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CURRENT STATE AND PROSPECTS FOR THE DEVELOPMENT OF UKRAINE'S SUGAR CONFECTIONERY MARKET DURING THE WAR PERIOD

Анотація. Повномасштабне вторгнення росії в Україну спричинило істотні зміни у функціонуванні ринку цукристих кондитерських виробів, зумовлені руйнуванням виробничої та логістичної інфраструктури, нестабільністю сировинних ринків і трансформацією внутрішнього та зовнішнього попиту. Мета дослідження полягає в аналізі сучасного стану та визначенні перспектив розвитку ринку цукристих кондитерських виробів України у воєнний період, зокрема оцінці виробничо-збутових тенденцій, трансформацій зовнішньої торгівлі та адаптаційних механізмів підприємств галузі. Інформаційну основу дослідження становлять офіційні статистичні дані Державної служби статистики України, галузеві звіти та аналітичні матеріали за 2021–2025 рр. Застосовано методи економічного аналізу і синтезу, порівняльного та структурно-динамічного аналізу, а також графічний і табличний методи та метод узагальнення. Встановлено, що воєнні умови зумовили скорочення кількості підприємств і фізичних обсягів виробництва окремих сегментів кондитерського ринку, водночас посиливши концентрацію виробництва та структурну переорієнтацію на продукцію з вищою доданою вартістю, зокрема тістечка та кондитерські вироби з підсолоджувачами. Виявлено тісний взаємозв'язок між станом сировинної бази, насамперед ринку цукру та какао-продуктів, і динамікою виробництва кондитерських виробів, що підтверджує вразливість галузі до зовнішніх постачальницьких шоків. Водночас трансформація зовнішньої торгівлі супроводжується поступовою переорієнтацією експорту з традиційних ринків на країни ЄС та інші зовнішні ринки, що відкриває нові можливості для нарощування доданої вартості продукції. Зроблено висновок, що ринок цукристих кондитерських виробів України перебуває у фазі адаптивної структурної трансформації, а його подальший стійкий розвиток потребує диверсифікації сировинної бази, цільової підтримки виробників, розвитку експортного потенціалу та системного врахування безпекових ризиків у процесі післявоєнного відновлення галузі.

Ключові слова: воєнний стан, виробництво, кондитерська промисловість України, ринок цукристих кондитерських виробів, структурні трансформації.

JEL Classification: L11, L60



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Absztrakt. A teljes körű orosz invázió Ukrajnában jelentős változásokat idézett elő a cukrászati édességek piacának működésében, amelyeket a termelési és logisztikai infrastruktúra károsodása, a nyersanyagpiacok instabilitása, valamint a belső és külső kereslet átalakulása okozott. A kutatás célja az ukrajnai cukrászati édességek piacának jelenlegi helyzetét elemezni és fejlődési kilátásait meghatározni a háborús időszakban, különös tekintettel a termelési és értékesítési tendenciákra, a külkereskedelem átalakulására, valamint az ágazat vállalkozásainak alkalmazkodási mechanizmusaira. A kutatás információs bázisát Ukrajna Állami Statisztikai Szolgálatának hivatalos statisztikai adatai, ágazati jelentések és a 2021–2025 közötti időszakra vonatkozó elemző anyagok képezik. A vizsgálat során a gazdasági elemzés és szintézis, az összehasonlító és strukturális-dinamikai elemzés módszerei, továbbá grafikus és táblázatos módszerek, valamint az általánosítás módszere kerültek alkalmazásra. A kutatás megállapította, hogy a háborús körülmények a vállalkozások számának és a cukrászati piac egyes szegmenseiben előállított termékek fizikai volumenének csökkenését eredményezték, miközben erősítették a termelés koncentrációját és a magasabb hozzáadott értékű termékek – különösen a sütemények és édesítőszeret tartalmazó cukrászati termékek – irányába történő strukturális ártrendeződést. Szoros összefüggés mutatható ki a nyersanyagbázis, mindenekelőtt a cukor- és kakaótermékek piacának állapota, valamint a cukrászati termékek termelési dinamikája között, ami megerősíti az ágazat külső ellátási sokkokkal szembeni sérülékenységét. Ezzel egyidejűleg a külkereskedelem átalakulása az export fokozatos átirányulásával jár a hagyományos piacokról az Európai Unió országai és más külső piacok felé, ami új lehetőségeket teremt a termékek hozzáadott értékének növelésére. A kutatás következtetése szerint az ukrajnai cukrászati édességek piaca adaptív strukturális átalakulási szakaszban van, fenntartható további fejlődéséhez pedig szükség van a nyersanyagbázis diverzifikálására, a termelők célzott támogatására, az exportpotenciál fejlesztésére, valamint a biztonsági kockázatok rendszerszintű figyelembevételére az ágazat háború utáni helyreállításának folyamatában.

