MIND JOURNAL https://doi.org/10.36228/MJ.19/2025.1 19/2025
Received: 10.02.2025 Accepted: 14.05.2025

Anastasia Stets, Bachelor's student majoring in «International economic relations» Ukrainian-American Concordia University, (Kyiv, Ukraine)

Lesya Leshchii, Candidate of Economic Sciences (Ph.D.), Associate Professor at the Department of International Economic Relations, Business and Management, Ukrainian-American Concordia University, (Kyiv, Ukraine)

UKRAINE'S INTEGRATION INTO THE EUROPEAN INTERNET MARKET: OPPORTUNITIES, CHALLENGES AND GROWTH PROSPECTS

Abstract. *This study investigates Ukraine's incorporation into the European Internet market, evaluating the opportunities, constraints, and development potential for Ukrainian Internet service providers (ISPs). The study used a hybrid methodology approach, integrating quantitative economic data analysis with qualitative interviews with industry stakeholders, to identify the competitive advantages of Ukrainian ISPs. These encompass cost efficiency, technical adaptability, and inventive solutions formulated during the crisis. Barriers to strategy implementation include regulatory disparities, infrastructural destruction due to the conflict, and rivalry from established European firms. Simultaneously, Ukrainian ISPs exhibit considerable potential for market penetration through strategic alliances and focused specialty strategies. Compliance with EU telecommunications standards is essential for effective integration of markets and sustainable growth in the European digital economy.*

Keywords*: European Internet market, Ukrainian ISPs, digital integration, telecommunications, competitive strategy, market entry*

Introduction

The EU Internet supply business has grown rapidly due to technological advances and changing consumer needs. Ukraine has become an important Internet communications player, overcoming economic and geopolitical hurdles with inventiveness and persistence. This allows Ukraine to enter a competitive service market, emphasizing the importance of assessing its strategic EU membership.

Information technology has changed competitive barriers, leading to international corporate strategies that harness regional advantages. Industry leaders Kyivstar, Vodafone, Data Group, and Volia have established themselves. High-stakes situations are their specialty, ensuring communication and equipment repair during the Russian Ukrainian war. Quantitative economic indicator analysis and qualitative stakeholder interviews will be used in the research.

Ukraine's entry into the EU e-commerce sector signifies substantial prospects for financial integration and technical advancement. Despite obstacles like as regulatory harmonization and infrastructural advancement, Ukraine is utilizing initiatives like the Connecting Europe Facility Digital to enhance its digital network. The enlargement seeks to enhance Ukraine's competitiveness inside the EU Single Digital Market. The enlargement seeks to enhance Ukraine's competitiveness inside the EU Single Digital Market.

Economic Integration with the EU.

This advancement is supported by the extensive structure of the EU-Ukraine Association Agreement. It’s encompassing a Deep and Comprehensive Free Trade Area aimed at harmonizing Ukraine's commercial and regulatory standards with those of the EU [European Commission, 2024]. The implementation of such offers has permitted Ukraine to integrate into the EU Single Market, establishing a basis for enhanced collaboration across several sectors, including technological services and internet infrastructure. In 2023, the EU constituted Ukraine's primary trading partner, representing 56% of goods trade, with an aggregate trade volume of €61.9 billion [Представництво України в Європейському Союзі, 2021]. While Ukraine mostly exports agricultural items and agricultural products to the EU, digital commerce has emerged as a crucial sector. The Ukrainian government is focusing on inclusion into the EU Digital Single Market, seeking to align its digital communication sector with EU standards.

Literature Review.

Ukraine's integration into the EU digital single market we can find in Lola, Y. Y., Mykhailenko, D. H., Bolotna, O. V., & Diachek, V. V. [2024] The Ukrainian internet market is predominantly dominated by major corporations like Kyivstar and Ukrtelecom, which exceed their competitors in user base and earnings. Kyivstar provides mobile services to over 14.5 million clients, who also utilize fixed internet connections in buildings [2024]. Research on Ukrtelecom's activities - in the works of Yalivets. Ukrtelecom derives substantial income from fixed internet services, reporting revenues of UAH 5.3 billion in 2024 [Ялівець, 2025]. In addition, Vodafone similarly caters to around 15.4 million customers [2023]. The future for Ukrainian enterprises in the EU Internet supply market is promising, but several obstacles persist.

