Yurii Karpyshyn
QA Engineer, Forte Group

POTENTIAL OF IT BUSINESS DEVELOPMENT IN UKRAINE

In simple words, IT (Information Technology) is all about data processing, storage and transfer. And today, they surround us in all walks of life. The notebook on your phone is a database, your favourite news site is a malicious code, onboard computer is a special computer system. Whether we want it or not, IT has become an integral part of modern life and will occupy a significant place in the society of the future.

In a relatively short period of time, the information technology industry has become one of the main drivers of the global economy, becoming a catalyst for tectonic changes and transformations in many other industries. According to Gartner Research and Forecasts, 1 by the end of 2018, global spending on IT products and services will amount to $ 3.7 trillion and show a 6.2% year-over-year growth, even above world GDP growth [1].

Meanwhile, the development of the IT industry in Ukraine, which is mostly represented by service (outsourcing) IT companies, is far ahead of the average pace of development of the segment in the world.

According to official data, about half of the companies are registered in Kiev.

The Ukrainian IT industry is now successfully competing in the global market and is a reliable source of foreign exchange earnings, which helps to maintain the hryvnia exchange rate. Thus, despite the decline in exports and the economy as a whole, the industry has shown a steady growth of 11-26% annually. This development is accompanied by an increase in budget revenues.

On average, taxes paid by IT companies in 2014-2018 grew by 27% annually and reached UAH 4.1 billion. This dynamic continues in 2018: in the first six months, revenues increased by 30.1%. In the structure of taxes paid by companies, the largest is the personal income tax, and its share is increasing every year. This demonstrates the utmost importance of payroll tax issues for the industry [1].

The prime problem for the industry is the lack of staff, 16 specialists are graduated annually, and the industry requires 25-30 thousand specialists. To this end, the government proposes that the IT industry create a Human Capital Development Fund, which will be managed by industry representatives. He will spend on scholarships to young talented students, grants for young scientists, strong educational institutions, and the creation of laboratories based on educational institutions.

The government aims to create the conditions that will allow it to export IT services at $ 13 billion a year in ten years. The number of IT specialists should

increase to 650 thousand people. The fee will be paid by the IT companies that will transfer their specialists to the IT-KVEDs. The transition will be voluntary, but there will be a strong incentive to do so [2].

Another important vital factor for the functioning and development of the Ukrainian IT industry is Ecosystem. Although the IT ecosystem in Ukraine is relatively young, it can still be characterized as multifaceted and dynamic at this stage. Such systems include specialized business associations, regional associations (clusters), higher education institutions (which are actively developing the field of technical education) and private educational projects, innovation parks, technological hubs, large-scale industrial events, professional formal and informal communities.

There are currently 17 regional IT Clusters operating in Ukraine, and their number is increasing every year.

When generalizing, we can highlight several key areas of work of IT clusters:

– Modernization and development of IT education within their cities and regions (both in the framework of systematic work with universities and in the field of career-oriented initiatives);

– Dialogue with local authorities;

– Formation of a positive image of the country and the region in the international arena.

The IT field is a promising and rapidly evolving industry that needs to be stimulated and encouraged in various ways as much as possible. The main problem is the shortage and outflow of personnel abroad and imperfect legislation. The solution to this problem is to create different schools and educational platforms that can attract the attention of young and prospective citizens. Also creating a comfortable and balanced tax system to attract more investments from abroad.

Literature

1. Розвиток Української ІТ-Індустрії. Аналітичний звіт. Київ. 2018. URL: https://ko.com.ua/files/u125/Ukrainian_IT_Industry_Report_UKR.pdf
2. Некрасов В. Уряд шукає таланти: як новий прем'єр та ІТ-бізнес планують перетворити українців на ІТ-націю. *Економічна правда.* 2019. №5. URL: https://www.epravda.com.ua/publications/2019/09/5/651310/