THE MECHANISM OF OPENING THE MARKETS OF THE EU AND AGRO-INDUSTRIAL COMPLEX OF UKRAINE: TREND AND VARIATIONS

The article considers theoretical and methodological substantiation of directions and ways of fulfilling the criteria and guidelines for the establishment of conditions for achieving the level of development of the Ukrainian economy and its agro-industrial complex for successful integration into the European Union. It is determined that for the opening of the internal market of Ukraine for imports from the EU countries it is advisable to carry out in mode to the level of import prices, together with the tax exceeded the level of prices, which are formed in the consumer internal market of Ukraine, but their level without taxes shouldn’t exceed the level of world market prices. The analysis of the foreign trade activities dynamics of agro-industrial complex of Ukraine with the EU and other countries of the RTG of 2000-2015 is implemented and it is specified that the EU countries are the main partners in foreign trade of agro-industrial complex of Ukraine, the export of which increased in 14.7 times and amounted to 29% of total exports, while import from the EU countries increased in 10.2 times and amounted to 42% of the total imports of the industry.

Keywords: mechanism, opening of the markets of the EU and agro-industrial complex of Ukraine, "Marshall Plan", integration, internationalization, tax, levels of prices.

General formulation of the problem. The modern multipolar world economy offers a great opportunities to developing countries for modernization, innovative development of the industry, agriculture, services for different areas of the foreign trade and search for optimal forms of mutually beneficial international economic cooperation in the production, distribution investments; allows to take its appropriate place in the international reproductive process that promotes the formation of a new paradigm of international economic relations for national economies both at the regional and bilateral levels. And yet, the intensification of economic relations with the regional trade and economic union is extremely urgent that is an example to all continents in the world – the European Union, the development of community with which has crucial strategic importance for Ukraine and in rejection of the power structures of the country people of Ukraine made Revolution of Dignity and "northern neighbor" in order to prevent or at least to freeze the process of the European integration of Ukraine began economic war and military aggression. Today in Ukraine continue to transform the political system, administrative reforms, and as a guideline serve requirements of the EU and Council of Europe, which largely coincide. Ukraine is the European state, a member of the Council of Europe what provides for by itself high requirements to it. The EU economic criteria substantially coincide with the general directions of reforming the national economy, which are necessary for the economic survival of the state. Even if Ukraine did not have aspiration for the European integration, there still would be necessary market reforms and promotions for economy with the goal of fullest possible usage of natural and technological capabilities. Research of the Agricultural Economics and Policy main vectors of the European Union and their possible application in Ukraine taking into account the development of the domestic agricultural sector will contribute to the solving a complex theoretical and practical
problems of adjustment of domestic agricultural market and expansion of the foreign economic relations of Ukraine agriculture with the EU countries on a mutual benefit. It requires profound analysis of the relations, achievements and losses at their implementation and development of a mechanism for the improving under the mutually beneficial conditions for the parties considering the specificities of areas of Ukraine and the EU.

The latest research analysis. For the implementation of the Association Agreement between Ukraine and the EU and effective support of implementation of the “Strategy 2020” Ukraine needs technical assistance that may be an important beneficial tool for the entire integrated system of policy planning. The most important task – to convince the EU and the US governments in feasibility of “Marshall Plan” for Ukraine, which can be directly subordinated to the Prime Minister and have a great power, highly trained staff to coordinate the implementation of national reforms in the government and to ensure close cooperation with a similar unit that coordinates the obligations of the Association Agreement between Ukraine and the EU. The main tasks of this unit is the development of an integrated system of policy planning and the establishment of rules and procedures for implementation of the “Strategy 2020” [1, p. 25]. In January 2015 more than 40 scientists from around the world have turned to their governments to create for Ukraine “New Marshall Plan” [2]. Politicians and the world community continue to push this idea now [3].

The strategic directions of “Marshall Plan” for Ukraine should be the ones through which the activation processes of the economic growth cause the “chain reaction” of various industries, including agribusiness. So, in order to avoid risks of rapid industrialization of the economy arising from the rupture of Ukraine of industrial and cooperative relations with Eastern partners we need to take care of maintaining high share of industry in GDP. It can be achieved through the integration of domestic industries, including agricultural machinery industry in the Renaissance Program of the EU defined in the Communication from the Commission “For a European Industrial Renaissance”, adopted in 2014 in the European Parliament Resolution “Renaissance of Industry for a Sustainable Europe (RISE) Strategy” to find mechanisms to overcome the effects of the economic crisis [4, p. 72]. One has to provide financial assistance to Ukraine in the form of grants, but not loans, because in the latter case, Ukraine may become uncompetitive, for what it is expedient to hold a donor conference and take appropriate action [5, p. 27]. We should talk about serious systemic financial assistance in the amount of 20-30 billion dollars USA [6]. In addition, agriculture may sustain significant losses through the provision of infrastructure underdevelopment: grain producers receive from FOB prices 49-51%, farmers of France and Germany – to 45% [7, p. 80]. Association Agreement between Ukraine and the EU slightly affects in the short term the opening of the markets of the EU for Ukrainian producers, but provides prospects for expansion of the Ukrainian exports to the “third” countries. In these conditions it is extremely important to strengthen the institutional capacity in order to support exports of agricultural products, as Ukraine lost more funds to support enterprises by activity than the EU on average. The structure of these costs in Ukraine is inappropriate because it distorts the market environment. Thus, the two branches of Ukraine’s economy are particularly important because agriculture, along with metallurgy provides export potential and the corresponding inflow of the foreign currency in Ukraine, and engineering is the basis for investment, which in 2000-2013 years, received support: agro-industrial complex – from 0,34% in 2000 to 1,13% in 2013, engineering respectively from 0,14% to 0,07% of GDP. During this period aid to agriculture of Czech Republic and Poland was respectively from 18 to 12% and from 21,9 to 27,0% in 2013 [8, p. 12-14].
Research of problems related to the integration of Ukraine and its agriculture in the European Union are updated, and deepened under discussion in the scientific writings of the famous scholars of economics. The works of many foreign and domestic scholars are devoted to issues on theory of internal trade the European integration reform of the EU common agricultural policy trial complex in global and the European foreign trade activities and require further analysis and processing taking into account peculiarities of the domestic agricultural economy, its implementation in accordance with the agreement on free trade zone between Ukraine and the EU in the agricultural sector. But due to the different levels of competitiveness of agrarian sector of Ukraine and the EU, Ukraine in trade with the EU, as with other countries, loses 28% of the foreign exchange earnings, what requires the need to construct the mechanism for opening the markets of Ukraine and the EU which would provide mutually beneficial cooperation between them.

