

DOI: <https://doi.org/10.57125/FEL.2024.03.25.02>

**How to cite:** Rudevska, V., Gutsul, T., Tesak, O., & Kyselov, O. (2024). Investment Attractiveness of Agriculture in Ukraine: Factors and Prospects for the Future. *Futurity Economics&Law*, 4(1), 22-37. <https://doi.org/10.57125/FEL.2024.03.25.02>

## **Investment Attractiveness of Agriculture in Ukraine: Factors and Prospects for the Future**

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**Received:** October 23, 2023 | **Accepted:** January 14, 2024 | **Available online:** February 5, 2024

**Abstract:** The article considers the current state and prospects of the development of innovation processes in the agro-industrial complex in the context of globalisation and integration into the world economic space. The relevance is determined by the fact that agriculture in Ukraine needs innovative

and investment changes that will become one of the priority factors in the post-war recovery of the industry. The article's purpose is to analyse the current situation in the agricultural sector of Ukraine, possible problems, and ways to increase investment activity. The study uses the literature review method to analyse the attractiveness of investment in agriculture in Ukraine. The literature search used Google Scholar, Scopus, and Web of Science databases. The review includes publications for 2015–2023, covering economic, political and social factors influencing investments in the agricultural sector. The most favourable and effective mechanisms for incorporating innovative activities into the farming sector of the economy are identified. The priority steps to transform the farm production policy in the innovation sphere are formulated and substantiated. The main trends and possibilities of modern support for developing innovation processes at all product creation and sales stages are identified. The basis for further developing the agro-industrial complex and strengthening its competitiveness in the global food market should be a targeted state policy aimed at introducing innovative development models in the agricultural sector. Reforming the agricultural sector of Ukraine should be aimed at the organisational, technical and technological restructuring of agricultural production, creating the basis for the dynamic, integrated development of enterprises, the industry, and the country. The article concludes that ensuring favourable conditions for sustainable innovation development in the agricultural sector should become a priority for developing Ukraine's agro-industrial complex in the context of the country's integration into the global economic space. The primary tool for achieving this goal is developing and implementing optimal and effective mechanisms for restructuring economic and management processes in the agricultural sector of the national economy.

**Keywords:** agrarian sector, competitiveness, innovation model, innovative tools, risks and opportunities

## **Introduction**

In today's environment, agriculture in Ukraine is one of the most important sectors of the economy (Gromov, 2022). The agricultural sector contributes to food, economic, environmental, and energy security, guarantees the development of technologically related sectors of the national economy, and creates socio-economic conditions for the development of rural areas. As a major producer of many types of agricultural products, Ukraine has long been an important player in the global structure of agricultural and food exports (Dunska & Bilykh, 2022). Therefore, the intensification of integration processes into the global economy, including within the framework of the EU-Ukraine Association Agreement, is not only driven by the need to further develop and expand the presence of domestic agri-food producers on the global market but is also a modern sign of progressive changes in agriculture. The gradual entry of domestic agri-food producers into the EU market creates prospects for improving the quality, safety and environmental characteristics of Ukrainian agricultural products and improving the food safety situation.

## **Research Problem**

The literature review revealed that issues related to organisational and structural changes in the sector, inefficient innovation and cost management, and unstable global economic conditions remain unresolved. Addressing these issues will enable some agricultural enterprises to expand and modernise their operations.

## **Research Focus**

In general, this study focuses on the current state of the Ukrainian agricultural sector, identifying the current state of the sector's problems and substantiating investment development trends using a number of methods.

## **Research Aim and Research Questions**

The purpose of the study is to identify and systematise the main problems of agricultural sector development and find effective ways to solve these problems based on a comprehensive analysis. In accordance with this goal, the objectives of the study are as follows:

1. To describe the current state of the agricultural sector in Ukraine.
2. Identify risks and opportunities in the agricultural sector in line with global changes.
3. To present ways to improve investment development and competitiveness of the agricultural sector in Ukraine.

## **Literature Review**

The issue of investment attractiveness of Ukraine's agro-industrial sector as an important factor in the development of the national economy requires further research, as the agro-industrial sector is in constant motion, undergoing transformations and, accordingly, has different impacts on the development of different countries and their companies. That is why a large number of researchers and economists study the development and prospects of the agricultural sector.

