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TRANSFORMATION OF NATIONAL ECONOMIC COMPETITIVENESS UNDER CONDITIONS OF GLOBAL MARKET VOLATILITY

The research paper examines the transformation processes of the competitiveness of Ukraine`s national economy under conditions of persistent macroeconomic volatility, financial instability, and global geopolitical shocks. The purpose of the study is to identify the key mechanisms through which global market conditions influence the macroeconomic stability of the state and to determine strategic directions for its adaptation to an unstable global environment.

Based on systemic, comparative, and structural-logical methods of analysis, the transmission mechanisms of global commodity markets (grain, energy resources, and ferrous metals) affecting foreign exchange inflows and the balance of payments are examined. Using an empirical analysis of structural shifts in Ukraine's foreign trade over the period 2021–2025, a deepening export asymmetry is identified: the combined share of agro-industrial products exceeded 50%, while the share of metallurgy declined by more than half compared to the pre-war period. This confirms the critical vulnerability of the traditional commodity-based model of international specialization to price volatility and logistical disruptions.

The study substantiates the objective necessity of moving away from a passive export-oriented commodity model. Strategic priorities for ensuring national competitiveness are identified, including structural modernization of industry, export diversification, development of high value-added technology-intensive sectors, and the formation of adaptive institutional frameworks within the context of Ukraine's European integration course. Particular attention is given to the analysis of institutional mechanisms for adapting domestic enterprises to European regulatory standards and their integration into new, diversified global value chains.

Keywords: competitiveness; national economy; global market conditions; macroeconomic volatility; market-shaping factors; global value chains; export structure.

Research relevance. Global market conditions constitute a fundamental framework for the functioning of open national economies, as they determine the direction of international capital and trade flows and shape the investment attractiveness of sovereign states. Under current circumstances, the global economic environment is characterized by persistent turbulence driven by increasing cyclical fluctuations, financial instability, and profound geopolitical shifts. For small and medium-sized open economies, including Ukraine, external market-shaping factors – ranging from price shocks in global commodity markets to changes in the monetary policies of the world's leading central banks – have become key determinants of macroeconomic stability and international competitiveness.

Since 2022, the Ukrainian economy has experienced an unprecedented accumulation of both exogenous and endogenous shocks. The destruction of production facilities, severe disruption of logistics infrastructure, the blockage of traditional maritime export routes, and a sharp increase in transaction costs have significantly weakened the position of Ukraine's traditional export-oriented industries, particularly the agricultural sector and the iron and steel industry. Under these conditions, the transmission mechanism of global grain, metal, and energy markets has acquired critical importance, directly affecting foreign exchange earnings, the balance of payments, inflationary pressures, and the overall trajectory of the country's GDP.

The traditional commodity-based model of international specialization, which dominated the Ukrainian economy for decades, has proven highly vulnerable to price volatility and crisis-induced uncertainty. At the same time, the strategic objectives of European integration and the need to comply with the regulatory standards of the European Union require a comprehensive reassessment of approaches to strengthening national competitiveness. This creates an objective need to move beyond a passive commodity-based development model toward a proactive economic policy focused on structural modernization, export diversification, the development of high-value-added technology-intensive sectors, and the establishment of adaptive institutional mechanisms capable of enhancing resilience to global market shocks.

Analysis of recent research and publications. The global patterns of world market development, the mechanisms underlying cyclical economic crises, and the transformation of national competitiveness have attracted considerable attention from both academic researchers and leading international organizations. The impact of global market conditions on the national economy and export performance was examined by V. P. Prykhodko [3], who identified the key external economic factors and market conditions requiring an appropriate investment and regulatory policy framework. The importance of establishing a new paradigm of an integrated, innovation-driven model of Ukraine`s competitive national development has been substantiated in the works of Yu. M. Umantsiv and D. O. Zolina [5]. Their research identifies the principal determinants and indicators of national competitiveness in the global economy, as well as the conceptual principles and macroeconomic policy instruments necessary to strengthen a country`s competitive position.

Various aspects of the influence of macroeconomic volatility, financial market developments, and geopolitical shocks on the stability of national economies are regularly addressed in the analytical reports of the International Monetary Fund (IMF), the World Bank, the Food and Agriculture Organization of the United Nations (FAO), and the United Nations Conference on Trade and Development (UNCTAD).

The challenges of adapting open economies to external shocks, ensuring structural transformation, and assessing foreign trade performance under conditions of infrastructure disruption have also been extensively examined by Ukrainian scholars, including Yu. P. Vitkovskyi [1], S. V. Ishchenko, and O. I. Maslak [2]. Their studies provide valuable insights into the resilience of national economies facing adverse external conditions and emphasize the importance of strengthening export capacity and improving economic adaptability.

Despite the substantial body of theoretical and empirical research, several important issues remain insufficiently explored. These include the development of proactive policy instruments for mitigating market-related risks in Ukraine, the integration of crisis-oriented supply chain management with the country's long-term European integration agenda, and the modernization of post-war industrial capacity under conditions of heightened geopolitical uncertainty.

These research gaps have determined the choice of the study`s topic, its research focus, and the overall logic of the scientific inquiry.

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Materials and methods. The problems of national competitiveness, global economic volatility and the transformation of international market conditions have been widely investigated by both foreign and domestic researchers. Numerous scientific publications examine the influence of macroeconomic instability, cyclical fluctuations, geopolitical risks, structural transformations and global value chains on the sustainable development of national economies. International analytical reports prepared by the International Monetary Fund, the World Bank, the Food and Agriculture Organization of the United Nations, the United Nations Conference on Trade and Development, as well as statistical data provided by the State Statistics Service of Ukraine, constitute an important empirical basis for assessing contemporary changes in the global economic environment.

At the same time, despite the considerable number of studies devoted to the competitiveness of national economies, insufficient attention has been paid to the comprehensive analysis of the transformation of Ukraine's competitive advantages under the conditions of increasing volatility of the global market environment, large-scale geopolitical uncertainty and post-war economic recovery. Therefore, the study of the mechanisms influencing national competitiveness and the identification of strategic directions for strengthening the adaptive capacity of the Ukrainian economy remain relevant and scientifically justified.

The research is based on the methods of analysis and synthesis, which were used to generalize scientific approaches to the interpretation of competitiveness, global economic volatility and market conditions. The comparative method made it possible to identify the influence of global commodity markets on the macroeconomic stability of Ukraine. The system approach was applied to determine the interrelationships between external market factors and the competitiveness of the national economy. Elements of structural and logical analysis were used to substantiate the strategic directions for improving the competitiveness of Ukraine under conditions of global economic instability.

The purpose of the article. The relevance of the research determines the primary objective of this study, which is to identify, analyze, and systematize the key factors and mechanisms driving the transformation of national economic competitiveness under conditions of global market volatility. The study also aims to determine the strategic directions for enhancing the adaptability of the national economy to an unstable global economic environment characterized by rapidly changing market conditions, recurrent economic crises, and intensifying international competition.

Research results. The current stage of global economic development is characterized by a high degree of instability, increasing cyclical fluctuations, and the growing influence of global shocks that significantly shape global market conditions. Geopolitical conflicts, energy market imbalances, the restructuring of global value chains, digital transformation, and financial turbulence are driving profound structural changes in commodity, financial, and foreign exchange markets.

Global market conditions are determined by a combination of market-shaping factors, including cyclical, structural, institutional, and speculative forces. Under current circumstances, financial factors have become increasingly dominant, amplifying volatility in global capital and commodity markets. Rising interest rates implemented by the world`s leading central banks, increasing sovereign and corporate debt burdens, and heightened exchange rate instability have contributed to the reallocation of international capital flows and substantial changes in the investment attractiveness of national economies.

Table 1

Classification of global market factors according to the level of influence on national competitiveness

Factor	**Short-term**	**Long-term**	**Impact on Ukraine**
Commodity prices	+++	+	High
Interest rates	++	++	High
Geopolitical risks	+++	+++	Critical
Logistics	++	+++	Critical
Technological change	+	+++	High

**Compiled by the author*

Commodity markets, particularly those for grains, energy resources, and metals, remain especially vulnerable to global economic imbalances. The transmission mechanism through which global commodity market conditions affect Ukraine`s macroeconomic performance is presented in Table 2. According to the FAO, the global grain market exhibits a high degree of sensitivity to climatic conditions,

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crop yields in major exporting countries, and export restrictions, all of which have direct implications for food security across different regions of the world [7]. Since 2022, global grain trade has undergone substantial restructuring, accompanied by a significant increase in logistics costs, resulting in considerable changes in global food price dynamics [9]. As one of the world`s leading grain exporters, Ukraine is particularly sensitive to fluctuations in global market conditions, which directly affect foreign exchange earnings and the country's external trade balance [4].