Aims of the article. One should analyse foreign activities of the Ukrainian agro-industrial complex with the European Union and other regional trade groupings (RTG) for 2000-2015, losses from insufficient competitiveness of domestic goods linked to the prevailing 60% of the raw material component of export, the scale of today's corruption at all levels, imperfect customs legislation, customs organization. One should also carry out theoretical justification of the necessary criteria for the implementation by Ukraine as a candidate for the EU membership, adopted by the European Council in 1993 in Copenhagen, guidelines providing adjustment of economic proportions; creation of conditions for achieving a fundamentally new level of the development of priority sectors; sequence of foreign economic relations of the country and the industry, the ratio of the national economy to global reproductive structures; the feasibility for Ukraine of a new “Marshall Plan” and the challenges and opportunities of Ukraine to its successful implementation; construction of mechanism for the EU market opening and agro-industrial complex of Ukraine concerning customs and tariff regulation, subsidy and pricing, system of cooperation of export and import of goods; acceptable liberal and protectionist foreign policy that meets the interests of both the EU and Ukraine agribusiness; need to construct a mechanism of opening the markets of the EU and Ukraine agribusiness, develop and offer it as one that synchronizes the process of opening the markets of the EU and Ukrainian agribusiness that is acceptable both for Ukraine and for the EU.

Materials and methods of research. Scientific works of the foreign and domestic scientists on theoretical-methodological and methodological foundations of the European integration, competitiveness of domestic agricultural products, reports on production and import and export of agriculture of Ukraine with the EU and other countries of regional trade groupings (RTG), information of NBU on average annual rate served for the research. To achieve this goal were applied the following methods: dialectical, historical, logical, monographic, analysis and synthesis, abstract, generalizations and comparisons.

Basic material exposition. The EU integration policy has the objective of achieving the conditions for accession to the European Union. State may be considered prepared for the process of the European integration if it will meet the Copenhagen criteria, which should serve as a guide in conducting reforms under the policy of rapprochement with the EU. It is clear that the criteria of the European Union play and should play a role in promoting the European integration policy because the criteria have a framework, a formal and rather sketchy nature, and realities of any country – is a complex, contradictory phenomenon with its own peculiarities in each country, so the role and importance of the Copenhagen criteria in the conduct of Ukraine’s European integration policy is relevant today. In the early 90’s, when the European Community has passed a long way of evolution and the European Union was
formed, it became clear that the coming years will be marked not only as the further deepening of integration, but a significant expansion of the formation – integration of new members. There was no doubt about the fact that insufficiently prepared enlargement is able to destroy the European Union, with all its achievements. Saving the mechanisms of cohesion dynamics of the EU and its prospects for the future was put in doubt under the conditions of accelerated and insufficiently prepared enlargement due to post-socialist countries, so taking all comers was impossible, and therefore the question arose as to determine the necessary requirements that must be satisfied by states that have declared intentions to join the European integration process to be actually admitted to the EU and not harm themselves or the European integration [9, p. 84]. Criteria for candidate countries to join the European Union were set out in 1993 at the European Council in Copenhagen. These criteria require the presence in a candidate country of stable institutions guaranteeing democracy, the rule of law, human rights, protection of minorities, market economy and ability to compete with other market forces within the European Union, including those that require political, economic and monetary union.

General requirements for the EU candidate countries are complex and affect everything that has to do with Western values in the development of state and society. In the past decade, when the European Community joined the Western European states, the question of criteria did not arise. This is because, on the one hand, the level of social and economic development of the countries that joined and the degree of political democratization did not differ significantly from those indexes of the European Union states and enlargement system did not have such a massive wave, the EU enlargement in the nineties due to the post-socialist countries was consistent with the Copenhagen criteria, the formation of which was based on the thesis to the contrary: new members did not have a negative impact on the development of the EU. Today in Ukraine continue to transform the political system, administrative reform, as the guideline to which serve the requirements as of the EU so the Council of Europe. Ukraine is a European state, a member of the Council of Europe, what provides for high demands on the functioning of democracy in Ukraine.

