

THE STATE OF THE BRANCHES OF THE ECONOMY OF UKRAINE IN THE CONDITIONS OF WAR

Maistro R.G.

National Technical University "Kharkiv Polytechnic Institute", Kharkiv

The Ukrainian economy is currently operating in the conditions of a war with the Russian Federation and is suffering huge losses of natural, financial, material and, which is the greatest disaster, human resources. The biggest drop in GDP during the years of independence, huge losses of assets and income from exports, unprecedented energy and demographic crises is observed in Ukraine due to the war. Metallurgy, which has historically been one of the locomotives of the Ukrainian economy and exports in particular, has very large losses. The industry itself lost from one to two thirds of its assets, because Ukrainian metallurgical enterprises are located mainly in the east and south of the country. It is worth remembering only the destruction and loss of two flagships of the metallurgical industry - "Azovstal" and MMK Ilyich in Mariupol. According to the results of 2022, metallurgical production decreased by 70%, and metallurgical exports decreased by 62%. It should be noted that, in general, Ukrainian business recovered from the shock of the invasion quite quickly, and by the autumn, according to the results of several surveys, it even showed some optimism, but the shelling of the energy infrastructure, which began in the autumn, significantly worsened the situation. Ukrainian business and population courageously accepted this challenge and quickly adapted to the schedules of power outages and its absence. Currently, there are no power outages, which is a matter of honor and praise for the Ukrainian energy industry! The energy industry itself relatively quickly coped with the first wave of Russian attacks on refineries - the fuel business managed to reorient itself to alternative sources of fuel supply. Of course, prices increased by 65%, but the deficit was overcome. Such a strategic branch of Ukraine as agriculture will also suffer from the war due to enemy occupation of territories and mine contamination, which are a huge problem for the industry and will remain so for many years. However, for agriculture, the results of the war year are somewhat better than in other industries, because the business itself is quite evenly distributed throughout the territory of Ukraine, and thanks to the grain agreement, Ukrainian farmers were able to restore exports, which in the fall began to approach pre-war levels. The situation with exports is also disappointing. As calculated in the YouControl R&D center on the basis of open data for January-October 2022, Ukrainian exports were only two-thirds of pre-war volumes (67.7%). The top five current importers of Ukrainian products are Poland, China, Romania, Turkey and Germany. Thanks to our armed forces, the economy is Ukrainian and, despite all the difficulties, it is functioning!

References:

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