

Executive Summary

UKRAINE IN THE NEW GLOBAL ECONOMY:

RESILIENCE AS A NEW STANDARD

Report on Key Economic Trends Affecting
Ukrainian Enterprises and the Overall Economic
Resilience of the Country



Since the beginning of the 2020s, the world has entered a period of turbulence, marked by uncertainty. The pandemic and macroeconomic instability were logical but unforeseen consequences of irresponsible fiscal and monetary policies in previous years. The technological revolution in AI is advancing at a previously unheard-of pace. The world order that dominated the last 80 years has collapsed, and there is an unprecedented generational gap and other demographic challenges. China's transition toward using market power to coerce its trade partners, along with several other factors, contributed to a series of escalating global shocks. These included the largest war in Europe since World War II and the longest war in the Middle East in history. In turn, these conflicts accelerated further rapid changes, such as a revolution in military technology led by Ukrainian soldiers and engineers. This revolution fundamentally altered strategy and tactics in the Russo-Ukrainian war.

All these challenges have fundamentally reshaped the global security environment for businesses. In this turbulent period, whose outcome and even its eventual end remain uncertain, adaptability, flexibility, speed of response, and readiness for multiple scenarios are becoming as important as, if not more important than, traditional competitive advantages such as cost efficiency and carefully developed long-term plans.

However, these are precisely the qualities that have been forged in the strongest representatives of Ukrainian business. They were forced to survive and grow under harsh conditions, including an unfavorable business climate, weak and often ill-intentioned state institutions, repeated destructive crises, and intense competition in foreign markets. They are also deeply rooted in Ukrainian culture: survival skills developed in conditions of constant danger and uncertainty, shaped by the nation's difficult history. Together with large-scale assistance from partners, this allowed Ukraine to survive the full-scale invasion and four years of a war of attrition against a far stronger enemy, yet without suffering economic catastrophe and while keeping the economy largely functional.

The purpose of this report is to systematically outline the key global and local economic trends shaping the environment in which Ukrainian enterprises operate, and to assess their impact on the country's overall economic resilience. The report is intended to help businesses, government institutions, and partners of Ukraine better understand the dynamics of risks and opportunities that will determine economic decisions in the coming years.

This report was prepared by the Union of Ukrainian Entrepreneurs (SUP) in partnership with CASE Ukraine 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 prepared in November–December 2025 based on data and other information available at the time of writing.

AMONG THE KEY FINDINGS FROM THIS REPORT INCLUDE:

Growing geopolitical role and rapid structural changes: Russia's full-scale invasion in 2022 not only caused a sharp decline in Ukraine's economy but also served as a shock that triggered significant structural changes in the country's economic system. Additionally, amid a major shift in the regional security landscape, Ukraine has begun to play a fundamentally different role as a key geopolitical actor in its relations with the European Union.

Unique experience and advanced defense technologies: The war has transformed Ukraine into one of the most dynamic "field-based" innovation ecosystems in the world. Large-scale sectors of unmanned systems, electronic warfare, autonomous platforms, tactical reconnaissance, and cyber defense have emerged, and the state is systematically investing in defense technologies. Ukraine demonstrates dynamic innovation, with the transition from development to deployment taking "months, not years." There is a scaling up of drone production: In 2024, 2 million Unmanned Aerial Vehicles (UAVs) were produced; in 2025, production is estimated at 3–4 million UAVs, with a declared capacity of up to 8 million per year. Dynamic innovation must be paired with efficient drone use: 80–85% of strikes at the front are carried out by drones, and the testing cycle for new developments has been shortened to just a few weeks. The experience of modern warfare is unmatched globally, and the developed solutions outperform any known counterparts.

Opportunities for friend-shoring and access to critical minerals: In the context of global competition for non-renewable resources and "raw materials for advanced technologies," Ukraine is a potential supplier of critical materials. Ukraine has significant deposits of lithium, titanium, graphite, and rare earth elements. Confirmed and forecasted lithium resources are estimated at approximately 500,000 tons, while titanium resources make up to 7% of global reserves. Importantly, Ukraine is not a potential adversary of either the EU or the United States, so investments in Ukraine cannot become a geopolitical issue for investors, as happened with Russia, which leveraged access to Western markets to build capacity for aggression. Even considering the current security situation, investors may potentially be interested in establishing processing clusters in Ukraine and integrating them into EU and US supply chains.