The agricultural policy of the EU countries is aimed at the protection of domestic producers and the preservation of agricultural land. The policy criteria implemented in Italy and Belgium are the preservation of agricultural land and the provision of their intended use, while taking into account the demands of ecologists. In Germany, capital investments are carried out freely, without restrictions on the volume and content, which corresponds to the current currency system; in some EU member states, despite relative unification, investment operations are under somewhat strict state control. Basically, Great Britain and France have benefits for attracting (exporting) capital, as well as measures limiting its movement within the country (Kinzerska et al., 2021).

Scholars who have studied the reasons for the low efficiency of agriculture in Ukraine have noted (Shabatura, 2019; Voitenko & Chubei, 2021) that agricultural production is insufficient not only due to the low availability and transparency of credit but also due to the lack of effective tools for managing lenders' risks in pledging agricultural land.

Low competitiveness due to a lack of working capital (Skrynkovsky, et. al., 2021) makes it difficult for farmers to enter the large EU market, which could provide sufficient farmers' own profits to increase working capital. Ukrainian farmers do not have enough working capital to develop production.

Cooperation between banking institutions and insurance companies to reduce the risks of lending to farmers has not yet been sufficiently successful (Radchenko & Fuchedzhi, 2019). The lack of guarantees and high risk reduce the possibility of borrowing from other countries (Kinzerska, et al., 2021) and the use of international financial instruments, including international crowdfunding (Cherkasova et al., 2019).

It is possible that in the future a path similar to the discussed integrated agricultural crowdfunding model, which uses financing instruments in the form of a crowdfunding platform, will be chosen. Furthermore, this project is similar to the methods of cooperation tested by Ukrainian peasants in western Ukraine in the early twentieth century.

Agriculture in Ukraine is the dominant food sector of the economy. Its state depends on the amount of funds invested in its development (Khalatur, 2017; Maryna & Ryabchikova, 2019). Financial and credit resources, effective credit policy of the state, and the solution of socio-economic issues play a crucial role in the financial support of agricultural production.

## **Research Methodology**

This study used a qualitative approach and is a literature review. The search databases were Google Scholar, Scopus, Web of Science, JSTOR, and ResearchGate. The search was conducted on

publications covering the period from 2015 to 2023, emphasising studies on the attractiveness of investment in agriculture in Ukraine and comparable studies in other countries. The search was conducted using the following keywords: "investment attractiveness of agriculture", "Ukraine agriculture investment", "agricultural investment factors", "investment in Ukrainian agribusiness", "prospects of agricultural investment", "challenges in agricultural investment Ukraine". In addition, logical operators (AND, OR) were used to improve the search accuracy: "investment attractiveness" AND "Ukraine" AND "agriculture", "factors affecting" OR "determinants" AND "agricultural investment", "prospects" AND "Ukraine" AND "agriculture". Publications in English or Ukrainian were selected for further analysis. Priority was given to scientific articles, reports, and books on the attractiveness of investment in agriculture in Ukraine. Studies on factors influencing agricultural investment (economic, political, climatic, and social) were also considered. In addition, the selection included publications devoted to assessing the prospects for developing the agricultural sector in Ukraine in the context of global trends and national policies.

The selection process excluded publications that did not address agriculture issues, did not consider investment aspects related to Ukraine, articles without empirical data, and materials that had not been peer-reviewed.

This approach provided a structured and targeted review of existing literature, allowing for an analysis of critical factors and prospects for the investment attractiveness of agriculture in Ukraine.

