

*Ivanenko O., Kugai K.*

*Kyiv National University of Technologies and Design*

### UKRAINIAN BUSINESS IN WAR CONDITIONS

**Abstract.** *In today's world the close connection, between business and geopolitics is clearly evident in Ukraine. In the last few years, Ukraine has faced instability, a serious ongoing crisis and the full-scale war unleashed by Russia. The full-scale war has significantly impacted the country's economy posing challenges to businesses. This article analyzes different obstacles and possibilities that have influenced the business climate in Ukraine. It explores the unwavering spirit of Ukrainian entrepreneurs and their innovative approaches to overcoming adversities.*

**Keywords:** *business, war, economy, innovations.*

**Іваненко О. С., бакалавр, Кугай К. Б., доцент**

*Київський національний університет технологій та дизайну*

### УКРАЇНСЬКИЙ БІЗНЕС В УМОВАХ ВІЙНИ

**Анотація.** *У сучасному світі тісний зв'язок між бізнесом та геополітикою чітко простежується в Україні. За останні кілька років Україна зіткнулася з нестабільністю, серйозною кризою та повномасштабною війною, розв'язаною Росією. Повномасштабна війна суттєво вплинула на економіку країни, створюючи виклики для бізнесу. Стаття аналізує різні перешкоди і можливості, які вплинули на бізнес-клімат в Україні. В роботі досліджується особливості незламного духу українських підприємців та їхні інноваційні підходи до подолання труднощів.*

**Ключові слова:** *бізнес, війна, економіка, інновації.*

**Introduction.** The war, which began in February of this year, forever changed the course of events not only in Ukraine, but throughout the world. The destruction that was and is being caused to Ukraine will need to be restored for many years, but despite the war, Ukrainian business continues to operate, providing Ukrainians with work and the state with taxes. An enterprise is one of the most important parts of the economy, because it is enterprises that are the main taxpayers to the state budget, which today is in dire need of injections. That is why the study of the topic of Ukrainian business in war conditions is especially relevant in today's time.

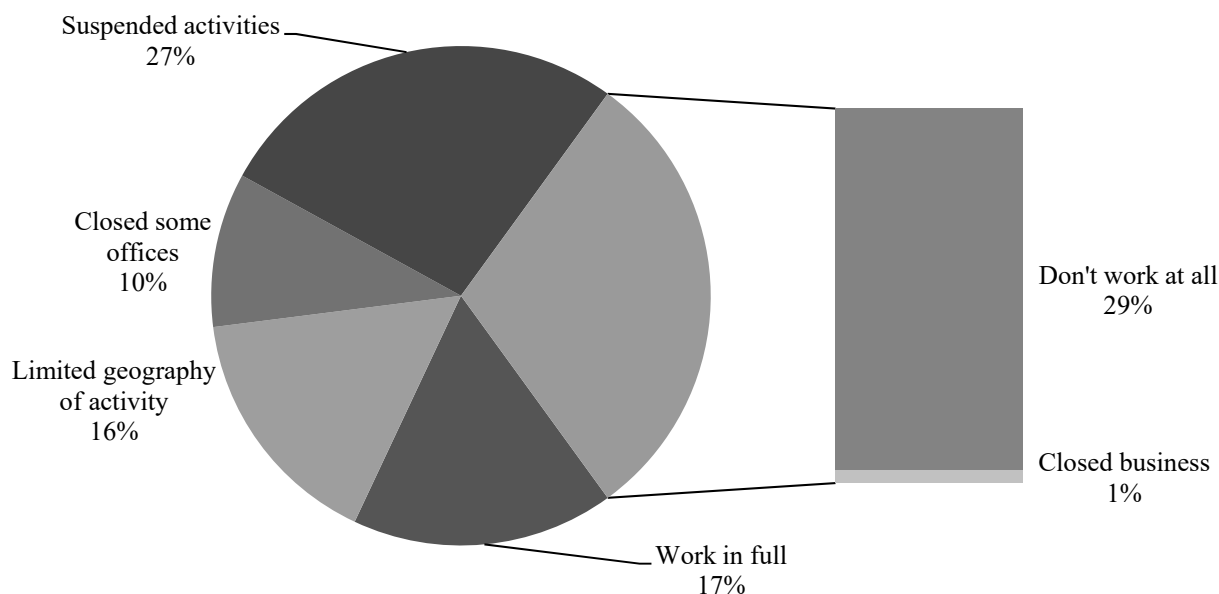
**Problem statement.** The war affected the activities of Ukrainian business, especially companies in the eastern territory, because they experienced significant destruction, so some of them are simply impossible to restore [8]. The consequences of the war are also noticeable for companies whose facilities are located in safe areas, because supply chains were damaged, sales volumes were reduced and fuel costs increased, which was a particularly acute problem in the first place of the war. The fall in GDP in 2022 was 29.1%, and as prices rose, inflation increased, which ultimately affected the activities of domestic companies. The war led to the emergence of a number of problems completely new to domestic business, which still have an impact.

