

THEORETICAL AND APPLIED ASPECTS OF ECONOMIC PROCESSES IN UKRAINE AND IN THE WORLD ECONOMY

UDC 351.823.1

DOI <https://doi.org/10.26661/2414-0287-2021-4-52-12>

STATE REGULATION OF AGRICULTURAL PRODUCTS EXPORT DEVELOPMENT IN UKRAINE

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Key words:

state, export of goods, agricultural products, State Statistics Service of Ukraine, Council on International Trade, trading partners, development strategy

This article is devoted to exploring aspects of the formation and development of the agro-industrial complex in Ukraine, its changes in the conditions of global globalization, methods and ideas for the development of this sector and increasing the level of profitability by expanding the market of Ukrainian agricultural products worldwide. The main stages of development of Ukrainian export of agricultural products from independence to the present are formulated, its main indicators of periods (and exceptional situations) are described. The key problems of the further development of Ukrainian exports were identified, among them: the discrepancy between the quality of Ukrainian agricultural products produced for foreign consumers and the European and world standards. The content of recent important strategic events and conferences, which have substantiated the aspects and prospects of development of Ukrainian exports in the international market, as well as the further role of Ukraine in the world arena in the context of the future increase in global demand for cheap food products, which will be caused by a sharp increase in the number and more at the expense of the eastern countries (India, China, etc.). Long – standing and recent free trade agreements between Ukraine and other countries are described, as well as prospects for future export – import agreements and new free trade areas. The analysis of structural changes in the lists of trading partner countries of Ukraine in recent years, with an indication of their shares in total exports. The main obstacles to the effective development of export of agricultural products are outlined. The data on the place of production of agroindustrial complex in the formation of total export of Ukraine is also given and, as a result of all the above, the recommendations on the development of agroindustrial complex of agriculture are formulated, provided that all the recommendations listed in the article are fulfilled.

ДЕРЖАВНЕ РЕГУЛЮВАННЯ РОЗВИТКУ ЕКСПОРТУ ПРОДУКЦІЇ АПК В УКРАЇНІ

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Ключові слова:

держава, експорт товарів, продукція АПК, Державна служба статистики України, Рада з міжнародної торгівлі, торговельні партнери, стратегія розвитку

Цю статтю присвячено дослідженню аспектів формування та розвитку агропромислового комплексу в Україні, його змін у умовах світової глобалізації, методам та ідеям щодо розвитку цього сектору та підвищенню рівня доходності шляхом розширення ринку збуту української сільськогосподарської продукції по всьому світу. Сформульовано основні стадії розвитку українського експорту продукції агропромислового комплексу від отримання незалежності до сьогодення, описані його основні показники періодів (та виключні ситуації). Знайдено ключові проблеми подальшого розвитку українського експорту, серед яких: невідповідність якості української сільськогосподарської продукції, яку виробляють для іноземних споживачів, щодо європейських та світових норм. Проаналізовано зміст останніх важливих стратегічних заходів та конференцій, на яких обґрунтовували аспекти і перспективи розвитку українського експорту на міжнародному ринку, а також подальшу роль

України на світовій арені у розрізі майбутнього збільшення світового попиту на дешеві продовольчі товари, який буде викликаний різким кількісним збільшенням населення планети здебільшого за рахунок східних країн (Індія, Китай тощо). Описані вже давно існуючі та нещодавні угоди вільної торгівлі між Україною та іншими країнами світу, а також окреслені перспективи щодо майбутніх експортно-імпортних угод та нових зон вільної торгівлі. Наведено аналіз структурних змін у списках країн-торговельних партнерів України за останні роки з зазначенням їх часток від загального експорту. Виведено основні перепони ефективного розвитку експорту продукції агропромислового комплексу. Також наведено дані щодо місця продукції АПК у формуванні загального експорту України і, як результат усього вищезазначеного, сформульовано рекомендації щодо розвитку експорту АПК за умов виконання усіх рекомендацій перелічених у статті.

Statement of the problem

Ukraine, by geographical and climatic conditions, is one of the countries focused on agricultural activities. In the context of global globalization, which is now spreading in the world, Ukraine needs to further increase its production volumes in the agro-industrial sector, which is currently the most important in generating export earnings, so as not to lose positions in the world arena, and possibly even expand their influence.

