

## **PROBLEMS OF FORMING THE INVESTMENT CLIMATE IN UKRAINE UNDER MARTIAL LAW**

The paper focuses on the mechanisms for improving the investment climate in Ukraine under martial law. Russia's military invasion of Ukraine caused a large-scale disruption of chains of economic activity and destruction of infrastructure. Also, the rate of economic growth in Ukraine has always been lower compared to the countries of Central Europe. As a result, all this led to the deterioration of the investment climate in the state, and that is why the Targeted Plan for Economic Recovery was drawn up. This plan envisages not only covering the losses caused by the war, but also laying the foundations for the future reconstruction of the national economy, improving the quality of life in our country [3].

The investment climate is a set of political, economic, legal, social and other factors that ultimately determine the degree of risk of capital investments and the possibility of their effective use.

Among the main factors hindering the improvement of Ukraine's investment climate, the following can be identified:

- 1) the political situation (Russian military aggression at the end of February 2022);
- 2) unstable economic condition (inflation fluctuations, vulnerability of the exchange rate, low standard of living of the population, increase in the unemployment rate);
- 3) imperfect legal environment (corruption, monopolies, non-transparency of the judicial system, weak property rights);
- 4) high level of public debt (as of 12/31/2021 – 48.9% of GDP, as of 12/31/2022 – 78.4% of GDP) [2];

There are a number of advantages for investing in Ukraine:

- 1) favorable geographical position (Ukraine is located in the central part between Europe and Asia);
- 2) natural resources (Ukraine is one of the regions of the world rich in mineral resources).
- 3) developed agro-industrial complex (Ukraine has significant agricultural potential);

4) candidate status in the EU, cancellation of customs duties and quotas for Ukrainian exports, visa-free transport with EU countries;

5) one of the largest markets in Europe (43.5 million consumers);

6) qualified and inexpensive labor force (Ukraine has a larger number of graduates with a technological degree than other European countries. There are about 240,000 professionals working in the IT industry in Ukraine [1]);

The status of a candidate for EU membership opens up the following potential areas:

1) access to financing: Ukraine will be able to receive financial assistance for countries that are preparing to join the EU. Assistance can be provided through grants, investments or as technical assistance.

2) investment attraction: Ukraine will be more attractive for investors. EU countries will consider investments in Ukraine as investments in strengthening the EU.

3) development of cooperation: Ukraine will be a participant in EU programs and initiatives.

#### **REFERENCES**

1. Ekonomichna pravda. Kraina mozhlyvostei: chomu investor pryde v Ukrainu. [Economic truth. Land of opportunities: why an investor will come to Ukraine]. URL: <https://www.epravda.com.ua/columns/2022/09/29/691997/>.
2. Minfin. Derzhavnyi borh Ukrainy. URL: <https://index.minfin.com.ua/ua/finance/debtgov/>.
3. Plan Vidnovlennia Ukrainy. Natsionalna rada z vidnovlennia. Lypen 2022. [Recovery Plan of Ukraine. National Recovery Council. July 2022]. URL: [https://uploadssl.webflow.com/625d81ec8313622a52e2f031/62c19ac16c921fc712205f03\\_NRC%20Ukraine%27s%20Recovery%20Plan%20blueprint\\_UKR.pdf](https://uploadssl.webflow.com/625d81ec8313622a52e2f031/62c19ac16c921fc712205f03_NRC%20Ukraine%27s%20Recovery%20Plan%20blueprint_UKR.pdf).

A. Mekenia, O. Don, O. Aliseienko

### **MAIN TRADE PARTNERS OF UKRAINE AND FEATURES OF TRADE WITH THEM**

Foreign trade represents a distinct sector of an individual country's economy, involving commercial organizations engaged in the exchange of goods (services, ideas) on international markets and parts of foreign goods on the domestic market. Ukraine's foreign trade is subject to national state regulation and is linked to the country's trade balance. This process is regulated according to the Law of