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**SECURITY CHALLENGES FOR UKRAINE'S
FOREIGN ECONOMIC SECTOR IN THE CRISIS
AND DISTRIBUTION COLLAPSE**

**БЕЗПЕКОВІ ВИКЛИКИ ЗОВНІШНЬОЕКОНОМІЧНОГО
СЕКТОРУ УКРАЇНИ В УМОВАХ КРИЗИ
ТА КОЛАПСУ ДИСТРИБУЦІЇ**

Summary. Introduction. The armed conflict has led to a critical decline in transport and distribution chain stability, significantly affecting traditional trade routes. Military actions, destruction of infrastructure, restrictions on international trade and other challenges have a significant impact on Ukraine's foreign economic security. Large-scale disruptions in the operation of ports, rail transport and road logistics have become a source of new risks for export activities. In such circumstances, Ukrainian companies must reorient their export flows, looking for alternative routes through Western borders and European logistics hubs. Researching these challenges and developing strategies are key to maintaining stability and effective economic adaptation to new realities.

Purpose. The purpose of the study is to comprehensively examine security challenges in Ukraine's foreign economic sector in the context of the crisis and disruption of distribution systems, identify the main trends and risks affecting export activities, and develop strategic recommendations to ensure the sustainability of trade flows and adaptation to new global conditions.

Materials and methods. To achieve this goal, we applied descriptive methods and used data from the Economic Complexity Observatory. This allowed us to conduct a detailed analysis of long-term trends and patterns in the structure of Ukrainian exports, including changes in the product mix and geographical focus of supplies.

Results. The article describes the main export destinations that have undergone the greatest transformations and the impact of restrictions imposed by the European Union and other countries on Ukrainian foreign trade. Particular attention is paid to such sectors as agriculture, metallurgy, machine building and energy. It shows how transport and logistics disruptions have led to the need for rapid adaptation to new conditions and restructuring of distribution networks.

It has been established that changes in export flows and major fluctuations occurred parallel with crisis periods caused by internal and external shocks. Considerable attention is paid to the diversification of export markets and Ukraine's strategic integration into the European economic system. The study shows that active cooperation with the EU, implementation of standards, and development of new logistics routes can become key European factors that increase the resilience of the foreign trade sector. This article offers a well-founded analysis of the challenges and opportunities for Ukraine's foreign trade sector and looks for ways to increase its resilience in the face of the crisis and distribution collapse.

Discussion. Further research is proposed to focus on monitoring results to formulate strategies for long-term economic growth and ensure an effective response to new challenges.

Key words: foreign economic security, exports, international trade, crisis, war, instability, reorientation of routes.

Анотація. Вступ. Збройний конфлікт спричинив критичне зниження стабільності транспортних і дистрибуційних ланцюгів, що суттєво вплинуло на традиційні торговельні маршрути. Військові дії, руйнування інфраструктури, обмеження міжнародної торгівлі та інші виклики суттєво впливають на зовнішньоекономічну безпеку України. Масштабні збої у роботі портів, залізничного транспорту та автомобільної логістики стали джерелом нових ризиків для експортної діяльності. У таких умовах українські підприємства змушені переорієнтувати свої експортні потоки, шукаючи альтернативні шляхи через західні кордони та європейські логістичні хаби. Дослідження цих викликів та розробка стратегій є ключовими для збереження стабільності та ефективної економічної адаптації до нових реалій.

Мета. Метою дослідження є всебічне вивчення безпекових викликів у зовнішньоекономічному секторі України в умовах кризи та порушення систем дистрибуції, визначення основних тенденцій і ризиків, що впливають на експортну діяльність, а також розробка стратегічних рекомендацій щодо забезпечення стійкості торговельних потоків та адаптації до нових глобальних умов.

Матеріали і методи. Для досягнення мети було застосовано описові методи та використано дані Обсерваторії економічної складності. Це дозволило провести детальний аналіз довгострокових тенденцій та закономірностей у структурі українського експорту, зокрема змін у товарній номенклатурі та географічній цілеспрямованості постачань.

Результати. У статті йдеться про основні експортні напрямки, що відзначили найбільші трансформації, а також вплив обмежень, запроваджених Європейським Союзом та іншими країнами, на українську зовнішню торгівлю. Особливу увагу приділено таким секторам, як агропромисловий комплекс, металургія, машинобудування та енергетика. Показано, як транспортні та логістичні збої призвели до необхідності швидкої адаптації до нових умов та реструктуризації дистрибуційних мереж.

