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PRACTICAL APPLICATION OF MARKETING TOOLS SWOT ANALYSIS AND PEST ANALYSIS IN THE DEVELOPMENT OF ECONOMIC DIPLOMACY STRATEGY

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Abstract. ***The use of tools associated with marketing and business fields in the theoretical development of concepts in diplomatic studies is not a new phenomenon. SWOT and PEST frameworks have been used to analyze the effectiveness of policies, existing strategic dominants of different branches of diplomacy, etc. However, the aspect of adding these tools to diplomats' everyday arsenal, and their probable effectiveness in the age of globalization and merging of different fields of studies, is not being explored to the fullest. This article explores the possibilities and advantages of using SWOT and PEST frameworks of business analysis for strategic planning of economic diplomacy. In this article, the concepts of strategical planning of economic diplomacy, SWOT and PEST frameworks, and their modifications in relation to diplomatic strategy, are defined. The article addresses theoretical challenges, specifically the limitations of the aforementioned frameworks which are associated with particularities of information gathering in the field of diplomacy. Overall, the findings in this article conclude, that the incorporation of SWOT and PEST marketing frameworks in the formulation of economic diplomacy strategy, specifically in conditions of limited resources and reforms in governance, which necessitates prioritization and meticulous planning, such as in the case of Ukrainian economic diplomacy strategy. Therefore, the Ukrainian system of planning and strategy in the field of economic diplomacy was used as an example of the application of the marketing frameworks in this area. The theoretical conclusions of this analysis may serve as a foundation for the conceptualization of theoretical frameworks and guidelines and for the strategic reconsideration of incorporating SWOT analysis and PEST analysis into the development of economic diplomacy strategy in Ukraine.***

Keywords: *economic diplomacy, strategy, SWOT, PEST, planning.*

Economic diplomacy uses economic tools and skills to promote a country's strategic positioning and achieve its` foreign policy objectives and is performed in compliance with the country's national security framework. V. A. Vergun (Вергун, 2008) describes economic diplomacy as a multilateral activity that develops in modern conditions on a bilateral and multilateral basis and functions at the mega-, macro-, meso-, and macro-levels, respectively, reflecting the material interests of international economic and monetary and financial organizations, regions, states, sectors of the national economy, transnational corporations, business associations, and enterprises. Due to the nature of economic diplomacy, its` subjects and objects, it reacts to changes in international eco-

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nomic relations. Therefore, diplomats who work in the field of economic diplomacy can use economic and marketing tools to achieve better efficiency in predicting economic developments and strategic planning.

SWOT analysis is a decision-making widely used tool for strategic planning (Pahl and Richter, 2007). This analysis requires individuals or teams to assess an entity's internal strengths (S) and weaknesses (W) relative to its external opportunities (O) and threats (T), and, in turn, formulate a strategy to guide it into the future. It provides a snapshot of the current situation within, in perspective to external circumstances. SWOT analysis does not provide insight on external factors in their full scope, especially the ones that cannot be controlled. For those factors, PEST analysis framework is used (Sabri, Gani, Shuib and Yadegaridehkordi, 2018: 35). It is a comprehensive framework that examines six key areas: political (P), economic (E), social (S) and technological (T). By conducting a PEST analysis, entities can better understand their current and potential areas of influence, identify potential risks and opportunities, undertake strategic planning, and make more informed decisions.

To conduct SWOT and PEST analysis, three following prerequisites must be defined: the subject of analysis; existing goals of the subject; circumstances, in which that subject exists. The subject in this particular case is Ukrainian economic diplomacy, more specifically, its` actors. In Ukraine, the goals of economic diplomacy are achieved through the activities of the following state authorities (Закон України № 2411-VI, 2010):