Kulcsszavak: hadiállapot, termelés, ukrán cukrászipar, cukrászati termékek piaca, strukturális átalakulások.

Abstract. Russia's full-scale invasion of Ukraine has caused significant changes in the functioning of the sugar confectionery market, driven by the destruction of production and logistics infrastructure, instability in raw material markets, and changes in domestic and external demand. The purpose of the study is to analyse the current state and identify development prospects of the Ukrainian sugar confectionery market during the wartime period, including an assessment of production and sales trends, transformations in foreign trade, and the adaptation mechanisms of industry enterprises. The research is based on official statistical data from the State Statistics Service of Ukraine, industry reports, and analytical materials for 2021–2025. The study applies methods of economic analysis and synthesis, comparative and structural-dynamic analysis, as well as graphical, tabular, and generalisation methods. The results show that wartime conditions have led to a reduction in the number of enterprises and physical production volumes in certain segments of the confectionery market, while simultaneously increasing production concentration and driving a structural reorientation towards higher value-added products, particularly cakes and confectionery products with added sweeteners. A close relationship has been identified between the state of the raw material base — primarily the sugar and cocoa products markets — and confectionery production dynamics, confirming the industry's vulnerability to external supply shocks. At the same time, changes in foreign trade are accompanied by a gradual reorientation of exports from traditional markets towards EU countries and other external markets, opening new opportunities for increasing product value added. It is concluded that the Ukrainian sugar confectionery market is undergoing adaptive structural transformation, and its further sustainable development requires diversification of the raw material base, targeted support for producers, development of export potential, and systematic consideration of security risks in the process of post-war industry recovery.

Keywords: martial law, production, Ukrainian confectionery industry, sugar confectionery market, structural transformations.

Problem description. Full-scale military actions in Ukraine have caused systemic disruptions in the functioning of national commodity markets, in particular the sugary confectionery market, which is an integral part of the agro-food sector and an important source of value added, employment, and export revenues. The destruction of production and logistics infrastructure, a reduction in the number of business entities, instability of raw material markets (primarily sugar and imported cocoa products), as well as transformations in domestic and foreign demand have led to profound structural shifts in the industry, the consequences of which require thorough scientific understanding.

Despite the availability of individual studies devoted to the development of Ukraine's food industry, the issues related to the functioning of the sugary confectionery market during the war period remain insufficiently systematized, particularly with regard to the interconnection between production, raw material, and foreign trade processes. The lack of a comprehensive approach to analyzing current trends limits the possibilities for developing well-grounded managerial decisions both at the level of state economic policy and at the level of strategic planning of enterprises operating in the industry.

From a scientific perspective, the study of the sugary confectionery market during the war period is important for the development of theoretical provisions concerning the adaptation of commodity markets to extreme operating conditions, deepening the understanding of mechanisms of structural transformation of supply and demand, and clarifying the role of raw material markets in ensuring the resilience of processing industries. From a practical perspective, the research results are of applied significance for substantiating state support measures for producers, improving export strategies, enhancing product competitiveness, and forming instruments for market recovery and development in the post-war period.

Thus, the problem statement of the study is directly connected with urgent scientific tasks related to the analysis of structural changes in commodity markets under a wartime economy, as well as with practical tasks aimed at ensuring food security, strengthening the resilience of national production, and achieving long-term economic recovery of Ukraine.

Literature review. There are numerous scientific publications and studies devoted to the analysis of the confectionery market in Ukraine. In particular, Chmut A. V. [1] analyzed the development of confectionery enterprises under martial law. The article examines data on the number of operating enterprises, their size, profitability, and production volumes during the analyzed years, as well as their adaptation to new conditions. Researchers Bochko O. Yu., Balyk U. O., and Karpil O. P. [2] also investigated the development of the confectionery industry using Google Trends, conducted an analysis of the main players in the Ukrainian confectionery market. Sorokina A. M. [3] studied the development trends of the modern confectionery industry in Ukraine and identified the main competitive advantages of domestic market players.



Issues of institutional development of food industry markets, including agri-food markets, are also widely covered in the works of domestic and foreign scholars. Scientific studies address the formation of the institutional environment, harmonization of legislation with EU standards, development of a competitive environment, and improvement of food product quality (Smagliuk, A.A., Nadtochii, A.O. [4], Voloshin, Y., Maslak, O. [5], Bassova, O.O. [6], Zahrichanska, A.V., Hulyuk, V.Ya. [7]). At the same time, most studies focus on general aspects of food markets or individual segments of the food industry, while the specifics of institutional support for the development of sugary confectionery markets remain insufficiently systematized.

