

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY STATE UNIVERSITY
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QUALIFICATION PAPER

on the topic " EXPORT POTENTIAL OF UKRAINE
AND WAYS OF ITS REALIZATION "

Specialty 292 "International Economic Relations"

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Qualifying Bachelor's paper contains the results of own research. The use of the ideas, results and texts of other authors has a link to the corresponding source

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ABSTRACT

on bachelor's degree qualification paper on the topic
«EXPORT POTENTIAL OF UKRAINE
AND WAYS OF ITS REALIZATION»

student Anna Kupalna

The main content of the bachelor's degree qualification paper is presented on 47 pages, including references consisted of 40 used sources, which is placed on 4 pages. The paper contains 2 tables, 7 figures.

Key words: potential, export, export potential, competitiveness, export policy, implementation.

The purpose of the qualifying work is to reveal the essence and elements of export potential as a component of the formation of national competitiveness and to analyze the promising areas of intensification of foreign trade activities of exporters-producers from Ukraine.

The object of study is the export potential of Ukraine.

The subject of the research is perspective directions of development and realization of Ukraine's export potential.

In the process of research depending on the goals and objectives, we used relevant methods of studying economic processes, including systematization and generalization - to the theoretical justification of export potential, grouping method - to identify territorial differences in the sectoral structure of the export complex and the service system of the territory; statistical method - to determine the nature and characteristics of foreign economic activity; system-structural method - to determine and optimize the functional-component structure of export potential.

The information basis of the work is legislative and regulatory documents on the export potential of the Verkhovna Rada of Ukraine, the Cabinet of Ministers of Ukraine, as well as a synthesis of basic and applied research in the field of regional economy, work of domestic and foreign scientists in various fields of knowledge. territorial systems, formation and development of regional policy.

According to the results of the study the following conclusions are formulated:

1. Having a high export potential, Ukraine is still using it inefficiently compared to other countries. Thus, in terms of exports of goods per capita, Ukraine is inferior not only to developed countries, but also to most countries of Central and Eastern Europe.

2. The development of Ukraine`s foreign trade takes place under the influence of a set of internal and external factors, and the share of negative factors prevails.

3. Low competitiveness of producers of goods and services is one of the determining factors that hinders the effective promotion of Ukrainian goods on international markets.

4. It can be noted that it is important for Ukrainian companies to strengthen their position in those markets where they are stronger, and at the same time try to gradually diversify markets. It is important to timely direct the efforts of entrepreneurs to those niches where Ukraine has the potential to restructure enterprises and transfer them to new technologies.

5. It is also very important to improve the conditions for investment in order to promote the attraction of new technologies, the development of advanced industries, including through the implementation of joint investment projects.

The obtained results can be used in the process of developing the strategy of foreign economic development of Ukraine and assessing the effectiveness of export policy.

Results of approbation of the basic provisions of the qualification Bachelor work were considered at the 2nd International scientific-practical conference and conference: “International Economic Relations and Sustainable Development” May 21, 2021, Sumy, Ukraine.

The year of qualifying paper fulfillment is 2021.

The year of paper defense is 2021.

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TASKS FOR BACHELOR'S DEGREE QUALIFICATION PAPER

(specialty 292 " International Economic Relations ")

student 4 course, group IE-72a.en

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1. The theme of the paper is «Export potential of Ukraine and ways of its realization» approved by the order of the university from « ___ » _____ 20 __
№ _____
2. The term of completed paper submission by the student is « ___ » _____ 20 __
3. The purpose of the qualification paper is to reveal the essence and elements of export potential as a component of the formation of national competitiveness and analysis of promising areas of intensification of foreign trade activities of exporters-producers from Ukraine.
4. The object of the research is the export potential of Ukraine.
5. The subject of research is perspective directions of development and realization of Ukraine's export potential.
6. The qualification paper is carried out on materials as: educational literature, fundamental theoretical works, the results of practical research by domestic and foreign authors, research articles, and reviews in specialized, reference books, other relevant sources of information.

7. Approximate qualifying bachelor's paper plan, terms for submitting chapters to the research advisor and the content of tasks for the accomplished purpose is as follows:

Chapter 1 «Theoretical bases of formation and use of export potential» - 16 April 2021.

Chapter 1 deals with the essence and structure of export potential, prerequisites and factors for the formation of export potential, significance and assessment of export potential for the country's economy.

Chapter 2 «Analysis of the formation and development of Ukraine's export potential» - 7 May 2021.

Chapter 2 deals with dynamics and tendencies of development of export potential of Ukraine for the last years, analysis of the dynamics of export indicators of Ukraine with the countries of the European Union and the main mechanisms of state support for exports of Ukraine.

Chapter 3 «Problems and prospects of development of export potential of Ukraine» - 14 May 2021.

Chapter 3 deals with problems of export policy of Ukraine, prospects and ways to realize the export potential of Ukraine.

8. Supervision on work:

Chapter	Full name and position of the advisor	Date, signature	
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1	Prof. Fedir O. Zhuravka		
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9. Date of issue of the task: « ____ » _____ 20 __

Research Advisor:

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The task has been received:

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(full name)

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INTRODUCTION

At the present stage of development of society, foreign economic activity plays one of the most important roles in the development of the state's economy, its authority among other countries and in the future position of the international environment as a whole. Export potential is precisely the indicator, the study of which is necessary for further growth of the gross domestic product of the state and increase the level of competitiveness of the national economy in the international market. The implementation of export activities poses fundamentally new organizational and economic challenges for economic entities. A prerequisite for the entry of these entities into the foreign market is the assessment of their export potential, on the basis of which a decision is made on the appropriateness of the export orientation of the products.

The interests of Ukraine's economic development require its active inclusion in the international division of labor. The expansion of foreign trade, in particular exports, is an important factor in the development of the national economy. However, only those countries with competitive economies can count on successful export activities. All this necessitates thorough research and the search for practical solutions that will allow the country to accelerate its full entry into the world economy, as well as provide an opportunity to reap the full benefits of international cooperation.

The country's actual participation in export activities is a complex multi-stage process. The peculiarity of the modern development of Ukraine's export activity is the profound changes in the possibilities of this activity of all structural components (enterprises, associations, etc.), identification of potential markets and marketing strategies for the promotion of their products.

The importance of the study of export opportunities has increased in connection with the transition of Ukrainian enterprises to market relations, when the soundness and thoughtfulness of foreign economic policy is one of the determining

factors of their successful development. It should also be borne in mind that the impact of the global economy on countries and regions is increasing significantly. A country that underestimates global trends can become degrading and backward.

Therefore, in a constantly changing world, it is necessary to have a favorable position on the international market, gain new benefits for further stable development and not lose existing positions.

In order for Ukraine to become an equal member of international economic relations, it is necessary to implement measures aimed at increasing the competitiveness of national enterprises in the world market. The implementation of this task objectively requires comprehensive research and determines the scope of analysis and development, which is aimed at improving the mechanism of state support of Ukrainian enterprises and ensuring their competitiveness in the world market. At the same time, the imperfection of the existing methods of assessing the commodity and geographical structure of exports reduces the effectiveness of the country's foreign trade policy.

The object of study is the export potential of Ukraine.

The subject of the research is perspective directions of development and realization of Ukraine's export potential.

The purpose of the study is to reveal the essence and elements of export potential as a component of the formation of national competitiveness and analysis of promising areas of intensification of foreign trade activities of exporters-producers from Ukraine.

Tasks of the study:

- to determine the interpretation of export potential, its elements and varieties as components of the formation of state competitiveness;
- to consider the history of the formation and development of foreign trade and export potential;
- to highlight the role of export potential in the formation of the economy of countries, including Ukraine;

- to analyze Ukraine's export indicators in terms of export dynamics and structural compliance;
- to establish what problems of Ukraine's export potential exist today;
- to develop and formulate ways to increase Ukraine's export potential, strengthen it on the world market and consolidate stability.

Problems of export potential of regions and its foreign economic activity are covered in the works of L.V. Deineko, E.G. Kochetova, M.A. Tailor, D.M. Kruka, A.S. Lysetskoho, O.M. Kirichenko, O.B. Zastavetskaya, L.V. Derkach, K. Sandrovsky, S. Tereshchenko and other scientists. They consider the export potential in various aspects (economic, resource, natural resource, object, economic object, etc.). But the problem of its evaluation is still in the field of scientific research.

