

Due to the hryvnia's depreciation, it now costs more hryvnias to purchase the same amount of foreign cash. In turn, this has caused the cost of imported products like petroleum, food, and consumer goods to rise, driving up inflation.

The domestic output has also been impacted by the depreciation of the hryvnia. Ukrainian producers are less able to compete with international producers, who can provide comparable products, as imports grow more expensive.

In conclusion, there have been major economic repercussions for Ukraine as a result of the depreciation of the currency, notably in terms of inflation. The issue of inflation in Ukraine is exacerbated by factors such as the rise in import prices, decline in domestic output, drop in consumer expenditure, and possible effects on foreign investment. The devaluation may have been a deliberate policy choice to increase exports and attract foreign investment, but it has had a mixed effect on the Ukrainian economy. To lessen the effects of currency depreciation on inflation and the overall economy, the Ukrainian government will need to keep an eye on the situation and implement the necessary steps.

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HOW DOES THE WAR IN UKRAINE AFFECT THE GLOBAL ECONOMY?

Formulation of the problem. The current state of Ukraine's economic security in the wake of Russian aggression requires a thorough analysis and research primarily for several reasons: a better understanding of the socio-economic processes taking place within the state and the identification of losses and risks to the global economy caused by the close integration of the Ukrainian economy into the global economic system. As the attack on Ukraine intensified, the United States and other Western countries imposed unprecedented economic sanctions on Russia and declared their support for Ukraine.

Considering the far-reaching impact of the humanitarian crisis in Ukraine on international development in the long run, it is extremely important for the international community to implement comprehensive solutions focused on development priorities.

Goal. Impact of the war in Ukraine on inflation risks and challenges for the world economy, analysis of prospects for the development of economic security in the state in the current Ukrainian realities

Methods. The information base of the study was the study of official information and periodicals. Methodological basis of the research: analysis, synthesis, systems approach, statistical methods and abstract-logical methods.

Results. The new sanctions regime and the cost of the war are likely to push the Russian economy into a recession worse than the 1998 recession and the Russian financial crisis and the cost of living of Russian households. The consequences will spread through three main channels. First, higher prices for commodities, such as food and energy, will lead to even higher inflation, which in turn will affect incomes and negatively impact demand. Second, neighboring countries in particular will face disruptions in trade, supply chain and remittances, as well as a historic surge in refugee inflows. And third, lower business confidence and increased uncertainty for investors will negatively impact asset prices, leading to tighter financial conditions and possible acceleration of capital outflows from emerging markets.

Russia and Ukraine are major commodity producers, and the destabilization has already caused a surge in global prices, especially for oil and natural gas. Food prices have skyrocketed, and wheat prices, of which 30 percent of world exports come from Ukraine and Russia, have reached record levels.

For Europe, energy is a major channel for spreading secondary effects, since Russia is an important source of natural gas imports. Larger-scale disruptions in the supply chain could also have serious consequences. These effects will increase the rate of inflation and slow the economic recovery from the pandemic. Eastern European countries will see rising costs of financing and an influx of refugees. According to the United Nations, they have already taken in most of the 3 million people who left Ukraine in the last period.

European governments may also face budgetary problems due to additional spending on energy security and defense budgets. Although the risks of non-residents due to falling prices of Russian assets.

Conclusions. It is expected that the war in Ukraine will have a significant impact on the economy and consumers in terms of such actions: expanding the supply chain, increasing inflationary pressures, deteriorating economic prospects. Important ways to stabilize the difficult situation are to increase exports and agricultural production, substantiate the importance of military orders for Ukraine's heavy industry, and draw attention to the need to reform and improve legislative and existing policy documents regulating financial and economic activities.

References

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