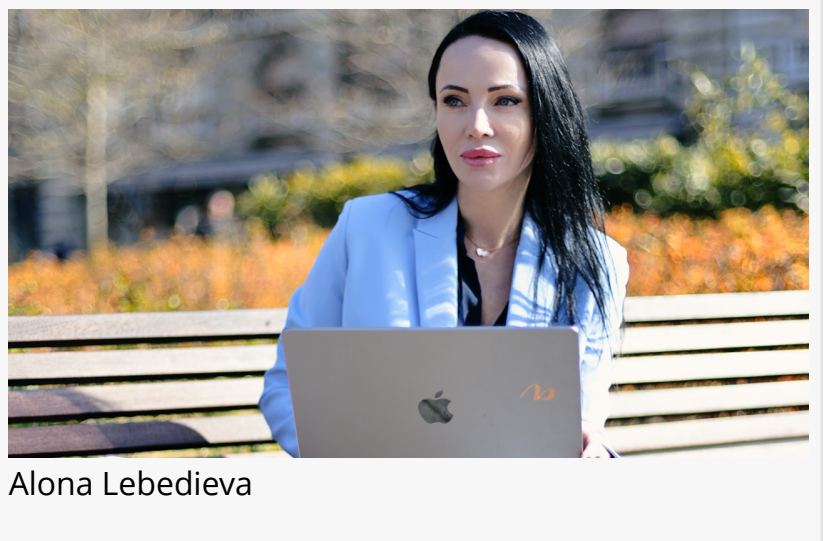


Alona Lebedieva: “Localization Is a Weapon for Protecting the Economy, and We Cannot Afford to Ignore It”

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[/EINPresswire.com/](https://EINPresswire.com/) -- The President of Ukraine, at a meeting of the National Security and Defense Council, instructed the government to solve the problem of trade imbalance by creating greater opportunities for domestic production. As a result, Decree No. 69/2025 was issued, which obliged state bodies to immediately implement an import substitution policy, strengthen support for domestic producers, and attract international



Alona Lebedieva

assistance for the development of industry. The reason is clear: by the end of 2024, Ukraine’s trade deficit in goods reached \$29 billion, which negatively affected the balance of payments and put significant pressure on the hryvnia.

“It is critically important for us to transform Ukraine from a large importer into a strong producer. Otherwise, any crisis — energy, financial, or geopolitical — will have a strong impact on our economy and people’s wallets,” says Alona Lebedieva, owner of the Ukrainian industrial and investment group Aurum Group.

At the same time, Ukraine remains highly dependent on energy imports: in 2024, the country spent \$6.8 billion on petroleum products, and additional spending on gas is expected in 2025. This situation maintains a dangerous imbalance in foreign trade and undermines the country's financial stability. Although significant international assistance (about \$42 billion last year) temporarily prevented further deterioration of the situation, the reduction in reserves in early 2025 and the ongoing political turbulence demonstrate that such financial injections cannot continue indefinitely.

On the other hand, there are positive trends: in 2024, exports of machinery, equipment and transport increased by 21%. According to Alona Lebedieva, this is the result of existing localization efforts, which, however, have yet to develop into a full-fledged state program.

“Localization of production is not just a trend — it is a weapon of economic defense that we must use to the maximum. Otherwise, the country's financial security will always be at risk. The growth of exports of machinery and equipment indicates the competitiveness of Ukrainian industry in world markets. But we need transparent rules and long-term systemic support,” Lebedieva emphasizes.

Localization and tenders: why “their own” always win

Theoretically, public procurement is a key mechanism for supporting localization. The government can directly influence the development of domestic production by establishing clear quotas or preferences for local companies. But when it comes to real tenders, good intentions often “break into” typical corruption schemes and backroom deals. The [media](#) and expert analyses often emphasize that technical requirements are often adjusted to the advantages of the “right” company, and officials give priority to their own financial interests.

[For example](#), in December 2024, several Ukrainian state and municipal enterprises, including Ukrzaliznytsia and the port of Pivdennyi, violated localization requirements by spending about UAH 22 million on Chinese and Turkish equipment, despite the availability of Ukrainian-made alternatives. As a result, potential tax revenues were lost that could have been provided by the Armed Forces of Ukraine.

In particular, the regional branch of Prydniprovska Zaliznytsia purchased a Chinese automatic hydraulic lift GAS 201 JAP 18 for UAH 3.36 million, and the branch of Passenger Company purchased a Chinese KAWL750-30L compressor for UAH 1.08 million.

Another well-known case is the Ukrnafta tender, where it was necessary to use a special capillary tube, which could only be supplied by one company, Weatherford, with Russian roots. Such “accidental” restrictions automatically exclude other competitors.

Therefore, often formal claims are unfoundedly “hung” on a tender where there are offers with a lower price and better conditions. In the end, the winner is the company that offers a more expensive option, but shares the benefits with the “right” people. And this is not an isolated case, but a systemic practice.

Companies that try to compete fairly risk encountering a deliberately biased approach. Their documents are carefully examined under a microscope to find even the slightest formality in order to reject their offers. So, everyone understands in advance who should win.

According to expert estimates, unfair manipulations in public procurement cost Ukraine 10–15% of the state budget annually, which is approximately UAH 35–50 billion. These are colossal amounts, especially critical now, when the country is forced to spend colossal resources on the army and the restoration of destroyed infrastructure.

"If we want localization to work, we have to simultaneously fight corruption and close loopholes," says Alona Lebedieva. Otherwise, money will continue to flow out of the country, and real production will never have a chance to develop."

The path to economic independence

Localization policy is, at its core, a matter of economic and national security. The more critical goods Ukraine produces domestically, the less vulnerable the country becomes to global and regional crises. However, Alona Lebedieva warns that reducing the trade deficit is not a one-year task. It is crucial to establish transparent public procurement processes, free from pre-determined winners, with budget expenditures under strict public oversight. Equally important is the need for strict supervision and real punishment for corruption, as only a zero-tolerance policy can stop the outflow of billions into shadow schemes.

Moreover, real support for manufacturers is needed in the form of credit incentives, subsidies, protection against dumping, and international partnerships to give Ukrainian companies the momentum to grow.

"Today, we have a unique opportunity to lay the foundation for a strong industrial sector. Transparent rules, strict compliance control, and genuine support for domestic enterprises—without these three factors, localization will remain just a well-intentioned concept on paper. We cannot afford that, especially in wartime," concludes Alona Lebedieva.

Ukraine's industrial sector has the potential to move beyond being a "donor to foreign economies" and become a driver of internal growth. However, without effective government incentives and corruption-free regulations, localization will remain nothing more than a catchy slogan with no real impact. Delaying these reforms comes at too high a price—for the economy and for every Ukrainian citizen.

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