Yegor Kasianov, Student
National Technical University of Ukraine
“Igor Sikorsky Kyiv Polytechnic Institute”
Kyiv, Ukraine

Kateryna Petrenko, PhD in Economics, Associate Professor, Associate Professor at the Department of International Economics,
National Technical University of Ukraine
“Igor Sikorsky Kyiv Polytechnic Institute”
Kyiv, Ukraine
ORCID: https://orcid.org/0000-0002-2322-9030

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EU–UKRAINE TRADE UNDER WAR CONDITIONS: CHALLENGES, ADAPTATION AND PROSPECTS

Russia’s full-scale military aggression against Ukraine, launched in February 2022, dealt a severe blow to the country’s trade infrastructure and external economic relations. Despite the devastating impact of the war on logistics, production capacity, and the investment climate, trade between Ukraine and the EU has demonstrated remarkable resilience. The European Union has become not only Ukraine’s primary trading partner, but also a key political and economic anchor during a period of unprecedented national crisis.

Following the granting of EU candidate status to Ukraine in June 2022, trade liberalisation measures were significantly accelerated. The European Commission suspended import duties and quotas on Ukrainian goods under the Autonomous Trade Measures (ATMs), which substantially improved access for Ukrainian exporters to EU markets. As a result, agricultural products, metals, and chemicals – Ukraine’s principal export categories – gained significant competitive advantages in the European market. Concurrently, imports from the EU to Ukraine – primarily machinery and equipment, pharmaceuticals, and industrial goods – continued to fill critical supply gaps that had arisen from the severance of trade ties with Russia and Belarus [1].

Wartime conditions have nonetheless generated a number of structural challenges that constrain the full realisation of trade potential. First, the destruction of port infrastructure – most notably the blockade and gradual restoration of maritime routes through Odesa – forced exporters to shift from sea transport to rail and road corridors via Poland, Romania, and Slovakia. This transition substantially increased transport costs and reduced the competitiveness of bulk cargo. Second, insurance and financing for foreign trade operations became considerably more difficult: war risk insurance premiums rose sharply, while international credit lines available to Ukrainian counterparties contracted [2].

From the perspective of structural change, the war has accelerated certain long-term transformations in Ukraine's export composition. The destruction of industrial capacity in the east of the country has reduced the share of metallurgical products, while agri-food exports – driven by Ukraine's comparative advantages and EU demand – have grown proportionally. This reorientation, though partly dictated by wartime circumstances, may contribute to a more diversified and resilient trade structure in the post-war recovery period.

The quantitative dimension of these dynamics is reflected in Table 1, which presents key bilateral trade indicators for the 2021–2024 period.

Table 1

EU–Ukraine Goods Trade, 2021–2024 (EUR billion)

Indicator	2021	2022	2023	2024
EU exports to Ukraine	24.3	30.1	39.1	42.8
EU imports from Ukraine	19.7	27.7	22.9	24.5
EU trade balance	+4.6	+2.4	+16.2	+18.3
EU share in Ukraine's exports	41%	58%	66%	~68%

Source: [5]

The data reveal several notable trends. EU exports to Ukraine grew by 76% over the period, rising from EUR 24.3 billion in 2021 to EUR 42.8 billion in 2024, reflecting intensive humanitarian and reconstruction-linked procurement. EU imports from Ukraine, by contrast, experienced a more volatile trajectory: a sharp increase in 2022 following the ATM liberalisation was followed by a contraction in 2023 as Black Sea logistics remained disrupted, before recovering partially in 2024. The EU trade balance shifted dramatically in favour of the bloc, widening from +EUR 4.6 billion in 2021 to +EUR 18.3 billion in 2024 – a structural asymmetry that underscores Ukraine's growing dependence on European supply chains for critical goods. Most strikingly, the EU's share in Ukraine's total goods exports rose from 41% pre-war to an estimated 68% by 2024, confirming a near-complete reorientation of Ukrainian trade away from Russia and towards the European single market.

The institutional dimension of EU–Ukraine trade relations has also undergone significant change. The Deep and Comprehensive Free Trade Area (DCFTA), enshrined in the Association Agreement, provides the regulatory framework for the gradual approximation of Ukrainian legislation to EU norms. Wartime conditions have simultaneously accelerated and complicated this process: on one hand, EU financial and technical assistance has supported regulatory reforms; on the other, the administrative capacity of Ukrainian government agencies has been constrained by wartime priorities [3].

Going forward, the trajectory of EU–Ukraine trade will be shaped by three interrelated factors: the pace of post-war recovery, the speed of EU accession negotiations, and the capacity of Ukrainian businesses to meet European quality and safety standards. The European Commission's Ukraine support programme, providing up to €50 billion for 2024–2027, establishes the financial foundation for infrastructure reconstruction and economic modernisation. Sustainable trade development will require coordinated investment in logistics, energy, and human capital, alongside further trade facilitation measures [4].

Conclusions. The analysis of EU–Ukraine trade relations during the 2022–2024 wartime period yields several conclusions of both empirical and policy relevance.

First, despite the severe disruption to logistics infrastructure and the investment climate caused by the war, bilateral trade has demonstrated exceptional resilience. EU exports to Ukraine grew by 76% between 2021 and 2024, while the EU's share of Ukraine's goods exports nearly doubled from 41% to approximately 68% – one of the most rapid trade redirections recorded in modern economic history.

Second, the Autonomous Trade Measures introduced by the European Commission in 2022, combined with Ukraine's EU candidate status, functioned as effective instruments of economic stabilisation. The suspension of import duties and quotas significantly improved the competitive position of Ukrainian agricultural, metallurgical, and chemical exports in European markets, partially offsetting wartime revenue losses.

Third, wartime conditions have generated lasting structural asymmetries. The growing EU trade surplus with Ukraine – reaching +EUR 18.3 billion in 2024 – reflects Ukraine's increasing dependence on European industrial and pharmaceutical imports as domestic production capacity in destroyed regions contracts. Addressing this imbalance will require deliberate industrial policy as part of post-war reconstruction.

Fourth, the DCFTA institutional framework has proven both a constraint and an accelerant: regulatory approximation has advanced unevenly, driven by EU accession incentives but slowed by limited administrative capacity under wartime conditions. Sustained EU technical and financial assistance – including through the Ukraine Facility 2024–2027 – will be critical to maintaining reform momentum.

Overall, EU–Ukraine trade relations under wartime conditions embody a paradox of disruption and deepening integration. The conflict has simultaneously constrained trade volumes and catalysed an irreversible structural convergence with the European single market. The strategic governance of this relationship, grounded in evidence-based policy and bilateral coordination, will be decisive not only for Ukraine's post-war economic recovery, but for its long-term trajectory as a future EU member state.

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