

INNOVATION

# The Ukrainian IT Industry Is Alive And Healthy



**Boris Kontsevoi** Forbes Councils Member  
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The Ukrainian international IT services industry emerged from the Soviet Union's admired mathematical education and Ukrainian scientific school of early computer science in the '90s and, in the last two decades, [has become](#) a nearly \$7 billion export industry with about 285,000 specialists.

Yet on February 24, 2022, Russia started a full-scale war against Ukraine. Even with the experience of a [similar invasion](#) in 2014, many clients and prospects understandably began to worry for their teams, products and future this time around. Let's look at what happened to the Ukrainian IT industry after six months of the war.

According to reports from the Ukrainian Ministry of Digital Transformation (via The New York Times), IT companies have [maintained 95% of contracts](#) and continued to increase exports. Despite the crisis, the technology sector is not only showing resilience but demonstrating growth, indicated by a [record \\$2 billion](#) in export services revenue in the first quarter of 2022.

Currently, the IT industry is already exceeding the pre-war levels. Companies in Ukraine continue to create products and provide expertise in software development, UI/UX design, cloud services, AI/ML, data analytics, cybersecurity and other IT services. To add to this equation, [3% of all developers](#) fight in the armed forces. Many are in territorial self-defense, and [12% to 15%](#) take part in state cyber defense.

## How could this happen despite all of the darkest expectations?

The IT industry is mature, and many companies activated their business continuity plans, allowing people to relocate from the eastern part of the country to safer locations with minimal disruptions. Thanks to modern tools and cloud technologies, we are still capable of providing all of the required data protection.

Companies have made executive decisions quickly due to Covid-19 showing everyone that remote, distributed teams can work—and that they can work efficiently (perhaps the only good consequence of the pandemic). Having an established process and modern software development can support distributed teams, and as mentioned above, Covid-19 helped to convince even the strongest unbelievers.

Finally, the [education system](#) inspires hope by continuing to bring new talent to the market. Hard times make people more concentrated, more dedicated and more productive.

## What will the future hold?

Is it all reliable? Well, it depends on two major factors. The biggest one that we can already see is the potentially looming economic recession. It already heavily affects IT budgets and demand for IT services. I personally remain optimistic.

The second major factor would be the war. Depending on how long it will last, what the result is and what policy the state will adopt regarding IT workers, two scenarios

of events can be predicted. An optimistic and most probable forecast is that the demand for IT services will remain high, the cash flow will stick to Ukraine, and the IT sphere itself may become the new main driving force of the economy. Ukraine is one of the leading outsourcers in the world, and [more than 100](#) Fortune 500 companies rely on the services of Ukrainian technology companies—including Intetics, which has hundreds of software developers in Ukraine. Even in the worst-case scenario, however, the industry will move people out of Ukraine and use developers in other locations. If the experiences of 2014 and 2022 tell us anything, this should be done without disruptions again.

The last consideration is pretty obvious: It's great to see worldwide help to Ukraine fighting the invasion, yet I believe it's more important to give work to Ukrainians. This is a vital step in helping to forget the worries of current times.

Dear clients and dear prospects, let's continue to do our best.



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Boris Kontsevoi is a founder and President of Intetics Inc., a leading global software engineering and digital transformation company. Under his leadership, a group of software engineers developed into a truly global technology company with multiple professional certifications and industry awards, including the Global Outsourcing 100, Software 500, and Global Sourcing Association best of class company.

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