

FEATURES OF DOMESTIC FOOD INDUSTRY PRODUCTS EXPORT TO THE EU

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The commodity structure of Ukraine's food industry exports is diversified into the EU today. The share of food products in the total exports to the EU in 2007–2016 has almost doubled and is 14.5%. The positive balance of foreign trade operations has increased 7 times and equals 871 million dollars of the USA.

The main export food products groups are milk and dairy products, fats and oils of animal or vegetable origin, sugar and sugar confectionery, vegetable processing products, residues and food products.

Ukrainian exporters have benefited from the free trade regime with the EU advantages: a significant reduction or a gradual abolition of import duty rates for products that are not limited by tariff quotas; duty-free access on European markets within the established tariff quotas for certain types of products.

The EU market has a high capacity, a low degree of risk and corrupt business conduct,

and high reliability of concluded transactions. But it is characterized by high saturation and non-tariff barriers that require from domestic enterprises significant investments in the modernization of production, the introduction of quality control systems and product safety, the activation of innovation activities due to the limited internal resources and foreign investment.

An alternative to developing the European market by domestic food businesses is the geographical diversification of the export to fast-growing markets in Asia and Africa or an orientation towards the domestic market. It is advisable to carry out appropriate state measures for its strengthening and development by increasing real incomes of citizens, applying an effective system of food subsidies on the basis of the best world experience, protecting domestic producers, and defending national interests at the future stages of European integration.