



BUSINESS PROFILE

OF KOROSTYSHIV TERRITORIAL COMMUNITY

ZHYTOMYR REGION



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INTRODUCTION

This business profile has been prepared as part of the implementation of the «Efficient Community for Business» project in Zhytomyr region.

The project is being implemented by the Institution “Zhytomyr Regional Development Agency” within the framework of a grant competition for systemic support for small and medium-sized enterprises commissioned by the EU4Business: SME Recovery, Competitiveness and Internationalization Program, co-funded by the European Union and the German Government. The grant competition is being implemented by the Business Development Fund, with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH as the strategic implementing partner.

The contents of this publication are the sole responsibility of Institution “Zhytomyr Regional Development Agency” and do not necessarily reflect the views of the European Union, the German Government, GIZ, and the BDF.

Integral annexes to this business profile are the methodology for developing the business profile and the table for updating the business profile data in the format of an excel document.

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More about the «EU4Business: SME Recovery, Competitiveness and Internationalization» international cooperation program:



SECTION 1. GENERAL INFORMATION ABOUT THE COMMUNITY

	Name of the community	Korostyshiv City Territorial Community
	Administrative center of the community	Korostyshiv city
	Composition of the community	1 Korostyshiv City, 28 villages
	Community area	430.29 km ²
	Population of the community	30,941 persons

Geographical location of the community

The administrative center of the Korostyshiv territorial community is Korostyshiv city, located in the Zhytomyr region, 34.4 km from the regional center - Zhytomyr city.

The geographical location of the community is quite good, as the community is located relatively close to the regional center of Zhytomyr and the international highway M06 with important transport interchanges passes almost through the entire community. Kyiv city is 108 km away from the community center. Given its favorable transport location, in particular near the M06, the community has good investment potential, as there is a demand among investors for production facilities near major transport routes to simplify logistics. Also, given the presence of attractive tourist locations, the community is favorable for the development of service and recreation businesses.

The proximity to the regional center of Zhytomyr provides additional advantages, in particular in the context of logistics, as the nearest Ice Tim logistics center is 33 km from the outermost settlement to the community. In total, there are 3 logistics centers in Zhytomyr and the surrounding communities. It is also worth noting that the proximity to customs terminals and customs offices in Zhytomyr and the surrounding communities can simplify logistics for export activities of enterprises; the nearest customs terminal in the Zhytomyr region is 35.5 km away (Zhytomyr Central customs post), and Korostyshiv is home to the Korostyshiv customs clearance sector of the Zhytomyr Central customs post.

There are 2 roads of territorial significance and 43 roads of local significance that pass through Korostyshiv community. The community has direct transport links with Zhytomyr, Kyiv and the centers of neighboring communities - Hlybochytsia, Stanyshivka, Brusyliv and Starosiltsi. A railway line passes through the community.

The community has one passenger railway station in Mamryn village. Also, a railway line with an unloading station is connected to the industrial zone of Korostyshiv.

A map of the community with transportation routes:



Distance to the nearest regional centers (from the community center):



distance to Kyiv

108 km.



distance to Vinnytsia

163 km.



distance to Khmelnytskyi

242 km.



distance to Rivne

222 km.



Distance to the nearest district center
(from the community center)

34.4 km. to Zhytomyr city



Availability of a railway freight station/or
distance to the nearest one

Passenger railway station in Mamryn village. A railway line is connected to the industrial zone of Korostyshiv, and there are small shipment stations.



Availability of an international road or
distance to the nearest one

M06 (16 km. From the community center)



Availability of a national road or distance
to the nearest one

H03, (34.5 km. From the community center)



Local roads that pass through the community:

Territorial

T0602 «Korostyshiv»

T0605 «Kopyschanskyi Maidan — Simakivka»

Regional

O 060814 «Korostyshiv — Kosharyshcha»

O 060510 «Smakivka — Kotlyarka»

District	There are 43 roads of district significance passing through the community.	
✈	Distance to international airports of Ukraine:	
	Danylo Halytskyi Lviv International Airport	451 km.
	Dnipro International Airport	605 km.
	Odesa International Airport	517 km.
	Kharkiv International Airport	596 km.
	Kyiv International Airport named after Ihor Sikorsky (Zhulyany)	107 km.
	International Airport "Boryspil" (Kyiv)	143 km.
🚢	Distances to ports:	
	Odesa port	513 km.
	Riga Free Port	1,025 km.
	Port of Gdansk	1,042 km.
	Port of Hamburg	1,560 km.

Strategic priorities of the community in economic development:

1.1. Improving the investment attractiveness of the community

- Improving access to information about investment opportunities;
- Preparation of urban planning documents of the community.

1.2. Support for small and medium-sized enterprises (SMEs), formation of entrepreneurial thinking

- Development of public spaces for social and business activities;
- Development of leadership skills of young people;
- Improving access to financial resources and training for starting a business, expanding production and exporting products.

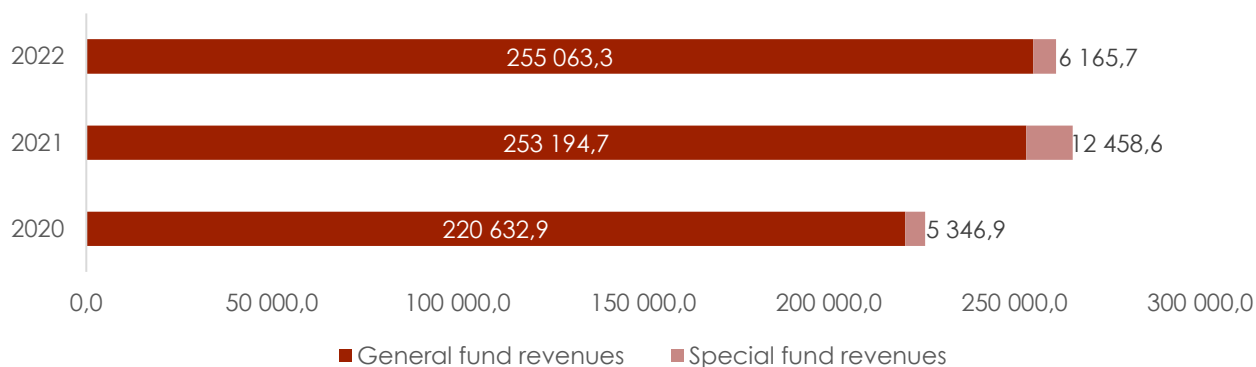
1.3. Development of urban infrastructure

- Improving transport accessibility to community settlements, optimizing the transportation system;
- Modernization of infrastructure, engineering networks and efficient consumption metering.

Revenues and expenditures of the community budget

The budget of the Korostyshiv community in terms of the general fund shows a steady upward trend; in 2022, the general fund grew by 0.7%. However, the special fund decreased by 50.5%. In 2021, despite the «covid crisis», there was a significant increase in the local budget by 13% in the general fund and 57% in the special fund.

Structure of community budget revenues by main items in the progression for 2020-2022
(UAH thousand)



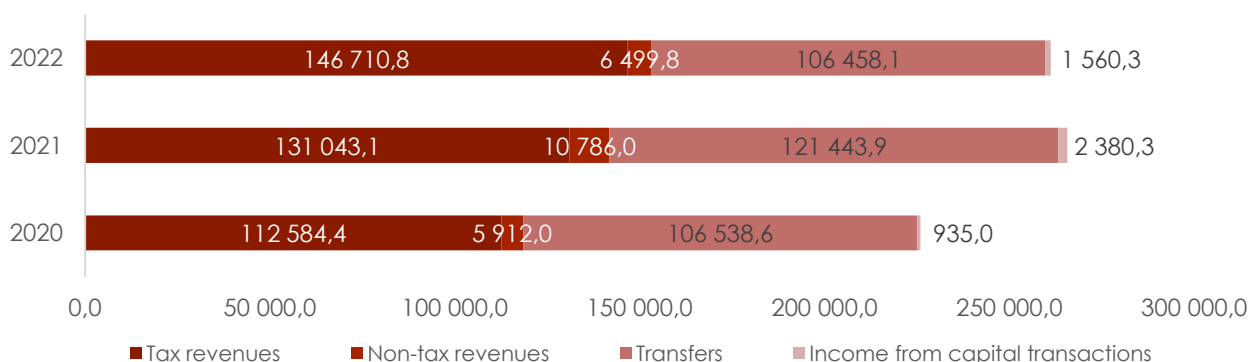
Tax revenues account for the lion's share of local budget revenues. In 2022, tax revenues accounted for 56.2% of total revenues. In 2022, tax revenues increased by 10.7% compared to 2021.

In 2022, transfers accounted for 40.8% of total revenues, despite a slight decrease of 1.2% compared to the previous period.

Non-tax revenues accounted for 2.5% of total revenues in 2022. At the same time, non-tax revenues decreased by 39.7% compared to 2021.

In 2022, revenues from capital transactions amounted to 0.6% of total revenues. It is worth noting that in 2022, income from capital transactions decreased by 34.5% compared to 2021.

Structure of budget revenues by main items in progression for 2020-2022
(UAH thousand)



In the structure of tax revenues, the lion's share is made up of personal income taxes (64.4%). At the same time, revenues from this item are growing annually, with an increase of 25.1% in

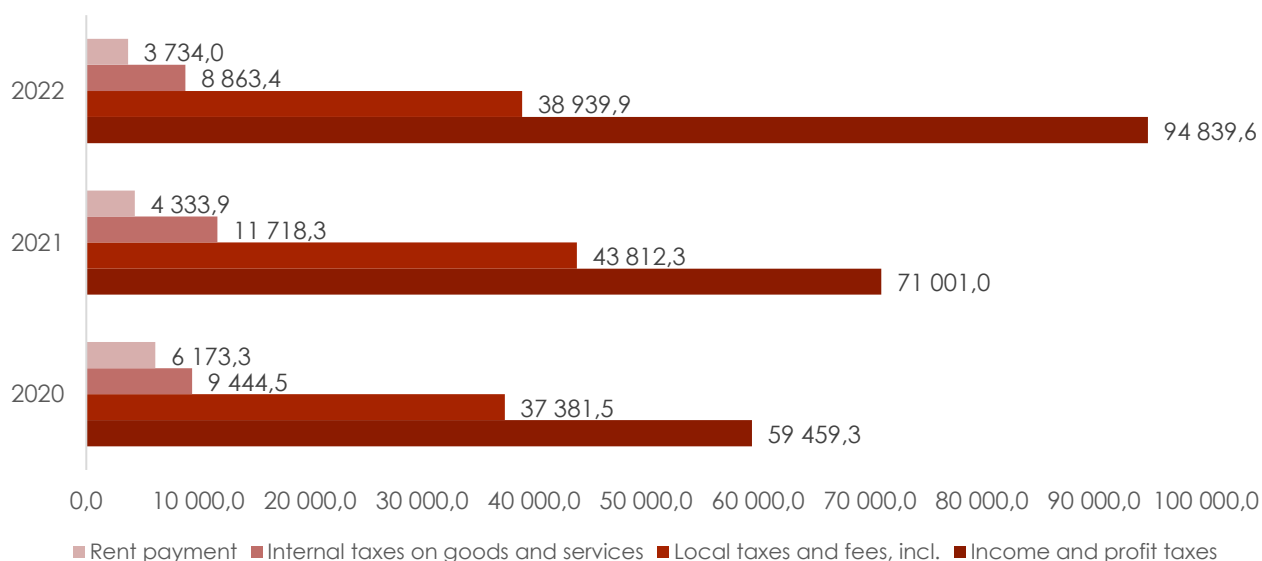
2022 compared to 2021. It is worth noting that the growth in 2022 was due to personal income tax on military salaries. And in 2021, a significant increase occurred due to a significant increase in funding for education expenditures, according to "Openbudget" data¹.

