

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

UDC 656.6:338.47

УДК 656.6:338.47

S. M. Minakova, Doctor of Economics,
Associate Professor,
O. A. Lypynska, Doctor of Economics,
Senior Research,
V. M. Minakov, Candidate of Economic
Sciences, Associate Professor

С. М. Мінакова, д. е. н.,
доцент,
О. А. Липинська, д. е. н.,
ст. наук. співробітник,
В. М. Мінаков, к. е. н.,
доцент

**THREATS AND ADVANTAGES OF
INSTITUTIONAL BASIS THAT DETERMINED
THE ASYMMETRY OF THE MARKET
OF UKRAINE'S TRANSPORT SERVICE**

**ЗАГРОЗИ ТА ПЕРЕВАГИ ІНСТИТУЦІЙНОГО
ПІДҐРУНТЯ ЩО ОБУМОВЛЮЮТЬ
АСИМЕТРІЮ РИНКУ
ТРАНСПОРТНИХ ПОСЛУГ УКРАЇНИ**

Urgency of the research. The institutional basis that creates the asymmetry of transport markets is due to the disadvantages of the relevant legislative provision, which reorientation of traffic flows in the other direction.

Target setting is the analysis of the current legislation for the purpose of assessing the regulatory impact on transport services markets and identifying the conditions that constitute those or other obstacles.

Actual scientific researches and issues analysis. Back in the 1980s and 1990s, the theory of asymmetry.

Uninvestigated parts of general matters defining. Asymmetry is conditioned by external and internal factors: institutional barriers and lack of institutional support.

The research objective. Investigation of the institutional basis's influence on the level of asymmetry of the transport market and identification of the direction of its elimination

The statement of basic materials. Considers the content of the institutional basis work that creates the asymmetry of transport markets, which mainly affect the creation of artificial barriers to the free-of-charge ironing of goods in inland waterways of Ukraine. So, analyzed the situation on the domestic transport services market in Ukraine in comparison with other countries of the world. As well as analyzing two major draft laws on inland water transport presented to the Verkhovna Rada of Ukraine, which will determine and regulate the further situation. Deficiencies and failure to take into account some of the points are identified. This will allow the creation of the same conditions for the transport of river transport for national and foreign carriers. What to reduce the level of asymmetry in the domestic transport market of Ukraine.

Conclusions. Elimination of the asymmetry of the domestic transport market of Ukraine should be linked to such basic requirements for the development of appropriate institutional arrangements that should be in line with the existing system of international agreements and regulations, as well as create a level playing field for all participants in the water transport market, regardless of ownership.

Keywords: asymmetry of transport markets; asymmetry in the transport sector; institutional basis; external and internal factors of asymmetry.

DOI: 10.25140/2410-9576-2018-1-2(14)-64-69

Актуальність теми дослідження. Інституційне підґрунтя, що створює наявність асиметрії транспортних ринків обумовлюється недоліками відповідного законодавчого забезпечення що змушує переорієнтувати вантажопотоки в іншому напрямку.

Постановка проблеми є аналіз чинного законодавства на предмет оцінки регуляторного впливу на ринки транспортних послуг та виявлення положень які становлять ті чи інші перешкоди.

Аналіз останніх досліджень і публікацій. Ще у 1990 році іншого сторіччя була використана теорія асиметричності.

Виділення недосліджених частин загальної проблеми. Асиметрія обумовлюється зовнішніми та внутрішніми чинниками: інституційними перешкодами з боку третіх країн та відсутністю власного інституційного забезпечення.

Постановка завдання. Дослідження впливу інституційного підґрунтя на рівень асиметрії транспортного ринку та виявлення напрямки її усунення

Виклад основного матеріалу. Зміст інституційного підґрунтя якій створює наявність асиметрії транспортних ринків які впливають, головним чином, на створення штучних перешкод на шляху вільного прасування товарів внутрішніми водними шляхами України. Аналізую ситуацію що склалася на внутрішньому ринку транспортних послуг в Україні та два основних законопроекти про внутрішній водний транспорт що представлені на розгляд до Верховній раді України, які й будуть визначати та регулювати подальшу ситуацію. Визначаються недоліки та неврахування де яких моментів у цих законопроектах. Це дозволить створити однакові умови здійснення перевезень річковим транспортом для національних та іноземних перевізників. Що знизити рівень асиметрії на внутрішньому транспортному ринку України.

