

### **23) PECULIARITIES OF PUBLIC MANAGEMENT OF FOREIGN ECONOMIC ACTIVITY UNDER EUROPEAN INTEGRATION CONDITIONS**

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#### **Introduction**

In the contemporary context, the priority guidelines for foreign trade development of Ukraine and its regions is fully-fledged European integration, which requires relevant changes in the social, political and economic life of Ukraine, primarily the attainment of regulations and standards of the European Union.

#### **Material**

The theoretical framework of the study is a systematic approach that allows for the analysis of the public management of the Ukraine's foreign trade in the context of European integration.

Current problems of public management of foreign economic activity of the country under integration processes development are urgent, therefore, a number of scholars are considering the basic mechanisms and features of state management of foreign economic activity. The most noteworthy are the papers by L. Didkivska, B. Dmytruk, P. Sabluk, P. Haidutsky, O. Hrebelnik and others. However, the issues concerning the formation and functioning of an effective system of public management of foreign economic activity, taking into account the impact of European integration processes, are only partially addressed and need a comprehensive assessment through profound research.

#### **Results and Discussion**

European integration has been officially proclaimed the first priority of Ukraine's foreign policy in accordance with the resolution of the Verkhovna Rada of Ukraine "On Confirmation of the Ukraine's Course towards Integration into the European Union" dated March 13, 2014 (Resolution of the Verkhovna Rada of Ukraine). The current legal basis for EU-Ukraine relations is the Ukraine-European Union Association Agreement dated November 30, 2015, which establishes conditions for tightening trade relationship that lead to the Ukraine's progressive integration into the EU internal market (Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part).

Global integration processes, international economics and their advancement require countries to transition to an innovation-based economic development. In the current context of international cooperation development, an effective public management of foreign economic activity is a necessary condition. The Ukraine's transition from planned economic management to market self-regulation has reasonably caused the processes of foreign trade liberalization, which necessitated the revision of the role and place of a foreign trade factor in the economic development, determination of the nature and characteristics of its impact on the reproduction process (Tkachenko, 2010).

Public management of innovation-based development predispose to the creation of a mechanism for coordinating the interests of businesses, central and local authorities, business community on the basis of intensive interchange of information, promotion of partnering relationships on principles of motivation, support and complementarity.

One of the key aspects of Ukraine's successful integration into the EU is a certain level of harmonization of the Ukrainian legislation with the EU regulations. The approximation of Ukrainian legislation with the modern European legal system will ensure the development of business, social, cultural activity of Ukrainian individuals, the country's economic development within the EU and will promote a gradual growth of the private welfare and will level it out with the EU states (Alimov, 2010).

Foreign trade efficiency is driven by many internal and external factors, among which formation of institutional maintenance is a leading factor. Internal problems further affecting the development of Ukraine's foreign economic activity require of the state the creation of an effective public management system for the sphere and a new effective mechanism. Some Ukrainian and European experts explain such a low implementation pace by the lack of a single coordination center in Ukraine. Dozens of public authorities are engaged in this activity instead, which altogether fails to lead to any positive solutions. The European integration process requires, first and foremost, the support and control by the government officials and their macroeconomic policy.

Being affected by the integration processes the foreign trade in Ukraine should be publicly controlled within the conditions of further trade liberalization. Data analysis for 2017 shows an improvement in the situation. Foreign trade turnover has increased by 31.7%, exports of goods - by 29.6% and imports of goods - by 33.7%. But even such an increase failed to compensate for the preceding decline.

The free trade area with the EU countries is of great significance for the development of Ukraine's foreign trade, which purpose is to facilitate mutual access to the markets for goods and services, as well as to harmonize Ukrainian rules and regulations with EU laws.

According to the State Statistics Committee, exports of goods and services to EU countries are trending upwards. Such dynamics are driven by the intensification of integration processes being under way in Ukraine.

Currently, the EU is Ukraine's main trading partner with 41.5% of Ukraine's total share trade. Meanwhile, exports of goods in 2018 amounted to USD 20.2 billion, and for the first part of 2019 - USD 10.3 billion. Ukraine predominantly exports to the EU such traditional products as iron and steel industry products, cereals, electric machinery, ores, fats and oils, wood and wood products, energy-related materials. Today, 308 Ukrainian enterprises are authorized to export their products to the European Union (128 manufacturing enterprises of food products, 180 - manufacturing enterprises of non-food products).

At the same time, all food manufacturers from 28 EU states are eligible to export to Ukraine without restrictions on imports. In order to open exports to the EU, Ukraine has in turn to undergo an assessment of the public control system (with further verification) and to get export licenses.

Broadly speaking, the authorities domestically construct and implement foreign economic policy, which purpose is to develop a range of measures towards certain advantages achieved by Ukraine's economy in the global market and, at the same time, towards the domestic market protection from competing imported goods to form trade surpluses and subsidiary earnings for the development of the national economy.

The high-priority problems of foreign economic policy towards integration into the European Economic Space are the improvement of foreign trade relations, the mechanism of government regulation of foreign trade, optimum preservation and utilization of conventional export and import markets in order to comprehensively support the domestic sales market, thus maintaining and increasing the domestic production, gradually improving its competitiveness.

The appropriate domestic legislative environment and its commonality with the global trade rules provide certain specific features of export-import activity of domestic business entities. The greater the national legal framework governing foreign trade approximated to the world trade, the less the factors related to national restrictions affect the development of export and import policy decisions.

In Ukraine the system of public management of foreign trade is developed on the basis of Ukrainian laws issued by the competent state bodies of Ukraine; economic ad hoc regulations (monetary, credit, etc.); decisions of non-state economic management bodies made under their constituent instruments; agreements concluded between the importers/exporters as permitted by laws of Ukraine.

Fully-fledged EU membership is still the strategic aim of Ukraine's aspirations for transformation. Thereby, the national economy development, the implementation of reforms are driven by the current conditions of globalization and integration of commodity, financial, investment and other markets. This determines the importance and peculiarities of foreign trade being essential to global integration processes and setting the stage for acceleration of socio-economic development of the state and individual economic entities.

## Conclusions

From this perspective, the creation of an effective public management of foreign trade, which would take into account domestic concerns and would use competitive advantages, may help the most effective socio-economic policymaking, propelling the country to a next innovative level of contemporary development on the path of full integration with the European Union.

Further areas of research should be to analyze the competitiveness of each region of Ukraine in the conditions of creating an effective mechanism for public management of certain territories, improving the system of state regulation of foreign economic activity of enterprises, taking into account socio-economic conditions, types of economic activity, availability of resources and the influence of external factors on the activity.

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