As regards the economic criteria, they coincide with the general directions of reforming the national economy and market transformations necessary for the EU membership [10, p. 76]. To ensure the effective participation of the national economy in the world reproduction process reference system for its inclusion in European sphere is required. This system provides for adjustment guidance corrections economic proportions, providing economic structure adjustment to the needs of European economy and creation of conditions for achieving a fundamentally new level of development of the priority sectors, which is considered to be agro-industrial complex of Ukraine, and therefore the priorities of internationalization degree and the pace, structure of management and organizational and economic forms, capable to provide process should be chosen [11, p. 116]. The geo-economic approach to the study of foreign economic relations must have the following sequence: first you need to determine at what stage of development is the object of study (the national economy or entity, its social and economic structure), then find out the ratio of national economy to global reproductive structures: is it in them as “country system”, leading or taking a leading position in the internationalized reproductive cycles (IRC) or there are cycles on its territory that are organized and managed from abroad, or it did not take part in global reproductive processes. According by whether the interests of the country are marked and investigated mainly in the geo-economic, geopolitical or geo-strategic space. Areas of the country’s interests, zones of its participation and influence, spheres of growth are reflected

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made in geo-economic atlas of the world and the type of national system of foreign economic relations is determined and its legal support is analyzed [12, p. 122]. In this respect, Ukrainian agribusiness, which is positioned as a “locomotive” of the national economy and budget-sector, despite the unstable economic and financial situation in the country, continues to show on the world and European markets deserving places for the export of a variety of goods [13, p.81]. Since the structure of national exports of Ukraine in 2014 agricultural products made up 31.5%, grain exports of which amounted totaled 32.6 million tons, in the structure of agro-industrial complex – 38.5% ($6,558 million), oilseeds – 3,839 million tons in the structure of exports of agro-industrial complex – 9.72% ($1,66 million), oil – 4,586 million tons ($3,561 million) and 22.1% in the structure of agro-industrial complex [14, p. 45]. Based on the results in 2014 Ukraine took first place in the world sunflower oil, third place on grain exports, the fourth – for the implementation of corn, the fifth – on the sale of sorghum, the seventh – on exports of wheat and soybeans, eighth – chicken in the world trade [15]. The structure of the gross national product in agribusiness GDP in 2013 was 18%, in 2014 – 16.6%, export agribusiness in exports to Ukraine in 2014 amounted to 31.5% in the GDP structure the industry – 79.9% coverage ratio of 2.65 [16, p. 73]. The structure of exports of agribusiness proportion of the EU countries amounted in 2014 to 29% ($4.97 billion), imports from the EU of agricultural products – 42% ($2.72 billion). Thus, in 2014 the export of agricultural products to EU countries increased compared to 2005 and to 2010 in 4.5 and in 2.34 times respectively, while imports from EU compared to 2010 increased in 1,1 times [17]. For 10 months in 2015 total exports of goods of Ukraine amounted to $31.34 billion or decreased compared to 10 months in 2014 to 31.8% (to $14.63 billion), imports – to 32.3% ($14.72 billion). The volume of total exports to the EU amounted to $10,472 billion or 33.4% of the national volume of exports or decreased compared to the corresponding period in 2014 to 2.4%. Imports of goods from the EU countries amounted to $10,47 billion or 33.4% of the national volume and decreased compared to the same period in 2014 to 27.9%. The foreign trade balance of Ukraine for 10 months of 2015 is positive and amounted to $381 million which is greater than it was in 2014 – in 31.3%. Exports of agricultural products to the EU for 10 months in 2015 amounted to $3,006 representing 29.2% of national exports, imports of industry was $1,236 billion or 9.9% of total imports, what is in 27.9% lower than in 2014 [18, p. 30]. The situation in 2015 in the foreign activities as the national economy so agriculture is primarily related to the decline in Ukraine’s gross output and its branches. The index of agricultural production in 2015 compared to 2014 decreased to 5.6%, including crop production – to 4.2%, livestock – to 5%. Production of meat, milk, poultry and eggs for 10 months in 2015 decreased respectively in 1,8%, 4,4%, 14,8% compared with the corresponding period in 2014 [19]. Activation of external economic relations between the EU and agro-industrial complex of Ukraine began in 2000, in which exports of industry to the EU amounted to $337.91 million or 21,3% of the export sector, to the CIS countries – $803,68 or 5,7% of total exports of the industry, including the Russian Federation to which there were exported products in the amount of $634,91 million or 40,13% of total export industry [20, p. 15]. From the 15 EU countries, to which were exported products of agriculture, Germany received 21,2%, Italy – 2,7%, the Netherlands – 19,9%, France – 13,1%, Spain – 10,97% of the total exports to the EU countries. For the 2000-2014 exports of agricultural products to the EU countries increased in 14,7 times, imports from the EU to Ukraine increased in 10,2 times, foreign trade balance was and remains positive for agribusiness and increased in 31,5 times, which is the highest among countries groups with which Ukraine is building its relations (Table 1).


## Dynamics of exports and imports of agricultural products between Ukraine and integration groupings of countries, $ million

(calculated by using status reports of the foreign economic relations in agriculture system of Ukraine for 2000-2014)

<table>
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<tr>
<th>Years</th>
<th>Total</th>
<th>Countries</th>
<th>%</th>
<th>CIS</th>
<th>%</th>
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<th>%</th>
<th>EU</th>
<th>%</th>
<th>Asian</th>
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Export of agricultural products (in times) to 2000

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For example, in 2014 Ukraine exported 10,545 million tons of wheat at a price of $ 217 per ton under the current world price of $ 281 (Table 2) for 1 ton, losing on each ton of $ 54 or in total – $ 569 million. The losses on maize, the exports of which amounted to 17,558 million tons made up $ 1,018 billion, on export of oilseeds – 3,839 million tons Ukraine did not receive $ 426 million, on exports of oil – 4,586 million tons Ukraine did not receive $ 20 for each ton. These are examples of losses by types of products, which occupy a large share in structure of exports of agro-industrial complex. For comparison, it is advisable to bring the calculation of losses on the types of products that take the share of exports in tiny sphere – honey, the exports of which in 2014 amounted to 36,34 thousand tons and 97% of the production is concentrated in small farms. World production of honey is 1,535 million tons, Ukraine produces 4,8% of the world production and 1,4% of the world exports and 0,01% of the world imports. In the production of honey Ukraine is among the twenty countries that produce 80% of world production, ranking fourth place in the list after China, Argentina and Turkey. Global export prices in 2014 for 1 ton accounted for $ 4836, export prices in Ukraine – $ 2571, attitude of Ukrainian export prices to the global average ones 53%.

