

# Ukraine 2023

## Contents

- 1) Ukraine's path to a war
- 2) Military forces
- 3) Territory under occupation
- 4) Population
- 5) Economy
- 6) Energy
- 7) Foreign trade
- 8) Development of EU-Ukraine trade
- 9) Western aid to Ukraine
- 10) Possible future paths



Ukraine has nearly 2000 km of border with Russia  
- Finland over 1300 km.

# 1) Ukraine's path to a war



**8/1991:** Declaration of Independence

**9/2004:** presidential candidate Viktor Yushchenko poisoned with dioxin

**10/2004:** the 1<sup>st</sup> round of presidential elections held in Ukraine

**11/2004:** clear election fraud in the 2<sup>nd</sup> round of presidential elections (Russia-minded Viktor Yanukovich won Viktor Yushchenko)

**11/2004:** Orange Revolution with large demonstrations broke in Ukraine

**12/2004:** 2<sup>nd</sup> election round was re-held and Yushchenko became president

**2/2010:** Yanukovich became president

**11/2013:** Yanukovich rejected to sign the EU Association Agreement

**7/2014:** Russia's 1<sup>st</sup> counter sanctions against the West

**6/2014:** Ukraine's new president Petro Poroshenko signed the EU Association Agreement

**4/2014:** hostilities in eastern and southern Ukraine began

**3/2014:** referendum held in Crimea on its annexation to Russia (utmost dubious result – 97% for annexation)

**3/2014:** the 1<sup>st</sup> Western sanctions placed on Russia

**2/2014:** masked gunmen appeared in Crimea 1 week after Yanukovich's departure from Ukraine

**2/2014:** Yanukovich fled Ukraine

**11/2013:** massive demonstrations against the Yanukovich regime (over 100 demonstrators shot)

**7/2014:** separatists in eastern Ukraine shot down with a Russian Buk missile a civilian airplane from the Netherlands to Malaysia, killing approximately 300 people

**9/2014:** Minsk I Agreement signed

**2/2015:** Minsk II Agreement signed

**2/2015:** ceasefire in eastern Ukraine with help of Germany and France (ceasefire violated constantly)

**11/2018:** the Kerch Strait incident

**2/2022:** Russia's invasion of Ukraine begins

**6/2022:** Ukraine becomes EU candidate country

**2-3/2023:** major battle between Ukraine and Russia begins ?



## 2) Military forces

On the basis of the Budapest Memorandum (1994), Ukraine transferred its nuclear weapons to Russia. In turn, Russia promised to respect the territorial integrity and sovereignty of Ukraine.

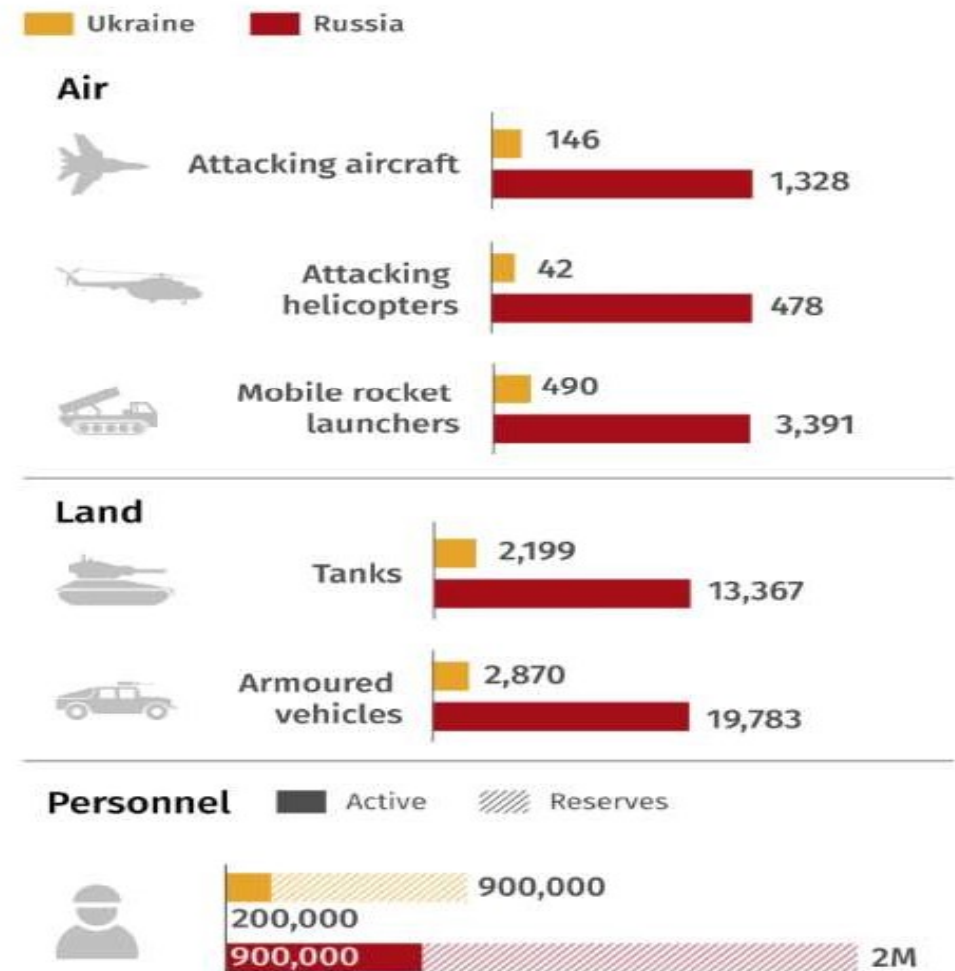
According to the Russian military doctrine, tactical nuclear weapons are allowed to be used in a regional war with at least 3 countries involved in the war.