Висновки. Усунення асиметрії що склалася на ринку внутрішніх перевезень України слід пов'язувати з такими головними вимогами до розробки відповідного інституційного забезпечення, які повинні відповідати існуючій системі міжнародних угод і правил, а також створювати рівні умови для всіх учасників ринку водних перевезень, незалежно від форми власності.

Ключові слова: асиметрія транспортних ринків; асиметрія у транспортній сфері; інституційне підґрунтя; зовнішні та внутрішні чинники асиметрії.

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

Urgency of the research. The institutional basis that creates the asymmetry of transport markets is due to the disadvantages of the relevant legislative provision, which reorientation of traffic flows in the other direction. It also identifies the factors affecting the asymmetry of transport markets and the level of their impact, which can be divided by the definition of a sign of influence on threats and benefits.

So, analyzed the situation on the domestic transport services market in Ukraine in comparison with other countries of the world. As well as analyzing two major draft laws on inland water transport presented to the Verkhovna Rada of Ukraine, which will determine and regulate the further situation. Deficiencies and non-consideration of some of the requirements in these bills are identified, as well as the threats are identified in the event that these deficiencies are not remedied.

The main requirements for the development and adoption of institutional support in the field of inland water transport of Ukraine are also defined. This will allow the creation of equal equilibrium conditions for the transport of river transport for national and foreign carriers. That will allow as much as possible to reduce the level of asymmetry existing on the domestic transport market of Ukraine.

Target setting. Therefore, the main condition for managing asymmetry is the analysis of the current legislation for the purpose of assessing the regulatory impact on transport services markets and identifying the conditions that constitute those or other obstacles and cause negative asymmetry in the transport sector.

Actual scientific researches and issues analysis. Back in the 1980s and 1990s, the theory of asymmetry was used in the next century, a major contribution to the development of which was made by Nobel Prize winners in 2001 by economics George Akerlof, Michael Spence, Joseph Stiglitz. The essence of this theory lies in the level of asymmetry in existing information flows on the market. But there is a cure for this unfavorable trend - various institutional arrangements such as safeguards that allow sellers "good services" to give the signal to the buyer about the high quality of their product. Akerlof also noted the special importance of mass informational asymmetries in the economies of developing countries [1]. So Michael Spence believed that in the changing information it leads to inappropriate economic behavior and economic differentiation [2].

Uninvestigated parts of general matters defining. Asymmetry is conditioned by external and internal factors: institutional barriers from third countries and imperfection or lack of institutional support.

The research objective. Investigation of the institutional basis's influence on the level of asymmetry of the transport market and identification of the direction of its elimination

The statement of basic materials. Considers the content of the institutional basis work that creates the asymmetry of transport markets, which mainly affect the creation of artificial barriers to the free-of-charge ironing of goods in inland waterways of Ukraine. So, analyzed the situation on the domestic transport services market in Ukraine in comparison with other countries of the world. As well as analyzing two major draft laws on inland water transport presented to the Verkhovna Rada of Ukraine, which will determine and regulate the further situation. Deficiencies and failure to take into account some of the points are identified. This will allow the creation of the same conditions for the transport of river transport for national and foreign carriers. What to reduce the level of asymmetry in the domestic transport market of Ukraine.

The statement of basic materials. The most significant manifestation of external factors is the prohibition by Russia of transit of goods of the countries customs union on the territory of Ukraine. This causes asymmetry of traffic because of their reorientation from traditional, cheaper routes to other more expensive, longer and less fast routes. The elimination of external factors ensured through the implementation of procedures stipulated by the WTO and other international legal norms. Which, for the most part, foresee a trial of contradictions between the countries and the adoption of decisions to ensure their implementation. Given the current international situation, the solution of external asymmetry is a very long-term perspective.

Asymmetry due to internal factors is, first of all, the creation of obstacles for the development and use in the country of the cheapest and environmentally friendly water transport (sea and river). As a result, national cargo owners are forced to use the services of foreign sea carriers or national surface transport in domestic traffic.