## Research Results

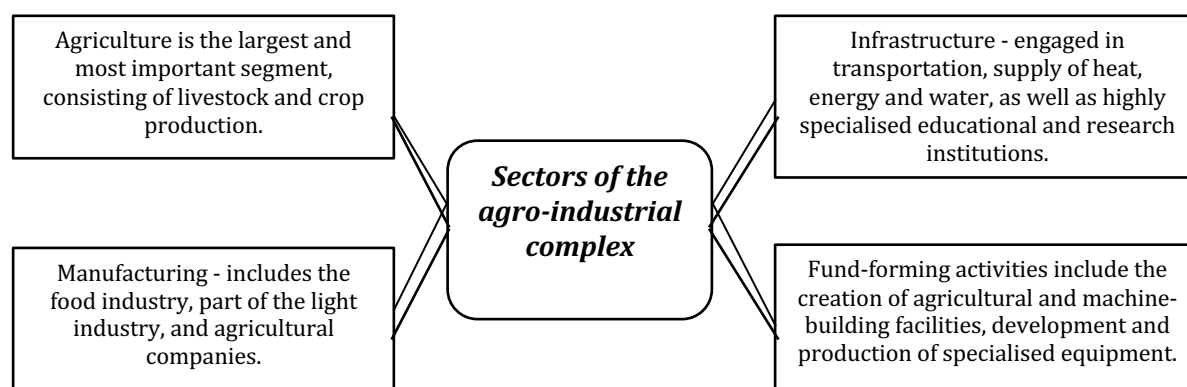
The agricultural sector is one of the main sectors of Ukraine's economy. It accounts for about 10% of GDP and 40% of foreign exchange earnings from exports. More than 41.4 million hectares of land in Ukraine are agricultural land. In particular, in the structure of land ownership, most of the land is privately owned (about 31.0 million hectares), with 10.4 million hectares in state and communal ownership (Dunska & Bilykh, 2022; Gromov, 2022).

With climatic and natural conditions favourable for agricultural development, Ukraine is now one of the largest agricultural producers and a leading exporter in the world. Ukraine's agro-industrial complex includes specialised enterprises and organisations engaged in the production and processing, transportation and marketing, and proper storage of agricultural products (Ivaskevich, 2018). In addition, agricultural enterprises that ensure the release of production assets, repair machinery, and equipment, conduct research, and implement their results in the field of agriculture and livestock are outlined.

There are four sectors that make up Ukraine's agricultural sector (Figure 1).

**Figure 1**

*Sectors of the agricultural sector of Ukraine*



*Source: compiled by the authors based on data from the YC.MARKET team (2023)*

Ukraine's independence and transition to a market economy brought about many significant political, economic, and social changes. Unfortunately, however, land policy and intensive agricultural production methods have remained largely unchanged. At the same time, global issues such as nutrition and the environment are also pressing challenges facing humanity that need to be addressed (Degtyareva, 2018). Ukraine has great potential to address these issues. At the same time, it is also clear that sustainable and innovative development of agricultural production can create preconditions for the formation of the agricultural environmental image of my country and increase the competitiveness of national agriculture. domestic and international markets (Radchenko & Pidvalna, 2020). The issues of sustainable development and investment attractiveness of the agricultural sector are particularly relevant for the European integration process.

Due to the hostilities in Ukraine in 2022, the agricultural sector experienced the most difficult period since Ukraine's independence. The territorial occupation and hostilities have resulted in the loss of 3.5 million hectares of cultivated land, shortages of labour, equipment, fuel, and capital, and the destruction of supply chains, all of which have created unprecedented challenges for farmers.

A significant increase in hostilities since February 2022 in Ukraine has led to a decrease in crops and physical destruction of agricultural enterprises. The reduction in grain planted areas (by more than 30%) and the maritime blockade of export routes led to a global food crisis (Chub, 2022a, 2022b, 2022c). The food crisis is exacerbated by the fact that Russia and Ukraine's exports in previous periods accounted for more than 18% of the global grain market (Hetman, 2023). The blockade of Ukrainian seaports has led to food shortages in some third-world countries and rising food prices. All this has led to significant social changes in these countries (Babenko, 2021; Chala & Barbul, 2020). In particular, migration flows from these countries have increased (Horbal et al., 2020).

With 33% of the world's black soil, a favourable climate, and proximity to major markets, Ukraine is an agricultural export hub with huge processing capabilities. The country is a world leader in sunflower oil exports and one of the largest grain exporters. That being said, the Russian invasion has had a significant impact on agriculture and food security around the world. Last season, Ukraine exported almost 6 million tonnes of oil, accounting for over 47% of global sales of the product. The outbreak of the war caused a shock to the global oilseed market, with prices rising significantly and supplies falling. In March, the FAO reported that in February, the global food price index reached a historic high after steady growth in recent years. UN experts have also estimated that the number of people suffering from food insecurity around the world could reach a 15-year high due to the effects of the war and COVID-19 (Lucii & Korniychuk, 2022).

According to the Centre for Food and Land Use Research at the Kyiv School of Economics and the Ministry of Agrarian Policy and Food of Ukraine, the total amount of direct and indirect losses incurred by the Ukrainian agricultural sector since the beginning of the full-scale war has amounted to USD 41.1 billion (Zgurska, et.al., 2022).

