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Foreign trade in goods and services in Ukraine and the EU: a comparative analysis

***Abstract.** The purpose of the article is to evaluate trends, structural changes and prospects for the development of foreign trade in goods and services in Ukraine and to compare them with those observed in the EU-28. In particular, the authors evaluate the contribution of cities of regional importance located in the western part of Ukraine to the development of export-import activities of their respective regions analyse structural transformations in the export of goods and services in Ivano-Frankivsk, Chernivtsi and Rivne. A number of measures are proposed to intensify export activity in cities of regional importance in accordance with identified trends, patterns, features and problems.*

***Keywords:** foreign trade in goods and services, Ukraine, EU-28, cities of regional importance, Western region of Ukraine, export-import activities, structural transformations*

1. Introduction

In the current conditions of development of interstate cooperation and integration of Ukraine into the world economy, foreign trade in goods and services is a powerful factor in ensuring macroeconomic equilibrium and maintaining foreign economic relations with other countries. The key place in the implementation of export-import operations at regional and national levels belongs to cities as centers of business activity and concentration of production, agro-industrial, investment and trade potential.

Ukraine's foreign trade in recent years has been carried out under difficult conditions, determined by many external and internal factors. The dominant external factor that has influenced the development of foreign trade in Ukraine in recent years has been the introduction of a free trade area with the EU. At present, the EU is already Ukraine's largest trading partner. Thus, according to the results of 2017, its share in the export of goods and services from our country reached 38.8%, and in imports – 42.3%. In turn, national exports to the EU are steadily increasing: exports of goods and services increased by 27.2% in 2017 compared to the previous year, and imports increased by 19.3% [Bohdan 2018: 10]. At the same time, despite favorable external factors, political and economic instability in Ukraine and military conflict with Russia are major inhibitory factors in foreign trade. However, it is the Russian Federation that remains one of the main trading partners of Ukraine, in particular with regard to the export of high-tech products [Heiets, Ostashko (eds.) 2016: 10]. At the same time, it is worth noting that in 2017, compared to 2012, there is a significant decrease (by almost 60%) of both exports of goods to the Russian Federation and the share of this country in total exports of goods from Ukraine (from 25.6% in 2012 to 16.7% in 2017).

External trade in goods and services in the EU-28 has also been characterized by some complications in recent years. Functioning in the global economic environment and actively supporting Ukraine in its fight against Russia by imposing sanctions on the Russian Federation, the European Union has encountered appropriate countermeasures that have affected the dynamics of its foreign trade and partnership with Russia. Thus, in 2012, Russia ranked 3rd among the EU's trading partners after the US and China, and in 2015-2017 it lost its position in favor of Switzerland [Kovtun 2019: 27-28]. During 2012-2017, we observe a slight increase, however, in the main indicators of export-import activity in the EU-28: exports increased by 7.5%, imports increased by 4.7%.¹ The largest and for many years the EU-28's unchanged trading partner in foreign trade in goods and services is the United States. The share of US exports of goods to the EU in 2017 was 20%, and in imports – 14%;² in terms of export of services, in the export of services in 2016, the US share was 26%, in the import of services – 31%.³

¹ Calculated by author based on: unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_ChosenLang=en [accessed: 28.08.2019].

² ec.europa.eu/eurostat/news/themes-in-the-spotlight/trade-in-goods-2017 [accessed: 26.08.2019].

³ ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20180109-1?inheritRedirect=true&redirect=%2Feurostat%2Fweb%2Finternational-trade-in-services%2Fpublications [accessed: 26.08.2019].

The natural geographical location of the Western region of Ukraine on the borders with the EU member states and the functioning of the free trade area determine the geographical structure, volumes and tendencies of development of foreign trade activity. In particular, the average share of exports of goods from the regions of the region to the EU is over 70%, and the import of goods is over 60%. Exports tend to be dominated by product groups such as machinery, equipment and mechanisms, electrical equipment; timber and wood products; products of vegetable origin; textile materials and textiles; various industrial goods. Imports are represented by machinery, equipment and mechanisms, electrical equipment, polymeric materials, plastics and products from them; textile materials and textiles [Ishchuk, Sozanskyy 2016: 49-50].

The purpose of the article is to evaluate trends, structural changes and prospects for the development of foreign trade in goods and services in Ukraine and to perform comparative analysis with the EU-28.