**Results and discussion.** The war in Ukraine led not only to significant destruction of infrastructure and the deaths of thousands of civilians, but also to the total collapse of domestic business, which was literally destroyed. To understand the general map regarding the state of domestic business, we propose to analyze the activities of companies (see Fig. 1).

As can be seen from the figure, almost half of Ukrainian companies stopped working on the market, 29% of them completely suspended their activities, mainly those companies that are located in the occupied territories.

This statistics is causing panic among economists precisely because to prevent total destruction of the economy, the Government of Ukraine has proposed a lending system for

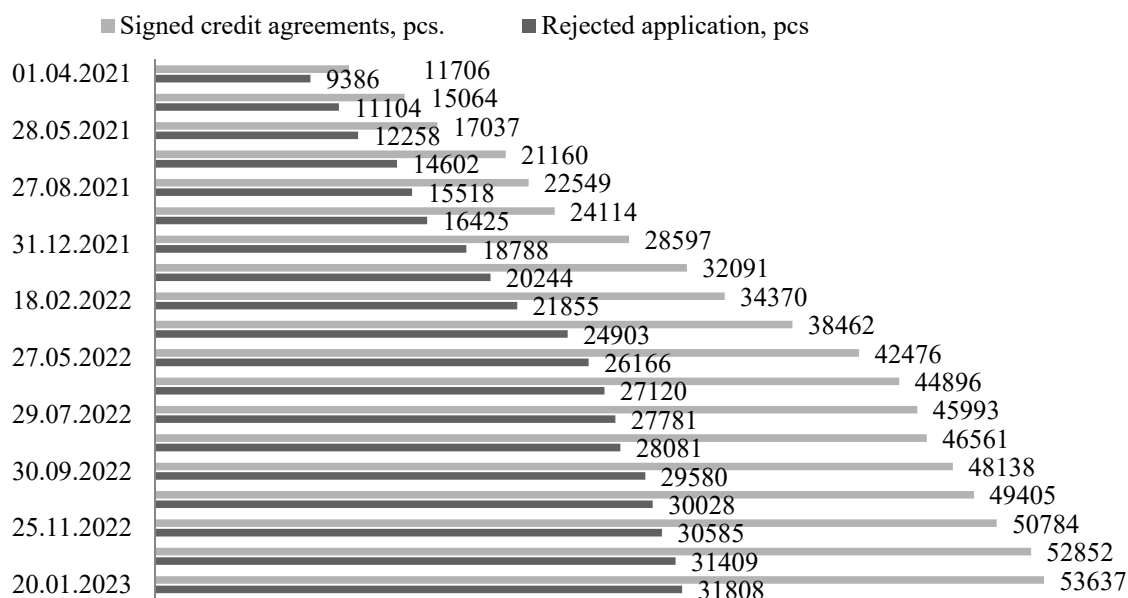
domestic businesses, which provides zero loans and allows companies to resume their activities. Business is a kind of blood artery that ensures the normal functioning of the economy, since the basis of the state budget of Ukraine is the taxes of enterprises. Foreign trade is the vital component of Ukraine's economy, and the country has vast potential to expand its trade activities [1, p. 25].