1) The President of Ukraine and his administration;
2) The Verkhovna Rada of Ukraine (the leading role in the field of economic diplomacy in the Verkhovna Rada belongs to the Committee on Foreign Affairs. The Committee paid great attention to the preparation of the draft Law of Ukraine "On the Diplomatic Service", which was adopted on 07.06.2018);
3) The Cabinet of Ministers of Ukraine, represented by the Ministry of Foreign Affairs and the Ministry of Economic Development and Trade (the Council of Exporters and Investors operates under the Ministry of Foreign Affairs of Ukraine. The main tasks of the Council are to promote the participation of Ukrainian enterprises in tenders and competitions, the implementation of infrastructure and investment projects abroad, participation in exhibitions and forums, which contributes to the development of international production cooperation of domestic enterprises, an increase in Ukrainian exports, and the promotion of commercial interests of domestic companies in global markets;
4) economic departments within foreign diplomatic institutions, which monitor key trends in global financial, economic, energy, agricultural, and currency markets, measures taken by other governments regarding the import of goods into their markets, including those originating in Ukraine, international experience in regulating various areas of economic activity, cooperation between the public and private sectors in key industries, and the response of other governments to global challenges facing the world's economic, financial, and trade systems.

There are also non-governmental actors, such as large businesses, global corporations (which were founded in Ukraine), private funds and individuals, that can be considered, depending on their impact in different situations.

Ukrainian law defines general goals of economic diplomacy of Ukraine. Article 11 of the Law of Ukraine 'On the Principles of Domestic and Foreign Policy' of 1 July 2010 № 2411-VI (ver. 02.05.2025) sets out the provisions for defining political and economic goals of economic diplomacy:

- ensuring Ukraine's national interests and security by maintaining peaceful and mutually beneficial cooperation with members of the international community in accordance with generally recognized principles and norms of international law;
- ensuring, through diplomatic and other means and methods provided for by international law, the protection of Ukraine's sovereignty, territorial integrity, and inviolability of its state borders, as well as its political, economic, energy, and other interests;
- using international potential to establish and develop Ukraine as a sovereign, independent, democratic, social, and legal state, and to ensure its sustainable economic development;
- creating favorable foreign policy conditions for the development of the Ukrainian nation, its economic potential, historical consciousness, national dignity of Ukrainians, as well as the ethnic, cultural, linguistic, and religious identity of citizens of Ukraine of all nationalities;
- affirming Ukraine's leading role in the system of international relations, strengthening the international authority of the state;
- promoting international peace and security in the world, participating in a comprehensive political dialogue to enhance mutual trust between states, overcoming traditional and new threats to security;
- deepening cooperation with the North Atlantic Treaty Organization with a view to acquiring membership in this organization;
- supporting the strengthening of the role of international law in international relations, ensuring compliance with and implementation of existing principles and norms of international law, and developing new ones;
- preventing conflicts in regions bordering Ukraine and resolving existing conflicts;
- ensuring the protection of the rights and interests of Ukrainian citizens and legal entities abroad;
- creating favorable conditions for meeting the national, cultural, and linguistic needs of Ukrainians living outside Ukraine and maintaining stable relations with them;
- ensuring Ukraine's integration into the European political, economic, and legal space with the aim of acquiring membership in the European Union;
- supporting the development of trade, economic, scientific, technical, and investment cooperation between Ukraine and foreign countries on the basis of mutual benefit;
- ensuring the integration of Ukraine's economy into the global economic system with the aim of achieving full economic development and improving the well-being of the people;
- expanding international cooperation with the aim of attracting foreign investment, the latest technologies, and management experience to the national

economy in the interests of its reform, modernization, and innovative development;

- supporting Ukraine's integration into the global information space.

Thus, the main directions of domestic economic diplomacy are to support the development of trade, economic and investment cooperation between Ukraine and foreign countries on the basis of mutual benefit; to expand international cooperation to attract foreign investment into the national economy.

At the current moment, the strategic priorities of Ukrainian economic diplomacy are aimed at ensuring the stable functioning of the economy in conditions of military conflict, minimizing losses from external aggression, and supporting national economic security. An important task of economic diplomacy today is not only to ensure current economic processes, but also to create a reliable foundation for post-war reconstruction, attract foreign investment, and preserve and expand foreign economic relations for effective international economic activity (Офіційне інтернет-представництво Президента України, 2024). Financial aid is an important aspect of current strategic priorities, which expresses in form of different aid plans– Ukraine Facility Plan 2024–2027 being one of them particularly in EU (Ukraine Facility Plan 2024-2027).

