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## Global Economy and Ukraine's Geo-Economic Priorities

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**Abstract:** The article researches the transformation of the economic system in modern realities, defines the main theoretical principles of geoeconomic policy formation in the conditions of geopolitical challenges, analyses the dynamics of the global economy and its state, forecasts the opportunities for the functioning of Ukraine under conditions of geoeconomics as well as considers possible scenarios for the formation of the geoeconomic policy of Ukraine and their priorities. Since gaining independence, Ukraine has been rebuilding its geoeconomic policy strategy. Even before Ukraine started changing its geoeconomic policy due to the events in the east of the country, the state had not decided which vector to choose and where to move next, and the main principle was to achieve multi-vector cooperation with the EU and the West in the economic, political and military spheres, while being completely dependent on Russia, including production that was oriented to the markets of the CIS countries. The relevance of the study is obvious, as Ukraine has been in martial law for more than a year. This explains many economic problems, the caution of foreign investors to enter Ukraine, and even the lack of competitiveness of the Ukrainian economy in foreign markets. Therefore, there is an urgent need to transform Ukraine's geoeconomic priorities. The purpose of the study is to transform the economic system of Ukraine and to outline the main principles of Ukraine's geoeconomic priorities. In accordance with the topic, the article solves the following tasks:

- to study the theoretical foundations of geoeconomic policy formation;
- outline the challenges of the global world and Ukraine's reforms in the global transformation;
- to propose the Ukrainian dimension of new geoeconomic priorities.

The subject of the study is the theoretical and methodological foundations of Ukraine's geo-economic priorities.

The object of the study is the process of researching Ukraine's geoeconomic priorities. To solve the tasks set in the work, general scientific research methods and a number of specific methods of scientific research cognition were used, namely: scientific abstraction, comparison, grouping, systematization, graphical, statistical, economic analysis and logical analysis.

**Keywords:** geopolitics, geoeconomics, transformation, economic system, priorities.




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**Abstract:** The article researches the transformation of the economic system in modern realities, defines the main theoretical principles of geoeconomic policy formation in the conditions of geopolitical challenges, analyses the dynamics of the global economy and its state, forecasts the opportunities for the functioning of Ukraine under conditions of geoeconomics as well as considers possible scenarios for the formation of the geoeconomic policy of Ukraine and their priorities. Since gaining independence, Ukraine has been rebuilding its geoeconomic policy strategy. Even before Ukraine started changing its geoeconomic policy due to the events in the east of the country, the state had not decided which vector to choose and where to move next, and the main principle was to achieve multi-vector cooperation with the EU and the West in the economic, political and military spheres, while being completely dependent on Russia, including production that was oriented to the markets of the CIS countries. The relevance of the study is obvious, as Ukraine has been in martial law for more than a year. This explains many economic problems, the caution of foreign investors to enter Ukraine, and even the lack of competitiveness of the Ukrainian economy in foreign markets. Therefore, there is an urgent need to transform Ukraine's geo-economic priorities. The purpose of the study is to transform the economic system of Ukraine and to outline the main principles of Ukraine's geo-economic priorities. In accordance with the topic, the article solves the following tasks:

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of scientific research cognition were used, namely: scientific abstraction, comparison, grouping, systematization, graphical, statistical, economic analysis and logical analysis.

**Keywords:** geopolitics, geoeconomics, transformation, economic system, priorities.

## **Introduction**

Since Ukraine gained independence, the state has been developing a certain strategy regarding geoeconomic policy, but before the events in the east of the country took place, the state had not have a clear geopolitical strategy regarding which vector to choose and where to move next. The main principle was directed to efforts of achieving multi-vector cooperation with the EU and the West in economic, political and military spheres with complete economic dependence on Russia, including production that was oriented to the markets of the former CIS countries.

The relevance of the research is obvious, as Ukraine has been in a state of war for almost two years. This explains many economic problems, the caution of foreign investors, the insufficient competitiveness of the Ukrainian economy on foreign markets. Therefore, there is an urgent need to build Ukraine's own geo-economic priorities.

The purpose of the research is the transformation of the economic system of Ukraine and the outline of the main foundations of Ukraine's geo-economic priorities.