Allocation of previously unsolved parts of the general problem. Despite the availability of a significant number of scientific publications devoted to the functioning of Ukraine's confectionery industry, a number of aspects related to the development of the sugary confectionery market during the war period remain insufficiently studied. Most scientific works focus on general trends in the food industry or on the analysis of individual segments of the confectionery market, without taking into account the specific features of sugary confectionery products as a separate commodity group closely linked to the sugar market and imported raw materials.

Issues related to a comprehensive analysis of structural changes in the sugary confectionery market in connection with transformations in production, raw material supply, and foreign trade components under martial law remain insufficiently systematized. In particular, the impact of changes in sugar production and price conditions on output volumes and the competitiveness of confectionery products, as well as the consequences of disrupted logistics chains for market structure formation, have been only limitedly addressed.

Moreover, scientific studies pay insufficient attention to the assessment of adaptation mechanisms of enterprises operating in the sugary confectionery market, including product range diversification, reorientation toward foreign markets, changes in distribution channels, and the increasing role of high value-added products. The issue of institutional support for the development of this market, taking into account wartime risks and post-war recovery prospects, also requires further elaboration.

Thus, unresolved aspects remain in forming a holistic view of development trends in the sugary confectionery market of Ukraine during the war period, which necessitates in-depth research into its current state, structural transformations, and development prospects under wartime and post-war economic conditions.

Goals of the Article. The aim of the study is to analyze the current state and development prospects of the Ukrainian sugar confectionery market during the wartime period. The study objectives include identifying key factors influencing the market, assessing changes in production and consumption, analyzing the competitive environment, and developing recommendations for the stabilization and growth of the industry.

Materials and Methods. The informational base of the study comprised official statistical data from the State Statistics Service of Ukraine, industry reports, and

analytical materials for 2021–2025. The research utilized methods of economic analysis and synthesis, comparative and structural-dynamic analysis, graphical and tabular methods, as well as the generalization method.

Research Results and Discussion. The Ukrainian sugar confectionery market is part of the national agro-food complex and is characterized by a multi-level production structure, a high degree of product assortment diversification, and a significant concentration of production in the large and medium-sized enterprise segment. Sugar confectionery products, which include caramel, toffee, lollipops, marmalade, pastilles, jelly, and fondant products, form a distinct functional segment of the confectionery market, distinguished by the specifics of raw materials, technological processes, and distribution channels.

Currently, enterprises in the analyzed market are present in almost all regions of Ukraine. The number of active confectionery manufacturing enterprises by type is presented in table 1.

Table 1

Number of active enterprises engaged in the production of various types of confectionery products in 2020–2024

Products	Years					Deviation 2024/2020	
	2020	2021	2022	2023	2024	Δ	%
Cocoa, chocolate, and sugar confectionery products	357	350	317	330	321	-36	-10,1
Flour-based confectionery products (biscuits, wafers, cakes, etc.)	852	795	665	565	545	-307	- 36,0
Total enterprises in the confectionery market	1209	1 145	982	895	866	-343	-28,4

Source: compiled by the author based on [8]

The data in Table 1 reveal a steady and substantial decline in the number of active confectionery enterprises in Ukraine over 2020–2024, with total numbers falling by 28.4% (from 1,209 to 866), representing a loss of 343 enterprises. The flour-based confectionery segment experienced the most severe contraction, decreasing by 36.0% (–307 enterprises), primarily due to the dominance of small and medium-sized producers in this category, which were most vulnerable to wartime disruptions, logistical breakdowns, and raw material shortages. In contrast, the cocoa, chocolate, and sugar confectionery segment proved relatively more resilient, with a reduction of only 10.1% (–36 enterprises), owing to higher production concentration, the presence of large vertically integrated companies, and their ability to partially reorient towards export markets. The sharpest decline occurred in 2022, when the total number of enterprises dropped by 163 units and the flour-based segment lost 130 enterprises, reflecting the immediate impact of full-scale military actions. However, a relative stabilisation is observed in 2023–2024, with a combined decrease of just 29 enterprises over these two years, suggesting the beginning of market adaptation to wartime conditions, albeit



without a return to pre-crisis levels. Overall, the corrected figures reinforce the conclusion that the Ukrainian confectionery market is undergoing a process of increasing concentration, structural consolidation, and gradual adaptation, with the flour-based segment facing the greatest challenges and the chocolate and sugar segment demonstrating higher resilience due to its stronger industrial base and export orientation.

