VECTORS OF EFFECTIVE SUPPORT FOR UKRAINE

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The last five years of global development have been increasingly marked by unparalleled global risks, challenges and even disastrous processes that, originating in individual countries or regions, quickly gain a threatening scale and impact, cause numerous human losses, and accelerate systemic changes in the socio-political and socio-economic environments of almost all countries.[1] These challenges for humanity include the coronavirus crisis, large-scale russian aggression against Ukraine, and the war in the Middle East.

For Ukraine, the most significant threats and challenges are obviously related to its struggle for independence and freedom against russian imperialism. Partner assistance from the world's leading democracies is undoubtedly a critical component of this struggle. Crises triggered by global challenges could not but have a negative impact even on strong and developed economies, causing problems in production and logistics chains, financial and currency markets, corporate and public budgets and debt balances. And today, Ukraine is clearly interested in the accelerated renewal of partner countries' sustainable development, as this directly affects the scale of their continued security, economic and humanitarian support to a country that is courageously fighting for freedom and independence.

ADEQUATE PRACTICAL INPUTS IN SECURITY

When it comes to military, economic, political, and diplomatic support for Ukraine in its fight against the russian aggressor, the United States and the European Union are usually the first names that come to mind, as their leadership in supporting Ukraine is universally recognised.[2] However, it is the comprehensive partner assistance of democratic nations from around the world that has allowed the formation of a truly effective coalition to support Ukraine. Without belittling the significance of all those who support Ukraine as best as they can, some countries can be described as «centres of gravity» of such support, given their active role in the policy of countering the aggressor.

The authors would like to draw attention to two developed European nations, which, on the one hand, play an exceptional role in the Euro-Atlantic security system, and, on the other hand, given their status in both the EU and NATO, have more «freedom» in choosing political actions and making complex, even controversial, decisions. The UK, after its «divorce» from the EU, is set apart from policies directly implemented by Brussels.

[1] How the world enters 2023: Economic prospects for Ukraine's recovery – Razumkov Centre, *https://razumkov.org.ua/images/pdf/2023_MATRA_I_KVARTAL.pdf.*

[2] In particular, since the onset of russia's full-scale invasion of Ukraine, the United States has provided more than $66 billion in total aid to Kyiv as of early August 2023. This is more than US aid to any other country. More than $43 billion has been allocated as military assistance, $20.5 billion as a support to Ukraine's budget, and more than $2.6 billion as an aid to displaced persons, refugees, and other vulnerable populations inside and outside the country: The US has helped Ukraine by more than $66bn – more than anyone else – «Ekonomichna Pravda», https://www.epravda.com.ua/news/2023/08/7/702986/

Sweden, although linked to NATO, has been quite successful in building its own security system. The main thing is that both countries are **not bound by consensus** in carrying out their activities and in developing coordinated allied actions. Therefore, political, and hence security and economic, decisions can be made in a timely manner and with fewer bureaucratic losses.

Both countries do not lock themselves within own borders but are increasingly concerned with geopolitical and geo-economic issues. Both have robust national security and defence systems that have been strengthened over decades and are now expanding to a global level. For example, the UK is consistently building a new global British Commonwealth-based free trade area, which Ukraine can join given the existence of a relevant UK-Ukraine agreement. It is also strengthening its naval forces in the Indian Pacific region.

Sweden enjoys an undisputed authority among the Scandinavian and Baltic countries, which, in turn, have shown themselves as pro-Ukrainian and patriotic. In civilisational and security dimensions, Sweden plays a crucial role in the Arctic region, which is increasingly becoming a region of clashing interests. Ukraine, which is also trying to enter global space, including security one, could benefit from strategic experience and thus from the support of partner countries in the effectiveness of such projects.

Such «freedom» in making and implementing critical decisions allows leading democracies to rationally mobilise resources necessary to address urgent problems, even if they seem extremely risky. In this context, it is worth recalling that after its EU exit in March 2021, the UK adopted a new strategic platform «Global Britain in a Competitive Age»,[3] which included, in particular, strengthening the Royal Navy and the Royal Air Force, thus boosting the country's independent international position.[4] Standing for democracy and confronting autocratic regimes were identified as key components of the platform. In this context, very important was the formation of the Australia-UK-USA (AUKUS) military and political alliance in September 2021 to counter China in the Indo-Pacific region. The AUKUS will undoubtedly continue to grow bigger and stronger, including through Japan and South Korea joining the alliance in the future.[5] Therefore, Ukraine's cooperation with the UK could receive additional incentives and become an important step towards the creation and functioning of naval forces, including for deterring russia in the Black Sea.

Russian aggression has also become a catalyst for accelerating Sweden's accession to NATO. Although the country is not yet an Alliance member, it is likely to become one in the nearest future, which will definitely bolster security forces in European countries.

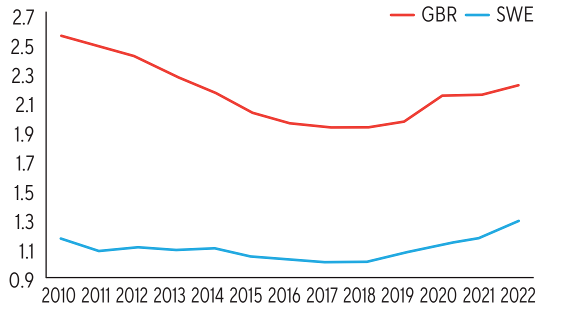
Speaking of both countries' security practices, one cannot but notice that the UK and Sweden alike have actually given priority attention to security and defence. For example, the UK was one of the few NATO countries that complied with the requirement to commit at least 2% of GDP to defence spending (Figure «*Defence spending*»). Meanwhile, Sweden, while not a NATO member, has been significantly increasing its defence spending, raising military expenditures by almost one-third in three years (Table «*Military expenditures*»). A significant role in this was probably played by the Swedish leadership's vision of the growing aggressive sentiments in Russia.

