

Export Import Relations Dynamics between Ukraine and EU

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Abstract – *Ukraine's commodity relations with the EU are considered. The analysis of dynamics of export-import operations on the basis of statistical data is carried out. The main directions of cooperation in the field of foreign trade relations are determined, which is one of the main factors of high level of economic development of the country. On the basis of quantitative indicators, positive and negative structural changes in foreign trade with the EU have been identified for Ukraine.*

Key words: export, import, European Union, Ukraine, commodity relations.

I. Introduction

Over the past few years, significant changes have taken place in the Ukrainian economy, driven by the achievements of political and economic independence, as well as the transition to market relations. Ukraine has a process of European integration, which directly affects its foreign economic activity.

II. The main material

The relations between Ukraine and the European Union were launched in December 1991, when the Minister for Foreign Affairs of the Netherlands, as the EU Presidency, officially recognized Ukraine's independence in its letter on behalf of the European Union. With the signing and ratification of the Association Agreement between Ukraine and the EU in 2014, the parties' relations began to develop in a qualitatively new format of political association and economic integration.

At the signing of the Association Agreement on June 27, 2014, the President of Ukraine P.O. Poroshenko and during its ratification on September 16, 2014, the Verkhovna Rada of Ukraine made statements that Ukraine considers the Association Agreement to be an integral step towards the ultimate goal of European integration in gaining Ukraine's full membership in the European Union [1].

Among the main goals of the Strategy of National Security of Ukraine, approved by the Decree of the President of Ukraine on May 26, 2015, the ensuring of Ukraine's integration into the European Union was determined. According to the Strategy, the Association Agreement between Ukraine and the EU defines strategic guidelines for conducting systematic political and socio-economic reforms in Ukraine, and a wide-ranging adaptation of Ukrainian legislation to EU norms and rules.

On January 1, 2016, an EU-Ukraine Free Trade Agreement entered into force. Analyzing the above-mentioned facts, it is necessary to study the export-import relations of Ukraine with the EU. According to the Ministry of Economic Development and Trade of Ukraine, according to the results of the 1st quarter of 2016, the EU countries accounted for 38.5% of Ukraine's exports of services and goods, the share of the EU in Ukrainian exports in the previous year was 32.8%, and in 2014 p. 31.8% [2].

Exports of Ukrainian goods to the EU from January to April 2016, together with services, amounted to \$ 3.7 billion. AIC products amounted to more than a third of commodity exports -35.6%, metallurgical complex production is 20.5%, machine-building-15.9%. In 2016, exports of five products increased, namely: timber, corn, furniture, sunflower oil, steel rods and bars of hot rolled products. The largest decrease was observed in such commodities as ferroalloys, juices, iron ores and concentrates, cake, rolled products and other solid waste. The share of total exports of services to the EU countries amounted to 30.5%. The largest volumes of exports of services were provided to Germany – 16.3%, Great Britain – 15.4%, Cyprus – 8.0% [3, 4].

The largest volumes of exports to the EU countries accounted for transport services – 37.5% of total exports of services to the EU countries, the processing of material resources – 22.6%, telecommunications, computer and information – 20.5%, and business – 12.0%. According to the results of 2016, the most active services were provided to the EU countries by the enterprises of Kyiv – 39.1% of total exports of services to the EU countries, Lviv region -10.4%, Odesa – 9.2%, Transcarpathian – 5.8% and Kyiv – 4.6% [5].

The largest share of imports in 2016 is made up of mechanical and electrical machines, mineral products, chemical products and related industries, transport vehicles, equipment and devices connected with transport, ready-made food products, precious metals and articles thereof, plastics. A large proportion of goods and services were imported from Poland, Germany, France and Italy. As shown in Fig. 1, in the total volume of import of services, the largest share was in government and government services, transport, business, travel-related services and financial services [6, 7].

The volume of direct investments (share capital) in the economy of Ukraine from the EU countries as of December 31, 2016 amounted to 26.1 billion dollars. The United States, accounting for 69.3% of the total investment in Ukraine. The main investor countries, accounting for 83.0% of the total investment from the EU, are Cyprus – \$ 9.7 billion. (37.1% of total investment from EU countries), the Netherlands – 5.8 billion dollars. (22.0%), Great Britain – 2.0 billion dollars. (7.8%), Germany – 1.6 billion dollars. (6.2%) and France – 1.3 billion dollars. (5.0%). Significant volumes of direct investments from EU countries are concentrated on industrial enterprises (28.0%) [8].

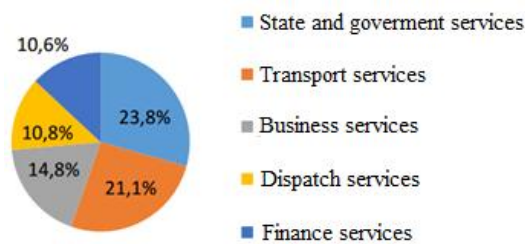


Fig.1 Structure of services imported from the EU, as of 2016,%

22.6% of direct investments were accumulated in financial and insurance enterprises, 12.3% in wholesale and retail trade enterprises, repair of motor vehicles and motorcycles, 11.0% in organizations engaged in real estate transactions. The volume of direct investments (share capital) from Ukraine in the economy of the EU countries as of December 31, 2016 amounted to \$ 6.1 billion, or 96.4% of the total volume of investments from Ukraine (as of January 1, 2016 – \$ 6.1 billion, 96.8%). The largest volumes of investments on 31.12.2016 were directed to Cyprus – 5.9 billion dollars. The United States (97.1% of total investment in EU countries)[9, 10].

Conclusion

Thus, the total volume of trade in goods and services for the year between Ukraine and the EU amounted to 35.9 billion dollars. US, of which \$ 30.6 billion The US accounted for trade in goods, and 5,287.5 for trade in services. During 2016, the European Union continued to strengthen its trade relations with Ukraine, and bilateral trade between Ukraine and the EU grew. Compared to 2015, the total volume of trade in goods and services between Ukraine and the EU amounted to 108.1%. In 2016, exports of goods and services to the EU countries amounted to 16.4 billion dollars. USA, imports -19.4 billion dollars USA. There was a negative balance in bilateral trade of \$ 3,03 billion. USA.

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