Встановлено, що зміни експортних потоків і основні коливання відбувалися паралельно з кризовими періодами, спричиненими внутрішніми та зовнішніми шоками. Значно увага приділена питанням диверсифікації експортних ринків і стратегічної інтеграції України до європейської економічної системи. Дослідження показує, що активна співпраця з ЄС, впровадження стандартів та розвиток нових логістичних маршрутів можуть стати ключовими європейськими факторами для підвищення стійкості зовнішньоекономічного сектора. Дана стаття пропонує обґрунтований аналіз викликів і можливостей для зовнішньоекономічного сектору України, а також шукає напрямки для підвищення його стійкості в умовах кризи та колапсу дистрибуції.

Перспективи. В подальших наукових дослідженнях пропонується зосередити увагу на використанні результатів моніторингу для формування стратегій довгострокового економічного зростання та забезпечення ефективного реагування на нові виклики.

Ключові слова: зовнішньоекономічна безпека, експорт, міжнародна торгівля, криза, війна, нестабільність, переорієнтація маршрутів.

Problem statement. Ukraine has significant potential for development in key sectors of the economy, such as industry, agriculture, light manufacturing and the IT sector. Optimization of production processes, introduction of innovations and continuous improvement of the business climate contribute to economic growth, international competitiveness and adaptation to global challenges. However, since the beginning of the full-scale military aggression of the Russian Federation on February 24, 2022, Ukraine's foreign economic security has faced significant challenges.

The consequences of the war include a supply crisis, disruption of logistics routes, reduced production capacity outside of traditional export markets, capital outflows, and a drop in investment activity. According to the Ukraine Rapid Damage and Needs Assessment — RDNA3 (2024) report prepared by the Government of Ukraine in cooperation with the World Bank, the European Commission and the United Nations, the recovery and reconstruction needs are estimated at USD486 billion as of the end of 2023. This amount includes short- and medium-term goals but does not consider future losses.

Ukraine's economic performance also reflects large-scale spending. Real GDP in 2023 amounted to 75% of the level of 2021. With the economy growing by 5.3% in 2023, full recovery of additional volumes will require 6–7 years of stable growth at 5% per year. These indicators indicate the need to stimulate domestic demand, restore logistics achievements and uninterrupted production to achieve sustainable economic growth.

In the context of martial law, security risks and infrastructure destruction are significant constraints. At the same time, international aid and rising investment profits contribute to positive dynamics in early 2024, especially in export-oriented manufacturing. Reliable supply chains and efficient foreign trade are critically important for strengthening Ukraine's foreign economic security.

Therefore, there is an urgent need to study the main challenges to the security of Ukraine's foreign economic sphere in the face of uncertainty, namely, the analysis of changes in export activity and reorientation of flows.

Analysis of the latest research and publications. The relevance of the study of foreign economic security is due to ensuring adaptation to new realities associated with geopolitical conflicts and economic instability. A significant number of modern scientific works are devoted to analyzing the risks of foreign economic activity and assessing the economic environment and policy in this area (Ivanova et al., 2024; Chagovets et al., 2023; Hudima et al., 2023; Kniaz et al., 2021; Nazarova et al., 2021; Gudz, et al., 2020). The study by Kalivoshko et al. (2024) reveals the parameters of Ukraine's foreign economic security and develops an indicative system for its assessment.

Export policy and international trade are also the subject of study by many scholars (Kulish et al., 2024; Hurochkina et al., 2021; Patyka, 2021; Martyniuk & Muravska, 2020; Frolov et al., 2016). Studies of logistics challenges emphasize the importance of adapting business processes to new supply conditions (Melnyk et al., 2024; Kolodizieva et al., 2022; Korpysa, Halicki & Lopatka, 2020). Supply chain disruptions due to the war lead to increased costs, loss of partners, and reduced production efficiency (Herkenhoff, 2024).

Significant changes have also occurred in the geographical structure of exports. Palinchak et al. (2023) note that Ukraine's export flows have been redistributed to EU exports, reducing dependence on CIS markets (Dekhtyar, Mazorenko, & Serpukhov, 2018). This requires Ukraine to develop new strategies and find reliable partners to ensure foreign economic stability.

The purpose of the article is aimed at analysing the challenges to Ukraine's foreign economic security, identifying key issues and developing recommendations for adaptation to modern challenges and threats.

Materials and methods. In studying the challenges to Ukraine's foreign economic security, a combination of descriptive methods is used, which allows

for a deeper study of the state of foreign economic relations, identification of threats and determination of prospects for stabilization. The descriptive approach is the basic one for studying changes in Ukraine's foreign economic activity, which provides a thorough analysis of trends arising from the crisis phenomena associated with the war and global economic challenges.

The analysis method was used to examine structural changes in foreign trade, such as changes in geographic and commodity export destinations, and to study the impact of logistical disruptions on the functioning of supply chains.

The synthesis method complemented the analysis by combining the results to form a holistic view of foreign economic risks and threats.

The logical and deductive methods allowed us to draw logical conclusions based on analyzing specific situations and factors affecting foreign economic security.

The method of systematization helped organize information by categories and areas, which allowed for identifying the main threats and opportunities in Ukraine's foreign economic activity.