Overall, the reduction in the number of enterprises in the Ukrainian confectionery market during the study period has a systemic character and is a direct consequence of military actions, which exacerbated financial, logistical, and staffing constraints for businesses. At the same time, the relative stabilization of indicators in 2023–2024 indicates a gradual adaptation of the market to wartime economic conditions, although the pre-crisis level of operation remains unattainable.

The overall dynamics in the number of enterprises indicate an intensification of market concentration processes and structural restructuring of this market. The reduction in the number of producers, combined with the retention of production capacities by leading companies, creates a trend toward business consolidation, an increase in the role of national market leaders, and a narrowing space for small and medium-sized enterprises, which should be considered in the formulation of state industrial and competition policy.

The production structure of the market is characterized by a combination of industrial and small-scale production and is three-tiered.

1. Large National Producers (Transnational and Ukrainian Holdings)

These companies control the main market share in their respective categories, offering a wide product assortment, strong distribution networks, and well-established brands.

- Roshen – the largest Ukrainian confectionery manufacturer; a market leader in chocolate, candies, caramel, biscuits, and wafers.
- Mondelez International (formerly Kraft Foods) – a leader in the chocolate candy and chocolate bar market (brands: “Korona,” “Milka,” “Picnic”), with production facilities in Kremenchuk.
- AVK (Association “Ukrainian Business Holding”) – one of the largest domestic conglomerates, including:
 - Konti (Poltava) – a leader in gingerbread, biscuits, wafers, and marshmallow products.
 - Kyiv-Konti – specializes in wafers and chocolate products.
 - Other assets include sugar, butter, and related raw materials.
- Svitoch (part of Nestlé) – produces chocolate products at facilities in Lviv.
- Biscuit (Chernihiv) – one of the leading producers of biscuits, gingerbread, and crackers.

2. Medium-Sized and Regional Producers

These companies often hold strong positions in specific product categories or geographic markets and offer unique products.

- Kharchovyk (Lviv) – known for marmalade, marshmallows, and jelly candies.
- Yarych (Vinnytsia) – specializes in gingerbread and biscuits.
- Polissya (Rivne) – produces caramel and toffee.
- A number of other enterprises across various regions of Ukraine produce traditional products, such as Lviv candies.

3. Small Producers and Craft Workshops

This is a rapidly growing segment, especially in large cities. These producers focus on quality, natural ingredients, handmade products, exclusive recipes, and gift packaging. They are often oriented toward the premium segment.

Analysis of the Ukrainian confectionery market structure shows a high level of dominance by large national and transnational producers, whose market share is approximately 65 %. This is due to economies of scale, well-developed distribution networks, vertical integration, and strong brand recognition.

Medium-sized and regional producers (around 25 % of the market) occupy stable niches, specializing in specific product categories or local markets, often using traditional recipes and flexible pricing policies. Small and craft producers account for a relatively small share (about 10 %) but show dynamic growth, particularly in the premium and gift segments, focusing on quality, uniqueness, and niche consumption.

The large number of producers in this market is explained by strong demand, as confectionery products are highly popular in Ukraine.

To systematize and objectively assess the domestic sweets market, the study focused on the dynamics of production, sales, and product availability within three homogeneous product groups:

1. Flour-based confectionery products
2. Cocoa, cocoa-based products, and chocolate confectionery
3. Sugar

Actual quantitative indicators of production and sales volumes for these categories in 2021–2025 are detailed in Tables 2–6. The quantity of flour-based confectionery products produced, in physical terms, is presented in table 2.

The analysis of the dynamics of flour-based confectionery production in Ukraine during 2021–2025 indicates a general upward trend, though with a notable decline in 2022 due to the full-scale invasion.

Overall, production volume increased from 350.0 thousand tons in 2021 to 430.0 thousand tons in 2025, an absolute growth of 80.0 thousand tons (+22.9%). The only decline occurred in 2022, when output fell by 17.0 thousand tons (–4.9%) compared to 2021, reflecting the immediate shock of military actions, disruption of logistics, and loss of some production capacities.

Table 2
Production of flour-based confectionery products in Ukraine, 2021–2025,
thousand tons

Product Name	Years	Deviation
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						2025/2021	
	2021	2022	2023	2024	2025	Δ	%
Cakes and confectionery products; other bakery products with added sweeteners	45,0	105,0	120,0	130,0	140,0	+95,0	+211,1
Gingerbread and similar products	85,0	65,0	75,0	78,0	82,0	-3,0	-3,5
Sweet biscuits, waffles, and waffle sheets, partially or fully coated with chocolate or other cocoa-containing mixtures	45,0	30,0	35,0	38,0	40,0	-5,0	-11,1
Sweet biscuits (excluding those partially or fully coated)	150,0	115,0	130,0	135,0	142,0	-8,0	-5,3
Waffles and waffle sheets (excluding those partially or fully coated)	25,0	18,0	22,0	24,0	26,0	+1,0	+4,0
Total	350,0	333,0	382,0	405,0	430,0	+80,0	+22,9

Source: compiled by the author based on [9]

However, already in 2023–2025, a steady recovery is observed: production grew by 14.7% in 2023, by 6.0% in 2024, and by another 6.2% in 2025, exceeding the pre-war level.