The methodological and theoretical basis is a synthesis of the results of basic and applied research in the field of regional economy, the work of domestic and foreign scientists in various fields of knowledge, which highlights the fundamental theories of territorial systems, formation and development of regional policy. Also, the study used: grouping method – to identify territorial differences in the sectoral structure of the export complex and the service system of the territory; statistical method – to determine the nature and characteristics of foreign economic activity; system-structural method – to determine and optimize the functional-component structure of the export potential.

1 THEORETICAL BASES OF FORMATION AND USE OF EXPORT POTENTIAL

1.1 The essence and structure of export potential

At the present stage of development of the world economy, export potential is the most important characteristic of the economic power of any country. Export potential is one of the components of economic potential, which provides, unlike other components (production, labor, natural, financial, information potential, etc.) not the process of production, but the process of consumption, i.e., the process of selling products on foreign markets.

Attempts to determine the export potential of domestic scientists date back to the 90s of the twentieth century. with the beginning of the development of market relations, when the results of business entities are determined not only by the possibilities of their production, but also the possibilities of selling products. Therefore, before considering this concept, we will define its components: "export" and "potential" [1].

There are many interpretations and approaches, researchers also consider this concept at different levels: enterprises, territories, regions, countries.

A rather narrow interpretation of exports is given in the Dictionary of Foreign Words, ed. S.M. Morozov: "Exports - is the export of goods for sale on foreign markets or the quantity and value of goods exported abroad". Samuelson and Nordhaus define exports as goods and services produced domestically and sold abroad [2].

If we consider exports as an important influential factor in economic growth and integration of the country into international economic relations and the world economy, it already acquires the characteristics of potential, i.e., the hidden ability to achieve certain goals and solve problems of social development. If we talk about the export of agro-industrial products, it can not only ensure the economic

development of an individual country, but also contribute to solving the world food problem.

The term "potential" in its etymological meaning comes from the Latin word "potential" and means "hidden opportunities", which in economic practice can become a reality. There are many inaccuracies and contradictions in the definition of the concept of export potential, some definitions do not fully reveal the meaning of this category. Consider different sources, and try to give your general definition.

Similar and rather concise definitions of export potential are given in various economic encyclopedias [3].

A more structured definition is given by L.I. Abalkin, who understands the export potential as the ability of all national production, industry, individual industries or enterprises to produce the required number of competitive products for export.

T. Golikova considers the export potential as a basis for determining the competitive advantages of the country and its strategic economic zones, which include, first of all, the economic base of the country. That is, the export potential is a certain indicator (criterion) of evaluation, which determines the place of the country in the domestic and international division of labor and specialization of economic activity. This definition is somewhat general, but, in our opinion, it is the most successful [5].

Thus, summarizing the above sources, we can give the following definition of export potential - as the ability of the national economy to produce competitive goods and sell them on international markets with increasing efficiency of natural resources, scientific and technological potential, monetary and financial systems, and also service and marketing infrastructure, export support, without harming the economy and ensuring economic security of the country as a whole. Although this definition cannot be considered perfect, it is difficult to maintain a steady increase in development efficiency. In modern conditions, the pace of economic development of all countries is alternating growth and recession (crisis), but this does not mean that during the temporary imbalance, export potential is absent [6].

Let`s consider more detailed the conditions and factors of influence, structure and classification of export potential.

There are basic conditions that determine the effectiveness of this potential:

- independence of owners of resources that form the basis of potential in making business decisions;
- the presence of marketing analysis of the economic environment;
- availability of a planning system that includes strategic and tactical forecasting, operational planning and regulation of capacity use processes [4].

The structure of export potential is discussed in detail in (fig. 1.1):

Export potential should be considered both in general and in various aspects of foreign economic relations of enterprises. Based on this, the export potential can be classified according to the following criteria (fig. 1.2):

1. By product types:

- a) the export potential of a particular product, which is determined by the possibility of producing an export product corresponding to demand;
- b) the total export potential, characterized by resources and the peculiarity of their use in ensuring the production with properties that would provide it with the necessary competitiveness in foreign markets [9].

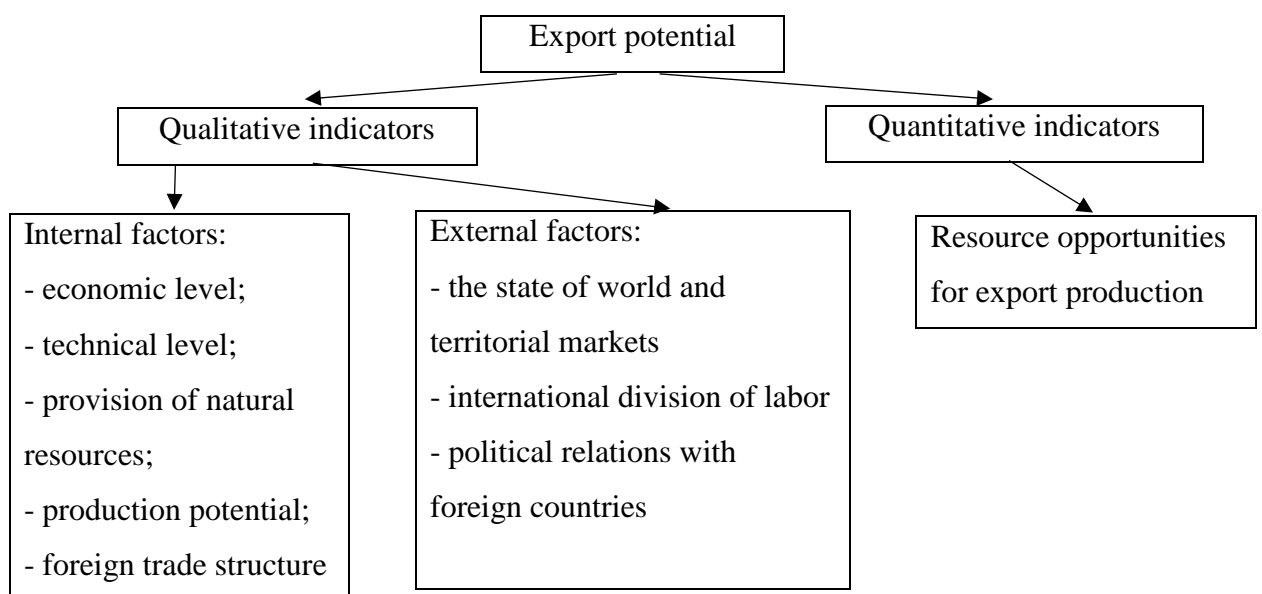


Figure 1.1 - Structure of export potential [7]

2. By markets

The potential of foreign markets is an opportunity to sell a certain amount of products, which is ranked according to the degree of attractiveness for export activities and takes into account the conditions and requirements of each of them. According to this criterion, in our opinion, it is expedient to distribute the export potential of foreign markets according to the level of development of countries: developed, transition economies and developing countries [11].

3. By business entities:

a) the export potential of the enterprise - is its total ability to create and produce competitive products for export, "promote" it to foreign markets, sell goods there and provide the required level of service;

b) the export potential of the industry is the ability of a set of enterprises in a particular industry to produce export-oriented products of the required level of competitiveness for its effective positioning in foreign markets;

c) the country's export potential is characterized, on the one hand, by the ability of the national economy to identify and constantly reproduce competitive advantages in accordance with the constantly changing market environment, and on the other hand - the set of potentials of all export-oriented sectors of the economy [3].

The classification of export potential is clearly seen in the graphic image in figure 1.2 [7].

