UKRAINE

ESTABLISHING ALLIANCES BETWEEN EXPORTERS AND LOCAL SUPPLIERS (OF MATERIALS, COMPONENTS AND VALUE-ADDED SERVICES) - THE ROLE OF THE PUBLIC SECTOR
At the present stage of economic development of Ukraine powerful value is got with the questions concerning the further improvement of foreign trade activities, maintenance of integration of the Ukrainian economy in structures of world economic space, the international division of labour. Processes of globalization demand from Ukraine wider attraction in the international trading system. Special value gets the final decision of the questions concerning the entrance of Ukraine in WTO and embodiments in life of regulations of partnership and cooperation with EU. It will promote more full realization of an export potential of the Ukrainian enterprises and attraction of foreign investments.

With this purpose the Cabinet Ministers of Ukraine approved the Program of stimulation of export production. The program defines export strategy of Ukraine, as a component of a policy of structural reorganization of economy.

The program defines concrete actions of system of the state support of exporters, improvements of the mechanism and perfection of control system by foreign trade activities and supports of a national commodity producer, introduction in practice of the most effective forms of co-operation with foreign countries on the basis of gradual increase of mobility of the goods, services, capitals and a labour.

Export strategy of Ukraine is directed on structural reorganization of economy, perfection of branch and territorial structure of manufacture, increase in densities and volumes of production with a high degree of processing, especially high technology, reduction of volumes of export raw materials, reduction quantity ecologically harmful manufactures which predetermine dependence on deliveries of energy carriers, raw materials and semifinished items, and as result, increases in incomes of the state and subjects of housekeeping.

**Export strategy provides:**

- creation of equal conditions for all participants of foreign trade activities;
- use of progressive forms of the international economic interaction;
- assistance to development of investment activity of Ukraine abroad (export of the capital) with the purpose of creation of joint ventures, realization of other forms of the international division of work;
- maintenance of stability of the legislation, creation and legislative fastening of a favorable mode of activity of manufacturers - exporters of a domestic production;
- activization of participation of Ukraine in the international economic and currency - financial organizations;
- realization of a complex of actions on radical improvement of an investment climate in Ukraine;
- definition of priorities and increase efficiency of use of foreign credits;
- activization activity of the unions of businessmen of Ukraine directed on development of multilateral connections with foreign partners;
- carrying out of tenders for attraction of foreign capitals in priority branches of national economy;
- maintenance of active participation of Ukraine in the international tenders on construction, deliveries of the equipment and services abroad, including projects "on a turn-key basis", as independent, and with attraction of foreign partners;
- creation of national industrial - financial groups and consortia on priority export directions with attraction in case of need foreign partners;
- introduction of the mechanism of counter commodity crediting of other states due to internal resources.
The basic attention of an export policy of Ukraine should concentrate on such directions.

The first – development of adequate theoretical-methodological bases of stimulation of the accelerated development of an export potential according to strategic priorities of the country.

The second - research of macroeconomic preconditions of effective export activity in view of world experience. The especial attention thus is necessary for giving a problem of calculations of economic efficiency of export activity and a problem of the state stimulation of development of export in priority directions.

The third - the decision of key microeconomic problems of effective export activity, first of all problems of the marketing approach in export activity, calculations of its efficiency at a level of the enterprise, an effective utilization of import of the goods and direct foreign investments with the purpose of escalating an export potential.

The subsequent development of foreign trade activities of Ukraine is closely connected to prospect of the entrance Ukraine in WTO, performance of the international norms and rules WTO. The expediency of connection is defined first of all by necessity of maintenance of the standard balance of the rights and obligations for sphere of international trade. Harmonization of legislative base will allow to avoid in most cases existing discrimination, first of all in the markets of Europe and the USA. Corrected WTO (so-called protective actions) allow to protect a home market by increase of rates of the duties, introduction of quotas on import if it threatens or seriously harms to national economy.

Accordingly, all agreements in sphere of the foreign trade relations should take into account requirements WTO to countries - members and not members of World Trade Organization. Default of separate positions of agreements WTO as a result of lack of information of subjects of foreign trade activities, results in antidumping processes, decrease of efficiency of export.