Local taxes and fees account for 26.5% of the structure of local budget revenues as of 2022, but in 2021 this item decreased by 11.1% compared to the previous period (see the following figure «Structure of budget revenues from local taxes and fees by main items for 2020-2022 (UAH thousand»).

Internal taxes on goods and services, namely excise taxes, accounted for 6% of total tax revenues in 2022, but this item also decreased by 24.5% compared to 2021. If we compare this with Section 3, we see that there has been a significant reduction in the number of exporters and importers, and therefore the community has not received tax revenues from excise taxes on imported and exported goods from Ukraine.

Rents account for 2.6% of total tax revenues in 2022 and also show a decrease of 13.9% in 2022 compared to 2021. This was primarily due to a reduction in fees for the use of community forest resources. This indicator requires a more detailed analysis, as data is needed by business entities that use forest resources in the community.

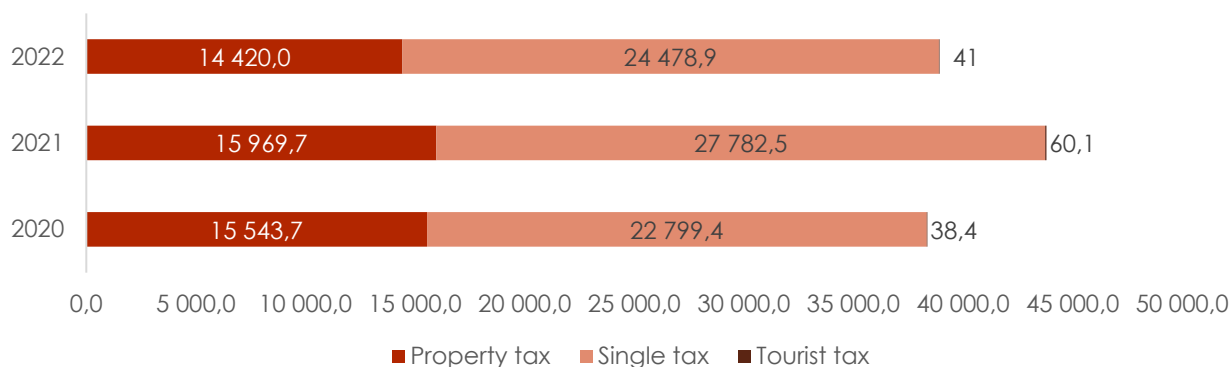
Structure of tax revenues to the community budget for 2020-2022 (UAH thousand)



In the structure of revenues from local taxes and fees, 62.9% are revenues from the single tax; 37% - from the property tax and 0.1% - from the tourist tax as of 2022. At the same time, in 2022, there was a slight decrease in all items of local taxes and fees compared to 2021: property tax decreased by 9.7%, single tax by 11.9%, and tourist tax by 31.8%.

¹ Source: <https://openbudget.gov.ua/local-budget/0651200000/info/indicators>

Structure of budget revenues from local taxes and fees by main items for 2020-2022
(UAH thousand)



It is worth noting an interesting trend that in 2021, the tourist tax in the community increased by 36.1%, despite the fact that 2021 was the peak of the «covid crisis». Also, in 2021, single tax revenues increased by 18%, which indicates that the «covid crisis» did not have a critical impact on the community's economy.

As for property tax payments, part of the population left due to the war, and many IDPs came to the community. Therefore, taxpayers did not pay their obligations in full. It is very likely that after the people who left will return, there will be a short-term increase in property tax payments.

By comparing the data on the single tax payment with the number of individual entrepreneurs, we will get the average amount of the single tax per 1 individual entrepreneur for each year.

For 2020: $22,799.4 / 2084 \approx 10.92$ thousand UAH.

For 2021: $27,782.5 / 2130 \approx 13.05$ thousand UAH.

For 2022: $24,478.9 / 2142 \approx 11.44$ thousand UAH.

Accordingly, the growth rate was 19.49% in 2021, and 12.34% in 2022

Local taxes and fees applicable in the Korostyshiv community²:

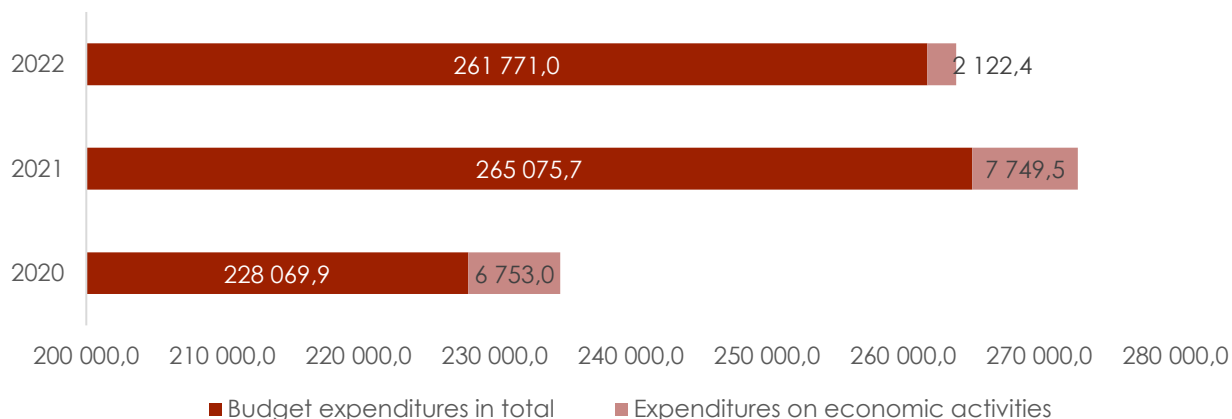
- Land tax is calculated according to the land tax rates in accordance with the [Decision of Korostyshiv City Council №219 dated 30.06.2021.](#)
- Real estate tax is calculated according to the tax rates in accordance with the [Decision of Korostyshiv City Council №219 dated 30.06.2021.](#)
- Single tax: for the 1st group of taxpayers - 10% of the subsistence minimum, for the 2nd group of taxpayers - 20% of the minimum wage;
- Transport tax: UAH 25 thousand per year for each passenger car that is subject to taxation;

² Source: Decision of the Korostyshiv City Council «On the establishment of local taxes and fees on the territory of the Korostyshiv City Territorial Community» №219 dated 30.06.2021: https://korostyshiv-rada.gov.ua/images/8_skykanva/Rishenya/2021/12/219.pdf

- Tourist tax: 0.5% for domestic tourism of the minimum wage for one person per day of temporary accommodation; 0.5% for inbound tourism of the minimum wage for one person per day of temporary accommodation.

Community budget expenditures decreased by 1.25% in 2022. At the same time, expenditures on economic activity amounted to 0.8% of total expenditures.

Dynamics of budget expenditures, including expenditures on economic activity in the progression of 2020-2022 (UAH thousand)



As we can see, in 2021, there was a significant increase in budget expenditures by UAH 37,005.8 thousand, or by %. In 2022, compared to 2021, expenditures decreased by UAH 3,304.7 thousand. As we noted earlier, the largest increase in expenditure items was due to an increase in education spending.

Expenditures on economic activities increased by UAH 996.5 thousand in 2021 and decreased by UAH 5,627.1 thousand in 2022.

For the sake of completeness, we will analyze how the growth rate of economic expenditures has changed in accordance with the growth rate of total budget expenditures, namely, the growth rate in 2021 was 2.44%, and in 2022 -48.54%.

In relative terms, the growth rate of expenditures on economic activity relative to total budget expenditures shows how much the share of expenditures on economic activity as a percentage of total budget expenditures changes. In 2021, it increased by 2.44%, and in 2022 it fell by 48.54%.

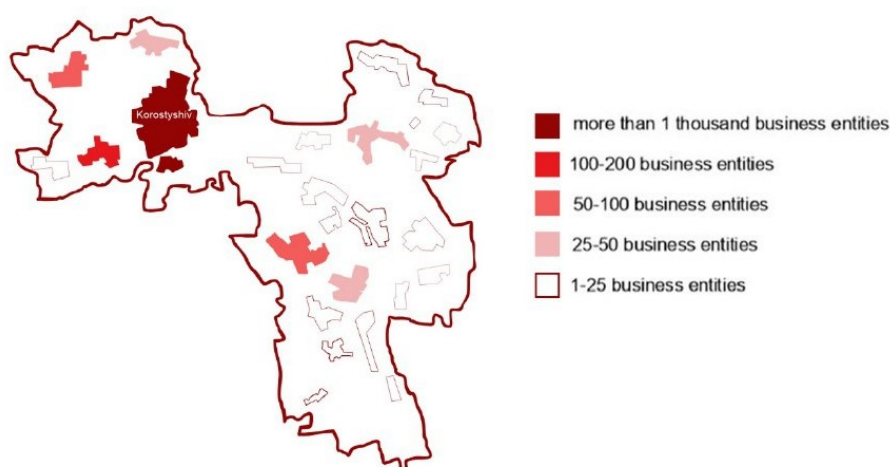
Total budget expenditures include various categories of expenditures, including expenditures on economic activity. Their decrease can be justified by changes in priorities in the distribution of community taxpayers' funds.

SECTION 2. BUSINESS ENVIRONMENT OF THE COMMUNITY.