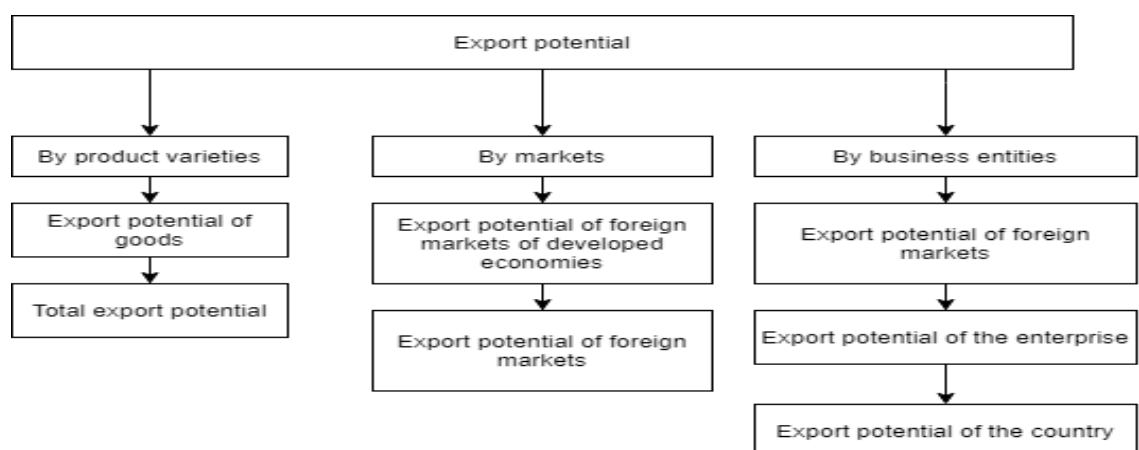


Figure 1.2 - Classification of export potential [7]

Only with such a comprehensive approach can we obtain an integrated assessment of export potential, identify its strengths and weaknesses, identify its backup opportunities, anticipate possible threats.

1.2 Prerequisites and factors for the formation of export potential

The dominance of global competition and the latest technologies has identified one of the urgent problems of increasing the export potential of innovative products as the main prerequisite for ensuring the implementation of innovative models of national economy.

According to the source of origin, the factors of ensuring the export potential of the enterprise can be divided into external (external factors) and internal (production factors). Given the fact that the export potential has a dual nature, as it is based on both a national approach to determining production capacity and taking into account the competitive conditions of the world market for the sale of products for export, domestic factors should include, above all, resource potential, opportunities for industrial production, and staffing; scientific and investment potential. External factors are factors of market action - the capacity and market conditions and conditions of competition in it, the institutional factor as a system of international institutions for the coordination of world trade flows, as well as the legal and regulatory framework and the activities of government agencies [10].

Among the factors it is proposed to highlight the following: innovation and business activity of the enterprise (production of high-tech, knowledge-intensive products; development of resource-saving and environmental types of equipment; use of advanced methods of enterprise management; participation in international exhibitions; increasing competitiveness of products in the domestic market); renewal and modernization of production facilities; introduction of the newest technologies of production, increase of a qualification level of the personnel; creating a closed

production cycle and reducing imports; state regulation of export activities (granting tax preferences; implementation of adopted government development programs; creating a favorable investment climate; concluding international cooperation agreements that will help reduce tariff and non-tariff barriers) [12].

Without denying the influence of these factors, it should be noted, however, the existence in the Ukrainian economy of at least one deep and systemic reason that inhibits the growth of innovation activity of economic entities - the lack of stable ownership and effective protection of property rights. Insufficient protection of property rights, widespread practice of its uncivilized redistribution are the main reasons that today Ukrainian business "expects" and "postpones" investment and innovation decisions until "better times". Addressing this issue at the organizational and legislative levels does not require large funds and this step should be the basis for the formation of investment and innovation model of breakthrough to the world level of competitiveness.

As a result of taking into account the impact of factors on the elements of export potential of the enterprise, we can define the mechanism of stimulating export potential as a set of specific methods and levers, consideration and integrated use of which provides simultaneous planning and management of export potential. The method is determined depending on the influence of the external environment on the export potential of the enterprise; accordingly, the lever will be a means of adapting the enterprise to the new state of the environment [15].

The driving forces of modern economic development and export potential of countries are determined primarily by new knowledge and the ability of the business sector to perceive them in a timely and effective manner. Hence, the role of the state is not to create a competitive environment as such, but to provide national economic entities with the most favorable operating conditions through indirect support of their export potential.

All the above allows us to state that the most important methodological provision of the management of export activities of the enterprise is the use of a systematic approach. It provides a systematic vision of the functioning of the

enterprise as a complex socio-economic unit. The subject of export management must clearly present the main functional elements of the enterprise as a system, take into account their role and importance in export activities, the ability to adapt to the requirements of the external environment and ensure the export viability of the enterprise [14].

1.3 Significance and assessment of export potential for the country`s economy

For any country, the role of foreign trade and exports is an important element. Foreign trade is considered to be the traditional and most developed form of international economic relations. It accounts for about 80 percent of total trade.

The strategic role of export potential is manifested in the fact that it should be a means of promoting economic growth, a tool to enhance existing and potential competitive advantages in order to approach the level of advanced countries. In modern conditions, the country's active participation in world trade is associated with significant advantages: it allows more efficient use of available resources in the country, join the world achievements of science and technology, in a shorter time to restructure its economy, and more fully and diversely to meet the needs of its own population [13].

Also, in addition to the main, we can highlight such export benefits as:

- increase sales and profits. This is the sale of goods and services to a market in which the company has never been. Expansion of markets.
- increasing the competitiveness of domestic products. Most companies have to first become competitive in the domestic market, and then they have an incentive to enter the international arena, adhering to all international ISO standards.
- diversification. Sales in a variety of markets allow companies to diversify their business and cover potential risks. Companies may not be associated with changes in the economic cycle of the domestic market or a particular country.

- unit price reduction. The capture of an additional foreign market usually expands production to meet demand. Increasing production can often help reduce unit prices and lead to greater use of existing opportunities.
- seasonal demand compensation. Companies whose products or services that can only be used at certain times of the year in the domestic market, such as grain, have the opportunity to be exported to foreign markets at different times of the year.
- sale of excess production. Companies that for some reason have overproduction are likely to sell their products in foreign markets and will not be forced to make big discounts or even eliminate their overproduction.
- gaining new knowledge and experience. Cooperation at the international level with other companies can provide valuable ideas and information about new technological advances, new market strategies and foreign competitors, etc.
- increase product life cycle. Many products go through different cycles, namely: introduction, growth, maturity and reduction phase, which is the end of their usefulness in a particular market. As soon as the product reaches the final stage of maturity in this market, it can be introduced to the market where it will have an earlier life cycle.
- international trade is both a prerequisite and a consequence of the international division of labor, so it is an important factor in the formation and functioning of the world economy.

Export operations are also an important source of currency, investment and revenue generation, improving its economic well-being, improving living standards and more [16].

The volume and results of the country's export activities largely determine the nature of its participation in the system of international trade and other forms of cooperation in world markets. Therefore, the export potential not only demonstrates the capabilities of the state in general and its individual entities, but also directly or indirectly affects all other forms of national participation in international economic activity.

It can also be noted that the relative (relative to the size of imports) deficit of export potential can be "extinguished" by trade in services, as is the case in Ukraine, which has considerable benefits from the transit of energy from east to west or capital inflows, such as in many Central and Eastern European countries in the 1990s and by other means [17].

A strong export base also determines the conditions of monetary and financial cooperation, the stability of the country's monetary sector. For example, the firmness of the German mark, the trust in it in the world in the last decades of the twentieth century, largely due to the export potential of Germany. Germany has long been at the forefront of the list of leading world exporters. Conversely, weak export opportunities, the country's inability to "cover" its exports of foreign goods cause financial unrest, the devaluation of the national currency, which was fully felt by Ukraine in the first half of the 90s [7].

Therefore, exports, as a tool of economic growth, are an important component of economic development.

2 ANALYSIS OF THE FORMATION AND DEVELOPMENT OF EXPORT POTENTIAL OF UKRAINE

2.1 Dynamics and trends in the development of Ukraine`s export potential in recent years

The foreign trade turnover of goods and services in 2020 compared to 2019 decreased by 10.2% (by 13.5 billion dollars) and amounted to 118.3 billion dollars. The foreign trade balance of goods was negative at \$ 4.9 billion, but improved by \$ 5.9 billion compared to 2019 [5].

Exports of goods and services in 2020 decreased by 7.8% (by 5.0 billion dollars) compared to 2019 and amounted to 59.0 billion dollars. Exports of goods in 2020 decreased compared to 2019 by 1.7% (by 841.7 million dollars) and amounted to 49.2 billion dollars.