If we do not take into account the damage caused to land resources - mine contamination and the need to reclaim land damaged by shells, trenches, and other damage, and the movement of military equipment - the war causes the greatest damage to agricultural machinery. According to estimates, last year alone, more than 84,000 pieces of machinery and equipment were completely or partially destroyed as a result of hostilities. Their value is estimated at \$2.9 billion. The occupiers were actively stealing finished products and destroying granaries. The total damage amounted to USD 2.97 billion, and the cost to farmers due to the loss of livestock and beekeeping resources is estimated at USD 362 million (Bilous & Novotnyi, 2023).

As a world leader in crop production, the main crops sold in Ukraine are cereals and fodder crops such as wheat, corn, barley, sunflower, sugar beet, tobacco, pulses, fruits, and vegetables. Ukraine grows an impressive amount of food crops, producing between 90 and 100 million tonnes per year in

peacetime (Izhevsky, 2018; Naumenko, 2019). At the same time, Ukraine was the third largest grain exporter in the world at the time, exporting 50-60 million tonnes annually.

The military aggression of the Russian Federation has resulted in the inoperability of Ukrainian seaports, through which approximately 90% of Ukraine's agricultural exports pass. According to the Ministry of Agrarian Policy, up to 20,000 tonnes of grain is currently transported by rail daily, while previously about 150,000 tonnes of grain was transported through seaports. Continuing to address the logistics of agricultural exports, the government is working to minimise bureaucratic procedures for agribusiness and, in particular, will process as many requests from producers for the necessary licences and certificates as possible.

At the same time, the Ukrainian agro-industrial complex has overcome difficulties and demonstrated a positive development trend and stable economic performance. According to the Ministry of Agriculture, in 2022 the harvest exceeded 67 million tons. Ukraine continues to ensure global food security.

Following the signing of the grain agreement, 68 vessels were dispatched in August 2022 alone, transporting 1.72 million tonnes of Ukrainian agricultural products to 18 countries. The total volume of shipments via various logistics routes in August was about 5 million tonnes. In 11 months of 2022, the volume of exports of Ukrainian agricultural products and foodstuffs totalled 50.9 million tonnes. Deliveries totalled \$21.1 billion (Lucii & Korniyuchuk, 2022).

According to the Ministry of Agrarian Policy, as of the beginning of 2023, Ukrainian farmers received more than 34.5 billion hryvnias (Ukrainian currency) for the development of their farms.

In order to determine the factors that influence the investment attractiveness of agricultural enterprises, it is necessary to analyse theoretical approaches to the definition of the concept of "investment attractiveness of industries". The theoretical definition of investment attractiveness is, in our opinion, of great practical importance, since the practical implementation of investment policy not only in the agricultural sector but also in the economy of our country as a whole depends on understanding the content of these opposing interpretations (Drigola et al., 2019; Godyak, 2018).

It is worth noting that the investment attractiveness of an industry is a comprehensive characteristic of the development prospects of each sector of the economy, the profitability of investments, and the level of investment risk. The following indicators are usually taken into account when determining the investment attractiveness of an industry:

- profitability (indicates the efficiency of investments);
- investments in fixed assets (indicates the presence of capital investment objects);
- the number of medium and large enterprises (indicates the concentration of production); the share of industry in total industrial production.
- the share of the industry in total industrial production (determines the level of production and sales) (Bersutska & Kolesnikov, 2019).

When analysing the investment attractiveness of an industry, a set of external factors is also taken into account and highlighted:

- the importance of the industry, i.e. the value of the industry's products, their characteristics, the share of exports, dependence on imports, the level of satisfaction of the country's domestic needs, the share of the industry or specific products in GDP;
- state intervention in the development of the industry is low, moderate or significant, including the possibility of state investment, tax benefits, accelerated depreciation (Ivanova, 2018a, 2018b, 2018c).

The key to increasing the attractiveness of agricultural investment in Ukraine is to help assess and shape agricultural investment policy to promote sustainable economic growth and development.

Attracting agricultural investment depends on a number of factors beyond agricultural policy, especially macroeconomic policy (Matkovsky, 2018; Matrosova, 2020). Consistent policy is a crucial component of creating a favourable investment environment for all investors, domestic or foreign, small or large. We will look at the factors that influence the attractiveness of agricultural investment in Ukraine and highlight the issues that should be taken into account when creating an attractive environment for investors and increasing the benefits of agricultural investment. Figure 2 shows the factors affecting investment in the Ukrainian agricultural sector.