Notable size difference between the armies of Ukraine and Russia. Ukraine's 2021 military budget was \$ 6 billion – Russia's military budget was 10 times larger.

Russia conducted approximately 3000 cyber attacks against the Ukrainian State last year.

The Ukrainians have a true justifiable reason to fight for their country, unlike the aggressor (Russia) whose motivation to invade Ukraine is based on big lies.

### A comparison of military forces of Ukraine and Russia



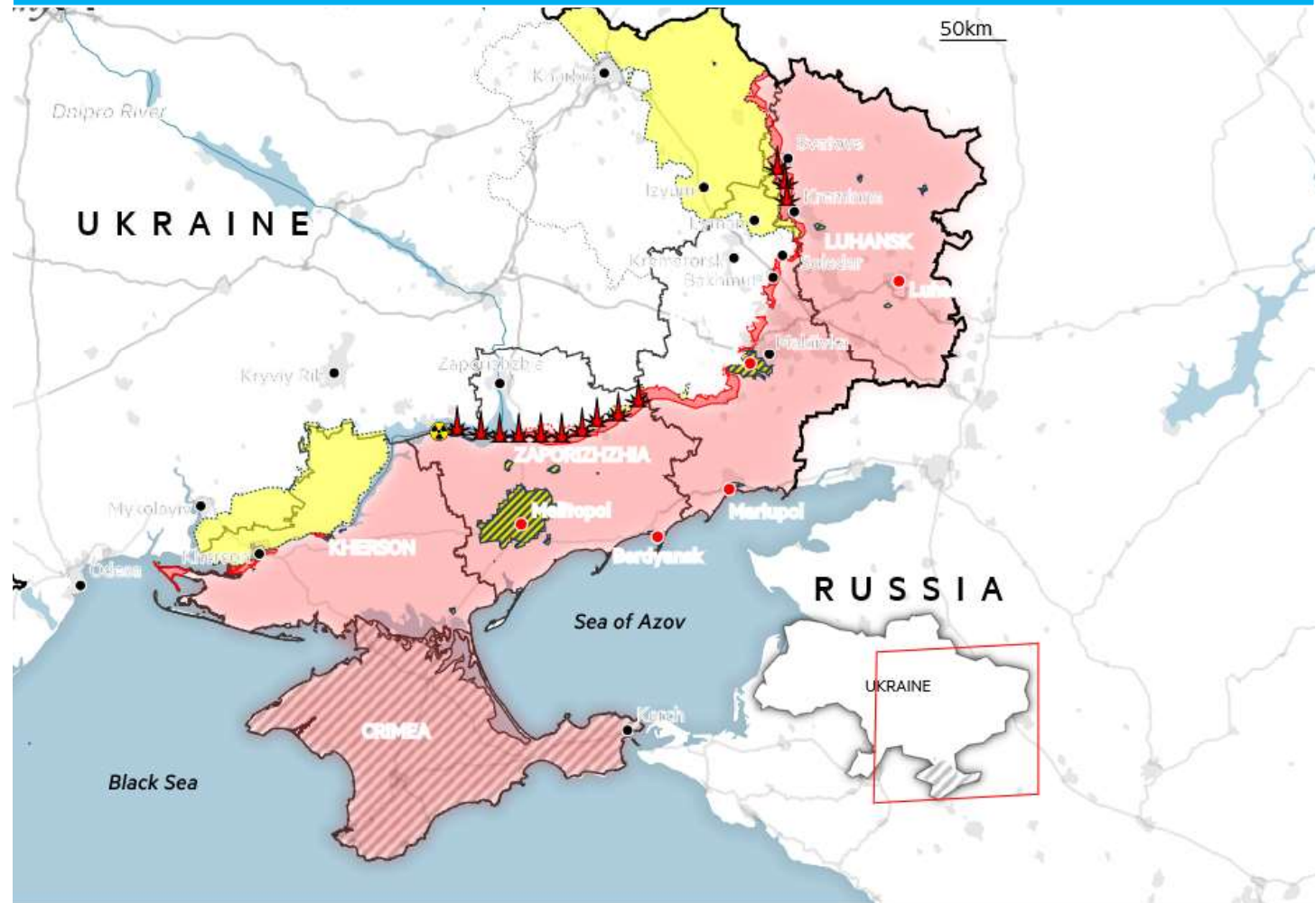
### 3) Territory under occupation

Ukraine is the 3<sup>rd</sup> largest country in Europe in terms of territory after Russia and France.