The decrease in exports of goods occurred in the following product groups:

- products of the metallurgical complex - by 1.2 billion dollars. (by 11.9%), including:
 - ferrous metals - by 1.0 billion dollars (at 12.0%);
 - ferrous metal products - by USD 163.7 million (at 15.7%);
 - other base metals - by \$ 46.1 million (at 42.2%).
- mechanical engineering products - by USD 121.8 million (by 2.2%), including:
 - electrical machinery and equipment - by 199.2 million dollars (at 7.2%);
 - railway or tram locomotives - by 127.4 million dollars (at 23.3%);
 - land vehicles, except rail - by 20.5 million dollars (at 15.0%);
 - devices and apparatus - by 17.5 million dollars (at 9.8%).
- light industry products - by 106.3 million dollars (by 9.0%), including:
 - textile clothing - by 53.2 million dollars (at 13.6%);

- footwear - by 21.9 million dollars (at 12.5%);
 - knitted clothing - by USD 14.4 million (by 11.6%);
 - hides and skins, untreated - by \$ 9.1 million (at 11.0%);
 - leather goods - by 7.8 million dollars (at 16.5%).
- wood, pulp and paper products - by USD 23.4 million. (by 1.3%), including:
 - printed products - by 18.0 million dollars. (at 29.0%);
 - paper and cardboard - by \$ 16.8 million. (at 4.5%).

At the same time, there was an increase in exports of goods by the following product groups:

- mineral products - by 465.5 million dollars (by 9.6%), including:
 - ores, slags and ash - by USD 830.5 million (by 23.1%).
- various industrial goods - by 64.2 million dollars (by 4.1%), including:
 - furniture - by 75.7 million dollars (at 11.2%);
 - various finished products - by 67.2 million dollars (by 86.4%);
 - glass and glass products - by USD 25.7 million (by 14.0%);
 - precious or semi-precious stones - by \$ 24.5 million (at 27.3%).
- products of agro-industrial complex and food industry - by 55.0 million dollars. (by 0.2%), including:
 - fats and oils of animal or vegetable origin - by \$ 1.0 billion (by 21.7%);
 - food industry residues and wastes - by USD 90.3 million (by 6.1%);
 - cereal products - by USD 43.7 million (by 16.2%);
 - various food products - by USD 16.9 million (by 11.9%);
 - alcoholic and non-alcoholic beverages and vinegar - by USD 12.9 million (by 6.1%).
- products of the chemical and related industries - by \$ 50.5 million. (1.9%), including:
 - fertilizers - at 152.5 million dollars (at 67.8%);
 - pharmaceutical products - by 17.4 million dollars (at 7.0%);

- other products of the chemical industry - by 10.1 million dollars (at 7.1%).

The largest share in Ukrainian exports belongs to:

- products of agro-industrial complex and food industry (45.1%);
- products of the metallurgical complex (18.3%);
- mechanical engineering products (11.0%);
- mineral products (10.8%);
- products of the chemical industry (5.5%).

The decrease in exports of goods occurred to countries:

- Africa - by 18.6%;
- CIS - at 12.1%;
- Europe - by 10.4%.

Exports of goods increased to the following countries:

- Asia - by 20.0%;
- Australia and Oceania - by 13.8%;
- America - by 5.5%.

The most active export operations were carried out with the services of the enterprises of Kyiv, Odesa, Lviv, Mykolaiv, Kyiv, Dnipropetrovsk and Kharkiv regions [19].

The main trade partners of Ukraine in the export of goods in 2020 were: EU, China, Russian Federation, Turkey, India, Egypt, Belarus, USA, Indonesia and Saudi Arabia (table 2.1).

EU countries (28) are Ukraine's largest trading partners. The share of these countries in the foreign trade turnover of goods and services of Ukraine in 2020 was 40.7%. The foreign trade turnover of goods and services with the EU (28) in 2020 decreased by 9.0% (by 4.8 billion dollars) and amounted to 48.1 billion dollars.

Exports of goods and services to the EU (28) decreased by 9.4% (by \$ 2.3 billion) and amounted to \$ 21.9 billion [18].

Ukraine's foreign trade turnover with the Customs Union (Russian Federation, Belarus, Kazakhstan, Armenia, Kyrgyzstan) in 2020 decreased by 34.1% (by \$ 8.0

billion) and amounted to \$ 15.4 billion. The share of the Customs Union countries in the foreign trade turnover of goods and services of Ukraine in 2020 was 13.0%.

Exports of goods and services to the countries of the Customs Union decreased by 37.9% (by 4.4 billion dollars) and amounted to 7.3 billion dollars [6].

The foreign trade turnover of goods and services with the CIS countries in 2020 decreased by 31.6% (by \$ 8.1 billion) and amounted to \$ 17.6 billion. The share of these countries in the foreign trade turnover of goods and services of Ukraine in 2020 was 14.8%.

Exports of goods and services to the CIS countries decreased by 33.8% (by \$ 4.5 billion) and amounted to \$ 8.8 billion [9].

Table 2.1- The main trade partners of Ukraine in the export of goods in 2020 [6]

№	Name of country	Export of goods, million dollars	2020 to 2019, %	The share of the country in total exports of goods from Ukraine, %
1	EU (27)	18 612,1	89,7	37,8
2	China	7 112,7	198,0	14,5
3	Russian Federation	2 706,0	83,4	5,5
4	Turkey	2 436,3	93,0	5,0
5	India	1 972,1	97,4	4,0
6	Egypt	1 618,2	71,8	3,3
7	Belarus	1 335,3	86,2	2,7
8	USA	983,9	100,5	2,0
9	Indonesia	735,6	100,1	1,5
10	Saudi Arabia	719,0	96,6	1,5

From the table 2.1 shows that the Russian Federation remained among the main trade partners of Ukraine. The share of the Russian Federation in the foreign trade turnover of goods and services of Ukraine in 2020 was 8.5%.

The foreign trade turnover of goods with the Russian Federation in 2020 decreased by 29.1% (by \$ 3.0 billion) and amounted to \$ 7.2 billion. Exports of

goods to the Russian Federation decreased by 16.6% (by 536.8 million dollars) and amounted to 2.7 billion dollars [20].

Ukraine's main trading partners are also China, the United States and Turkey. They account for 13.3%, 4.9% and 4.6% of the foreign trade turnover of goods and services in 2020, respectively.

The foreign trade turnover of goods and services with China in 2020 increased by 19.0% (by 2.5 billion dollars) and amounted to 15.7 billion dollars. Exports of goods and services increased by 91.2% (by \$ 3.4 billion) and amounted to \$ 7.2 billion.

The foreign trade turnover of goods and services with the United States in 2020 decreased by 4.5% (by \$ 270.3 million) and amounted to \$ 5.8 billion. Exports of goods and services increased by 4.7% (by 106.6 million dollars) and amounted to 2.4 billion dollars [23].

The foreign trade turnover of goods and services with Turkey in 2020 decreased by 5.5% (by 318.0 million dollars) and amounted to 5.4 billion dollars. Exports of goods and services decreased by 8.4% (by 236.0 million dollars) and amounted to 2.6 billion dollars [21].

2.2 Analysis of the dynamics of export indicators of Ukraine with the countries of the European Union

Today, Ukraine is at a stage where economic and trade integration with the European community is inevitable. Due to its geographical location, as the largest European country in terms of territory, it attracts interest from both eastern and western neighbors. Relations with the European Union (EU) are of particular importance for Ukraine in determining its own prospects and reserves to increase the level of international trade contacts and the level of competitiveness of the domestic economy in the world market. In the markets of the EU countries, Ukraine's

comparative advantages are manifested in raw material commodity groups: fur and leather, as well as iron ore and scrap metal. The index of identified comparative advantages shows that Ukraine specializes mainly in the production of low value-added goods, especially metallurgical products, so it is important to identify problems in mutual trade in goods and services of Ukraine with the European Union.

In recent years, there has been a tendency to strengthen economic cooperation between Ukraine and the EU. This is evidenced by the dynamics of foreign trade [3].

International trade in goods and services is important for any country in the world, and some countries receive the lion's share of revenues from exports to other countries. The dynamics of export-import operations in Ukraine in recent years has a constant tendency to change [22].

Exports of goods in January-June 2020 compared to the same period in 2019 decreased by \$ 1.6 billion. US and amounted to 22.9 billion dollars USA.