But despite the increasing volume of Ukraine's trade with the EU, which has been observed in recent years, the share of trade in agricultural products with Ukraine in the total foreign trade turnover of EU countries remains extremely small – this is due to many reasons.

Grain and oilseed crops remain the main products of Ukrainian exports. In most periods, the total value of all imported goods exceeds their export volume. In general, geographical and commodity structural shifts in Ukraine's foreign trade reflect the reorientation of exports and imports to more developed markets, which, on the one hand, expands the potential for increased foreign trade and, on the other, leads to increased competition, new procedural barriers to high demands to quality.

The main instruments for strengthening the position of domestic agricultural products in foreign markets are the development of marketing infrastructure, state support and expansion of sources of financing, improvement of price relations for agricultural products and other sectors of the economy, regulation of land relations.

Analysis of recent studies and publications

The development of Ukrainian exports in recent years has been and remains a widespread topic for discussion, in particular the export of agricultural products is often the central topic of many scientific papers. Scientists such as N.A. Karasova, U.I. Lupenko, M.I. Pugachev, I.Y. Grishova, A.A. Melnik have dedicated their articles and scientific papers to this topic. I also want to note that despite the same object of research, each of the scientists open and in-depth describe different aspects of this topic.

Objectives of the article

The purpose of the article is to study the current trends in Ukrainian exports of agro-industrial complex, to find the main obstacles for the development of Ukrainian exports of these products and to create the most effective proposals

to address these problems and further development of this industry.

The main material of the research

Observing the volumes and trends of export of Ukrainian agricultural products for 1997 to 2020 according to the State Statistics Service of Ukraine [1], it is possible to distinguish several stages of this process:

1) moderate growth (1997–2007). The volume of export of agricultural products gradually increased, ensuring an average annual growth of almost 12.5% (the exception is 2000 and 2003);

2) reduction (2008–2010) – began with a sharp increase in export volumes (in 2008) – almost 3 times compared to the previous year, later a downward trend began (average annual decline – 14%);

3) destabilization (from 2011 to the present). During this period, the average annual change in the volume of domestic exports of agricultural products was 13.8%, but conflicting dynamic trends arose and spread; in 2011–2012 there was a sharp increase in export volumes, first by 36.2%, and then by another 57.4%; after that, a bearish trend began, which lasted three years with an average annual rate of decline in trade in 2013–2016. in 4.7%; only in 2017 a new growth trend was launched, which continues now.

In the current conditions of globalization and integration of the global economic system, in order to remain in a favorable position in the international division of labor or, conversely, to improve them, Ukraine needs to make efforts to formulate a strong export policy. For this, first of all, it is necessary to remove Ukrainian exports from the crisis.

In the spring of 2019, the III session of the International Trade Council was held under the chairmanship of the First Vice Prime Minister – Minister of Economic Development and Trade of Ukraine Stepan Kubiv. In addition to analyzing the implementation of previous orders and plans, it was also noted that export remains one of the engines of economic growth in our country, forms about 50% of GDP, and is also constantly growing due to effective government policy. The First Vice Prime Minister of Ukraine – Minister of Economic Development and Trade of Ukraine noted that in 2019 the volume of exports of goods and services increased by 8.6% compared to 2018 and amounted to \$57.1 billion [2].

It was also noted that in recent years, even in very difficult political, economic and social problems in the country, it has been possible to establish new free trade

agreements with the EU, Israel and Canada. In connection with the emergence of the military situation and the establishment of new economic ties, the sales markets were partly reoriented to the EU and, accordingly, the number of deliveries to Russia was reduced, but it will still remain in second place among the ranking of countries – trading partners in the export of goods and services from Ukraine (EU – 40.3% of total exports for 2019, Russia – 12.2%) [3]. It can be added that according to the results of the first half of 2020, part of the export load from Ukraine in these countries decreased and amounted to 39.9% and 11.0%, respectively (Fig. 1) [4].

The geography of supplies of agricultural products (Fig. 2) has significantly expanded over the past decades, and today Ukrainian food, to one degree or another, is represented on all continents of the planet. However, the main connoisseurs of products from Ukraine are the countries of Europe and Asia.