**Figure 2**

*Factors influencing investment in the agricultural sector*



*Source: compiled by the authors based on data from Sukrusheva and Shapoval (2022)*

We found that the integral indicator of the Investment Attractiveness Index of Ukraine decreased in 2023 to 2.44 points out of 5 possible points compared to 2022 (2.48 points in the second half of 2022). The integral indicator of Ukraine's investment attractiveness index slightly recovered in the second half of 2022 to 2.48 points, which can be compared with its value in 2020, when the Covid19 pandemic was active. This is the result of a new expert survey conducted by the European Business Association, which showed that in the first half of 2022 the index halved to 2.17 points out of a possible 5.

The assessment of the current state of the investment climate remains the lowest of all components of the index. Half of the managers consider the investment climate quite unfavorable. Over the past six months, the number of respondents who consider the investment climate to be very unfavorable has slightly decreased from 53% to 37%. Eight percent of directors consider the current investment climate to be neutral, five percent to be favorable.

The assessment of the development of the investment climate during the next six months softened slightly compared to the previous quarter: 45% see a negative trend, 33% do not see significant changes in the business environment, and 22% report an improvement. In the coming months, 32% expect further deterioration of the situation, while 46% do not see significant changes in the investment climate. At the same time, 22% of top managers expect the situation to improve in the first half of 2023.

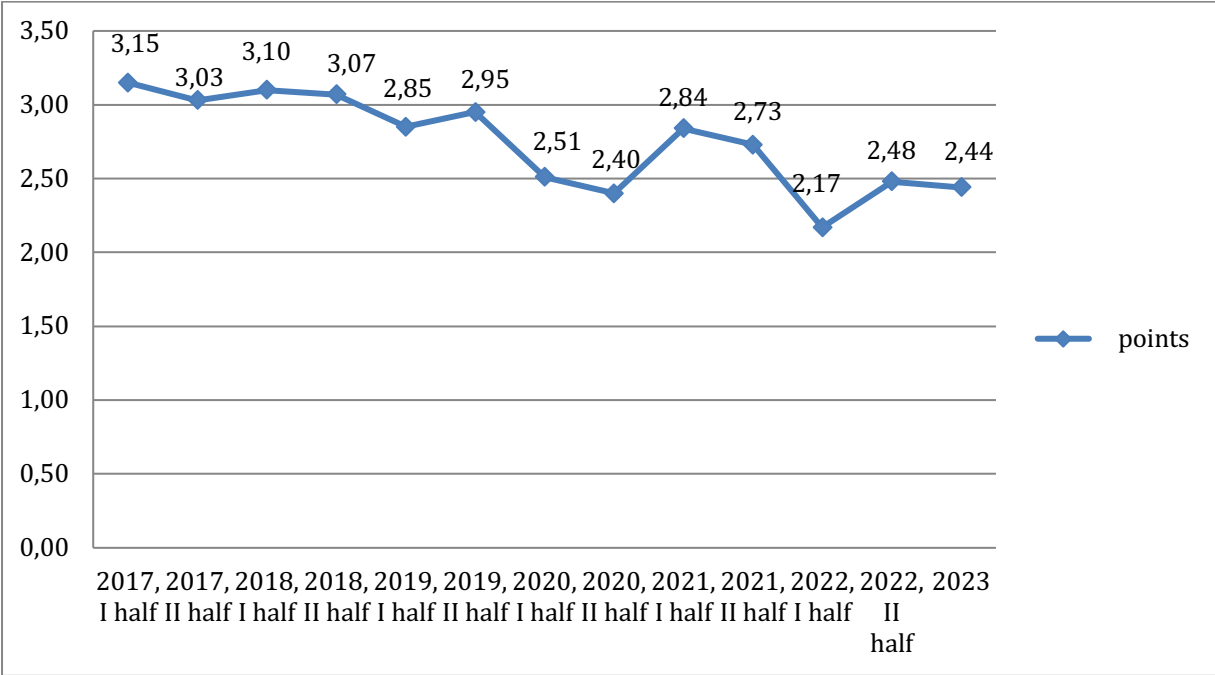
Despite the war situation, 99% of the Association's member companies plan to continue working on the Ukrainian market in 2023, and 63% will invest in Ukraine even during the war. At the same time, only 17% of new investors believe that it will be profitable to expand their activities in Ukraine.

