

## **THE IMPACT OF THE WAR ON BUSINESS IN UKRAINE**

It will be difficult to win the war without the functioning of businesses that allow Ukrainians to provide for themselves and support the Armed Forces. The research aims to find out how the war affects business operations in Ukraine.

During the month of the war, Ukrainian business lost more than during the two years of the pandemic. The extent of the damage and the long-term consequences are difficult to assess, as hostilities in the country continue. According to the estimates of the National Bank, during the war, the economy of Ukraine loses 50% of its "unproduced" GDP. That is, every week costs the national economy more than UAH 50 billion. And this is without losses from destruction.

The IMF estimates Ukraine's losses due to the military invasion of the Russian invaders at 35% of GDP. And this is only in a month, but a whole year has already passed. A large number of enterprises and organizations found themselves in the zone of active hostilities, which led to significant losses and destruction. However, businesses located far from the shelling suffer no less, in particular from problems with logistics, lack of raw materials.

Another blow to the work of enterprises, when they seemed to get used to the new working conditions, were enemy attacks on energy facilities, which greatly complicated the situation. Among the other challenges noted by the member companies of the European Business Association are communication and Internet outages and problems with booking employees and traveling abroad: 88 percent of companies have mobilized employees, and a third have mobilized critical specialists, mostly IT - specialists, engineers and other representatives of technical specialties.

Despite the constant troubles, Ukrainian entrepreneurs continue to work and support the country's shaky economy. The state is trying with all its might to help the development of business, its relocation from "hot spots" and the opening of new enterprises to create new jobs.

According to the Ministry of Economy, as of the beginning of February, 791 enterprises were relocated, of which 617 are already working in a new location.

Already in March of last year, the law on preferential taxation of business was adopted. In addition, customs duties and VAT were abolished on all imports, which, however, were returned in June.

Despite the difficulties, 76% of entrepreneurs plan to expand their business already in 2023. For the most part, entrepreneurs rely on their own finances and to a lesser extent on grants and loans. As for wages, the majority of business owners polled by the European Business Association (61%) do not plan to change the wages of their employees this year. However, 28% of respondents plan to increase it, while 11% of respondents plan to optimize wages.

Our country has a strong potential in the production of agricultural products, energy, IT technologies and other industries. To achieve success in business, it is important to know your strengths and weaknesses, as well as to involve experts from different fields in cooperation. In the near future, experts expect assistance in the

restoration and reconstruction of Ukraine, which includes assistance in attracting foreign investments to our country.

After all, the development of business in Ukraine depends on many factors, but mainly it depends on the efforts of entrepreneurs and their willingness to work in difficult conditions and look for new opportunities for the development of their enterprises. Having analyzed all the problems faced by Ukrainians and how they solved them, we can be sure that Ukrainian businessmen managed to find a way not only to stay afloat, but also to expand their own horizons, not only improving their own lives, but also giving hope for a bright future.

## **REFERENCES**

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