Strengthening of a position of Ukraine in the world economy demands purposeful foreign policy maintenance. Thus it is necessary to achieve increase of a degree of the coordination of the Ukrainian geopolitics interests with intensity of foreign trade activities. Today the enterprises of Ukraine conduct trading operations more than with 180 countries of the world. Therefore the important task is definition of regional priorities, concentration of efforts on the elected directions.

To one of the major tasks of all system of the state regulation in Ukraine should become fastening of long-term strategic positions of the country in the international division of labour. It should find display first of all in development of different strategy of transformation of economic structures. The structural or industrial policy should reduce isolated elements of industrial, scientific and technical, social, regional, ecological policies to a single whole, coordinate and subordinate their uniform purpose - to escalating of economic potential of the country, increase of competitiveness and strengthening of its position in the world economy.

Certainly, development of export is one of the major factors that can cause macroeconomic stabilization and a gradual output of economy from crisis. However speech should go not about any export, and about such structure, which will allow realizing optimum available and potential competitive advantages of economy of Ukraine concerning economy of other countries.

Export strategy of Ukraine should be based on the following priorities:

- orientation of the foreign trade connections to long-term prospect with the purpose of gradual formation of branch specialization of Ukraine on foreign markets of the evolution of structure of international trade adapted to modern lines in interests of high technology and highly technological production, expansion of sector of trade by services;
- stimulation on the part of the state of subjects of foreign trade activities on transition from single deliveries on deliveries under long-term contracts within the framework of cooperation with the purpose of use of advantages of the international division of work;
- assistance by political and economic actions to an output on new commodity markets and services with the purpose of diversification geographical and commodity structure of export.
In view of certain the Program of structural reorganization of Ukraine of priority branches and manufactures which will promote fast enough increase of competitiveness of production, the basic priority directions of development of an export potential are:

- creation of conditions for use of potential of power system for increase in export of electric energy;
- development and manufacture of the unique equipment for small power and the highly technological fuel and energy equipment;
- manufacture of machine-building production with a high degree of processing, and also with application of computer and electronic technologies;
- development of the medical and microbiological industry, increase in release of the medical equipment, medical products, products of a treatment-and-prophylactic feed (meal);
- increase in release of products of the food-processing industry, production of an agriculture on the basis of modern technologies of its processing, storage, packing, transportation and realization;
- maintenance of export specialization in manufacture of high-quality building materials and expansions of sphere of construction services;
- expansion of sphere of the international transport services and transit transportations (automobile, aviation, water, railway and pipeline transport) in view of geopolitic factors, creation of corresponding transport corridors, granting of services on repair of a rolling stock and the transport equipment, adjustment of release of spare parts to them;
- increase in quantity of scientific and technical development, "know-how", engineering, granting of services on preparation and maintenance of manufacture and realization of production, from service of production that is exported;
- organization of exhibition and advertising activity with the purpose of maintenance of a commodity market of domestic competitive production and high technologies, assistance to development of investment activity.

It is impossible to illuminate shortly all substantive provisions of the Program of stimulation of export production, including hi-tech manufactures. However, it is necessary to note only that its realization will occur in three stages and it is designed for 10 years. The program stipulates concrete projects on separate branches with definition of executors, sources of the financing, expected results.

In this connection, the Technique of selection of competitive export projects is developed. Its essence will consist in carrying out of examination and selection of the projects directed on development of manufacture of the competitive goods and services.

As to short-term prospects of foreign trade activities they are determined by the governmental program. Strategic directions of realization of foreign trade activities for 2004 will consist in the subsequent liberalization in sphere of foreign trade and creation of conditions for civilized protection of a home market with the purpose of support of a domestic commodity producer.

Priority value in development of the external economic policy will receive:

- integration of Ukraine into world trading system, expansion and diversification commodity markets of a domestic production due to increase of its quality and competitiveness;
- indulgence of existing dependence on the separate markets of energy carriers and raw materials;
- escalating of an export potential;
- acceleration of introduction of new technological lines on release of competitive production with the purpose of an output of a domestic commodity producer on the international markets;
• prevention of new antidumping investigations against the Ukrainian goods and
preventions(warnings) of closing or restriction of the important export markets;
• creation of corresponding conditions for attraction of foreign investments into Ukraine,
first of all as the newest technologies and the equipment and so forth.