The Investment Attractiveness Index is important for direct investment. The index of investment attractiveness is the indicative income that an investor receives for one conditional monetary unit and determines whether the project is effective for financial investment.

The data is presented in Figure 3.

**Figure 3**

*Investment Attractiveness Index of Ukraine 2017-2023*



Source: Compiled by the authors based on data from the European Business Association (2023).

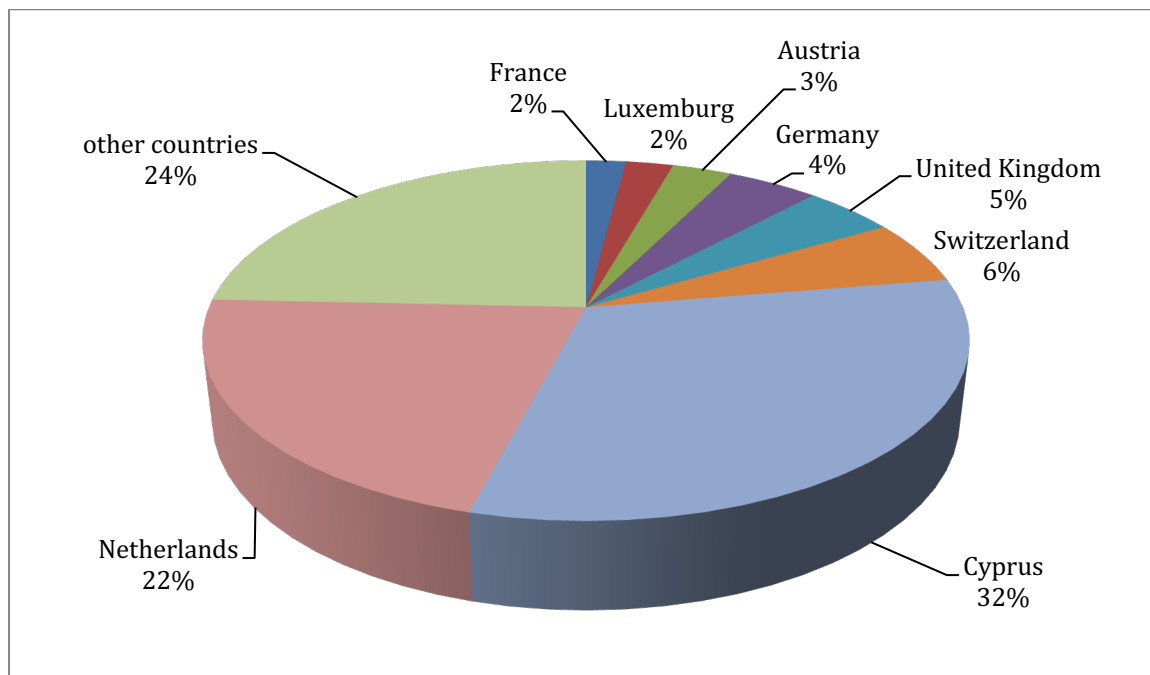
In 2013, net inflows into the Ukrainian economy decreased by 47.36% compared to 2012. In 2015, the net profit was negative (-USD 458 million), meaning that the subsidiary owed the parent company more than the parent company invested in the subsidiary. The difference between 2015 and 2016 was +1032.2%, or +USD 4.268 billion. Net FDI inflows to Ukraine gradually increased between 2016 and 2019, decreasing by 118.2% (-\$6728 billion) in 2020 compared to 2019 (Korovii & Orekhova, 2020). The reason for this was the Covid-19 crisis. One of the first indicators to deteriorate during the crisis was investment activity. After that, there was a positive trend in 2020-2021, when \$7.55 billion was invested, and the difference between 2021 and 2022 was -\$5.5 billion due to the Total War, but it is worth noting that in 2022-2023 the indicator became positive, i.e., \$1.316 billion.

The relationship between the investment index and the inflow of foreign direct investment increases the direct interests of investors and their investments in projects in the field of agriculture. Thanks to the monitoring of the investment index, it is possible to track the circulation of resources, and foreign direct investment involves the successful investment of capital, technology and managerial resources.