Table 2 – Exports of agricultural products and the loss of Ukraine due to reduction of prices in 2014 compared to 2012 (calculated by [12-13])

<table>
<thead>
<tr>
<th>Product</th>
<th>2012</th>
<th>2014</th>
<th>Losses per 1 ton</th>
<th>Total losses, $ mln</th>
<th>World price, $/t</th>
<th>Loss of price differentiation; $/t</th>
<th>Total losses, $ mln</th>
</tr>
</thead>
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http://mmi.fem.sumdu.edu.ua/
Table 1 (continued)

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Diagnosing the price situation, it should be noted that there are two interrelated and mutually conditioned processes. On the one hand, being in the low price range, confirming lost opportunities suffered by agents of the domestic market, on the other – indicator of price competitiveness, which is a signal for the development of this industry in Ukraine, and therefore, based on this factor and taking into account the dynamic growth of the world demand and prices that are rising for these products, this type of a product may eventually become a major factor of industry [21, p. 137]. But as for foreign trade concerning this product Ukraine has no comparative advantages, due to the economic crisis periods, which affected export industry and its low focus on the export (4,3%), despite the country’s position among the leading producers of beekeeping. The generalized indicator of the attractiveness of beekeeping in the global economy can be estimated as higher than average [22, p. 106], which is affected by a number of subjective and objective factors such as profitability, the institutional system and economic dynamics of the countries development, strategy and tactics of the public policy, its transparency and consistency, the level of integration into the world economy.
economy, organization and capacity of foreign markets, availability of production and natural potential of the state, financial and tax burden on business, skilled labor market, wages and prestige in the industry, development of the market infrastructure, scientific, technological and research potential in the country and the industry and natural geographical conditions of the country.

So now it seems appropriate to increase the export potential of the industry with simultaneous geographic diversification of markets and succeed in today highly competitive economy of Ukraine provided saving the ecological and qualitative products of the industry, effective organization of agribusiness and the usage of modern marketing tools that will improve the competitive position of European and global markets. The strategy adopted at this stage has to protect the domestic producers gained positions, but in the future one should gradually move to a growth strategy. The limitation of competition from foreign companies and other partners in the international market, the formation of market infrastructure, information industry, promotion of the integration processes between business entities are also important. The unique competitive advantage, in case of their support and capacity, are able to ensure the competitiveness of agri-cultural products in the markets of Ukraine and the EU and in the world markets as a whole [22, p. 107]. A similar situation and export to the EU and other countries group similar to the above beekeeping developed for those kinds of agricultural products, the share of exports of which takes up to 1% (honey – 0.55%, casein – 1.25%, fruit nuts – 0.88%, vegetables – 0.77%, skins of cattle – 0.51% and so on.).

As noted above, the EU countries in the structure of the foreign trade turnover, exports and imports of agricultural products and trade balance in 2014 held the leading place: FTT – 33%, export – 29%, import – 42%, foreign trade balance – 21%. Economic integration is based on coordination, synchronization and compliance of decision-making in the economy of Ukraine and the EU and provides for the elimination of restrictions of competition and forming key economic prerequisites for Ukraine’s membership in the EU. Safety of Ukraine in the context of European security based on the fact that the development and strengthening of the EU deepen European security in all its dimensions. The principle of the indivisibility of European security are equally important for both Ukraine and the EU. Collective security, search for approaches to which should be for Ukraine a guarantee for its own security, so the expansion of cooperation between Ukraine and the Western European Union is one of the main factors of integration of Ukraine into the EU. At the same time strengthening the security of Ukraine is related to the preservation of economic security and political stability in the country. Foreign consolidation is aimed at identifying policy towards Ukraine, separating it from the EU policy towards Russia and support by the international community and the European states the strategy of Ukraine’s integration into the EU. Practical implementation of the integration process is possible only provided additions of general European measuring cooperation with regional integration and deepening of the sectoral cooperation between Ukraine and the EU. Regional integration provides for the establishment and deepening of direct contacts between different regions of Ukraine and the EU member states. Summing up the above raised question about the process of opening the markets of the European Union and Ukraine, it is important to stress that the decisions of the Verkhovna Rada of Ukraine, Decrees of previous and current President of Ukraine a range of methodological aspects appeared detached from the national interests of Ukraine and the real demands of the EU and world market. The situation that in the process of opening the markets in Western European countries there were substantial external and internal contradictions left unattended. Uneven economic development and disparity of economic structures, market and regulated areas, conflicts
between national and supranational bodies are also present. Finally it should be emphasized that there are essentially no requirements in the Decree of President of Ukraine in terms of achieving by Ukraine the level of economic development, which is characteristic of the EU countries, namely price stability; inflation should not exceed 1.5%; domestic debt should not exceed 60% of GDP, external debt – 3%; balance interest rates should be at a level no higher than 20% and stable exchange rates [23, p. 85].

Particularly important in this case is a comparison of levels of economic development, which is determined by the production of GDP per capita, which is in Germany – 38.8%, Denmark – 31.5, Austria – 39, Sweden – 38,9 and Ukraine – $ 1,960 thousand, which is one of the factors that determines the reserved attitude of the European Union to Ukraine [24]. Thus, it turned out that, on the one hand, according to the Decrees of the President of Ukraine there are the task to ensure the entry of Ukraine into European economic space, a large-scale implementation of measures of activity, the elimination of restrictions of competition; creation, on the one hand, the basic economic conditions for the EU membership, and on the other – the lack of a competitive mechanism with the help of which the formulated tasks could be implemented. Especially noticeable is a lack of processed scientific and methodological and methodical bases on improvement of the process of opening the markets of the EU and Ukraine. In our view, process improvement is a major feature of the opening of markets in European Union and Ukraine. Not so long ago it was believed that the improvement process is not required. However, reality has denied such allegations and proved that the absence of process mechanism process of opening the markets of the EU and Ukraine leads to chaos. This mechanism solves one of the most difficult problems that you can imagine, the problem of economic globalization. It should be noted that without adequate mechanism an equivalent exchange of goods between countries cannot functionate. The failure of some countries to use synchronization process ultimately causes their disintegration.