In accordance with the title, the article achieves the following:

- investigates the theoretical foundations of geoeconomic policy formation;
- outlines the challenges of the global world and the reformation of Ukraine in global geoeconomy;
- offers the Ukrainian dimension of new geo-economic priorities.

The subject of the research is the theoretical and methodological foundations of Ukraine's geo-economic priorities.

The object of the study is the process of researching the geo-economic priorities of Ukraine.

## **Materials and Methods**

The principle of systematicity is crucial in the research. Besides, the following general scientific methods were used during the research: content analysis, induction and deduction, descriptive, retrospective, comparative, generalization and grouping. The classification method was applied in the analysis of sources and literature, as well as for theoretical and methodological analysis in determining the essential characteristics of the key concepts of geo-economic priorities research. The method of content analysis was applied to the analysis of official documents, and the method of analysis and synthesis was used during the processing of existing literature. The complex use of various methods and approaches in the work contributed to a more objective study of the topic.

Research information base: data from international statistics, official resources of World Economic Outlook, Statista, scientific publications and materials of international congresses and conferences on the subject under study, reference and information publications, official websites about cryptocurrencies and other materials.

## **Results**

### **Formation of geoeconomic policy: theoretical discourse**

Geoeconomics is a relatively new direction that began to take shape only in the 90s of the 20th century. Its author is Edward Luttwak, who stated that geopolitics had gradually transformed into geoeconomics, thus, the competition of great states for the right to be the strongest in the world began to move from the political to the economic plane. At the same time, Europe began to form its own opinion on geoeconomics, which was a little bit different from the American one.

Thus, Italian geoeconomic thought began in 1991 with the work of General Carl Jean, who published the article "Geoeconomics. Toolkit, strategy and tactics". In addition to him, P. Savone, S. Siore, and F. Bruni Rocchia worked on the new direction. The Italians defined geoeconomics as a discipline where the main actors are states. V. Dergachev, O. Oselska, V. Novytsky and others were engaged in research and solving problems of geoeconomics in Ukraine.

According to experts, geoeconomics is defined as conceptual principles that reflect the interpretation of the global world through a system of economic attributes as well as a system of economic attributes and economic relations taken beyond national borders that determine the outline of the global economic space in which world economic processes unfold (*Zghurovskiy, 2020*).

In recent years, the term "geoeconomic policy" has also appeared, which is understood as a complex of actions aimed at establishing beneficial trade and economic relations and improving the conditions of global economic integration of countries. In this regard, the subject of geoeconomics is not a set of national economies, but a new supranational economic population. Mechanisms of geoeconomics functioning are determined by the following factors: modification of commodity production via the globalization of production and investment cooperation; the formation of internationalized reproduction cycles in the bowels of the world economy; formation of a new financial system – the so-called geofinance.

The formation of Ukraine's independence coincided with the emergence of geoeconomics, which in modern conditions is an important factor in choosing an effective national geoeconomic model, which implies building effective cooperation with certain countries and a possible reorientation of the economy. Determining the priorities of the country's geo-economic development should be based on the features of the state's foreign economic policy, the orientation of the country's economy to the relevant market, the development of international markets, the possibility of attracting investments and business partners to the state, the peculiarities of international capital movements, currency transactions, etc.

### **Geoeconomic policy of Ukraine: challenges and priorities**

The issues of the state's geoeconomic policy and priorities are closely related to Ukraine's integration into European structures. For Ukraine, this is an opportunity to modernize technological backwardness, attract new state-of-the-art technologies and global investments, increase the competitiveness of the domestic manufacturer, reorient production and enter the European and world markets.

However, when talking about the priorities of the geo-economic development of Ukraine, it is necessary to take into account the choice of a single-vector policy in combination with partnership in other vectors as a key element of success. After all, without this, it is impossible to imagine a way out of the depressed state of the economy, an increase in GDP and indices of Ukraine on the world stage. Currently, the geostrategy of Ukraine is on the periphery of three world paradigms, which include the Euro-Asian, Euro-Atlantic and South-Eastern foreign policy orientation of the state. All these paradigms have deep historical roots and appropriate justification, which is determined by the geographical location of Ukraine. The country is a powerful cross-border state, which is defined by a characteristic feature: common borders with many states (20 Ukraine's regions have external borders, i.e., in fact, almost every region borders a neighbouring state or states) (*Global economic growth downgraded due to spillover from Ukraine war, 2022*).