1/5 of the Ukrainian territory was occupied by Russia in January 2023.

Ukraine's major coal and iron reserves are located in the war zone. In addition, the Sea of Azov holds major natural gas reserves.

The war front on January 27<sup>th</sup>, 2023



# 4) Population

Nearly 8 million Ukrainians have moved outside Ukraine and 6 million Ukrainians have been forced to relocate within Ukraine.

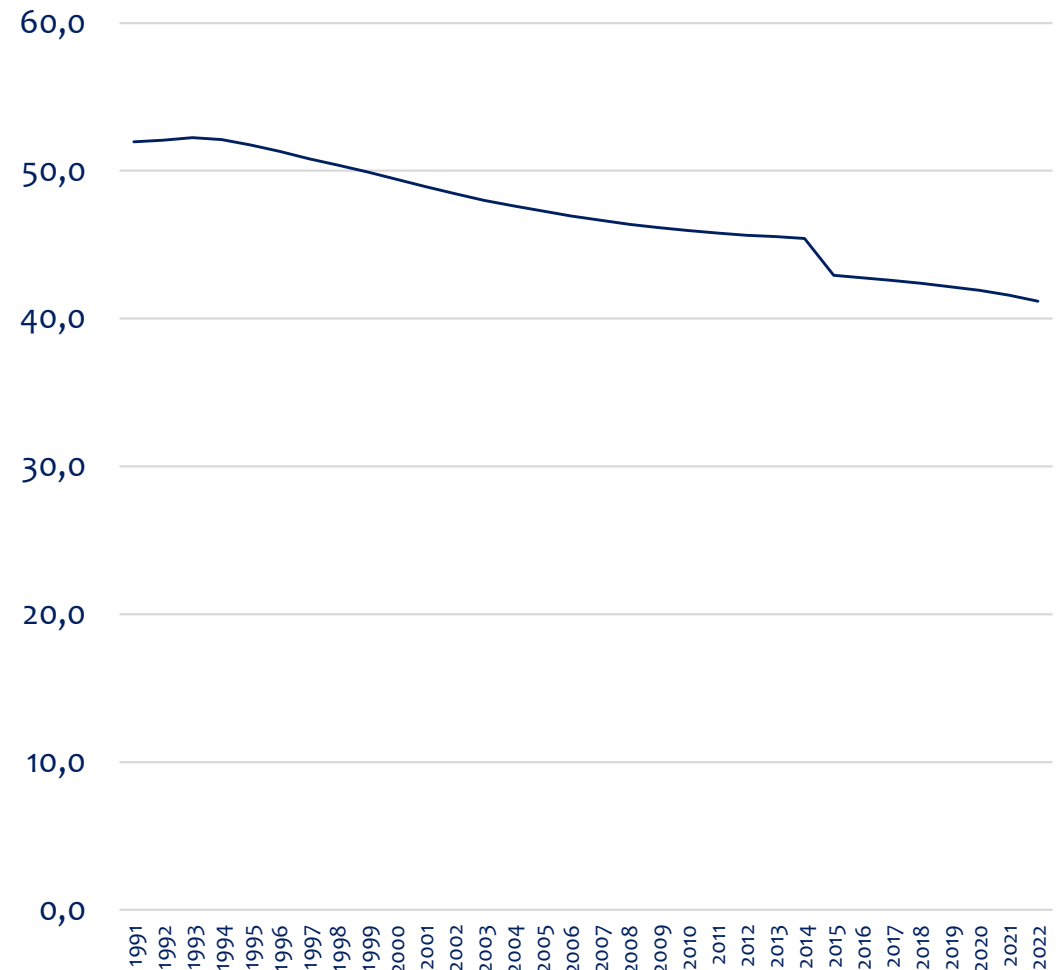
A great number of the Ukrainians is dependent on food and pharmaceutical aid.

Over 60,000 war crime investigation cases have been reported against the Russian troops in Ukraine.

Approximately 300,000 war casualties, including 10,000-30,000 Ukrainian civilians, took place last year.

The majority of the Ukrainians stand behind President Volodymyr Zelenskyi. The popularity of Zelenskyi (born on 25.01.1978) is some 90%. The presidential elections in Ukraine are due 2024. Zelenskyi has managed to avoid at least 3 Russia's murder attempts.