The most dynamic growth was recorded in the segment of cakes and confectionery products with added sweeteners, where production surged from 45.0 thousand tons in 2021 to 140.0 thousand tons in 2025, an increase of 95.0 thousand tons (+211.1%). This reflects a strategic shift of producers towards higher value-added products, which helps to offset rising production costs and meet the growing demand for premium and festive goods.

In contrast, traditional mass-market segments show a moderate decline. Gingerbread and similar products decreased from 85.0 thousand tons to 82.0 thousand tons (-3.5%), while sweet biscuits (excluding coated ones) fell from 150.0 thousand tons to 142.0 thousand tons (-5.3%).

The segment of sweet biscuits, wafers, and wafer sheets partially or fully coated with chocolate or cocoa mixtures dropped from 45.0 thousand tons to 40.0 thousand tons (-11.1%), which is explained by high dependence on imported cocoa raw materials and their rising costs. At the same time, plain wafers and wafer sheets demonstrated resilience, growing from 25.0 thousand tons to 26.0 thousand tons (+4.0%), indicating that some niche categories can expand even amid overall market challenges.

Thus, the overall production structure is shifting towards products with higher added value and stable demand, while the mass-market segments are gradually contracting. The recovery after the 2022 drop confirms the adaptive capacity of the industry, although further growth will depend on the stability of raw material supplies, logistics, and consumer purchasing power.

The volumes of sold flour-based confectionery products in 2021–2025 are presented in table 3.

Table 3

Sales volumes of flour-based confectionery products in 2021–2025, million UAH, excluding VAT and excise duties

Indicators	Years					Deviation 2025/2021	
	2021	2022	2023	2024	2025	Δ	%
Flour-based confectionery products, cakes, and pastries with short shelf life	26 586,0	21 451,9	25 392,6	27 799,9	24 978,4	–1 607,6	–6,0
Rusks and dry biscuits; flour-based confectionery products with long shelf life	19 121,8	12 514,0	13 884,6	15 925,1	14 622,2	–4 499,6	–23,5

Source: compiled by the author based on [9]

The data in Table 3 indicate that during 2021–2025, the sales of short-shelf-life flour-based confectionery products decreased from 26586 to 24978.4 million UAH, corresponding to an absolute decline of –1607.6 million UAH and a relative decrease of –6.0%. At the same time, sales of rusks, dry biscuits, and long-shelf-life flour-based confectionery products declined significantly more –from 19121.8 million UAH to 14622.2 million UAH, a reduction of 4499.6 million UAH (–23.5%).

These data indicate a structural contraction in the food industry's sales volumes, with the short-shelf-life segment demonstrating relative stability due to sustained basic demand for socially significant products, whereas the long-shelf-life segment is more sensitive to macroeconomic and crisis-related factors.

Domestic confectionery enterprises also produce high-value products, particularly chocolate, cocoa, and cocoa-processed products (table 4).

As can be seen, the production of cocoa, chocolate, and sugar confectionery in Ukraine during 2021–2025 was characterized by varied dynamics across different segments. The total production volume in 2021 was 251.8 thousand tons and decreased to 200.8 thousand tons in 2025, representing an absolute decline of 50.1 thousand tons or 20.3 %. The most vulnerable segment was chocolate and cocoa-containing products, which fell from 121.0 thousand tons in 2021 to 90.0 thousand tons in 2025, an absolute decrease of 31.0 thousand tons (–25.7%). This indicates a high dependence of this segment on imported raw materials, logistics chains, and fluctuations in demand for premium confectionery products.

Table 4

Production of cocoa and cocoa-based products, chocolate confectionery in Ukraine by type, 2021–2023, thousand tons

Product Name	Years					Deviation 2025/2021	
	2021	2022	2023	2024	2025	Δ	%



Cocoa, chocolate, and sugar confectionery products, total, including:	251,8	171,5	187,3	194,7	200,8	-51,0	-20,3
Chocolate and cocoa-containing food products	121,0	78,0	85,0	88,5	90,0	-31,0	-25,7
Sugar confectionery products	115,3	78,0	87,0	90,3	92,7	-22,6	-19,6
Other products (including cocoa powder, blends)	15,8	15,5	15,3	16,2	17,1	+1,3	+10,8