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

Fig. 1 shows the possibilities of using the waterways of Ukraine along the length of navigable areas. Fig. 2 shows a comparison of the volume of goods transported with such a river as the Mississippi. So with a length less than a little more than 3 times, the volume of transportation is less than 130 times. Moreover, the transportation of grain with an export volume of sea ports of more than 40 million tons, is only 1.5 million tons, that is just a little more than 3 percent. Or in some cases, as it was in 2015-16, it was necessary to charter for foreign currency foreign tonnage for the implementation of the latter. Of course, this is most negatively reflected in the currency balance of the country and leads to a decrease in the parity of the national currency. One reason is the lack of adequate institutional support.

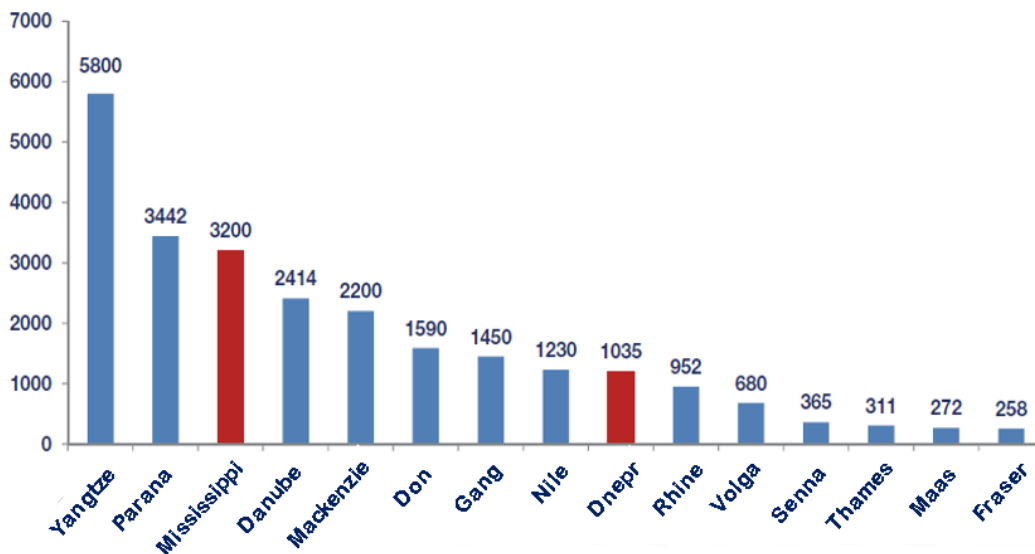


Fig. 1. Efficiency of use of water resources in Ukraine in comparison with other countries of the world (length of navigable areas, km) [3]

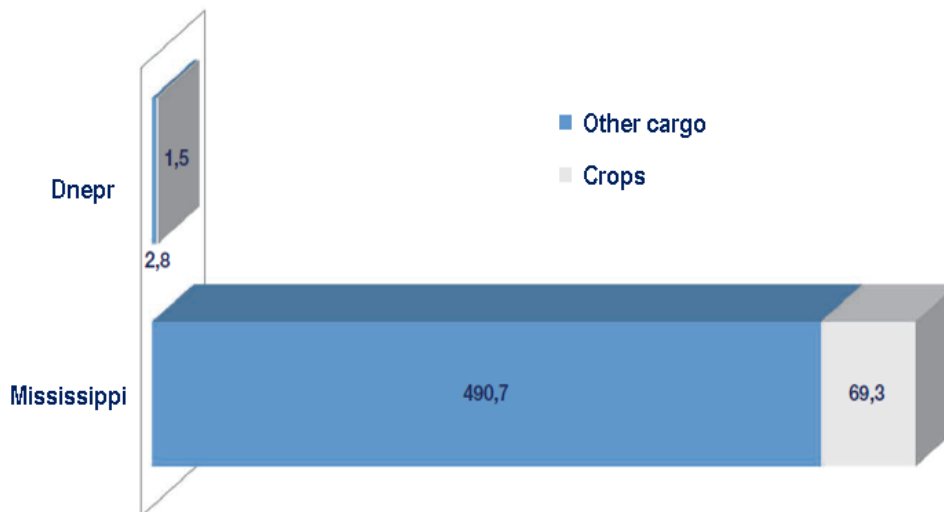


Fig. 2. Volume of traffic by inland waterways of Ukraine, mln tons, in comparison with Mississippi, USA

In general, Ukraine uses only 3% (6.7 million tonnes) of the total river potential, while Romania - 29% (30 million tonnes). USA- 40% (630m). The Netherlands -46.6% (359 million tons). The main ob-

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

stacles and the transportation of goods by inland waterways are limited navigation on the Dnieper and imperfect legal field.