Table 2.2 - Dynamics of the commodity structure of Ukraine's exports for the first half of 2020 [8]

Cargo group	Value volumes, billion USD	Specific weight, %	Dynamics to the first half of 2019	
			million USD	%
Groceries and agricultural products	10,27	44,82	115	1,13
Metals and articles thereof	4,55	19,84	-1035	-18,55
Machinery, equipment and transport	2,44	10,67	-224	-8,40
Mineral products	2,10	9,17	108	5,42
Other goods	1,55	6,78	-283	-15,41
Chemical products industry	1,26	5,49	2	0,16
Textiles, textile products, shoes	0,43	1,89	-89	-17,02
Fuel and energy products	0,31	1,35	-146	-32,09

During the first half of 2020, deliveries to foreign markets of food products and agricultural products increased by 1.1% (or USD 115 million) and mineral products by 5.4% (or USD 108 million). At the same time, supplies of metals and metal products decreased by \$ 1 035 billion. US, which is 18.5% lower than the same period last year. The exports of other industries also decreased to varying degrees.

Such changes led to an increase in the share of food products and agricultural products in the commodity structure of Ukraine's exports to 44.8% with a parallel reduction in the share of metals and metal products to 19.8% (table 2.2). These two product groups account for almost two thirds of total exports of goods from Ukraine.

Despite the reduction in the value of exports, its physical volumes showed a slight increase increased by 345 thousand tons or 0.43%. This is largely due to an increase in physical exports of mineral products by 7.1% or 1,878 thousand tons [9].

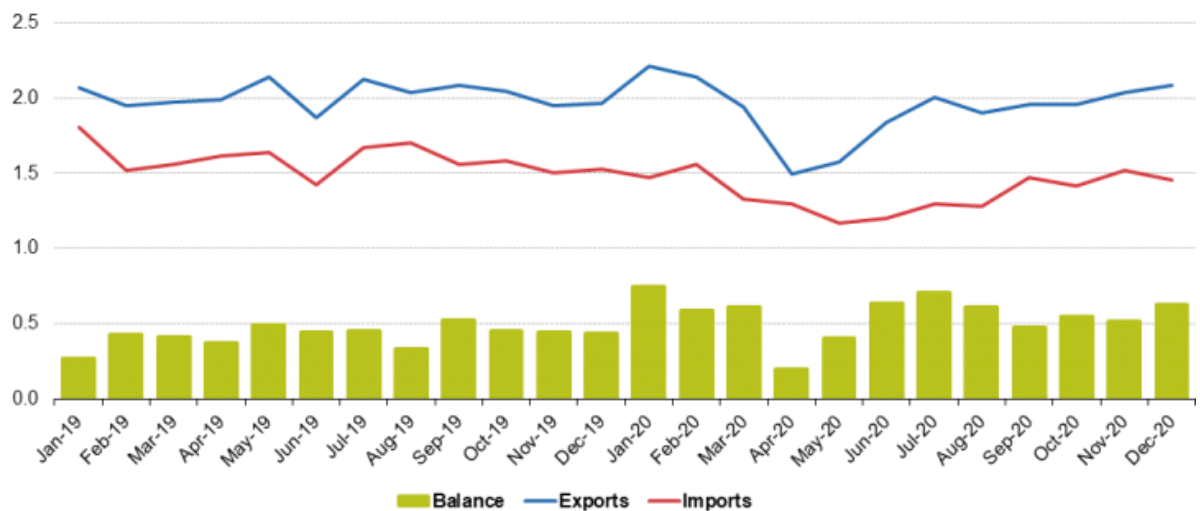
In addition, the physical volumes of exports of chemical products increased by 32.9%, while the value of this commodity item decreased by 0.16%, which indicates a significant decrease in prices for goods in this group. Also, the decline in world metal prices led to the fact that while reducing the value of exports of this product group by 18.5%, their physical volumes decreased by 5.9% [7].



Figure 2.1 – Imports, exports and trade balance between the EU and Ukraine, 2010-2020 [8]

The COVID-19 crisis caused both exports and imports between the EU and Ukraine to fall in 2020. Exports reached a minimum of EUR 1.5 billion in April 2020. By December 2020 they had recovered to EUR 2.1 billion. Imports reached a minimum of EUR 1.2 billion in May 2020. By December 2020 they had recovered to EUR 1.5 billion [32].

EU trade in goods with Ukraine, 2019-2020
(EUR billion, seasonally and working-day adjusted)



Source: Eurostat (online data code: ext_st_eu27_2020sitc)

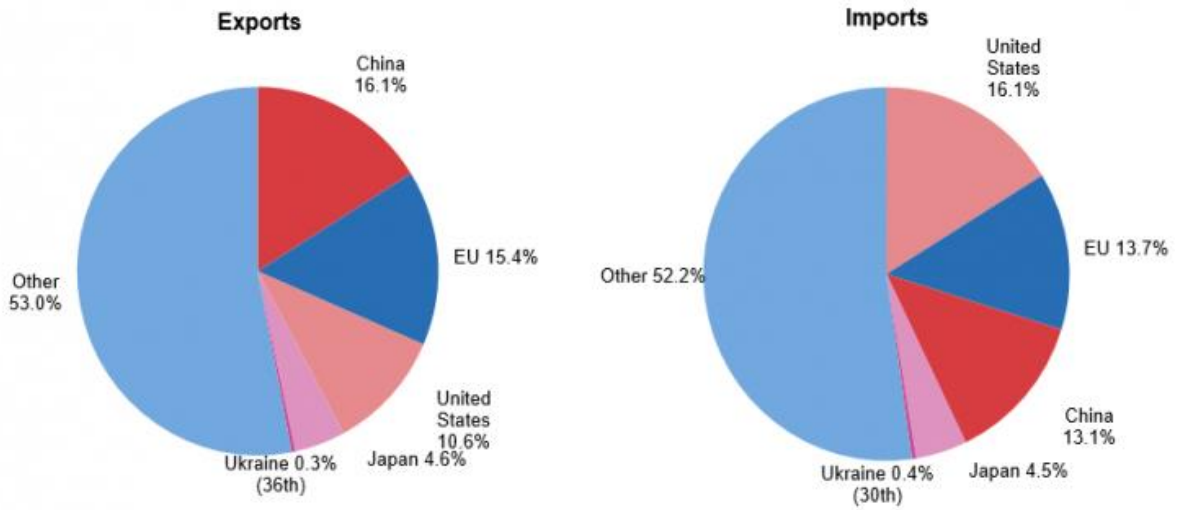
eurostat

Figure 2.2 – EU trade in goods with Ukraine in 2019-2020 [8]

Figure 2.3 shows the position of Ukraine among the largest traders of goods in the world in 2019. The four largest exporters were China (EUR 2 233 billion, 16.1 %), the EU (EUR 2 132 billion, 15.4 %), the United States (EUR 1 468 billion, 10.6 %) and Japan (EUR 630 billion, 4.6 %). The four largest importers were the United States (EUR 2 293 billion, 16.1 %), the EU (EUR 1 940 billion, 13.7%), China (EUR 1 857 billion, 13.1 %) and Japan (EUR 644 billion, 4.5 %) [25].

Ukraine among the world's largest traders of goods, 2019

(% share of world exports/imports)



Source: Eurostat (online data code: ext_it_introeu27_2020) and UNCTAD

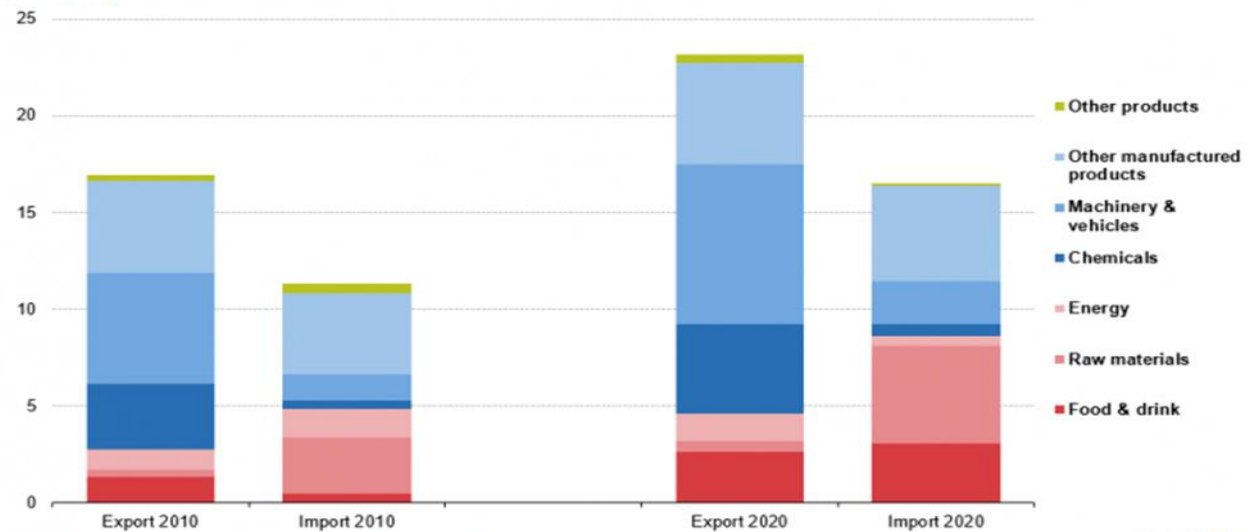


Figure 2.3 – Ukraine among the world's largest traders of goods, 2019 [8]