Also important is the study of the activities of Internet service providers at the global level - in particular, the study by Caoui, E. H., & Steck, A. [2025]. The authors emphasize the key role of Internet service providers as basic participants in the global Internet services market, which provide bandwidth, invest in network infrastructure and support the sustainability and development of the global Internet. The study of the Internet in general is devoted to the works of Tarnoff, B. [2022] and Gan, W., Ye, Z., Wan, S., & Yu, P. S. [2023], which also speak about the importance of Internet service providers as service providers.

The integration procedure necessitates adherence to EU competition regulations, technical trade obstacles, and data protection standards. The Connecting Europe Facility Digital program equips Ukraine to establish a robust and secure digital network, encompassing gigabit connections and 5G technology [Прес-офіс Міністерства, 2022]. As a result of these initiatives, Ukrainian enterprises can enhance their technological capabilities and establish themselves as dependable competitors in the European market. In addition, Telecommunications Review Europe [2024] analyzes the influence of evolving consumer demands and emerging technology on corporate strategy. An emerging obstacle to marketplace entrance is the growing authority of regulators in supervising market access and competition.

Ukraine's integration into the EU's Single Digital Market is a strategic goal of strengthening the national economy. Lola et al. [2024] emphasize that potential benefits include enhanced market access, promotion of the IT sector, and expansion of e-commerce. Principal study domains encompass the evaluation of difficulties, specifically the alignment of legislation with EU standards, cybersecurity concerns, and infrastructure modernization.

Shashina et al. [2024] emphasize the role of digitalization in fostering innovation and Ukraine's connections with the EU, despite obstacles including risky investments and sluggish changes. Adhering to EU norms and implementing customized digital strategies could increase competitiveness. Conversely, Haidai [2024] performs a particular relative legal analysis, concentrating on the EU Digital Services Act and Ukrainian legislation. The author highlights the disorganized and fragmented character of the existing Ukrainian legislation in this specific domain. Nechytailo [2024] examined the substantial upheaval in the Ukrainian telecommunications business post-2022 because of the conflict, outlining the destruction of equipment. Although losses of $1.8 billion, the report highlights the industry's resiliency, demonstrated by a rise in the number of suppliers and revenue growth in 2023.

Methodology.

The research employs a mixed approach, integrating quantitative and qualitative analyses to investigate Ukraine's integration into the European internet market comprehensively. Each source will be evaluated utilizing the PRISMA framework to emphasize quality and pertinent articles. Data is gathered throughout time, providing an ongoing view of market performance. Descriptive statistics delineate the present market conditions, but trend analysis and forecasting methodologies uncover underlying trends and anticipated future alterations. Besides quantitative data, qualitative research seeks to provide intricate viewpoints from industry stakeholders. Surveys and comprehensive interviews are done with essential individuals from Ukrainian providers. The survey instrument seeks to gather data on operational challenges, strategic objectives, and entrance hurdles, offering a comprehensive examination of the experiences and views of specialists.

Data triangulation facilitates the integration of quantitative and qualitative outcomes, wherein patterns found from statistical analysis are validated by user narratives. This combination enhances the dependability of the results, validating that the trends identified in the financial information are substantiated by actual knowledge and opinion. The integrated methodology situates data trends within an overall market framework, providing actionable insights regarding the influence of regulation on Ukrainian suppliers in the EU market.