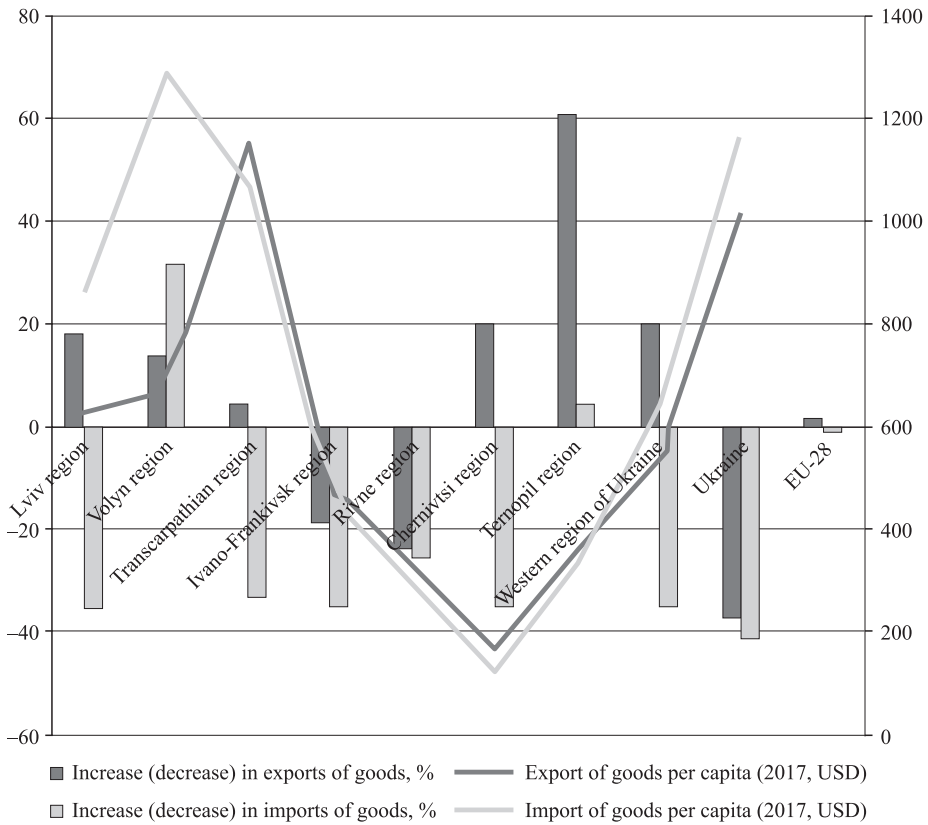
2. Analysis of trends and patterns of foreign trade in goods and services in Ukraine and the EU-28

Against the background of the overall significant decline in exports and imports of goods in Ukraine over the analyzed period (by 37.1% and 41.4% accordingly), in the Western region there is an increase of goods exports by 19.9% (Chart 1). At the same time, the decline in imports in the region reflects a national trend. The same tendency of significant decrease of export-import operations is also observed in Ivano-Frankivsk and Rivne regions. At the same time, Volyn region stands out among other regions of the region. It shows a significant increase in exports and imports of goods – 13.8% and 31.5% accordingly.

It should be noted that export growth in the Western region of Ukraine was largely achieved due to its significant increase in Ternopil region. This region stands out from other areas, showing an increase in exports of goods over the analyzed period of more than 60%. In terms of exports of goods per capita in 2017 (see Chart 1), Transcarpathian region is leading with an indicator of \$1149.7. That is 12.7% higher than the national average (\$1020.7).

As for foreign trade in goods, unlike in Ukraine, there is a slight increase in exports of goods (by 1.7%) and a decrease in their imports (by 1%) in the EU-28. The same tendency, though with a significant gap, is characteristic of the Western region of Ukraine as well. A significant gap is also observed in terms of exports and imports of goods per capita. In 2017, these figures for the EU-28 were \$11561.3 and \$11354.3, accordingly, which is 10 times more than in Ukraine.

Chart 1. Trends in foreign trade in goods in the Western region, Ukraine and the EU-28 during 2012-2017*

