

## **TRADE AND ECONOMIC RELATIONS BETWEEN UKRAINE AND GERMANY**

**Introduction.** At the current stage of development of international external and internal economic relations, globalization processes take up all spheres of the world economy. The country's specialization in the production of goods for which it has the best conditions allows it to expand their production, using part of them for sale, and for the money earned to buy the goods that are lacking. Among the most active partners of Ukraine is Germany, its geopolitical role is determined not only by high and steady rates of economic growth, but, above all, by a stable financial situation.

**Review of recent publications.** Economic ties between Ukraine and Germany have always been of interest as I. T. Balabanov, S. Borysov, V. Gutnyk and others.

**Objectives of the paper.** The aim of the article is to analyze the economic ties between Ukraine and Germany, as well as problems and perspectives of cooperation between countries.

**Results of research.** Ukraine is counting on joint actions and support of its efforts on the part of the European Community. In this aspect, Ukrainian-German cooperation in the sphere of foreign economic relations of Ukraine can be considered as a priority. First, Germany is the most powerful economy in Europe. Second, it ranks second (after the USA) among the countries of the world by volume of foreign trade turnover: in 2015. In the world, exports accounted for 12.3%, Germany – 8.7%, Japan – 7.5% (fig. 1), while imports accounted for 18.9%, Germany – 7.5%, Japan – 5.7% (fig. 2).

The same trends persisted during 2016-2018. Thirdly, the Federal Republic of Germany is one of Ukraine's largest trading partners, and its contribution as a foreign investor is also significant. Germany carries a large part of its trade turnover on the world market with highly developed industrial countries. As for Ukraine, in the year 2015, our country ranked 40th (out of 234) among German importers and 53rd among the countries in which the FRG exported its products. Germany as a trading partner of Ukraine is in second place after Russia.

In recent years, there has been a revival of bilateral trade between Ukraine and Germany. Thus, according to German statistics, in 2015, the volume of trade between Ukraine and the FRG amounted to \$ 3781 million and grew by 31.9% in 2014. At the same time, Ukraine exported goods worth \$ 840.6 million to Germany and imported \$ 2940.5 million. The dynamics of Ukrainian exports by commodity groups is also positive: the export of food and feed products of plant origin has increased by 33 , 6%, products for industrial use – by 27.5%, finished products for final consumption – by 20.3%.

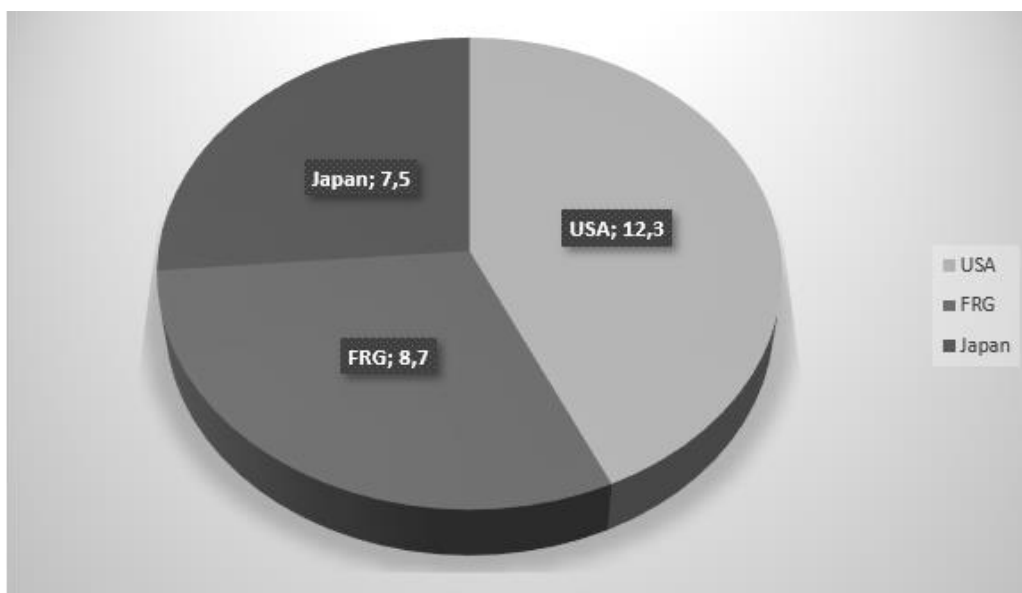


Fig. 1 The Dynamics of Export Transactions between Ukraine and Germany, January (2015)