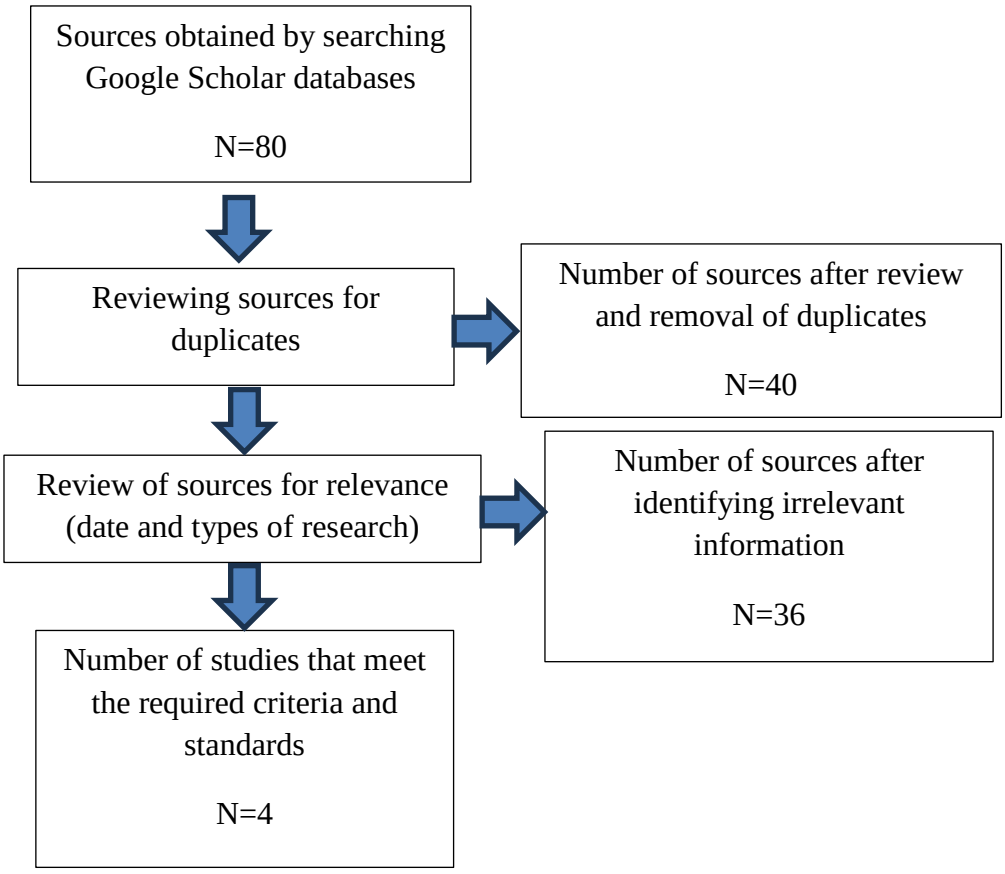
Data Analysis.

The preceding phase entailed the aggregation of methodological data from many sources. The quantitative component utilized economic data derived from financial

documents, market assessments, and government data for the year 2023 to 2025. A thorough selection process using the PRISMA tool was conducted to guarantee the importance and worth of the data, as illustrated in Figure 1. Commencing with an initial pool of 80 prospective sources, selection and exclusion criteria were implemented, focusing on relevance to the EU Internet Service Provider (ISP) market, accuracy of data, pertinence, and methodological rigor. Qualitative data were collected using structured surveys and comprehensive interviews with necessary parties, notably managers from Ukrainian and European ISPs and officials from regulatory bodies.

Quantitative analysis employs descriptive statistical techniques and trend analysis to extract insights from specific financial information collections. Regression evaluation and projection methodologies were used to model revenue expansion, market share, and investments over a designated timeframe. Comparable ratios of revenue were developed to evaluate the efficiency of Ukrainian ISPs in relation to their European equivalents. Thematic coding was employed for the subjective evaluation of interview recordings and answers to surveys.