Opening markets of the country without the synchronization process is aimed at obtaining an unfair commercial advantage and ensuring a dominant position in the market, deceiving partners in the common market. Practice shows that these requirements are often not respected and the lack of synchronization processes is one the ways of unfair combat of great powers against smaller. Experience shows that a rash or artificial ignoring the axiom as synchronizing market opening process causes complications of compromise between states; unexplained number of links between balance mechanisms; limiting access to resources; the formation of a wide range of irrelevancy in foreign trade; putting of unjustified trade claims; tendency to conflict and expansionism. The lack of synchronization of processes is not only undesirable but also very dangerous for foreign trade, because the situations can arise both in terms of the formation of rigid protectionism and measures on unconditional liberalization. Forming on the basis of customs and tariff policy, open markets in the European Union and Ukraine reflect the level of integration of the export potential, the degree of development of foreign economic activity, its capacity and branching. The immediate consequence is the development of integration processes. This synchronization process serves as the foundation of economic mechanism, which is based on the integration of Ukraine into the European Union. Synchronization process acquires a new quality, transforming from a summative into logically coherent and complete structural factor, which consists of forming stable relationships between states, the increasing role of internal and external markets. The above mentioned suggests that for the mechanism construction of process improvement of opening the markets of the EU and Ukraine a number of methodological issues should be solved.

Updating the range of products available in the global market is now much faster than
before. In this almost endless process is involved a growing number of countries that have
established a new product or have an advantage in production costs. In addition, it is the one
of the essential features of the modern global market, no country is able to stay long as
monopoly in the field of advanced technology. Sooner or later the scientific and technical
progress, including the newest and the most advanced, become the property of many
countries. About the role of the external market in the economy of individual countries
testifies the data on the share of exports in GDP. It should be noted that the smaller security of
the country or industry with resources and capacity of the domestic market, the greater need
for the world market and higher share of exports in GDP and vice versa. For these countries,
including Ukraine, export is a way to get the desired currency and export of goods, and
therefore they can reach 30% or more in GDP [10, p. 73]. In Ukraine, the GDP share of
exports in 2014 amounted to 42,1%, in agriculture – 78,9%, in 2015 in agriculture – 80% [16].
The indicator characterizing mediation of economy of Ukraine with trade relations is the share
of foreign trade in country’s GDP or share of the mediation:

\[ Sm = \frac{Ek + Im}{GDP} \cdot 100\% \]  

(1)

where \( Sm \) – share of mediation; \( Ek \) – the value of exports; \( Im \) – the cost of imports.

\[ Sm = \frac{53,968 + 52,632}{131,9} \cdot 100\% = 80,8\% \]  

(2)

In Ukraine, this figure in 2014 was 80,8% (GDP – $ 131,9 billion, FTT – $ 106,6 billion,
exports – $ 53,968 billion) in agriculture share mediation was:

\[ Sm = \frac{17,017 + 6,4}{21,3} \cdot 100\% = 109,94\% \]  

(3)

Share in countries ranges from 17%-356% in Japan.

Owing to the achievement of Ukraine and its agribusiness trade balance of positive and
coverage ratios in 2014 according by to Ukraine’s economy – 1,025 and economics of
agribusiness – 2,65, it makes it possible to calculate the intra-industry international
specialization which ranges from minus 100% if the country is the only importer to plus 100%
if the country is the only exporter:

\[ IIS = \frac{Ek – Im}{Ek + Im} \cdot 100\% \]  

(4)

where \( IIS \) – is the ratio of intra-industry international specialization; \( Ek, Im \) – export and
import of goods.

In 2014 it was in Ukraine:

\[ IIS = \frac{53968 – 2632}{106600} \cdot 100\% = 1,25\%; \]  

(5)

\[ IIS AIC = \frac{17017 – 6400}{23400} \cdot 100\% = 45,37\% \]  

(6)

A positive result of the liberalization of the foreign trade in 2014 was the growth of rate of
Розділ 2 Інновації у маркетингу

import coverage by export in Ukraine − 1,025, agriculture − 2,65. Index of IIT of Grubel and Lloyd can detect agro-industrial complex strategic advantage on the international market:

\[
IIT = \frac{(Ex+Im)-(Ex-Im)}{Ex+Im} \cdot 100\%,
\]

or

\[
IIT = 1 - \frac{Ex-Im}{Ex+Im} \cdot 100\%.
\]

(1)

where \( IIT \) – intra-industry trade index; \( Ek, Im \) – value of exports and imports of the same country.

Designed index for 2014 shows that Ukraine has great export potential in agriculture and food industry:

\[
IIT = \frac{(17017+6400)-(17017-6400)}{23417} \cdot 100\% = 54,66\%.
\]

(2)

Having now given preconditions for foreign trade for the economic growth, it is necessary to prevent the spread of the negative trends. Experts estimate that 80% of the capital is exported from Ukraine by export-import operations. The scale of today's corruption at all levels of government do not allow to organize effective supervision of the contract prices. It is necessary to prevent the signing fictitious contracts on export-import operations. In addition, domestic methodology for analyzing international trade requires improvement. Given methodological principles appropriate to recommend a basic or general relationship:

\[
\frac{E_a}{GDP} = \frac{I_b}{GDP}\cdot 100\%
\]

and

\[
\frac{I_b}{GDP} = \frac{E_a}{GDP}\cdot 100\%.
\]

where \( GDP \) – gross domestic product; \( E_a \) – exports of goods; \( I_b \) – imports of goods.