Another area of economic diplomacy is the deepening of integration processes with the European Union. It was the war that became a kind of catalyst, accelerating the integration process. Therefore, the granting of EU candidate status to Ukraine and the introduction of the Fast Track regime, which allows for much faster completion of all stages and procedures for EU accession, clearly demonstrate the desire of European partners to see the country in a single European space.

The goals of Ukraine's economic diplomacy include diplomatic efforts to strengthen sanctions against Russia. Ukrainian diplomacy is actively working to engage the international community in increasing sanctions pressure on the aggressor country. This includes campaigns at the level of the European Union, the United States, the United Kingdom and other partners. The result is sanctions that limit Russia's access to financial markets, high technology and energy resources, which directly affects the state of the economy and its ability to finance military operations (Dipmission, 2018).

Evidently, current domestic circumstances affect economic diplomacy in larger capacity, than the goals defined by the law. During the war, national diplomacy became more active and proactive, the intensity and level of international relations increased, and new instruments of public diplomacy were introduced. Innovative instruments of economic diplomacy were introduced, one of them being the Nazovni platform (Міжнародна платформа економічної дипломатії Nazovni). The Nazovni International Economic Diplomacy Platform is a digital service created with the institutional and informational support of the Ministry of Foreign Affairs of Ukraine, which helps Ukrainian businesses enter new markets with the support of representatives of Ukraine's diplomatic missions in more than 120 countries. High-level contacts with the leadership of leading countries and authoritative international organizations became regular. In turn, Kyiv is trying to expand and strengthen Ukraine's political and diplomatic presence in various regions of the world.

At the same time, the effectiveness of foreign policy is limited by a complex of internal problems, in particular a chronic shortage of qualified personnel for the For-

eign Ministry system. The problem with personnel stems from many reasons, like under established variety of professions under educational umbrella of international relations specialty or inability of Ukrainian government to provide competitive work benefits and wages that exist in the private sphere, but the biggest reason is chronic underfunding. Limited budget for economic diplomacy not only prevents qualified specialists from entering the field but also makes it difficult for employees to seek external assistance from non-state actors (Kravchuk, Lutsyshyn, 2021).

Another chronic issue within the system of the Ministry of Foreign Affairs is the ineffective way in which the responsibilities between departments are allocated. Before the large-scale reform of the ministry in 2025, the obligations of the economic department and the departments adjacent to it (ones, that work with international organizations, unions and public diplomacy) could be muffled, merged together, or even work in dissonance with each other. This situation is caused by the fact that the goals of diplomatic efforts change far more rapidly than the system can reestablish itself and adjust to new reality. The bureaucratic process of the governmental organizations makes it impossible to make swift changes parallel to the demands.

Even though the system is slow, it demands fast results due to the challenges and circumstances the country at war faces. That results in sometimes extreme time constrictions for projects and plans, which affects the outcomes of the activities conducted by the actors of economic diplomacy (Величко, 2024: 57-68).

External factors and circumstances that affect Ukrainian economic diplomacy can be analyzed using PEST (Table 1) framework. For this analysis, the external area will be limited to European Union (EU).

Table 1. PEST analysis

(P) political	(E) economic	(S) social	(T) technology
The inability of global and regional security institutions to respond adequately to the russia's aggression against Ukraine Rize of right and far-right political powers in the region Polarization of global powers and strained relations between European Union and United States Lack of determination and political will in foreign policy due to domestic instabilities and election periods	Militarization of economy Economic turbulence due to political instability and migration Restructure of logistics and resources such as oil and gas due to sanctions and trade bans Distrust of Ukrainian goods, especially in agricultural products	Societal "tiredness" from the war, growing skepticism towards immigrants Dispersion of attention towards other conflicts Fear of escalation Expectation of peacekeeping efforts from governmental officials and regional organizations	Innovations in military and defense technology Development of alternative energy production Increased investment in the defence sector and increased sector's budget

Political factors (Table 1) are defined by four aspects of geopolitical situation. The UN Security Council's work on Ukraine is blocked by the aggressor country. Russia, using its veto power, has turned the UN Security Council into a platform for unproductive discussions and a tribune for manipulation (Nichyporenko, 2024: 348-353). At the same time, humanitarian missions of the UN and the International Red Cross have no access to the occupied territories. Speaking about the effectiveness of the system of international institutions in general, it should be noted that in the context of escalating crises in different regions of the world, growing confrontation between the democratic world and authoritarian countries, the consensus mechanism in making important decisions has become ineffective. Thus, the veto devalues and paralyses the activities of international institutions, not only the UN Security Council and the OSCE. This also applies to the EU and NATO.