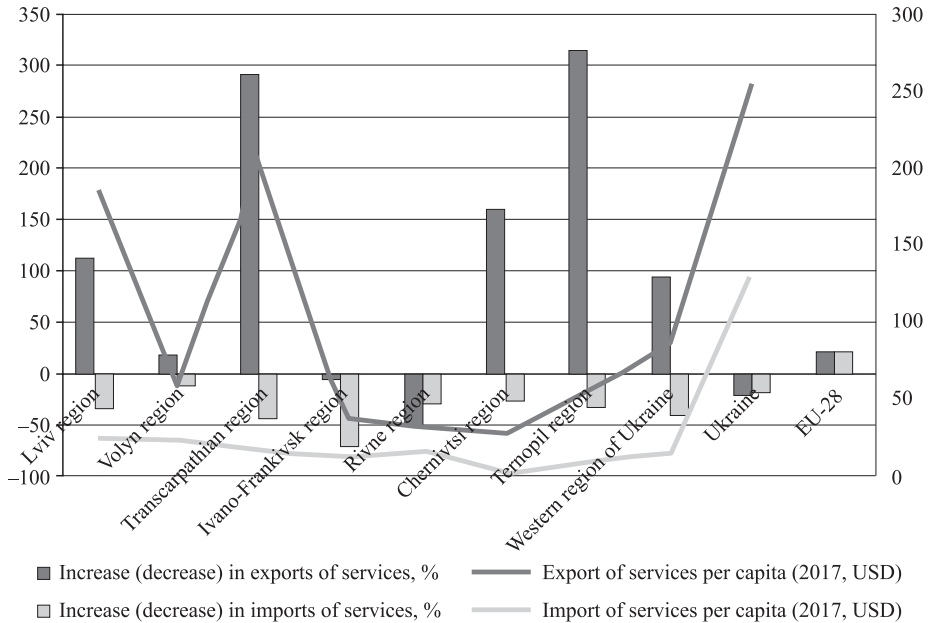


* It is presented the average value of export and import per capita in the Western region of Ukraine; EU-28 commodity export and import per capita are given below.

Source: calculated and built on www.ukrstat.gov.ua/ [accessed: 2.06.2019]; unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_ChosenLang=en [accessed: 28.08.2019].

The trends of export-import services in Ukraine and the Western region of Ukraine reflect a similar situation as with goods, but are characterized by some peculiarities (Chart 2). As in foreign trade in goods, against the background of a general decline in exports and imports of services in Ukraine over the analyzed period (by 21.2% and 18.7% accordingly), in the Western region there is an increase in exports of services. The export of services grew by 94.4%. That is, an increase in the export of services is much more significant than an increase in trade in goods. At the same time, the rate of decline in imports of services in the region not only reflects a national trend, but it is significantly ahead of the recession.

Chart 2. Trends in foreign trade in services in the Western region, Ukraine and the EU-28 during 2012-2017*



* It is presented the average value of export and import per capita in the Western region of Ukraine; the volume of export and import of services per capita in the EU-28 is given below.

Source: calculated and built on www.ukrstat.gov.ua/ [accessed: 2.06.2019]; unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx?sCS_ChosenLang=en [accessed: 28.08.2019].

External trade in services in most regions reflects the tendencies that are characteristic of the Western region of Ukraine (increase in export of services and decrease in import of services), with the exception of Rivne and Ivano-Frankivsk regions. In contrast to foreign trade in goods, there has been a significant revival in the services sector in most regions of the Western region of Ukraine. This is evidenced by the significant increase in the volume of exports of services, which is not peculiar to the export of goods (see Chart 2). Ternopil region (315.8%) shows the highest increase for the analyzed period. Transcarpathian and Chernivtsi regions also recorded significant gains in exports of services (292.2% and 160.4% accordingly). In addition, the Transcarpathian region also leads the way in exports of services per capita (see Chart 2), which was \$204.2 in 2017.

In contrast to commodity trade, international trade in services in the EU-28 is showing greater growth. Exports increased by 20% and imports increased by 21.5%. However, during the analyzed period, the EU-28 is lagging behind the Western region of Ukraine in terms of growth in exports. At the same time, in terms of export and import of services per capita, as well as in commodity trade,

we see a significant gap with Ukraine. In the EU-28, these figures were \$4593.2 and \$3911.8 in 2017, which is 18 and 30 times higher than in Ukraine, accordingly.

Therefore, our analysis of tendencies and patterns of foreign trade in goods and services in Ukraine, the Western region of Ukraine and the EU-28 allows us to draw the following conclusions:

- the import of goods and services in the Western region of Ukraine is characterized by national trends (overall decrease in the volume of imports of goods and services);

- unlike the Ukrainian tendency (decrease in export of goods and services), there is an increase in export of both goods and services in the Western region of Ukraine. Moreover, the trade in services shows significant gains (the maximum increase over the analyzed period reached more than 300%);

- Ternopil region is the undisputed leader in the growth of goods and services exports in the region. Transcarpathian region is the leader in export of goods and services per capita in 2017.

