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## THE IMPACT OF SMUGGLING ON CUSTOMS SECURITY IN UKRAINE

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**Abstract.** *Customs security is a key component of Ukraine's economic and national security, ensuring the protection of state interests, control over the movement of goods, collection of revenues and prevention of illegal schemes. Smuggling poses a serious threat, undermining the effectiveness of the customs service, reducing budget revenues, creating unequal conditions for legal businesses and contributing to the development of the shadow economy. It is often linked to organised crime and in some cases can finance terrorist activities. The nature, classification and consequences of smuggling are analysed, as well as the mechanisms for its detection and prevention in Ukraine's customs security system. Smuggling is classified by object, method, purpose and scale. Each type has a negative impact on the economy, social stability and institutional integrity. A legal analysis of Ukrainian legislation, a statistical review of customs control data and a systematisation of operational practices are analysed. Trends for 2021–2024 show fluctuations in the number and financial impact of customs offences. Effective counteraction requires a comprehensive approach that combines legislative regulation, modern technologies, interagency coordination, professional training, and international cooperation. Results indicate that smuggling weakens border and customs control, increases crime, and can support criminal and terrorist groups. Technologies such as cargo scanners, tracking systems, electronic declaration, and automated risk assessment improve detection efficiency. International cooperation and anti-corruption measures further strengthen customs integrity. In conclusion, combating smuggling is a multidimensional process demanding coordinated state efforts, modern technologies, and global best practices. Ensuring customs security is essential for protecting Ukraine's economy, public safety, and national security.*

**Keywords:** *customs security, smuggling, customs violations, anti-smuggling, international cooperation.*

Customs security is a strategic pillar of Ukraine's economic and national security system, as it ensures the protection of state interests, regulates cross-border trade flows, guarantees the collection of customs revenues, and prevents illicit economic activities. In this context, smuggling constitutes one of the most serious and systemic threats to the effective functioning of customs authorities. It weakens institutional capacity, reduces fiscal revenues, distorts fair market competition, and stimulates the expansion of the shadow

economy. By creating unequal conditions for lawful businesses, smuggling undermines investment attractiveness and negatively affects macroeconomic stability. Furthermore, smuggling operations are frequently connected with organised criminal networks and, in certain cases, may contribute to the financing of extremist or terrorist activities, thereby posing risks not only to economic but also to national security.

The research explores the conceptual foundations, classification, and socio-economic consequences of smuggling, as well as the mechanisms applied for its detection and prevention within Ukraine's customs security framework. Smuggling is classified according to its object (goods, excisable products, weapons, currency), methods (concealment, false declaration, document forgery), purpose (profit maximisation, tax evasion, illegal supply chains), and scale (individual, organised, transnational). Each of these forms generates significant economic losses, disrupts social stability, and erodes institutional integrity. The study includes a legal analysis of Ukrainian customs and criminal legislation, a statistical review of customs control data, and a systematisation of enforcement practices. Trends observed during 2021–2024 reveal fluctuations in both the number of detected offences and their financial impact, reflecting changes in regulatory policy, border conditions, and enforcement efficiency.

Effective counteraction to smuggling requires a comprehensive and multidimensional approach combining consistent legislative reform, implementation of advanced digital technologies, enhanced interagency coordination, professional training of customs personnel, and strengthened international cooperation. Modern instruments such as cargo scanning systems, electronic declaration platforms, tracking technologies, and automated risk management tools significantly improve detection capabilities and transparency. At the same time, anti-corruption measures and information exchange with international partners play a crucial role in reinforcing institutional resilience. Overall, combating smuggling demands coordinated state efforts and alignment with global best practices, as ensuring robust customs security remains essential for safeguarding Ukraine's economic stability, public safety, and national security.

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