The rise of right and far-right political powers in Europe is undeniable – Italy, Finland, Slovakia, Hungary, Croatia and the Czech Republic have right-wing parties in government, recent elections in Poland ended with the win of Karol Nawrocki, who is backed by the right-wing Law and Justice party (PiS) and support from influential US Republicans. The rise of right parties can be associated with rise of populism, Euroscepticism and anti-Ukrainian policies. On the other hand, right political powers in Western Europe so far took a more active pro-Ukrainian stance.

The divide of policies and goals between EU and United States deepens with the presidency of Donald Trump and is manifested by public outrage during his visits to Europe, controversial statements and trade tariffs (European Commission, 2025: 61).

Outlining the external factors affecting Ukraine, the lack of determination and political will of some allied countries has to be noted. In particular, this concerns the provision of military assistance to Ukraine and its accession to NATO. This prolonged indecision of the allied countries has cost Ukraine casualties on the frontline and among the civilian population. Unfortunately, even today, the reluctance of partner states to get involved in a military conflict with Russia affects the pace and volume of military assistance to Ukraine.

This can be explained by a number of reasons – fear of getting involved in a conflict with an unpredictable aggressive nuclear empire, uncertainty about the foreign policy of the new US president, the remaining illusions about the possible 'pacification' of the aggressor country, socio-economic difficulties and fatigue from the long war, the intensification of right-wing populist forces in Europe, etc.

Economic factors (Table 1) can be interpreted as threats and as opportunities. Militarization of economy of different EU countries boosts production of heavy weaponry, which opens up opportunities for purchasing for Ukraine. Also, military spending boosts military aid. At the same time, the militarization can promote weapon hoarding and cut off deals regarding high demand machinery, like artillery or air-defense technology.

Political turbulence, war and Euroscepticism caused experts to be more pessimistic and conservative and forecast recession in Europe in 2024, but EU nearly avoided it (Lipovsky, 2024). Forecasts in 2025 are more optimistic, but still reserved, considering the geopolitical situation, previous risks and new ones, e.g. US tariffs. Pressures on the supply chain and logistics eased in 2025, and prices of oil and gas are also lower than expected (Coi, 2024).

The European Union is one of Ukraine's main trading partners in the agricultural sector. About 30% of Ukraine's agricultural products are exported to the EU, including grains, oil, honey, berries, poultry, eggs, and organic products. However, even with conditional 'trade liberalization' (Autonomous Trade Measures, ATM), access to the EU market is a challenge that includes quotas, certification, technical regulations and customs specifics. In addition to EU limitations, there are also political reasons to block Ukrainian goods. Autonomous trade measures do not provide for a clear mechanism that would limit the ability of individual EU member states to set their own terms of trade. For example, Hungary has not lifted restrictions on imports and transit of Ukrainian agricultural products even after the introduction of restrictive measures by the EU. At the same time, some countries remain dissatisfied with the established rules. In autumn of 2024, for example, Bulgaria called on the European Commission to completely stop imports of Ukrainian eggs to the EU. For 2025, EU and Ukraine negotiated a regulation from European Commission, that defines quotas and limits for Ukrainian agricultural products that are imported to EU. After that, they will be regulated by Article 29 of the Association Agreement (European Commission Regulations (EU) 2020/761 and (EU) 2020/1988).

When assessing external trends, experts also point to the negative factor of the complication of the social situation in Europe (Table 1), the growing 'fatigue' from the war in Ukraine, in combination with the activation of right-wing forces. These unfavorable trends are caused by a number of internal and external factors, including economic problems caused by the war in Ukraine, social stratification, complex internal political processes, and migration pressure, including the large-scale influx of refugees from Ukraine. The propaganda by populists and Russian propaganda also affect how European society views Ukraine (Kiess, 2023).

