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FINANCIAL INCENTIVES FOR THE DEVELOPMENT OF UKRAINE'S MANUFACTURING INDUSTRY

Ukraine’s manufacturing industry plays a crucial role during wartime by generating value added, supporting the domestic market, sustaining employment, and strengthening the country’s export potential, which underscores the relevance of studying the mechanisms of financial incentives for its development. Ukrainian manufacturing enterprises have faced the destruction of production infrastructure, shortages of investment resources, logistical constraints, high energy risks, and a reduction in labour potential. Under such conditions, the formation of an effective system of financial incentives capable of supporting production, modernising enterprises, and adapting the industry to new economic conditions becomes particularly important.

The paper analyses the current state of development of Ukraine’s manufacturing industry, the dynamics of the industrial production index, structural changes within the sector, and the level of participation of manufacturing in value added creation. It has been established that despite significant losses of production potential, certain segments of the industry demonstrated a high level of adaptability and the ability to undergo structural transformation under the conditions of a wartime economy.

The main problems of the development of Ukraine’s manufacturing industry have been systematised, and key directions for overcoming them through financial incentive mechanisms have been identified. Modern instruments of state support for Ukraine’s manufacturing industry have been studied, including preferential lending programmes, grant financing, support for industrial parks, production localisation, and war risk insurance mechanisms. A model of the structural weight of financial incentives has been developed, within which the ratio between state support, bank lending, investment financing, and risk insurance mechanisms changes depending on the macroeconomic situation, the level of wartime risks, and the phase of economic recovery.

It has been substantiated that the modern financial architecture for stimulating Ukraine’s manufacturing industry is adaptive in nature, since the structure of financial instruments changes depending on the macroeconomic situation, the level of wartime risks, and the stage of economic recovery.

Keywords: industrial policy; manufacturing industry; competitiveness; investment; financial incentives; financial instruments.