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Trade and economic relations between Ukraine and Lithuania: from retrospective to modernity

Lithuania is considered to be the largest trade partner of Ukraine among the Baltic States. In the 1990s, both countries signed the Free Trade Agreement, which was in force until the accession of the Republic of Lithuania to the EU. An analysis of the dynamics of bilateral trade indicators shows that, by 2005, Ukraine had a positive trade balance with Lithuania. After the bilateral free trade agreement expired, Ukrainian export was cut down sharply, while import continued to grow (with the exception of 2009, when import and export were cut down almost twice as a result of the crises in both countries). During 2015, for the first time since the economic crisis of 2009, the volume of bilateral trade was reduced.

The volume of bilateral trade in goods in 2015 amounted to 788.9 million USD and decreased by 43.4% compared with 2014. Ukrainian export amounted to 236.3 million USD and went down by 34.7%, import – 552.6 million USD and decreased by 46.5% as compared to the year before. The volume of bilateral trade in services for 2015 amounted to 47.4 million USD and decreased by 33.3%. Export of services declined by 28.0% to 33.1 million USD, while imports went down by 47.4% to 14.3 million USD. In 2016, the volume of bilateral trade increased by about 5% that reveals the positive trend.

Nowadays the main export from Ukraine consists of cereals, ferrous metals, petroleum products, machine building industry goods, wood and wood products, oil-cake and other solid residues of the food industry. At the same time, the main import from Lithuania includes petroleum products (the undisputed product-leader), polymers and plastics, machine-building products of the 84th-91st group of goods classification, as well as products of agriculture and food industry.

Investment activities are also an extremely important issue for the interaction between Ukraine and Lithuania. In 2017, the volume of investment in the Ukrainian industry (mainly in the processing industry) amounted to about 10% of the total investments, which suggests a strong cooperation between Ukraine and Lithuania in the economic area. To sum up, there are many examples of successful cooperation between Lithuanian and Ukrainian businesses. This enables Ukrainian enterprises to enter a new level of foreign economic activity. Regarding Dnipropetrovsk region, I believe that the coal, metallurgical and chemical industries have a potential for development, and therefore owners of top-companies should focus their efforts on bringing the product to new foreign markets. Taking into consideration that Lithuanian business has significant experience in foreign economic activity, in particular, re-export operations, Lithuania is a convenient platform for promoting Ukrainian export to the EU and other countries.