

ANALYSIS OF TRADE AND ECONOMIC RELATIONS BETWEEN UKRAINE AND CANADA

Introduction. Due to the existing economic sanctions between Ukraine and Russia, Ukraine's exports to CIS countries have fallen, a need exists to find new markets for satisfying products. Nowadays one of Ukraine's strategic partners is Canada, which provides an attractive market as well as willingness to cooperate. Therefore, economic and trade relations between Ukraine and Canada must be studied to identify priority areas, areas of interaction, and adjust Ukraine's foreign trade strategy.

Review of recent publications. A significant contribution to the study of Ukrainian-Canadian trade relations has been made by such Ukrainian authors as O. Yaroshko, Yu. Fedyk, M. Tymoshnyk, R. Salamatin, F. Matis and others.

Objectives of the paper. The purpose of this paper is to analyze the dynamics and structure of trade between Ukraine and Canada, as well as to work out recommendations to boost their cooperation.

Results of Research. Ukraine and Canada have a long history of bilateral trade and economic relations and a positive dynamics of growth. In the Joint Declarations signed by the Ministers of Foreign Affairs of Ukraine and Canada in 1994 and 2001, relations between Ukraine and Canada were enshrined as a special partnership. On August 1, 2017, the "Free Trade Agreement between Ukraine and Canada: New Horizons for Ukrainian Business" came into force [1].

In 2017, trade and economic relations between Ukraine and Canada gained a positive dynamics to increase bilateral trade (Fig. 1). Since 2014, it was the first time Ukraine managed to overcome the negative trends in bilateral trade cooperation due to the Free Trade Agreement between Canada and Ukraine. The total volume of trade between Ukraine and Canada amounted to US\$ 4.777 million with total exports of US\$ 141.5 million and total imports of US\$ 336.2 million [3].

In 2016, compared to 2017, the volume of bilateral trade between Ukraine and Canada has increased and amounts to US\$ 349.6 million. USA. Compared to 2016, Ukrainian exports to Canadian (by 74%), which amounted to US\$ 50.4 million. Imports of goods from Canada to Ukraine also increased (by 37%) and amounted to US\$ 299.2 million. The balance of bilateral trade in goods for Ukraine remained negative as usual US\$ 248.8 million [3].

In 2017, the structure of exports of goods from Ukraine to Canada was as follows: copper and copper articles – 15.5%; ferrous metals – 13.2%, extracts of tannins – 11.3%; nuclear reactors, boilers and machines – 10.2% (fig. 2). The structure of Ukraine's imports to Canada was determined by the supply of oil and its

distillation, mineral fuel – 61.3%; pharmaceutical products – 9.2%; nuclear reactors, boilers and machines – 7.5%; fish and crustaceans – 6.9% [3] (fig. 3).

Thus, Ukraine supplies Canada’s market with mostly raw materials low with a low added value and agricultural produce, having a minute share of Canadian imports, and imports technology products with a relatively high added value.

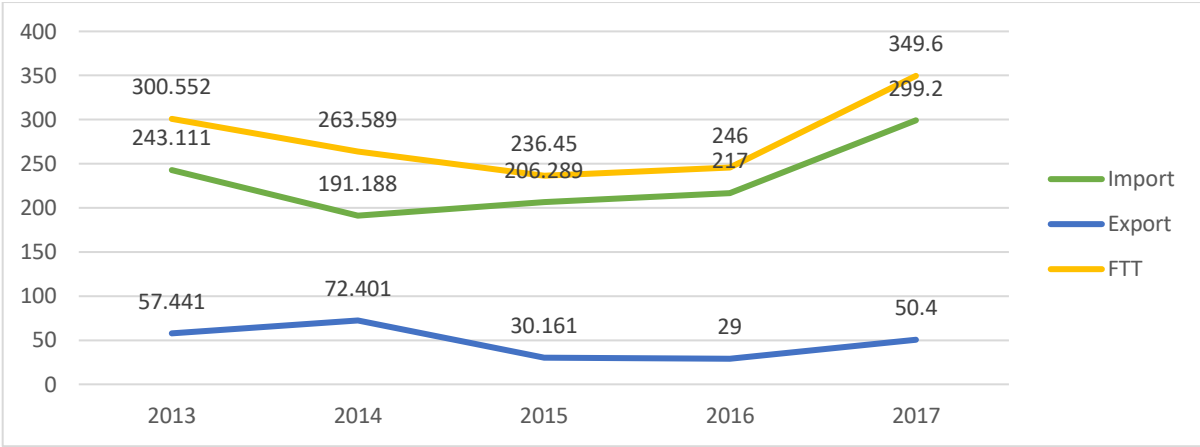


Fig. 1 Dynamics of the main characteristics of trade in goods between Ukraine and Canada for 2013-2017 (US\$ billion)