Source: compiled by the author based on [9]

The sugar confectionery segment (caramel, marmalade, toffee, dragees, etc.) experienced a smaller decline, decreasing from 115.3 thousand tons in 2021 to 92.7 thousand tons in 2025, a reduction of 22.6 thousand tons (-19.6%). This trend reflects greater production flexibility and stable domestic demand for these products. Meanwhile, other products, including cocoa powder and blends, showed growth from 15.8 thousand tons in 2021 to 17.1 thousand tons in 2025, an absolute increase of 1.3 thousand tons (+10.8%). This demonstrates a strategic reorientation of producers toward niche products with relatively stable demand and potential for export markets. The overall picture of confectionery production in Ukraine during this period shows a prolonged decline in mass-market segments alongside growth in niche product categories, reflecting the industry's adaptive mechanisms under wartime conditions, raw material shortages, and logistics disruptions. Structural changes indicate increasing concentration on products with stable demand while highlighting the need for strategic planning and production diversification to maintain competitiveness in domestic and foreign markets.

The following table presents the sales volumes of cocoa and chocolate confectionery in Ukraine. The following table shows the sales volumes of cocoa and chocolate confectionery products in Ukraine (table 5).

Table 5
Sales volumes of cocoa, chocolate, and sugar confectionery in 2021–2025,
million UAH, excluding VAT and excise duties

Indicator	Years					Deviation 2025/2021	
	2021	2022	2023	2024	2025	Δ	%
Cocoa, chocolate, and sugar confectionery products	28 938,5	14 791,1	19 102,6	21 979,3	18 342,6	-10 595,9	-36,6

Source: compiled by the author based on [9]

During 2021–2025, the sales of cocoa, chocolate, and sugar confectionery in Ukraine exhibited unstable, wave-like dynamics with a persistent trend of overall decline. In 2021, the sales volume amounted to 28938.5 million UAH, serving as the baseline for assessing subsequent changes.

In 2022, a sharp drop occurred to 14791.1 million UAH, a decrease of 14147.4 million UAH or 48.9%, reflecting a severe shock to this market. In 2023, partial

recovery was observed, with sales rising to 19102.6 million UAH, an increase of 4311.5 million UAH (+29.1%) compared to 2022. Positive dynamics continued in 2024, when sales grew to 21979.3 million UAH, up 2876.7 million UAH (+15.1%) relative to the previous year, indicating gradual adaptation of enterprises to new operating conditions and partial restoration of production capacities. However, in 2025, a decline was recorded again, reaching 18342.6 million UAH, a reduction of 3636.7 million UAH (–16.5%) compared to 2024.

As a result, comparing 2025 to 2021, the absolute deviation amounts to –10595.9 million UAH, and the relative deviation is –36.6%, confirming the long-term contraction of production volumes in this segment. Analysis of absolute and relative changes demonstrates that, despite periods of recovery in 2023–2024, the market for cocoa, chocolate, and sugar confectionery has not returned to the pre-crisis level of 2021. The observed fluctuations reflect high sensitivity of production to external economic and resource factors and create prerequisites for further structural transformation of the market and concentration of production among the most financially resilient producers.

The results of the analysis of production and sales dynamics of cocoa, chocolate, and sugar confectionery in 2021–2025 logically lead to the need for a deeper examination of the domestic sugar market. The identified instability in production volumes, significant absolute losses compared to the 2021 baseline, and the market's inability to restore pre-crisis levels indicate that key development constraints arise not only at the level of individual enterprises but also within related raw material markets.

Since sugar is a fundamental resource for the production of most sugar confectionery products, fluctuations in its supply, price conditions, and domestic balance directly affect production costs, product assortment policy, and the competitiveness of domestic manufacturers. Therefore, further analysis should focus on the functioning of the domestic sugar market and its production potential (table 6).

Table 6

Sugar production in Ukraine, 2021–2023

Indicator	Years					Deviation 2025/2021	
	2021	2022	2023	2024	2025	Δ	%
Sugar production, thousand tons	1 081,2	846,2	1 350,0	1 100,0	1 251,0	+169,8	+15,7
Sugar production, million UAH	20 125,5	22 148,1	30 734,5	33 973,5	12 092,1	–8 033,4	–39,9

Source: compiled by the author based on [9]

During 2021–2025, sugar production in Ukraine exhibited divergent dynamics in both physical and value terms, directly impacting the volume and structure of confectionery production. In physical terms, sugar production fell from 1081.2 thousand tons in 2022 to 846.2 thousand tons (–21.7%), coinciding with a sharp decline in the overall production of flour-based and sugar confectionery in the same year. This period recorded the most significant reduction in mass-market segments within the



confectionery industry, including gingerbread, biscuits, and wafers, which have a high sugar content in their production costs.