[3] Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Forejgn Police. – GOV.UK, *https://www.gov.uk/government/publications/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy.*

[4] O. Pavliuk. Why and how the UK helps Ukraine to resist Russia – «Suspilne», *https://suspilne.media/201053-comu-i-ak-velika-britania-dopomagae-ukraini-protistoati-rf-vidpovidae-ekspert/*.

[5] Japan and South Korea should be invited to join Aukus, UK parliamentary committee says. – The Guardian, *https://www.theguardian.com/world/2023/aug/30/aukus-alliance-australia-us-uk-japan-south-korea.*

DEFENCE SPENDING, % of GDP



MILITARY EXPENDITURES, $ billion

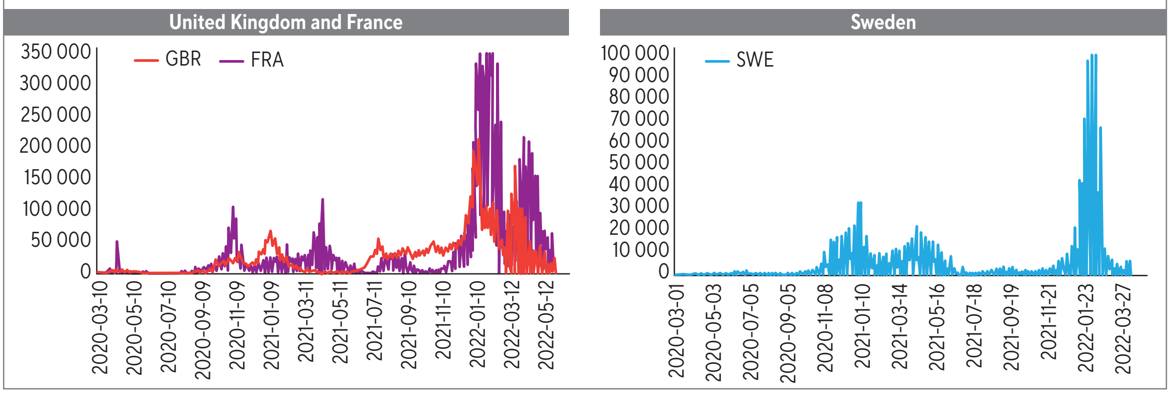
	2019	2020	2021	2022	Growth 2022/2019, %
Велика Британія	56.6	58.3	67.5	68.5	21.2
Швеція	5.8	6.3	7.6	7.7	32.8

As such sentiments were for good reason, NATO members and other allies cautioned Ukraine about the growing imperial threats. Back in November 2021, Western intelligence notified that russia accumulated close to 100,000 troops along the border, and since the beginning of 2022, it was moving additional units to belarus for «joint military exercises», which could not be interpreted as anything other than a real threat of attack. It should be admitted that the Ukrainian leadership did not properly heed these realistic visions, although the rational experience of countering COVID-19 just two years before that in different countries (when Ukraine's response was mostly chaotic) prompted to take notice of Western partners' warnings (Box «*Some peculiarities of the coronavirus response*»).

SOME PECULIARITIES OF THE COROVAVIRUS RESPONSE

The UK and Sweden's exceptionality also materialised during the coronavirus crisis. Although the UK, just like the vast majority of countries around the world, had shown a large number of cases and deaths at the initial stage of the pandemic, for which the country's leadership was heavily criticised, it still managed to cope with the threat by gaining the necessary experience.[6] This is confirmed by the incidence rates of the COVID-19 second and third waves. Thus, in autumn 2021 and spring 2022, the spread of coronavirus was largely prevented, and the UK incidence rates were much lower than those in Germany and France in the same period (and in Sweden, they were several times lower) (Figure «*Daily total number of new COVID-19 cases*»).

DAILY TOTAL NUMBER OF NEW COVID-19 CASES



Sweden's response to the coronavirus crisis was simply unique[7] as the country did not impose strict restrictions, focusing not on the pandemic's potential negative «quick» impacts on economic dynamics, but on ensuring balanced and long-term socio-economic needs[8] and adequate medical care.

[6] It is worth recalling that at that time, the UK was also undergoing difficult EU exit processes. However, pessimistic forecasts about the country's development after the «divorce» turned out to be futile, which, among other things, contributed to the adoption of quick decisions on assistance to Ukraine.

[7] Factors and results of the implementation of anti-crisis policy in selected countries and Ukraine. Forecast of Ukraine's economic development in 2021 – Razumkov Centre, *https://razumkov.org.ua/uploads/article/2021_ukraine_economic_forecast.pdf.*

[8] From day one of the crisis, the Swedish government was convinced that new unknown challenges would emerge complicating the response. That is why it focused not on short-term restrictive measures, which could have a negative shock effect on the country's economy as a whole, but rather on measures that would give the country the capacity to deal with long-term factors.

In other words, in early 2022, the Ukrainian authorities' reaction to Western warnings was hardly adequate to the threats. The NSDC Secretary said that the situation was «under control», and the Minister of Defence thought there was no reason to expect a full-scale open invasion. Unfortunately, the events of 24 February 2022 and after are known too well.

