

TRADE RELATIONSHIP BETWEEN UKRAINE AND EUROPEAN UNION

Task statement. Improving access to markets and development of joint networks and infrastructure projects are priorities of Ukrainian-European production in the near future. Economic cooperation between Ukraine and the EU is in dynamic development [3, 265]. In 2005, Ukraine exported to the EU-25 iron, steel, agricultural products, energy, chemicals, textiles, clothing and transport equipment, and imported chemicals, vehicles, facilities, office and telecom equipment, textiles and clothing. For intra-trade structure, the Ukraine has achieved trade surplus only in metals, agricultural products and energy sector in trade with the EU. The overall trade balance of Ukraine with the EU is negative.

Analysis of recent research and publications. Many scientists were studying this theme: V.O. Vakulevych, V.O. Kopyyka, T.M. Shynkarenko, M.A. Popovych, V.V. Boytsova, O.I. Liashenko, L.P. Soprutsko and other. They believe the development of closer relations between Ukraine and the EU only correct Ukraine's foreign policy course based on economic, political and cultural traditions. All this testifies to the relevance of the theme, and thus led to choose the direction of research in the scientific and practical aspects.

Problem statement. The aim of this article is to investigate the main partners of Ukraine in the EU and their relations with each other.

Research results. The structure of Ukrainian exports includes metals and food processing, chemicals, mineral resources accounted for about 61,7% of Ukrainian exports in 2006. In the prevailing import mineral resources, namely oil and gas come from Russia. In 2006, minerals accounted for 30% of total imports.

Ukraine remains one of the most open economies in the world: in 2006 the ratio of exports to GDP amounted to 47,2% and imports – 50,1%. Openness of the economy provides more opportunities for development through the strengthening of

international specialization. For years, net exports remains one of the driving forces of economic growth in Ukraine. However, dependence on foreign markets makes the economy highly vulnerable to external factors [6].

From 2006 to 2010 Ukraine has managed to reduce trade deficit with the EU. During these years one can observe a significant recovery of imports than exports (see table 1 and table 2). The main groups of goods in Ukraine's exports to the EU are: iron, steel, agricultural products and some electric machinery. And imports: machinery, transport equipment and chemicals. Thus, the EU remains an important trading partner of Ukraine, accounting for approximately one-third of all foreign trade of the country [4].

Table 1. EU's trade with Ukraine

Year	Imports, millions of euro	Share of total EU imports, %	Exports, millions of euro	Share of total EU exports, %	Balance, millions of euro
2006	9,873	0,7	18,263	1,6	8,390
2007	12,419	0,9	22,372	1,8	9,953
2008	14,549	0,9	25,096	1,9	10,547
2009	7,914	0,7	13,922	1,3	6,008
2010	11,397	0,8	17,335	1,3	5,936

Source: Eurostat

Table 2. Ukraine's trade with EU

Year	Imports, millions of euro	Share of total EU imports, %	Exports, millions of euro	Share of total EU exports, %	Balance, millions of euro
2006	20,092	43,3	8,970	28,7	29,062
2007	24,597	44,9	11,289	29,9	35,887
2008	19,523	33,8	12,298	27,4	31,821
2009	10,997	34,0	6,786	24,0	17,703
2010	15,783	35,2	9,942	26,7	25,725

Source: Eurostat

The main partners in both exports and imports of goods are Italy (respectively 2412,4 and 1390,3 mln.), Poland (1787,2 and 2788,8 mln.) and Germany (1499,5 and 4603,1 million dollars).

Exports to Italy increased to 1,184.8 million dollars (at 96,5%), Poland – by 579,2 million dollars (47,9%), Germany – by 251.3 million dollars (20,1%), Romania – by 386,5 million dollars (by 2,2 times), the Czech Republic – to 285,6 million dollars (at 83,8%). At the same time the export to Spain – by 158,7 million dollars (at

27,8%), Netherlands – to 31,6 million (5,3%), Finland – by 3,3 million (8,9%), Sweden – by 3,3 million (4,1%).

Imports increased from all EU countries except Estonia, Latvia and Sweden. Thus, the volume of imports from Germany increased by 751 million dollars (19,5%), Poland – by 618,5 million dollars (by 28,5%), Hungary – by 536,3 million dollars (at 79,1%), Italy – by 250,5 million dollars (22%).

Significant share of commodity structure of Ukrainian exports to the EU accounted for ferrous metals – 29,3%, iron ores and concentrates – 10,8%, electrical equipment – 9,5%.

Major exports of ferrous metals went to Italy, Romania, Poland, iron ores and concentrates – to Poland, the Czech Republic, Austria, electrical machines – to Hungary, Germany and Poland.

The basis of commodity imports from the EU were mechanical machinery – 11%, electrical equipment – 9,3%, pharmaceutical products – 8,5%. Major imports of mechanical machinery were made from Germany, Italy, Poland, electrical machines – from Hungary, Germany, Poland, pharmaceutical products – from Germany, France and Hungary [5].