- international trade in services in the EU-28, unlike commodity trade, is showing more significant growth;

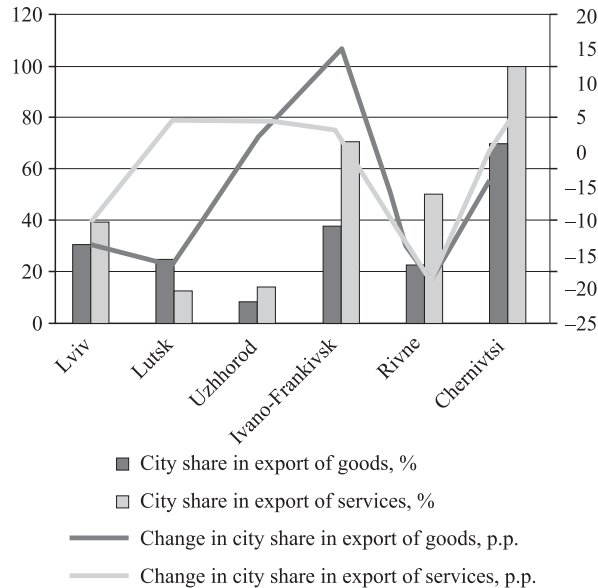
- trends in commodity trade in the EU-28 (albeit with a significant gap) are also characteristic of the Western region of Ukraine. However, in terms of exports and imports per capita, Ukraine is far behind the EU-28. These figures in exports and imports of goods in Ukraine are on average 10 times lower. It is also noteworthy that we import services per capita 30 times less than EU-28 imports, and we export services per capita 18 times less.

3. The contribution of cities of regional importance of the Western region of Ukraine to the development of foreign trade in goods and services of their regions

Due to the increase in the volume of export activity in most regions of the Western region of Ukraine, especially in the area of international trade in services, we will analyze the contribution of cities of regional importance to the development of foreign trade in goods and services of their regions (Charts 3 and 4).

As we can see, among the analyzed regional centers of the Western region of Ukraine, the largest share in the volume of foreign trade in goods and services in 2017 is in Chernivtsi, Ivano-Frankivsk and Rivne. Moreover, the shares of Chernivtsi and Ivano-Frankivsk during the analyzed period increased both in export of goods and in export of services. In addition, we observe a predominance of shares of all analyzed cities (except Lutsk) in the export of services, which confirms the decisive role of cities in the export of services in the region.

Chart 3. The share of regional centers of the Western region of Ukraine in export of goods and services in 2017 and its change during 2012-2017