Source: [2]

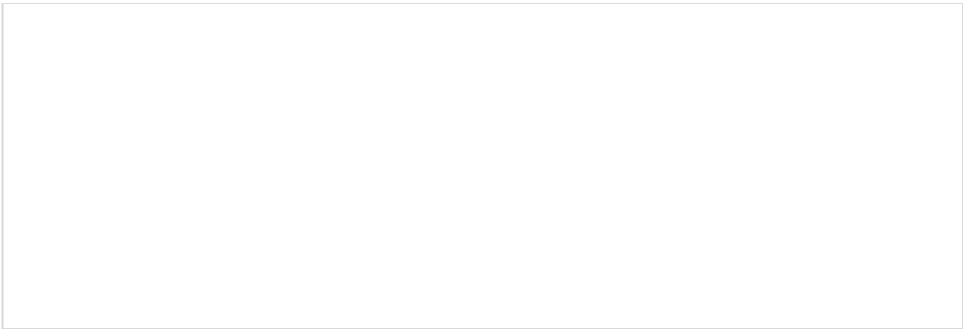


Fig. 2 Structure of exports from Ukraine to Canada in 2017 (%)

Source: [3]

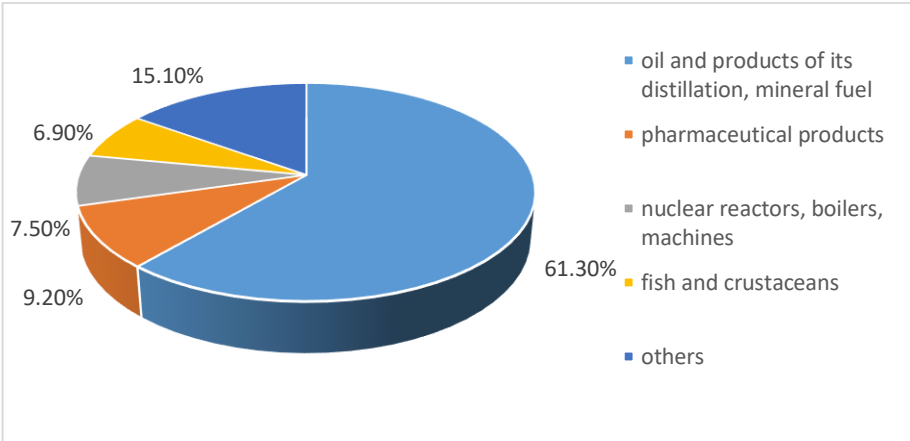


Fig. 3 Structure of imports from Canada to Ukraine in 2017 (%)

Source: [3]

Conclusion. In today's conditions, bilateral strategic cooperation with Canada is very important for Ukraine, which will improve the performance of both countries.

Trade between Canada and Ukraine is likely to increase. However, foreign trade balance is negative and there is a significant asymmetry in trade in favor of Canadian exports. Exports far exceed imports of Ukrainian goods and services to Canada. Such a phenomenon violates the foundations of a standard model of international trade and raises the question of the need for a balanced trade in goods between the two countries.

So, for Ukraine, the priority task is to balance exports and imports between countries, in order to eliminate the disproportion between the countries in favor of Canada; increase the volume of trade and improve its structure with a significant share of value added.

For this purpose it is necessary to create favorable conditions for innovations that will diversify exports, as well as to develop SME support services that will increase their competitiveness and strengthen their competencies and skills necessary for international trade activities.

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THE PROBLEMS AND IMPLICATIONS OF INTERNATIONAL MIGRATION FOR DONOR COUNTRIES