The escalation of conflict situations in various regions of the world is diverting the attention of European society. For the most part, the dispersion of attention is directed towards the ongoing war in the Middle East. Despite the fact that at the end of November 2024, Israel and Lebanon, with the assistance of the United States, signed an agreement on a permanent cessation of hostilities, the tense situation in the region remains. In particular, the problem with the supply and distribution of humanitarian aid in the Gaza Strip has become critical. At the same time, there are hardly any grounds to talk about the immediate prospects for reconciliation between Israel and Iran. This protracted war is diverting the attention and resources of the collective West, with powerful US and EU naval contingents deployed in the region. At the same time, the capture of Damascus by the armed opposition and the rapid fall of the Assad regime in Syria are destroying Russia's and Iran's geopolitical ambitions in the region.

In reaction to rapid increase in military spending, innovations and attention towards defense, society reacts with the fear of escalation of the Russia`s war on Ukraine to a global one. This legitimate fear drives population to pressure their representatives and politicians into peacekeeping policies. These actions drive populistic narratives in politics. A direct consequence is the initiation of pseudo-peacekeeping plans to end the war in Ukraine in the global discourse, which do not meet Kyiv's interests. Unfortunately, in recent years, there have been many peace initiatives, some of which looked like a smokescreen to get their own dividends from the war in Ukraine. Some high-profile

statements and proposals were mostly opportunistic and populist in nature. For example, in his speech on the occasion of the 79th anniversary of the end of the Second World War in Europe, Slovak President P. Pellegrini called for peace talks with Russia, 'to talk about a ceasefire, about peaceful scenarios'. He suggested Bratislava as a venue for such talks, as it 'has experience of such a summit' (Fornusek, 2024).

Military and defense technology innovations is probably one of the biggest opportunities for Ukrainian diplomacy in the context of technological factor of PEST framework (Table 1). Ukraine has been described as a testing ground for innovations and experimental technologies by officials. Private sector also expresses interest in defense innovations. Daniel Ek, the founder of Spotify, has invested €600 million in German defense startup Helsing. The company develops drones with artificial intelligence and is already supplying them to Ukraine. Prima Materia, an investment company founded by Daniel Ek and one of Spotify's first investors, Shakeel Khan, made its first significant investment in Helsing in 2021 (Bradshaw and Levingston, 2025). The investment company is increasing its investment in Helsing to €1.37 billion in 2025. Helsing also has orders from Germany, Sweden, and the UK. The company is currently worth €12 billion and is among the top 5 fastest growing companies in Europe. The startup is planning to go public, which will make its finances public and allow investors with different portfolios to buy shares.

Energy production in EU is diversified with a focus on renewable energy sources. In 2023, renewable energy accounted for the largest share of energy production in the EU, making up 46% of the total. Nuclear energy was the second largest source at 29%, followed by solid fuels at 17%, natural gas at 5%, and crude oil at 3%. However, ability to produce energy and import dependency differs from country to country (Domashenko M., Yu, S.V., Yu, T.M. and Domashenko V, 2021: 48-53).

In 2023, Malta relied exclusively on renewable energy for its energy production, meaning it did not produce any other type of energy. Additionally, renewable sources accounted for at least half of energy production in 15 other EU countries, with particularly high shares in Latvia (99.4%), Portugal (98.0%), and Cyprus (96.5%). Nuclear energy played a major role in France (72% of total national energy production), Slovakia (65%), and Belgium (59%). Solid fuels were the dominant energy source in Poland (67%), Estonia (59%), and Czechia (43%). Natural gas had the highest share in the Netherlands (41%), Romania (35%), and Ireland (31%), while Denmark had the largest share of crude oil at 30% (Eurostat, 2025).