Ukraine's population, excluding Crimea (million)



# 5) Economy

Independent Ukraine has experienced 4 major declines: (1) after the collapse of the USSR; (2) during the global financial crisis in 2009; (3) the beginning of war in 2014; and (4) the beginning of the Russian invasion in 2022.

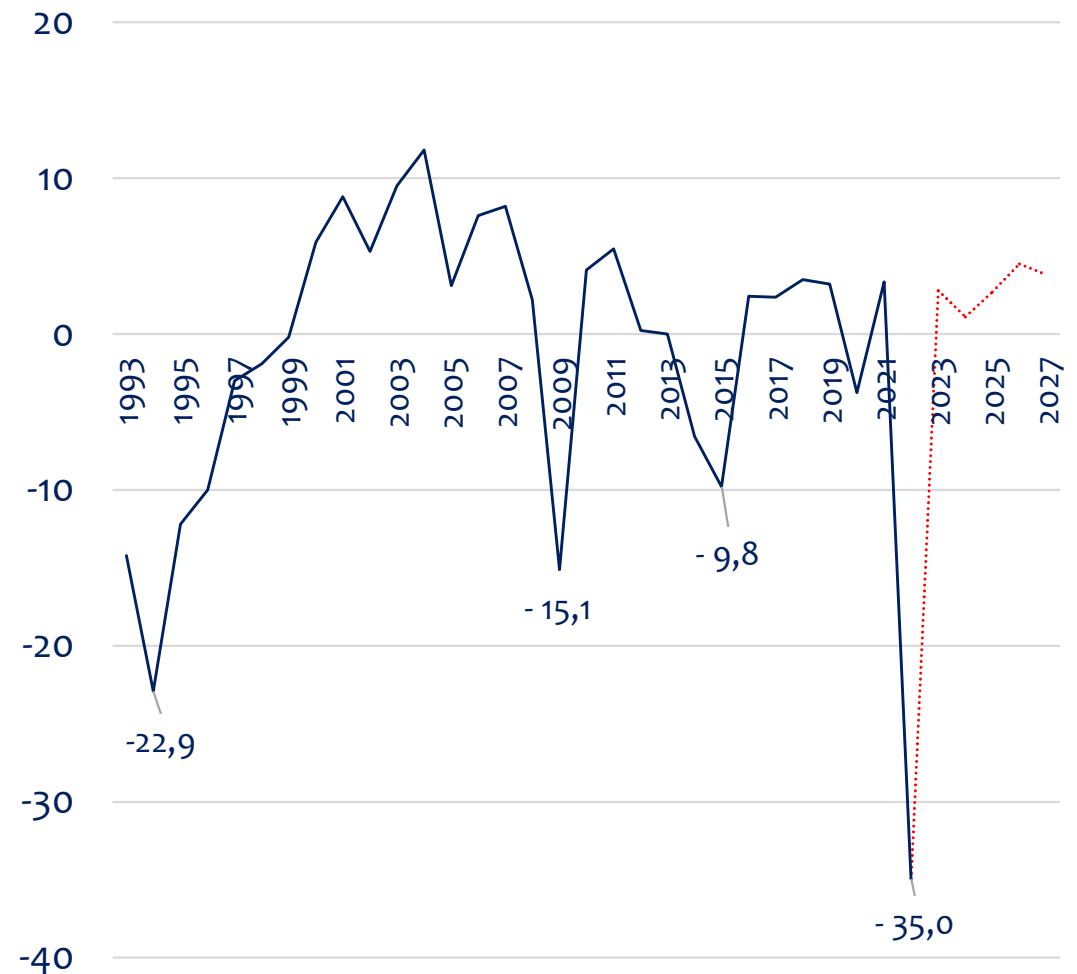
The Ukrainian economy (GDP) declined by 35% in 2022. In comparison, the Finnish GDP declined by 4-5% per annum during the Winter War (1939-1940).

There is a lot of uncertainty related to the future economic growth of Ukraine. Future economic growth is partially due to a low base.

The economic wellbeing of the Ukrainians was one of the lowest in Europe even before the war.

The Ukrainian state budget is under extreme pressure. The 2022 budget deficit will reach nearly 30% of GDP. Ukraine would fall financially without Western aid.