Taking into account the territorial and geo-economic situation, the state, choosing to integrate into the Western European space, should actively build partnership relations with neighbouring countries and the Eurasian region. The geoeconomic status of Ukraine is determined by certain endogenous and exogenous factors. Endogenous factors include geoeconomic development strategies determined by the state, development realities and the state of the economy, as well as realities, scale, and the state of resource potential.

In the global space, the process of moving the economic and financial centre of the world from America to China and India is taking place. Thus, making the partnership with Asian countries an

important direction of development. The involvement of Ukraine in this process will have a positive effect. In particular, the country has a positive balance in trade with the countries of Asia. At the same time increasing the volume of trade with the countries is one of the ways to overcome the negative foreign trade balance, stabilize the economy, and therefore it can become a key moment to reduce the national debt.

The multi-vector policy for our state in the modern world should be manifested first of all in the choice of one specific vector of development, which is now clearly defined Western European integration. It should be accompanied by reforms following the example of most European countries, which will help to raise the level of socio-economic life, the state of the economy, provide the escape from a depressed state of the economy and allow building Ukraine on the model of European states in terms of values, laws, political views and socio-economic life. On the other hand, moving in the same direction, the country's foreign policy should be manifested simultaneously in partnership with the East, the Eurasian zone, establishing relations with Africa, Latin American countries and the Far East (*The great transition, 2022*)

When choosing national priorities in integration processes and geo-economic policy, the following factors should be taken into account: real opportunities of the domestic economy; specifics of production and resource potential; domestic market conditions, etc.

Positive economic trends that appeared at the beginning of 2022 formed quite optimistic expectations. Losses resulting from coronavirus undoubtedly required significant resources to neutralize them. Significantly deficient budgets, severed production and logistics connections, loss of the usual business environment, price destabilization and accelerated inflation as well as forced migration meant that the pre-crisis (pre-coronavirus) "stock" of resources turned out to be almost exhausted. And therefore, national economies found themselves in a state where any external influences could become critical for further balanced development, which actually happened as a result of Russian aggression against Ukraine (*The State Budget of Ukraine, 2023*).

The losses suffered by the world economy were significant in the first months of the pandemic spread in 2020, but the recovery of such losses in 2021 was just as fast. Although at the end of 2021 the production reached the pre-crisis level not in all countries, the total (two-year) losses turned out to be much smaller than initially estimated. According to the results of 2020-2021 (pandemic years) the world economy even grew by more than 2.5% (*World Bank Indicators, 2023*).

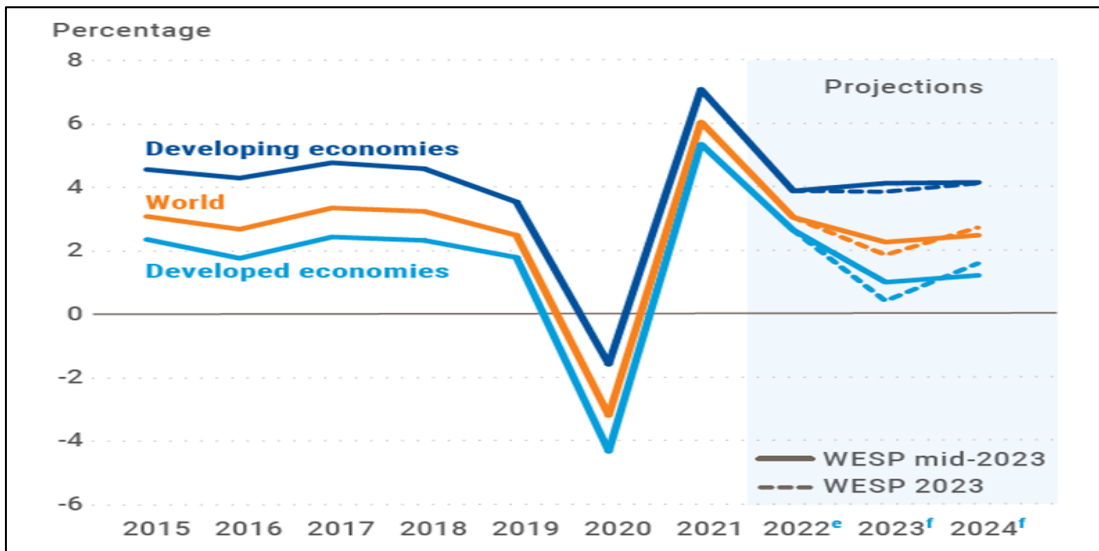
Therefore, the global economy entered 2022 with economic dynamics characterized by (*World Bank Indicators, 2023*):