Since the cost of transporting goods in inland waterways by river is potentially 3 times smaller than other modes of transport (railways), there is an urgent need for the development of river transport.

With regard to the development of national maritime shipping, the issue is the adoption of the Law of Ukraine on the International Register of Vessels of Ukraine. The draft of this Law was developed by the Institute in 2009 in accordance with the decision of the National Security and Defense Council of Ukraine "On the development of Ukraine as a maritime state", but until now it has not even been submitted to the Verkhovna Rada of Ukraine.

In the case of inland waterway (river) transport, elimination of asymmetry of transportation due to the insufficient level of its development should be linked only with the improvement of the corresponding institutional support in view of the institutions, that is, the legal framework and institutions that is governments (institutions, organizations, etc.) who will implement this legal framework. In this case, the systematic approach teaches that at the beginning an institutional basis is created (regulatory legal field - institutions), and then it is built on an institutional basis (the system of institutions for the implementation of institutions - governments and organizations that ensure the implementation of institutions). However, the current situation in Ukraine requires the creation of both a system of institutions and an institution's system. Even some institutions must be created before adopting appropriate institutional arrangements. This primarily concerns the Administration of Sea and River Transport of Ukraine, which, according to IMO requirements, should already operate in the country for a long time. The decision on its creation was adopted by the Cabinet of Ministers of Ukraine in early September 2017 but has not been practically implemented until this time. The main reason for the asymmetry that impedes the development of river transport in Ukraine is the artificially created economic disadvantage of their implementation compared with road and rail transport. In addition, the opening of free access of tonnage under foreign flags to the inland waterways of Ukraine makes the national water carrier economically uncompetitive in comparison with foreign ones. All this is due, above all:

- by assigning to the river transportation fees for the development of bridges and support of inland waterways;

- establishment of excise duty on fuel;

- availability of duties and VAT on equipment and components for the national fleet;

- the need to pay port duties and VAT for transit passage through sea ports located on the rivers (Kherson, Mykolaiv) ;

- availability of payments for the use of water during transportation;

- in the country there is not only legislation on inland water (river) transport, there is not even a corresponding code, although in the former Soviet Union such a code existed.

To date, it has been estimated that every one million tons of freight transported from road to water transport not only reduces environmental burden on the environment by 10 times, but also saves almost 800 million hryvnia for road surface repairs.

To date, for Ukraine in the transport sector, the most prominent are draft laws on inland water transport [4; 5], which are under consideration in the parliament. Since the texts of these bills not only do not eliminate the existing asymmetry, they can, on the contrary, create obstacles to the free movement of goods in the cheapest and most environmentally friendly way - waterways and thus create an additional asymmetry of the Ukrainian transport market.

Accordingly, two existing draft versions of the said law are considered in the paper, and, in accordance with the requirements set out above, recommendations are made regarding the necessary interpretation of its substantive provisions.

River carriers should be exempted from paying all taxes and compulsory payments, including: income tax; VAT from freight for transportation; excise tax on fuel; duties and VAT on components and ship equipment; etc.

Instead of the specified taxes and mandatory payments, a permanent River tax on tons of deadweight of the vessel (self-propelled or not) for each day of the navigation period in the amount of 0,01 euro cents per tone of deadweight per day of navigation (for non-self-propelled 20% less). For a

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

vessel with a deadweight of 3000 tons for a navigation period equal to 360 days will be about 11 thousand euros per year. Such vessel for the relevant term can earn about 100 - 120 thousand euros of profit. A non-propelled barge with a deadweight of 1000 tons with a similar navigation period will cost 2.8 thousand euros, and another 300 euros will be paid by a tug.