Annual real GDP change (% , constant prices)





## 6) Energy

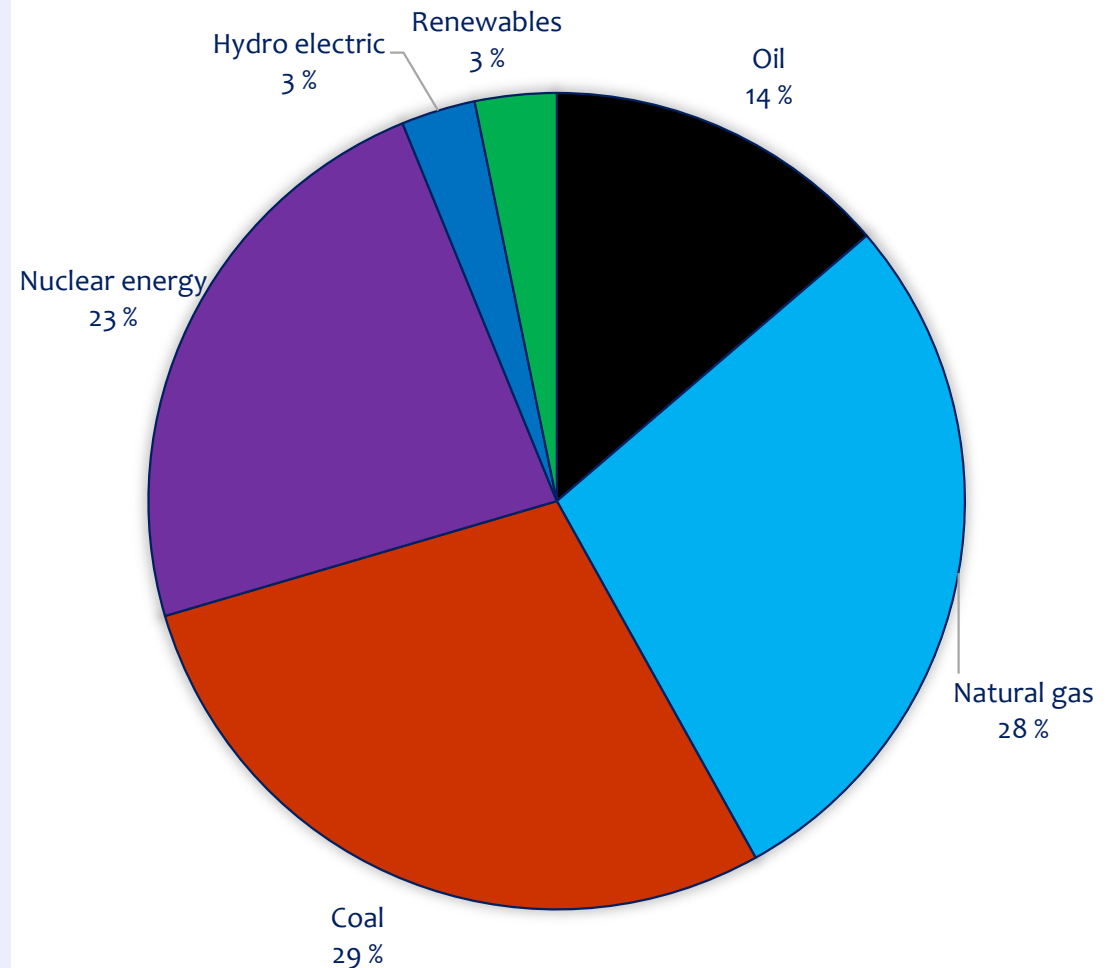
Over 50% of Ukraine's energy originated from Russia before the beginning of the war in Ukraine.

During the invasion Russia has systematically destroyed a significant part of Ukraine's energy infrastructure.

In December 2022 (Week 52), Russia covered nearly 10% of the EU's natural gas imports. A half of Russian pipe gas to the EU floated via Ukraine.

The temperature in Ukraine can be cold. Last night, the temperature in Kyiv was around  $-5$  degrees Celsius, i.e. the temperature in Kyiv was colder than here in Turku.

Ukraine's primary energy consumption in 2021



# 7) Foreign trade

In 2022, Ukraine's foreign trade declined by some 35%.

The Ukrainian economy used to be dependent on export revenues. Ukraine's export-GDP ratio was 34% in 2021. The respective ratio in Finland was 27%.

