

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

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**SCIENTIFIC SUBSTANTIATION OF THE REDUCTION OF IMPORT DEPENDENCE IN THE MARKETS OF AGRICULTURAL PRODUCTS**

**НАУКОВЕ ОБГРУНТУВАННЯ ЗНИЖЕННЯ ІМПОРТОЗАЛЕЖНОСТІ НА РИНКАХ СІЛЬСЬКОГОСПОДАРСЬКОЇ ПРОДУКЦІЇ**

**Urgency of the research.** The scientific article is devoted to formation of effective system of regulation of import of agricultural products in Ukraine. The proposals for reduction of import motivated at agricultural markets have been.

**Target setting.** The article aims at studying the problems of import dependence at agricultural markets. It was stressed on the necessity to develop methodological, scientific and practical recommendations considering the reduction of import dependence at the markets of agricultural products.

**Actual scientific researches and issues analysis.** Many leading scientists and economists focus on the directions of state regulation of the reduction of import dependence of agricultural products. Among them there are S. M. Kvasha, V. Ye. Andriyevsky, A. D. Dibrova, S. M. Chystov, J. E. Stiglitz and many others authors.

**Uninvestigated parts of general matters defining.** The main problem is system of import regulation in the conditions of WTO membership and integration into the European economic area, as well as the determination of the level of dependence on import of separate types of agricultural products on the market.

**The research objective.** To explore and identify key factors of increase of import dependence of domestic agricultural markets in the context of threats to economic security of Ukraine and to develop suggestions for making management decisions in this area.

**The statement of basic materials.** The dynamics and the scale of import in Ukraine is determined on the one hand, the advantageous geographical location of the country, favourable internal socio-economic conditions, developed transportation and competitiveness of foreign products, especially regarding quality and technical parameters.

**Conclusions.** Issues of very high levels of import dependence of Ukraine's economy are closely interlinked with the search of priority directions of selective import substitution and economic efficiency and requires further research in this area.

**Keywords:** production; a mechanism; a market; fish; the fish market; a regulation; a methodology; an area; an agrarian sector; import.

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**Актуальність теми дослідження.** Наукова стаття присвячена актуальному питанню формування ефективної системи регулювання імпорту сільськогосподарської продукції в Україні. Обґрунтовано пропозиції щодо зниження імпортозалежності на ринках сільськогосподарської продукції.

**Постановка проблеми.** Стаття спрямована на дослідження проблеми імпортозалежності на ринках сільськогосподарської продукції. Зроблено акцент на необхідності розроблення методичних та науково-практичних рекомендацій щодо зниження імпортозалежності на ринках сільськогосподарської продукції.

**Аналіз останніх досліджень і публікацій.** Питання зниження імпортозалежності сільськогосподарської продукції знаходяться в центрі уваги багатьох провідних вчених-економістів С. М. Кваші, Андрієвського В. Є., Діброви А. Д., Чистова С. М., Стігліца Дж. Е., та інших.

**Виділення недосліджених частин загальної проблеми.** Основною проблемою є неудосягнута система регулювання імпорту в умовах членства в СОТ та у зв'язку з інтеграцією до європейського економічного простору, а також визначення рівня імпортозалежності окремих видів сільськогосподарської продукції на ринку.

**Постановка завдання.** Дослідити та визначити ключові чинники посилення імпортозалежності внутрішнього сільськогосподарського ринку в контексті загроз економічній безпеці України та розробити пропозиції щодо забезпечення прийняття управлінських рішень у цій сфері.

**Викладення основного матеріалу.** Динаміка й масштаби імпорту в Україні визначаються, з одного боку, вигідним географічним розташуванням країни, сприятливими внутрішніми соціально-економічними умовами, розвинутим транспортним сполученням, а з іншого – високою конкурентоспроможністю зарубіжної продукції, особливо щодо якості і технічних параметрів.

**Висновки відповідно до статті.** Проблематика надвисокого рівня імпортозалежності економіки України тісно взаємопов'язана з пошуком пріоритетних напрямів селективного імпортозаміщення та його економічною ефективністю та вимагає подальших розвідок у цій сфері.

**Ключові слова:** виробництво; механізм; ринок; ринок риби; регулювання; методика; галузь; аграрний сектор; імпорт.

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**Urgency of the research.** The high level of import dependence of the domestic commodity market is a key threat to economic security of Ukraine. The modern position of merchandise imports in the structure meet consumer demand in the domestic market of Ukraine is the result of numerous failures of government economic policy. Neglect of national interests in the development of the internal market has led to the establishment of import-dependent consumer models of development. An example of import dependence is the fish market in Ukraine.

A large number of fish and seafood are imported annually, and as a result there is a lot of competition for local producers from the supermarket chains. The aquaculture sector is characterized by the fact that it has a lot of small manufacturers, employing less than 5 persons. Such a market structure can be an obstacle to the development of the market, because the market is not functioning better and the competitiveness of its low.