As noted, leading democracies immediately took military, economic, financial, and diplomatic action to support Ukraine and counter the aggressor. The UK was the first European country to provide lethal aid to Ukraine, leading the movement for its support, including by sending the anti-tank weapons and tanks: back on 17 January, the UK dispatched the first batch of light anti-tank weapons, including NLAW systems, knowing that they would soon be in great demand.

During the first year of the war, the UK provided Ukraine with £4 billion in military, economic and humanitarian support, with military component reaching £2.3 billion, with the same amount expected in 2023.[9] Moreover, at the end of June 2023, **the UK government announced a new financial assistance package for Ukraine, including loan guarantees from the World Bank $3 billion**.[10]

After the outbreak of russian full-scale invasion in February 2022, Sweden, among other things, allocated SEK 1.9 billion ($177 million) for humanitarian aid, SEK 750 million ($75 million) for reconstruction, and SEK 316 million ($29 million) for reforms in Ukraine.[11] If one calculates the size of aid considering the contributions distributed among EU countries, Sweden is among the top ten donors with a total input of about €3 billion.[12]

It is interesting to note how a civilised non-NATO country responds to real risks. Sweden's active policy to be always prepared to any potential aggression was influenced by russia's actions in Ukraine in 2014. In this context, the concept of «total defence» deserves special attention. The main idea is to combine military and civilian components as much as possible, making sure that every citizen has the necessary skills, abilities, and most importantly, motivation, as well as achieving the necessary resilience of the state, social institutions, and economic system.[13] As a result, the country reintroduced general conscription — not only for men, not only for Swedish citizens, and not only for those trained to perform combat missions. To this end, a special defence commission was appointed, a new defence bill was developed, and a special government «total defence» programme for 2021-2025 was elaborated.[14]

The programme's slogan — «Everyone's needed» — is also worthy of note. By saying so, the Swedish government has found the right way to communicate with society. The organisation of training of the public has several forms and involves certain financial incentives. The development of the «total defence» concept and the reintroduction of military conscription went hand in hand with relevant political decisions, the main of which was the NATO membership application on 18 May 2022. At that point, the level of public support for the country's NATO membership was slightly above 50%, but since then, there

[9] V.Saienko. The UK announced the amount of aid to Ukraine during the war. – UNIAN, *https://www.unian.ua/economics/finance/u-velikobritaniji-nazvali-rozmiri-dopomogi-ukrajini-pid-chas-viyni-na-shcho-pishli-koshti-12138042.html.*

[10] Y.Pryschepa, I.Hudz I. Britain announces a new package of financial assistance for Ukraine – «Suspilne», *https://suspilne.media/511985-britania-anonsuvala-novij-paket-finansovoi-dopomogi-dla-ukraini/.*

[11] Y.Pryschepa. Sweden to hand over a new humanitarian aid package for Ukraine – «Suspilne», *https://suspilne.media/515977-svecia-peredast-ukraini-novij-paket-gumanitarnoi-dopomogi/.*

[12] For more detail, see: K.Trebesch. External support to Ukraine: evidence from a database of military, financial and humanitarian aid – Vox Ukraine, *https://voxukraine.org/en/zovnishnya-pidtrymka-ukrayiny-pro-shho-svidchat-dani-stosovno-vijskovoyi-finansovoyi-ta-gumanitarnoyi-dopomogy.*

[13] An integral part of this system is the Swedish model of territorial defence run by the National Guard. It (along with the Finnish model) has served as an example for the Baltic states and, more recently, for Poland.

[14] To learn more about this concept, see: Resilience: Planning for Sweden's «Total Defence». NATO REVIEW, *https://www.nato.int/docu/review/articles/2018/04/04/resilience-planning-for-swedens-total-defence/index.html.*

has been a noticeable change in public sentiment, with the share of membership supporters in July 2023 exceeding 60%.[15]

So, the government managed to explain the need for such actions and gain society's support in modelling behaviour in international arenas. The country further demonstrated its firm intentions by holding the NATO-Industry Forum in Stockholm in October 2023, which, among other things, focused on joint steps towards finding innovative approaches required by the military situation in Ukraine and increasing support for Ukraine in general. Of course, the Ukrainian people are grateful for the quick and large-scale assistance in countering the aggressor.

Therefore, the basis for studying experience of the country that fully understands the reality of the global russian threat, and for establishing a substantive dialogue is already in place. What needs to be done is to make this dialogue strategic, serving the interests of all partners involved.

In this context, Ukraine's relations with partners — not just the UK and Sweden — should be balanced and rational, not creating false politicised impressions or excessive and even euphoric expectations, or, conversely, preventing certain political and diplomatic complications from being interpreted as a «cooling» in relations with European countries that have shown maximum support for Ukraine's fight against the aggressor.

Focus on economic leaders. Increasing the strength of the partner counties' economies will undoubtedly help settle political misunderstandings. So, what are the immediate development prospects of the countries under study, and what will contribute to their positive dynamics?

First, it should be noted that prior to the coronavirus crisis, the economic growth indicators of the leading developed nations were quite stable (Table «*Real GDP growth of advanced economies*»).[16] However, after the crisis, the pace of recovery varied significantly, indicating different dynamics of recovery, and subsequently returned to historically established cycles.

Developed countries have open liberal economies characterised by strong cooperation and coordination with partner countries. Given the increasing fragmentation of the global economic space, one should expect deeper ties between economically close nations, and thus the economic cycles of the closest partners. So, what countries are the UK and Sweden geared to?

