Commissioning of a market study and business guide

The Norwegian-Ukrainian Chamber of Commerce (NUCC) wants to commission two studies: 1) a market study of the opportunities for business cooperation between Norway and Ukraine in IT and 2) a business guide on how to do business in IT between Norway and Ukraine.

Organisations are encouraged to deliver an offer to do both or one of the studies by **10th of December**. The application can be sent to linda.oksnes@nucc.no. If you are open to do either one or both, please specify.

The application should include the following elements:

- The organisation's relevant competence
- The competence of the team, who will be working on the task
- A short description of the organisations suggestion to how to solve the task and relevant elements to be included in the study
- Expected manhour used on the report(s). If the organisation has some of the information inhouse already, this is relevant to mention here.
- Price for one or both reports. Price and scope can be discussed.

The application/description of the offer should not be more than 5 pages.

NUCC will choose 1 or 2 organisations to conduct the studies.

The selection will be based on a combination of the following criteria:

- **Competence**. On the market study it is important to show insights into the Ukrainian IT-sector compared to other relevant IT-destinations. On the business guide you will be evaluated on your insights into how to do business in the Norwegian and Ukrainian market in the IT-sphere and relevant regulations. Weight: 70%

- **Price**. Weight: 30%

The weights are given that the two reports are within our budget. Organisations applying are expected to be able to deliver a final report in the 1st quarter of 2018.

All applicants will receive an answer by December 20th.

Below you will find a description of the two reports being commissioned. If you want to discuss the task or have any questions, please send an email to linda.oksnes@nucc.no.

1. Market study

Purpose: Get an overview over Ukraine's relative strength and weaknesses in IT compared to other IT-destinations and the opportunities for Norwegian companies to outsource or buy IT-products from Ukraine.

Length: 10-15 pages

Timeline: The report should be finalized in the 1th quarter of 2018. Launch in March.

What we envisage the report to contain are the following elements:

Background: Status and trends

This section can for example include:

- Development of the Ukrainian IT-industry over time (growth in value added, number of IT-specialist etc.)

- Internationalization and export
- Outsourcing and product development
- Overview over the best IT-environments, like incubators, clusters, universities etc.

Here it is enough with a short description, as this information is covered in other reports. It is important that all numbers are supported with references (original source).

Why Ukraine?

This section can for example include:

- What are the arguments for Norwegian companies to consider buying IT-services or outsource to Ukraine?
- What are the main strengths and weaknesses compared to other relevant IT-destinations?
- In what areas/spheres does Ukraine have good competence? How is this compared to other relevant IT-destinations?
- What are the price of buying IT-products from Ukraine compared to Norway and other relevant outsourcing destinations?
- Other relevant advantages

2. Business Guide: How to do business between Norway and Ukraine

Purpose: This report should give Norwegian and Ukrainian companies an introduction to how to engage in business cooperation between Norway and Ukraine in the IT-sphere. The format should be a step-by step guide on how to do business. In addition to describing different strategies, the report should also give an assessment of the different strategies.

Length: 15-20 pages

Timeline: The report should be finalized in the 1th quarter of 2018. Launch in March.

Some of the questions to be answered are:

- How to export digital products from Ukraine to Norway?
- How to import digital products to Norway from Ukraine?
- How to outsource to a Ukrainian company (would be relevant to also include using Norwegian company with office in UA)?
- What are the relevant regulations?
- How to establish an office in Ukraine?

What we see as relevant topics are the following:

Buying digital products from Ukraine

This section should include information about the main issues when exporting digital products from Ukraine, such as:

- Tip tip to contracts
- Customs regulations
- VAT

Selling digital products to Norway

This section should include information about the main issues when importing digital products to Norway, such as:

- Customs regulations
- VAT – level and how to register/declare income

Outsourcing to an Ukrainian company

This section should answer the main question arising when outsourcing to an Ukrainian IT-company, such as:

- Tip to contracts
- Transfer of IP-rights
- Customs regulations, same as above?
- Other relevant issues?

Setting up an office in Ukraine

Here you should describe the alternatives for setting up an IT-business in Ukraine, their pros and cons, and the most important regulations. This can for example include:

- Market entry strategies. Different alternatives and recommendations. What are commonly used strategies (individual entrepreneur vs other models)?
- How and where to register a business?
- Short description of the relevant forms of taxation and how to declare income and pay tax
- Intellectual Property Rights, for example how to secure and transfer of IP-rights from a contractor or employee to a company
- Other relevant issues and regulations?

Business climate in Ukraine

- Strengths and weaknesses. What are the risks of doing IT-business in Ukraine? How to deal with this?
- Corruption and predictability in law enforcement
- Currency regulations – How to transfer payments, profits etc.?
- Data security: how to protect your data?

Business culture in Norway and Ukraine

This section can be discussed whether is should be included.

- Similarities and differences