The river tax will be levied on all vessels irrespective of the flag they are floating around.

Between the breeding of bridges farms should be carried out at the expense of those economic entities who created the bridge. As it is done around the world.

Both bills have been repeatedly reworked, some comments have been taken into account, including the author of this work. However, until recently, there are still no significant defect. What each and everyone in difference and all together will cause significant obstacles to the free movement of goods by inland water transport of Ukraine. In our opinion, the main reason for the turmoil in these draft laws is the absence of the Code of Inland Water Transport in Ukraine. What should be the basic principles of activities, rights, obligations, restrictions and conditions of operation. And only then, one should adopt a law on economic relations in this area of activity.

Conclusions. Elimination of the asymmetry of the internal market of Ukraine should be linked to the following essential requirements for the development of appropriate institutional support, which should:

1. To answer the existing system of international agreements and rules (terminology used, main principles and principles).

2. To create equal conditions for all participants of the market of water transport, regardless of the form of ownership.

3. Foreign participants in the Ukrainian river transport market should not have advantages or obstacles to national participants, based on the conditions of access to the market and the high school of the Ukrainian shipowners in the country of such a foreign participant. That is, a foreign river carrier in Ukraine is allowed all the same and to the same extent as allowed by a Ukrainian carrier in the respective country, but no more than allowed by the national carrier in Ukraine.

4. Richkovye transportation should be exempted from all non-regular payments to them (breeding bridges, fees for passing seaports in transit, fees for the use of water, etc.).

5. River carriers should be exempted from paying all taxes and compulsory payments, including: income tax; VAT from freight for transportation; excise tax on fuel; duties and VAT on components and ship equipment; etc. Instead of the specified taxes and mandatory payments, a permanent River tax on tone of deadweight of the vessel (self-propelled or not) for each day of operation in the navigation period in the amount of 0.01 UAH per tone of deadweight per day of navigation (for non-self-propelled 20% less). For a vessel with a deadweight of 3000 tons for navigation period equal to 360 days it will amount to about 11 thousand UAH per year. Such vessel for the relevant term can earn about 100 - 120 thousand euros of profit. A non-propelled barge with a deadweight of 1000 tons with a similar navigation period will pay 2.8 thousand UAH and another about 300 UAH will be paid by a tug.

6. River fees will be charged to all vessels irrespective of the flag they are floating around.

7. For those vessels flying the flags of countries with which Ukraine has no bilateral agreements on river navigation, there is still a permission system for access to inland waterways of Ukraine with the possibility of obtaining such permission online.

Such requirements for institutional support will be an incentive for the development of river transport and will create the same equitable conditions for all transport by river transport, will promote its development in the country.

References

1. Akerlof, G. A. (1994). Rynok "limonov": neopredelennost kachestva i rynochnyy mekhanizm [The Market for «Lemons»: Quality Uncertainty and the Market Mechanism]. (E. I. Nikolaenko, Trans) *THESIS*, 5, 91-104 [in Russian].
2. Spence, A. M., Caves, R. E., Porter, M. E. (1980). *Industrial Organization in an Open Economy*. Cambridge: Harvard University Press [in English].

Література

1. Акерлоф, Дж. Рынок "лимонов": неопределенность качества и рыночный механизм / Дж. Акерлоф; Перевод Е. И. Николаенко // *THESIS*. – 1994. – № 5 – С. 91-104.
2. Spence, M. *Industrial Organization in an Open Economy* / M. Spence, R. E. Caves, M. E. Porter. Cambridge: Harvard University Press. – 1980.
3. Реки мира [Електронний ресурс]. – Режим дос-

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

3. Veb-sait "Reki Mira" [Website "Rivers of the World"]. world-river.ru. Retrieved from <http://world-river.ru/> [in Russian].

4. Civil service of Ukraine (n.d.). Perevezennia vanta-zhiv richkovym transportom [Transportation of goods by river transport]. www.ukrstat.gov.ua. Retrieved from <http://www.ukrstat.gov.ua> [in Ukrainian].