Table 2

Transmission Model of the Impact of Global Commodity Markets on Ukraine's Economy

World Commodity Market	Key Market-Shaping Factors	Transmission Instrument to the Economy	Macroeconomic Outcome
Crop yields	Crop yields, export restrictions, global stock levels	Export of agricultural products	Increase/decrease in foreign exchange earnings; impact on trade balance; changes in tax revenues; influence on exchange rate dynamics.
Energy resources market	Geopolitical situation, production quota policies, fluctuations in oil and gas prices	Import of energy resources; production costs	Inflationary pressure formation; changes in production costs; impact on energy security; pressure on the balance of payments.
Metals and metal products market	Global demand, investment activity, protectionist policies	Export of metal products	Industrial production dynamics; impact on GDP; changes in employment levels; formation of export revenues in the state budget.

**Compiled by the author*

To provide a comprehensive empirical justification for the proposed transmission model, it is essential to analyze the structural transformation of Ukraine's actual export profiles. The accumulation of global and domestic shocks has triggered profound structural shifts across key economic sectors (see Fig. 1).

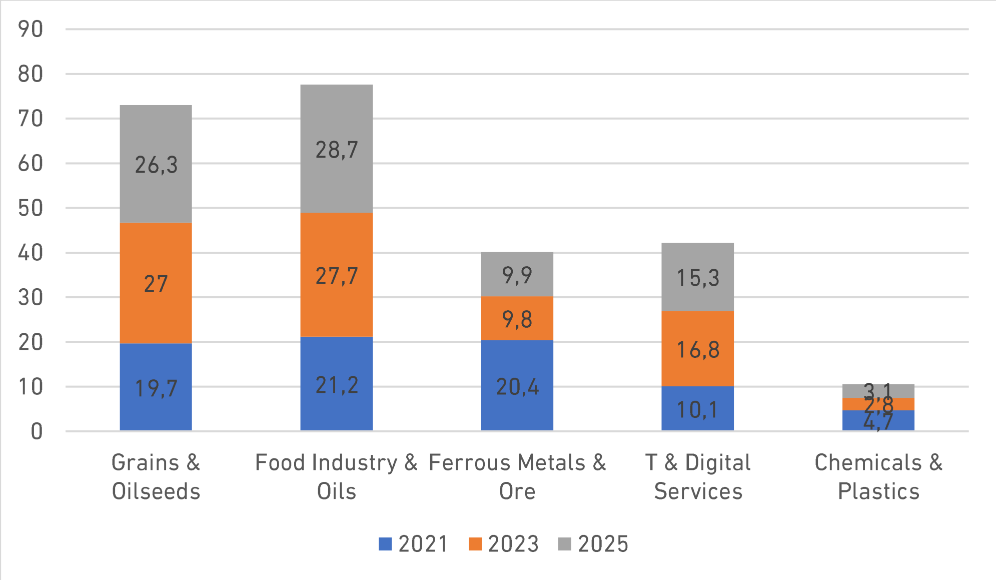

Fig. 1. **Sectoral Structure of Ukraine's Export Dynamics and Structural Transformation (2021–2025)**

**Source:* Compiled by the author based on data from the State Statistics Service of Ukraine.

As indicated in Fig. 1, the combined share of grains, oilseeds, and food industry products exceeded 50% of total exports in 2023–2025, confirming a pronounced structural shift towards the agro-commodity model due to the catastrophic decline in metallurgy.

The global energy market conditions are characterized by a strong dependence on geopolitical factors and decisions made by major producing countries, which leads to sharp fluctuations in oil and natural gas prices [9]. Changes in energy prices determine the dynamics of production costs, inflationary processes, and the competitiveness of national economies [6]. For Ukraine, the energy factor has a systemic impact on macroeconomic stability and the structure of production expenditures.

The global steel market also demonstrates pronounced cyclical behavior, driven by shifts in global investment activity and demand from

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industrialized economies. The intensification of protectionist trends and the slowdown in global economic growth reduce demand for metal products, which adversely affects Ukraine`s export performance [4; 8].

The transformation of global markets is accompanied by a reconfiguration of centers of economic growth and intensifying competition for resources, technologies, and sales markets. Under these conditions, a country`s competitiveness increasingly depends on its ability to adapt to market fluctuations, diversify its export structure, integrate into global value chains, and ensure macroeconomic stability.

The generalization of the results of the conducted analysis allows for the conclusion that enhancing the competitiveness of the national economy under conditions of global market volatility requires the implementation of a set of interrelated strategic directions, which are presented in Table 3.

Table 3

Strategic priorities for strengthening national competitiveness

Challenge	Consequences	Strategic response
Commodity dependence	export instability	diversification
Energy shocks	inflation	energy efficiency
Logistics disruption	export losses	multimodal logistics
Global competition	lower market share	innovation
EU integration	adaptation costs	institutional reforms

** Compiled by the author*

The outlined strategic directions are of a comprehensive nature and involve the simultaneous strengthening of export potential, modernization of the production base, development of innovation activities, and enhancement of the institutional capacity of the state. Their implementation will contribute to reducing the economy’s dependence on fluctuations in global commodity market conditions and to the formation of long-term competitive advantages.