Regarding energy imports by EU countries in 2023, the highest shares of oil and petroleum imports were observed in Cyprus (96%) and Malta (88%). Natural gas accounted for 36% of energy imports in both Hungary and Italy. Solid fossil fuels made up 15% of imports in Poland and Slovakia. Estonia (28%) and Luxembourg (16%) had the highest shares of electricity imports, while Denmark (9%) and Sweden (6%) recorded the largest shares of imported renewable energy. Overall, energy imports dependency rate in EU amounted for 53%. Most of those imports came from United States, Norway, Saudi Arabia, Kazakhstan, and the United Kingdom.

Information derived from PEST analysis can be extrapolated and interpreted in SWOT analysis, specifically in external factors of threats and opportunities. Factors are

described as an opportunity or a threat by the factor of probability of them turning better (P_1) or worse (P_2) multiplied by their importance for Ukrainian economic diplomacy (Weight (Bi), which is described as a number 1-5).

Table 2. Threats and opportunities analysis

№	Factors	Weight Bi	Opportunity		Threat	
			Probability (P_1)	P_1 * Bi	Probability (P_2)	P_2 * Bi
1	2	3	4	5	6	7
1	The work of UNSC and OSCE is blocked by russia`s veto power	2	0,3	0,6	0,7	**1,4**
2	The rise of right and far-right political powers in Europe	3	0,45	1,35	0,55	**1,65**
3	The lack of determination and political will of some European countries	3	0,35	1,05	0,65	**1,95**
4	Production of heavy weaponry is boosted	4	0,75	**3**	0,25	1
5	The weapons are being hoarded	2	0,45	0,9	0,55	**1,1**
6	Negotiations regarding quotas and limits for importing Ukrainian agricultural products to EU	2	0,8	**1,6**	0,2	0,4
7	European society's attitude towards Ukraine and refugees	3	0,55	**1,65**	0,45	1,35
8	Global destabilization and conflicts	2	0,35	0,7	0,65	**1,3**
9	Society pressures officials to perform peacekeeping efforts	2	0,3	0,6	0,7	**1,4**
10	Exponential innovations are produced in military and defense sector	4	0,85	**3,4**	0,15	0,6
11	Private sector drives innovation in the military field	3	0,8	**2,4**	0,2	0,6
12	Restructure of energy imports by EU	3	0,65	**1,95**	0,35	1,05
				14		**8,8**

The analysis of threats and opportunities shows that Ukrainian economic diplomacy experiences more factors of opportunity (14), than threats (8,8). However, that does not necessarily indicate a 100% chance of favorable outcome, and internal factors also must be analyzed in order to create a complete SWOT matrix. Internal factors (strengths and weaknesses) of Ukrainian economic diplomacy can be visualized by their influence (Weight (Bi), which is described as a number 1-10), and their importance (Factor (*i*), which is a number 0-1).

Table 3. Strengths and weaknesses analysis

№	Factors	Weight, Bi	Factor, i	Bi * i
1	2	3	4	5
	Strengths	-	-	-
1	National diplomacy is more active and proactive, the intensity and level of international relations increased	8	0,3	2,4
2	Ability to use new instruments of public diplomacy	8	0,3	2,4
3	Non-governmental actors become more impactful	6	0,1	0,6
4	Governmental reforms that make economic department within Ministry of Foreign Affairs more effective	6	0,2	1,2
5	Cooperation of Ukrainian businesses and funds with international ones	7	0,1	0,7
	Weaknesses	-	-	-
1	Chronic shortage of qualified personnel for the Foreign Ministry system	9	0,4	3,6
2	Chronic underfunding	7	0,3	2,1
3	Ineffective system of allocation of responsibilities between departments	7	0,2	1,4
4	Constricted time limits for projects	7	0,1	0,7

Combining Table 2 and Table 3 results in the SWOT matrix.