5. Vnutrishnij vodnyi transport Ukrainy: problemy i perspektivy rozvytku [Inland water transport in Ukraine: problems and prospects of development]. (June 17, 2016). provse.te.ua. Retrieved from <https://provse.te.ua/2016/06/vnutrishnij-vodnyj-transport-ukrajiny-problemy-i-perspektivy-rozvytku/> [in Ukrainian].

6. Proekt Zakonu pro vnutrishnij vodnyi transport 2475a (doopratsovanyi): vid 05 lystopada 2016 [Draft Law on Inland Water Transport 2475a (revised): from November 5 2016]. portal.rada.gov.ua. Retrieved from http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=56230 [in Ukrainian].

7. Proekt Zakonu pro vnutrishnij vodnyi transport 2475a-3 (doopratsovanyi): vid 10 zhovtnia 2017 [Draft Law on Inland Water Transport 2475a-3 (revised): from October 10 2017]. portal.rada.gov.ua. Retrieved from http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=62046 [in Ukrainian].

8. Inzhenernyi ekspertno-ocinocnyi zvit vid 29 lypnia 2017 roku [Engineering Expert Assessment Report dated July 29, 2016]. (n.d.). nibulon.com. Retrieved from <http://nibulon.com/news/novini-kompanii/pidsumki-2016-17-mr-nibulon-pidtvdiv-status-lidera-na-rinku-zerna.html> [in Ukrainian].

тура: <http://world-river.ru/>.

4. Перевезення вантажів річковим транспортом / Державна служба України. – Режим доступу: <http://www.ukrstat.gov.ua/>.

5. Внутрішній водний транспорт України: проблеми і перспективи розвитку// ПРОВСЕ: перша незалежна інтернет газета. – Режим доступу:<https://provse.te.ua/2016/06/vnutrishnij-vodnyj-transport-ukrajiny-problemy-i-perspektivy-rozvytku/>.

6. Проект Закону про внутрішній водний транспорт 2475а (доопрацьований) від 05.11.2016 / Верховна Рада України. – Режим доступу:http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=56230.

7. Проект Закону про внутрішній водний транспорт 2475а-3 (доопрацьований) від 10.10.2017 / Верховна Рада України. – Режим доступу:http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=62046.

8. Інженерний експертно-оціночний звіт від 29 липня 2016 року / НІБУЛОН [Електронний ресурс]. – Режим доступу: <http://nibulon.com/news/novini-kompanii/pidsumki-2016-17-mr-nibulon-pidtvdiv-status-lidera-na-rinku-zerna.html>.

Received for publication 1.03.2018

Бібліографічний опис для цитування :

Minakova S. M. Threats and advantages of institutional basis that determined the asymmetry of the market of Ukraine's transport service / S. M. Minakova, O. A. Lypynska, V. M. Minakov // Науковий вісник Полісся. – 2018. – № 2 (14). Ч. 1. – С. 64-69.

**Мінакова
Світлана Михайлівна**

доктор економічних наук, доцент, старший науковий співробітник відділу ринку транспортних послуг, Інститут проблем ринку та економіко-екологічних досліджень;
<https://orcid.org/0000-0002-2841-8500>;
E-mail: smmnk@gmail.com;

**Minakova
Svetlana Mykhailivna**

Doctor of Economics, Associate professor, Senior Researcher at the Transport Services Market Department, Institute of Market Problems and Economic & Ecological Research;

**Липинська
Олена Андріївна**

доктор економічних наук, старший науковий співробітник, провідний науковий співробітник відділу ринку транспортних послуг, Інститут проблем ринку та економіко-екологічних досліджень;
<https://orcid.org/0000-0002-6317-7511>;
E-mail: alenalip@ukr.net;

**Лупинська
Olena Andriivna**

Doctor of Economics, Senior Researcher, Senior Researcher at the Transport Services Market Department, Institute of Market Problems and Economic & Ecological Research;

**Мінаков
Віталій Михайлович**

кандидат економічних наук, доцент, доцент кафедри машино-будівництва, Одеська державна академія будівництва та архітектури;
<https://orcid.org/0000-0002-0087-503X>;
E-mail: vipmvm@mail.ru;

**Minakov
Vitaly Mykhailovych**

Candidate of Economic Sciences, Associate Professor, Associate Professor at the Department of Machine-Building, Odessa State Academy of Civil Engineering and Architecture