

THE WAY OF UKRAINIAN INTEGRATION TO THE EUROPEAN UNION

Ukraine has long been at the process of work for building closer ties with the European Union and its member states. Ukraine very well integrated into Europe up to now. The question of Ukraine's inability to stay out of the international integration processes and the choice of the way of development – Integration into the EU or the CES, arise each year. The adventure of becoming a full member of the international community appeared for Ukraine, basing on its principles and preserving national characteristics. This is very important for our country at this stage of transformation of its economy.

European Union (EU), international organization comprising 28 European countries and governing common economic, social, and security policies. Originally confined to Western Europe, the EU undertook a robust expansion into central and Eastern Europe in the early 21st century [3]. The EU is unlike anything – it isn't a government, an association of states, or an international organization. The 28 Member States have relinquished part of their sovereignty to EU institutions, with many decisions made at the European level [2].

Ukraine became a member of the Council of Europe – 1995, the OSCE – 1992, the Energy Community – 2011 and has been subject to the European Human Rights Court's rulings since it ratified the European Convention of Human Rights in 1997 [1]. The relationship between the Ukraine and EU is governed by the European Neighborhood Policy, funded through the European Neighborhood Instrument.

In March 2014, the Ukrainian government adopted the resolution “On confirmation of Ukraine's course towards integration into the European Union and priority measures in this direction”.

The problems of integration of Ukraine could be finding out in the fact that European Union is one of the fastest developing integration unions and become our closest neighbor and involving close cooperation with Ukraine in the near future. At the same time the emergence of a new integration association with Ukraine (Common Economic Space) says about the origin of the two-vectored foreign policy of Ukraine.

The Entrance of Ukraine nation into the EU will permit the following things:

- 1) conducting intra-regional trade – there will be new opportunities for optimal location of enterprises in the integration group;
- 2) creating more attractive conditions for foreign investors that could have a positive impact on economic development;
- 3) improving the living standards of the Ukrainian people;
- 4) providing opportunities for foreign banks to open branches in Ukraine;
- 5) attracting foreign banks to the financial market of Ukraine;
- 6) reducing terms of transactions;
- 7) expanding spheres of services;
- 8) increasing lending volume by different institutions.

Ukraine cooperates with the EU in such directions: General Principles, Political Dialogue and Reform, Political Association, Cooperation and Convergence in the Field of Foreign and Security Policy, Justice, freedom and Security, Trade and Trade-Related Matters, Economic and Sector Cooperation, Financial Cooperation, with Anti-Fraud Provisions, Institutional, general and Final Provisions.

To get better imagination about relationship between Ukraine and EU it is needed to analyze the last trade dates:

1. The EU is Ukraine's largest trading partner, accounting for more than 40% of its trade in 2015. Ukraine accounts for 0.8% of EU's total trade, with a turnover of €1.16 bn in 2015.
2. Ukraine exports to the EU amounted to €12.7 bn in 2015. The main Ukraine exports are raw materials (iron, steel, mining products, agricultural products), chemical products and machinery.
3. The EU exports to Ukraine amounted to over €13.9 bn in 2015. The main EU exports to Ukraine include machinery and transport equipment, chemicals, and manufactured goods.
4. The EU is a large investor in Ukraine. EU investors held investments worth around €16.4 bn in Ukraine in 2014 [4].

President Petro Poroshenko's vision of Ukraine applying for EU membership in 2020, alongside the Association Agreement itself, has taken a backseat lately as the conflict in the east simmers and the country's economy hangs on by a thread.

The EU agreed to meet its commitment to provide Ukrainians visa-free access to the EU. The EU already concluded in December 2015 that Kyiv had met all benchmarks under its Visa Liberalization Action Plan. However, rather than rewarding Ukraine for this achievement, internal EU politics related to a temporary visa suspension mechanism continuous to stall the actual implementation of Ukrainians' visa-free access [5]. On 20 April 2016, the European Commission presented a proposal to allow visa-free travel to the Schengen area for Ukrainian citizens [6].

On the second hand, the EU has to commit additional resources toward anti-corruption reform. Ukrainian government must deeper and faster these reforms. The November summit confirmed a further €15 million in support of an anti-corruption programme and €104 million for public administration reform.

At the third way, the EU should fund a "mini-Marshall Plan" for Ukraine. As was indicated, war in Donbas has cost Ukraine at least six billion dollars in foreign direct investment, starving the economy of the capital needs to grow and innovate. To counter that deficit, the EU should use the European Investment Bank and the European Bank for Reconstruction and Development to invest directly in Ukrainian firms and infrastructure [5]. It will help Ukraine to overcome many financial and political issues.

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