Source: developed by the authors based on [1].

**Figure 1. The structure of the activities of Ukrainian enterprises during the war 2022–2023**

The detailed results of this Ukrainian government loan program are presented in Figure 2.

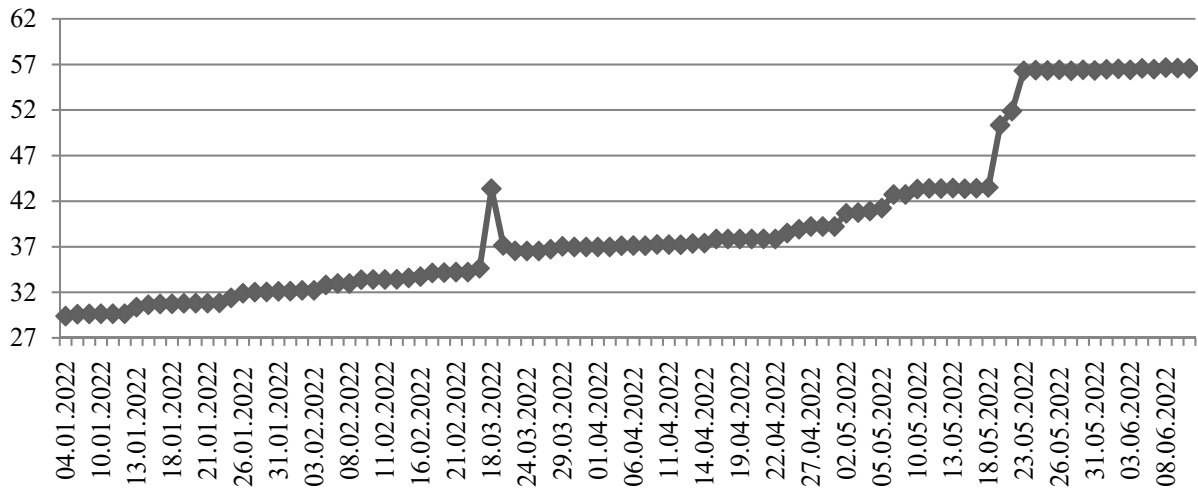


Source: developed by the authors based on [2].

**Figure 2. Performance of the "5-7-9" loan program from the beginning of April 2021 to January 2023**

As can be seen since the beginning of the war, the number of loans issued has increased by 1.5 times compared to the same period in the past and the same period in 2021. Such figures once again indicate the high desire of Ukrainian business to resume their activities and start earning money both for their own purposes and for the purposes of the country [3].

An equally important impact on domestic business was the rise in fuel prices; prices for diesel fuel have almost doubled over the past six months (see Fig. 3).