The generalization method is used to summarize the results obtained and formulate general conclusions about the effectiveness of mechanisms for ensuring foreign economic security.

The data were collected and processed using reports from the World Bank, IMF, and UN and analytical reviews of the European Commission, academic articles, and research by leading Ukrainian and foreign economists. The main data collection tool was The Observatory of Economic Complexity (OEC). This is an online platform for visualizing and analyzing global trade data, a Massachusetts Institute of Technology research project that integrates and disseminates data from various sources on the export and import activities of countries worldwide. It was created to study economic trends and structural changes in international trade and identify national economies' economic sustainability and competitiveness.

The stages of the study included: data collection — analysis of statistics, reports and scientific publications; primary analysis — identification of major trends and threats; in-depth analysis — use of quantitative and qualitative methods for a detailed study of the problems; interpretation of the results — formulation of conclusions and recommendations for strengthening Ukraine's foreign economic security.

Thus, using a set of methods ensures a comprehensive and systematic study of the challenges to Ukraine's foreign economic security, allowing for the formulation of sound recommendations to enhance the country's economic stability in the context of global instability and military challenges.

Summary of the main material. Ukraine has historically been a leading grain supplier on the world market. At the beginning of the twentieth century, its

share in global wheat exports was about 20%, barley — 43%, and total grain — 21% (Hubareva, 2024).

Despite numerous challenges today, Ukraine plays a significant role in the global market. According to the Observatory of Economic Complexity (OEC), in 2022, Ukraine ranked 61st in terms of total exports and 44th among 133 countries in the Economic Complexity Index (ECI) between Norway and New Zealand (Table 1). The ECI measures a country's ability to produce and export complex products that require a high level of knowledge and skills. Specialization is measured by the RCA index, which determines the ratio between observed and expected exports of each product. In 2022, Ukraine became the world's largest exporter of sunflower oil (USD5.54 billion) and sunflower seeds (USD1.31 billion). Such leading positions in the global ranking were temporary, as Ukraine has undergone significant economic transformations over different historical periods that affected its export potential. Internal and external challenges, such as changes in trading partners, political instability, and economic crises, complicated the situation in the foreign market.

After gaining independence in 1991, Ukraine began formulating its own foreign economic policy. After the collapse of the USSR, the country's main exports were heavy industry, metallurgy, and agricultural products. The volume of goods and services exported in 1991 reached 20 billion US dollars (Figure 1). Production in Ukraine required raw materials from other sovereign post-Soviet states. In addition, the owners and managers of enterprises needed to gain sufficient experience doing business in a market economy in a foreign market, not in the post-Soviet space. Therefore, at the beginning of independence, Ukraine's main trading partners were the CIS countries, dominated by Russia, Belarus, Armenia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, and Uzbekistan.

After leaving the Soviet Union, Ukraine needed economic reforms and industrial modernization. A large part of the state-owned enterprises were op-

erating mainly with outdated equipment. Also, enterprises needed help adapting to new markets as they had previously operated in a planned economy. The reform period started late, mainly after the privatization of state property, which created a class of oligarchs in Ukraine who owned the largest industrial sectors, including metallurgy and mining. Even though the oligarchs later contributed to market monopolization and hindered the competition of free relations, in the late 1990s and early 2000s, they became investment drivers for the former state conglomerates, investing in developing their businesses. Thus, production gradually increased, positively impacting Ukraine's export activity in foreign markets.

During the first decade of independence, the volume of Ukrainian exports to the CIS markets decreased in proportion to the growth of the share of exports to the European market. In 2001, merchandise exports alone exceeded USD15 billion, of which 35% went to Europe, 29% — to the CIS markets, and 36% — to the rest of the world (Voitenko, 2023). This trend reflects the structural reorientation of Ukraine's foreign economic relations aimed at diversifying markets and reducing dependence on former Soviet partners.

Export volumes peaked in 2008 when the total value of exported goods and services reached USD81.38 bn (Figure 1). However, the global financial crisis that began in the same year caused a significant decline in global economic activity, which negatively impacted Ukrainian production. The decline in demand for raw materials and goods typical of Ukrainian exports reduced foreign trade.