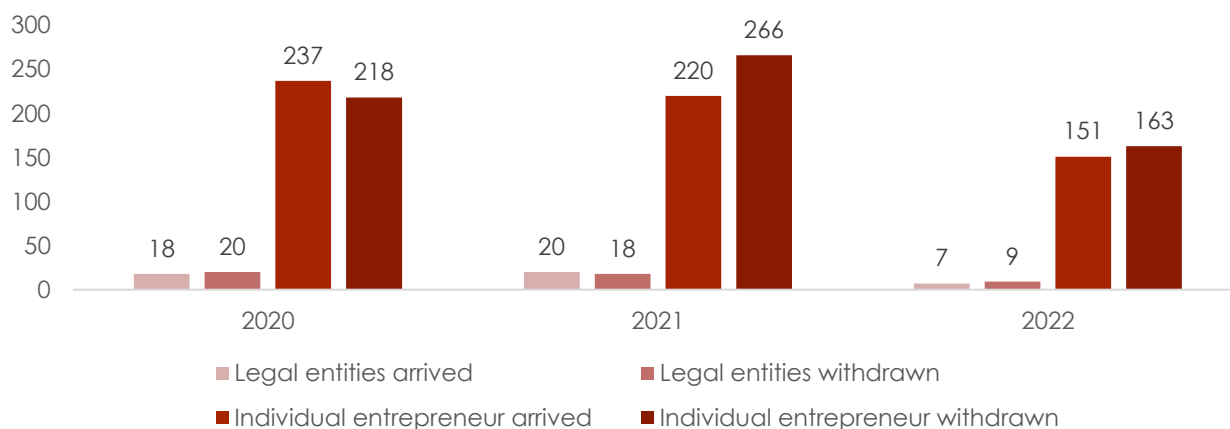
SUBSECTION 1. TRENDS IN THE DEVELOPMENT OF THE COMMUNITY BUSINESS ENVIRONMENT

There are **2,938** business entities in the Korostyshiv community in 2022, including **796** legal entities and **2,142** individual entrepreneurs.

Analyzing the gradation of settlements of the community by the number of registered enterprises, it follows that the largest number of enterprises are concentrated in the center of the community and on the outskirts, as well as near the M-06 highway.



Dynamics of growth of community economic entities in 2020-2022 (units)

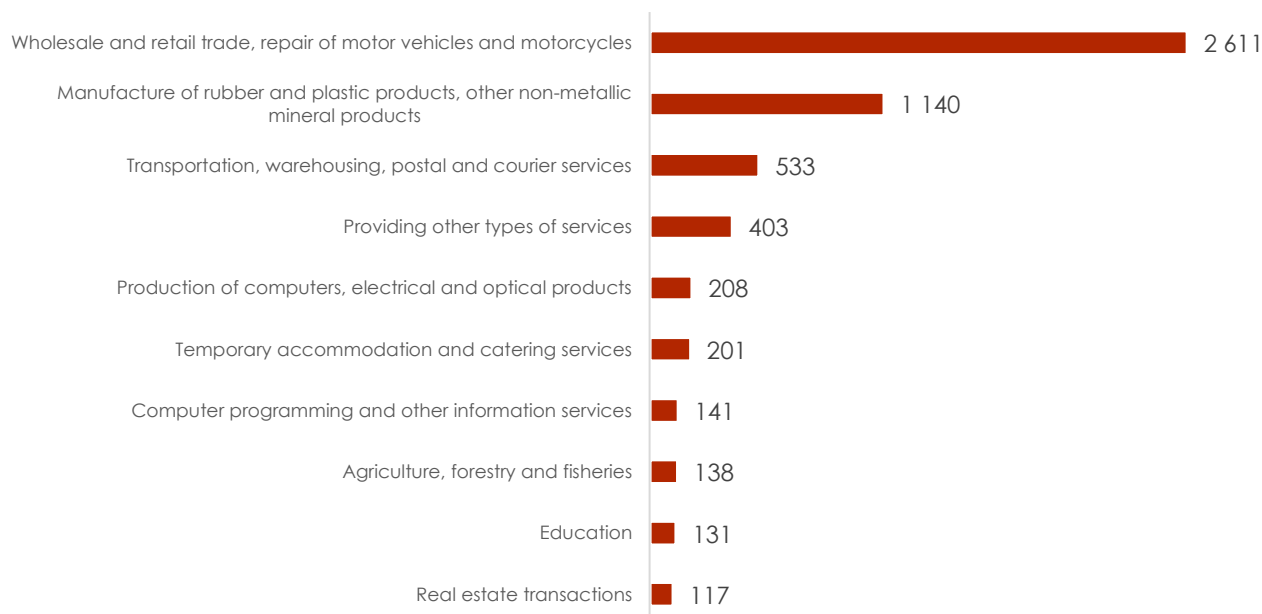


The graph below shows that in 2022, the growth rate of legal entities in the community decreased compared to 2021 and 2020. The number of individual entrepreneurs also decreased.

In 2022, the number of individual entrepreneurs who ceased operations exceeded the number of registered individual entrepreneurs, which was probably due to martial law. In 2021, a similar trend was observed, with more individual entrepreneurs leaving than registering, which was obviously a consequence of the covid crisis.

However, if we look at the dynamics of individual entrepreneur registration for the first 9 months of 2023, we see that 214 individual entrepreneurs were registered, while 86 individual entrepreneurs ceased operations. That is, in 2023, the dynamics of the growth of business entities in the community already demonstrates a positive trend and the fact that the community's economy is recovering from the effects of the «covid crisis» and large-scale war.

Leading industries by number of registered business entities in 2022



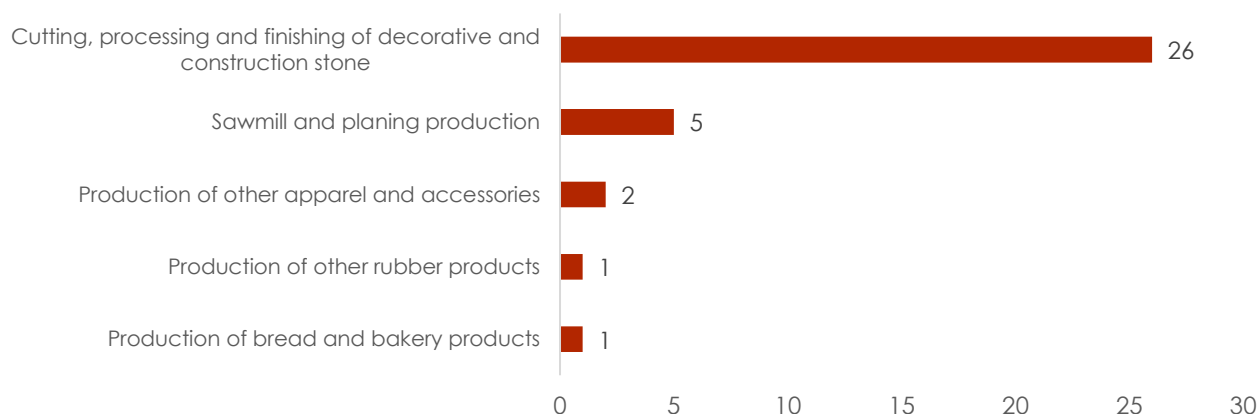
The largest number of registered business entities in the community is concentrated in the retail trade sector, which is generally quite common in the economic environment of territorial communities.

Among the industries with the largest number of registered business entities are the production of rubber products and non-metallic products, the manufacture of computers and appliances, and agriculture, forestry, and fisheries.

Also, in the area of community services, the most developed industries are catering, computer programming, education, and real estate. The rapid development of the computer programming industry is interesting.

Over the past 2 years, there has been a steady increase in business entities in this area, so it is worth paying attention to this and promoting the opening of additional specialties in universities in Korostyshiv city.

Leading economic sectors by the number of newly registered enterprises in 2022 (with the number of newly registered enterprises in 2022)



If to analyze the industry sectors by the number of newly registered companies in 2022, it is worth noting that the most dynamic industry is «cutting, processing and finishing of decorative and construction stone», where 26 new companies were registered.

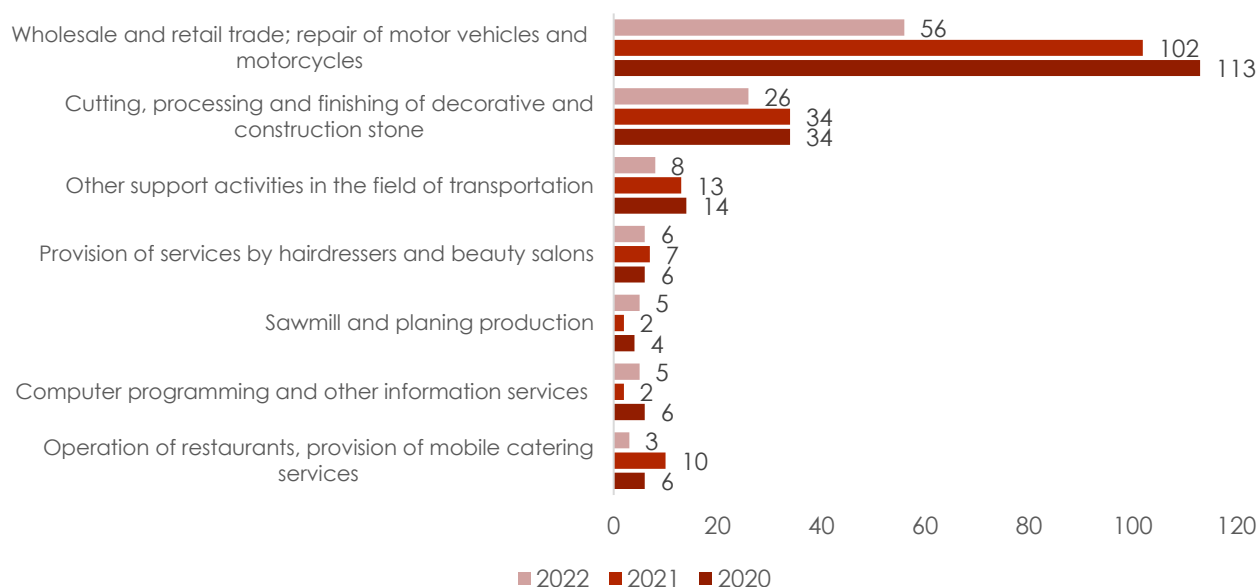
If to look at the dynamics of business entities registration over the past 3 years, we can see that:

- Sawmilling and planing industry showed the highest growth rate of business entities with a growth rate of approximately 25%.
- Computer programming and other information services also showed positive growth, but the growth rate is lower and amounts to approximately -16.67%.
- Wholesale and retail trade; repair of motor vehicles and motorcycles has the largest number of business entities among all industries, but its growth rate is the lowest and amounts to approximately -50.44%, indicating a significant outflow of business entities during these three years. This is the most mobile category of entrepreneurs, and it is clear that the covid and the war had a significant impact on the formation of this indicator.