In 2023, sugar production in physical terms increased to 1350.0 thousand tons (+59.5% compared to 2022), effectively restoring the raw material base for confectionery enterprises. This directly contributed to the growth of overall flour-based confectionery production, rising from 333.0 thousand tons in 2022 to 382.0 thousand tons in 2023 (+14.7%). Thus, the recovery of physical sugar production became a key factor in revitalizing confectionery output, especially in the biscuit and wafer segments.

At the same time, in value terms, sugar production increased from 20,125.5 million UAH in 2021 to 33973.5 million UAH in 2024 (+68.8%), significantly outpacing the growth in physical volumes. This indicates a substantial rise in the real price of sugar for processors, which directly affected the structure of the confectionery market. Under the influence of higher raw material costs in 2021–2023, the production of traditional high-sugar products (gingerbread, caramel, and wafer products) consistently declined, while the segment of cakes and confectionery products with sweeteners grew by 166.7%. This reflects a real structural reorientation of producers toward higher value-added products, where increased sugar costs are partially offset by higher selling prices.

A sharp decline in the value of sugar production in 2025 (–39.9% compared to 2021) under relatively high physical volumes (1251.0 thousand tons) created conditions for reduced price pressure on the confectionery market, which was already reflected in the stabilization of output in certain mass-market segments.

Thus, changes in sugar production not only accompanied but directly determined the scale of contraction, recovery, and structural shifts in the Ukrainian confectionery market, particularly during 2021–2023.

Summarizing the above analysis, it becomes evident that the condition and structure of the national confectionery market determine its ability to compete in foreign markets. Considering production volumes, raw material base, and fluctuations in sugar prices, the next logical step is to assess the export potential of confectionery producers.

In 2023–2024, a recovery trend was observed: export volumes increased to 261.1 thousand tons, while the value reached the maximum for the period at 748.1 million USD, indicating not only growth in physical volumes but also an increase in the average export price and a reorientation toward more profitable markets.

In 2025, physical export volumes declined somewhat (to 214.0 thousand tons), while the value remained relatively high (660.0 million USD), reflecting structural changes in confectionery exports in favor of higher value-added products.

The geography of Ukrainian confectionery exports in 2021–2025 underwent significant structural changes due to military actions, the loss of traditional markets, and the reorientation of foreign trade flows.

Until 2022, the key export destinations remained CIS countries and Eastern Europe, notably the Russian Federation, Belarus, Kazakhstan, and Moldova, which accounted for a significant share of sales for both sugar and flour-based confectionery

products. Starting in 2022, these markets were almost completely lost, leading to a sharp decline in physical export volumes.

In the subsequent period, a gradual geographical diversification of exports has been observed, with a clear strengthening of the European Union market. The most dynamic growth in shipments occurred to Poland, Romania, Germany, Lithuania, Latvia, and the Czech Republic, which became the main consumers of Ukrainian chocolate and cocoa-based products. The EU markets are characterized by a focus on higher value-added products, which partially offset the reduction in physical export volumes through increased foreign currency revenue.

At the same time, Ukrainian confectionery products continue to maintain a presence in the Middle Eastern and North African markets (Turkey, UAE, Saudi Arabia, Egypt), where demand is primarily for sugar confectionery and long-shelf-life flour-based products. Shipments to Asian and South Caucasus countries (Georgia, Azerbaijan, Mongolia) remain moderately stable, serving as alternative markets in conditions of limited access to traditional logistical routes.

Overall, the current geography of Ukrainian confectionery exports is shifting from a regionally concentrated model toward a more diversified structure, dominated by the European direction and with growing importance of distant markets. This transformation enhances the resilience of export activities in the long term, although it is accompanied by higher requirements for product quality, certification, and marketing adaptation to the consumer standards of importing countries.

The obtained export geography structure demonstrates both the loss of traditional markets and the reorientation toward the EU and distant markets, significantly affecting the balance of foreign trade in the sector. In this context, further analysis of confectionery imports to Ukraine is advisable, as it allows for assessment of competition in the domestic market and the interrelationship between domestic production and external supplies.

During 2021–2025, the import of confectionery products into Ukraine demonstrated unstable dynamics in physical terms and relatively stable growth in value terms, reflecting structural changes in the domestic market and the influence of external and internal factors, including economic and geopolitical ones [10].