This shows that \( I_b/ GDP_b = E_a/ GDP_a; E_a = GDP_a \cdot I_b/ GDP_b; I_b = GDP_b \cdot E_a/ GDP_a \), where index \( E, I \) and \( GDP \) are terms of value, \( E_a/ GDP_a \) and \( I_b/ GDP_b \) is coefficients, \( E_a/ GDP_a \cdot 100 \) and \( I_b/ GDP_b \cdot 100 \) – percent.

It should be added that considered basic value is oriented to overall balance between exports and imports of goods. Due to the fact that the issues of liberalization and protectionism requires mandatory provision of a positive trade balance for Ukraine, it is clear that one should apply a special coefficient of 1,2 or more relative to \( E_a \) and 0,8 and less relative to \( I_b \). Simultanious usage of two factors do not make sense. The given analysis shows how to provide the synchronization of process of opening the EU and Ukraine markets and to provide on which specific values are focused the factors of liberalization and protectionism.

An important feature of the considered methodical approach is in that one considers a direction and identifies specific scope or depth of the impact of liberalization and protectionism on the process of opening the markets of the partner countries on trade in such ways not to cause losses to them in the development of foreign economic relations on which will depend not only the synchronization of processes, but also significantly increase of the potential of accelerating export-import operations. In the process of elaboration of conceptual approaches towards improving the mechanism of the process of opening EU and Ukraine markets one should abandon the unsystematic approach to defining guidelines on the processes of liberalization and protectionism, so we should choose a systemic approach to the study of methodological principles to improve the mechanism of a gradual opening of partner countries markets on trade depending on their foreign content. In our opinion, the considered
В.І. Губенко. Механізм відкриття ринків країн ЄС і АПК України: тренд та варіації

basic value is oriented to overall balance between exports and imports of goods and it is capable to ensure the avoidance of losses in foreign economic activity not only in one country, but in two at the same time that radically changes the picture of the scientific definition of the nature of the relationship between partners in trade. The question of updating methodical principles regarding achieving synchronization in the process of gradual opening of the EU and Ukraine markets is relevant. Also, undisputed is that the acceleration or deceleration of these processes should be carried out according to foreign policy, prospects for exports and imports. We should take into account that the synchronization of processes shall construct to discriminating actions of other countries. It should be also noted that the synchronization of processes should be encouraging as for outcomes of cooperation between partners in trade and their associations such as the European Union, free trade areas, customs union, common market. For Ukraine at improving the processes of opening the EU markets is essential the solving at the scientific level of such issues as export of agribusiness commodities due to the fact that the industry exports 60% of commodities, which amounted in 2014 to $10,21 billion losing over $3 billion. In pragmatic terms it is advisable to get acquainted with models of E.Pohulatos and R. Sorensten listed by Yu.M. Pakhomov, which provide for the five main groups of factors that affect the development of bilateral foreign trade [25, p. 89]. They include proximity of levels of national income per capita and identity of demand curves in two countries; proximity of prices, factors and costs of production of differentiated products; proximity of tariff and non-tariff barriers; the same degree of differentiation of competing products and the nominal value of the transport costs is compared. The proposed by G. Trabel and P. Lloyd specific formula to calculate the index – the index of foreign trade solves this problem: \[ B = \frac{[(X_i + M_i) - (X_i - M_i)] \cdot 100%}{X_i + M_i}, \] where \( X_i \) – export of the industry in one of the trading countries, \( M_i \) – import industry is one of the trading countries [25, p. 36]. There is also a need to focus on the concept of international trade, which most reflects the specific problems of international trade in developing countries. Thus, the negative growth theory, first proposed by J. Bhachvati and supplemented by H. Johnson and K. Aldzhandro [26-29] focuses on cases where the orientation of the developing countries, the expansion of commodity exports objectively, caused by specificity of comparative benefits of these countries in international trade, has the negative impact on their economies. According to the theory of K. Prebish because of instability in commodity prices at their downward trend, the conditions of trade as for Ukraine so for developing countries deteriorate. Thus, Ukraine should restrict the import of goods, replacing them with goods of own production [30, p. 95]. In this case, achieving mutual solution in the process of opening the EU and Ukraine markets should be viewed as a special methodological principles the application of which can provide active expansion of foreign trade, as it has been shown for the calculation of the specific index – to the index of foreign trade is offered a special technique, but it is not covered that in the variant \( X_i > M_i \) the specific index value exceeds 1,0, that practically reflects the essence of the process of opening the markets only in view of the import of goods and the only thing at this time we can do is slightly change the formula of G. Trabel and P. Lloyd in order to reflect a real volume of foreign trade and both quantitative and qualitative assessments of the foreign trade. Analysis of the status and trends of achievement of synchronization in the processes of opening partner countries markets in foreign trade through basic ratios and calculation of specific index showed that the first and the second methodological approaches belong to the class of so called informed methodological approaches, although it is clear that they have necessary practical orientation, so there is a reason to believe that the examined methodological approaches are important scientific achievement on the macroeconomic level,
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so for qualitative and complete analysis of synchronization in the process of opening the markets one must investigate this issue at the macro-level, at the level of customs regulations, subsidies and pricing. The peculiarity of the EU experience is in that the consistent regulation is carried out at the international and national levels. State regulation of agriculture for the European countries is not a random phenomenon as effective agro-industrial complex – is invariable prerequisite for prosperity of society. Within the government regulation are solved a variety of tasks: support of prices and incomes of agricultural producers, purposeful formation of appropriate conditions of sales and production, resources for infrastructure and rural policies [31, p. 10]. From the national point of view a common EU market policy is stipulated by the persistence of the internal market, restriction of its imbalances, efficient formation of prices of domestic agricultural producers, control of the foreign trade in terms of the national interests. Thus, the effects of agricultural policies provide for as the costs of the EU budget for export so income. General market policy is the most needed when the country’s products are promoted beyond national borders, and are available in common competitive markets. However, countries have different initial and development conditions. The main base of contradictions and obstacles to deeper integration was collision of importing and exporting countries. Exporting countries associate their future with a significant expansion of food exports to other countries on duty-free basis. For the importing countries the elimination of customs barriers means lower incomes of own producers. The current common EU market can be characterized by the following elements: customs union provides for the elimination of customs and market restrictions between countries of the community while creating a common foreign customs and tariff system, the formation of a common commercial policy towards third countries; respect for four freedoms: free movement, free movement of citizens, free market of services, free movement of capital. Agrarian policy instrument concerns three major areas: policy on agricultural markets and prices, agricultural structural policy, agrarian social policy. To create a common market it was necessary to bring together the national level of the agricultural sector prices to eliminate the EU trade barriers, to create common rules for trade with the third countries. The main purpose of the use of instruments of regulation was to protect the European producers from the world market competition for improvement of self-sufficiency, maintainance of a high level of employment in agriculture and manufacture and achievement of economic stability in rural areas. Agricultural EU forms market internal market with uniform prices, quality requirements and conditions of sale for all its members. The prices are formed either freely on the market, or are fixed by European institutions as minimum prices. It is ideal for Ukraine that the European agricultural economy provides a variety of facilities in the production of raw materials and food products in order to increase competitiveness in world markets. The facilities are granted to duties on imports of cheap products, establishment of the maximum volume of imports, providing export subsidies to reduce the cost of export of surpluses to third country markets. The policy of state regulation of the agricultural market in the EU involves the formation of the market prices for commodities, including active means of protectionist and liberal regulation of export and import of agricultural products. The tools of Agricultural Policy of the EU is divided into tools for regulation of the internal market, the EU and foreign trade and foreign markets. The point is that in order to stabilize the domestic market, the EU takes measures on regulation of supply and price, which represents that minimum price that is profitable and desirable for manufacturers and for which the state buys manufactured goods on the domestic market. These are the protectionist measures, owing to which take place in the EU. The Common Agricultural Policy (CAP) of the EU is constantly in the process of change, annually, the EU