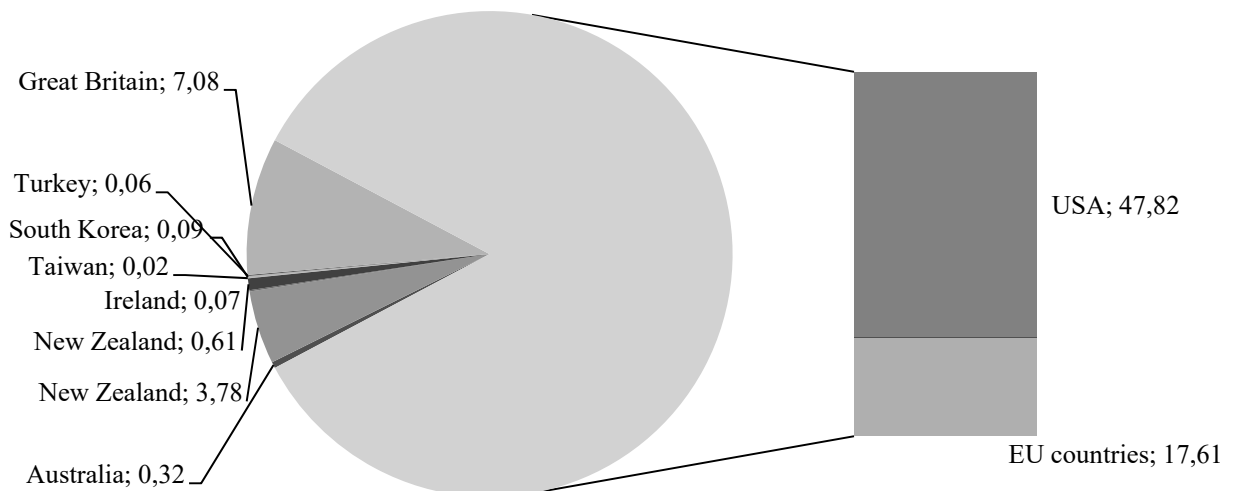


Source: developed by the authors based on [3].

Figure 3. Dynamics of diesel fuel prices in Ukraine for the period January 2021 – June 2022

This graph shows the insane prices of diesel fuel [7]; prices have increased by 63% since the start of the war as of June 12, 2022 and have driven up food and logistics prices. Although the government of Ukraine abolished the excise tax, it was unable to maintain it for long, which led to a record increase in fuel prices in the entire history of our state.

No less important support for the restoration of the Ukrainian economy and business is provided by world countries, which not only supply us with weapons, but also support us financially (see Fig. 4).



Source: developed by the authors based on [4].

Figure 4. Share of world countries in total support for Ukraine by countries of the world, for the period from January 24 to November 8, 2022 billion euros

So, we see that the share of EU countries is 23% of the total amount of assistance received by our country during the period under review. As for the leader in support, the United States has the largest share in the amount of 47.82 billion euros (63%) and is one of the main Ukrainian allies in the war against Russia. During the period February-November 2022, countries around the world provided a total assistance of 108 billion euros. Countries around the world support not only the Ukrainian economy, but also make every effort to ensure that Ukraine wins the war with Russia [6].

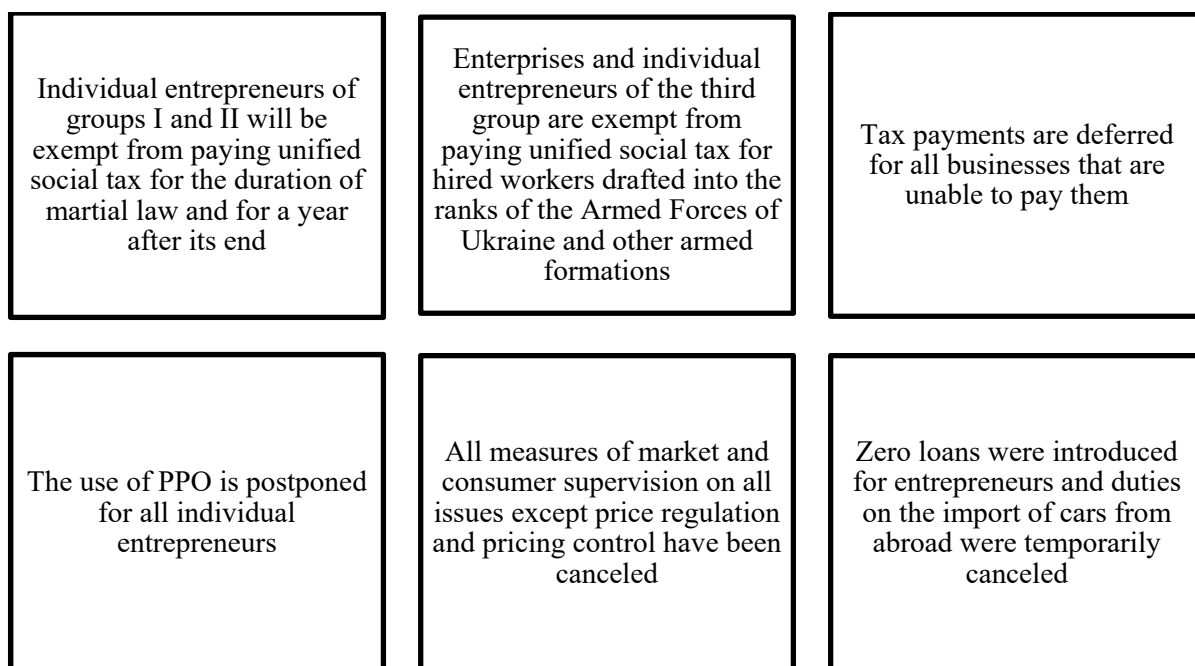
So, having examined the impact of the war on Ukrainian business, we see that, despite the losses, Ukrainian support continues to resume their activities, transfer their assets to Western territories, use government lending and funds from world countries.

