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## **FOREIGN TRADE IN UKRAINE: ESSENCE, ANALYSIS AND WAYS OF IMPROVEMENT**

Relevance: The topic of this research is relevant since the foreign trade policy of any country is one of the key sections of the general economic course of the government. Currently, foreign trade activity is not only one of the critical factors that determine country's economic growth, but is also rapidly becoming one of the main factors of Ukraine's national security. An active foreign trade policy can become an effective tool for rebuilding the structure of the economy, increasing the efficiency and competitiveness of national production.

The following Ukrainian and foreign scientists have previously researched the theoretical and methodological issues of establishing foreign economic policy strategies of a State: O.Yu. Pasichnaya, L.V. Peltek, O. Podtserkovny, V.V. Shved, L.O. Chorna, D. Aaker, Yakovlev A.I., Pudrik D.V., Galchinsky A.C., Heyets V.M., Mikhailishin L.I., Shcherbak V.G., Lozenko A.P.

The study aims: For Ukraine, the issue of producing goods competitive in the European market is extremely important. «Competitive» should mean the goods that will be adapted to the technical parameters, quality, price and safety requirements of the European market. At this stage, national enterprises face quite a few difficulties, since during all the years of independence Ukraine has not made any radical changes towards overcoming the structural imbalances of the raw materials-oriented economy, designed during the Soviet Union. Therefore, Ukrainian goods can be considered uncompetitive on the high-tech market.

The international economic activities of an enterprise is a general area name of economic activity, connected with the international industrial integration and cooperation, export and import of goods and services, access to the external market. At the enterprise level international economic activities

are mostly aimed at signing and fulfilling the provisions of contracts signed with foreign partners. The international economic activities are conducted based on currency and regulated by state's special measures [1].

In order to identify the ways to improve the foreign trade in Ukraine, an analysis of international economic activities of enterprises in 2012-2018 was conducted (Table 1).

Table 1

**The dynamics of international economic activities  
of Ukrainian enterprises [4]**

<b>Year</b>	<b>Export</b>	<b>Import</b>
2012	68809810,6	84658059,9
2013	63312022,1	76963965,4
2014	53901689,1	54428716,9
2015	24766674,8	24146916,6
2016	33571548,7	40364549,2
2017	43266580	49598476,4
2018	47339935,2	57141041,5

Analyzing the table data, it can be determined that each year imports exceed exports. This means that the trading balance is passive, that is, unprofitable which has a negative effect on the development of international economic activities of Ukrainian enterprises.

To get a better understanding of the directions of foreign trade activity, first of all one must analyze the commodity structures (Table 2).

At the same time, the geographic structure of the international economic activities of Ukrainian enterprises in 2018 was also analyzed (Table 2).

After analyzing the data (Table 3), it can be concluded Ukraine's main export partner countries are Russia – \$ 3.9 billion, Turkey – \$ 2.5 billion, Egypt – \$ 2.9 billion, India – \$ 2.2 billion, Belarus – \$ 1.6 billion, Poland – \$ 2.7 billion, China – \$ 2 billion, Italy – \$ 2.2 billion.

Based on the analysis of international economic activities, it was determined that at the advanced stage of integrating domestic manufacturers into foreign markets there are some significant difficulties and problems. They are as follows:

- hampering of the structural adjustment and reform process of the domestic economy, high level of import dependence and significant technological obsolescence of the industrial complex;

Table 2

**Geographic structure of the foreign trade in 2018 [4]**

	<b>Export</b>	<b>Import</b>	<b>Balance</b>
	<b>Thousands US dollars</b>	<b>Thousands US dollars</b>	
<b>Overall</b>	<b>47339935,2</b>	<b>57141041,5</b>	<b>-9801106,3</b>
including			
Belarus	1143538,8	3205173,3	-2061634,5
Ethiopia	109784,1	2873,2	106910,9
Egypt	1831312,9	77022,5	1754290,4
Israel	604612,5	167879,3	436733,2
India	2205748,0	561281,1	1644466,9
Spain	1260107,7	579043,4	681064,3
Italy	2469871,5	1623958,2	845913,4
Canada	50389,5	299196,1	-248806,7
China	2039359,1	5647077,6	-3607718,4
Mexico	129232,6	137106,9	-7874,3
Germany	1754288,2	5443697,8	-3689409,6
Poland	2724629,7	3453466,6	-728836,9
Russian Federation	3936628,9	7201805,8	-3265177,0
USA	828134,9	2524598,6	-1696463,6
Turkey	2518581,8	1262612,7	1255969,1

– low level of innovative attractiveness. The level of investment in Ukraine is quite low. (The inflow of foreign direct investment per capita is \$ 119.24, the average foreign direct investment inflow is \$ 9,792.02, and the investment attractiveness index for 2018 is 3.15 out of 5);

– high level of competition. Western companies create various barriers for new manufacturers entering their market; they do not allow domestic enterprises to compete with their products on foreign markets. Also, the low competitiveness of domestic production is due to a low quality of products in comparison with foreign analogues. This leads to a low level of recognition and unimpressive of Ukrainian enterprises as international partners in foreign markets;

– high level of state regulation, which leads to the need for coordinating various issues in the ministries, offices, administrations and provides for

considerable amount of money, time and effort being wasted by entities of international economic activity [2].

As it has already been noted above, the problems in foreign trade also include low competitiveness of Ukrainian products on the foreign markets, the flaws of the legislative framework in the field of foreign trade, the lack of knowledge and experience of Ukrainian enterprises in the field of exports, as well as the lack of coordination of their activities on foreign markets. An analysis of the current trends in the development of international trade in Ukraine allows us to propose ways in which the efficiency of Ukraine's international economic activity could be improved.

Ukraine's international economic activity could be improved by:

1) expanding the range of exports with a high level of added value and a high degree of processing of goods;

2) creating import-substituting products, since Ukraine has its own production facilities for manufacturing many of the goods imported from abroad;

3) improving the legislative framework that will facilitate the regulation of export-import operations, support of the national production and improvement of the customs-tariff mechanism;

4) ensuring the functioning of credit and export insurance mechanisms on the state level, as well as providing state guarantees for export credits [3].

Conclusion: To date, Ukraine is far from leading the international market. The system of state regulation of foreign economic activities actively uses administrative levers to achieve the balance of exports and imports, such as special customs tariffs or the protection policy, but this does not promote healthy competition and enterprise development. Ukrainian companies often cannot enter the world market because of the tight competition conditions in each niche. Therefore, attention should be focused on the construction of powerful competitive advantages that are adequate to the requirements of the world market. Such competitive advantages must be based on progressive, breakthrough innovations that not only allow us to obtain significant financial results, but also contribute to optimizing the structure of our country's exports and, ultimately, allow us to obtain a positive surplus of foreign trade. That is why there is a need for further research and improvement of the efficiency of regulation of foreign economic activities of Ukrainian industrial enterprises at the present stage of market relations development.

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