However, it is worth noting that covid and war primarily drive the weakest businesses out of the market, so it is necessary to compare how much tax was paid by representatives of these industries separately.



Leading industries by the number of newly registered enterprises in dynamics for 2020-2022

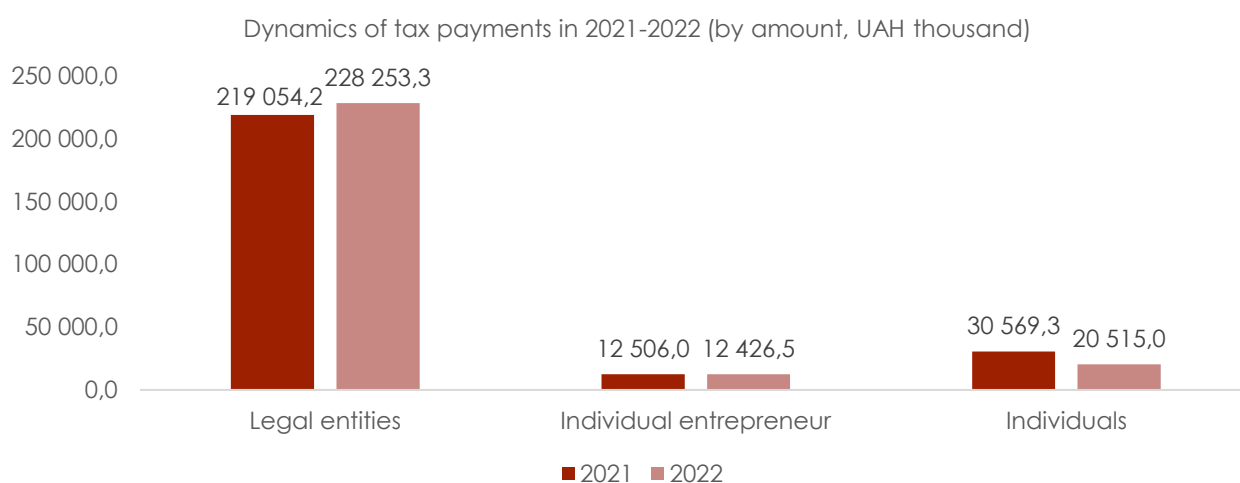


It is worth noting that, in terms of revenues, the largest industrial sectors of the community are cutting and finishing of decorative/construction stone, sawmilling and planing, manufacture of rubber products, and manufacture of paper and cardboard. These industries, with the exception of paper and cardboard production, showed the largest increase in business entities in 2022.



Structure of tax payments in the community

The lion's share in the tax payment structure belongs to legal entities - 87.4% in 2022, 7.9% to individuals and 4.8% to individual entrepreneurs. In 2022, there was an increase in tax revenues from legal entities - by 4% compared to the previous year. The dynamics of tax payments by individual entrepreneurs has remained virtually unchanged over the past 2 years, with a slight decline of 0.6% in 2022. There was a 32.9% decline in tax payments by individuals in 2022. This may be due to the fact that many people have left the country and have not paid their tax obligations, and it is very likely that a significant part of the obligations will be paid upon their return.



In order to understand the situation in the community with regard to tax payments, let's analyze the amount of taxes paid in accordance with the number of registered individuals and legal entities.

Thus, UAH 276.083 thousand and UAH 286.516 thousand of taxes per legal entity in 2021 and 2022, respectively, and UAH 5.874 thousand per individual entrepreneur in 2021 and UAH 5.804 thousand in 2022. The tax growth rate for individual entrepreneurs was approximately -0.64%, and for legal entities - about 4.2%.

The largest taxpayers in the community:

1. Ministry of Education and Science of Ukraine UAH 76 508,5 thousand.
2. Ministry of Finance of Ukraine UAH 25 589,80 thousand.
3. Military unit A4633 UAH 12 964,38 thousand.
4. State Enterprise «Korostyshiv Forestry» UAH 9 345,63 thousand.
5. Korostyshiv Central Hospital named after D.I. Potekhin UAH 7 239,68 thousand.
6. Zhytomyr Regional Military Commissariat UAH 4 889,00 thousand.
7. Main Department of the National Police in Zhytomyr region UAH 4 770,13 thousand.
8. State Treasury Service of Ukraine UAH 4 160,09 thousand.

9. State Enterprise «Korostyshiv Forestry and Agroindustrial Complex» UAH 2 942,57 thousand.

10. ATB Market LLC UAH 2 241,90 thousand.

It is worth noting a significant number of public sector employees in the largest payers of the community economy, namely 8 business entities. Nowadays, the trends are such that the influence of the public sector will decrease, so it is important for the community economy to develop a strategy for the development of other sectors of the economy that can compensate for the withdrawal of the public sector from the community economy.

Based on our analysis, and to ensure the sustainable development of the community's economy, we recommend that special attention be paid to the development of forestry and stone processing enterprises.

Priority areas of development may include the following:

1. Creation of local targeted programs aimed at supporting and developing exports.
2. Development of product catalogs and export profiles for producers wishing to enter international markets, such as the European market.
3. Conducting consultations and training activities for community entrepreneurs aimed at attracting grant funds and effectively bringing products to foreign market.
4. Conclude partnership agreements and cooperate with the Office of Entrepreneurship and Export Development to share experience and support.
5. Actively facilitate entrepreneurs' accession to sectoral and national business associations.
6. In particular, strengthening support for the development of enterprises engaged in agricultural processing.
7. Conducting research on potential markets, taking into account the geographical location of the community and the possibility of cooperation with the Kyiv agglomeration as a large market.

SUBSECTION 2. INVESTMENT POTENTIAL OF THE COMMUNITY

There are **6** enterprises with foreign investments in Korostyshiv community.

	LLC "Firma Elana" (Germany)
	Subsidiary Firm "Ukrsilbet" (Estonia)
	LLC "Mikos" (USA)
 	LLC "ACC-Korostyshivska Paperova Fabryka" (UK)
 	LLC "Trading House 'Style-Pack'" (Poland)
	LLC "Stolittia Skhid" (China)

LLC "FIRMA Elana" is an enterprise with German investments established in 1996 in Korostyshiv. The company's industry is the production of kitchen furniture and retail trade in furniture, carpets and lighting accessories.

Subsidiary Firm "Ukrsilbet" a subsidiary of Silbet Joint Stock Company (Republic of Estonia), has been operating in Korostyshiv since 1998. Type of economic activity: processing of decorative and construction stone. Products of the enterprise: building stone carved, sawn or otherwise processed with a flat or even surface made of granite. The company exports to Estonia.

LLC "Mikos" is a company with American investments founded in 1995. It specializes in the processing of decorative stone and the manufacture of facing tiles, stairs, window sills and other granite products. The company also provides additional services for grinding, cutting, and polishing stone. They sell products under the NEWSTEP trademark. The company exports to Georgia.

LLC "ACC-Korostyshivska Paperova Fabryka" - is a British-invested company founded in 2006. It specializes in the production of kraft, offset, newsprint and other types of paper. The company produces an average of 14 thousand tons of products per year. The company cooperates with many national retail chains and postal companies to supply paper and cardboard for packaging. One of the largest manufacturers of paper products in Zhytomyr region.

LLC "Trading House 'Style-Pack'" is a company with Polish investments founded in 2011. The company specializes in the production of plastic containers, including food containers, plastic tableware, containers for seedlings, plastic buckets, etc. The company is widely represented on the Ukrainian market and exports to Estonia, Lithuania, and Moldova.

LLC "Stolittia Skhid" is a Chinese-invested company founded in 2015. It specializes in the trade of production machines, in particular woodworking machines.

From the above, we can see that foreign investments in the community are concentrated in the fields of extraction and processing of decorative/building stone, woodworking, pulp and paper industry, and manufacturing of plastic products.

SUBSECTION 3. FOREIGN ECONOMIC ACTIVITY

Clause 3.1 Export activity of enterprises

Growth rate of exports per exporter:

1. In 2020, each exporter accounts for approximately 20.95% of the growth rate of exports compared to 2019.
2. In 2021, each exporter accounts for approximately 23.22% of the growth rate of export activity compared to 2020.

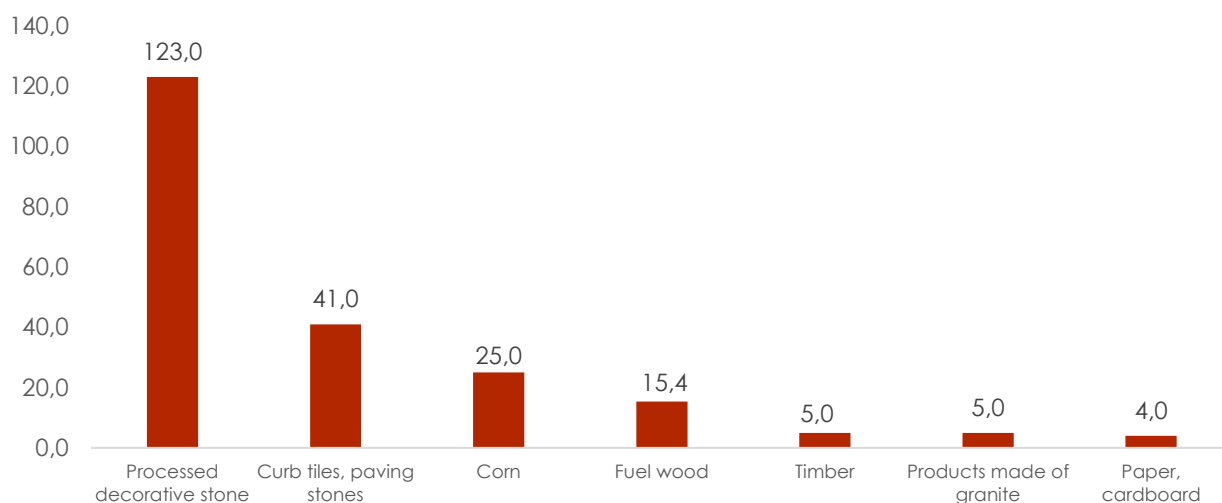
During the two years from 2019 to 2021, the export activity in the community showed a stable and significant growth rate. During this period, the overall growth rate of export activity was approximately 54.04%, which indicates positive dynamics and potential for further development, but it should be noted that the number of exporting enterprises decreased by 8.9%.






If we analyze the largest export groups, the largest groups are made up of stone processing products.