**Target setting.** The article aims at studying the problems of import dependence at agricultural markets. It was stressed on the necessity to develop methodological, scientific and practical recommendations considering the reduction of import dependence at the markets of agricultural products.

**Actual scientific researches and issues analysis.** Many leading scientists and economists focus on the directions of state regulation of the reduction of import dependence of agricultural products. Among them there are S. M. Kvasha, V. Ye. Andriyevsky, A. D. Dibrova, S. M. Chystov, A. M. Slaugher, J. E. Stiglitz and many others authors [5; 5; 6].

**Uninvestigated parts of general matters defining.** The negative trend of accelerated import growth ahead of them and the dynamics of exports and domestic production was the result of the low competitiveness of Ukrainian agricultural markets, caused primarily by the accumulation of substantial structural imbalances in the economy due to low level of production and prolonged technological backwardness. The main problem is system of import regulation in the conditions of WTO membership and integration into the European economic area, as well as the determination of the level of dependence on import of separate types of agricultural products on the market.

**The research objective.** To explore and identify key factors of increase of import dependence of domestic agricultural markets in the context of threats to economic security of Ukraine and to develop suggestions for making management decisions in this area.

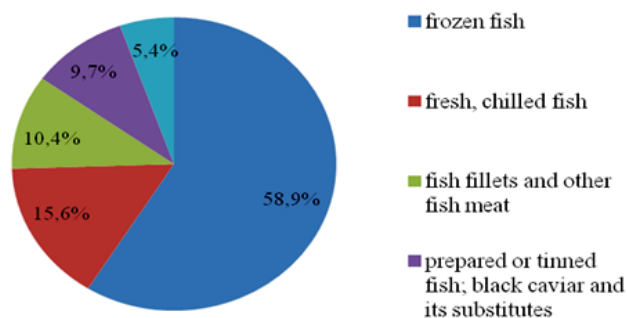
**The statement of basic materials.** A significant place in world production of agricultural products is the production of fish and seafood. The production of fish and seafood in 2012 exceeded 158 million tons, and the cost of international trade in such products of 129 billion. USA [3; 7]. The importance of fish production for the economic growth of countries according to the generalized materials FAO. Fish is a commodity which occupies the largest share in the sales of products in the world. Consumption in countries with medium and high income met (growth), mainly through imports, and in low-income countries – largely at the expense of own production [1]. At the same time, trade is movement in two directions, and there is a trend to the export of fish products with high market value from poor countries to rich and poor countries import of fish products with low market value for domestic consumption [2; 8].

Supply of fish to the domestic market from own production and the catch is 20 %, and imports – 80 %. Market fish and fishery commodities are dependent on imports. By 2015 annual imports of fish and seafood to Ukrainian market showed a tendency to growth, in particular, fresh fish, chilled fish, frozen fish and some of its kinds in processed form - excluding filleted and fish meat, prepared or tinned fish; black caviar and its substitutes that are produced from roe of other fish. The decrease observed in certain product subgroups – live fish, dried fish, smoked fish, crustacean. During 2015 Ukraine imported 230,2 ths. tons of fish, fish products and other aquatic invertebrates totaling 326,2 million dollars USA, that decrease of 35 % compared to 2014 year (348,4 ths. tons in the amount of 685,3 million dollars USA), and 50 % less compared to 2013 (469,5 ths. tons in the amount of 988,9 million dollars USA). [7]

The structure of the commodity in imports of fish and seafood to Ukraine in 2013 dominated by frozen fish (58,9 %), chilled fish, fresh fish (15,6 %) and fish fillets and other fish meat (including minced),

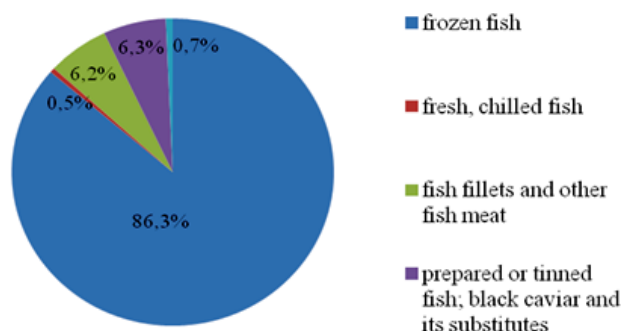
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fresh, chilled or frozen (10,4 %), prepared or tinned fish, caviar and its substitutes that are produced from caviar of other fish (9,7 %). These segments together held 94,6 % of total fish market (Fig. 1). [7]



**Fig. 1. The structure of the commodity in imports of fish and seafood to Ukraine in 2013 by net weight**

The structure of the commodity in imports of fish and seafood to Ukraine in 2015 dominated by frozen fish (86,3 %), chilled fish, fresh fish (0,5 %) fish fillets and other fish meat (including minced), fresh, chilled or frozen (6,2 %), prepared or tinned fish, caviar and its substitutes that are produced from caviar of other fish (6,3 %). These segments together held 99,3 % of total fish market (Fig. 2).



