

PERSPECTIVES OF UKRAINE IN THE FREE TRADE ZONE WITH THE EUROPEAN UNION

The EU's free trade zone to Ukraine has been operating since 2014. That is, Ukrainian manufacturers have already received the benefits that it suggests.

On the one hand, our manufacturers can say that this is an additional competitive pressure on them. The opening of our market for European goods benefits not only our consumers, who will have access to quality products at low prices, but also manufacturers, who will have access to cheaper spare parts and materials.[1]

Secondly, the entry into force of the free trade zone is an additional signal for foreign investors who are willing and willing to invest in Ukraine for production not only in our domestic market, but also for export.

We have something to surprise and how to conquer Europe. We must say that the fall in exports, which is now, is not due to the outdated structure of the Ukrainian economy. We export raw materials that are highly dependent on fluctuations in world market conditions. We need to export higher value-added goods to the EU.

Russian embargo. Russia has been threatening us with this restriction for a long time. The first is the food embargo, joining us to the sanctions that are being used against Western countries. The second is the increase in duties, that is, the exit from the free trade zone in respect of certain goods. Now the Russian Federation in our exports takes about 7%. In 2002, this figure was 29%. Russia has actually imposed restrictions on 35 types of goods of Ukrainian origin, which are exported to the Russian Federation. That is, many of those products that they have banned have not been exported for a long time.[2]

The growth rate of exports of Ukrainian goods to the European Union in 2018 amounted to 15%. In total, last year, goods worth \$ 20.15 billion were exported to the EU, and the EU market share was 42.6%. Recall that in 2017 the EU's share was only 40.5%, but the growth rates were significantly higher - 29.9%.

Although Russia continues to be the largest market for Ukrainian goods, exports to this country in 2018 fell by 7.2% to \$ 3.65 billion.

At the same time, exports of Ukrainian goods to Poland amounted to \$ 3.25 billion, an increase of 19.6%. At this rate, this year Poland may become Ukraine's key trading partner.

Among the EU countries in the top three buyers of Ukrainian goods - Italy (\$ 2.62 billion, an increase of 6.5%) and Germany (\$ 2.2 billion, an increase of 25.9%). The fall in exports to the EU countries was recorded only in trade with Lithuania (by 8.4%) and Sweden (by 9.3%).

Among other countries, the decline in exports to Turkey (by 6.6%, to \$ 2.35 billion) and India (by 1.3%, to \$ 2.17 billion) draws attention. Exports to China grew by 7.9%, to \$ 2.2 billion.

In general, in 2018, Ukraine exported goods worth \$ 47.34 billion, which is 9.4% more than a year earlier. However, in 2017, the growth rate of exports amounted to 19%.

Also last year, goods worth \$ 57.14 billion were imported to Ukraine (an increase of 15.2%).

In 2018, it was possible to increase the supply of food products from Ukraine in the amount of \$ 800 million.[3]

According to customs, in 2018, the total value of exports of agricultural products amounted to 10.4 billion dollars, despite the fact that in 2017 this figure was 9.6 billion dollars.

In the overall structure of exports, one can mention the top 5 products, the shipments of which were the largest:

exports of oilseeds amounted to 55.8 thousand tons worth \$ 4.1 billion;

meat and edible offal of poultry - 507 million dollars;

sugar (beet) - 217 million dollars;

chocolate products - \$ 171 million;

bakery products - 153 million dollars.

References

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