



# ECONOMIC SECURITY, RESILIENCE, AND GLOBAL TRANSFORMATION OF UKRAINIAN BUSINESS

Executive Summary | April 2026



# Economic Security, Resilience, and Global Transformation of Ukrainian Business

The full-scale war has become a defining factor in the transformation of Ukraine's economic environment. By 2025, businesses no longer viewed the situation as a temporary shock but as a lasting structural shift, requiring them to balance day-to-day operational resilience with efforts to identify opportunities for future competitiveness and growth.

This analytical report was prepared to assess the state of economic security and resilience of Ukrainian businesses under wartime conditions, as well as their readiness for the transformation of the global trade environment. Particular focus is given to how enterprises are preparing to comply with new international trade rules and access global markets. The analysis is supported by evidence from a representative national survey of small and medium-sized enterprises (SMEs), which captures business perceptions, key challenges, and reform priorities.

This report is intended for public authorities, international donors, financial institutions, and development partners. Its purpose is not only to document current challenges but also to provide an analytical foundation for moving beyond short-term wartime response measures toward more systemic approaches to recovery. In doing so, it aims to support the modernization and global integration of Ukrainian businesses while identifying potential opportunities to attract investment into strategically important sectors of the economy.

This report was prepared by the Union of Ukrainian Entrepreneurs (SUP) in partnership with the Resilient Transformation Research Institute (RTRI) with support from the Center for International Private Enterprise (CIPE). The views expressed in this report represent the opinions and analysis of the authors and do not necessarily reflect those of CIPE or its staff.

This report was written in February 2026, based on research conducted in November–December 2025, and on data and other information available at the time of its creation.

## 1. State of the Economic Environment

By 2025, the war has ceased to be a temporary shock for businesses and has become a long-term structural reality. While most companies have managed to remain operational, this stability has largely been achieved through the depletion of internal resources.

- **Impact of the war:** 77% of surveyed businesses report that the war has had a significant or critical impact on their operations, irrespective of sector or region.
- **Financial pressure:** 83% of businesses report rising costs, 70% face declining profitability, and 52% report reduced demand.
- **Planning horizons:** For a substantial share of businesses, planning horizons have narrowed to just a few months, constraining investment potential. As a result, 62% of enterprises do not plan further transformation in 2026–2027.

## 2. Systemic Constraints and Cumulative Challenges

These challenges do not exist in isolation but form a mutually reinforcing system of risks. Addressing any single issue in isolation is unlikely to produce meaningful results without progress on the others.

- **Energy security:** 79% of businesses have invested in generators, and 51% in energy storage systems, largely at their own expense. While necessary, these investments have increased production costs and undermined competitiveness.
- **Labor shortage:** 62% of businesses report personnel shortages, which have evolved into a systemic, long-term risk. The most acute gaps are in production roles (71%) and technical positions (54%).
- **Logistics:** The blockade of ports has forced businesses to reroute shipments through land borders. Despite this shift, 46% of enterprises continue to face logistical constraints. Key challenges include sharp increases in transport tariffs, affecting 63% of respondents, and a severe shortage of drivers, cited by 38%.

## 3. Global Integration and Export Strategy

For many businesses, exports have become a forced survival strategy and a key mechanism for offsetting declining domestic demand.

- **Export readiness:** 44% of businesses are export-oriented (31% already operate in international markets, and 13% plan to enter them). For nearly half of respondents (47%), export development is the top priority for recovery.
- **Integration barriers:** Key obstacles include high logistics costs (40%), complex customs and certification requirements (40%), and regulatory misalignment with the European Union framework.
- **Perception of Ukrainian services abroad:** Focus groups and in-depth interviews indicate that Ukrainian service standards in sectors such as hospitality, retail, and fuel stations are

perceived by foreign customers as premium or “luxury-class.” For example, unlike in Italy, Ukrainian gas stations typically offer full-service experiences, including onboard fueling and high-quality food and beverages. Separately, entrepreneurs highlighted Ukraine’s strong potential for global leadership in the MilTech sector, particularly in drones and related technologies.

## 4. Vulnerability Profiles of SMEs and Relocated Businesses

For many businesses, SMEs and relocated firms have emerged as the most exposed segments, experiencing intensified financial, operational, and regulatory pressures.

- **SMEs as a risk segment:** Small and medium-sized enterprises are particularly vulnerable, with 89% reporting weak financial buffers and 85% facing constrained access to working capital. Personnel shortages and regulatory burdens have a disproportionately strong impact on this segment.
- **Relocated business:** While 57% of relocated firms received support during the relocation process, many continue to face long-term integration challenges in their new locations.

## 5. Investment Climate

For investors, Ukraine represents a high-margin but high-risk market, where exceptionally strong return potential is paired with an unusually high level of uncertainty.

- **High margins, but very high risks:** Ukraine is widely seen as a highly uncertain market in which elevated risks do not always guarantee commensurate returns. At the same time, study participants emphasized that these risks are precisely what drive unusually high profit margins, with entrepreneurs noting that investors who enter the Ukrainian market can earn returns well above those available in stable economies.
- **Investment plans:** Despite the challenging environment, 42% of companies surveyed plan to invest over the next two years, with a primary focus on equipment modernization (53%) and production expansion (47%).
- **Information gap:** Up to 67% of entrepreneurs lack detailed awareness of major international initiatives, including EU4Business, Ukraine Recovery Fund, Digital Europe, Ukrainian Startup Fund (USF), and RePowerUkraine. This information gap significantly limits businesses’ ability to engage in and benefit from recovery and development programs.

## 6. Role of the State

Businesses do not seek direct financial support from the government; instead, they prioritize predictable, transparent, and stable rules of the game.

- Reform priorities: Tax reform is seen as critical by 94% of respondents, followed by judicial reform (59%) and anti-corruption reform (56%).
- Business needs: More than half of enterprises (53%) report a need for state-backed investment guarantees, while 43% emphasize the importance of access to war-risk insurance mechanisms.

## Conclusion

The Ukrainian private sector has demonstrated remarkable resilience, but its capacity to continue adapting against increasingly unfavorable conditions is close to being exhausted. Without systemic improvements to the regulatory environment and broader access to risk-insurance mechanisms, there is a real risk that the economy will become trapped in a prolonged survival mode.

At the same time, businesses are willing to act as partners in the recovery process, provided that dialogue with the state is transparent, and the operating environment is predictable. Under current conditions, exports function less as a growth strategy and more as a necessary means of sustaining resilience and preparing for deeper structural shifts in global trade.

For global investors, Ukraine offers substantial long-term growth potential. However, investment decisions require a careful and balanced assessment of security, regulatory, and operational risks.

