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THE IMPACT OF DIGITALIZATION ON THE TRANSFORMATION OF INTERNATIONAL ECONOMIC RELATIONS

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The modern world is rapidly changing under the influence of digital technologies, which are becoming a fundamental component of international economic relations. Digitalization not only opens up new opportunities for cooperation between countries, but also significantly transforms the structure of the global economy, changing traditional approaches to trade, investment, finance and interstate cooperation.

Digitalization is driving the growth of e-commerce, which allows companies to enter global markets without the need for a physical presence. Platforms such as Amazon, Alibaba, and Shopify have become key players in this process. Thanks to digital solutions, small and medium-sized enterprises have gained access to international markets that were previously unattainable due to limited resources. Of course, electronic platforms simplify the process of finding partners, concluding deals, and organizing supplies. “The number of intermediaries between producers and buyers has sharply decreased. This property of e-commerce (and electronic platforms) radically changes the peculiarities of interaction in the electronic sphere” [1, p. 32]. In addition, digitalization allows reducing transaction costs by automating document management processes using blockchain technologies.

In the field of international finance, digitalization has also brought about revolutionary changes. Cryptocurrencies such as Bitcoin and digital assets are becoming new instruments in the global financial system. Central banks in many countries, including China, the US, and the EU, are actively working to create their own digital currencies, which could significantly change the mechanisms of international payments.

Digital payment systems simplify international transactions, reduce the time it takes to make payments, and lower the cost of transfers. This makes financial services accessible even in regions where there were previously barriers to access to banking institutions.

Digitalization also affects the nature of international labor migration. The emergence of remote work allows professionals to work for foreign companies without having to physically move. This creates new opportunities for countries that have a large human capital but not enough jobs. However, these changes require the adaptation of educational systems. Professionals who are able to work in a digital environment are becoming the most sought-after in the labor market. In this context, international cooperation in education and the exchange of digital knowledge are becoming critically important.

Despite its obvious benefits, digitalization also brings new challenges. Cybersecurity issues are becoming increasingly important, as cyberattacks can cause significant damage to economies. In addition, the digital divide between developed and developing countries remains a significant barrier to global integration.

Another challenge is the regulation of the digital global economy. Of course, digitalization is rapidly changing its structure, creating new opportunities for businesses, governments, and citizens. It should be emphasized that the lack of unified international standards and regulatory mechanisms complicates the effective management of global digital processes, causing problems in the areas of taxation, data protection and competition.

One of the most pressing challenges is the issue of taxation of global digital companies. Giants such as Google, Amazon, Facebook, and Apple often use complex corporate structures to minimize tax liabilities. For example, companies may register in countries with low tax rates, even if their main activities take place in other countries. This leads to the fact that countries with large markets where the main revenues are generated lose significant amounts of tax revenues. The international community, in particular the Organization for Economic Cooperation and Development, is actively working to develop a unified approach to taxing the digital economy.

For example, the initiative to establish a global minimum corporate tax aims to create a level playing field for all countries.

Effective regulation of the digital economy requires international cooperation. It is important to create global standards that would ensure a level playing field for business, protect the rights of users, and preserve the competitive environment. In the area of taxation, it is necessary to introduce mechanisms that would force companies to pay taxes in the countries where they generate income. We emphasize that regulating the digital economy is a complex but necessary process that affects the welfare of both individual countries and the entire world. It is only through cooperation, dialog, and the pursuit of common standards that the challenges facing the modern economy can be overcome. A balance between the interests of governments, companies, and consumers will be the basis for creating a fair and stable global digital ecosystem.

We would like to emphasize that digitalization is a powerful factor of change in international economic relations and opens up new opportunities for cooperation and development. At the same time, it requires countries to make joint efforts to overcome challenges related to inequality in access to technology, cybersecurity, and regulatory issues.

The future of international economic relations largely depends on how effectively the global community can harness the potential of digitalization for the common good. Only joint action can ensure a balance between technological progress, economic growth, and social justice.

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