

FOREIGN TRADE BETWEEN UKRAINE AND THE EU: TRENDS, PROBLEMS, PROSPECTS

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The activation of Ukraine's foreign economic relations with the EU countries, which has been outlined in recent years, opens up new opportunities for the Ukrainian economy. But, how the government will use this: will Ukrainian economy become a raw material appendage of more developed countries, or – an equal partner. We try to answer this question in the article.

To the issue of industrial development and analysis of Ukraine's foreign trade problems, such renowned scientists have devoted their works as A. Amosha, V. Vyshnevskyi, M. Yajubovskiy, Yu. Kindzerskyi, A. Mazaraki, T. Melnyk, I. Skorniakova, and others. To the analysis of the impact of the European integration processes in the economic development, such economists have dedicated their work as G. Bekaert, C. Harvey, C. Lundblad, C. Pungulescu, J. Maudosa, and others.

The purpose of the article is to analyse and assess the foreign trade of Ukraine and the EU, highlight the problems and prospects of this activity.

Materials and methods. Data from the State Statistics Service of Ukraine and scientific work on international trade issues and industrial potential of Ukraine are used in this study. The methods of analysis and synthesis, systematic approach in assessing the impact of external economic factors on

the development of industry in Ukraine are adopted.

In recent years, there has been a tendency to strengthen the economic cooperation between Ukraine and the EU. EU countries are seeking to export products with higher added value (pharmaceuticals, machinery) in foreign trade. Although, in certain positions where the products are competitive by the quality and price as products of power engineering enterprises of Ukraine, the EU tend to import these.

In the structure of FDI by economic activity, the share of industry accounts for about 30%. A more detailed analysis of investment from the EU in the industry shows that the main areas of investment are: metallurgy, manufacture of fabricated metal products, except machinery and equipment (46.7%), manufacture of food, beverages, and tobacco (17.6%) and manufacture of rubber and plastic products, other non-metallic products. Investment assessment demonstrates efforts to consolidate the existing structure of foreign trade because investment is negligible in the goods where there are major disparities (engineering, pharmaceuticals).

Areas of investment from the EU industry in Ukraine show that Ukraine is considered primarily as a supplier of raw materials, semi-finished products with a small part of the added value and lower technological

structures. Also, there is certain reluctance to create a potential competitor in engineering, pharmaceutical industry, and other high-tech areas where Ukraine is considered as a market for the goods.

Given that Ukraine is a big country with a potentially large domestic market, an improvement in the external field is possible with the use of high-tech products, initially by filling the domestic market and also

the export markets. To overcome the lag in high technology, it is necessary to develop a holistic, systemic set of measures to stimulate high-tech production and appropriate scientific support. It can be done more quickly and more efficiently in those areas where Ukraine has had, and still has, significant production and scientific achievements. These are such spheres as shipbuilding, aviation, rocket-space and electronic industry.