The breakdown of EU trade with Ukraine by SITC groups is shown in Figure 2.4. The red shades denote the primary products: food & drink, raw materials and energy, while the blue shades show the manufactured goods: chemicals, machinery & vehicles and other manufactured goods.

EU trade with Ukraine by product group, 2010 and 2020

(€ billion)



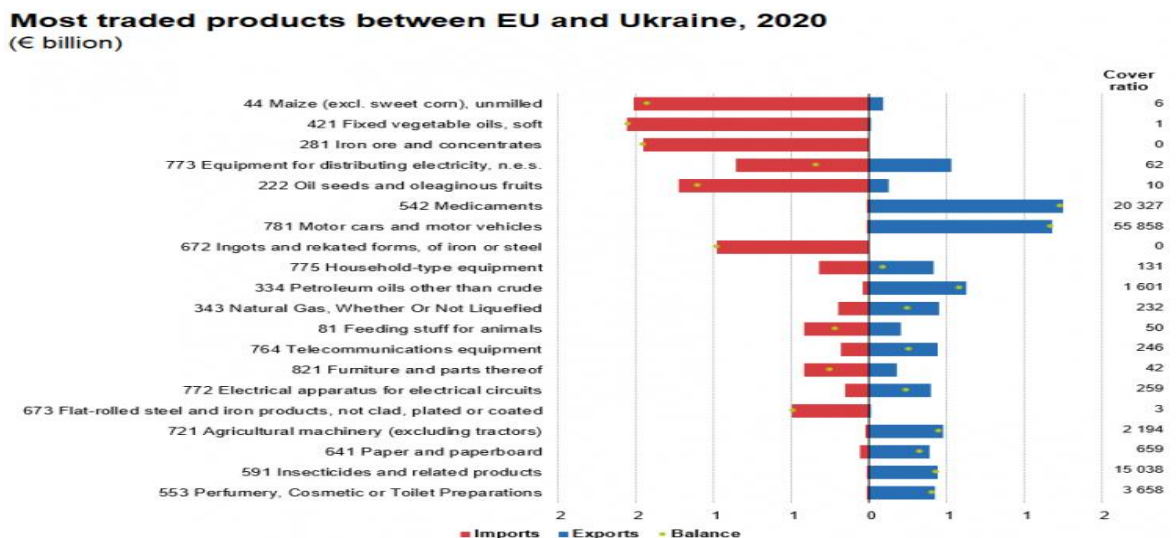
Source: Eurostat (online data code: ext_st_eu27_2020sitc and DS-018995)



Figure 2.4 – EU trade with Ukraine by product group, 2010 and 2020 [8]

Finally, other goods are shown in green. In 2020, EU exports of manufactured goods (78 %) had a higher share than primary goods (20 %). The most exported manufactured goods were machinery & vehicles (36 %), followed by other manufactured products (22 %) and chemicals (20 %). In 2020, EU imports of primary goods (52 %) had a higher share than manufactured goods (47 %). The most imported primary goods were raw materials (31 %), followed by food & drink (19 %) and energy (3 %) [26].

More detail about the goods exchanged between the EU and Ukraine is given in Figure 2.5, showing the 20 most traded goods at SITC-3 level. These top 20 goods covered 41 % of total trade in goods in 2020. Six belonged to machinery and vehicles, four to other manufactured products, three each to raw materials and chemicals, two each to food and drink and energy. The most traded product group at this level was maize (excl. sweet corn), un milled. Seven products were below 50 %, indicating EU imports from Ukraine were more than twice as large as EU exports to Ukraine. Ten products were above 200 %, indicating EU exports to Ukraine were more than twice as large as EU imports from Ukraine. Three products were between 50 % and 200 %, showing more balanced trade [8].



Note: While the trade balance provides information on the absolute value of trading positions, the cover ratio provides a relative measure that is based on the ratio (expressed in percentage terms) between the value of exports and the value of imports; if exports are higher than imports then the cover ratio will be above 100.

Source: Eurostat (online data code: DS-018995)

eurostat

Figure 2.5 – Most traded products between EU and Ukraine in 2020 [8]

Thus, the commodity structure of Ukraine's exports to the EU has remained fairly stable over the past few years, despite the economic crisis. About a third of all exports are agricultural and food products, in second place is the export of ferrous metals and products from them, in third place - electrical and mechanical machinery.

The structure of trade in services has also changed in line with the economic situation in the country. In the export of services, the share of transport services decreased due to a decrease in merchandise exports, while the share of services for the processing of material resources increased. There is also a growing trend in exports of telecommunications, computer and other information services [24].

So, the analysis of the dynamics and structure of Ukraine's foreign trade in goods and services with EU countries has shown that the latter remains one of Ukraine's main trading partners. Ukraine exported the largest exports of goods to Italy, Poland, Germany, Spain, Hungary and the Netherlands. In turn, the largest volumes of exports and imports of services were carried out with the United Kingdom and Germany. In 2019–2020, Ukraine exported the most products of the agro-industrial complex and food industry, ferrous metals, electrical machinery and equipment, mineral products and transport services, processing of goods abroad, in the field of telecommunications, computer and information services and business services. And the most significant volumes of imports from EU countries were energy materials, oil and its products, mechanical and electrical machinery and chemical products [15].

Thus, analyzing the state of Ukraine's foreign trade with the EU, we can conclude that in 2019-2020 the volume of trade in goods and services between Ukraine and the rest of the world declined sharply. However, the decline in trade with EU countries has not been as rapid as with other countries. In relative terms, the importance of the EU as a trading partner of Ukraine has increased, so it can be noted that there has been a reorientation of Ukraine's foreign trade flows towards the EU [28].

2.3 The main mechanisms of state support for exports of Ukraine

Effective exports are one of the important factors that, based on the realization of competitive advantages, expand trade borders, stimulate expanded reproduction through additional markets, provide additional profits and increase national income, promote efficient and competitive transformation of national industry and agriculture.

As confirmed by the practice in the economy of developed countries, it is extremely important for companies to enter international markets is their financial support from the state by forming a system of export incentives, which includes a set of instruments, including credit and financial [27].

Today, Ukraine is a member of the WTO, which, in turn, requires further application of mechanisms and procedures that are officially recognized by this organization. In addition, with Ukraine's accession to the WTO, the question of the need to abolish existing benefits as a means of state support for domestic producers is acute.

At the same time, the only officially recognized WTO and the current mechanism of state export support is insurance and export crediting with the involvement of the state budget. The system of state support in the form of insurance, credit and export guarantees is an important factor in stimulating export activities and operates in many countries, including Russia, Poland, Central and Eastern Europe, the Baltic States and others [29].

Ukraine, unlike all major trade competitors, does not have its own system of insurance, credit and export guarantees and therefore cannot stimulate the export of its high-tech products.

In the field of state support for export activities of domestic enterprises, a draft "National Strategy for Export Development of Ukraine" has been proposed and several bills have been developed, as well as the "Action Plan to protect the interests of domestic producers in foreign markets"[30].