http://mmi.fem.sumdu.edu.ua/
Council of Ministers determines the “target price” for the types of agricultural products, which is the upper limit of prices within the EU and significantly higher than the world market price [32, p. 84]. To prevent cheap imports that could reduce the target price, for all imported products is established a duty between target and world prices, which was called variable duty that varies depending on changes in the world and the target price and the mechanism of price support functions until the EU is a net importer. If the EU acts as a net exporter, the import duties will not affect the domestic price, which in these circumstances is reduced to the level of world market prices. To prevent this, the EU sets the intervention price or lower price limit, which serves as a guarantee for agricultural producers. Thus, the EU the purchase proposed number of products, preventing prices from falling below this internal market prices.

It is obvious that in the process of Ukraine’s integration into the EU one must reject the existing simplified picture that this process is simple and the attempts to copy the experience of the EU countries in terms of market opening are doomed to fail. There are complex processes in the economy of the EU that require careful analysis, certain warnings of using outdated methodical approaches. The objectives of agriculture and food industry in the EU and Ukraine are somewhat different. The views of many scientists and practitioners to chaotic motion and development of market relations in the EU − Ukraine must remain in the past, since they are mainly based on romanticism and not aimed at stimulation of the growth of national wealth and prevention of theft of property and capital, and therefore leaving the agrarian sector of Ukraine and particularly its foreign trade without appropriate mechanism for improving processes of opening the markets of the EU and Ukraine concerning customs and tariff regulation, subsidy and pricing is now irresponsible with critical consequences in the future for agriculture and food industry. The foregoing shows that for opening the markets of the EU and Ukraine one should develop a special mechanism which would not limit our exports and become a “cover” for the formation of a system of stimulation for import of goods to Ukraine, which increased from the EU countries in 2014 compared to 2000 in 10,2 times and amounted to 42% of total imports of agricultural products [16, p. 74].

The weakness of the methodological principles as to international economic positions leads to the fact that Ukraine and its agriculture are denied in the right for mechanism that provides for mutual solution process of opening the markets of the above countries and it is in those circumstances that the international agreements provide for enough opportunities on mutual solution processes and the use of liberalization and protectionism. The experience of countries shows that the core of achieving the improved consistency of opening the markets of the EU and Ukraine is the approach as to the balance of export-import operations between the EU and Ukraine and its agribusiness. The first fundamental issue arising from the review of foreign economic relations, is the following: how to build a system of interaction between exports and imports. On this occasion the answer could be: the Ukrainian foreign economic activities can be acceptable by so liberal and protectionist policy that it will meet the interests of both the EU and Ukraine. First of all we emphasize that for the regulation of domestic and foreign markets in the EU, the following types of prices are used: the prices of the world
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market, state import prices, interventional prices, market prices, purchase prices, prices of government intervention, export duties and customs duties. In Ukraine domestic and foreign trade are regulated by: world market prices, internal market price, purchase price, import duties and rarely on exports. A characteristic feature of the EU countries is that prices for products within them is higher than the level of prices on the world market. As for Ukraine, then between its prices is yet seen the opposite ratio.