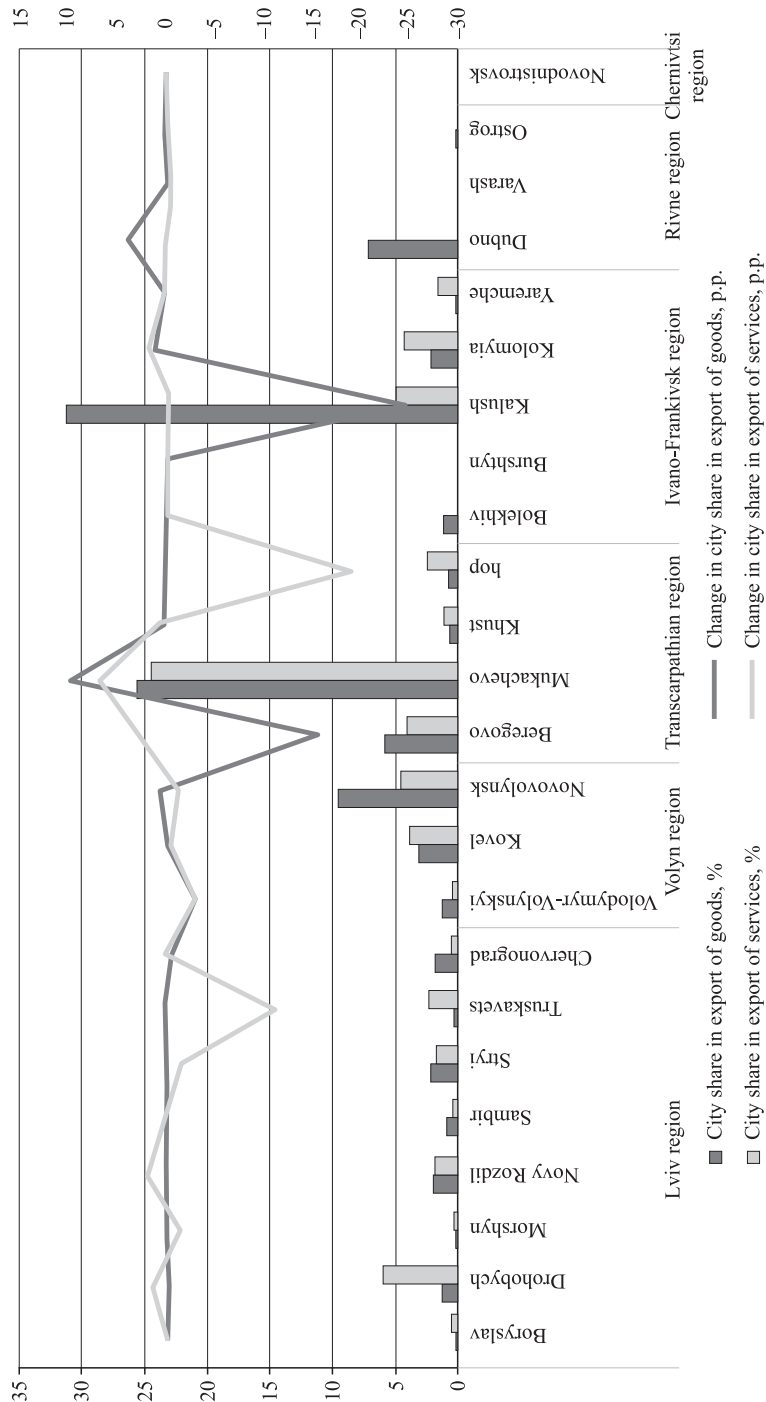


Source: calculated and built on www.ukrstat.gov.ua/ [accessed: 2.06.2019].

Among the cities of regional importance, except for cities – region centers, Kalush (Ivano-Frankivsk region) and Mukachevo (Transcarpathian region) make the largest contribution to the export activity of their regions. This is evidenced by the Chart 4. However, if the share of the city among the cities of the region in export of goods and services is observed in Mukachevo during the analyzed period, then the city of Kalush shows a significant loss of its share in foreign trade in goods in the region. This is confirmed by its decrease (up to 25% points) in the total volume of export-import operations in Ivano-Frankivsk region. The leadership of Kalush in exporting goods is ensured through the production and export of plastics, polymeric materials, chemical products, and mineral products. A significant contribution to the strengthening of the export position of the city is provided by the enterprise of the chemical industry of Karpatsmol LLC. It is the only manufacturer of low-toxic resins in Ukraine today. The company modernized its existing production facilities during 2011-2012. Also the company purchased latest technologies from the renowned European innovation firm Chimar Hellas. This made it possible to diversify products, to establish low-toxic resin production and to start cooperation with European consumers of products.⁴

⁴ karpatsmoly.com/ru/ [accessed June 15, 2019].

Chart 4. The share of cities of regional importance of the Western region of Ukraine in export of goods and services in 2017 and its change during 2012-2017



Source: calculated and built on www.ukrstat.gov.ua/ [accessed: 2.06.2019].

A commodity export potential of Mukachevo is formed thanks to such major enterprises as LLC with foreign investments “Fisher-Mukachevo” (export of skis and sticks), plant “Flexstronics TOV” (export of mobile communications, computer equipment, consumer digital devices and etc.), JSC Tochprylad Mukachevo Plant (export of telecommunication loudspeakers and cables for the automotive industry), ENO Furniture Ltd. (wood processing and furniture production), Inter-Kashtan LLC, Mukateks SE, Viad Sayles – Mukachevo JV, JSC Mukachevo Knitwear Factory Mriya and others. Although almost all of them work in toll raw materials imported from abroad, they create thousands of jobs, pay taxes and secure foreign exchange earnings into the budget.

In addition, according to Chart 4, the contribution of the vast majority of cities analyzed is higher in exports of goods than in exports of services, as opposed to regional centers (see Chart 3). This demonstrates the key role of the major cities of the Western region of Ukraine in the export of services. Chart 4 also shows a significant decrease in the share of Chop and Truskavets in the export of services. Beregove and Kalush reduced their shares in the export of goods. However, despite this, it can be stated that the export activity of most of the analyzed cities is characterized by relative stability.

4. Assessment of structural transformations in export of goods and services in Ivano-Frankivsk, Chernivtsi and Rivne

As we can see, the cities of regional importance of the Western region of Ukraine have significant export potential. This is especially evident in Ivano-Frankivsk, Chernivtsi and Rivne (see Chart 3), which is confirmed by their key role both in the export of goods and in the export of services in the regions. So let's analyze the commodity structure (Table 1) and the export structure of services (Table 2) of these cities.

As we can see from the Table 1, a significant share in the export of products in the analyzed cities is occupied by such group of goods as machinery, equipment and mechanisms, electrical equipment, which corresponds to the general export trends in the Western region of Ukraine. And the undisputed leader in the share of export of this product is Ivano-Frankivsk. This city also provided 8.5 percentage points increase in the share of this commodity position in the export during the analyzed period (see Table 1). At the same time, this commodity group in terms of export shows a significant decrease in Chernivtsi and Rivne.