(1) Historically, the economies of the United States and the United Kingdom have developed in close interconnection, which is also due to their political proximity, and both countries' long-term economic cycles have practically coincided (Figure «*GDP growth in the US and UK*»).[17] Moreover, the UK's cycles were markedly different from those

REAL GDP GROWTH OF ADVANCED ECONOMIES,
% to the previous year

	2017	2018	2019	2020	2021	2022	2023 (f)
United Kingdom	2.4	1.7	1.6	-11.0	**7.6**	**4.1**	**0.5**
Germany	2.7	1.0	1.1	-3.8	3.2	1.8	-0.5
France	2.5	1.8	1.9	-7.7	6.4	2.5	1.0
United States	2.2	2.9	2.3	-2.8	**5.9**	**2.6**	**1.5**
Japan	1.7	0.6	-0.4	-4.2	2.2	1.0	2.0

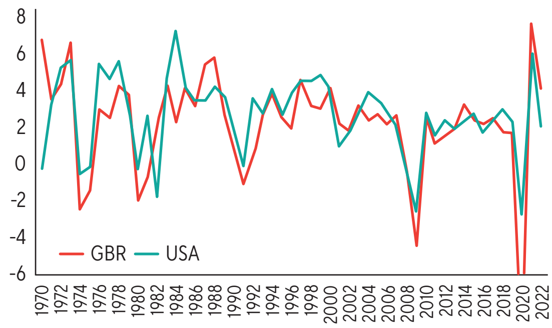
15 Do you think Sweden should join the military alliance NATO? – Survey on perception of NATO membership in Sweden 2014-2023. – Statista, *https://www.statista.com/statistics/660842/survey-on-perception-of-nato-membership-in-sweden/*

16 Global recovery remains slow, with growing regional divergences and little margin for policy error. – INTERNATIONAL MONETARY FUND, *https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023.*

17 Hereinafter, unless indicated otherwise, international comparisons are based on data from World Bank (*https://data.worldbank.org/indicator/*), and Trading Economics (*https://tradingeconomics.com/indicators/*). Universally recognised three-letter international abbreviations are also used to refer to economies: USA – the United States, GBR – the United Kingdom, CHN – China, etc.

of the leading economies of continental Europe, and therefore the EU as a whole. That is, economically – and industrially – the UK was much more geared towards the USA (Box «*Synchronisation of Industrial and Economic Cycles*») than towards continental Europe and later the EU. This, by the way, was one of the arguments for a relatively painless Brexit.

GDP GROWTH IN THE USA AND THE UK,
% to the previous year



And as the US economic growth rate has been outpacing that of the leading European economies in recent years, the British economy's orientation on the USA has produced quite pragmatic positive results.

(2) Another feature of the UK and Swedish economies is that significant shares of production are exported to foreign markets. The growth is stable both in absolute terms and in the GDP structure (Figure «*Exports of goods and services of the UK and Sweden*»).[18]

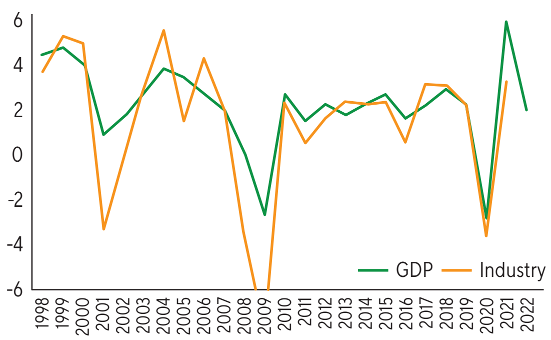
The UK's main export destinations in 2022 (with a total volume of more than $520 billion) are the United States – 14% of the country's total exports, the Netherlands – 9%, Germany – 8%, and China – 7%. Although the main export flows are directed to the EU, more than 20% of the UK's export demand is generated by the world's two largest economies – the USA and China, which, other things being equal, has a potentially significant impact on the country's economic dynamics.

At this level, one can already see the consistent reorientation of the UK's trade destinations. Thus, in 2017, the structure of exports of goods was as follows: the United States – 13.4%, Germany – 10.6%, France – 6.9%, the Netherlands – 6.2%, and China – 4.8%. Today it is somewhat different, with the role of continental Europe declining. That is, the attractiveness of large European economies for exports is gradually being

SYNCHRONISATION OF INDUSTRIAL AND ECONOMIC CYCLES

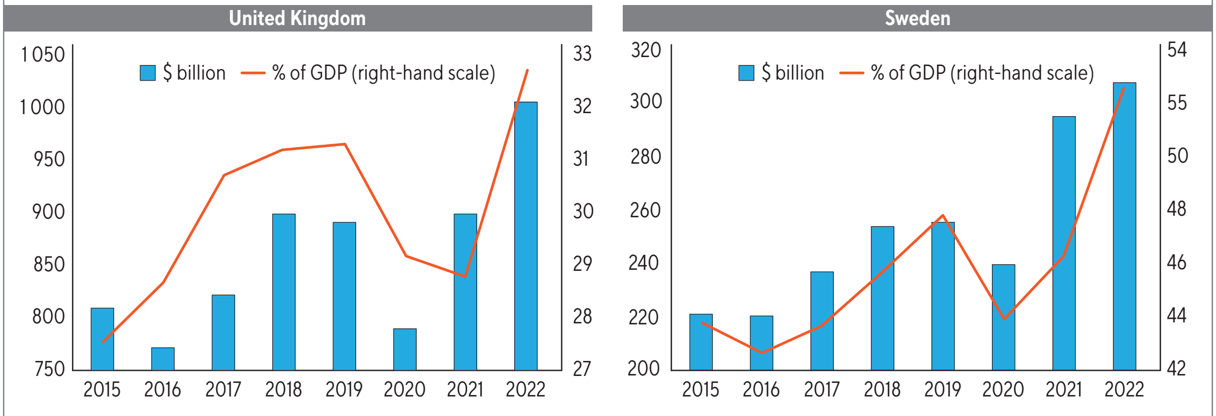
Historically, highly industrialised countries have had their economic dynamics largely determined by the dynamics of industry (see, for example, Figure «*GDP and industrial production growth in the USA*» below), as it was industry that formed a significant share of added value, especially in the second half of the 20th century, and determined the demand in other sectors, such as transport, logistics, energy supply, storage, maintenance, etc. In the context of established interconnections, the dynamics of US industrial production largely determines not only the United States' overall economic dynamics but has a direct impact on the dynamics of its closest partners, including the United Kingdom.