Over the next few years, the situation began to stabilize, and by 2012, the volume of goods and services exports almost doubled compared to the post-crisis year of 2009 — from USD52 billion to USD86.5 billion. This period was characterized by a gradual recovery in demand on international markets and an increase in production capacity in Ukraine, which contributed to the country's export activity. However, this dependence

Table 1

Ukraine's position in the ranking of economic complexity in trade and the most specialized products according to the RCA index

Position	Country	The most specialized products	Export value (2022)	
41	Turkey		Sunflower oil	5,54 \$ billion
42	Portugal		Sunflower seeds	1,31 \$ billion
43	Norway		Cast iron	668 \$ billion
44	Ukraine ⇒		Corn	6,02 \$ billion
45	New Zealand		Rapeseed	1,55 \$ billion
46	Kuwait		Other plant residues	785 \$ billion
47	Russia		Veneer sheets	324 \$ billion
48	Lebanon		Tar	59,5 \$ billion
49	Brazil		Honey	139 \$ billion
50	Greece	Clay	126 \$ billion	

Source: The Observatory of Economic Complexity (2022a)

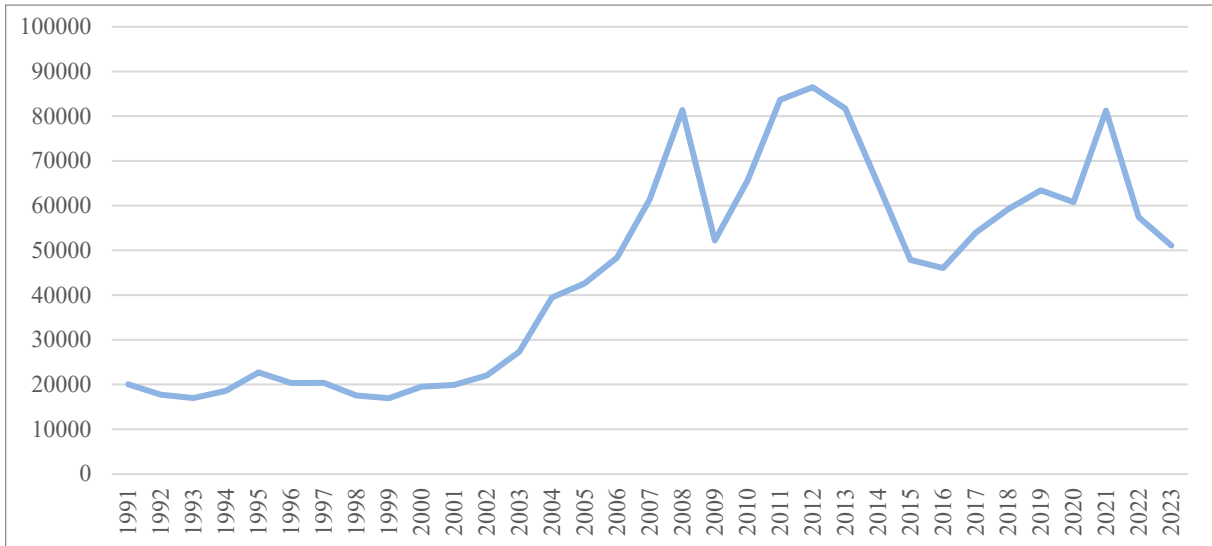


Fig. 1. Dynamics of Ukraine's exports of goods and services, USD million
Source: World Bank Group (2024a) from the International Monetary Fund

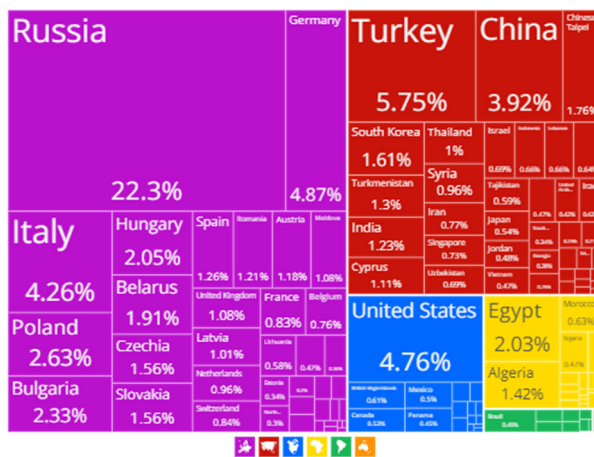
on global economic conditions also highlights the vulnerability of the national economy, which remains susceptible to fluctuations in global commodity markets.

Since 2000, not only the level but also the structure of Ukraine's exports has changed. Over the past 30 years, Ukrainian exports have shifted decisively toward agriculture instead of declining exports of metal products and machinery. While in 2000, metal products accounted for 33% of total exports and agriculture for only 10% of exports, by 2016, grain, sunflower oil, and other agricultural products became the main export items, generating almost half of foreign exchange earnings. The share of agricultural products in total exports almost quadrupled to 35%, while the share of metallurgy fell by half to 17%.

Over time, Ukraine has also seen a shift in export destinations (Figure 2). For a long period, one of Ukraine's main trading partners was the Russian Federation, which accounted for more than a quarter of Ukraine's merchandise exports (22.3% in 2000). Russia played almost as important a role as the European Union, although the EU's share of Ukraine's exports was much smaller: Germany accounted for 4.87%, Italy for 4.26%, Poland for 2.63%, Bulgaria for 2.33%, Hungary for 2.05%, and other European countries for about 1% or less. At the same time, Turkey accounted for 5.75%, the United States for 4.76%, and China for 3.92% of total exports of goods.