**Fig. 2. The structure of the commodity in imports of fish and seafood to Ukraine in 2015 by net weight**

As figure 2 and table 1 show an import of frozen fish has reduced on 48,6 % at 2015. Imports of some species of fish, by contrast, have grown – it is sprat, herring above all. Import of clupea, scomber, capelin has also increased. Amount of clupea imports was 7 ths. tons, scomber – 95 ths. tons, capelin - 1 ths. tons. The Pike perch Ukraine does not import. 82 % of consumed fish in Ukraine was imported at 2014. More than 90 % of imported fish at 2015 are accounted for fish, which Ukraine doesn't have access and which are extracted in waters of exclusively maritime economic zones of the other states.

Ukraine doesn't have the resource base of clupea, scomber, halibut, atlantic salmon and many other types of fish which the buyers are looking for.

Fish and seafood have imported from more than 15 countries at 2013 and from more than 28 countries at 2015 [8]. The main importers are Norway (28,5 % of its value), where frozen fish, fresh fish chilled fish come to the domestic market and Iceland (11,3 % of the total cost) where frozen fish, fish fillets and other fish meat (including minced). The fresh imported fish and chilled imported fish have dominated from Norway (88,8 %), frozen fish – from Norway (22 %), USA (16,2 %) and Iceland (16,2 %) according to sub-segments of fish commodities. 93 % of Norwegian exports to Ukraine consists of fish and seafood especially clupea, scomber. [7]

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Table 1

**Dynamics of imports of the main marketable groups of fish commodities  
in Ukraine at 2011–2015**

Marketable groups	2011		2012		2013		2014		2015		2015/2014, %	
	ths. tons	1000 USD	ths. tons	1000 USD	ths. tons	1000 USD	ths. tons	1000 USD	ths. tons	1000 USD		
Fish, crustacean, mollusks and other aquatic invertebrates	346,8	505,4	382,7	687,6	415,3	863,372	307,2	593,8	210,4	289,8	68,5	48,8
Fish, fresh or chilled, excluding filleted and other fish meat	14,1	76,6	25,7	134,5	23,2	149,1	14,4	92,5	10,6	53,2	73,8	57,5
Fish, frozen, excluding filleted and other fish meat	273,2	313,3	302,6	430,1	329,8	562,2	244,8	383,4	181,4	196,9	74,1	51,4
Fish fillets and other fish meat (including minced), fresh, chilled or frozen	44,1	67,4	42,5	77,6	48,5	99,4	37,2	78,3	13,1	25,7	35,1	32,8
Prepared or tinned fish; black caviar and its substitutes	38,2	81,3	35,2	87,4	40,3	91,8	31,3	68,2	15,5	26,6	49,5	39,1
<b>Total:</b>	395,1	606,1	429,8	800,6	469,4	988,9	348,5	685,3	230,2	326,1	66,1	47,6

Ukraine has introduced a 10 per cent import duty at February 2015. Fish and fish commodities have included to the list of additional taxable goods. The introduction of an additional fee hasn't justified itself. The budget revenues have not only increased, but have declined. The fish market of Ukraine has suffered the most. Even despite in fact that importers have changed approaches and have imported the cheaper fishery commodities instead of expensive (the average price of imported fish for the I half-year of 2014 consists of 2 dollars USA, in 2015 – 1,3 dollars USA), the fish imports have still reduced at 40 % in 2015, even more than in 2014. [8] This situation is due to the lack of profile of the fleet, the processing industry, the quota in international waters and poaching. Besides, the cost price of Ukrainian fish import is higher that's why commodities are losing its competitiveness. Thus, the aquaculture sector is diversified, taking into account the species composition of aquaculture origin and products offered on the market. The necessary investment in the introduction of new objects of aquaculture is increased value of existing capacity at the national level.

Thus, we can draw the following conclusions and recommendations for Ukrainian fish trading development:

1. It's necessary to develop a program of import substitution of fish products. Ukraine doesn't have the resource base of clupea, scomber, halibut, Atlantic salmon and many other types of fish which the

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buyers are looking for. Besides, there are conditions to grow European plaice, rainbow trout, Coregonus, channel catfish, perch, starry sturgeon, American paddlefish. It can produce not only traditional types of fish, but also those that are currently imported. Among them: gilthead seabream, European seabass, tilapia.

2. To develop an infrastructure that will significantly decrease the prices for consumer market, and an ability to save the large amounts of products that will enable operators of fish market obtain additional incomes

3. To reform the domestic fish market we should pay attention on potential and demographic trends in a particular region, the distribution and a level of regularly incomes, the business climate and the level of regional competition.

4. Have to assess the real situation of the supply and demand the balance for adoption the permissible measures to protect the domestic market.

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