INDUSTRY OF UKRAINE IN GLOBAL VALUE CHAINS

Konrad Y.V.
Postgraduate Student at Department of International Economic Relations, Kyiv National University of Trade and Economics

Melnyk T.M.
Doctor of Economic Sciences, Professor at Department of International Economic Relations, Kyiv National University of Trade and Economics

Global value chains (GVC) and International production networks (IPN) are the sources of economic development. That is why more and more countries want to become an active participant in GVC and IPN. But their place in the network and rewards that they receive from such participation are different. There are several factors that effect on the country’s place in GVC, namely: the structure of the economy and level of its economic and technological development. In the article it is confirmed that there is a relationship between a certain stage of the production process (place of GVC) and the level of added value that is created.

In the article we proposed the model for determining a place of specific industries of the economy in the GVC based on the method of grouping. The sectors of the industry of Ukraine are distributed in strategic group. It is based on calculating the import component of exports and the share of industry in gross exports. Also there is determined the place of specific industries of the economy in the GVC.

Against the background of strengthening global integration processes in the industry, our country mainly is a supplier of low-level processing products in the world market. The reason is the existence of a number of factors that hinder active participation of national industries in global production. Based on the calculations, the measures to enhance the role of individual sectors in the GVC, which are strategic for Ukraine, are proposed. It should be: support innovative industries, the revision of the existing investment policy, intensification of cooperation of research institutions and companies, etc.