The second largest share in export of goods in 2017 belongs to products of vegetable origin, including cereals, which also corresponds to both Western

Table 1. Assessment of structural transformations in export of goods in Ivano-Frankivsk, Chernivtsi and Rivne

Commodity group	Ivano-Frankivsk				Chernivtsi				Rivne			
	Structure, %		Structural changes, in p.p.	Growth rate, %	Structure, %		Structural changes, in p.p.	Growth rate, %	Structure, %		Structural changes, in p.p.	Growth rate, %
	2012	2017			2012	2017			2012	2017		
I. Live animals; products of animal origin	15.0	4.4	-10.6	38.1	0.0	0.1	0.1	571.6	0.0	0.2	0.2	c/i*
II. Products of vegetable origin	3.8	24.4	20.6	84.6	2.9	24.0	21.1	999.5	5.4	27.8	22.4	201.6
III. Fats and oils of animal or vegetable origin	0.1	0.3	0.2	504.8	0.0	0.3	0.2	2330.4	0.2	4.8	4.6	1098.2
IV. Finished foods	2.9	0.7	-2.3	30.2	0.4	10.7	10.3	3512.4	2.9	2.2	-0.7	30.1
V. Mineral products	0.0	0.0	0.0	35.4	0.0	0.0	0.0	60.9	1.0	0.3	-0.7	11.3
VI. Production of chemical and related industries	9.1	0.7	-8.4	9.5	5.2	2.4	-2.9	54.8	64.4	15.2	-49.2	9.3
VII. Polymeric materials, plastics and products from them	0.7	0.3	-0.3	64.3	3.2	1.3	-1.9	49.7	0.5	0.7	0.2	52.1
VIII. The skins are raw; the skin is cleaned	6.7	1.2	-5.5	23.9	0	0.8	0.8	c/i	0.1	0.1	0.0	41.8
IX. Timber and wood products	5.9	5.1	-0.8	113.3	4.8	10.2	5.4	257.3	0.6	11.5	10.9	717.2
X. Pulp of wood or other fibrous cellulosic materials	0.2	0.2	-0.1	99.4	0.2	0.1	-0.1	83.7	0.1	0.3	0.2	115.8
XI. Textile materials and textiles	1.7	1.1	-0.6	86	26.8	17.6	-9.2	79.3	1.1	5.4	4.3	193.2
XII. Shoes, hats, umbrellas	0.0	0.0	0.0	c/i	4.8	1.5	-3.2	38.6	0.0	0.0	0.0	28.5
XIII. Articles made of stone, plaster, cement	0.0	0.0	0.0	671	0.2	0.0	-0.2	7.2	0.1	0.1	0.0	48.2

XIV. Natural or cultured pearls, precious or semi-precious stones	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3	4.0	0.7	48.1
XV. Inexpensive metals and articles made of them	0.6	0.3	-0.4	51.8	5.9	1.1	-4.8	22.6	1.5	4.8	3.3	127.9									
XVI. Machinery, equipment and mechanisms, electrical equipment	51.4	59.9	8.5	153	35.6	19.8	-15.9	67.2	17.1	18.3	1.2	42.3									
XVII. Land transport facilities, aircrafts, floats	0.2	0.0	-0.1	19.4	6.4	0.0	-6.3	0.5	0.8	2.9	2.1	143.1									
XVIII. Optical and photographic instruments and apparatus	0.7	0.3	-0.4	56.2	0.1	0.2	0.1	171	0.8	0.1	-0.7	4.0									
XX. Various industrial goods	1.1	1.3	0.1	144.3	3.4	9.9	6.5	353.1	0.1	1.3	1.2	399.3									

* c/i – calculation is impossible

Source: calculated and compiled on www.ukrstat.gov.ua/ [accessed: 2.06.2019].

Table 2. Assessment of structural transformations in export of services in Ivano-Frankivsk, Chernivtsi and Rivne

Kinds of services	Ivano-Frankivsk				Chernivtsi				Rivne			
	Structure, %		Structural changes, in p.p.	Growth rate, %	Structure, %		Structural changes, in p.p.	Growth rate, %	Structure, %		Structural changes, in p.p.	Growth rate, %
	2014	2017			2014	2017			2014	2017		
Services in processing of material resources	31.1	72.4	41.3	215.3	39.1	34.4	-4.7	145.7	2.7	0,0	-2.7	c/i*
Transport services	31.3	6.4	-24.9	18.8	17.4	17.8	0.4	169.5	92.9	91.6	-1.3	81.4
Travel services	12.2	13.0	0.8	99.0	23.5	23.4	-0.1	165.6	1.2	1.7	0.5	114.6
Computer and information services	2.4	5.0	2.6	193.2	14.9	22.7	7.8	252.6	0.7	1.2	0.5	132.2
Business services	2.9	2.3	-0.6	75.7	5.1	1.7	-3.4	56.2	1.9	0.0	-1.9	c/i

* c/i – calculation is impossible

Source: calculated and compiled on www.ukrstat.gov.ua/ [accessed: 2.06.2019].

