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LOGISTICS OF UKRAINE IN MODERN CONDITIONS: MAIN CHALLENGES AND REALITIES

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Today, in the context of constant evolution, all processes are also evolving and encountering new issues. Logistics, as a field of industry, is also not exceptional. It's increasing in complexity every day, but it's often confronted with new impending challenges, or requirements, derived from the development of technologies [1].

The new phase of the conflict between Russia and Ukraine has become a commercial endeavor. Freight transportation issues required a rapid reformation and optimization of company procedures. The conflict has primarily affected the logistics of export and import, which have led to a need for reform in the Ukrainian economy. This was necessary to decrease the negative effects of the conflict on the country's economy.

What problems of logistics confronted Ukrainian companies? Initially, the difficulty associated with the border crossing processes, the limited capacity of Ukrzaliznytsia (the Ukrainian state owned railway company) and the lack of both road and rail border crossings were problematic for agricultural exporters. Despite the presence of significant regulatory obstacles, the energy crisis and regular missile attacks were successfully addressed in the Grain Initiative in 2022 [2].

The second practical issue is the rejection of the accumulation. The amount of frozen assets increases as the number of commodities in storage increases. Additionally, it's dangerous to store goods in warehouses for a long period of time - if attacked, the goods can be lost. This results in another issue - restricting the variety of goods and, as a result, reducing the number of suppliers.

With the onset of hostilities, the companies were compelled to alter the conditions in which they stored goods. One of the largest centers of gravity in Ukraine (70-80% of professional storage space) is located in the Kyiv region. Many companies had to transport their products to the western part of Ukraine, there, there were no large storage facilities for this purpose. Good news, the EBA Logistics Committee in Ukraine conducted a study late in 2022 [3].

Digital technologies are becoming a key success factor for logistics companies seeking to remain competitive. Digitization of logistics is the introduction of new technologies, such as artificial intelligence, machine learning, the Internet of Things, cloud computing and blockchain, to optimize logistics processes.

Digital logistics – management of human, material, information and financial flows based on their optimization to solve the problem of cost minimization using modern information technologies. This section of the industry is also a special type of economic logistics, which studies the regularities of the organization of the movement of digital flows in economic systems [4].

Digital logistics is a search, storage and method of transmission, as well as digital technologies that provide detection and forecasting of needs, optimization of routes, directions of material and information flows, including reduction of the time of existence in supply chains. Digital logistics consists of the following key components: one-stop logistics model, digital service, digital-type system, transition from the era of automation to the era of digitalization, and logistics in which all systems are integrated and function only in virtual space.

Conclusion

Logistics in Ukraine is undergoing significant changes as a result of constant evolution and conflict with Russia. These changes create new challenges, such as border restrictions, warehouse overcrowding and the need for new transit points.

To solve these problems, Ukrainian logistics companies are forced to adapt and implement new technologies. Digitization of logistics, including artificial intelligence, machine learning and the Internet of Things, is becoming a key success factor.

An important role is also played by international partners who can provide assistance in the development of infrastructure and the introduction of new technologies. The implementation of these changes will help the Ukrainian logistics industry to become more competitive and resistant to future challenges.

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