

Press release

The Polish-Ukrainian outsourcing alliance

The annual value of the IT outsourcing market in Ukraine is over USD 1 bn. Employment in this industry exceeds 75,000 employees. Due to geopolitical factors, there have been an increasing number of Ukrainian companies opening their branches in Poland over last two years. Partnership-based cooperation means new jobs and stronger development of the industry in both countries, which are growing into European outsourcing leaders.

A natural after-effect of the rapid development of the IT outsourcing industry in Ukraine is the desire to expand in East-Central Europe. The current political situation is accelerating this process. In seeking operational security, Ukrainian outsourcing companies have also opened in Bulgaria, Romania, the Czech Republic, Slovakia and Germany. However, their favoured location is Poland. Ukrainian operations centres have already been opened in Kraków, Wrocław, Gdańsk and Rzeszów. Also, the Lviv IT Cluster has opened an office in Lublin. It should be pointed out that the value of the IT outsourcing market in Lviv alone is USD 300 m.

"Poland attracts Ukrainian businesses with its near location and membership of the European Union. Poland is among the world leaders in outsourcing. We have experience and qualified workforce. What is also important is that these two countries have a similar culture", said Wiktor Doktor, President of the Pro Progressio Foundation.

Ukrainian investment in Poland involves, above all, new jobs. Eastern investors emphasise that their objective is to develop on a broad international market by tapping into the local workforce potential. Notably, they are not interested in relocating their employees abroad. Ukrainian outsourcing is based mainly on IT services, so well-paid jobs will be available in particular to Polish software developers. It is estimated that by 2016, Ukrainian companies operating in Poland will create thousands of new jobs.

Ukrainian companies specialising in outsourcing are searching not only for possibilities to open their own offices, but also to start cooperation with Polish business partners. Cooperation between Polish and Ukrainian outsourcing companies is based on the pooling of skills, as opposed to merely taking over contracts – this solution works well for both parties. International conferences in both countries contribute to establishing new partnerships with Ukrainian businesses. The upcoming Polish-Ukrainian conference – *The Shared-Services and Outsourcing Forum* – is due to start in October. The Lviv IT Cluster will also be a partner at the leading event of the Polish outsourcing industry – *Gala Outsourcing Stars 2015* – scheduled to start in January.

The formal and administrative hassle is a challenge to the rapidly developing Polish-Ukrainian cooperation. Eastern investors complain about poor access to information on conducting business



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activity in Poland. The main problem they encounter when opening their offices is related to visa requirements. Currently, Ukrainian residents have to wait 2-3 months to obtain a visa for Poland. In the opinion of Stepan Vesolovskiy, President of the Lviv IT Cluster, the solution would be to launch a special visa programme for IT employees to reduce time spent on formalities. Indeed, such a system works well in the USA.