Ukrainian and national specificity of the export structure. The data in Table 2 indicate a significant increase in the share of this product group in all analyzed cities in 2017 compared to 2012 by more than 20 percentage points, which confirms the status of the supplier of raw materials for Ukraine. Thus, the average share of exports of food products and raw materials for their production (commodity groups I-IV Table 1) from the cities analyzed in 2017 was 33.3% against 11.2% in 2012. Thus, we have seen this share increase almost 3 times in 5 years. This tendency is confirmed by the intensity of changes, both in the export of products of plant origin (see Table 1), as well as fats, oils and prepared foods. The most intense changes in the direction of export growth of finished goods and raw materials for their production are characteristic of Chernivtsi. This is due to the fact that the city's food industry is one of the key in its economic activity. This is especially true for the processing and canning of fruits, as well as the production of oil and animal fats [*Na Bukovyni zroslo vyrobnytstvo* 2017]. Export growth of these types of products was ensured by So'ok LLC, JSC "Chernivtsi Oil and Fat Plant" and other enterprises of the city.

The raw material structure of national exports raises such major problems [Heiets, Ostashko (eds.) 2016: 10; Bohdan 2018: 11]:

1. The volatility of world commodity prices, and thus significant fluctuations in Ukraine's foreign exchange earnings and the hryvnia exchange rate. In particular, the loss of Ukraine's export earnings in 2014, driven by a decline in world commodity prices, ranged from \$4.8 to \$5.5 billion and from \$11.6 to \$12.2 billion in 2015;

2. The downward dynamics of real commodity prices over a long period of time leads to a low profitability of raw material exports. In particular, the phenomenon of the decline in real prices for commodities in the long term, proven by scientists, is expressed in the Prebisch-Singer hypothesis. In practical terms, this means that export operations to supply low value-added products will, for the most part, generate little profitability, and therefore, even a substantial increase in exports will not lead to a significant increase in government budget revenues;

3. Slow and unstable growth rates of national production and the level of domestic incomes in the country, and therefore there are insufficient both jobs created and budget taxes deducted.

The third place in export structure in the analyzed cities in 2017 is wood and wood products. This commodity position increased both in the structure of exports of the analyzed cities (except for a slight decrease in Ivano-Frankivsk, by 0.8 percentage points), as well as in the volume of exports during 2012-2017. The increase in exports of this product item is quite significant, in particular, more than 600% in Rivne. In addition, Rivne's share increased by 10.9 percentage points in the analyzed period, which is quite significant. The increase in the share of exports of this product group reflects the export trends inherent in the Western region of Ukraine.

Among exports of products in 2017 also occupy large share such product groups as textile materials and textiles, as well as chemical products and related industries.

In the EU-28 commodity exports, three commodity groups prevail during the analyzed period. These are machinery and transport equipment, other industrial goods, as well as chemicals and similar products. These groups together account for about 4/5 of the total export value. In general, we can point out the tradition of the commodity structure of EU exports, which was formed earlier [Kovtun 2019: 29]. The similarity in the structure of export of goods from the Western region of Ukraine, including from the analyzed cities, and from the EU-28 lies in the fact that such goods group as machinery and transport equipment occupies the largest share there. In addition, a significant share of the export of goods belongs to the products of the chemical industry. Totally, it can be argued that the commodity structure of exports to the Western region of Ukraine is more characteristic of the tendencies that are characteristic of the EU-28 than of Ukraine as a whole.

In the structure of export of the services of Ivano-Frankivsk and Chernivtsi the significant part is occupied by services in processing of material resources (100% of them are exported abroad). Moreover, the intensity of changes of this type of services during the analyzed period is quite high (215.3% and 145.7% respectively), and the share of services structures of these cities is significant (see Table 2). The share of these cities in the export of transport and travel related services is also significant.

Rivne is the leader in export of transport services. The share of exports of these services in the overall structure of exports of services of the city is more than 90%, which distinguishes this city from other regional centers of the Western region of Ukraine. This indicates its specialization in this field. The specialization of export of Rivne services is explained by the favorable geographical position and the developed transport network, including to the neighboring countries (Poland, Belarus, etc.). The transport network includes such major highways as Kiev-Warsaw, Kiev-Brest, Kiev-Chop.