GDP AND INDUSTRIAL PRODUCTION GROWTH IN THE USA,
% to the previous year



[18] Trade and investment core statistics book. – GOV.UK, *https://www.gov.uk/government/statistics/trade-and-investment-core-statistics-book/trade-and-investment-core-statistics-book.*

EXPORTS OF GOODS AND SERVICES OF THE UK AND SWEDEN



replaced by exports to Asia, primarily China, Korea, and ASEAN countries. Given the Britain's historical presence in the Asia-Pacific and its intentions to strengthen cooperation and influence in the region, there are reasons to believe that its economic presence there will expand.

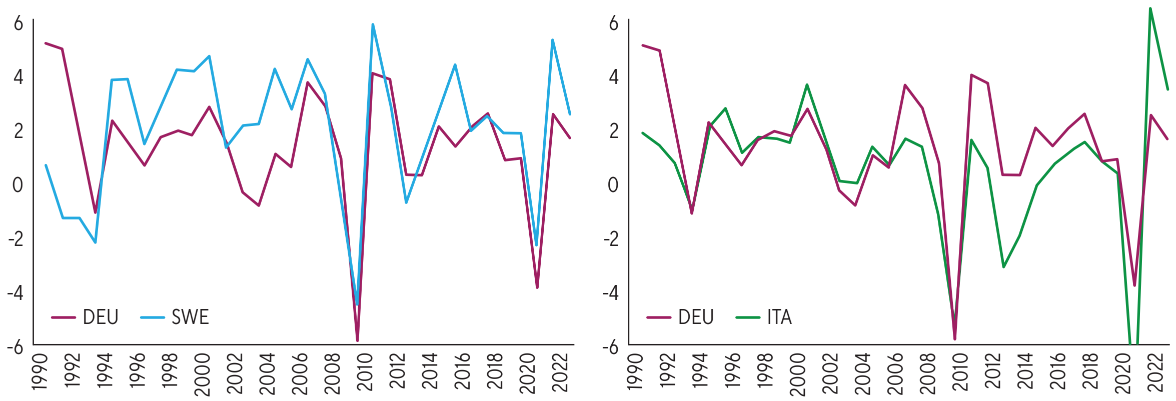
(3) A somewhat different pattern of inter-connections developed in continental Europe. Given its diversity, economic ties and mutual influences between countries varied considerably. However, many economies in both Northern and Southern Europe aligned with Germany's economic cycles.

However, this is less true for Sweden. In particular, since the early 1990s, Sweden's economy has increasingly performed better and its growth rates have exceeded those of Germany and Italy, while Italy's cycles, although tied to Germany's, have been lower (Figure «*GDP growth in Germany, Italy and Sweden*»).

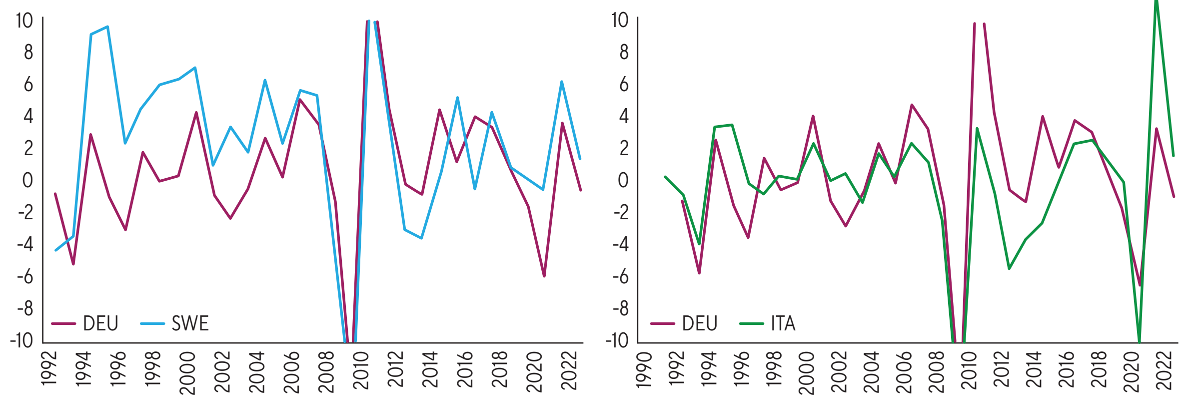
Germany's strong performance was a good reason for other countries in the old EU to gear toward it. However, the current slowdown is already seriously reducing the incentives for such orientation. Another thing is that Germany's high competitiveness was largely due to the low cost of imported (russian) energy resources, but this factor lost its efficiency after the aggression.

A comparable difference can be observed in industry. Thus, although the dynamics of industry in Germany and Sweden were quite similar, but since the beginning of the century there has been a «gap» in the industrial dynamics of the two countries. At the same time, the synchronisation of GDP and industrial dynamics in Germany and Italy remains significant (Figure «*Industrial growth in Germany, Italy and Sweden*»).