These products include: processed decorative stone (UAH 123.0 million), curb tiles, paving stones (UAH 41.0 million), and granite products (UAH 5.0 million), which in total accounts for 77% of the 10 largest product groups. Obviously, the community will earn the most from these items. However, it is also worth noting agriculture, timber, and the processing industry, whose products are also present in the largest categories.

The largest export groups of goods by export volume (UAH million) in 2021



Exporting enterprises of the community (as of 2021):

Enterprise	Exports, thousand UAH	Group of goods	Countries of export
State Enterprise «Korostyshiv Forestry and Agroindustrial Complex»	13,771.30	Timber, fuel wood	India, China, Romania, Slovakia, Israel, Lithuania
 <u>Private enterprise «GRAN MIK»</u>	4,240.00	Paving stones, curb stones and slabs for paving	Germany, Poland, Lithuania
LLC «Korostyshivsky Granite Quarry»	3,627.40	Architectural and construction products made of natural stone	Німеччина, Germany, (belarus*)
LLC «Kameniv»	2,920.00	Curb tiles, processed stone, stone processing machines	France, Estonia, Slovakia, Turkey, (belarus*)
Production-Commercial Firm «SUNRISE» LLC	2,333.00	Curb tiles, processed stone	Bulgaria, Azerbaijan, Slovakia, (russian federation, belarus*)
 LLC «ELITGRAN»	2,220.00	Curb tiles, processed stone	Moldova, Uzbekistan, (russian federation*)
 LLC «ACC-Korostyshiv Paper Mill»	2,190.00	Kraft paper and cardboard	Romania, Azerbaijan, Moldova, (belarus*)
LLC «GRANTER»	2,190.00	Processed stone	Azerbaijan, (russian federation*)

*The data are for 2021, when exports to Belarus and Russia were available, and currently no exports to these countries are carried out.

It is worth noting that with the beginning of the large-scale invasion, a significant number of community enterprises that export faced the problem of reorienting their export markets. As we can see from the statistics for 2021, many community enterprises exported to Russia and Belarus, which became impossible due to the Russian invasion. Thus, businesses now need

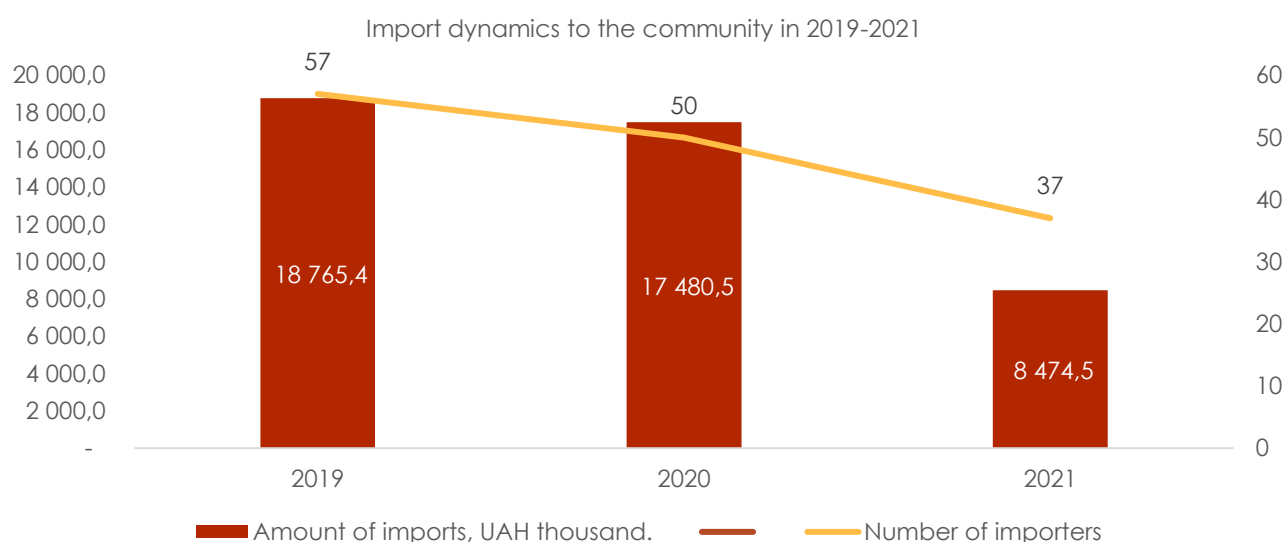
support to find new export markets, otherwise they may face a tendency to close down or at least significantly reduce sales. This is especially true for stone processing enterprises, as the lion's share of exports from the community is made up of decorative and construction stone and stone products.

The largest export countries (as of 2021):

	Country	Amount of exports in 2021, UAH	Number of exporting enterprises from the community
	Moldova	17,175.80	30
	Romania	14,303.60	5
	Azerbaijan	13,542.80	25
	Egypt	12,628.60	1
	China	9,380.90	2
	Poland	7,104.10	9
	Germany	6,061.40	8
	Uzbekistan	5,798.00	21
	Spain	5,623.3	1
	Estonia	4,760.5	9

Data for Russia and Belarus, the countries to which many commodity items were exported, are not shown in the table. As we have seen earlier, a certain share of enterprises was focused on selling products to these countries, and failing to reorient in a timely manner, they were forced to close.

Clause 3.2 Import activities of enterprises



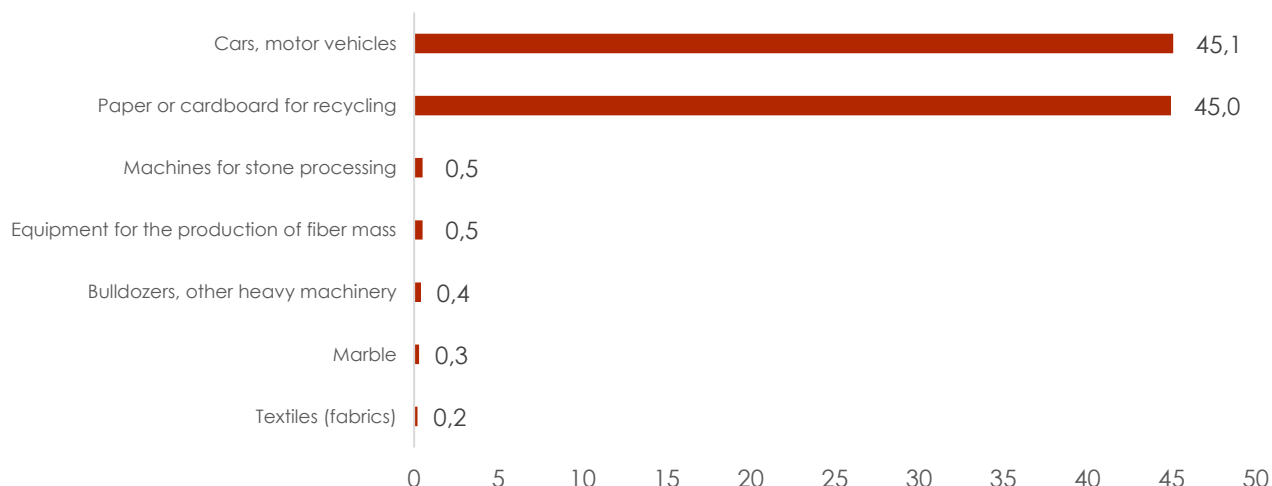
Thus, the growth rate of imports by year shows the following:

Imports decreased by about 6.88% between 2019 and 2020, and the number of importers decreased by about 12.28%.

Imports decreased by about 51.58% between 2020 and 2021, and the number of importers decreased by about 26%.

Thus, the growth rate of imports per importer between 2019 and 2021 is approximately -44.1%. This indicates a significant decrease in imports per importer between 2019 and 2021.




Largest import groups of goods by volume of imports in 2021 (UAH mln)



It is worth noting that export growth is impossible without import growth. As we saw earlier, the largest export groups of goods are related to stone processing. And in the import product groups, stone processing machines account for 0.55% of total imports. This means that companies operating in the stone processing industry do not upgrade their fixed assets, which will result in a sharp jump in imports and a decrease in exports in the future, as equipment will be reconfigured.

It is also worth noting that the product category "paper or cardboard for recycling" is actively used by local paper mills. However, there is a risk that due to currency fluctuations, companies may suspend their operations at once due to the inability to repay their obligations under foreign exchange contracts.

The largest importing enterprises in the community by import volume (as of 2021):

Company	Amount of imports, thousand UAH.	Group of goods	Country of import
 Paper Factory LLC	1,710.00	Recycled paper, machines for fibrous cellulose materials	Hungary, Serbia, (belarus*)
 GRAN-TAR LLC	380.00	Marble, granite	Italy
Ass-Korostyshiv Paper Mill LLC	310.00	Recycled paper, machines for fibrous cellulose materials	Finland
 Gronis Private Enterprise	290.00	Machines for stone processing	China

*Data are for 2021, when imports from belarus were available, currently there is no import activity from belarus.

We are considering the situation with the growth of imports and recommend taking the following measures to diversify risks and ensure the sustainable development of the community:

