukraine	13%	10%	10%	11%
A fundamental change of position in favor of staying in Ukraine	1%	2%	3%	2%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.12. Lack of IT specialists in Ukraine, a significant number of vacancies

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	17%	20%	20%	18%
Difficult to answer	14%	15%	19%	16%
Will stay in Ukraine	69%	65%	61%	66%
Migration balancer	0,39	0,22	0,39	0,29
A fundamental change of position in favor of going abroad	2%	2%	2%	2%
Change of position in favor of going abroad	12%	13%	14%	14%
The position hasn't changed at all	49%	54%	45%	51%
Change of position in favor of staying in Ukraine	32%	27%	33%	28%
A fundamental change of position in favor of staying in Ukraine	5%	3%	6%	5%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.13. Employers create conditions and/or additional benefits for relocation abroad

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	44%	43%	49%	43%
Difficult to answer	21%	24%	24%	24%
Will stay in Ukraine	35% native (69%) other (31%)	33% native (82%) other (18%)	27% native (79%) other (21%)	34% native (82%) other (18%)
Migration balancer	-0,69	-0,78	-0,71	-0,73
A fundamental change of position in favor of going abroad	8%	9%	8%	9%
Change of position in favor of going abroad	41%	44%	43%	43%
The position hasn't changed at all	39%	37%	39%	36%
Change of position in favor of staying in Ukraine	11%	9%	10%	11%
A fundamental change of position in favor of staying in Ukraine	<1%	1%	-	<1%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.14. Companies create conditions and/or additional incentives to work in safe places (locations) in Ukraine

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	19%	20%	22%	18%
Difficult to answer	18%	15%	20%	18%
Will stay in Ukraine	64% native (69%) other (31%)	65% native (64%) other (36%)	57% native (63%) other (37%)	64% native (63%) other (37%)
Migration balancer	0,28	0,24	0,32	0,27
A fundamental change of position in favor of going abroad	2%	1%	3%	1%
Change of position in favor of going abroad	13%	14%	15%	15%
The position hasn't changed at all	51%	55%	48%	52%
Change of position in favor of staying in Ukraine	32%	27%	30%	28%
A fundamental change of position in favor of staying in Ukraine	2%	3%	5%	4%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.15. Loss of tech job in Ukraine

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	41%	45%	45%	44%
Difficult to answer	23%	20%	30%	22%
Will stay in Ukraine	36% native (74%) other (26%)	35% native (68%) other (32%)	25% native (75%) other (25%)	33% native (69%) other (31%)
Migration balancer	-0,67	-0,80	-0,69	-0,78
A fundamental change of position in favor of going abroad	10%	14%	7%	13%
Change of position in favor of going abroad	34%	37%	43%	39%
The position hasn't changed at all	43%	37%	35%	34%
Change of position in favor of staying in Ukraine	12%	11%	13%	13%
A fundamental change of position in favor of staying in Ukraine	1%	1%	2%	1%

## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

### 5.16. Hypothetical loss of housing at the place of permanent residence

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	47%	44%	56%	47%
Difficult to answer	20%	18%	18%	19%
Will stay in Ukraine	33% native (52%) other (48%)	38% native (39%) other (61%)	27% native (32%) other (68%)	34% native (38%) other (62%)
Migration balancer	-0,78	-0,69	-0,80	-0,78
A fundamental change of position in favor of going abroad	11%	10%	15%	12%
Change of position in favor of going abroad	38%	37%	31%	37%
The position hasn't changed at all	41%	41%	42%	39%
Change of position in favor of staying in Ukraine	10%	12%	11%	11%
A fundamental change of position in favor of staying in Ukraine	1%	1%	1%	1%



## 5. APPENDICES. FACTORS OF CHANGE IN THE MIGRATION ATTITUDES OF DISPLACED IT PROFESSIONALS FROM THE TARGET REGIONS

5.17. Increase in the cost of living (rising prices for goods and services, rental housing, etc.)

	Kyiv and Kyiv region	Kharkiv and Kharkiv region	Dnipro and Zaporizhzhia regions	Donetsk and Luhansk regions
Will try to go abroad	28%	34%	43%	34%
Difficult to answer	27%	22%	20%	22%
Will stay in Ukraine	45% native (73%) other (27%)	43% native (70%) other (30%)	37% native (77%) other (23%)	44% native (73%) other (27%)
Migration balancer	-0,23	-0,44	-0,40	-0,38
A fundamental change of position in favor of going abroad	4%	6%	5%	6%
Change of position in favor of going abroad	28%	34%	35%	33%
The position hasn't changed at all	49%	45%	43%	43%
Change of position in favor of staying in Ukraine	18%	14%	15%	17%
A fundamental change of position in favor of staying in Ukraine	1%	1%	2%	2%



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