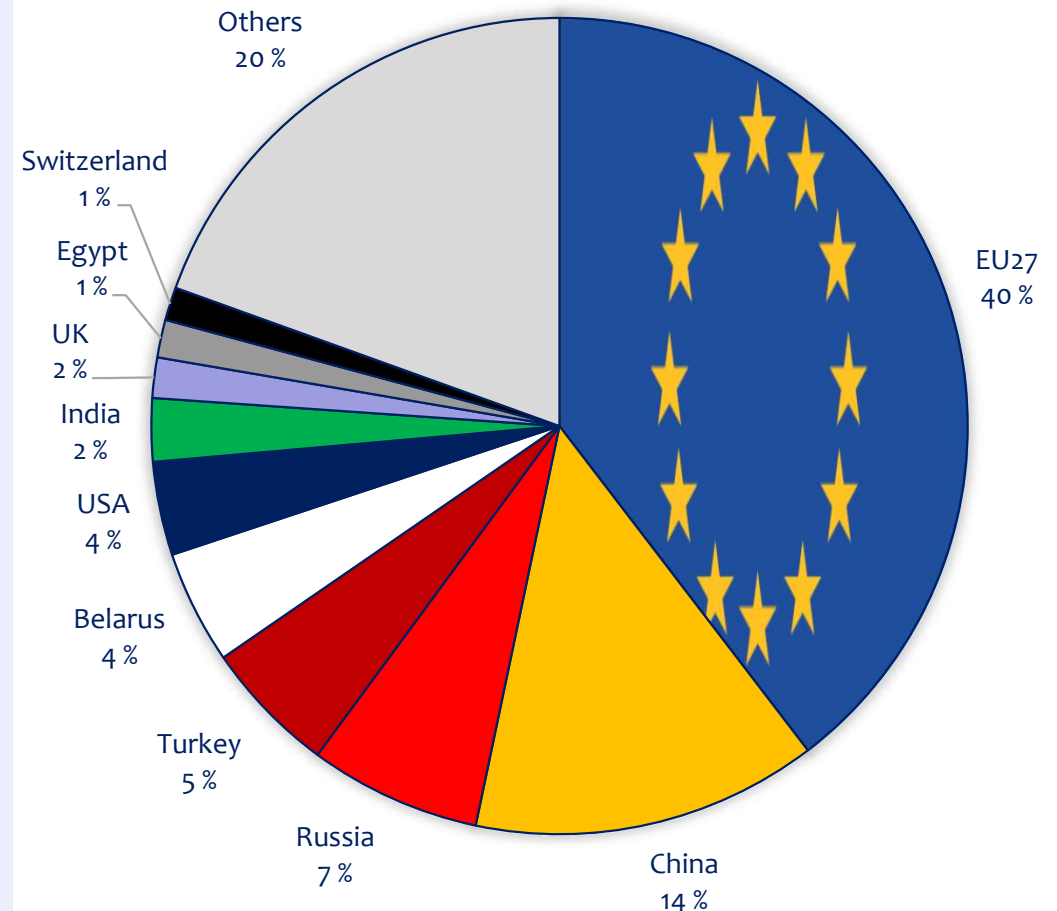
The EU is clearly Ukraine's main trade partner.

Russia's share started declining already before the beginning of the war in Ukraine. Russia's share in Ukrainian foreign trade was nearly 30% in 2013, whereas its share was only 7% in 2021.

Agricultural products and iron covered nearly 2/3 of Ukraine's overall exports, machinery represented nearly 30% of Ukraine's total imports in 2021.

In 2022, Ukraine represented only 0.1% of Finland's foreign trade. In 2013, Ukraine's share was 0.4%.

### Ukraine's main foreign partners in 2021





# 8) Development of EU-Ukraine trade

The Association Agreement, including its Deep and Comprehensive Free Trade Area, was signed between the EU and Ukraine in 2014.

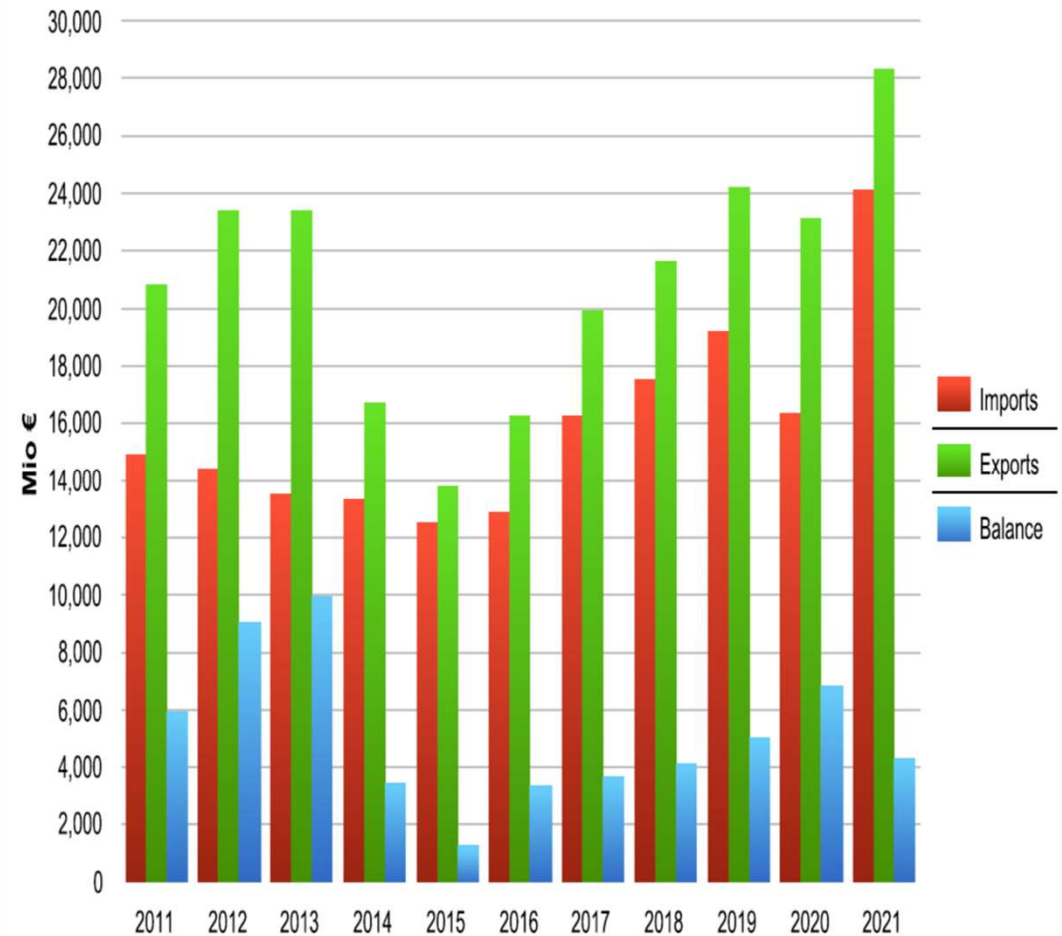
EU-Ukraine trade has grown nearly by 75% between 2014 and 2021.

