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ANALYSIS OF PROBLEMS AND CHALLENGES IN THE USE OF NATURAL HEALING ASSETS FOR UKRAINE

Sryberko Andrii¹

1. PhD in Earth Sciences, Research Fellow,
State Organization "Institute of market and economic & ecological researches
National Academy of Sciences of Ukraine", UKRAINE

ORCID ID: 0000-0001-7683-9628

The study addresses a topic of high relevance for Ukraine, focusing on one of its most undervalued strategic resources: Natural Healing Assets (NHA). The relevance of this work stems from the strategic importance of reforming the regulatory framework in Ukraine. This reform is important for the effective exploitation of unique NHA, which is vital for the large-scale rehabilitation and health restoration of the nation during the post-war recovery.

The permitting and licensing systems governing activities related to NHA utilization are fundamental in ensuring sustainable nature management, environmental protection, and the quality assurance of services. The efficiency of these regulatory mechanisms directly influences the industry's investment appeal, business transparency, and, consequently, financial revenues for state, regional, and local budgets.

The Ukrainian permitting system for NHA utilization is significantly fragmented. Regulation of each stage of activity – from resource extraction to service provision – is dispersed among various state bodies, including the State Service of Geology and Mineral Resources of Ukraine (SSGSU), the Ministry of Health of Ukraine, and the State Service of Ukraine on Medicines and Drugs Control (SMDC), among others. This multiplicity of authorities imposes a substantial administrative burden and elevates risks for investors. Moreover, permit procedures are frequently unsynchronized. For instance, exploiting a deposit for a sanatorium requires obtaining a special subsoil use permit from SSGSU [1], which is contingent upon receiving a medical conclusion from the Ministry of Health of Ukraine. Concurrently, the sanatorium's operation demands a medical license (issued by the Ministry of Health of Ukraine [2, 3]), the prerequisite for which is the Ministry of Health of Ukraine determination of the facility's medical profile [1]. This complex

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inter-agency arrangement results in significant regulatory hurdles, slowing the development of integrated projects. Consequently, this legislative dispersion diminishes the industry's investment appeal and overall competitiveness.

Despite the evident strategic value of NHA and the existence of a regulatory framework, the industry encounters a number of systemic challenges which considerably impede the economic benefits for the state and the efficiency of resource utilization.

One of the major challenges is the illegal extraction and over-extraction of NHA resources. Analysis of current practices shows systematic cases where mineral water extraction exceeds the licensed volumes. These violations are frequently accompanied by the concealment of actual extraction volumes, notably through the tampering of meter readings. Such actions constitute a direct violation of legislation and may entail criminal liability, specifically for the illegal extraction of minerals of national importance (Part 3 of Article 240 of the Criminal Code of Ukraine) [4].

These illegal schemes result in substantial financial losses for the state budget. Criminal proceedings demonstrate that the damage from the illicit use of groundwater resources can amount to over 450 million UAH in specific regions, such as Poltava Oblast [5]. This suggests that the current system for limiting and monitoring extraction is insufficiently effective, permitting unscrupulous entities to generate substantial profits while evading full fiscal payment. Consequently, the state forfeits not only direct fiscal revenues (such as rent payments) but also strategic control over the rational utilization of a valuable NHA.

Furthermore, the NHA utilization sector is marked by significant monopolization and competitive disputes. Litigation, exemplified by instances of well-blocking at resorts (e.g., in Svalyavshchyna [6]), fosters an unfair competitive environment. Restricting access to therapeutic waters can paralyze the operation of entire health resorts, effectively hindering the provision of core medical services [6]. The apparent regulatory asymmetry, where some producers can rapidly resolve judicial arrests while others face prolonged blocking, indicates unequal market conditions. This suggests the potential exploitation of administrative influence for the purpose of ousting competitors, which contradicts the principles of a free market economy. Such market dysfunction poses a substantial regulatory risk to potential investors.

A key observation is the regulatory divergence in Ukraine between requirements for medical activities and those classified as wellness. The provision of therapeutic services, such as mud therapy, in a medical facility is strictly licensed, whereas similar procedures in SPA centers may be offered without medical licensing [7]. This discrepancy facilitates "regulatory arbitrage" [8], whereby

institutions may position medical procedures as "wellness" or "recreation" to circumvent the complex, costly, and lengthy medical licensing process. The inadequate oversight of such facilities presents significant consumer health risks, as procedures may be administered without a physician's prescription or consideration of contraindications, which is particularly critical for treatments like mud therapy [9]. This practice not only jeopardizes consumer welfare but also discredits the medical component of NHA utilization, thereby diminishing the overall quality and safety standards in the sector.

Furthermore, the implementation of the new Technical Regulation on cosmetic products represents a significant milestone in Ukraine's European integration [10]. This is poised to eliminate trade barriers and facilitate access to the EU market for Ukrainian producers [11]. However, this transition presents considerable challenges, as it mandates substantial investment in production modernization to meet Good Manufacturing Practice (GMP) requirements, the development of comprehensive Product Information Files (PIF), and the completion of the necessary notification procedures. Amidst martial law, with disrupted supply chains and limited financial resources, these requirements may prove prohibitive for small and medium-sized enterprises (SMEs). Consequently, the lack of state support and transitional assistance increases the risk of domestic manufacturers being displaced from the market, potentially leading to greater dependence on imports [12].

Currently, Ukraine lacks stable and effective mechanisms for integrating sanatorium and resort treatment into either the national health insurance system or state financing [13], unlike models implemented in countries such as Germany. Consequently, services offered by health resorts and rehabilitation centers are primarily available only via private payment, thereby restricting the consumer base. This results in the state losing the opportunity to utilize NHA potential as a tool for mass disease prevention and comprehensive population rehabilitation, particularly for veterans, a vital need during post-war reconstruction. This dependence on private consumers restricts industry development, limits its medical potential, and prevents the NHA from being leveraged as a strategic instrument of national health policy.

Thus, the effective utilization of Ukraine's unique Natural Healing Assets (NHA) is significantly hampered by a convergence of systemic factors: legislative fragmentation, insufficient regulatory oversight leading to illicit practices and market monopolization, and the absence of mechanisms for integrating NHA-based treatment into the national healthcare and insurance systems. Addressing these multi-layered challenges is essential to unlock the full strategic, economic, and medical potential of NHA for comprehensive national recovery of the nation and large-scale rehabilitation in the post-war period.

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