- higher rates of economic growth in comparison to the established long-term trend (largely due to the deep fall in 2020, Fig. 1.);
- high inflation, unusual for most developed countries;
- strengthening or announced intention to strengthen monetary policy, including for the purposes of curbing the inflation.

At the same time, this entry was accompanied by challenges that were assessed as those having a rather short-term impact on both the countries' policies and current development:

- another wave of coronavirus;
- the high cost of energy resources, which, however, showed a downward trend after the peaks at the end of 2021;
- strengthening of fiscal strictness, as a "mirror" reflection of broad fiscal stimulation in line with the anti-coronavirus policy of the previous two years.

Although indicators of the dynamics of the global economy showed quite positive trends even during the period of "dominance" of the coronavirus (at the end of 2020), not all countries in 2021 managed to restore losses in economic dynamics. In general, the first half of 2022 (the pandemic was still ongoing at the beginning of the year though) was considered as a period of "full-fledged" exit of the world economy from the pandemic crisis, which required strengthening (post-coronavirus) measures. Such measures usually entailed tightening monetary and fiscal policy, which in its turn meant a decrease in global growth rates to 4.9% (after almost 6.0% reached in 2021) (Table 1).



**Figure 1.** Economic growth in the world, % compared to the previous year  
*e – estimates, f – forecasts*

Note: Source was developed using (*World Economic Situation and Prospects. 2023*)

**Table 1.** Real GDP growth

	Real GDP Growth, % until the previous year			
	2019	2020	2021	2022
Global economy	2,8	-3,1	5,9	4,9
Developed countries	1,7	-4,5	5,2	4,5
USA	2,3	-3,4	6,0	5,2
Euro zone	1,5	-6,3	5,0	4,3
United Kingdom	1,4	-9,8	6,8	5,0
Japan	0,0	-4,6	2,4	3,2
Emerging countries	3,7	-3,1	5,9	4,9
China	6,0	2,3	8,0	5,6
Poland	4,7	-2,7	5,1	5,1
Ukraine	3,2	-4,0	3,5	3,6

Note: Source was developed using (*Real GDP growth, 2024*)

Probably, this would become possible and would serve as a criterion for the success of post-coronavirus transformations. However, Russian aggression against Ukraine revealed not a local, but a global impact on world economic dynamics (*World Economic Outlook, 2021*). Moreover, the geopolitical and geoeconomic situations formed the process of a "perfect storm", where the threats and risks of the war escalation were combined with a rapid increase in the cost of energy and consumer resources, and an increase in imbalances in transport and logistics networks (*GDP impact of trade restrictions with Russia, 2022*).

With such trends, it became clear that economic forecasts will be repeatedly revised throughout 2022, since the war caused negative effects (to a greater or lesser extent) on most countries of the world.

Another important factor in the deterioration of world economic dynamics (as a result of the war) will be the decrease in production and export (and with it, the strengthening of negative expectations) of agricultural products, which are already the "business card" of Ukraine – wheat and corn, sunflower, oil. The provoked restriction of the food supply, accompanied by the increase in the cost of energy resources, means a significant increase in the price of consumer goods in general, which will affect the inhabitants of low-income countries to a greater extent, and therefore will have a global impact on their well-being (*Real GDP growth, 2024*).

The indicators of the growth forecast of the world economy (and individual national economies), carried out in the 1st quarter of 2022, already noticeably differed from the indicators of a few months before and turned out to be smaller than those achieved in 2021) (Table 2).