For Ukraine, particular importance is attached to the development of an economic resilience model focused on structural modernization, the expansion of high-tech sectors, support for export-oriented industries, and the reduction of dependence on commodity market conditions. Taking into account global cyclical patterns and long-wave development trends makes it possible to anticipate changes in global economic dynamics and to formulate proactive economic policy.

War-related risks, destruction of production and logistics infrastructure, and constraints on export capacities intensify the dependence of macroeconomic stability on external financial assistance and on global commodity market dynamics. Under such conditions, the formation of national competitiveness requires a combination of crisis management instruments with a long-term strategy of post-war reconstruction, industrial modernization, and the development of high value-added sectors.

Within the framework of Ukraine`s European integration course, changes in global economic conditions should be interpreted through the lens of adaptation to the standards and regulatory requirements of the European Union. Deepening economic integration with the EU implies structural transformation of the national economy, harmonization of the institutional environment, and enhancement of the technological competitiveness of production. In this context, long-term competitive resilience is determined not only by current market conditions but primarily by the structural flexibility of the economy, its ability to expand high value-added exports, and its integration into the European economic space.

Conclusions. Global market conditions act as a determining factor in the transformation of the competitive positions of open economies, where for Ukraine the key transmission channels of impact include grain, energy resources, and ferrous metals markets. An empirical analysis of the sectoral structure of Ukraine's foreign trade over the period 2021–2025 reveals a deepening structural asymmetry, whereby the combined share of agro-industrial products exceeded 50%, while the share of metallurgy declined by more than half. This confirms the critical vulnerability of the commodity-based model of international specialization to global volatility.

A strategic imperative for strengthening national competitiveness is the transition away from a passive resource-based orientation toward structural modernization of industry, export diversification, development of high value-added technology-intensive sectors, and harmonization of the institutional framework with the regulatory standards of the European Union.

Further research in this area should focus on the development of applied risk management tools for foreign economic activity at the state level, as well as on a more detailed analysis of financial and economic incentives for attracting investment into the post-war restructuring of

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knowledge-intensive industrial sectors and their subsequent integration into European value chains.

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ТРАНСФОРМАЦІЯ КОНКУРЕНТОСПРОМОЖНОСТІ НАЦІОНАЛЬНОЇ ЕКОНОМІКИ В УМОВАХ ВОЛАТИЛЬНОСТІ СВІТОВОЇ КОН'ЮНКТУРИ

Статтю присвячено дослідженню процесів трансформації конкурентоспроможності національної економіки України в умовах перманентної макроекономічної волатильності, фінансової нестабільності та глобальних геополітичних шоків. Метою дослідження є виявлення ключових механізмів впливу світової економічної кон'юнктури на макроекономічну стабільність держави та визначення стратегічних напрямів її адаптації до нестабільного глобального середовища.

На основі методів системного, порівняльного та структурно-логічного аналізу розкрито трансмісійні механізми впливу глобальних товарних ринків (зернових, енергоресурсів, чорних металів) на динаміку валютних надходжень і стан платіжного балансу. За допомогою емпіричного аналізу структурних зсувів у зовнішній торгівлі України за 2021–2025 рр. виявлено поглиблення експортної асиметрії: сукупна частка продукції агропромислового сектору перевищила 50%, тоді як частка металургії скоротилася більш ніж удвічі порівняно з довоєнним періодом. Це підтверджує критичну вразливість традиційної сировинної моделі міжнародної спеціалізації до цінової волатильності та логістичних криз.

Доведено об`єктивну необхідність відходу від пасивної експортно-сировинної орієнтації. Обґрунтовано стратегічні пріоритети забезпечення національної конкурентоспроможності, що включають структурну модернізацію промисловості, диверсифікацію експорту, розвиток технологічних секторів із високою доданою вартістю та формування

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адаптивних інституційних моделей у контексті євроінтеграційного курсу України. Окрему увагу приділено аналізу інституційних механізмів адаптації вітчизняних підприємств до європейських регуляторних стандартів та можливостям їхнього включення до нових, диверсифікованих глобальних ланцюгів доданої вартості.

Ключові слова: конкурентоспроможність; національна економіка; світова економічна кон`юнктура; макроекономічна волатильність; кон'юнктоутворюючі фактори; глобальні ланцюги доданої вартості; структура експорту.

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