Figure 1: Analyzing sources using the PRISMA tool

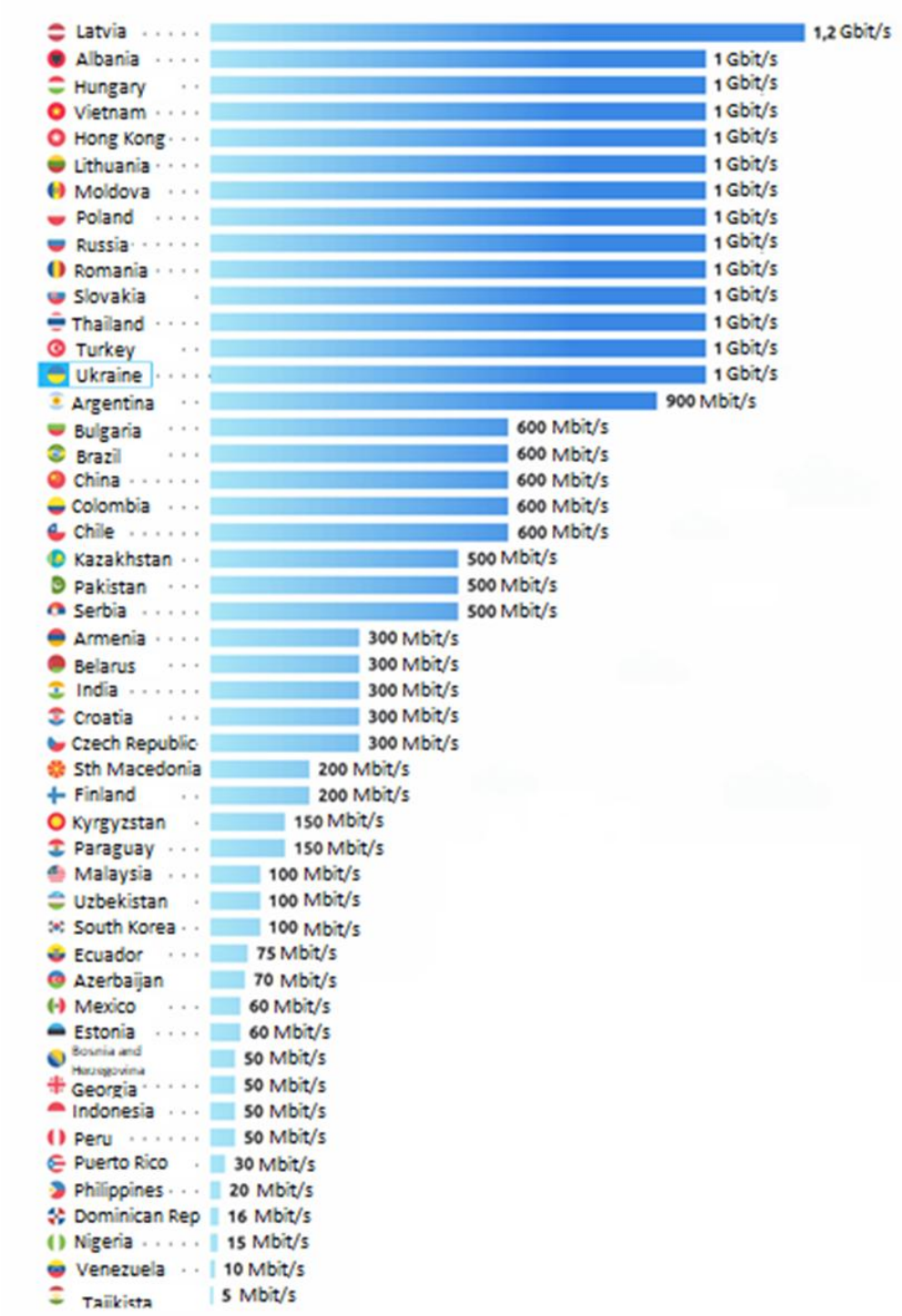


Results.

The development of Ukrainian Internet service providers in European countries has been influenced by technological advances, economic factors, and efforts to integrate with the European Union. The World Bank's (2020) recommendations for the National Broadband Development Strategy for Ukraine emphasize the country's ambitious broadband goals for 2025. The main objectives include achieving 95% 4G coverage and uninterrupted 5G operation along key transportation corridors [The World Bank, 2020]. The strategy emphasizes the need to bridge the gaps in access to fiber networks for nearly 18,000 cities, covering 12% of the population [The World Bank, 2020]. The analysis predicts significant economic benefits from these investments, including improved access to healthcare and an expected 2% GDP growth [The World Bank, 2020]. The growth is believed to be driven by increased mobile broadband usage.

One of the main advantages of Ukrainian ISPs compared to their European competitors is financial gain. A survey conducted by Picodi [2023] comparing Internet prices in Ukraine with those in other countries of the European Union and America shows a price advantage for Ukraine, which is illustrated in Figure 2. Ukrainian providers have some of the most competitive tariffs for high-speed Internet connections in Europe, with prices significantly lower than in neighboring countries. The incumbents attribute the price increases to inflation and the need to modernize infrastructure after military setbacks. Despite this change, fiber optic coverage in Ukraine has already reached 79.2% in 2024, indicating stability and readiness for further expansion [Воловий, 2024]. In the future, even if the implementation of innovations is hampered by war, the country has every chance to realize full coverage.

Figure 2. Comparison of prices for Internet services in the world



Source: Picodi, 2023.

Note: The statistics reflect the average market price of Internet services in the world in dollar terms. and provides information about how much internet you can get for $1

Also, when selling their own services in other countries, companies should keep in mind the need to implement legal peculiarities. The state emphasizes legislative efforts to

harmonize Ukraine's telecommunications rules with those of the EU [Національний Інститут Стратегічних Досліджень, 2024]. These initiatives include guaranteeing permanent electronic trust services and creating an environment conducive to digital innovation. These rules are essential for the integration of Ukrainian suppliers into the EU market, while promoting openness and inclusion in digital services. A comparative analysis of internet service capabilities between Ukraine and Europe by Maxnet [2024] highlights the flexibility of Ukrainian operators in the face of wartime difficulties.