Exports of computer and information services account for the largest share in the structure of Chernivtsi. At the same time, despite the small share of Ivano-Frankivsk and Rivne in the export of computer services, there is an increase in the volume of their provision in all analyzed cities. Moreover, in terms of changes (growth rates), the export of these services ranks first among the export positions of the structure of services of the analyzed cities.

It is worth noting that the structure of export of services in the analyzed cities of the Western region of Ukraine corresponds to the structure of export of services, which is characteristic for all Ukraine.

Thus, according to the State Statistics Service, in 2017, transport services accounted for the largest share of services exports – 54.7%, and exports of computer and information services accounted for 16.4%. The share of material resources processing services was 13.3%, and 96.4% of them were goods processing services for the purpose of selling them abroad⁵. Unlike in Ukraine, other business services prevail in the structure of exports of services to the EU-28 [Kovtun 2019: 31]. At the same time, both in Ukraine and in the EU, transport and computer services play a significant role.

5. Conclusions

Today, almost half of GDP in Ukraine is generated through exports of goods and services (in 2018 its share in GDP was 45.2% [Storonyanska 2019: 30]). Therefore, one of the main factors for the effective functioning of the national economy and the key to its dynamic development should be the activation of export activities of cities of regional importance. The cities of the Western region of Ukraine occupy a special place. This arises given their importance in creating the export potential of the state. Due to the fact that a large share of the overall structure of exports belongs to the export of goods, the role of cities of regional importance in enhancing the export activity of their regions should be clearly differentiated, in particular:

⁵ www.ukrstat.gov.ua/ [accessed: 2.06.2019].

1. Mukachevo's experience (see above) in producing and exporting goods should be explored when developing Regional Development Strategies. Taking this experience into account can be a prerequisite for the creation of strong production both from our own raw materials and from raw materials from foreign partners. Indeed, in today's economic environment, where most businesses suffer from a shortage of working capital and are limited in obtaining credit to replenish them (while having significant production capacities), manufacturing on the basis of tolling raw materials can ensure their stable production activity. This kind of cooperation is widely used in world practice. In this direction, firstly, it is necessary to identify priority export-oriented sectors of the urban economy. Secondly, to take active steps to attract companies with foreign investments as an integral part of the foreign economic activity of each city.

2. Given the identified trends in the growth of export of services in the field of information technology, to strengthen the specialization of regional centers in this direction. It is also necessary to strengthen the development of commodity exports, including based on the criterion of manufacturability. After all, recent scientific studies prove [Storonyanska 2019: 30], that the shares of high- and medium-tech products in the commodity structure of Ukrainian exports have decreased significantly. The share of transport industries (XVII commodity group) decreased more than 6 times; the share of chemical industries (VI commodity group) has almost halved;

3. Ukraine has considerable potential in the development of tourism services. Therefore, all cities of regional importance must be involved in ensuring export growth in this area of services. Thus, according to the results of 2017, the share of the tourist industry of Ukraine was 1.5% of GDP, which is more than 6 times lower than the global value. Therefore, the industry has significant growth potential in terms of both the volume of services it can provide and the employment growth of the population in the sector. However, regional centers should give priority to such types of tourism as cultural, business, and educational. Exports of ecotourism, extreme or religious tourism activities should be developed in small and medium-sized cities in the Western region of Ukraine.

The transition of the national economy to an innovative industrial-agrarian model of development, in our opinion, will help to expand the export opportunities of the state and its regions. The key role in this process should be occupied by cities as centers of business activity and concentration of production, agro-industrial, investment and trade potentials. We believe that further integration of Ukraine into the world economic relations system will facilitate the more effective use of international cooperation for sustainable economic growth, increase of export potential, stabilization of social and other spheres of economy of cities, regions and the whole country.

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Handel zagraniczny towarami i uslugami na Ukrainie i w Unii Europejskiej. Analiza porównawcza

Streszczenie. *Celem artykułu jest ocena trendów, zmian strukturalnych i perspektyw rozwoju handlu zagranicznego towarami i usługami na Ukrainie oraz analiza porównawcza z krajami UE-28. Dokonano oceny udziału miast o znaczeniu regionalnym w Ukrainie Zachodniej w rozwoju działalności eksportowo-importowej poszczególnych obwodów i przeprowadzono analizę przemian strukturalnych w eksporcie towarów i usług w Iwano-Frankowsku, Czerniowcach i Równem. Zaproponowano także szereg działań mających na celu intensyfikację działalności eksportowej w miastach o znaczeniu regionalnym, zgodnie z ujawnionymi trendami, wzorcami, cechami i problemami.*

Słowa kluczowe: *zagraniczny handel towarami i usługami, Ukraina, UE-28, miasta o znaczeniu regionalnym, zachodni region Ukrainy, działalność eksportowo-importowa, przemiany strukturalne*