Thus, the opening of the domestic market of Ukraine for imports from the EU shall be financed in such a mode that the level of import prices together with duty exceeded prices that are formed in the consumer domestic market of Ukraine. But the level of duty free prices shall not exceed the level of world market prices. Regarding the opening of the internal market of the EU for imports from Ukraine, then it is justified to proceed from the fact that duty free import prices the will be not below the world market prices. The size of the fee is determined depending on whether the price of internal market exceeds the price on the world market. The mechanism of the process of opening the markets of the EU and Ukraine serves the best as interests of the partners. One of the peculiarities and specific problems of synchronization of processes is their consistency both in time and dynamics. Violation of synchronization of process will mean for one the reduction, and for the other – increase of prices in the domestic market.

Moreover, it is justified to stress that in the Decree of the President of Ukraine on Ukraine’s EU integration one should establish closer relationship between the integration as a mechanism of general measures and mechanism of its concrete implementation. It is useful to complete legislation in terms of constructive plan so that to eliminate the basis for collision between the markets of the EU and Ukraine in order to achieve synchronization of processes of market opening differences in the pace of development. In all areas of Ukraine’s integration with the EU the possible emergence of imbalances in the market sector and the collision between national and supranational interests can not be underestimated. The situation is complicated by the fact that for Ukraine and its agro-industrial complex the mechanisms of regulation of foreign economic activities that are specific to the EU proved to be too complex and this is one of the reasons for loss to Ukraine in the field of agribusiness in the foreign policy field as in the past, so in terms of modern realities for which the specific numbers are given in the article. Despite the inadmissibility of methodical approaches to liberation and protectionism in the EU relative to the current conditions of Ukraine and its agro-industrial complex they so took root in the organizational and economic mechanism of Ukrainian producers, that overcoming the disparities between them refers to the most complex issues of our time and needs to be addressed in the near future.

Thus, the ultimate goal of foreign policy should be comprehensive and include such part as achieving coherence in the process of opening the markets of the EU and Ukraine for what can be offered a proposed mechanism. One should give a clear answer to the question how to avoid spontaneity, lack of clarity and the exaggerations in the relations between the EU and Ukraine and it is necessary to define primarily a balanced foreign trade benchmark, in the implementation of which should be equally interested both the EU and Ukraine [33, p. 192].

Conclusions. European Union today is the most sophisticated and successful example of the process of political and economic integration. The undeniable factor is that the EU is not only one of the most influential centers of the world economy, but also an attractive social and political model of social organization that achieves a high level of human development and preserve national identity and regional features. Cooperation with the EU remains a priority of foreign policy of Ukraine and integration into European political, economic, protected
territorial space creates additional opportunities for economic modernization and legal framework, innovative development, attract foreign investment, improvement of the competitiveness of domestic production, democratization of political and of institutional systems and approaching to the high social standards of the EU. To ensure the effective participation of Ukraine and its agro-industrial complex in the European economic process the reference system for its inclusion in the European sphere is required, which provides for adjustments to economic proportions, providing the adaption of structure of national and industrial economy to the needs of the European economy and creation of conditions for achieving a fundamentally new level of priority industries, which is considered agriculture of Ukraine. Agro-industrial complex of Ukraine as the locomotive of the national economy, in the structure of the national GDP amounted 2014 is 16,6% of exports – 31,5%, or 79,9% of gross domestic product in the industry with coverage ratio of 2,65. In the structure of total exports of agricultural products it was exported to the EU in 2014 to 29% imported to the Ukraine – 42%, while exports to EU in 2014 increased compared to 2000, 2005, 2010, respectively in 14,7; 4,5; 2,34 times. For 10 months of 2015 agribusiness exports to EU amounted to 29,2% of the export sector. Increasing merchandise exports of agricultural products to the EU and other regional trading continental groupings Ukraine compared with other countries exporting these products loses a significant portion of foreign exchange earnings – 6,1 billion in general and $ 1,3-1,4 billion for export to the EU countries, the causes of which are: high proportion of raw material exports – 60%, low competitiveness of certain products and the lack of a perfect mechanism for economic relations between the EU and Ukraine. Implementation of the proposed economic mechanism of the process of opening the markets of the the EU and Ukraine will make it impossible to loss in foreign trade activities with EU countries and eliminate the basis for collision between the markets of the EU and Ukraine agribusiness.

At the further studies author is planning to examine foreign relations of agro-industrial complex of Ukraine in the context of the individual EU countries, the state of foreign trade “Ukraine – EU” relations, relations with other RTG and problems of scientific and methodological improvement in terms of making that these relations mutually beneficial.
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Механізм відкриття ринків країн ЄС і АПК України: тренд та варіації
У статті здійснено теоретико-методичне обґрунтування напрямів і шляхів виконання критерій та орієнтирів, що передбачають створення умов досягнення рівня розвитку економіки України та й АПК для успішної інтеграції в Європейський Союз і визначено, що для відкриття внутрішнього ринку України для імпортних товарів з країн ЄС доцільно здійснювати в режимі,
щоб рівень імпортних цін разом з митом перевищував рівень цін, що сформувався на споживчому внутрішньому ринку України, але їх рівень без мита не повинен перевищувати рівень цін світового ринку. При відкритті внутрішнього ринку країн ЄС для імпорту товарів з України імпортні ціни без мита повинні бути не нижче рівня цін світового ринку, що слугуватиме як інтереси країн ЄС, так і України. Проведено аналіз динаміки зовнішньоекономічної діяльності АПК України з країнами ЄС та іншими РТУ країн світу за 2000-2015 pp. і встановлено, що країни ЄС є основними партнерами по ЗЕД АПК України, експорт якого зріс до них у 14,7 разів і склав 29% всього експорту, імпорт з країн ЄС зріс у 10,2 разів і склав 42% до всього імпорту галузі.

Ключові слова: механізм, відкриття ринків країн ЄС і АПК України, «план Маршалла», інтеграція, інтернаціоналізація, мито, рівні цін.