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ДИНАМІКА ФІНАНСОВОГО РИНКУ УКРАЇНИ В УМОВАХ ВІЙНИ: АНАЛІЗ ТА ПЕРСПЕКТИВИ
THE DYNAMICS OF UKRAINE'S FINANCIAL MARKET DURING WAR: ANALYSIS AND PERSPECTIVES

The financial market of Ukraine faces the challenge of being one of the most vulnerable sectors of the economy, requiring not only restructuring but also the implementation of strict rules of the game. Simultaneously, its mission lies in providing support for the development of market participants and creating favorable conditions for innovation. Ukraine’s low ranking in the sphere of the financial market, especially compared to other countries, indicates the necessity for serious changes.

During the discussion of the National Economic Strategy project until 2030 in January 2021, the Chairman of the National Commission on Securities and the Stock Market, Timur Khromaev, noted that Ukraine ranks 120th out of 125 countries in the financial market development rating [1]. This situation is predominantly due to significant lagging of Ukrainian legislation behind international standards. The contemporary Ukrainian financial market also faces complex challenges, notably as a result of full-scale intervention from Russia. The state regulator acknowledges this situation and focuses efforts on ensuring the stable functioning of the market during the conflict, as well as preparing its participants for future integration with the European market.

When examining Ukraine's financial market, it is important to understand the challenges it faces and the key stages of its development that have left imprints on its activities amidst war (undeclared, hybrid, and full-scale invasion). During the first stage (2014–2016), Ukraine’s financial market encountered what became known as the "triple" crisis. This included the significant impact of banking and currency crises on the real sector of the economy, the political crisis of 2014 and its aftermath, such as the hybrid war and the occupation of Crimea and certain areas of Donetsk and Luhansk regions, leading to deep economic stagnation [2].

On the second stage (2014–2019), Ukraine’s financial market transitioned to an active phase of reforms and changes in regulatory policies. This contributed to macrofinancial stability and enabled market participants to effectively counter crisis phenomena. The reform initiated in the Comprehensive Program for the Development of Ukraine's Financial Sector until 2020 aimed to overcome systemic challenges and build a competitive environment based on European Union standards.

The third stage (2020–2025) is oriented towards meeting the needs of end consumers of financial services. The main task of financial intermediaries is to focus on client orientation and satisfy the needs of Ukraine's economic entities [3]. This stage aims to create new channels of interaction among all participants of the financial market to develop relevant services and products for their consumers. However, the war in 2022 introduced certain adjustments, shifting the entire country's economy from a track of development and cooperation to one of survival and staying afloat.

The modern financial market of Ukraine is based on the coordinated efforts of the National Bank of Ukraine, the National Securities and Stock Market Commission, the Ministry of Finance of Ukraine, and the Deposit Guarantee Fund of Individuals. They collaborate to implement the Strategy for the Development of the Financial Sector of Ukraine until 2025. Despite challenging conditions, positive changes have occurred, including the completion of 85% of the roadmap for implementing the Strategy in 2021, which defines the priorities and goals of Ukraine's financial sector development based on international standards.

The implementation of the 2025 Strategy aims to enhance Ukraine’s financial sector by providing consumers with access to quality services and market participants with financial resources at reduced costs. This will also foster an effective environment for the development and increased competitiveness of the Ukrainian economy. The Strategy identifies five key directions for the development of the financial sector with corresponding strategic goals and performance indicators [3].

The future trajectory of Ukraine’s financial sector hinges on strategic objectives and performance metrics across five key areas. First and foremost is the pursuit of financial stability, which necessitates robust regulatory frameworks and prudent supervision to safeguard against external shocks while prioritizing transparency [4]. Secondly, macroeconomic development plays a pivotal role, necessitating the mobilization of both domestic and foreign resources to fortify the sector's resilience and effectiveness. This entails the creation of novel mechanisms to channel long-term financial assets into productive economic ventures, fostering stability and expansion.

Moreover, a commitment to financial inclusion is paramount, requiring the implementation of innovative solutions to broaden access to financial services across diverse demographics. Central to this goal is the protection of consumer and provider rights, alongside efforts to enhance financial literacy among the populace. Additionally, fostering the growth of financial markets is imperative, entailing the creation of conducive environments for non-banking financial services and bolstering liquidity in financial instrument markets to bolster efficiency and development. This harmonization across all financial sectors will facilitate integration into the global financial landscape.

Lastly, emphasis on innovative development is crucial, necessitating the establishment of robust financial market infrastructure and the widespread adoption of cutting-edge digital technologies and regulatory platforms. These measures are pivotal in driving the transition toward a digital economy and elevating the efficacy of financial services, ensuring Ukraine remains competitive on the global stage [4].

In conclusion, the trajectory of Ukraine’s financial market amid the backdrop of conflict reflects a complex interplay of challenges and efforts toward resilience and development. Despite facing significant hurdles, including legislative shortcomings and external intervention, there have been notable strides in reform and stabilization. The ongoing implementation of strategic initiatives underscores a commitment to enhancing financial stability, fostering inclusivity, and embracing innovation.

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