In 2010, exports of services to the EU amounted to 3121,3 million dollars and in relation to 2009 was 103,3% and import – 2938,7 million respectively and 96,6%. Surplus amounted to 182,6 million dollars in 2009 – negative 2 share of services exports to EU countries in total accounted for 26,8%, import – 54% (in 2009 – respectively 31,5% and 58,8%).

The main partners in both exports and imports were Cyprus (414,6 million dollars and 814,4 million dollars), United Kingdom (548,1 million respectively and 586,3 million dollars), Germany (335,2 million dollars and 310 million dollars), France (123 million dollars and 223,7 million dollars) and Austria (181,6 million dollars and 140,2 million dollars).

Exports of services to EU countries increased to 2009. By increasing services exports to Hungary – at 155,6 million dollars (3,3 times), France – by 34,8 million dollars (at 39,4%), Austria – by 17,8 million dollars (by 10,9%). At the same time

reduced the volume of services provided by Cyprus – by 46,6 million dollars (10,1%) and Germany – by 40,3 million dollars (10,7%).

Imports of services from EU countries decreased by reducing the amount of services received from Austria – at 88,2 million dollars (at 38,6%), France – to 78,7 million (26%), United Kingdom – by 67,6 million dollars (by 10,3%), Germany – by 51,3 million dollars (14,2%), Czech Republic – to 28,9 million dollars (43%), Italy – by 13,4 million dollars (27,6%). Simultaneously, increased amount of services received from Cyprus – by 145,1 million dollars (at 21,7%), Portugal – by 43.2 million dollars (in 5,1 times), Sweden – by 30,1 million dollars (23,4%). In total Ukrainian exports to the EU had an overwhelming share of transport services (56%), and various business, professional and technical (20,2%).

In the export of transportation services dominated the United Kingdom (390,5 million dollars), Cyprus (255,9 million dollars), Belgium (211,1 million dollars); various business, professional and technical services – United Kingdom (107,5 million), Germany (85,6 million dollars) and Estonia (63,7 million dollars). The largest share of total imports held financial services (28%), transport (16,5%) and various business, professional and technical (16,3%).

The main import partners in financial services were the United Kingdom (294,2 million dollars), Cyprus (237 million dollars), France (132,5 million dollars) and Sweden (79,3 million dollars); various business, professional and technical services – United Kingdom (114,6 million dollars), Germany (93 million dollars), Cyprus (50,6 million dollars); transport services – Germany (88,6 million dollars), United Kingdom (86 million dollars) and Cyprus (71 million dollars) [7].

Conclusions. Enhancing cooperation and economic integration between the EU and Ukraine will bring significant benefits to both parties. Its value will depend on the depth of integration: the more Ukraine is integrated in the EU, the more economic benefit will be [1, 78]. This dependence is due to the fact that the deeper forms of integration with the EU require Ukraine for more reforms. Potential Ukraine's advantages for the development of international trade are: 1) reserves of mineral resources (Ukraine owns 5% of the world stocks of mineral raw materials);

2) favorable climate and fertile land; 3) availability of infrastructure services (including international transit of oil and gas); 4) great potential for high-tech industries [2, 135].

For improving the foreign trade of Ukraine our government should: 1) improve the quality of steel and heavy engineering; 2) develop competitive manufacturing agro-industrial complex; 3) develop the export of missile and aircraft; 4) develop and modernize the transport infrastructure; 5) attract foreign capital to speed up modernization; 6) create new industries and production (rare earth metals, computers, microelectronics, etc.); 7) develop international tourism to the world level; 8) create a marketing and service network in international markets; 9) increase the purchase abroad of new technologies to create new competitive national enterprises; 10) actively introduce international standards and certification procedures; 11) use political and diplomatic leverage to ensuring Ukraine's participation in major international cooperative projects; 12) maintain the informatization of foreign economic activity; 13) improve financial mechanisms regulating exports [8].

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Annotation. The article discussed trade relations between Ukraine and the EU. The structure of Ukrainian exports and imports is analyzed, and also the main trade partners of Ukraine in the EU are investigated.

Key words: trade, cooperation, exports, imports, economic integration, open economy.

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ТОРГОВІ ВІДНОСИНИ МІЖ УКРАЇНОЮ ТА ЄВРОПЕЙСЬКИМ СОЮЗОМ

Анотація. У статті розглянуті торгові відносини між Україною та ЄС. Проаналізовано структуру українського експорту та імпорту, а також досліджені основні торгові партнери України в ЄС.

Ключові слова: торгівля, співробітництво, експорт, імпорт, економічна інтеграція, відкрита економіка.

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ТОРГОВЫЕ ОТНОШЕНИЯ МЕЖДУ УКРАИНОЙ И ЕВРОПЕЙСКИМ СОЮЗОМ

Аннотация. В статье рассмотрены торговые отношения между Украиной и ЕС. Проанализирована структура украинского экспорта и импорта, а также исследованы основные торговые партнеры Украины в ЕС.

Ключевые слова: торговля, сотрудничество, экспорт, импорт, экономическая интеграция, открытая экономика.