Ukrainian tech exports as support to the country during the war

February 24, 2022, became the pivotal point in Ukraine's history and the life of many Ukrainians. As thousands chose to join the Armed Forces and fight the aggressor, millions continued working to support the economy, the Army, and the displaced families. Software developers and other tech specialists continued their hard work amid the dangers and risks of the war. In contrast to other badly damaged industries, Ukraine's IT sector has become a beacon of light for the country.

Ukraine's IT sector during the war

The IT sector in Ukraine has been growing consistently since 2010, despite the war raging since 2014. The revenue delivered from exports rose from $400M in 2010 to $4.84B in 2021, which is a 12-fold increase. Ukrainian techies adapted well to war conditions, the annexation of the territory with subsequent losses, as well as the pandemic that hit in the past years. Some might have thought

that a full-scale Russian invasion would finally break them – but no.

Many clients worldwide were surprised to continue receiving Ukrainian tech products and services as scheduled with minimum to no disruptions. The secret was in comprehensive planning. Here's just one example: the _Business Continuity Planning_ initiative developed by _WeSoftYou_ that minimised the disruption of the company's operations by only 2 days. Its three pillars were employee safety, business continuity, and continuous company operations. The focus on safety and assistance to employees was a focal element of the plan. These measures were vital for stabilising the operations and workflow despite the life-threatening factors.

The results became evident within months of the aggression: the IT sector of Ukraine was the only one that continued to grow despite the war waged by Russia. Within the first 5 months of 2022, it delivered $3.2B in revenues from exports – a whopping 27% increase in comparison to the same period of 2021 (according to the National Bank). Such results became possible due to the favourable tax regime in Ukraine, the high professionalism and skills of the experts, and a strong will for victory and resistance during the difficult times of war.

Support of international and local companies

The majority of tech companies demonstrated compassion and understanding that materialised in life-saving support for thousands of Ukrainians. They encouraged and financed the relocation of employees to safer regions, paid bonuses, and offered other forms of support. Some went even further and helped with the relocation of their family members abroad.

Despite the challenges, tech companies are working on resolving them by developing new ways to continue growing. One example _CryptoCossacks Club_ NFT collection, designed to showcase Ukrainian culture via new digital methods – as well as raise donations. The project provides 50% of funds raised to Ukraine, offers discounts for Ukrainian brands to the NFT holders, as well as early access to CryptoCossacks MMO games.

Read also

Supporting an ally: What can the tech world do in response to Russia's invasion of Ukraine?

The future of the IT sector in Ukraine

The resilience of the _Ukraine IT sector_ allows cautious forecasts regarding its future growth. The numbers tell the story best: 77% of IT companies in Ukraine attracted new customers in 2022, and 60% project growth in the current fiscal year.

As the government of Ukraine continues implementing reforms, the IT sector remains one of its priorities. The Ministry of Digital Transformation is seeking to increase the share of the IT sector from the current 4% to 10% by 2024 and 40% in the next decade. With this goal in mind, the government launched "_Diya City_" – a special tax regime for IT companies that matches the current framework of cooperation with private entrepreneurs.

The initiatives aimed at the support of startups through the launches of government funds, combined with programs aimed at switchers seeking careers in IT, are also valuable in a time of instability. These efforts will stimulate the creation of new tech companies. At the same time, the supply of new specialists will allow to meet the expanding demand of the IT industry worldwide.

The war waged by Russia remains the main adverse factor. Nevertheless, it is already evident that over 200,000 Ukrainian IT specialists are ready to work hard and do everything in their power to bring the victory of Ukraine closer. It means that as long as possible, the tech companies will continue their operations with the delivery of high-quality solutions to clients globally. Such an approach will stimulate vibrant growth in the IT sector, especially after the country's victory and its return to normality.

Maksym Petruk is CEO and founder of _WeSoftYou._

Article by MAKSYM PETRUK