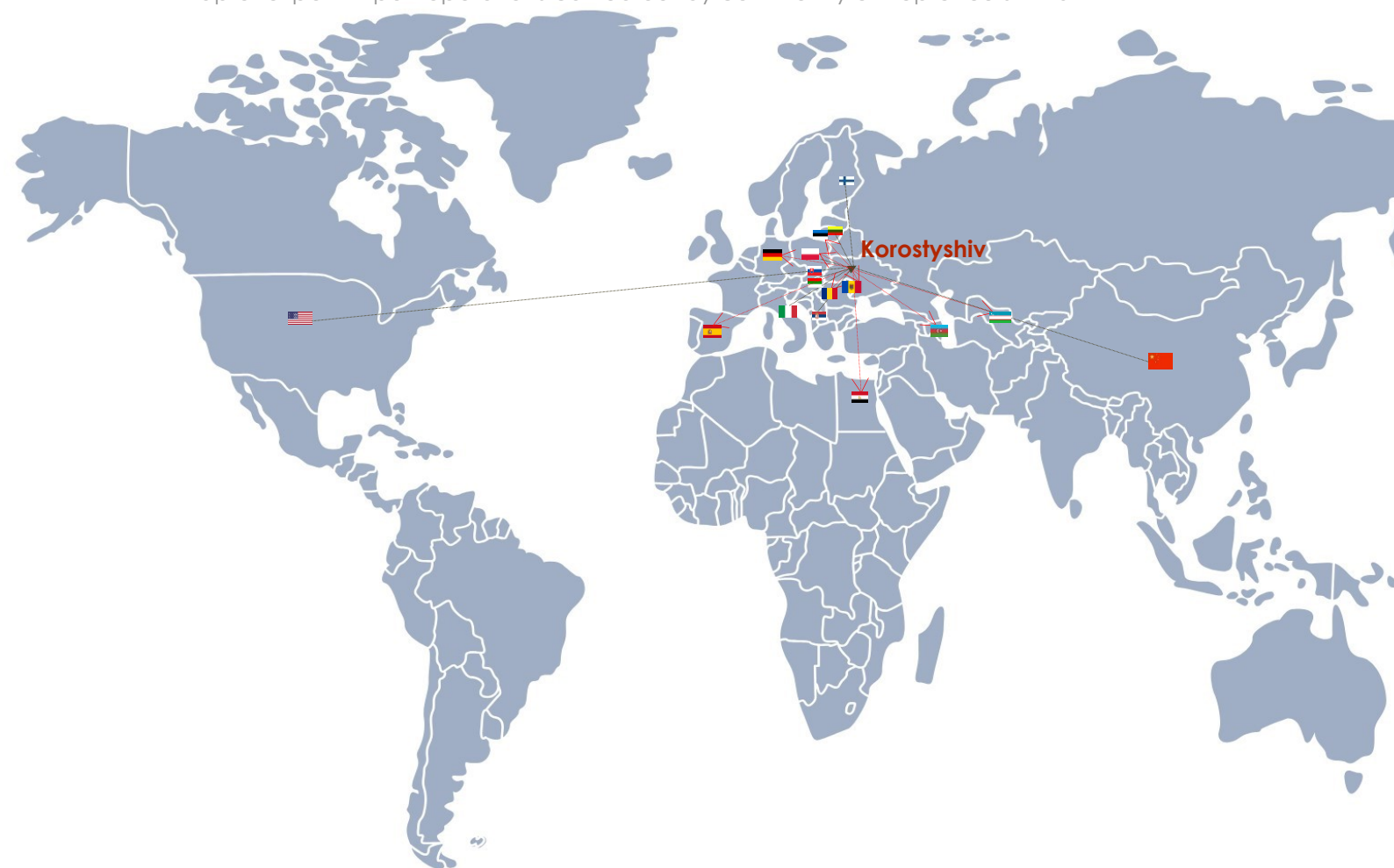
1. It is recommended to create a centralized database of entrepreneurs with the potential to export and import. This will help identify potential participants in the international market.
2. It is recommended to analyze the domestic consumption market to identify critical goods and services that need to be imported. This will help to effectively target imports of important goods.
3. For successful export-import activities, it is important to conduct ongoing training for the staff of entrepreneurs. Inviting brokers, customs officers, customs warehouses, and other specialists will help improve the skills of participants.
4. Providing support in certification and quality control of products will help entrepreneurs to meet international standards and requirements, which is important for successful trade in the international market.
5. It is recommended to issue vouchers for international market research to entrepreneurs. This will stimulate their interest in exploring new markets and increase the efficiency of export activities.
6. It is recommended to establish ties with international donor organizations, such as USAID and GIZ, which specialize in export support. Partnerships with chambers of commerce and embassies of other countries can help develop new trade relations.

To summarize, a set of measures to develop imports and exports will help increase the community's resilience to changes in international markets and contribute to the development of the local economy.

The largest import countries (as of 2021)

	Country	Number of importers from the community	Amount of imports, UAH
	USA	14	118,677.70
	Hungary	1	37,982.80
	Poland	5	4,778.70
	Germany	6	2,048.40
	Lithuania	5	1,159.40
	Italy	1	1,144.20
	Finland	1	922.70
	China	1	288.4
	Serbia	1	452.20
	Slovakia	1	417.70

Map of export-import operations carried out by community entrepreneurs in 2021



 exports from the community
  import to the community

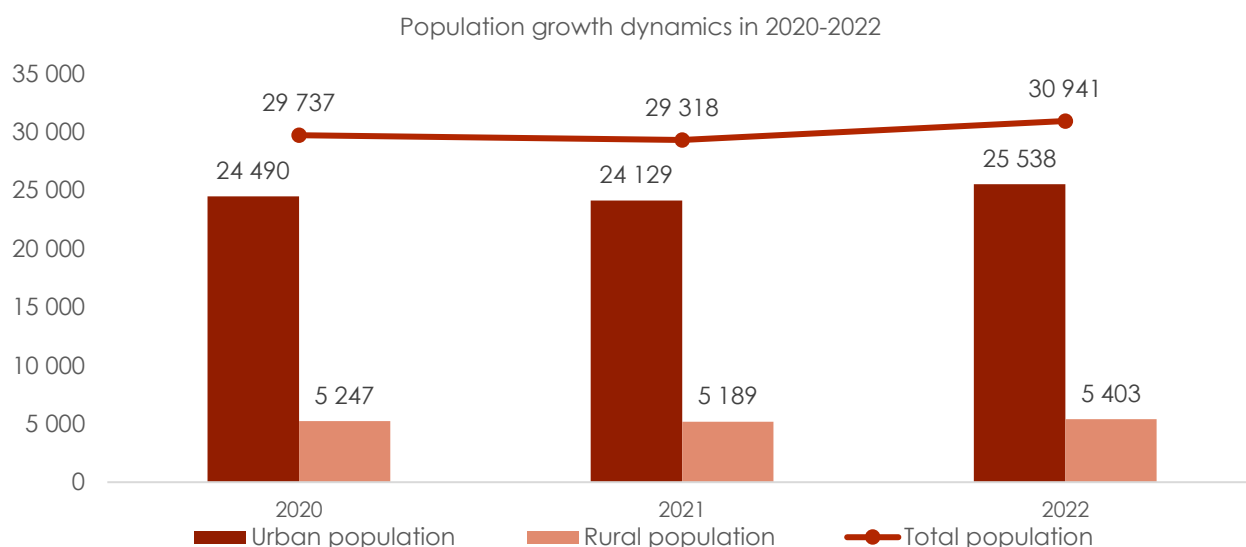
SECTION 3. LABOR MARKET

Population of the community³

The population structure of the Korostyshiv community is dominated by the urban population (82.5%), the number of which is increasing every year. At the same time, the rural population declined by 1.12% in 2021 and only increased by 4% in 2022, which may indicate a trend of rural residents moving to cities.

The population growth rate in 2022 compared to 2020, for the urban population was approximately 4.28%, and for the rural population was approximately 2.97%. That is, the overall population growth rate was 5.54% (a high level of population urbanization, however, it is worth comparing the day and night population).

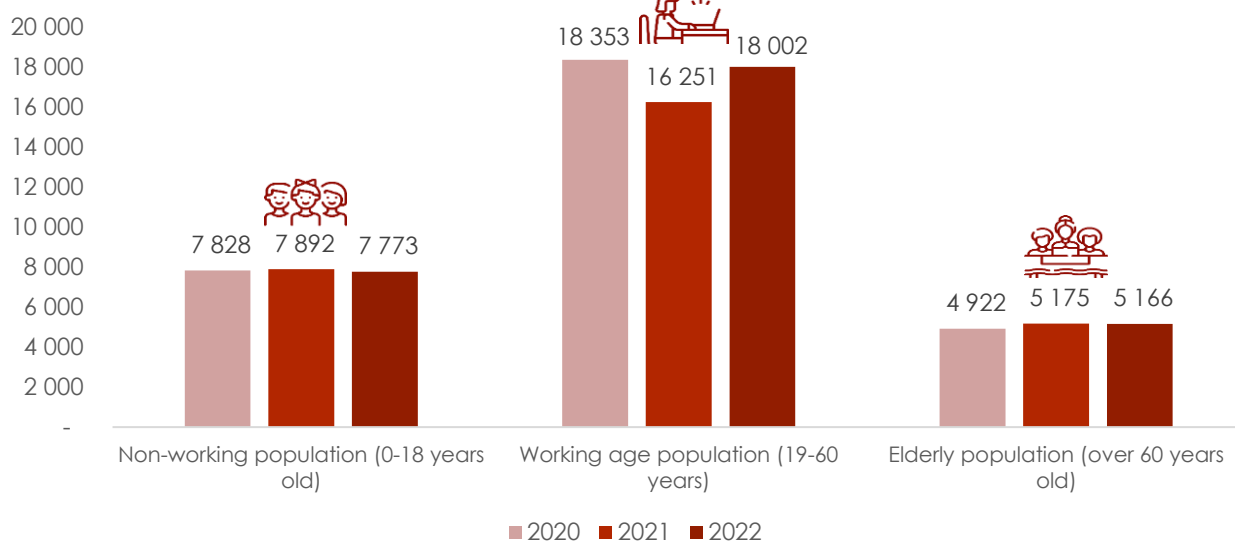
From the graph below, it follows that in 2021 there was a slight decline in the population of the community, and in 2022, despite the martial law and internal migration caused by military actions, the population of the community increased and almost exceeded the indicators of 2020.



The dynamics of the population by age groups does not show sharp changes. In 2022, the child population accounted for 25.1% of the total population, the working-age population accounted for 58.2% of the total population, and the population over 60 years of age accounted for 16.7% of the total population. In 2021, there was a 4.3% decrease in the working-age population compared to the previous period. However, in 2022, this indicator exceeded the level of 2020. Also, over the past 2 years, there has been a slight decrease in the number of both the disabled population (by 1.5%) and the population over 60 years old (by 0.77%). We can say that on average there are 5 children and 3 elderly people for every 11 working people as of 2022.

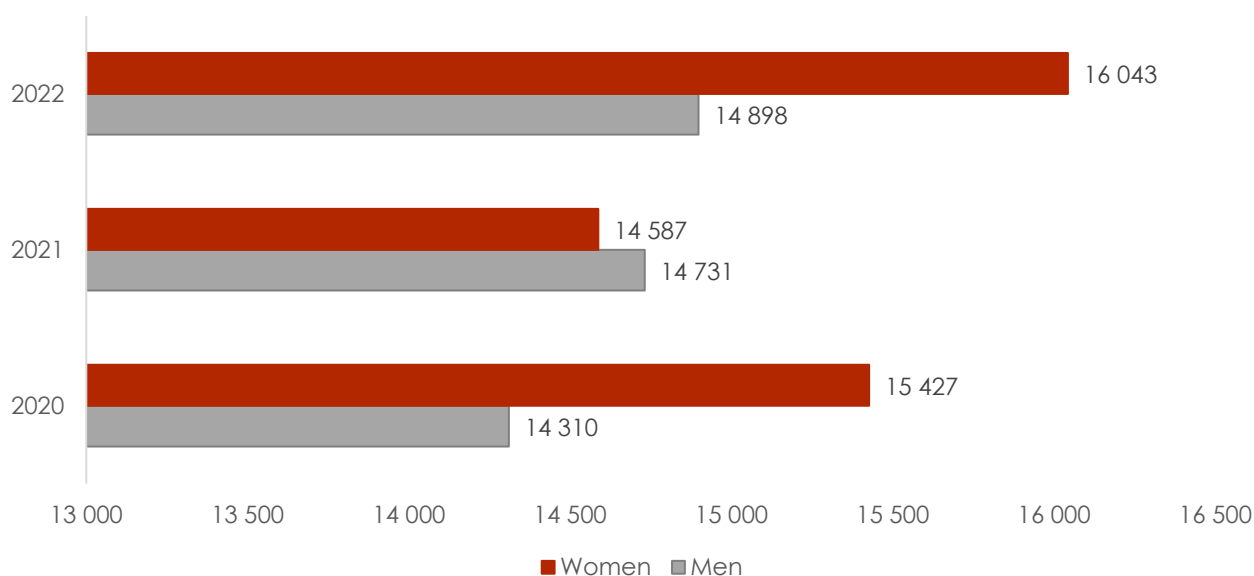
³ Main Department of Statistics in Zhytomyr region: <http://www.zt.ukrstat.gov.ua/>

Dynamics of population growth by age groups (2020-2022)



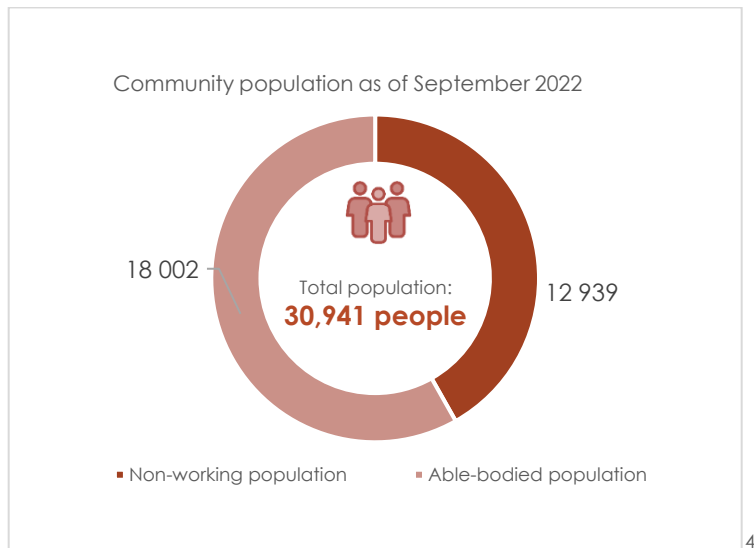
Analyzing the following graph, we can see that the growth rate of men is approximately 4% for 2022 compared to 2020, however, the growth rate of women is approximately -6.4% for 2022 compared to 2020.

Gender structure of the population in dynamics (2020-2022)

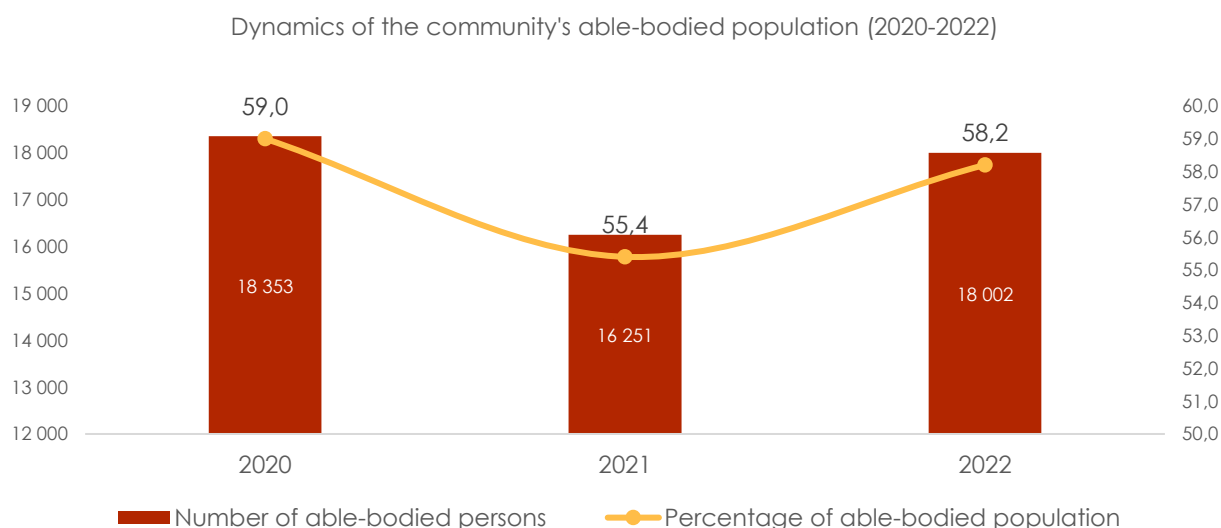


3. Community labor market

There are 58% of the working-age population in the community, which is quite an average percentage compared to other communities.



Analyzing the following graph, we see that there was a significant decrease in the population in 2021 by 2,102 people, although in 2022 there was an increase of 1,751 people, we see that full compensation did not occur. There is reason to believe that part of the population left and part was replaced by IDPs. We see the same thing in the percentage decrease in the working-age population by 3.6% in 2021 compared to an increase of 2.8% in 2022.

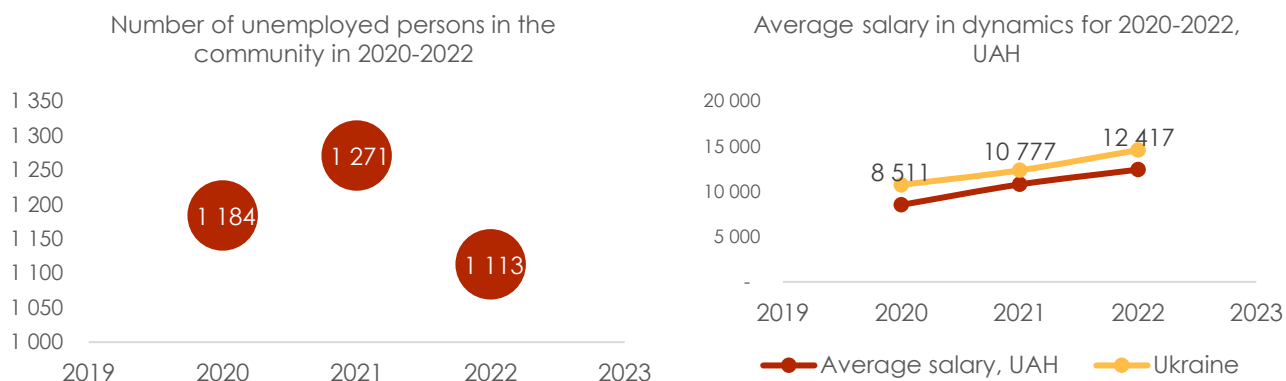


When comparing the number of unemployed, it is worth comparing them to the number of working-age people.

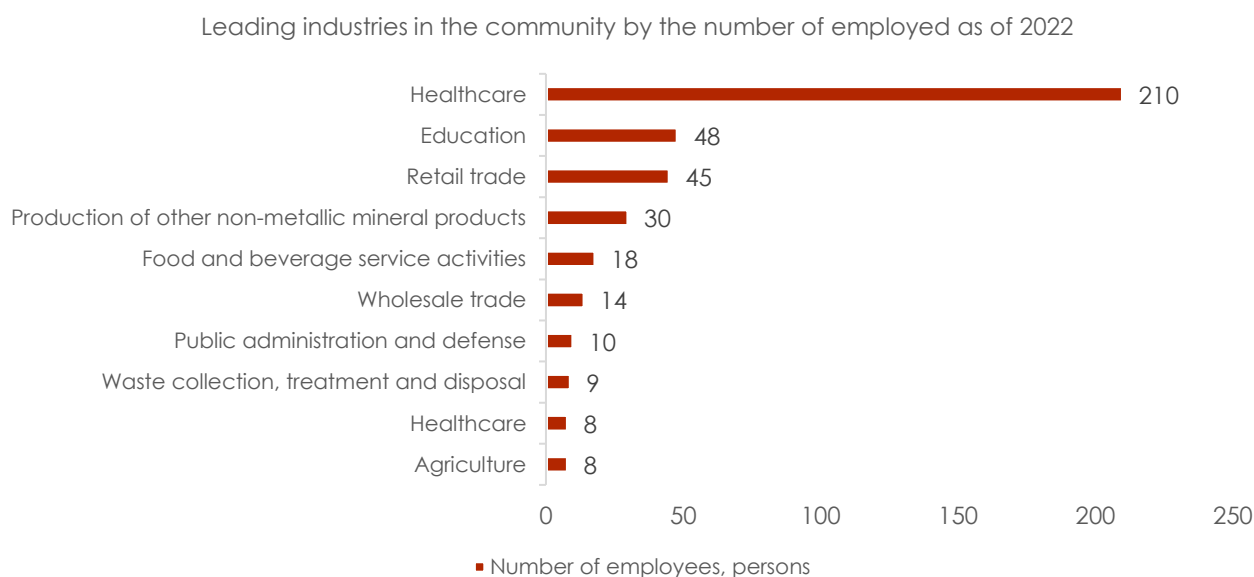
The growth rate in 2020-2021 was about 0.21 percentage points, in 2021-2022 it was about 0.21 percentage points, and the total growth rate for the entire period of 2020-2022 was

⁴ Source. Zhytomyr Regional Employment Center: <https://zhy.dcz.gov.ua/analytics/78>

about 0.04 percentage points. That is, as of 2022, it can be assumed that the unemployment rate was as low as possible and amounted to only 6.18% of the total able-bodied population.



It is also worth paying attention to the growth of wages, as we can see, in 2020 the average salary level in the community was 79% of the average in Ukraine, and in 2021 it was 87% on average of the level in Ukraine. This happened due to the fact that in 2021 the average salary in the community increased by approximately 21% compared to the previous period, while in Ukraine the rate of growth of the average salary level was lower - 14.97%. However, in 2021-2022, the average salary in the community increased the most - by about 24.62%, and in Ukraine the growth was less - by about 18.15%.



The graph above shows that the largest employment sectors in the community are social services (healthcare) and trade. The data covers only those reemployed through the Korostyshiv branch of the employment center, but we can understand a generalized picture of the leading employment sectors from this data.

In addition, a significant number of people employed in the field of stone processing and services (catering)⁵.