We found that, according to the data in Figure 4, more than 70% of investments at the end of 2022 came from the European Union, with the largest amount of investment in all years coming from Cyprus - 32%.

**Figure 4**

*Sources of foreign direct investment in Ukraine, end of 2022, %*



Investments in agriculture, forestry, and fisheries declined in 2020, accounting for 9% of total FDI, but recovered in 2022.

**Table 1**

*Trends in the development of Ukraine's agricultural sector and challenges for its further development*

<b>Trends</b>	<b>Objectives</b>
1. Low level of demand solvency and constant price growth.	- To achieve high agricultural productivity through modernisation and technical support.
2. A specific mechanism for setting prices for industrial processed products.	
3. Price inequality between different market players.	- Smart and efficient production and labour resources.
4. Increased production and supply of products by agricultural producers, decreased production by households.	- The process of ensuring that products are sold to customers at clear and affordable prices.
5. Increase in the share of products on the market, which represents the consolidation of national agribusiness.	- To increase farmers' incomes and improve their living standards.
6. Imperfect mechanism of state regulation of the market.	
7. A large number of intermediaries in the market for livestock products and products of their industrial processing.	- Promote the creation of sufficient quantities of food products of animal origin and stabilise the market infrastructure.

8. Significant competition from importers.	
9. Low level of agro-industrial integration and cooperation between market participants.	- Stimulate the viability of small and medium-sized enterprises.
10. Growing demand for safe, environmentally friendly, and low-calorie products and their industrial processing.	
11. Increased importance and influence of global food market trends, which affects the development of the national market.	- To protect domestic agricultural producers and manufacturers of value-added products.

*Source:* Authors' compilation based on data from (Dzyurakh & Drugov, 2021; Grischuk, 2018).

In September 2022, a new investment initiative of the Government of Ukraine, Advantage Ukraine, was launched. It aims to attract future investment in the country by demonstrating the wide range of opportunities in key sectors, which will be particularly important for post-war Ukraine. In addition to innovative technologies, the initiative covers various industries, including the agricultural sector (Zgurska, et.al., 2022).

Today, the investment environment in Ukraine is weak and tends to deteriorate. But despite the challenges and obstacles, Ukraine offers valuable opportunities for foreign investors. Highly skilled labour force, rich natural resources, dynamic economic reforms, and strategic location are just some of the advantages that attract investors, but to ensure that its investment attractiveness is sustained, Ukraine needs to reform its economy and improve its business environment.

Thus, the future development of the Ukrainian agricultural machinery market is likely to include the following trends:

- agricultural holdings developing special programmes to upgrade machinery;
- growing interest in leasing specialised equipment;
- growing demand among small farmers for small but versatile machinery that can be leased on deferred payment, guaranteed lease, or purchased on credit.

Therefore, a key factor in the success of agricultural enterprises is the availability of appropriate equipment during busy periods. It is important that agricultural enterprises have the necessary funds to purchase the necessary equipment, and that dealers have the ability to adapt to their needs.

## **Discussion**

The results of the study show that the investment environment in Ukraine is difficult today and is likely to deteriorate as the full-scale invasion begins. However, despite the challenges and obstacles, Ukraine offers valuable opportunities for foreign investors. A highly skilled workforce, rich natural resources, dynamic economic transformation, and strategic location are just some of the advantages that attract investors, but to sustain its investment attractiveness, Ukraine needs to reform its economy and improve its business environment. It has been proven that the Ukrainian agro-industrial complex has overcome difficulties and demonstrated a positive development trend and stable economic performance. According to the Ministry of Agrarian Policy, the 2023 harvest exceeds 81.3 million tonnes (Interfax-Ukraine, 2023). Ukraine continues to ensure global food security. The information age and current events in the world are constantly transforming and influencing the agricultural sector in every possible way and are the way forward for Ukraine's agricultural sector. The basis for increasing the attractiveness of agricultural investment in Ukraine is to assist in the assessment and formulation of agricultural investment policy to promote sustainable economic growth and development. Attracting

agricultural investment depends on a number of factors beyond agricultural policy, especially macroeconomic policy. Consistent policy is a crucial component of creating a favourable investment environment for all investors, domestic or foreign, small or large. We will examine the factors that influence the attractiveness of agricultural investment in Ukraine and highlight issues that should be considered when creating an attractive environment for investors and increasing the benefits of agricultural investment. The results of the study showed that the investment attractiveness of the agricultural sector is influenced by a large number of factors that existed in peacetime or emerged after the full-scale invasion, which was confirmed by Sukrusheva and Shapoval (2022), Nikitina et al.

