

51. Features of economic relations between Ukraine and the EU

Anna Moskalenko, Olga Nikitenko

National University of Food Technologies

Introduction. Trade is an engine for growth and jobs and has a direct impact on the day-to-day lives of people and businesses. Increased trade and competition can lower prices, provide better quality and greater choice for consumers and create more and better jobs for both trading partners [4]. Since 1991, when Ukraine gained independence, the European Union and Ukraine the European Union considers Ukraine as the country of primary importance in the framework of the European Neighborhood Policy (ENP). The basic principles of the ENP envisage the deepening of political cooperation and economic integration between the EU and its partner countries [1].

Resources and methods. The development of relations between Ukraine and the EU was investigated by such domestic scholars as : V. Cents , P. Beets , L. Mirgorodska , A. Bredihyn , M. Chabanna , V. Voronkov , A. Shnyrkov and others. The study used general scientific methods - systemic, structural, functional and comparative methods.

Results. On the basis of membership in the WTO the EU and Ukraine agreed to have begun negotiations on a Deep and Comprehensive Free Trade Agreement (DCFTA), which is part of the Association Agreement. If implemented, it would open up the EU and Ukrainian markets by removing and reducing tariffs and quotas. The DCFTA offers Ukraine a framework for modernisation of bilateral trade and investment relations and a model for economic development that would have direct benefits for both business and consumers in Ukraine. For example, about 95% of tariff lines would be set at zero, and for the rest, tariffs would be reduced. Lower tariffs would lead to more competition, which would in turn lead to lower prices for consumers; in the field of services, the DCFTA would result in liberalization and alignment of Ukrainian and EU practices. This should have a particularly positive impact in Ukraine on distribution services and the communications sector [4].

EU has already begun to reduce or eliminate its customs duties on goods originating in Ukraine, allowing Ukrainian exporters better access to the EU market. The European Union is currently focusing its efforts on de-escalating the crisis in Ukraine and also proposed to step-up its support for Ukraine's economic and political reforms [3].

Conclusions. External trade is vitally important for both the Ukrainian and EU economies. One of the biggest problems that Ukrainian and European companies face today is different technical norms and standards, which make cross- border trading more difficult. Under the DCFTA Ukrainian standards for industrial and agricultural goods will be aligned with those of the EU, meaning everyone can produce and sell on the basis of the same rules.

References

1. Торговельні та економічні відносини Європейський Союз (ЄС) - Представництво [Electronic source] // Mode of access: http://eeas.europa.eu/delegations/ukraine/index_uk.htm
2. Європейський центр для сучасної України (ECFMU) [Electronic source] // Mode of access: -<http://www.modernukraine.eu>