**Table 2.** Change in real GDP growth forecasts

Change in real gdp growth forecasts, % until the previous year				
	2021(o)*	2021(o)**	2022(п)*	2022(п)**
Global economy	5,9	6,1	4,9	3,6
Developed countries	5,2	5,2	4,5	3,3
USA	6,0	5,7	5,2	3,7
Euro zone	5,0	5,3	4,3	2,8
Great Britain	6,8	7,4	5,0	3,7
Japan	2,4	1,6	3,2	2,4
Emerging countries	5,9	6,8	4,9	3,8
China	8,0	8,1	5,6	4,4

Note: Source was developed using (*Global Forecast Update, 2023*).

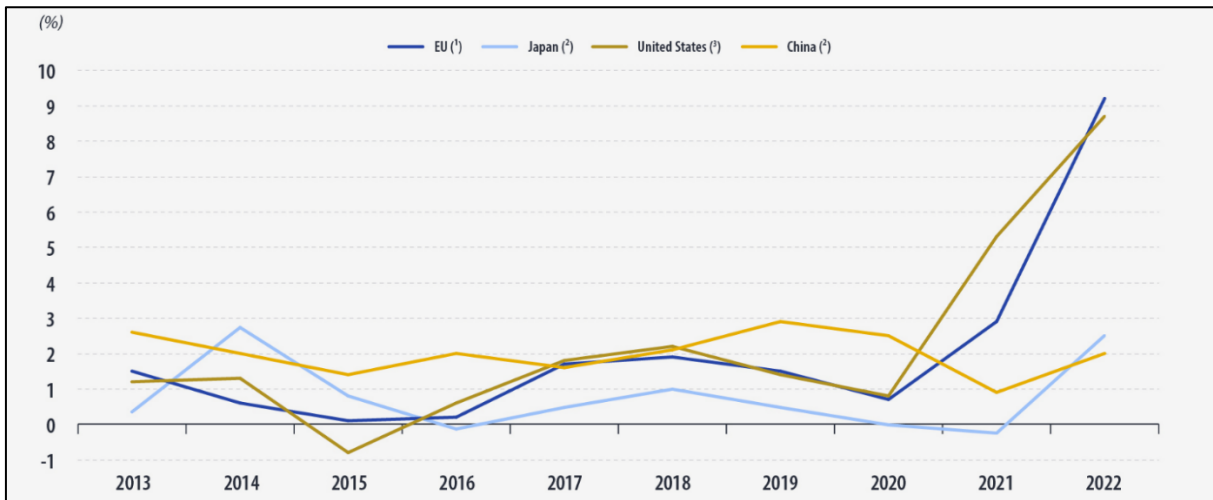
The results of 2021 were better than it was estimated in the autumn of the same year. However, the forecast for 2022 already turned out to be significantly worse. Thus, the deterioration of world GDP growth amounted to 1.3 percentage points (pp), developed countries – 2.2 pp, emerging countries – 1.1 pp, even China – 1.2 pp, which means billions of economic benefits not received by countries (*Global Forecast Update, 2023*).

The latest forecast could already take into account the first consequences of the influence of Russian aggression, which was recognized as the most important factor in global development in 2022. Hence, international financial institutions only state a two-digit drop in the real GDP of Ukraine, without providing detailed forecast indicators.

It should be noted that in the pre-crisis period (until 2020), low inflation and even disinflation (as well as weak inflation expectations) in developed countries served as a certain brake for accelerated development and structural changes (due to the challenges of globalization, technological progress, etc.), even in conditions of close to zero interest rates of central banks. Therefore, concerns about high levels of inflation in 2021 were not significant, as there was confidence that by the middle of 2022 the accelerated recovery will "neutralize" the growing inflation, and the economic dynamics of the leading countries will return to the "usual" level.

The global inflation of Russia's war against Ukraine became the biggest test for the world and brought the inflationary troubles of individual countries or regions to the global level. So, from the beginning of 2022 inflationary processes accelerated all over the world, and in some EU economies, which were mostly models of stability, the acceleration of inflation reached record levels (Figure 2).





**Figure 2.** Inflation in the largest economies, % growth until the previous month  
 Note: Source was developed using (*Annual inflation more than tripled in the EU in 2022, 2023*).

