

СЕКЦІЯ 1

ТЕНДЕНЦІЇ ЕКОНОМІЧНОГО РОЗВИТКУ ТА ТРАНСФОРМАЦІЯ МІЖНАРОДНИХ ЕКОНОМІЧНИХ ВІДНОСИН В УМОВАХ ГЛОБАЛІЗАЦІЇ

THE ROLE OF GERMANY IN UKRAINIAN TRADE REORIENTATION

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A superficial analysis does not answer the question about the causes a deeper understanding of the problem in the title. Meanwhile, similar processes of reorientation had long occurred in the Central and East European countries (CEECs) and the ways of their research were suggested at that time, which subsequently received further development. For example, there were used indices of trade substitution elasticity within CEECs and the EU.

They showed that if in the long run the trade with the EU in CEECs grew faster, in certain periods, such as 1999-2004 the trade within CEECs increased faster than with the EU. Use of a gravity model also confirmed the large growth potential of trade within CEECs, especially in connection with emergence of the Central European Free Trade Agreement, which was subsequently confirmed by real dynamics of its development.

All in all the signing of Central European Free Trade Agreement (CEFTA) created powerful incentives for closer trading links with the EU and for trade reorientation from the East to the West [1]. Unfortunately, Ukraine is implementing a reorientation not as a part of a block, but almost single-handedly, which imposes certain constraints on this process, as well as on its research. Unfortunately, Ukraine is implementing a reorientation not as a part of a block, but almost single-handedly, which imposes certain constraints on this process, as well as on its research. Trade reorientation as all institutional changes causes transaction loss and gain [2], but in trade reorientation, loss indeed prevailed.

In particular, reorientation which started in export of Ukraine after the period was of non-institutionalized nature. Then it was replaced by a well-defined process of counter-reorientation (Fig. 1).

In addition, we are talking about greater, and even exceptional importance of the EU countries, among which Germany plays a leading role in trade with both Ukraine and other Eastern partnership countries.

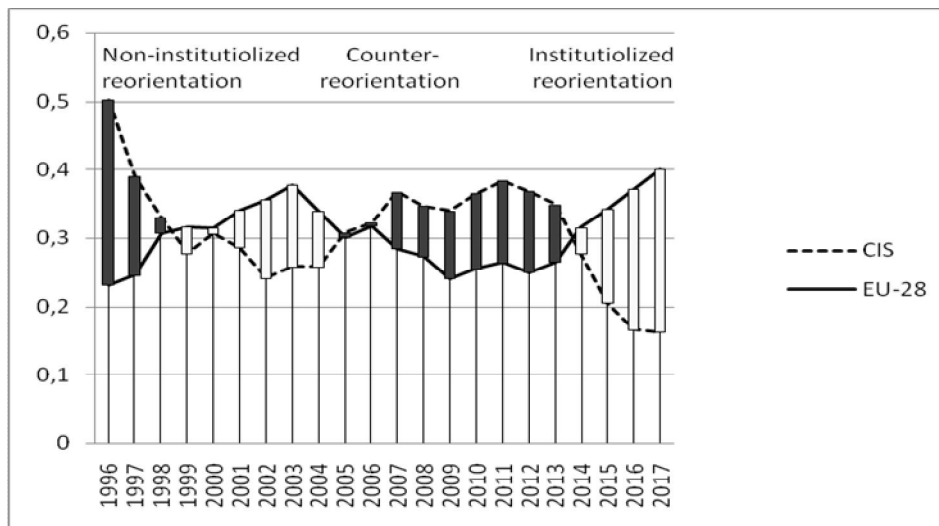


Fig. 1. Three stages of Ukraine's export reorientation (own interpretation of the national data [3])

Bilateral trade relations with Ukraine are also extremely important for Germany, especially in light of the losses that German economy suffered from the sanctions. Compared to other EU countries, specifically in Germany, there is the largest absolute decrease of exports to Russia from 35.79 to EUR 21.67 bln (39%). In this regard, reduction of Germany exports from the sanctions accounts for 30% of total decrease of EU exports to Russia [4].

Role of Germany in reorientation process can be better assessed based on the following charts. The first one demonstrates that the role of Germany in EU exports and imports has largely remained stable, although it contributed more to Ukrainian foreign trade reorientation in 2015 (Fig. 2).

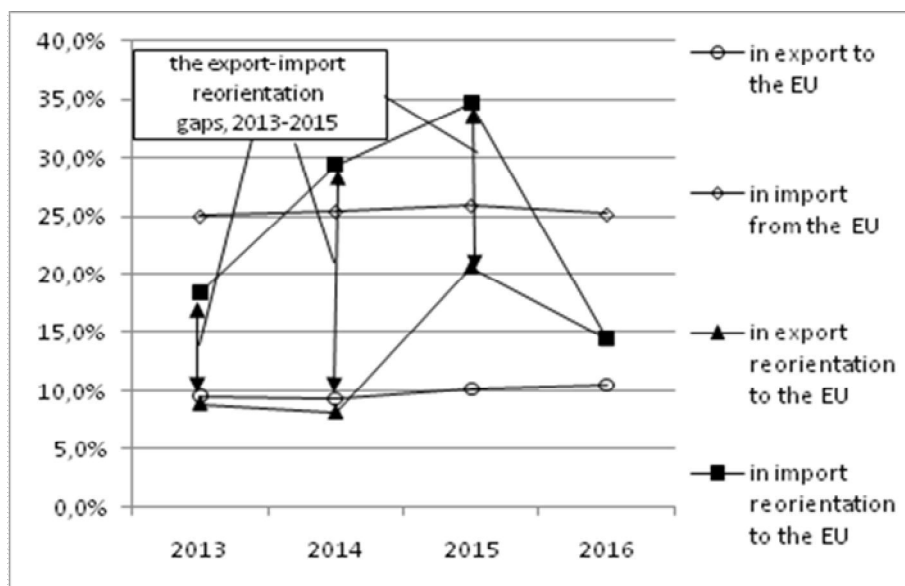


Fig. 2. Role of Germany in Ukrainian foreign trade with EU and its reorientation to EU with import-export reorientation gaps, 2013-2015 (own interpretation of the national data [3])

In 2013-2015 the problem of imbalance in bilateral trade relations deepened because of import-export reorientation gaps, which disappeared only in 2016. However trade deficit with Germany remains at a high level yet: 2018- \$3586,8 bln; 2019 -\$3477,8 bln; 2020 (11 months) –\$2942,0 bln [3].

Literature:

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STRATEGIC INSTABILITY OF 21st CENTURY: CAUSES AND SOURCES OF OVERCOMING

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The 21st century, in which modern humanity has entered, is full of hopes and worries, unprecedented opportunities and threats. Only on the maturity and wisdom of man and society does the future of the world depend.

Today we are eyewitnesses to the global crisis of the world. Uncertainty and chaos are growing in the world, instability and inconsistency, which are so closely intertwined that they turn into a direct strategic component of socio-economic development. To modern fundamental processes that give rise to global instability, include the following:

1. The modern format of the capitalist socio-economic system prevailing in the world. The capitalist system in the format in which it currently exists is not able to cope with many global challenges (climate change, pandemics, technological determinism, global financial and economic crises, growing levels of inequality, etc.). The capitalist system needs a significant civilizational transformation. In our opinion, these transformations should be based on such principles as the cohesion of world society, first of all cohesion in resolving global problems and challenges, co-evolutionary development, involving partnership between man and nature, coupled