In-depth interviews with five key stakeholders provided insights into the Ukrainian experience and prospects for integration into the European ISP market. The participants, which included CEOs of Ukrainian ISPs, executives of European ISPs, legislators, unbiased industry analysts and technical experts, offered a comprehensive view of the challenges and opportunities in the market. The interviews were aimed at gathering in-depth information on market entry strategies, expected obstacles and innovation processes, which are summarized in Table 1.

Table 1 The main facts obtained from the interview

Number	Role	Key Ideas	Barriers
1	Head of the regional office	It is necessary to implement flexible strategies that will distinguish the company from competitors	Regulatory uncertainty and limited funding |
2	Manager of an Internet provider	Focus on integrated service offerings	Low brand reputation due to cyberattacks
3	Data analyst	Use the market potential to further expand the customer base	Market volatility
4	Technical consultant	Implementation of rapid digital transformation trends	Difficulty in adapting new innovations
5	Regulatory officer	Need to harmonize Internet development policy	Complexity in the EU regulatory framework

The results of both the quantitative and qualitative assessments provide a detailed overview of Ukraine's strategic entry into the European Internet supply chain market. The qualitative findings from the comprehensive interviews with key stakeholders are consistent with observed economic trends and emphasize the importance of agility, creativity, and flexibility as key success factors. Participants stressed that Ukrainian suppliers have a competitive advantage due to their rapid technological adaptation and flexible business model. This mobility allows enterprises to navigate the complex regulatory framework and overcome infrastructure obstacles that can impede market entry. An key point emphasized during the discussion was the need to harmonize regulations across EU member states. Regulators and industry representatives stressed that, despite market instability, simplified regulation can facilitate the integration of Ukrainian suppliers into the European market. This assessment is supported by quantitative data showing steady revenue growth and market share gains among some Ukrainian businesses that have effectively adapted to local regulations. The correlation between innovative strategies and positive economic outcomes underscores the ability of Ukrainian firms to expand their operations within the EU effectively.

The conventional competitive benchmarking between Ukrainian and established European companies is evolving, resulting in increased profitability for indigenous

businesses. Ukrainian suppliers are progressively leveraging strategic relationships and market niches rather than solely competing for scale and market prominence. This is evident in instances where international collaboration has enhanced service delivery and network efficiency, hence bolstering their competitiveness. Stakeholders have noted that these coalitions mitigate risks linked to market instability and promote knowledge exchange and technology transfer.

Conclusions.

The participation of Ukrainian suppliers in the European Union market is a crucial step in Ukraine's economic and technological advancement towards Europe. This approach has been shaped by various variables, including competitive prices, expanded internet infrastructure, and compliance with EU rules. Recent reports and studies highlight Ukraine's success in improving fiber optic infrastructure, implementing 5G technology, and strengthening digital resilience despite the challenges posed by the war. These steps have improved domestic connectivity and strengthened Ukrainian carriers as serious competitors in the EU market.

Nevertheless, these accomplishments, obstacles persist. The reconstruction of war-damaged facilities inflationary inflation, and the necessity for complete adherence to EU telecommunications standards necessitate constant expenditure and changes in policy. Ukraine's proactive approach, demonstrated by its National Broadband Strategy and legislation alignment efforts, reflects its preparedness to tackle these difficulties. The benefits of Ukrainian ISPs include their cost efficiency and creative approaches such as subterranean cable installation and GPON technologies. These characteristics, along with access to EU initiatives like the Connecting Europe Instrument, present substantial opportunities for growth.

References:

1. Caoui, E. H., & Steck, A. (2025). Content Providers and the Deployment of Internet Infrastructure. *Information Economics and Policy*, 101134. https://doi.org/10.1016/j.infoecopol.2025.101134

2. European Commission. (2024). *EU trade relations with Ukraine*. https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/ukraine_en

3. Gan, W., Ye, Z., Wan, S., & Yu, P. S. (2023, April). Web 3.0: The future of internet. In *Companion Proceedings of the ACM Web Conference 2023* (pp. 1266-1275).