Ukraine accounted for 1.2% of EU's external trade in 2021.

Machinery and transport equipment covered 1/3 of the EU exports to Ukraine. Steel was the EU's main import item from Ukraine in 2021.

Ukraine became an EU candidate country in June 2022. The EU membership of Ukraine will take place in 20??

The development of the EU's trade with Ukraine (€ million)



# 9) Western aid to Ukraine

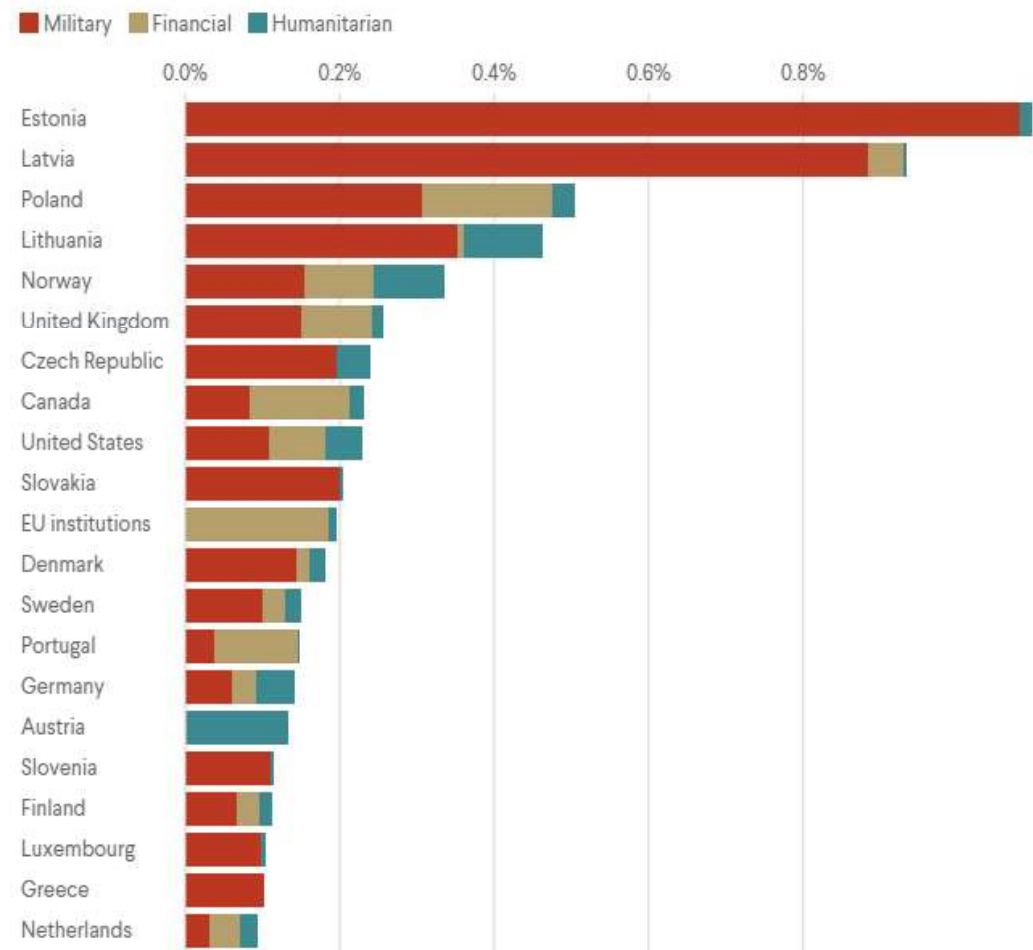
In order to survive, Ukraine needs tens of billions of Euros of Western aid to survive from Russia's invasion.