Rising inflation in developed countries causes concern and requires fiscal or monetary measures but does not pose a threat to macroeconomic stability. For emerging countries, including dependent on foreign markets, inflationary acceleration may mean the approach of crisis or depressive tendencies (*Annual inflation more than tripled in the EU in 2022, 2023*).

Thus, the acceleration of inflation was quite noticeable in the countries which had joined the sanctions, and in Europe, in conditions of shortage of energy resources, in the "hottest" month – March – an inflationary shock was generally observed. China, which had not joined the sanctions, took full advantage of the preferential offers of Russian energy resources, maintaining zero inflation.

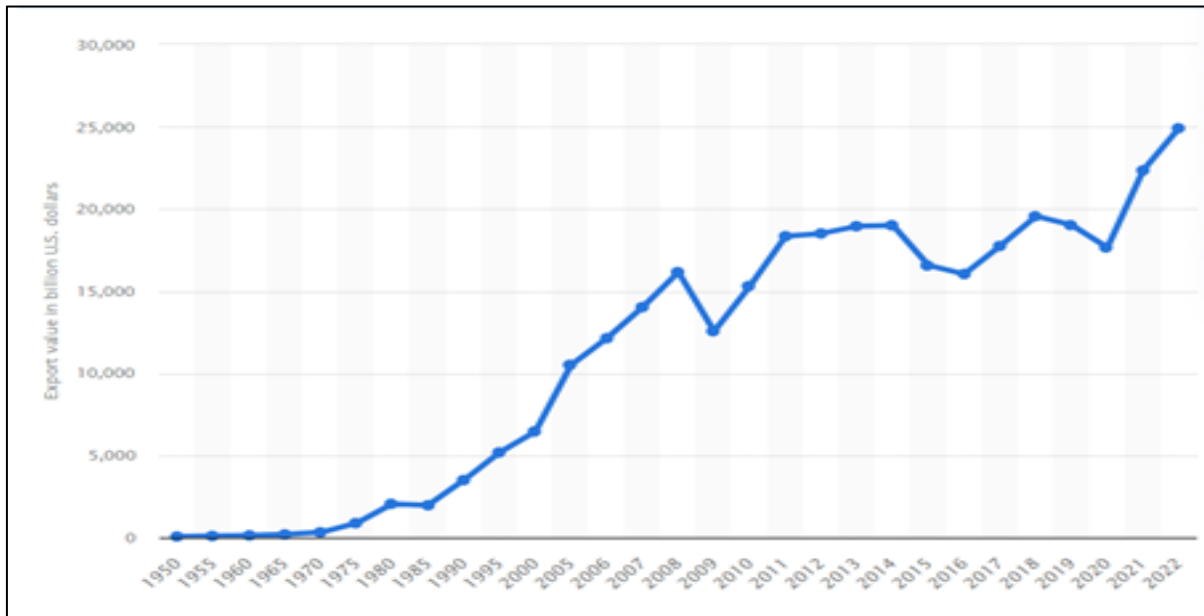
As for world trade, in the fall of 2020 the global Index of activity in the processing industries recovered and reached the pre-crisis level, and subsequently demonstrated sufficiently stable dynamics that, in addition to the directly positive anti-crisis result (which meant that countries quickly overcame the losses of the crisis shock), provided positive signals for the labour and household markets (which must have gained confidence in the long-term stability of their own incomes). This might have served as a positive basis for a confident recovery of markets and production activity. However, such psychological confidence was destroyed by Russian aggression, and recent months have been characterized by a visible (albeit insignificant) decrease in business activity due to sanction restrictions (Fig. 3).



**Figure 3.** Global Index of activity in processing industries  
 Note: Source was developed using (*Global Purchasing Manager Index (PMI) for manufacturing and new export orders from January 2018 to August 2023, 2023*).



The WTO estimated the annual drop in world trade by 32%, while the real drop was only 15%. The recovery of trade flows was quick. The moment the pandemic threats began to decrease, the volume of world trade significantly exceeded pre-crisis indicators and already in 2021 even reached a record level (Fig. 4).



**Figure 4.** World volumes of trade in goods (in billion U.S. dollars)

Note: Source was developed using (*Trends in global export value of trade in goods from 1950 to 2022, 2023*).