Table 4. SWOT matrix

S STRENGTHS	W WEAKNESSES
• National diplomacy is more active and proactive, the intensity and level of international relations increased (2,4) • Ability to use new instruments of public diplomacy (2,4) • Non-governmental actors become more impactful (0,6) • Governmental reforms that make economic department within Ministry of Foreign Affairs more effective (1,2) • Cooperation of Ukrainian businesses and funds with international ones (0,7)	• Chronic shortage of qualified personnel for the Foreign Ministry system (-3,6) • Chronic underfunding (-2,1) • Ineffective system of allocation of responsibilities between departments (-1,4) • Constricted time limits for projects (-0,7)
O OPPORTUNITIES	**T THREATS**
• Production of heavy weaponry is boosted (3) • Negotiations regarding quotas and limits for importing Ukrainian agricultural products to EU (1,6)	• The work of UNSC and OSCE is blocked by russia`s veto power (-1,4) • The rise of right and far-right political powers in Europe (-1,65)

• European society's attitude towards Ukraine and refugees (1,65) • Exponential innovations are produced in military and defense sector (3,4) • Private sector drives innovation in the military field (2,4) • Restructure of energy imports by EU (1,95)	• The lack of determination and political will of some European countries (-1,95) • The weapons are being hoarded (-1,1) • Global destabilization and conflicts (-1,3) • Society pressures officials to perform peacekeeping efforts (-1,4)

The initial SWOT matrix (Table 4) serves as a visualization tool. In order to realize all the strategies presented by the research, TOWS matrix will be utilized. TOWS matrix is a logical continuation of SWOT analysis, that identifies four strategic groups: Strengths – Opportunities (SO), Strengths – Threats (ST), Weaknesses – Opportunities (WO), and Weaknesses – Threats (WT), otherwise known as Maxi-Mini, Maxi-Mini, Mini-Maxi, and Mini-Mini, respectively (Ravanavar, 2012: 87-90).

SO situation: Maxi-Maxi strategy

The best possible scenario in this analysis: innovations in the military and defense technology are produced and are effective, other weaponry is produced and is open to be purchased or granted, Ukrainian economic diplomacy is proactive and works at a high level of international relations, cooperates with public diplomacy and uses its instruments.

Strategy in this scenario constitutes in mainly finding ways to diversify the ways economic diplomacy uses its strengths to maximize opportunities. For example, it can utilize non-governmental actors in form of paradiplomacy to influence European society's attitude towards Ukraine and Ukrainian refugees. In addition to that, this situation allows economic diplomacy to expand on its factors that have potential but are underdeveloped, like cooperation with business.

ST situation: Maxi-Mini strategy

This situation represents a powerful diplomatic force in a difficult external environment. The goal of a Maxi-Mini strategy is to maximize the strengths while reducing threatening environment through these strengths. The most threatening aspects in this analysis would be the lack of determination and political will of some European countries to support Ukraine in its pursuit of fighting and the rise of far-right political powers in Europe.

Effective and consistent national diplomatic force and reforms, that are tailored to tackle these existing problems are the biggest part of the strategy of going through the challenging environment of skepticism of populistic political powers towards Ukraine. Wide-spread tactics, involving the instruments of public diplomacy, that are targeted towards general population, are shown to be effective for swaying public opinion towards being more favorable to Ukraine in general, which in turn helps to sway the political powers, too.

WO situation: Mini-Maxi strategy

The Mini-Maxi strategy presents a complete opposite of the ST situation, with the opportunities used to their maximum capacity to minimize the weaknesses. In this cir-

cumstance, the vulnerabilities (weaknesses) are more prominent, meanwhile environment gives many options to fix them. The plan should include taking advantage of these possibilities while minimizing or addressing institutional shortcomings.

For example, a situation in which European defense sector and private investors are interested in military innovations, testing new technology in Ukraine, and are proactive in their approach, it negates the necessity of more diplomatic staff. That staff can be allocated to different causes and goals, increasing the effectiveness of the whole department. External factors cannot directly fix the internal problems and vulnerabilities; however, they can provide a more favorable environment to foster an effective force of economic diplomacy in the system of the Ministry of Foreign Affairs.

WT situation: Mini-Mini strategy

Mini-Mini strategy is the most pessimistic scenario imaginable within the limitations of TOWS matrix. In the business sphere, this scenario results in a collapse of the firm or its merging with another in order to stay afloat without much prospect of growth. In the case of economic diplomacy, it exists in a hostile external environment, and its internal vulnerabilities are amplified and limit its ability to function effectively and adequately.