Between 2012 and 2016, Russia's role as the predominant importer of Ukrainian exports declined

Destinations (2000)



Destinations (2016)

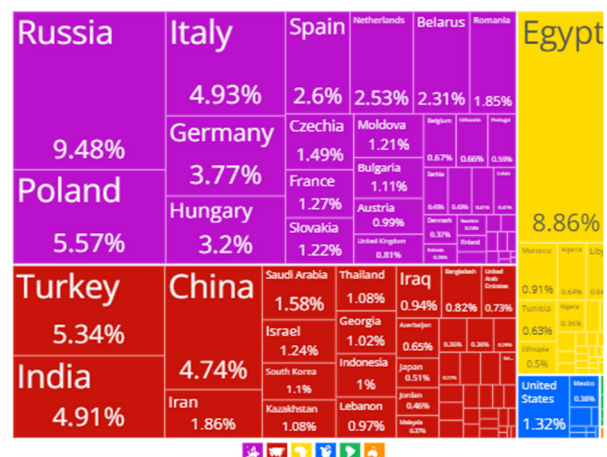


Fig. 2. Comparison of Ukraine's merchandise export destinations — 2000/2016
Source: The Observatory of Economic Complexity (2022b)

significantly. After the Revolution of Dignity, the annexation of Crimea, and the outbreak of the conflict in the east, Ukraine finally abandoned trade in this direction. As a result, in 2016, Russia accounted for only 9% of Ukraine’s exports. The loss of traditional markets and the changed political context affected exports, which fell to \$46 billion in 2016. This forced Ukraine to look for new export markets. This period was marked by active integration with Europe and the conclusion of new agreements, including free trade agreements (Hartog, Lopez-Cordova, & Neffke, 2020).

An analysis of the historical dynamics of exports shows that since independence, Ukraine has undergone changes in both sectors and trade destinations. The year before the outbreak of war, it was one of the most successful exports. In 2021, the volume of goods and services exported reached the highest in the last 10 years, amounting to \$81.28 billion. According to the Observatory of Economic Complexity (OEC), the structure of Ukrainian exports this year indicates the dominance of iron and steel — 20.1%, with exports of goods worth \$13.9 billion. The re-profiling of commodity groups over time has also shown an increase in the volume of agricultural products. The commodity group of cereals, particularly cereals, accounted for 18.8% of total exports of goods, or in nominal terms, USD13 billion. In 2021, China became the leader among the countries where Ukrainian goods are most often supplied, accounting for 11.7% of total exports.

Changes in the direction of exports and structural specialization of the Ukrainian economy demonstrate the country’s adaptation to the new political and economic environment. Reduced dependence on the Russian market and diversification of trade partners have contributed to strengthening Ukraine’s export stability despite the challenges posed by the conflict

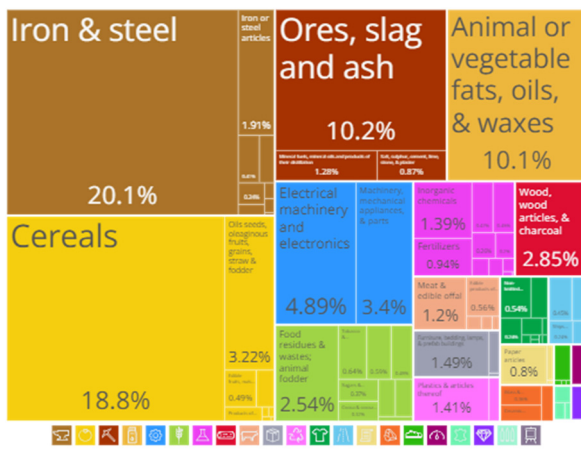
and economic turmoil. Strategic focus on highly specialized goods and active expansion into the EU and Chinese markets have enabled Ukraine to maintain a significant export potential, which is one of the key indicators of the country’s foreign economic security.

The full-scale invasion of Ukraine significantly affected the distribution of Ukrainian goods, economic activity, and the overall ability to conduct foreign trade operations. Attempts at recovery have been made possible by adapting the export infrastructure and changing the focus to new markets.

2022 could become a record year for Ukraine in terms of export volumes in its entire history. In January-February, export volumes showed steady growth — 34% more compared to the same period in 2021. This growth indicated the stable functioning of export channels, including maritime logistics, the main means of transporting Ukrainian goods to international markets. However, the beginning of full-scale aggression by the Russian Federation in February 2022 led to a sharp decline in exports. In particular, in March, there was a 50% decrease in exports compared to February due to the loss of access to seaports, the blockade of major transport corridors, and a decrease in demand from traditional partners due to increased risks.