In the period before the global financial crisis (2008-2009), the assertion that through market mechanisms and competition between companies and firms economic systems achieve the best results in terms of resource allocation, efficiency of production, use of technological achievements and innovations seemed unshakable. Hence, a "good" economic policy (within the framework of the liberal doctrine) was considered to be one that increased competition improving the use of market mechanisms, and neutralized "market failure" (*Mietule, et al. 2023*).

However, the rapid development of China (which is a supporter of active state participation in the regulation of economic processes) has demonstrated that the country has become one of the leaders of global political and economic races precisely due to the active state participation (*Yurchyshyn, 2020*). And the relative success of the country in countering the coronavirus shock has to a large extent accelerated unexpected social and political processes — more and more countries (including those that belong to the developed and have always been considered as open and liberal) began to make efforts in the direction of redefining the economy structure and the role of the state in it, often justifying this direction of economic policy by the needs of national security (*Yurchyshyn, 2021*).

The need to counteract the coronavirus shock, which required the expansion of the state's powers in managing economic processes, immediately provoked "classic" negative consequences — a rapid increase in public finance deficits, and with them, an aggravation of debt problems. In the conditions of limited access to global financial resources (which is understandable, due to the growth of uncertainty and the need to expand spending on one's own national needs), the risks of debt shocks increased significantly for almost all countries.

Meanwhile, reconsidering the directions of avoiding or easing interstate conflicts or stimulating national and global development led to the formation of the concept of "friend-shoring" (*Friend-shoring, 2022*), as opposed to the already traditional "off-shoring". According to it, many problems can be solved (from the very moment of their appearance) if we develop stronger relationships with partners who adhere to the best practices of the global economic system (rather than try to obtain

shadowy or preferential benefits from "oversea" jurisdictions) this way organizing comfortable environment for conducting open economic activities.

The period between the end of 2021 and the beginning of 2022 is characterized by a sharp aggravation of energy problems, primarily in Europe. The EU countries found themselves in a state of deep shortage of gas, and therefore unprecedented prices for it, as a result of Russia's politicized actions in supplies, and then the outbreak of the war, which happened rather untimely considering the slowdown in the carbon-free policy implementation. This, in its turn, weakens the possibilities of counteracting the climate change, since shortages (due to sanctions) of oil and gas, and therefore their high cost, can no longer act as a compensator for expensive "green" sources.

Although they tried to "hide" the political component of the gas crisis (gas pressure was a constituent of the Russian "hybrid war", but the leadership of several EU countries tried not to admit it), the price shock became a serious warning about the approach of severe confrontations on the European continent. It has become increasingly clear that in the coming years, EU countries will have to build new oil and gas supply routes, form a new infrastructure for storage and distribution of energy resources.

Energy inflation, including that caused by aggression and then sanctions on Russian energy exports, brings additional surplus profits to countries and regions (Middle East, North America), whose oil and gas act as "a substitution" for Russian energy carriers.

The global "heritage" of the coronavirus pandemic has become the (pre)crisis state of public finances of almost all countries of the world. The countries were entering 2022 with very unattractive fiscal and debt indicators. Thus, the deficits of the consolidated budgets of the leading countries reached 10% of GDP and were higher than the deficits formed under the influence of the global financial crisis of 2008-2009, which significantly complicated the future tasks of stabilization and development for governments (Table 3) (*China: is it burdening poor countries with unsustainable debt?*, 2022).

**Table 3.** Balance of the consolidated budget of individual countries and regions

Balance of the consolidated budget of individual countries and regions, % gdp						
	2018	2019	2020	2021	2022	2023
Developed countries	-2,5	-3,0	-10,8	-8,8	-4,8	-3,6
the USA	-5,4	-5,7	-14,9	-10,8	-6,9	-5,7
Euro zone	-0,5	-0,6	-7,2	-7,7	-3,4	-2,4
Emerging countries	-3,7	-4,7	-9,6	-6,6	-5,8	-5,2
China	-4,7	-6,3	-11,2	-7,5	-6,8	-6,2
CEE countries	0,3	-0,7	-5,6	-3,2	-2,4	-2,1
Ukraine	-2,1	-2,0	-6,0	-4,5	-3,5	-2,4

Note: Source was developed using (*Fiscal Monitor: Strengthening the Credibility of Public Finances, 2021*).