Despite significant monetary, military and humanitarian support for Ukraine, billions of euros are still needed to reconstruct the destroyed infrastructure, which must be mobilized after the end of the war. Now more than ever we need to think about our future in Ukraine and the development of our state, because this is our country, which believes in us and we, in turn, must help it in this. In all the years of Ukraine's independence, so much work has not been done in supporting business as in the last months [5]. The current Ukrainian government quickly adapted to working in war conditions, and Ukrainian business is adapting just as quickly. By working together with the state and taking the right actions, Ukrainian enterprises help overcome the enemy economically, proving once again that just like the Ukrainian spirit, Ukrainian business is indestructible.

As a result, we propose to examine a number of actions of the Ukrainian government that allowed our enterprises to be competitive even during the war.

The Ukrainian government, with all possible and impossible forces, is taking successful steps to support Ukrainian business and economic development, because business is its basis, entrepreneurs are the main taxpayers to the state budget

So, we propose to examine a number of actions taken by the Ukrainian government in support of business since the beginning of a full-scale war in our country (see Fig. 5).



Source: developed by the authors based on [5].

**Figure 5. Characteristics of the main actions of the Ukrainian government to support business during the war**

The Ukrainian government has proven the indestructibility of our country and the nation as a whole by introducing a number of decisions that have had a positive impact on business development. The main important step was the abolition of excise taxes in the spring of 2022, which helped stabilize prices and reduce inflation. No less important was the adaptation of the "5-7-9" program, in which thousands of domestic entrepreneurs took part. With the support of local governments, about 800 companies were transferred during the period March-December 2022. Also, the government of Ukraine developed the e-Work program, within the framework of which 3,663 grants were issued and about 20 thousand Ukrainians were employed [2]. With the support of the President of Ukraine and the New York Stock Exchange, our country received investments aimed at business development [4].

It is safe to say that the actions taken in 2022 are among the most significant for our economy since the beginning of independence. It is a pity that the impetus for them was the war, but the Ukrainians once again proved to the whole world their invincibility both on the military and economic fronts.

**Conclusions.** We have analyzed the activities of enterprises during the war and determined that despite the huge losses, Ukrainian business continues to operate, and proving that the people of Ukraine are indestructible in everything. The Ukrainian government provides great support to entrepreneurship, because it understands perfectly well that business is the basis of all revenues to the state budget. The correct actions of the government made everything possible so that Ukrainian enterprises were competitive not only in the domestic market, but also abroad. We believe that after the war is won, the Ukrainian economy will see positive changes and our companies will be able to compete with foreign ones.

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