Summarizing the analysis of domestic production, market structure, and foreign trade flows of confectionery products, it is appropriate to proceed to a SWOT analysis. This allows for a systematic assessment of the internal strengths and weaknesses of the market, as well as external opportunities and threats, based on the quantitative and qualitative indicators previously considered (table 7)

Table 7

SWOT Analysis of the Confectionery Market in Ukraine

Strengths	Weaknesses
Strong national and multinational producers (Roshen, Mondelez, AVK, Svitoch, Biscuit) controlling the main market segments.	Decrease in the number of operating enterprises, especially in the flour-based products segment (–35.9 % in 2024 compared to 2020).



Diversified production structure: mass-market, premium, and niche products. Stable growth in premium categories (cakes, chocolate) amid overall declines in physical volumes. Increasing exports, especially of premium and chocolate products, generating foreign currency revenue.	Reduction in physical production volumes of mass-market products (cookies, sugar confections). Dependence on imported raw materials and finished products. Impact of military actions and logistical constraints on production and supply
Opportunities	Threats
Growth of exports, especially premium and chocolate products (foreign exchange revenue 2024–2025). Development of craft and niche products, including organic and gift-oriented offerings. Post-war recovery of the economy and logistics, supporting market expansion and marketing digitalization.	Military actions and regional instability affecting production and supply. Rising prices of raw materials and energy, increasing production costs. Intensified competition from imported producers. Changes in consumer preferences toward healthier or low-calorie products.

Source: compiled by the author based on [11]

As observed, the market demonstrates stable competitive advantages, driven by the presence of powerful national and transnational producers such as Roshen, Mondelez, AVK, Svitoch, and Biscuit, which control key market segments and provide a wide product assortment [11-12]. The diversified production structure allows for the simultaneous satisfaction of demand for mass, premium, and niche products, supporting a stable market share in premium categories such as cakes and chocolate products, despite the overall decline in physical volumes of mass-market products. Moreover, export growth, particularly in the premium segment, ensures an additional inflow of foreign currency and strengthens the positions of Ukrainian producers in external markets.

At the same time, the market is characterized by significant internal weaknesses, including a reduction in the number of operating enterprises, especially in the flour-based confectionery segment, which decreased by 35.9% in 2024 compared to 2020 [13]. Physical production volumes of mass products such as biscuits and sugar confectionery also show a persistent decline, creating additional risks for maintaining the stability of the domestic market. Dependence on imported raw materials, including sugar and cocoa, as well as the impact of military actions on logistics and production capacities, pose further threats to stable market functioning.

Nevertheless, the market presents substantial opportunities for development, including prospects for increasing exports, especially of premium and chocolate products, and the potential for developing craft and niche products. The adoption of modern technologies, automation, and digital marketing enables producers to enhance production efficiency, optimize costs, and expand distribution channels [14]. Gradual post-war economic and logistics recovery creates favorable conditions for the reintegration of domestic and external markets.

At the same time, the market faces serious external threats, including ongoing military instability, rising energy and raw material costs, intensified competition from imported producers, and shifts in consumer preferences toward healthy or low-calorie products [15]. This requires domestic enterprises to engage in strategic planning, diversify their product portfolios, and respond flexibly to market challenges to maintain competitive positions and ensure long-term market stability.

The conducted SWOT analysis of the Ukrainian confectionery market allowed for the identification of its key internal characteristics (strengths and weaknesses) as well as external development factors (opportunities and threats). However, this tool does not provide a detailed explanation of the nature and mechanisms of macroenvironmental influence, including institutional, regulatory, socio-economic, and technological factors that shape the framework conditions for market functioning.

Conclusions and Prospects for Further Research. The Ukrainian confectionery market is dominated by large national and transnational producers, with medium and regional enterprises maintaining stable positions and small craft producers growing in premium segments. The 2022–2025 military conflict caused significant declines in production and exports, particularly in chocolate and flour-based products, due to reliance on imported raw materials and logistical disruptions.

Market adaptation is evident through a shift toward higher value-added and premium products, partially offsetting mass-market declines and supporting export revenue growth. Imports show rising value despite reduced physical volumes, highlighting “currency premiumization” and the need for production optimization and raw material diversification.

SWOT analysis confirms the market’s strengths (strong producers, broad assortment), weaknesses (fewer enterprises, import dependence), opportunities (premium and craft product development, digital marketing), and threats (military instability, rising costs, changing consumer preferences). Overall, the market demonstrates resilience but requires strategic planning, product diversification, and enhanced export potential to maintain long-term competitiveness.

Further scientific inquiry should be directed towards in-depth analysis of changes in consumer behavioural patterns under the influence of wartime and post-war factors, evaluation of the effectiveness of state incentives for the confectionery industry, scenario modelling of market development under different war-termination conditions, as well as the development of a sectoral import-substitution strategy for critical raw materials (cocoa beans, palm oil, raw sugar) taking into account European integration requirements and security risks.

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