This strategy requires minimization of both weaknesses and threats. In the most extreme situation, the Ministry of Foreign Affairs will have to stop prioritizing economic diplomacy as a separate part of the diplomatic force in general and demote it to being a part of other departments, as it was before the department f economic diplomacy was established. This will reinforce other departments at a cost of pursuing the strategy of economic diplomacy and help them through the period of unfavorable environment.

The limitations of this matrix allow for only those four distinct scenarios to exist. It has to be stated that the factors described in the model all exist simultaneously, and the aforementioned tactics are mostly used to prepare for extreme situations. Other usage of this tool positions it as a visualization technique, that allows a change of perspective and finding new ways to use internal factors to influence the external environment and find new combinations for tackling existing tasks. To fully utilize the possibilities of SWOT analysis, the second matrix should be produced, that directly compares the comparative weight of the internal and external factors (columns 5 and 7 of Table 2, column 5 of Table 3), but in order to create it, more precise calculations have to be used, and the internal factors of strengths and weaknesses have to be graded not within themselves, but comparative to their alternatives. If for business, those alternatives would be the competitors, than for economic diplomacy it would be alternative ways of conducting the goals of economic diplomacy, stated in the Law, using different governmental and non-governmental instruments. Later research should expand on the ideas presented.

Conclusions.

The conducted research demonstrates that the application of SWOT and PEST frameworks, traditionally associated with business and marketing analysis, provides valuable insights for the formulation of strategies in the field of economic diplomacy. Their adaptation to diplomatic practice enables a structured assessment of internal and external factors, identification of strategic priorities, and the elaboration of alternative

scenarios under conditions of uncertainty. The analysis confirms that the adaptation of SWOT and PEST frameworks to the field of economic diplomacy is not only theoretically sound but also practically valuable for strategic planning in conditions of uncertainty and resource limitations. For Ukraine, these tools provide a structured approach to prioritizing objectives, aligning diplomatic initiatives with available capacities, and mitigating risks posed by both internal vulnerabilities and external threats.

The SWOT and PESTLE analyses reveal that while Ukraine's economic diplomacy operates in an unfavorable geopolitical environment characterized by external aggression, instability of international institutions, and growing populist tendencies in Europe, it also benefits from unprecedented opportunities—technological innovations, increased international attention, and integration processes with the European Union. Nevertheless, internal challenges, such as chronic underfunding and lack of qualified personnel, continue to limit the potential of Ukraine's economic diplomacy, demanding systematic reforms and more effective coordination between state and non-state actors.

From a policy perspective, several conclusions can be drawn. First, Ukrainian economic diplomacy must continue to institutionalize the practice of strategic analysis, ensuring that decision-making processes are based on systematic assessments rather than ad hoc responses. This requires embedding SWOT and PEST frameworks into the regular work of the Ministry of Foreign Affairs. Second, internal weaknesses—particularly chronic underfunding, insufficient staffing, and bureaucratic inefficiencies—should be addressed through targeted reforms, with priority given to human resource development and improved coordination between departments and with non-governmental actors. Third, opportunities identified through PEST analysis, such as integration with the European Union, increased demand for military innovations, and the proactive role of private and non-state actors, must be leveraged through proactive engagement and institutional partnerships.

Finally, in the context of ongoing external aggression, the value of strategic foresight becomes paramount. By systematically applying SWOT and PEST analyses, Ukraine can better anticipate shifts in the international environment, adapt its strategies to rapidly changing circumstances, and safeguard its national interests. The combination of both analytical frameworks not only visualizes the current state of Ukrainian economic diplomacy but also provides methodological tools for anticipating and adapting to rapid changes in the external environment. This underlines the necessity of strategic planning that incorporates flexibility, prioritization, and proactive engagement of diverse actors. The practical use of such frameworks can therefore contribute to strengthening the institutional capacity of Ukrainian diplomacy, enhancing its resilience, and ensuring the effective pursuit of national interests under complex conditions of global uncertainty.

Future research should further refine the methodology by incorporating quantitative assessments and comparative approaches, in order to adapt business-derived tools more comprehensively to the particularities of diplomatic practice.

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