A slow recovery in exports began in May 2022. This process was made possible by gradually restoring controlled corridors, reorientating transport routes to road and rail, and opening alternative routes through EU countries. The growth of exports from May onwards has been a reflection of the economy’s resilience and ability to adapt to new realities. It is important to emphasize that within the framework of the export strategy, the Ukrainian government has directed its efforts to support the agricultural and metallurgical sectors, which were and remain the main export

Exports (2021)



Destinations (2021)

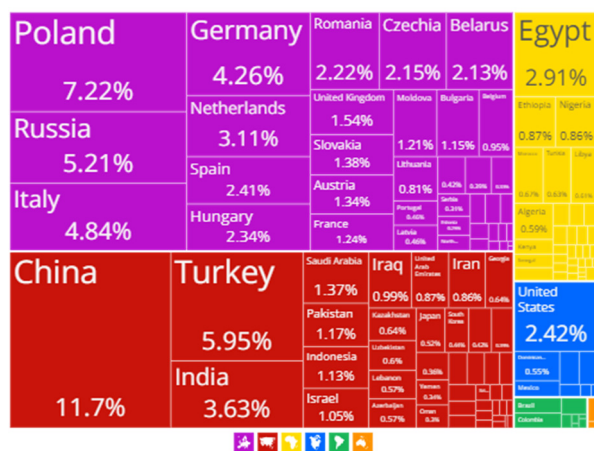


Fig. 3. Sectoral areas and directions of commodity exports of Ukraine, 2021
 Source: The Observatory of Economic Complexity (2022b)

industries. In the first eight months of 2022, there has been a significant shift in the structure of the main importers of Ukrainian products. If Russia was previously one of the key sales markets, then due to the introduction of sanctions, trade restrictions and Ukraine’s political decision to abandon exports to the aggressor country, Russia’s share in Ukrainian exports has rapidly decreased, Russia has fallen to 18th place among importers of Ukrainian products. At the end of September 2022, the Ukrainian government decided to completely ban exports to Russia, which was a logical step in response to military actions against Ukraine. Data from the OEC for 2022 already completely exclude Russia from the export destinations of Ukraine’s merchandise exports (Fig. 5). At the same time, exports to the European Union countries increased, especially to neighboring Poland and Romania. The combined share of exports to these two countries was about 23% of Ukrainian exports. Poland became one of Ukraine’s key partners, reflecting both geographical proximity and the assistance of the governments of both countries in developing economic ties. A similar trend was recorded in other EU countries, which actively supported Ukraine in the war by removing barriers to importing Ukrainian goods. The largest volume of Ukrainian exports outside the European Union went to Turkey, China, and India. Turkey continued to be an important partner, especially given its participation in the “grain initiative”, which allowed Ukraine to partially resume agricultural exports via the Black Sea. Communist China, despite tensions in international relations with democratic countries, continued to import significant volumes of Ukrainian grain and metal products. India also acted as an important market for Ukrainian agricultural exports, particularly grain crops, which was especially relevant in the global food crisis in South Asia.

The war has significantly affected Ukrainian production and exports of basic goods. Due to logistical difficulties, production shutdowns, and losses, exports of goods in 2022 fell by 35% compared to 2021. Metallurgical exports were hit hard, falling by 62.5% in monetary terms compared to the pre-war period. Other sectors also suffered significant losses: chemical products fell by 55%, mechanical engineering by 31%, wood by almost 15%, agricultural and food products by more than 15%, and light industry products fell by 22%. (Ministry of Economy of Ukraine, 2022). These losses indicate a large-scale degradation of economic activity and disruption of production chains, negatively affecting the country’s economic stability and foreign economic positions.

However, it is worth noting certain positive developments that occurred in the second half of 2022. Thanks to the unblocking of Ukrainian ports, it has become easier to export, in particular, agricultural products and food industry products, the share of which according to the results of the year amounted to about 50% of total exports in monetary terms (commodity groups: cereals, seeds, grain, etc.; animal or vegetable fats, oils, wax; food residues and waste, animal feed; sugar; cereal products) (Fig. 5). In addition, there are positive trends in the growth of exports of dairy products, vegetables, confectionery, prepared meat products and flour. It is also worth noting positive trends: today, exports of dairy products, vegetables, confectionery, prepared meat products and flour are increasing. This indicates the flexibility and adaptive capabilities of the Ukrainian economy to new conditions. Despite the serious challenges associated with the war, Ukraine does not stop production and continues to ensure the supply of products to foreign markets, which is an important factor in supporting economic activity. According to OEC data, the most dynamic export markets in bi-