*Source: created by the author based on [1]*

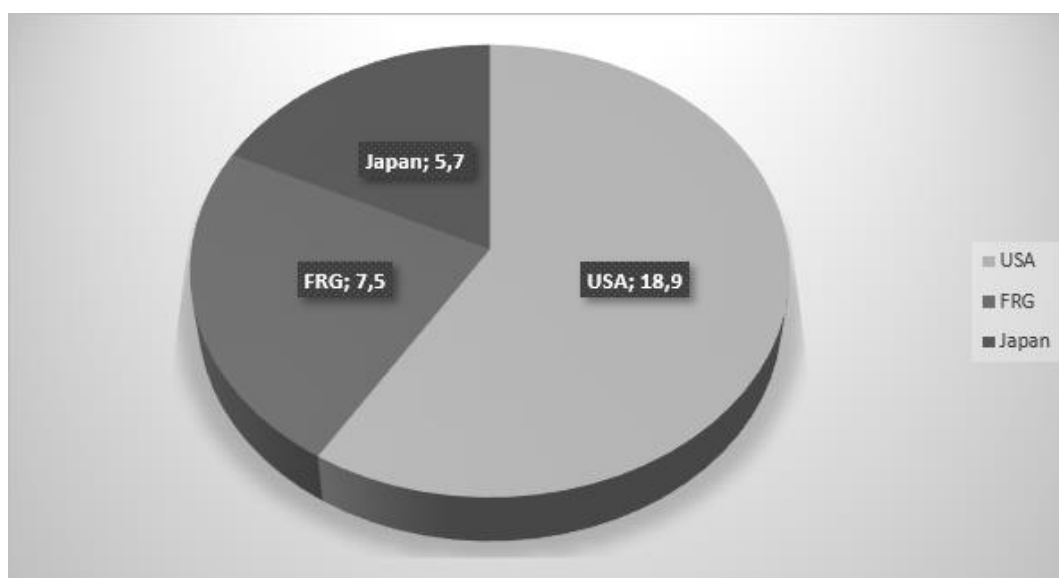


Fig. 2 The Dynamics of Import Transactions between Ukraine and Germany, January (2015)

*Source: created by the author based on [1]*

German-Ukrainian trade and economic relations have been developing intensively since the independence of Ukraine, which has contributed to the dynamic growth of bilateral trade (Table 1). Among the trading partners of Ukraine, Germany ranks second in the world (after the Russian Federation) and the first in Europe. According to the results of 2014, the share of Germany in the total volume of Ukrainian exports is 2.3%, and in the volume of imports even 8.4%.

Table 1

General indicators of trade in goods between Ukraine and the Federal Republic of Germany (2012-2017)

*Source: created by the author based on [1]*

| Indexes                | 2012         | 2013         | 2014         | 2015         | 2016         |       | 2017         |       |
|------------------------|--------------|--------------|--------------|--------------|--------------|-------|--------------|-------|
|                        | US\$ million | US\$ million | US\$ million | US\$ million | US\$ million | + (%) | US\$ million | + (%) |
| Export                 | 699,3        | 611,2        | 796,5        | 755,8        | 714,3        | -5,5  | 840,6        | +17,7 |
| Imports                | 1632,1       | 1079,5       | 1310,4       | 1810,1       | 2153,2       | +18,9 | 2940,5       | +36,6 |
| Foreign trade turnover | 2334,4       | 1690,7       | 2106,9       | 2565,9       | 2867,5       | +11,7 | 3781,1       | +31,9 |
| Balance                | -932,8       | -468,3       | -513,9       | -1054,3      | -1438,9      | +36,5 | -2099,9      | +45,9 |

The German importers have a great interest in the products of the metallurgical and chemical industries, the woodworking and agricultural industries, textile products and footwear. Ukrainian companies buy in Germany primarily investment products: machinery and equipment for mechanical engineering, products of the chemical industry, as well as agricultural and food products. There is also a great demand for electrical equipment and vehicles. Most of these products contribute to the rehabilitation of enterprises and increase their competitiveness.

It should be noted that the main prospect of the development of economic relations of Ukraine is the creation of a deep free trade zone between Ukraine and the EU, which will become a stage of the common economic space, which covers not only trade in goods but also trade in services, etc.

Prospective formation of foreign economic activity of the state is carried out by overcoming the problems identified. The further development of Ukraine's economy should be linked to the economic strategy that focuses on the development of foreign economic activity, export-oriented industries and enterprises, and an increase in the competitiveness of domestic producers. Ukraine should take its rightful place in integration associations, especially within the EU.

**Conclusion.** In summary, this paper argued that in recent years, Ukrainian-German trade relations have been developing unevenly, with significant fluctuations both in quantitative indicators of exports and imports, and in their dynamics. In accordance with this development of foreign trade relations between Germany and Ukraine, the balance of trade was positive for Germany and sharply negative for Ukraine.

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## **PROBLEMS AND PROSPECTS OF TRADE COOPERATION BETWEEN UKRAINE AND THE EU**

**Introduction.** Since the beginning of the independent Ukraine, the European Union has been a significant and promising partner for a broad-based cooperation that extends across a wide range of economic and social spheres. The European Union, as an integration association known for its peculiarities of economic development, requires counterparties to comply with relevant standards, the failure of which creates problems in the process of trade cooperation.

**Review of recent publications.** Questions of the problems of Ukrainian foreign economic activity are the subject of research of such domestic scientists as: