

THE IT INDUSTRY OF UKRAINE IN CONDITIONS OF WAR

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IT is one of the leading industries of the Ukrainian economy and is growing, despite the war in Ukraine. According to the results of ten months of 2022, the IT industry brought \$6 billion in export revenue to the economy of Ukraine and achieved 10% growth compared to the previous year. Such results became possible due to effective implementation of business continuity plans, timely relocation of teams and diversification of development centers in Ukraine and abroad. The IT industry is mostly export-oriented. Over the past 6 years, the volume of exports of computer services grew by an average of 26.8% every year and reached \$6.9 billion in 2021, which exceeded the forecast by \$0.1 billion. In 2022, a record number of students entered the IT specialty. 329,000 IT professionals were already working in the industry at the beginning of 2022.

Technologies are increasingly spreading across various industries, as they enable the automation of production processes, increase productivity, reduce costs and overall business efficiency. More than 21% of Ukrainian companies in 2021 had hired IT specialists, and about 15% engaged experts from outside.

Damaged and destroyed infrastructure, constant shelling, occupation of regions and labor migration became the factors that most affected the activity of the Ukrainian economy during the war. Among the export-oriented industries, only the IT industry increased its exports compared to last year, while the others suffered significant losses.

Despite the difficulty of doing business in wartime, the IT industry continues to pay taxes. Some companies plan taxes in advance to support the state in a difficult period. Tax activity of companies and entrepreneurs is increasing. As of November 1, 2022, the number of taxpayers increased by 7.5% compared to last year. 54.7% of IT companies planned to open new offices and branches in 2022. However, only a quarter managed to do it, others were prevented by the war. As a result of the full-scale invasion, 70.8% of IT companies conducted an unplanned relocation, a quarter of them - full. The IT industry actively supports the Armed Forces of Ukraine and all those fighting for the country's independence. From the first days of the war, IT companies transferred millions to the accounts of charitable funds, purchased weapons, equipment, drones, equipment and other necessary equipment to bring victory over the enemy closer. During an all-out war, the IT industry faces a number of challenges. The activities of IT companies were most affected by the challenges related to the ban on the departure of IT specialists abroad. The war was a real test for the IT industry, because all companies faced problems and new challenges. According to the survey, 34.3% of companies have successfully adapted to new realities, and more than 43% of IT companies expect an increase in business volumes.

References:

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