GDP GROWTH IN GERMANY, ITALY AND SWEDEN,
% to the previous year



INDUSTRIAL GROWTH IN GERMANY, ITALY AND SWEDEN,
% to the previous year



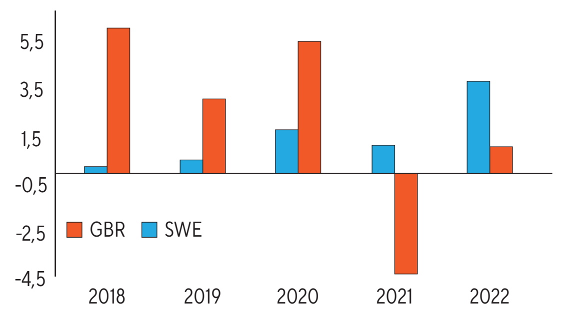
Sweden's foreign trade orientation is another factor of the country's «detachment» from the large economies of the old Europe. In particular, with Sweden's total exports in 2022 amounting to about $200 billion, its largest volumes are directed to Norway – $21.2 billion (11% of the total), Germany – $19.7 billion (10%), the United States – $17.6 billion (9.2%), Denmark and Finland (7.7% each), that is, to countries where the main demand for Swedish goods and services is formed, and, of course, depends on the overall economic dynamics of these countries.

In contrast, with Italy's total exports exceeding $700 billion, the top three export destinations are Germany (13% of total exports), the United States (11%), and France (10%).

In other words, while Sweden's top three export destinations include two non-EU countries that account for more than 20% of total exports, Italy's top three destinations include two EU countries that absorb 23% of Italy's total exports. It is clear that the economic dynamics of Germany and France determine the decisive share of its exports and, hence, production.

(4) The UK and Sweden have historically been attractive for foreign direct investment (FDI), both inward and outward. Even in the coronavirus year of 2020, FDI inflows to both countries were significant, as investors appreciated the above-mentioned anti-crisis measures. In 2021, there was a «redistribution» of direct investment previously brought to the UK – some of it returned to continental Europe in fear of «divorce» risks (Figure «*FDI inflows*»), which, of course, was reflected in the redistribution of global flows.

FDI INFLOWS,
% of global



The near-future prospects for FDI flows, both global and country-specific, remain very unclear, due to russian aggression and then the Hamas attack. Although preliminary estimates indicate that global FDI increased significantly in Q1 2023 compared to Q4 2022, they remain notably lower than those reached in Q1 2022 (FDI decisions in early 2022 could not yet be influenced by russian aggression).[19] Today, in the context of growing security instability, there are reasons to believe that investment capital flows will be directed not so much to the American «safe haven» as to the Asia-Pacific, with its rapidly emerging attractive and profitable economic environment.

[19] In particular, global FDI inflows totalled $560 billion in Q1 2022, $96 billion in Q4 2022, and $366 billion in Q1 2023. At the same time, the United States remains the leader in both imports ($109 billion, or almost one-third of the world's FDI) and exports ($110 billion): Data, Analysis and Forecasts, *https://www.oecd.org/investment/statistics.htm.*

Entering a new strategic space. As noted, current period is characterised by excessive intertwining of political and economic interests, and thus economic instruments and measures, which should be aimed at socio-economic development but are increasingly oriented towards geopolitical goals. As a result, countries seek self-sufficiency by protecting themselves through stricter investment selection, localising data and limiting access of «third parties», excluding companies from key markets, promoting onshoring (transferring production from foreign markets to the national one) and friend-shoring (building chains of production and trade in key goods with countries that share similar political and ideological values and with bear the minimal risk of conflict).[20]

The russian aggression has become a catalyst for systemic problems and losses. The invasion of Ukraine and the resulting energy crisis, as well as the sanctions imposed, have increased restrictions on access to resources and worsened trade conditions in Europe. In particular, in HY1 2022, nominal energy imports in the EU increased from about 1.5% of GDP to 3.8%. At the same time, the EU's trade surplus in non-energy goods also declined, reflecting a combination of higher import costs and weaker global demand for European exports.[21]

The peculiarity of the last decade of the UK's foreign trade relations and to a lesser extent Sweden's is the growing focus on new dynamic markets. This has become particularly evident in the post-coronavirus period, largely due to the following:

- ✓ expanding trade with the United States and the USMCA (USA-Mexico-Canada) alliance in general;
- ✓ gradual and consistent **reorientation** of export flows from European markets, which become increasingly conserved in their structure, to the **Asia-Pacific markets**.[22] This is facilitated by the fact that the UK has historically strong political, economic and diplomatic contacts in this region, and their «quality» is considerably higher than that of other European countries. It is expected that in the next decade, the UK's foreign trade balance will be determined by the structure of trade with the countries of this region;
- ✓ Asia-Pacific countries are increasingly focusing on attracting not only trade and investment resources in their production networks, but also human capital, and introducing innovative and technological achievements, including in household and consumer products. And, despite certain transformational complications caused by the Brexit, the UK is on track to join the influential Trans-Pacific Partnership,[23] which already includes highly competitive economies, such as Australia, Japan, Singapore and others, thus adding to the competitiveness of the British economy;
- ✓ Another important factor in supporting economic activity in the region is a strategic platform called **Quadrilateral Security Dialogue**[24] consisting of Australia, India, the United States and Japan, with which the UK has established partnerships. And while the platform founded in 2007 initially focused on regional issues, in 2021 its activities began to take on a truly global politicised and security direction, primarily due to China's increased activity;