Investment security: Ukraine is beginning to implement an investment screening mechanism; a standard security policy tool used in developed countries. The implementation process is currently at the draft legislation stage, having been submitted to Parliament in September 2025. Legislative changes are intended to introduce the first comprehensive mechanism for screening foreign investments in critically important sectors. The draft law explicitly aligns with international practice, under which governments or interagency bodies, such as the Committee on Foreign Investment in the United States, are empowered to make such decisions. Ukraine recognizes the risks of "unfriendly acquisitions" and is moving to reduce them and strengthen investment and technological security.

Financial "rails" for capital under wartime risks: For large-scale investments, the primary challenges remain war-related risk and the availability of insurance. Ukraine, in cooperation with its international partners, including the Multilateral Investment Guarantee Agency, the U.S. International Development Finance Corporation, and global reinsurers, is developing de-risking and insurance instruments. However, these mechanisms are not yet consistently accessible or sufficiently scalable. Today, the basic EU "umbrella" instrument is the Ukraine Investment Framework within Ukraine, which provides €9.3 billion in guarantees and concessional financing. However, these resources are insufficient to fully cover potential business needs for war risk insurance. This affects bank lending and investment decisions, especially capital-intensive projects and critical infrastructure.

Restructuring of the energy sector: Due to massive strikes on energy infrastructure, available generation capacity decreased from about 38 GW (2021) to 12 GW by mid-2024. As of 2025, generation capacity had partially recovered to 17.6 GW, but winter strikes in 2025 disabled a significant share of that restored capacity. The economy is adapting, and businesses and households are investing in backup power sources; however, there is a clear need to restructure the energy market to ensure it can survive and function amid the constant threat of air strikes. Distributed generation solutions will have significant demand, representing a major investment market even under wartime risks.

Logistics and infrastructure technologies: The full-scale war has reshaped Ukraine's export and import logistics model and accelerated the development of digital logistics platforms, intermodal transport, and customs automation. Before 2022, more than 70% of exports passed through Black Sea ports. After their blockade, western corridors, the Danube cluster, "dry ports," and multimodal terminals at the EU border became key. Since 2024, the ports of Odesa have resumed full operations, but they remain under attack, which continues to damage their infrastructure. Ukraine is gradually integrating into TEN-T and strengthening its role as a transit hub between the EU and the Black Sea region. The sector has significant potential, including reconstruction needs estimated at more than €60 billion. This represents a market for long-term investments in corridor modernization, ports, roads, and "smart" infrastructure, including digital solutions.

Agri-processing and food industry: Ukraine maintains its status as one of the world's largest agricultural producers. As of 2024, 26–27 million hectares of arable land remain under effective control (approximately 80% of the pre-war area), and the agricultural sector accounts for about 10–12% of GDP and more than 40% of export foreign currency earnings. The key investment shift is toward deep processing: Ukraine is the world leader in sunflower oil exports, and oilseed processing products show long-term growth, supporting the transition to an export-oriented food and ingredients industry. An additional driver is bioenergy (biomethane potential of 7–10 billion cubic meters per year), opening opportunities for ESG investments and exports to the EU. This creates potential for export-oriented processing clusters with high added value and long-term demand for food and bioenergy.

Digital economy and IT: The war has become a catalyst for Ukraine's digital transformation, positioning it as one of Europe's most dynamic GovTech markets. Ukraine's digital ecosystem includes 21–22 million active users, more than 150 online services, and more than 30 electronic documents, significantly reducing transaction costs for businesses. The Ukrainian IT sector remains a key export industry: In 2024, exports of computer and IT services amounted to approximately \$6.4–6.5 billion, and the sector includes 300–310 thousand specialists and more than 2,000–2,200 companies. Competitive development costs, which are 40–60% lower than in the US and Western Europe, and a stable talent pipeline support Ukraine's attractiveness as a destination for R&D centers and product teams. Cybersecurity is a distinct driver, representing the most "battle-tested" digital ecosystem and providing practical solutions for critical infrastructure protection. The war has accelerated the development of military IT technologies, and Ukraine has a unique set of competitive advantages in the Western world, thanks to its well-developed IT sector and direct combat experience.