

MAIN ASPECTS OF TRADE IN EUROPEAN UNION COUNTRIES

The active integration into the international trade system is a requirement for Ukraine to successfully develop a system of modern globalization. It is very important for the national economy to strengthen export relations. Policy initiative of the EU and Ukraine on a free trade will facilitate the development of domestic markets.

The problems of cooperation between Ukraine and the EU are reflected in the works of leading academics and economists. Some of them are Kvasha S.M. [1], Burakovsky I., Movchan V., O'Keefe T.A., Ulgen S., Shnyrkov O. [2]. Features of general economic aspects of a free trade area between Ukraine and the EU are considered in their works.

As it is known the EU market is one of the largest free markets, but there are some trade barriers with countries which are not members of integration association. Specific point-of-sale modes with other countries, despite some differences, have a number of common features [3]:

1. Tools of the EU trade protection were developed on the basis principles of the WTO.
2. These tools help to provide free trade and open competition between producers from EU countries and from the countries outside the EU.
3. Due to the effective protecting trade measures, it was able to reduce the amount of imported products with anti-dumping measures. Nowadays their amount does not exceed 0,5% of the total external imports.

Various tools are used to protect European producers from speculative foreign competition, which in most cases is related with the subsidized imports and dumping prices. European Commission uses some sanctions against importers who violate the conditions of the common market. That's why during 2009-2013 it was able to reduce the number of violations anti-dumping legislation from 67 to 51 cases per year

There are three types of tools: anti-dumping, anti-subsidiary and prevention. They help to maintain the trade balance and to protect the European producers [3].

Dumping qualifies as a phenomenon in which the producer of the country which is not a member of the EU, sells goods in the EU at prices below market cost or below the cost of production. If in the course of the investigation, the European Commission finds that foreign producer violated anti-dumping legislation, he will be forced to compensate the damage caused to European producers. Fines and penalties may be fixed, variable, or expressed as a percentage

of the total supply. In most cases, the period of limitation is 6 months (in some cases can be extended up to 5 years).

Subsidizing is purposeful support of the producers of the countries, which are not the members of EU, and as a result they have possibility to sell commodities below market value or production cost. In order to ensure equitable competitive environment, the European Commission hinder the export of such goods into the EU. As a result importers or exporters of such products are subject to penalties and fines. Usually, they look like the additional import duties on such goods. The duration of such sanctions ranging from 4 months to 5 years.

Unlike two previous tools preventive measures are not used against unfair trade or competition. They are used in case of sudden changes in market conditions, when the export of certain goods in the EU increases so rapidly that Union members do not have time to adapt to the new trade conditions. In such cases, the EU develops a special set of measures, which help to stabilize the competitive environment. The validity of such import restrictions can vary from 200 days to 8 years.

The European Commission takes the main part in the protection of EU trade. In particular it has the following functions:

- makes decision about beginning of investigation concerning violation of rules of competition on the basis of the given complaints from the European producers;
- conducts investigations of violations of competition rules;
- - makes decision about introduction and removal of approvals, their terms of action and size of indemnifications, that is paid by party breaking rule competition;
- ; provides recommendations to the European Council as for the introduction, removal of sanctions against a country or a manufacturer.

EU has some restrictions on agricultural products imports. For instance, import of agricultural products in the EU is carried out only with a special license for export of goods from the exporter. These licenses allow the relevant structures of the EU to monitor and control the operation of imports of such products, as well as allocate quotas and, if necessary, to introduce preventive measures against suppliers who violate the rules of the common market.

Regulation of trade in goods is carried out within the quota system, which are divided into 2 types: preferential and autonomous.

According to the trade agreements signed by the European Union and Ukraine, it was provided trade preferences in the form of quotas [4]. Quotas involve the supply of certain commodities other countries to the EU market at reduced tariff rates, thereby providing country receives preferential benefit. As part of the agreement on deep and comprehensive free trade area

with the EU and Ukraine is also provided a number of trade quotas, including for agricultural products.

Autonomous tariff quotas may be granted in order to encourage competition between European producers in certain sectors of the economy within the European market. Typically, these quotas granted to producers of raw materials, semi-finished products, as well as the various components, the production of which in Union member countries is insufficient to meet domestic demand. If the members of the EU are able to satisfy demand of the domestic markets, such quotas for other countries will be canceled.

For the improvement of trade relations between Ukraine and EU countries it is important to increase a part of high-quality products in Ukraine and to develop informative system as for the parameters of EU markets.

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