This plan aims at:

- strengthening the interaction of executive authorities in the implementation of measures to protect the interests of domestic producers during foreign states, their economic or customs associations anti-dumping, special protective or countervailing investigations into imports of goods of Ukrainian origin;
- ensuring the recognition by foreign states of Ukraine's status as a market economy country for the purposes of anti-dumping investigations;
- increasing the efficiency of work to prevent discrimination against domestic producers in foreign markets;
- formation of a legal framework with foreign countries to protect the interests of domestic producers in foreign markets;
- creation of favorable conditions for access of goods of Ukrainian origin to the foreign market with the use of WTO instruments;
- increasing the efficiency of information and consulting support and export development;
- strengthening the interaction of executive authorities and domestic producers or associations of producers in order to protect their interests in the foreign market [35].

The main task of implementing this strategy is:

- creation of a favorable regulatory environment in the field of export activities;
- development of a legal framework focused on the needs of exporters;
- favorable credit policy in matters of export development (reduction of credit resources, prudent exchange rate policy, maintenance of price stability);
- protection of the internal market in accordance with the rules and requirements of the WTO and the EU;
- organizational support for export development (exhibition activities, economic departments within foreign diplomatic missions of Ukraine);
- information and consulting support of exports [33].

The results of the implementation of this bill provide for an increase in annual exports of domestic producers by an average of 3% and ensure stable operation of export producers, especially machine-building, which will attract additional investment in enterprises [35].

In the field of international integration and cooperation to improve trade conditions in foreign markets for domestic producers provides for the introduction of the following measures:

- analysis of potential benefits and risks of creating a Free Trade Area, modeling of optimal FTA parameters in the framework of negotiations with experts;
- introduction of mechanisms of the state financial support of small and average business by guaranteeing and insurance of export operations;
- expansion of cooperation with international organizations, including financial (in particular, the OECD, the World Bank, the IMF, the European Bank for Reconstruction and Development, the European Investment Bank, etc.) [34].

Unfortunately, the current regulations and existing bills on state support for export activities of enterprises currently only develop specific measures to build a comprehensive system of regulation and support of national producers in foreign and domestic markets. But almost all of the above measures are aimed at harmonizing national legislation with the requirements of GATT / WTO, so there is a question of specifying the methods and measures of protectionist policy of the national economy, in particular in the field of foreign economic security [31].

These measures to improve the regulatory framework should be aimed at further harmonization of national law with international and European law with mandatory compliance with the requirements of the WTO, as well as to create a favorable regulatory environment for foreign trade entities [28].

Improving customs tariff protection should consist, on the one hand, in optimizing customs tariff rates and, on the other hand, in expanding the use of other elements of the customs tariff (tariff nomenclature of goods, granting benefits and preferences based on the origin of goods, etc.) for protective purposes.

With regard to financial support for priority industries, the problem here is that the COT rules regulate significant restrictions on financial support for enterprises or entire industries. Therefore, in providing such support, special care should be taken regarding the means and program objectives of financial assistance. It is necessary to pay more attention not to financial forms of support, but to its other manifestations - information assistance, staffing, representative functions of state bodies in relation to domestic producers in the international arena, etc. [37].

First of all, we need to find such forms and methods of support that could simultaneously increase the level of financial security of domestic farmers and the competitiveness of Ukrainian agricultural products and machinery in world markets, and not go beyond Ukraine's WTO commitments.

So, summing up, we can say that the development of a comprehensive state program should cover all levels of export activities, which will improve the country's international image, improve foreign policy, improve the sectoral structure of the national economy, increase the competitiveness of domestic producers and products. At the same time, it will strengthen foreign economic activity, strengthen the country's economic security in the international arena and improve the quality of life of its population [31].

3 PROBLEMS AND PROSPECTS OF DEVELOPMENT OF EXPORT POTENTIAL OF UKRAINE

3.1 Problems of export policy of Ukraine

As mentioned above, export policy plays a huge role in shaping and realizing the export potential of any country. Ukraine is no exception.

The main factors hindering the development of the export potential of our country at the moment are:

- instability of the legal framework, lack of prescribed standards for the protection of domestic producers;
- inconsistency of certain norms of Ukrainian legislation with international ones;
- complex customs procedures, tariff and non-tariff regulation;
- artificial restraint of the hryvnia exchange rate, which narrows the possibilities of using the exchange rate factor in order to promote the export of certain types of products;
- insufficient development of domestic systems of certification and quality control;
- increase in prices for export services and export deliveries (20% VAT);
- lack of qualified personnel and experience in the field of export at most Ukrainian enterprises.
- low level of development of the financial sector and market institutions, which does not allow sufficient financing of promising industries [23].

All these areas are regulated by the country's export policy.

Also, it is important to note that one of the problems of Ukraine's export orientation is its attraction to the export of products of the metallurgical, chemical and petrochemical industries, agriculture. The share of mechanical engineering products remains low. Namely, it has the greatest potential for development. Ukraine, acting mainly as an exporter of ferrous metallurgy and other goods with a

low level of value added, is inconspicuous in the markets of high-tech goods. This makes it an unpromising partner for regional integration, both in the West and in the East. After all, it is high-tech industries and technically complex industries that are able to operate in the mode of international cooperation, and are the main areas of integration in the modern world economy [27].

In such conditions, it is not easy for Ukrainian enterprises to find their place in the world economic complex, especially since the world markets for basic goods have already been formed.

Traditionally, the solution to this issue is through the liberalization of foreign trade. But the liberalization that has taken place in Ukraine in connection with the accession to the World Organization has ambiguous results. On the one hand, Ukraine received:

- reduction of tariff and non-tariff restrictions on access of Ukrainian goods to the commodity markets of WTO member countries;
- abolition of quotas for the export of Ukrainian metallurgy products to the EU;
- access to cheaper components, equipment and raw materials;
- ensuring non-discriminatory transit of goods and services [36].

On the other hand:

- the implementation of WTO rules in the field of standardization and certification requires significant costs for the development and implementation of new institutions and mechanisms for the implementation of such procedures, which Ukraine cannot afford now;
- Ukrainian industry is not protected from the influence of cheap competitive products from outside. This will lead to the need to restructure Ukrainian industrial enterprises;
- ban on the use of certain mechanisms of economic regulation;
- with regard to financial support of priority industries, the problem here is that the COT rules regulate significant restrictions on financial support of enterprises or entire industries. This complicates the financing of priority sectors of the country.

Thus, Ukraine's accession to the WTO had both its advantages and a large number of disadvantages for a country with insufficient economic development [38].

Therefore, we can say that to optimize Ukraine's export policy under these conditions, the following measures should be taken:

- maintaining the presence of Ukraine in the traditional segments of export markets, it is vital to ensure the growth of exports of high-tech products with high value added. Otherwise, the threat of significant economic losses for the national economy increases. For these reasons, the search for effective mechanisms and tools to improve the structure of Ukrainian exports is becoming a priority state task. One of the most effective tools for implementing a comprehensive diversification strategy aimed at increasing the share of sectors with a high share of value added in the structure of production and exports, such as aerospace and shipbuilding, can be government support for exports;

- development of the agrarian-industrial model of the Ukrainian economy. The high probability of loss of the export market by part of the industry will inevitably lead to a painful decision to close certain areas of "surplus" funds. Compensation is possible due to the development of national agricultural potential, the importance of which is growing in the global food crisis;

- to introduce systematic information-legal and organizational-technical assistance to agricultural producers in matters of expanding the presence and protection of interests in foreign markets. Develop public-private initiatives for the development of the agricultural sector of Ukraine, which provide mechanisms to ensure agreements between the state and farmers in matters of regulation of foreign trade, the dynamics of prices for fuel and lubricants, fertilizer prices, transportation tariffs;

- restructuring of the processing industry is a necessary direction to ensure competitiveness in the post-crisis world;

- expansion of the range of products exported, primarily through finished products;

- simplify customs procedures;

- to create conditions for the application by exporting enterprises of the results of scientific research in full, as is done in developed countries, as well as the introduction of technological innovations;

- to carry out full modernization of the domestic industry, for improvement of quality and competitiveness of production;

- increase the possibility of using the exchange rate factor to promote exports;

- creation of a mechanism for financial support of exports, first of all, crediting, guaranteeing, insurance of export deliveries and credits and subsidizing of interest rates on export credits [40].

Thus, the implementation of the above and other measures in the context of the development of Ukraine's export potential will be possible only with the implementation of synchronous reforms in all sectors of the economy.