4. Haidai, K. O. (2025). The digital services act of the European Union and legislation of Ukraine in the field of digital services comparative-legal aspec. *National Academy of Law Sciences of Ukraine*, 1–9. http://cpdcipr.kpi.ua/article/view/302583/294585

5. Київстар. (2024). *Київстар у 1 кв 2024 року збільшив на понад 37% інвестиції в економіку України [Kyivstar increased investments in the Ukrainian economy by more than 37% in Q1 2024]*. https://kyivstar.ua/news/id160520241100

6. Maxnet. (2024). *Internet in Ukraine and Europe: Comparison of service features*. https://maxnet.ua/en/blog/internet-v-ukrayini-ta-yevropi-porivnyannya-osoblivostej-servisu/

7. Lola, Y. Y., Mykhailenko, D. H., Bolotna, O. V., & Diachek, V. V. (2024). Ukraine's integration into the EU digital single market. *The Problems of Economy*, *4*(62), 64–70. https://doi.org/10.32983/2222-0712-2024-4-64-70

8. Національний Інститут Стратегічних Досліджень. (2025). *Цифрова трансформація економіки україни у воєнний час [Digital transformation of the Ukrainian economy in wartime]*. НІСД. https://www.niss.gov.ua/news/komentari-ekspertiv/tsyfrova-transformatsiya-ekonomiky-ukrayiny-u-voyennyy-chas-sichen-2025

9. Нечитайло, Б. (2024). Перспективи розвитку телекомунакаційної галузі в Україні після війни [Prospects for the development of the telecommunications industry in Ukraine after the war]. In *Integration of Science and Practice as a Mechanism of Effective Development* (pp. 141–144).

10. Picodi. (2023, November 15). *Порівняння цін на інтернет у світі в 2023 році [Comparison of Internet prices in the world in 2023]*. Picodi. https://www.picodi.com/ua/mozhna-deshevshe/internet-prices-2023

11. Представництво України при Європейському Союзі. (2021, April 15). *Показники торговельно-економічного співробітництва Україна-ЄС [Indicators of trade and economic cooperation between Ukraine and the EU]*. https://ukraine-

eu.mfa.gov.ua/posolstvo/torgovelno-ekonomichne-spivrobitnictvo-ukrayina-yes/pokazniki-torgovelno-ekonomichnogo-spivrobitnictva-ukrayina-yes

12. Прес-офіс Міністерства. (2022). *Мінцифра наближає приєднання України до цифрової програми ЄС — Connecting Europe Facility [The Ministry of Digital Transformation brings Ukraine's accession to the EU's digital program closer - Connecting Europe Facility]*. Міністерство Цифрової Трансформації України. https://thedigital.gov.ua/news/mintsifra-nablizhae-priednannya-ukraini-do-tsifrovoi-programi-es-connecting-europe-facility

13, Shashyna, M., Pavliuk, T., Polusmiak, Y., Piddubnyy, Y., & Matvieieva, N. (2024). European integration and globalisation of Ukraine's digital economy: Strategic directions and prospects. *Salud, Ciencia Y Tecnología – Serie de Conferencias*, *3*. https://doi.org/10.56294/sctconf2024.656

14. Tarnoff, B. (2022). *Internet for the people: The fight for our digital future*. Verso Books.

15. Telecom Review Europe. (2024, April 22). *Telecom's 5G evolution in Europe: Regulatory and data privacy challenges*. Telecom Review Europe. https://www.telecomrevieweurope.com/articles/reports-and-coverage/telecoms-5g-evolution-in-europe-regulatory-and-data-privacy-challenges/

16. The World Bank. (2020). *A national broadband development strategy and implementation plan* (pp. 1–126). https://documents1.worldbank.org/curated/en/896591621848142525/pdf/A-National-Broadband-Development-Strategy-and-Implementation-Plan-Recommendations-to-the-Ministry-of-Digital-Transformation-Government-of-Ukraine.pdf

17. Vodafone. (2023). *Vodafone у 1 кварталі 2023 року втричі збільшив інвестиції [Vodafone triples investments in Q1 2023]*. https://www.vodafone.ua/news/vodafone-u-1-kvartali-2023-roku-vtrichi-zbilshiv-investici

18. Воловий, І. (2024, April 9). *Як війна вплинула на активність українців у мереж [How the war affected Ukrainians' online activity [How the war affected Ukrainians' online activity]*. Економічна Правда. https://epravda.com.ua/columns/2024/04/09/712144/

19. Ялівець, Г. (2025, February 27). *Дохід "Укртелекому" Ахметова торік зріс на 5% [Akhmetov's Ukrtelecom's revenue grew by 5% last year]*. БізнесЦензор. https://biz.censor.net/news/3538291/ukrtelekom-za-mynulyyi-rik-zbilshyv-dohid-na-4-6