Distribution of employed by profession (as of 2022)



The graph above shows that the most common professions in the community are seller, cook, and auxiliary workers, which correlates with the data on the leading economic sectors by number of employees. Thus, the main industries where human capital is concentrated in the community are trade, social services (education, medicine), stone processing, and transportation.

Personnel training

There are no higher education institutions but there are 2 vocational education institutions in Korostyshiv community:

Korostyshiv Professional Agricultural Lyceum. Educational specialties:

- Tractor driver
- Fruit and vegetable grower
- Cook
- Electrician

Number of graduates in 2022 - 235 specialists.

Korostyshiv Pedagogical College named after I. Y. Franko Educational specialties:

- Teacher of primary education
- Teacher of secondary education

Number of graduates in 2022 - 189 specialists.

A significant part of the community's youth study in the regional center, Zhytomyr, where there are 4 higher education institutions with the highest level of accreditation, 15 vocational schools, and the annual number of graduates averages 4.8 thousand specialists in a wide

⁵ Source: analytics of the Zhytomyr Regional Employment Center. The information is provided for those employed through employment centers and does not cover self-employed persons.

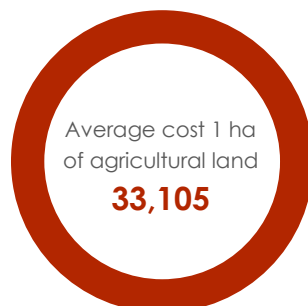
range of specialties, including engineering and technical specialties, specialists in the agricultural sector, philology and teachers.

However, there is a significant need for mining specialists in the community among local enterprises engaged in the extraction and processing of decorative and construction stones. The community does not provide training for such specialties. This, in turn, leads to a shortage of personnel for stone processing enterprises, forcing them to relocate production facilities or look for other ways to provide personnel, such as transporting workers from neighboring communities. Given that the stone processing industry is one of the leading industries in the community, staffing of such enterprises should be of particular concern. The nearest educational institution that trains such specialists is Zhytomyr Polytechnic in Zhytomyr; the estimated number of graduates in the field of «Deposit Development and Mining» is 6.6 thousand. However, it would be optimal to introduce educational programs in mining on the basis of vocational education institutions in the community to meet the staffing needs of local stone processing enterprises. Otherwise, this will threaten the outflow of such enterprises from the community.

IT training in the community may also be an interesting area, as it is an industry that has shown quite a bit of growth in 2020-2022.

SECTION 4. INFRASTRUCTURE AND LAND RESOURCES OF THE COMMUNITY

SUBSECTION 1. LAND RESOURCES AND REAL ESTATE



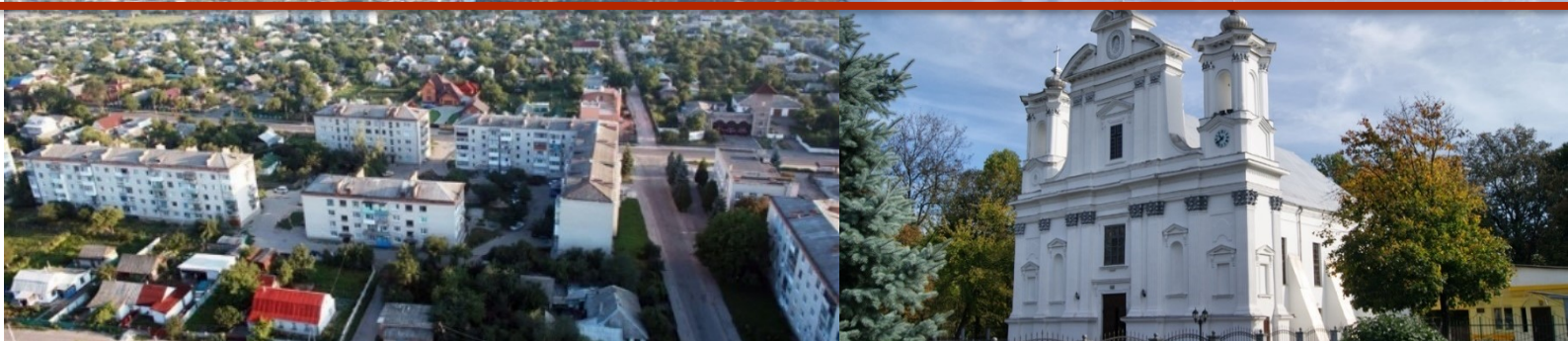
A total of **4,859** real estate objects are registered in the community, including **638** buildings and **4 221** land plots. **6,251** registered business entities in the community operate without real estate (89.5%).

The community's land bank totals 42,674 hectares.

The largest categories of community land by area as of 2022, hectares⁶

	Land for residential development	1,818.9	4.2%
	Agricultural land	21,796.10	51.0%
	Lands of the forest fund	17,070.8	40.0%
	Reserve lands	115.7	0.27%
	Water lands	458.3	1.07%

About 91% of all land is occupied by agricultural land and forest land. This is accordingly correlated with the fact that the largest branches of economy in the community are forestry and agriculture; these same industries show the largest growth of enterprises in 2022. Also, it is worth noting that stone processing belongs to the top three industries.



⁶ Source: https://oda.ztmbk.gov.ua/upload/partner-ota/korostishiv/struktura_zemelnih_resursiv.pdf

SUBSECTION 2. COMMUNITY INFRASTRUCTURE

Energy infrastructure of the community

Percentage of electricity coverage, %	100
Length of water supply network, km.	56,2
Length of the water supply network, km.	34
Length of gas supply network, km.	213,8

Business support infrastructure in the community

Community logistics centers/distances to the nearest ones	
Logistics center «Business Group Logistics», Kyiv region	71 km.
Logistics company «Acris Logistics», Zhytomyr region	34,5 km.
Customs offices/distances to the nearest ones	
Zhytomyr Central Customs Post, Oliivka village, Zhytomyr region	36,6 km.

The main institutions providing services for business in the community include: Korostyshiv City Council, which performs the following functions:

- Advisory support for community entrepreneurs and investors;
- Providing information to investors and investment support;
- Decision-making on the allocation of land plots/objects;
- Review and approval of construction projects;
- Advisory support on obtaining permitting procedures/referral to specialized institutions;
- Organization of events for entrepreneurs.

The community also has a Social Service Center that provides services for business, including:

- State registration of legal entities and individual entrepreneurs;
- State registration of changes to the constituent documents of legal entities and individual entrepreneurs;
- State registration of decisions to terminate the activities of legal entities/individual entrepreneurs.
- Providing certificates of state registration.

More information about the work of the Center for Administrative Services is available on the Center's Facebook page:

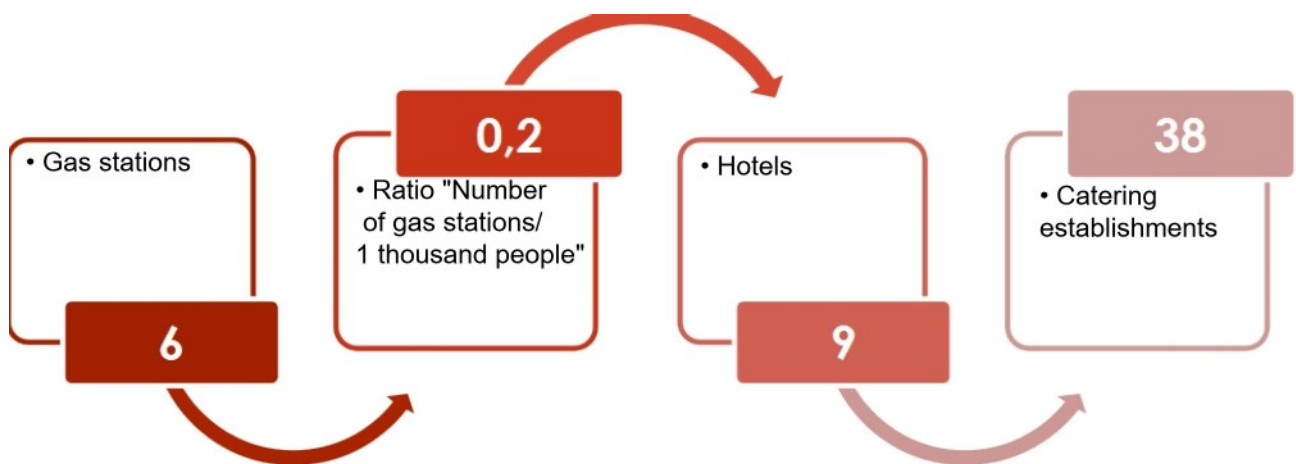


The community also has a territorial branch of the State Employment Center, which performs the following functions:

- Assistance with recruitment;
- Organizing events for entrepreneurs.

Small and medium-sized businesses are quite developed in the community, and there are many individual entrepreneurs working in the service sector. Therefore, it is recommended to create a business center with a coworking area in Korostyshiv, where start-up entrepreneurs could work. And also, where service entrepreneurs could rent premises for business activities. This would facilitate the development of existing small and medium-sized businesses and encourage the creation of new businesses.

Community service infrastructure



The Korostyshiv community has a fairly well-developed service sector. The majority of gas stations, hotels and cafes are located in the administrative center of Korostyshiv and in settlements near the M06 highway, where services are in greatest demand.

Tourist infrastructure of the community

Korostyshiv community has a significant number of interesting tourist locations:

- Korostyshiv Park. The park is located in the central part of Korostyshiv on the banks of the Teteriv River. The park has a significant number of sculptures by the contemporary local sculptor Viktor Rozhyk. Among the sculptures are various animals, mythical creatures, and prominent people. The park is also decorated with sculptures carved from stone and granite. There is an owl-shaped building in the park where the city's artistic events take place.
- Church of the Nativity of the Blessed Virgin Mary. It is an architectural monument. It was built in 1776-1779 in the Baroque-Renaissance style.
- Korostyshiv Canyon is a flooded granite quarry located one kilometer from Korostyshiv city. It is a lake surrounded by granite rocks and forest. The area around the lake is equipped with a beach and gazebos for relaxation. The location is popular not only among Zhytomyr tourists, but is also frequently visited by tourists from Kyiv and tourists traveling by the M06 highway.

- House of Culture and Local History Museum in Korostyshiv. In the Museum of Local Lore, you can see ancient monuments dedicated to the history of the Korostyshiv region.

Tourist excursions are organized in Korostyshiv. 1,701 tourists visited Korostyshiv in 2022 as part of excursions.

To strengthen the community's tourism potential and create new opportunities for local businesses, formats for holding local festivals and exhibitions of local producers can be considered. Holding such events would attract tourists and create opportunities for local entrepreneurs to create food courts, make exhibition areas for their products, and sell products directly during such events.



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