[20] Political, economic, and structural consequences of Russian aggression for Ukraine and the international community. Challenges of Ukraine's economic recovery in the post-war period in view of European integration priorities – Razumkov Centre, *https://razumkov.org.ua/images/2023/04/21/2023_04_consequences_of_the_war_for_ukraine.pdf/*

[21] Investment Report 2022/2023: Resilience and renewal in Europe – Key Findings. – European Investment Bank, *https://www.eib.org/attachments/lucalli/20230024_economic_investment_report_2022_2023_key_findings_en.pdf/*

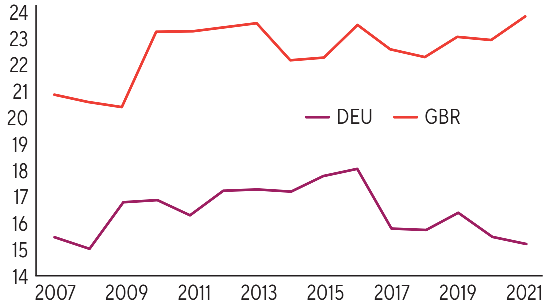
[22] While the volume of UK exports to ASEAN countries is not significant, it is growing steadily. While in 2010 the share of exports to ASEAN countries was 2.7% of total UK exports, in 2019 it was 3.2%. – Trade Flows between ASEAN and the UK, *https://www.eria.org/uploads/media/Research-Project-Report/2021-11-UK-ASEAN-Trade-Strengthening-Supply-Chain/07_Chapter-3-Trade-flow-ASEAN-UK.pdf.*

[23] Davies N. Brexit, two years on – so far, so bad. – Investment Monitor, *https://www.investmentmonitor.ai/features/two-years-brexit-uk-eu/.*

[24] Quadrilateral Security Dialogue. – The Diplomat, *https://thediplomat.com/tag/quadrilateral-security-dialogue/.*

✓ Another feature of the UK's foreign trade is that the share of high-tech products in the export structure has been growing strongly in recent years, reaching one-fifth of all exports (Figure «*Exports of high-tech products*»). For comparison, the high level of Germany's total exports contrasts with the rather low (and declining) level of the country's high-tech exports. Entering the competitive Asia-Pacific markets will allow the UK to strengthen its own competitiveness, including by taking advantage of the benefits of increased corporate spending on R&D.[25]

EXPORTS OF HIGH-TECH PRODUCTS,
% of exports of manufacturing product



Therefore, the UK assigns an increasing importance to the volume and quality of trade flows to the region in general and to dynamic India and South Korea in particular (Figure «*UK trade in goods with India and South Korea*»), rightly seeking to occupy a worthy niche in the competitive technology space.

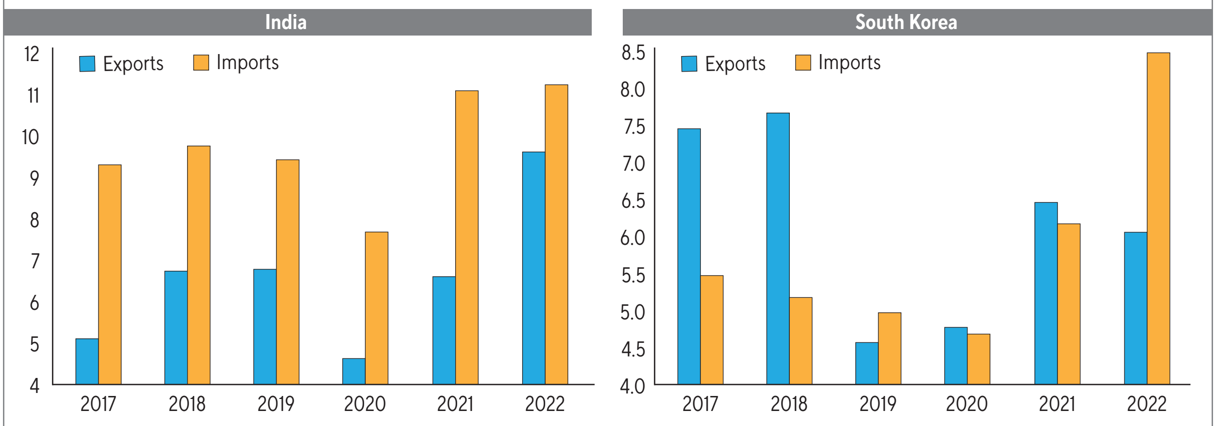
Ukraine has already felt the social and political benefits of the UK's increased political and economic activity in the region. For Ukraine, strengthening the UK's presence and influence in the Asia-Pacific is of strategic importance, as Ukraine itself is very little known in most countries of the region.

Initially, India was «neutral» about russian aggression and abstained from voting in support of Ukraine and condemning the aggression at international forums, including the UN. Moreover, while calling for peace, India was building up its trade ties with the aggressor, and during the full-scale war, russia in fact became India's largest supplier of crude oil.[26]

India, while refraining from criticising russia, is obviously trying to «keep a foot in both worlds» and strengthen political and economic relations with developed nations, primarily the United States, the United Kingdom, and Australia. The aforementioned Quadripartite Security Dialogue could become one of the instruments.

Meanwhile, the UK is using its capacities at the highest level to bring India into the circle of countries that unconditionally support Ukraine. For example, during his visit to India, the British Prime Minister personally

UK TRADE IN GOODS WITH INDIA AND SOUTH KOREA, $ billion



[25] Such expenditures in the EU lag far behind the leaders. In particular, in 2020, the relevant expenditures in the EU amounted to 1.5% of GDP, while in the US and Japan they were 2.6% each.