The Baltic States and Poland have contributed the most to Ukraine when compared to the donor's economic size (GDP).

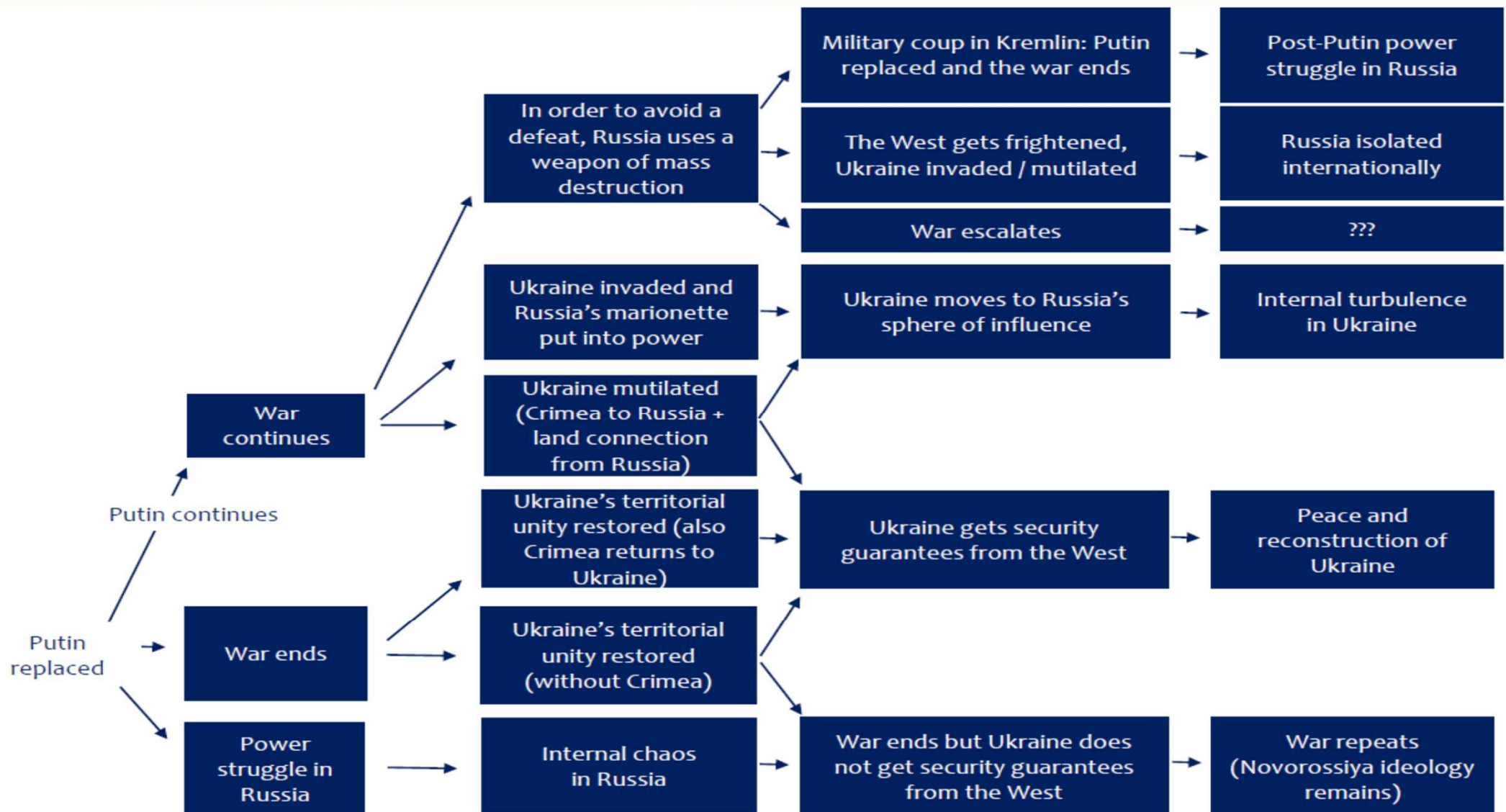
GDP per capita in Ireland is the 2<sup>nd</sup> highest in the EU. However, Ireland has given only \$ 70 million to Ukraine. Finland with smaller GDP than Ireland has donated to Ukraine 5 times more than Ireland.

China has not donated anything to Ukraine. However, China has not fully allied with Russia either.

Western aid to Ukraine relative to GDP (%)  
as of November 20, 2022



# 10) Possible future paths



Ukraine will receive massive reconstruction aid package from the West after the war.