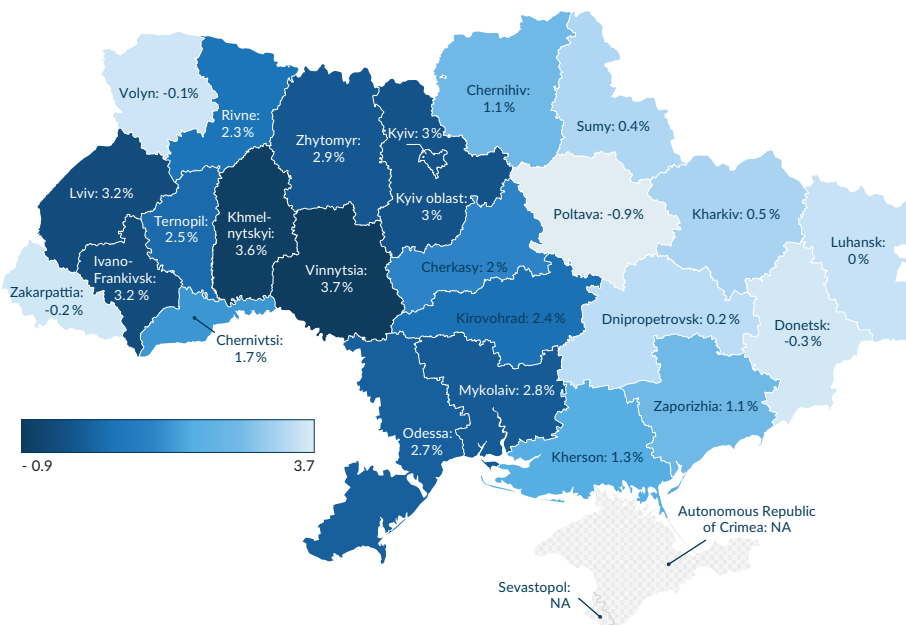


# EU-Ukraine Relations: Fostering Resilience while Preparing for EU Accession

A historic shift in EU policy at the European Council meeting on 23-24 June 2022 moved the focus from neighbourhood relations to enlargement. The EU and Ukraine embarked on a path toward deeper integration, this time with the clear goal of EU membership for Europe's second-largest country. Fast forward to 25 June 2024, the EU officially opened accession negotiations with Ukraine and Moldova, marking a major milestone with negotiation frameworks.

Future enlargement, including the Western Balkans, now stands as a major challenge for the EU's political, economic, and social landscape. Ukraine's potential membership is particularly impactful, given its size and the exceptional circumstances, including regional inequalities that started with the reorientation of economic activities in 2014, but have been exacerbated by the impacts of Russia's full-scale invasion on Ukraine's industries since 2022.

**Ukrainian regions' GVA (gross value added) average growth rates 2016–2019, constant prices**



Note: Values for Donetsk and Luhansk regions reflect only the government-controlled territories at the time of data collection.  
Source: Ukrstat (2020), wiiv calculation

**Securing peace, stability and cohesion: Ukraine's survival, recovery and EU accession**

Ukraine's journey toward recovery and EU integration requires a careful balance between immediate relief and long-term transformation. Next to security, the factors that must take precedence are emergency aid, infrastructure repairs, and macro-financial assistance. But leveraging the accession process to drive modernization and economic growth for transformative rebuilding is crucial, too. Addressing urgent needs and pursuing sustainable development simultaneously will help Ukraine reduce disparities and prepare for full integration into the EU Single Market.

In economic terms, Ukraine must not overburden the EU. Its accession would increase the EU's economic output by 1% and its population by 9%, a similar effect to Romania and Poland joining. Ukraine has the potential to catch up with the richer countries, too, but it should forge its own path and take advantage of the opportunities offered by the green and digital transitions. Unlike previous EU joiners, it is integrating into a Union that is itself under pressure to adapt and reform in unprecedented ways.

## Ukraine as a strategic partner contributing to “a strong and secure Europe”

Foreign Direct Investment (FDI) and exports will be key for injecting hard currency into Ukraine's struggling economy. While the EU's Ukraine Facility will provide essential financial support through 2028, additional resources are needed, making private investment a key factor. Sectors like IT and agro-food are already competitive, but Ukraine could see further economic boosts from four additional industries: renewable energy, critical minerals, metal manufacturing, and the manufacture of machines and electrical and transport equipment.