On July 10, 2019, an order of the Cabinet of Ministers of Ukraine «On approval of the Strategy for the Development of Export of Agricultural Products, Food and Processing Industry of Ukraine for the Period until 2026» entered

into force. It indicates the recommended export directions, which should be developed taking into account the current situation in the country and taking into account forecasts for the next 5 years. A major role in this order is given to increasing the volume of exports of the agricultural sector and maintaining almost constant trends towards an increase in these indicators (an increase from 21% to 44% of the share of agricultural products in total exports from 2010 to 2019, as well as a record increase in monetary terms: agricultural exports in 2019 increased by more than \$2 billion compared to 2017 and amounted to \$13.5 billion) [6].

The main problems for the further development of exports in these areas, and as a reason, and the development of the agro-industrial and agricultural sectors are:

- constant timely adaptation to changes in climatic conditions;
- an increase in the diversity of agricultural, food and agricultural products for export;
- increasing export-oriented production in conditions of limited domestic demand;
- improving and simplifying the conditions for entering foreign markets for domestic private and state enterprises;

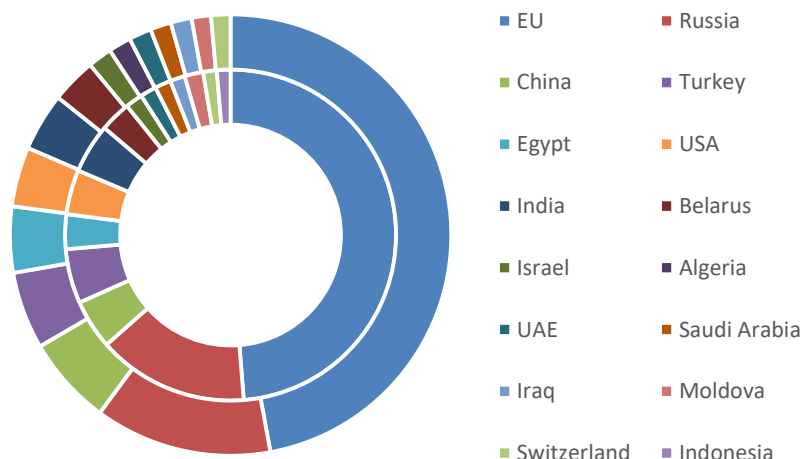


Fig. 1 – TOP-15 trading partners of Ukraine in the export of goods and services in 2018 and the first half of 2020

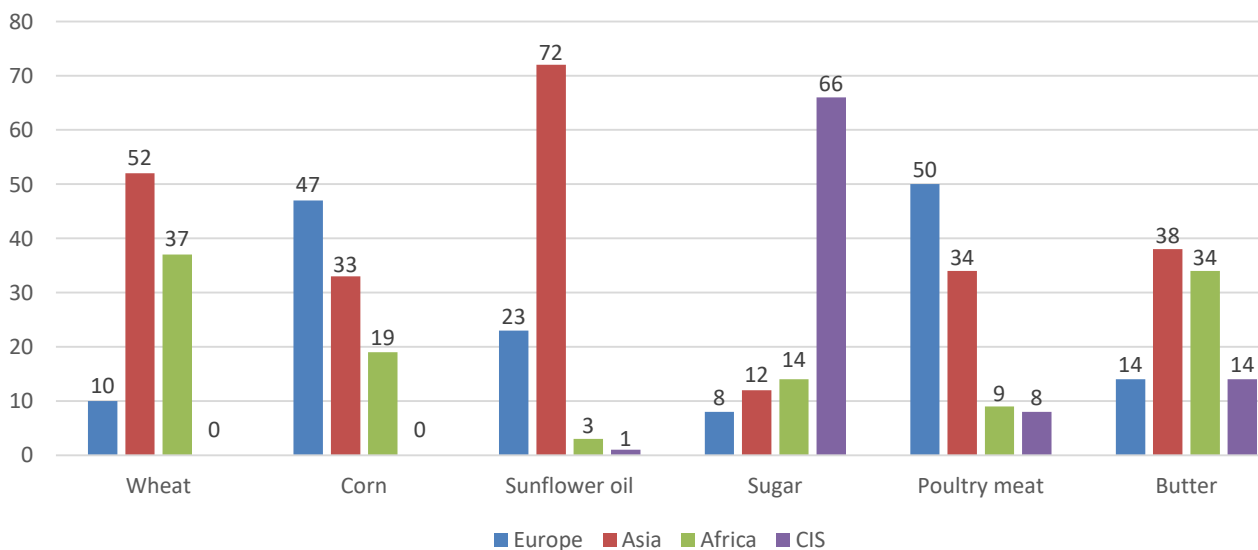


Fig. 2 – Geographic structure of agricultural exports in 2018 (billion USD) [5]

