PERSPECTIVES AND PRIORITIES FOR FOREIGN ECONOMIC ACTIVITY IN AGRI-FOOD INDUSTRY

Annotation

The article outlines perspective directions of foreign trade for food production and the development of regulatory mechanisms for foreign economic activity in agriculture.

Keywords: export-import transactions, foreign trade, foreign economic activity, agriculture, agro-industry.

Increasing globalization of the world raises the value of foreign economic relations of Ukraine's, its participation in the international division of labor. Therefore, finding scientifically based methods of increasing the efficiency of export-import operations in the agriculture industry, providing food security make necessary to determine perspective directions for the development of foreign trade and the development of mechanisms for regulation foreign trade in agriculture industry.

However, much of the problems in this complex area requires a deeper study. These include ways of improving the export and import policy in the agricultural sector and geo-strategic priorities for the integration of domestic agricultural production.

International economic cooperation is an important factor in economic development and subject for state regulation. Regulation of foreign economic activity involves the creation of appropriate mechanisms (legal, economic, institutional) and conditions that ensure the effective development and implementation of activities in this area. It manifests itself in the foreign policy of the state that aims to achieve the country's economy some advantages on the world market and, simultaneously, to protect the domestic market from competing imports.

The traditional and most advanced form of international economic relations is international trade. Therefore, the main component of foreign policy is a foreign policy that affects foreign trade through taxes, subsidies, direct restriction of export and import operations. Depending on the direction of trade flows between countries export and import policy is distinguished.

Export policy is aimed at increasing exports in the following proportions to encourage domestic producers to increase the quantity and quality of production. At the same time, it should contribute to economic growth and the state’s welfare in general, and import policy should not hinder the development of domestic production meeting the needs of the population for the qualitative and quantitative indicators.

The development of Ukraine’s economy after the independence is characterized by sudden changes and fluctuations in regulating foreign trade policy and in particular in the field of agriculture. Ukraine has significant export potential, which is concentrated in the agricultural sector of the country. However, it is used far
insufficient and ineffective. But, the potential export opportunities for Ukraine in agriculture are significant.

It should be noted that unfavorable trends in foreign trade in agro-food production in Ukraine, in particular, increasing of commodity bias in exports, imports of food, which in sufficient quantity can be produced in the country, the use for Ukrainian goods various restrictions, leave no doubt that a necessary condition for intensification of agricultural foreign trade today is, above all, the recovery of efficiency of its export potential. The purpose of increasing the export potential is to create conditions for domestic producers to adapt to the system of international economic relations and using the advantages of international trade in solving the country's economic development issues by increasing volumes, improving the structure and conditions of sales of domestic products in foreign markets. The main objectives for development of agriculture export potential and formation of exports regulation mechanisms at present are:

- Expanding the market of agricultural products and food industry, whose production exceeds domestic demand and consumption rates, which may be exported on acceptable conditions to the economic interests of a state. According to calculations to such goods in Ukraine primarily belong dairy products and sunflower oil. It should be noted, however, that global markets products already distributed among the main competitors. Developed countries are trying to curb the development of developing countries, to turn them into raw material appendages. Prominent place on the international market of agro-food products can be taken by really high quality products, environmentally friendly products;

- Diversification of markets for agricultural products in order to enhance exports and reduce dependence on traditional consumers. Ukraine's efforts should be directed to the preservation of traditional markets (CIS markets), and the development of new regional markets - the Middle and Near East, Southeast Asia and Africa;

- Protection of the economic interests of the state from export products at dumping conditions that cause nonequivalence of commodity markets and the loss of markets due to anti-dumping measures of consumer countries. However, it must protect the domestic market from excessive export of products, lack of which leads to import of similar goods on unfavorable terms to the state.

Foster the development of export potential of agriculture requires the implementation of measures, among them financial support for domestic exporters, including those involving the state budget. There is a necessity to provide the mechanisms of export credit, export credit insurance against various risks (commercial, political) of state guarantees. Promoting exports at the expense of the state budget must comply with the WTO requirements. In addition, credits may be granted for a long time based on length of cycle of manufacturing export production.

The use of leverage tax regulations should be wider. It is appropriate to examine and approve the forms of export tax incentives, such as, for example, exemption of exports from tax on advertising exports, introducing a mechanism whereby exporters do not pay income tax on capital exports, providing guaranteed, timely and full repayment of VAT in the case of exporting products.
The existing system of transport tariffs needs to be improved. This is important from the point of view of the fact that considerable transport costs in the cost of products that exceed international parameters, leading to reduced competitiveness of Ukrainian exports.

An area of foreign trade demands better regulation. A large number of regulations in this sphere of relations (above 300), their numerous amendments made chaos, contradiction, contradictions, accompanied offenses and crimes in foreign trade. Therefore, the present stage of the reforming of Ukrainian legislation with harmonization and standardization to the European and global principles needs systematization. In addition, rules must be provided that govern the relations of state protectionism, aimed to protect domestic agricultural producers.

It is necessary to make improvements to dataware of foreign trade. The primary task is the establishment of external information in the form of an extensive network of information and consultancy services which could ensure prompt provision of information in a customer-friendly manner.

In addition, regions should be given certain powers in foreign relations, as building a simplified and efficient system will greatly expand the foreign trade composition of economic activity. The export potential of each region requires disclosure through the implementation of targeted programs to promote agricultural industries, development of programs to identify the most promising markets for agri-food products, creating programs to attract foreign capital, advertising and information for foreign trade etc.

It makes sense to create a semi-commercial regional centers of export regulation that would coordinate its actions from the national center. The main task of data centers is providing certain services to the trade community, namely, information on the status and capacity of foreign markets, information about potential foreign consumers and importers, advice on the specifics of legislation of the Ukrainian consumer products and changes in national legislation, legal expertise concluded foreign trade transactions, practical help in resolving problems with customs procedures, software implementation at domestic enterprises and international standards of product quality and organization of production and etc.

Improving the mechanisms of imports regulation of agricultural products associated with the diversification of agri-food products (especially products critical and priority imports) sources in order to reduce resource dependence on monopoly suppliers. To critical import goods belong goods that are impossible to produce in Ukraine or products that can not be produced in sufficient quantities without large investments and long (pesticides) period of time, and priority goods imports - goods, mass production of which existed in Ukraine and lost due to economic crisis or goods production of which will soon be adjusted separately or together by Ukrainian and foreign business entities.

Structure of imported goods should be brought into line with the needs of maximization of the preservation and development of industrial, scientific, technical and technological capacity and exit of the economy from crisis.

Solving problems in the regulation of imports can contribute to the creation of incentives to meet the needs of the most complete supplying of goods and critical
priority imports, and other products for industrial purposes necessary for the use of
existing capacity, the cost-effective for the state's interests and consumer conditions.

There is also a need to establish an effective mechanism for rational restrictions
on imports of agricultural products and food products, which in sufficient quantity
can be produced in Ukraine and improving the quality of imported goods in the
interests of the population.

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