Accordingly, the coronavirus crisis caused a rapid increase in gross debts and the debt burden on the finances and economy of countries – the debts of the leading developed countries exceeded the level of their GDP (Table 4).

Since high debts were combined with high interest rates, which were maintained as an anti-inflationary measure and made new borrowings (including those for settling "old" debts) much more expensive, debt obligations grew at an accelerated rate.

If in previous decades, debt problems were characteristic of developing countries, for the policy of overcoming crisis shocks, the main debt risks were concentrated in developed countries, including European ones. Along with this, the financial positions of emerging countries, in particular those in Europe, often have a more balanced nature than the balances of public finances of traditional donor

countries, however, emerging countries were forced to be active on the debt markets, since almost all debts are denominated in the currencies of leading developed countries (dollars, euros, pounds, yen, etc.).

**Table 4.** Gross government debt

Gross government debt of individual countries and regions, % gdp						
	2018	2019	2020	2021	2022	2023
Developed countries	102,7	103,8	122,7	121,6	119,3	119,3
the USA	107,1	108,5	133,9	133,3	130,7	131,1
Euro zone	85,7	83,7	97,5	98,9	96,3	95,4
Emerging countries	52,4	54,7	64,0	64,3	65,8	67,1
China	53,8	57,1	66,3	68,9	72,1	74,5
CEE countries	29,7	29,2	38,0	36,6	36,7	36,8
Ukraine	60,4	50,5	60,8	54,4	51,7	48,9

Note: Source was developed using (*Fiscal Monitor: Strengthening the Credibility of Public Finances, 2021*).

China, which has been in a safe budget and debt zone for many years, has significantly worsened its own financial position in recent years, and today belongs to the group of countries with high risks of a debt crisis (*China: is it burdening poor countries with unsustainable debt?, 2022*). With the world's largest foreign exchange reserves, China can afford a soft deficit behaviour for now, but soon (in the context of weakening GDP dynamics) debt effects will already have an inhibitory effect on growth.

Meanwhile, it should be noted that the rhetoric surrounding the debt issue has weakened. The inclusion of countries, primarily North American and European ones, in financial assistance to Ukraine put national fiscal problems aside, which is significantly different from the situation during the period of the spread of the coronavirus shock (when countries did not care much about what was happening in neighbouring countries).

In 2021 a large-scale revision of global tax rules began which, of course, will affect the world financial system in general in the coming years. In particular, at the end of the year, 136 countries concluded an agreement on a uniform tax rate on international corporations of at least 15% starting in 2023. The solution is aimed at collecting as many taxes as possible from large corporations and distributing them through state budgets (*Forecast 2022, 2022*).

At the same time, in the near future Europe is likely to introduce a cross-border (carbon) tax on the import of carbon-containing products into the EU.

All products manufactured using "dirty" energy will be subject to a carbon tax. For Ukraine it is important that ferrous metallurgy (one of Ukraine's leading export industries) is represented among those seven that will come under taxation starting from 2026.

## Conclusions

After the events of February 24, 2022, Ukraine entered a new global page of human history. Moreover, from being a minor player in world politics and economy, the country became one of its leading subjects, reflecting the peculiarities and contradictions of global integration processes in a new way. It encouraged and accelerated the formation of renewed unions and institutions, adjusted priorities, partnership relations, the level of acceptability of compromises, etc.

Russia's aggression against Ukraine provoked significant and growing crisis risks for many countries, even those geographically distant from Ukraine. And while particular countries still

manage to distance themselves from a clear position regarding the attitude to aggression, the emerging economic and political influences are becoming more and more eloquent.

The global increase in the cost of energy resources, food, and agricultural goods, combined with the destruction of chains of added value and the growing volatility of financial markets, significantly complicates the stability of the world economy. Therefore, changes in geopolitics and geoeconomics, the formation of a safer world system will largely depend on the economy of Ukraine, on its ability to remain included in the world economy. Accordingly, Ukraine's national economy will build a mutually beneficial strategy based on geoeconomic priorities.

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### Authors contribution

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