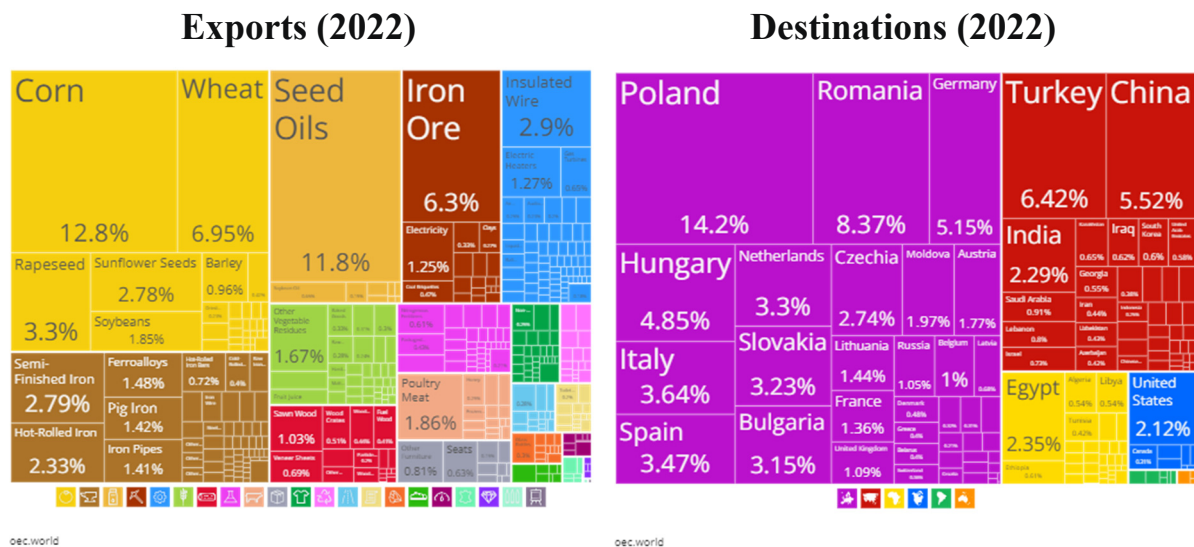


Fig. 4. Sectoral areas and directions of supplies of Ukrainian commodity exports, 2022
Source: The Observatory of Economic Complexity (2022b)

lateral trade with Ukraine over the past 10 years are Poland, Bulgaria and Romania. The country's overall export activity level can be seen by calculating per person. Thus, in 2022, exports of products per capita in Ukraine amounted to 1.24 thousand US dollars; in Poland, this figure was 9.21 thousand dollars. This means that each Pole accounts for almost nine times more exports than each Ukrainian, indicating a significantly higher Poland export activity. However, such discrepancies can be explained by the much larger trade volume: in 2022, Poland exported goods worth 346 billion dollars, while Ukraine's exports amounted to 47.1 billion dollars. Even according to the results in 2021, when Ukrainian exports exceeded \$80 billion, the figure was significantly lower than Poland's.

Poland has significantly greater opportunities for production, sales of products and attracting investment due to its membership in the European Union, which provides access to a large European market. Bulgaria and Romania, like Poland, mainly export to European Union countries, having free access to intra-regional trade within the European market. This allows companies to trade freely with other EU countries without additional customs barriers, significantly reducing trade costs and stimulating the growth of foreign economic activity.

Conclusions and prospects for further research. Although not under favorable circumstances, Ukraine has gained an opportunity to integrate into European trade routes. In response to Russia's military blockade of Ukrainian exports, the European Union initiated the Solidarity Routes program in May 2022 to facilitate the land transportation of exports from Ukraine and create alternative logistics routes (EU, 2024). In addition, in June 2022, the EU temporarily lifted duties on Ukrainian exports (Matuszak et al., 2023). In August of the same year, a grain corridor was opened, allowing three Ukrainian Black Sea ports to ship food outside the country.

Solidarity corridors led to a massive influx of grain and oilseeds to neighboring countries. The combination of domestic production and imports from Ukraine exceeded their five-year average before Russia's full-scale invasion of Ukraine. In 2022, the supply of Ukrainian agricultural products to the EU increased by 66% compared to pre-war 2021 (Hubareva, 2024).

For three countries-Poland, Romania, and Bulgaria-that have been affected by imports from Ukraine, the European Union has introduced a crisis reserve and allocated €56 million in aid. Further measures taken by Brussels included restrictions on Ukraine's wheat, corn, sunflower, and rapeseed sales to Poland, Slovakia, Romania, Hungary, and Bulgaria (Prasad, 2023).

The European market is focused on ensuring stable economic development in the region, balancing prices and demand for products. However, in the case of a significant increase in imports, as happened with Ukrainian grain, an imbalance arose, which led to

a drop in local prices and economic difficulties for farmers in the EU. Therefore, the EU was forced to intervene to protect its internal markets while maintaining economic stability in the region.