The findings contradict the statements of Bahur (2019), Kushnir and Zhuravlyova (2020), Lupenko and Andros (2020), who concluded that currently, innovative technologies in the country play a minor role in providing potential solutions to the problems and global challenges that arise in the agricultural sector, and therefore there is no development in this area. The following indicators are usually taken into account when determining the investment attractiveness of an industry:

- profitability (indicates the efficiency of investments);
- investments in fixed assets (indicating the existence of an object of capital investment);
- the number of large and medium-sized enterprises (indicates the concentration of production);
- the share of industry in total industrial production (determines the level of production and sales).

The hypothesis that the agricultural sector has great development potential and innovative prospects and that one of the main advantages of the Ukrainian agricultural sector is access to the most important resources for agricultural production, coincides with the findings of Pasko (2022) and Savchenko and Shkurenko (2019). Therefore, the global challenges faced by European countries (population growth, climate change, etc.) are turning into opportunities for growth and competitiveness of domestic agribusiness in Ukraine.

The statement that Ukraine has powerful resources, population and economic potential, and therefore has the basis for attracting foreign investors' activities. However, as economic and social processes and reforms are not yet complete, our country is not yet able to attract the maximum amount of investment resources that its potential deserves, contradicts the research of Slavkova and Kolisnyk (2023); Bilous and Novotnyi (2023), who indicate that the main negative factors affecting the investment attractiveness of the sector are instability and uncertainty of legislation in the agricultural sector, uncertainty of ownership issues, especially of natural resources, depreciation of the national currency, imperfect state tax system with frequent changes, and low level of investor protection. The scientific novelty lies in the need to structure the attraction of investments in the agricultural sector, its innovative development, and improvement of the system of activity. The reliability of the results obtained was influenced by the indicators of the agro-industrial sector, which fluctuate in the current state.

Limitations in the study arose with the reliability of data on the development of agro-industrial business in the conditions of war in Ukraine and access to certain materials.

## **Conclusions and Implications**

Given the objectives of the study, it can be concluded that the prospects for Ukraine's agricultural sector are positive, although the total amount of direct and indirect losses incurred by the Ukrainian agricultural sector since the beginning of the full-scale war has amounted to USD 41.1 billion. An analysis of the pre-tax results shows that the rapid growth occurred in 2014, a critical period for the sector: during the military and political conflict and the crisis in the country. Since then, the agricultural sector has been performing well, as evidenced by the graphs of the share of agriculture in gross value added by type of economic activity and the share of agricultural exports. Particular attention was paid to the analysis for 2022-2023.

It is determined that in modern conditions the sector forms the economy of Ukraine, but its condition depends on a number of external and internal risks, including climatic conditions, economic and political situation in the country, investment factors, and availability of technical equipment. The factors that influence investment in the agricultural sector of Ukraine are identified, including high-quality trade and investment policy, investment promotion and simplification of investment climate procedures, infrastructure development, risk management, etc.

The ways to increase investment development and competitiveness of the agricultural sector in Ukraine were recognised. It is important to achieve high productivity of agricultural production through modernisation and technical support, use of reasonable and efficient production and labour resources, stabilisation of market infrastructure, protection of domestic agricultural producers and producers of products, etc.

### **Suggestions for Future Research**

Further research should focus on the “digitalisation” of agriculture, as well as the benefits and challenges of this development vector. In order to overcome the most acute problems of the Ukrainian agricultural sector during and after the war, it is necessary to:

- attract talented people to the agricultural sector, including managers, IT specialists, scientists and highly specialised agricultural experts;
- reduce bureaucratic barriers to the development of agricultural enterprises;
- improve the quality of product safety in line with international standards;
- create new jobs and develop and implement a set of measures to create new jobs and improve social infrastructure in rural areas;
- bring the products of Ukraine's agricultural sector in line with EU requirements;
- support small farms;
- technological development and digitalisation of the agricultural sector;
- promote the development of processing in the agricultural sector in accordance with the principles of the Green Deal;
- creating conditions for the agricultural sector's transition to sustainable production.

### **Acknowledgements**

None.

### **Conflict of Interest**

None.

### **Funding**

The Authors received no funding for this research.

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