[26] V.Shypulia. India and Ukraine: will Modi support peace – Correspondent.net, *https://ua.korrespondent.net/articles/4602008-indiia-ta-ukraina-chy-pidtrymaie-modi-myr.*

persuaded the country's leadership of the need for a more balanced position on russian aggression. Moreover, some British MPs have taken the initiative to postpone negotiations on a free trade area with India if the country does not change its position on Ukraine.[27]

In other words, the UK is exerting best efforts to strengthen Ukraine's global position not only by providing economic and military assistance to counter the enemy, but also by being one of the world's leading advocates in the struggle for a democratic Ukraine. Although Ukraine still does not have an ambassador to London (which should not last long), diplomatic contacts between both countries are quite intense. Admittedly, meetings and dialogues between the political leaders — President Zelenskyy and Prime Minister Sunak — are quite frequent, and the workload of the diplomatic missions is quite obvious.

Understanding the need to maintain and expand London's political support regardless of the party winning power in the UK in the next election, should obviously be one of the main tasks of the Ukrainian authorities, as the overall political situation in the world may be significantly different next year. One can only assume that the Ukrainian leadership is aware of this need, and therefore the need to significantly change the quality of existing contacts, including shifting to permanent rather than sporadic activities at the inter-parliamentary level, at the level of regional elites and, preferably, even at the level of individual communities.

The Sweden-Ukraine partnership can manifest itself in a slightly different way. It is primarily about Sweden joining the Alliance and further supporting Ukraine's NATO accession. For example, in the summer of 2023, the Sweden's Prime Minister and the Minister of Defence issued a joint statement that the Swedish Army could train with NATO and Allies for future joint operations.[28] The training could include the temporary basing of foreign equipment and personnel on Swedish territory. This decision was made because the aggressor is and will remain a threat to its neighbours.

Of course, Ukraine's path to NATO is significantly different from Sweden's, but precedents play a significant role in political decisions. Thus, the deployment of NATO forces (equipment, personnel) on the territory of a country that is not yet formally an Alliance member sets an important precedent that may facilitate similar decisions regarding Ukraine. In other words, even in terms of Ukraine's accession to NATO, Sweden's assistance as a positive precedent can be crucial.

In turn, Ukraine can even help speed up Sweden's NATO accession. As a reminder, Finland and Sweden decided to join the Alliance after the start of Russia's large-scale aggression, and on 4 April 2023, Finland officially became a NATO member. Sweden's accession, however, was blocked by Turkey.

Many democratic leaders tried to persuade the Turkish President to abandon the blockage, and the Ukrainian President also joined this group. Given the constant and fruitful contacts between the presidents of Ukraine and Turkey, the former repeatedly raised the issue of Sweden's NATO accession and called for the ratification of the Scandinavian country's accession to the Alliance during his talks with Turkey.[29] In other words, Ukraine has made its contribution to Sweden's support. The reverberations of this step will definitely contribute to security in Europe and to NATO members' positive attitude towards Ukraine.

As a general conclusion, Ukraine's chances for victory, successful post-war recovery and further integration into the global space largely depend on a strategy for correctly

[27] War in Ukraine puts UK-India trade deal under the microscope. – POLITICO, *https://www.politico.eu/article/fallout-war-ukraine-uk- india-trade-deal-hold/.*

[28] NATO may base troops in Sweden before Stockholm joins, government says. – Reuters, *https://www.reuters.com/world/europe/.*

[29] A.Budrin, Zelenskyy asked Erdogan to approve Sweden's accession to NATO. – UNIAN, *https://www.unian.ua/politics/zelenskiy-poprosiv-erdogana-shvaliti-vstup-shveciji-do-nato-12365595.html.*

understanding the surrounding processes, the country's own capacities and those of potential partners. Moreover, Ukraine should take partners' positions and interests to account as much as possible, even if it seems to be an «exaggeration». However, certain concessions today can rapidly transform into strategic benefits and achievements, having a positive impact on the country's fight against the aggressor in the near future.

Even in peacetime, the tasks of Ukraine's successful integration into the global space cannot be considered without finding a place in global production chains, scientific and technological segments that matches its potential. The relevance of these tasks in times of war objectively necessitates finding an understanding with world leaders in these areas, including the UK and Sweden.

This, in turn, amplifies the need for appropriate meaningful communication and persistent joint work of governmental, non-governmental and business structures in many areas, while setting up appropriate internal conditions that prioritise such factors as unconditional guarantee of the rights of owners and investors, radical reduction of various corruption risks and influences, as well as ensuring security and overall control of the situation.

Given the current situation, Ukraine is in dire need of an almost total industrial reboot, reinterpretation of a large number of public services such as health care, social services, education (starting from the preschool level), and finally, promotion of itself not as a problem country but as a successful case of development amidst the war for survival.

Ukraine needs not only to maintain, but to increase the level of its support by the world in a situation where the war with russia tends to become protracted. In such settings, success will depend on the correctness of bets made by the national leadership. This in turn is directly related to whether Ukraine has a strategy to protect its interests, including a realistic assessment of the situation in the world and the right choice of partners. Moreover, the country needs to build a proper communication with the «rest of the world», where well-calculated and adequately formulated messages and proposals target potential partners for them to become Ukraine's allies.

The success of communication should build on properly ensured fundamental internal conditions, including sustainable democratic governance, the rule of law, protection of the rights of owners and investors, and effective counteraction to corruption risks. Communication should be carried out directly by governmental, non-governmental and business actors, as well as representatives of regions and individual communities.