



## A five-point plan for resilience and solidarity

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A concerted international effort is urgently needed to maintain the viability of Ukraine's private sector over the coming weeks and months.

Recent projections show that Ukraine's economy is being devastated as a result of the war—with estimates now suggesting its gross domestic product may shrink by almost half over the course of this year. Based on current trajectories, direct losses alone could amount to over US\$500 billion.

A new survey by the Ukrainian Chamber of Commerce and Industry indicates that 30% of businesses have completely closed their activities since early March—while a further 45% are operating at severely reduced levels of output. Trade capacity has also been reduced by an estimated 70%, with key maritime trade routes in the Black Sea unsafe for navigation—limiting the capacity of businesses to generate essential export revenues.

We are gravely concerned—based on our consultations with local chambers and businesses—that the attrition of Ukraine's productive capacity will accelerate in the coming months absent of a comprehensive package of interventions from the international community.

While we welcome emerging thinking from governments about a “modern-day” Marshall Plan to support an eventual post-war recovery, we believe that this does not obviate the need for immediate action to enable the continued functioning of Ukrainian business.

Keeping the local private sector alive matters enormously for Ukraine's ability to defend its territory. It also has considerable strategic importance to the global economy—not least in respect of maintaining food security in developing and emerging markets.

In this context, we urge the international community to commit to a five-point plan to enable the continued resilience of the Ukrainian private sector and progressively—to the extent possible—restore its productive capacity. Specifically:

### **1. Remove tariffs and quotas on exports**

Temporarily removing all remaining tariffs and quota requirements on exports to provide an immediate commercial incentive to source goods from Ukraine. We welcome the leadership of the European Commission on this agenda and encourage all governments to follow suit—particularly those maintaining punitive tariffs on Ukrainian agricultural goods and metals.

### **2. Adopt enhanced trade facilitation measures for ground shipments**

The growing reliance of Ukrainian exporters on ground transit routes calls for the introduction of expedited customs procedures at Ukraine's western land borders—such as the introduction of “green lanes” or advance clearance mechanisms. Moving any necessary customs inspections inland within Europe—away from the border with Ukraine—is also vital to mitigate security risks.

### **3. Boost ground logistics capacity**

International assistance is urgently required to boost the capacity of neighbouring countries to absorb a sharp increase in traffic on their territory of Ukrainian goods. Necessary suspensions of exports of agricultural products that have occurred this month—due to limited logistics capacity—must be avoided going forward at all costs. This will require significant investments in manpower, systems, licencing and rolling stock to absorb additional ground transit volumes as seamlessly as possible.

#### 4. Provide full risk coverage for trade finance

Despite a welcome scaling of guarantees available from development banks for trade finance transactions with Ukraine, these will only provide effective support for local businesses—particularly SMEs—if risk coverage levels are also significantly increased. Given the prevailing security concerns, we suggest that development banks should be prepared to guarantee at least 90% of any losses—and, ideally, provide full risk coverage for all transactions with Ukrainian counterparties.

#### 5. Deliver targeted support for Ukrainian farmers

Given its strategic importance to Ukraine's domestic economy and global food security, a tailored package of interventions is vital—in addition to the above—to maintain the productive capacity of the country's agricultural sector. This should include, at a minimum, priority access to inputs previously sourced from the Russian Federation—including machinery, diesel, fertilisers and pesticides.



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