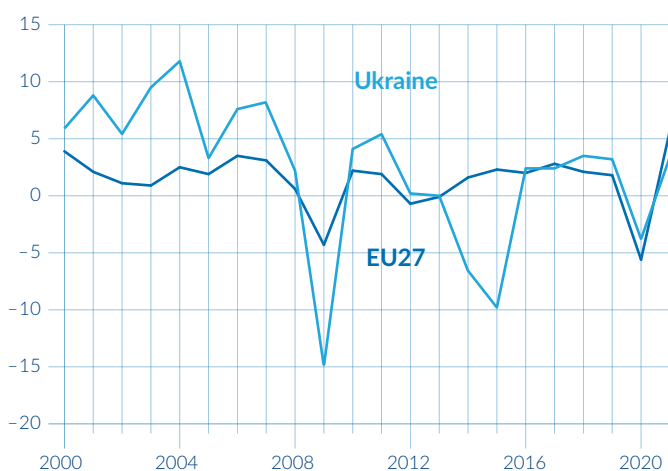
### The next enlargement: “a catalyst for progress”

Ukraine has the inherent capacity to embrace cutting-edge technologies and green economic policies, with its industries already showing relevant adjustments. Coupled with the innovative spirit of its people, this positions Ukraine to advance economically. If structural reforms proceed and investments materialize, Ukraine can contribute its technological and innovation capabilities. The EU has a self-interest in Ukraine's progress and could spearhead efforts to unlock Ukraine's full industrial potential – underpinned by military deterrence.

#### Five policy areas for the EU to support Ukraine in the coming years

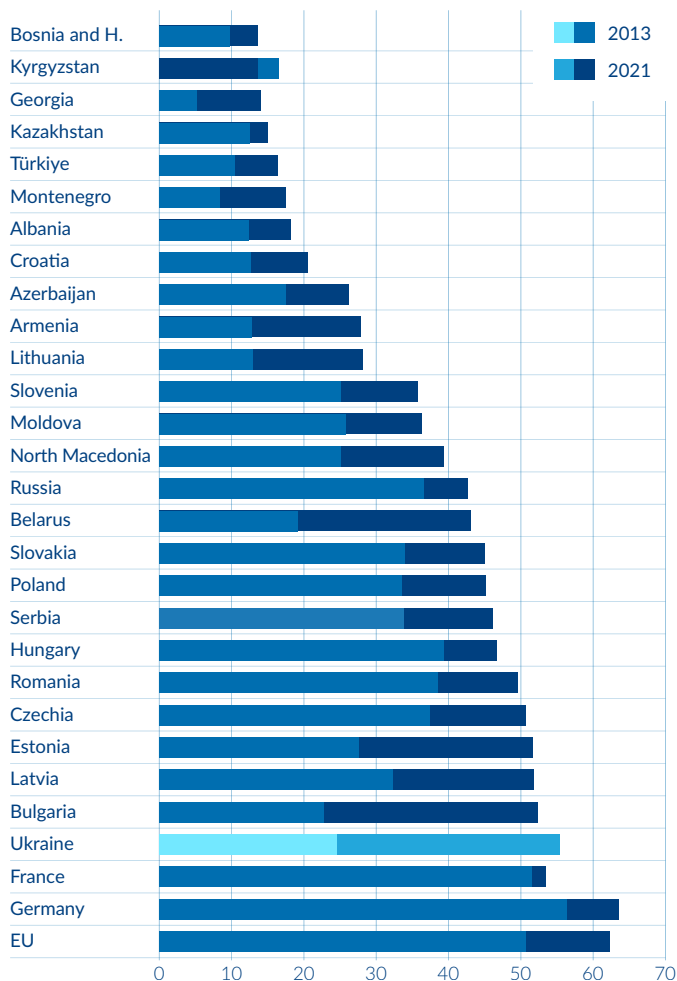
1. Overcoming Ukraine's weakness in attracting FDI
2. Encouraging more trade liberalization
3. Support industrial development while assisting with a regional shift in economic activity
4. Support sub-national and infrastructure initiatives
5. Mitigating the demographic disaster

## Economic convergence: Ukraine can catch up under the right conditions



Note: Data shows real GDP growth, percentage per year  
Sources: Eurostat, national sources, wiiw

## Ukraine's share of digitally delivered services in total services exports was the highest in Central, Eastern and South-Eastern Europe in 2021



Note: Digitally delivered services as a share of total services exports, in %.  
Source: UNCTAD

### Role of the European Parliament

Negotiations on the EU's next multiannual financial framework 2028–2034 will start in 2025, and MEPs will play a key role in shaping, approving and overseeing the budget of a Union that is facing multiple challenges. However, enlargement is not only adding pressure on top of issues such as defence, decarbonization and digitalization, but also creating opportunities for synergies that would benefit both sides. The European Parliament has played a pivotal role in assisting Ukraine's journey toward deeper EU integration. As the body directly representing EU citizens, its engagement in strengthening EU-Ukrainian political, economic and social ties in the new institutional cycle may be vital to overcoming obstacles.

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### Links

More on Ukraine's reconstruction, recovery and its EU accession path in our three joint studies with the Vienna Institute for International Economic Studies (wiiw): [Ukraine's economic reconstruction](#), [Outlier or not?](#), [Ukraine's future competitiveness](#) and on our blog [globaleurope.eu](#)