As is known, today in Ukraine still there is a high level of export of goods with a low degree of
processing that exhausts resource base of the country. Therefore, development of export of
production with a high part of the added cost that should become the important factor of economic
development is provided.

**Shortly about mainstreams of realization of foreign trade activities in 2003.**

Ukraine continues negotiating process with representatives of the European Commission and other
interested parties concerning the expanded access of the Ukrainian goods on the markets of the
European countries by increase in quotas on separate commodity positions and elimination of
existing trading restrictions.

The state regulation of foreign trade activities will be carried out with the purpose of improvement
of mechanisms of trade relations of Ukraine according to requirements of multilateral system
GATT/WTO. Efforts concerning participation in new roundes of multilateral negotiations will be
enclosed within the framework of WTO. Negotiating process concerning guaranteed access to
commodity markets and services, the conclusion of bilateral agreements on questions of tariff
concessions and obligations in sphere of services with countries - members of WTO, definition of
transition periods of harmonization of the legislation will proceed according to separate agreements
and separate positions of Agreements GATT/WTO in corresponding branches of the external
economic regulation.

Ukraine continues to carry out actions on acceleration of the introduction into the World Trade
Organization. According to requirements of this international organization the domestic legal base
is harmonized.

Process of liberalization of trade provides realization of the conclusion on a bilateral basis of
agreements on zones of free trade. The important stage in this process is creation of a zone of free
trade with EU. This direction will create an opportunity to facilitate process of transition of economy
to market and to reorient trading streams on more perspective markets to the countries which are
included into EU.

For maintenance of the expanded and guaranteed easy approach on the world markets, Ukraine
will achieve also creation of a zone of free trade with countries - members of the Central European
zone of free trade (CEFTA).

The important value will be given realization of the actions connected to stimulation of export of
goods by introduction of system of economic stimulus.

The attention to escalating export of services, including service, warranty service, realization of
repair of technical equipment, transport services, creation and operation of the international
transport corridors will amplify.

With this purpose actions on creation of a corresponding infrastructure in the market of services
and to introduction of new technologies, including information, and also to perfection of domestic
legal base on the marked questions will be developed.

Perfection of legal statuses on questions of forwarding activity, a recognition of a validity of
electronic documents will give an opportunity to create civilized competitive conditions for work in
the national market of services, to reduce unproductive charges of time and means, and also to
improve the international image of Ukraine.

Taking into account geopolitics position of Ukraine active search of ways of increase in transit
freight traffics through territory of Ukraine will be carried out. The important state action for
simplification of transit through Ukraine is the establishment of uniform gathering for granting of a
complex of services customs, ecological, veterinary, control of cargoes and vehicles, for travel by
highways of Ukraine of vehicles of foreign owners and definitions of rates of this gathering.
Realization of these measures will enable to simplify the procedure of the control over check points through frontier of Ukraine, to remove duplication of functions of the state supervising bodies and to reduce tax pressure upon carriers.

Integration of the Ukrainian transport network, in international, creations and functioning of a national network of transport corridors, to development of customs service will be promoted by introduction in action of the Complex program of the statement of Ukraine as transit state.

Together with it construction, reconstruction and arrangement of check points through frontier of Ukraine, the advanced order of their opening and activity will be continued. Realization of these measures will give opportunities effectively to carry out the control over movement of citizens, vehicles and cargoes which follow through frontier of Ukraine.

The attention to a problem of a source of currency means and material assets for limits of Ukraine, including through mechanisms of fictitious firms, to avoidance from the taxation of residents and non-residents which carry out economic activities in territory of Ukraine will amplify.

With this purpose, the state bodies, constant monitoring questions of observance by residents and non-residents of the legislation of Ukraine will be provided at realization of the external economic operations and the system of an exchange of the information, first of all is advanced by means of electronic communication with use of hardware-software of cryptographic protection of the information.

In development of export to the countries of Europe escalating volumes of realization in the markets of the countries of region of finished articles, machine-technical and hi-tech production, services is provided.