3.2 Prospects and ways to realize the export potential of Ukraine

Ukraine has a fairly large export potential, but its implementation is due to the implementation of a number of mandatory organizational and technical measures at the national level.

To implement the proposed set of measures requires government budget allocations and foreign investment, the amount of which should be determined taking into account existing world practice, as well as the current state of the national economy and the existing structure of exports [39].

Ukraine has opportunities for the development of the domestic market of high technologies, the needs of which can be met through domestic production. Due to this, the export potential of high-tech and science-intensive products can be increased, primarily to the markets of developed economies (the Middle East, Latin America and the countries of the Asia-Pacific region).

The total trade turnover in Ukraine is 103.4 billion dollars in 2020, imports decreased the most - its volumes decreased by 10.3% compared to 2019. Compared to 2019, the total turnover decreased by 6.4%.

Imports decreased the most: in 2020 it amounted to 54.2 billion dollars, which is 6.2 billion, or 10.3%, less than in 2019 [35].

Mineral fuels, oil and its products (\$ 8 billion), reactors, boilers, machinery, equipment and mechanical devices (\$ 6.1 billion) and land vehicles (\$ 5.5 billion) were mainly imported to Ukraine. The main exporting countries were China, Germany and Russia.

Exports fell 1.7% to \$ 49.2 billion. Ukraine exported the most grain (\$ 9.4 billion), ferrous metals (\$ 7.7 billion) and fats and oils of animal or vegetable origin (\$ 5.8 billion).

China, Poland and Russia imported the most Ukrainian goods.

The foreign trade balance for this period is negative and amounts to -5 billion dollars [36].

In general, Ukraine is one of the countries with advanced aerospace and shipbuilding technologies. Potentially feasible are Ukraine's positions in shipbuilding, bio- and information technologies, technologies for the development of new materials, nuclear physics, electric welding, technologies in the field of informatics, communications, which are able to ensure the development of high-tech production at world standards [37].

Priority should also be given to resource-saving technologies and scientific and technical developments related to the implementation of research aimed at the preservation and development of natural and productive resources of the country. High-tech developments, if implemented, can provide a significant economic effect and increase the competitiveness of domestic products in the international market.

Work is underway with China with an emphasis on new scientific and technical developments and the creation of repair facilities. The emergence of new format projects - joint developments - has also become a trend. The reasons for this are quite obvious: insufficient capabilities of the Ukrainian defense industry to rearm

the army at the current level and in full, as well as the West's desire to save on what has already been created in Ukraine on the most critical defense issues at a decent level [39].

The products of Ukrainian enterprises in Soviet times were widely known and popular in Latin America, the Middle East and the Asia-Pacific region. Therefore, they already know our producers quite well, and we have prospects for further development of foreign economic cooperation with them.

Favorable geographical position of Ukraine, its powerful transport system and infrastructure, availability of scientific and educational environment makes our country potentially attractive for involvement in the system of international transport corridors.

The transport resource is the most real in the current economic conditions and therefore is extremely important for Ukraine.

The technological capacity of the national transport infrastructure makes it possible to annually transport by rail, inland waterway and road transport and process in ports more than 60 - 70 million tons and deliver by pipeline about 200 million tons of transit cargo. However, the actual transit volumes are only 200 million tons, i.e., the available transit potential of Ukraine is used by 70 percent, and on public transport (without pipelines) - only by 50 percent [40].

The tourism industry is an important factor in a stable and dynamic increase in budget revenues, a significant positive impact on the state of affairs in many sectors of the economy: transport, trade, communications, construction, agriculture and more.

Ukraine has all the prerequisites for the intensive development of domestic and foreign tourism: features of geographical location and relief, favorable climate, rich natural, historical, cultural and tourist and recreational potential. But, unfortunately, against the background of world tourism, which is gaining momentum at a fantastically fast pace, Ukraine looks quite modest. The problem today is the inefficient and irrational use of relevant resources, the current level of development of the tourism industry does not meet the existing potential.

Therefore, over the past two years, attempts have been made in our country to transform the tourism industry into one of the leading sectors of Ukraine's economy.

Scientific institutions of Ukraine still retain such an important advantage in trade in knowledge-intensive products as cheap, but skilled, labor. The potential market capacity of such products in the Asia-Pacific countries far exceeds the market capacity of ferrous metals, fertilizers and other products of our traditional exports.

Thus, the implementation of all the above measures will not only improve the structure of exports of goods and services, but also strengthen Ukraine's foreign economic security, expand the boundaries of its markets [38].

CONCLUSION

From all the above it can be concluded that having a high export potential, Ukraine is still using it inefficiently compared to other countries. Thus, in terms of exports of goods per capita, Ukraine is inferior not only to developed countries, but also to most countries of Central and Eastern Europe.

The development of Ukraine's foreign trade takes place under the influence of a set of internal and external factors, and the share of negative factors prevails. Low competitiveness of producers of goods and services is one of the determining factors that hinders the effective promotion of Ukrainian goods on international markets.

It can be noted that it is important for Ukrainian companies to strengthen their position in those markets where they are stronger, and at the same time try to gradually diversify markets. It is important to direct the efforts of entrepreneurs in time to those niches where Ukraine has the potential to restructure enterprises and transfer them to new technologies. It is also very important to improve the conditions for investment in order to promote the attraction of new technologies, the development of advanced industries, including through the implementation of joint investment projects.

Unfortunately, Ukraine's economy is characterized by high material and energy consumption of products, low productivity and environmental friendliness, a large share of obsolete equipment and technologies that need modernization.

The processes of globalization in the world economy affect the structure of Ukraine's industry, but a significant obstacle is its outdated institutional structure. The introduction of an innovative model of development of the real sector of the economy will create conditions for significantly improving the efficiency of scientific and technical potential, improving its organizational structure in accordance with market conditions, enhance innovation of industrial enterprises and, consequently, increase their competitiveness in world markets.

The growth of the raw material component of Ukraine's exports has led to the formation of Ukraine's image as a "raw material appendage" in the world economy. In many commodity positions, Ukraine's foreign trade is increasingly becoming a one-way street.

However, Ukraine retains the prerequisites for creating a competitive economy and strengthening its position in international markets. These are, first of all, rich natural resources, favorable geographical location, skilled and relatively cheap labor, the potential of the military-industrial complex, high technology, science and education. In terms of total reserves of its resources, Ukraine occupies one of the leading places in Europe (for example, mineral, soil, recreational). At the same time, there are objective preconditions for positive changes in the field of strengthening national competitiveness. The basis for this statement is the formation of the foundations of a market economy, financial system, the presence of large enterprises that are actively developing and can become the basis for economic growth. Integration into the global trading system will guarantee Ukraine the necessary access to world markets, where its goods and services will be welcomed as favorably as the goods and services of most WTO members. Market access will stimulate economic growth and raise living standards.

The change in the policy of economic reforms should result in the reorientation of socio-economic relations in the country to the introduction of a highly efficient development model that will strengthen Ukraine's economic potential, ensure stable and accelerated economic growth, bring the national economy to a qualitatively new level and transform it into an innovative and competitive country.

Providing all these pre-conditions will allow Ukraine to reach a completely new level of life:

- improve the state of the economy;
- expand the base of markets;
- gain the trust of the world's leading countries and organizations.

This is exactly what Ukraine wants.

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APPENDIX A

SUMMARY

Kupalna A.O. Export potential of Ukraine and ways of its realization. - Bachelor's qualification paper. Sumy State University, Sumy, 2021.

The final paper is devoted to studying theoretical and practical aspects of the concept of export and export potential within the global economic environment. The current state, problems and prospects of Ukraine's export potential development are studied. The optimal ways of its realization are offered.

Key words: potential, export, export potential, competitiveness, export policy, implementation.

Анотація

Купальна А.О. Експортний потенціал України та шляхи його реалізації.- Кваліфікаційна бакалаврська робота. Сумський державний університет, Суми, 2021.

Кваліфікаційна бакалаврська робота присвячена дослідженню теоретичних і практичних аспектів поняття експорту та експортного потенціалу в рамках глобального економічного середовища. Досліджено сучасний стан, проблеми та перспективи розвитку експортного потенціалу України. Запропоновано оптимальні шляхи його реалізації.

Ключові слова: потенціал, експорт, експортний потенціал, конкурентоспроможність, експортна політика, реалізація.