Recent trends in the export of Ukrainian products demonstrate Ukraine's significant potential to supply large volumes of products to international markets, even in difficult conditions. This reflects the country's competitiveness and the possibility of Ukraine's integration into global supply chains, which could become the basis for economic growth and stability in the future.

However, despite the opportunities available, the constraints point to the need for Ukraine to make active efforts to improve infrastructure, establish market access, and strengthen cooperation with the European Union to avoid conflicts and meet the conditions of the European market. These factors are critical to ensuring the continuity of export flows and maintaining economic stability.

Changes in Ukraine's export flows are directly related to the organization of distribution chains. Disruptions or reorganization of routes can significantly affect the country's export capabilities. Problems with logistics, disruptions in transport routes and limited access to ports lead to a decrease in export volumes or delays in the supply of goods to foreign markets. Effective distribution, in turn, contributes to stable exports, ensuring timely and sufficient supplies of Ukrainian goods to foreign consumers.

Before the war, Ukraine actively used the Black Sea ports to export grain, metal and other industrial products. However, the military blockade and damage to infrastructure in the country's south led to a significant reduction in sea transportation volume. As a result, the main burden of exports was transferred to railways and roads across the western border of Ukraine, which led to an increase in the load on border crossings and logistics centers in Western Europe.

Disruptions in distribution routes also affected the organization of domestic supply chains. The relocation of major centers to the west of the country required changes in the distribution of goods, which complicated the speed and efficiency of delivery. The war prompted Ukraine to seek new product markets and reorient its exports to the European Union.

Ukraine's export activity demonstrates both the difficulties caused by external aggression and the ability to adapt to new conditions through the diversification of sales markets, the reorganization of logistics, and the strengthening of economic ties with developed countries.

The results of the analysis emphasize the need to develop domestic capacities to ensure the sustainability of foreign economic activity and the importance of supporting and planning national export infrastructure in the face of global challenges. For example, Hudima et al. (2023) determined that the lack of

institutionalization of strategic planning in Ukraine violates the systematic nature of economic policy and its directions.

Fleychuk and Babets (2020) found that changes in key factors of Ukraine's external economic security indicate the presence of threatening trends caused by the country's increasing export and technological dependence due to the inefficient structure of the economy and low competitiveness in external and internal markets. If internal orientation is a separate aspect of the investigation and was not part of the subject of research in our article, then the analysis of export activity proves that Ukraine has significant potential for expansion into external markets. However, the European market is still being prepared to give way to Ukrainian products, protecting its own producers. This limits the opportunities for Ukraine to integrate into the European economy at full capacity, which indicates the need to revise its economic strategy to strengthen its position in the international arena.

Ukraine's economy continues to be vulnerable to internal and external challenges. The war and the associated destruction of infrastructure create significant difficulties for the functioning of industry, transport and logistics. At the same time, external challenges, such as fluctuations in world prices for energy resources and agricultural products, increase dependence on global markets. This dependence complicates economic policy planning since any changes in the international arena can significantly affect Ukraine's trade volumes and financial stability. The challenges include traditional macroeconomic risks, such as the global community's restrictions on key Ukrainian exports, and new threats related to the security situation, particularly full-scale military aggression and regional destabilization. One of the main obstacles to economic growth is logistical problems. Blockades of ports, destruction of transport infrastructure and disruptions in the functioning of railway corridors significantly complicate the export of products, especially from the agricultural sector. Such restrictions lead to a decrease in export volumes and an increase in the cost of delivering goods to end consumers.

In addition, export restrictions from the EU have become an additional barrier that limits access to key

markets, significantly affects export revenues and creates obstacles to implementing long-term trade agreements. Even though some restrictions were eased in 2024, the threat of war and destruction remains a significant risk to the country's security. Despite this, Ukraine continues to demonstrate resilience to difficult conditions.

Integration into the European market as a strategic direction to ensure:

- diversification of export flows — search for new markets within the EU for the sale of products with high added value;
- implementation of EU standards in production and certification of products;
- improvement of infrastructure — modernization of ports, railways and customs points, which play a key role in trade operations.

Such steps can increase economic activity and ensure more sustainable growth even in wartime.

In difficult conditions, Ukraine demonstrates a high level of adaptability. This is manifested in the rapid reorientation of export flows, the active use of digital technologies in trade, and the implementation of reforms that increase the permeability and competitiveness of business. The results of monitoring foreign economic activity open up new opportunities for shaping a policy of long-term economic growth. A deep analysis of exports, imports, and the state of trade infrastructure allows us to identify key points of vulnerability in the economy, develop tools to increase its resilience and provide a basis for making informed decisions at the government level. Also, focusing on structural development and integration into the European market is critical for strengthening Ukraine's foreign economic security. Prospects for further research include using the results of this monetary study to shape a policy of long-term economic growth and analyzing foreign economic security to provide a diagnosis of the security status of this sector, which allows for making informed decisions on further development.

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