– improving the norms and quality of products for export and for domestic sales.

In recent years, agricultural and food industry products occupy the largest share in the structure of Ukrainian exports (39.3% in 2019, 41.5% in the first half of 2020) and make a large contribution to the country's GDP, therefore it is a strategically important industry and should receive decent funding for maintenance and development.

In recent years, the following data can be observed on the export structure of the studied industries: agricultural and food industry products in 2019 amounted to \$1681,8 million, which is 4.8% more than in 2018 (in monetary terms, an increase of \$855.9 million), As of the first half of 2020, exports of agricultural and food products amounted to \$10155,7 million, which is 19.1% more than for the same period in 2019 (in money terms + \$1629,6 millions).

Ukrainian exports are very dependent on fluctuations in trends and prices on the foreign market, but if we look at the prospects of global demand, Ukraine may come to a stronger position. The fact is that according to world forecasts for the next 10–15 years, an increase in the world population is expected (primarily growth in Africa and Asia). Such a population boom will increase the demand for food products, and due to the differentiation of incomes and progressive poverty indicators among the population, the demand for cheap food products will mainly increase. This will prompt Ukrainian exports due to the attractive pricing policy of Ukrainian goods in open foreign markets. Confirmation of these forecasts can be the UN Summit, which took place in the fall of 2015. The main theme of which was the threat of rapid population growth in the world, ways to provide the population with the necessary amounts of food and the participation in this issue of agricultural countries, in particular Ukraine.

The above-mentioned prospects for the development of export of agricultural products and food industry in the context of appropriate implementation can help ensure:

- establishing trade relations in already accessible foreign markets and introducing new trade relations with other countries, their strengthening;
- a change in the structure of exports of Ukraine, expanding the list of products for export;
- raising product standards for both external and internal sales markets, introducing new, better quality control systems for product quality at the level of legislation;
- constant timely technical, technological and innovative updating of agricultural equipment and equipment of the food industry sector;

– protectionism policy for export-oriented enterprises, in particular, agricultural enterprises and equipment of the food industry;

– the formulation of precise goals for expansion, cooperation and development directions for the studied industries, approved by the Ministry of Agrarian Policy;

– increase in export of products from these sectors and consolidation of growth indicators as a standard of development.

Conclusions

Ukrainian exports of agro-industrial products have undergone three major stages of their development since Ukraine's independence: moderate growth, recession, and now in a somewhat destabilized situation, but increasing every year.

According to the results of the research, it can be argued that exports of Ukrainian agricultural products to the countries of the world make up almost half of national income and almost 2% of agricultural products on the world market, but even so domestic exports have a very big potential for expanding markets, improving product quality, etc. e. This is due to a number of factors, among which can be highlighted the future need of multi-populated countries to provide cheap food. In recent years, Ukraine's role in the international market has been much discussed both internally and at international strategic conferences.

As of today, the main foreign consumers of national agro-industrial products are the EU, Russia, China and Egypt, which buy almost 70% of exported products.

The main problems of expanding the sales area of Ukrainian products were highlighted, namely: problems of adaptation of the process of cultivation of agro-crops to the variability of weather conditions, uniformity of production and the need for its diversification, increase of production and products for export, non-conformity of production to international quality standards, and also remains a problem Ukraine's entry into foreign markets.

In order to solve these problems, it is proposed to establish links in the already available markets and to gradually conclude new agreements, increase production and production volumes, expand the list of exported goods, keep up-to-date equipment updates, introduce innovative approaches, change legislation on export policy, the provision of benefits to export-oriented enterprises, and the creation of a favorable investment climate for such enterprises.

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