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Anti-crisis management measures to minimize the destabilizing import effect on the economic activity of Ukrainian agrarian units

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Abstract. Import of agrarian products is a prerequisite for meeting the demand of national consumers, especially taking into account various tastes and significant comparative advantages in the production of goods at the domestic and foreign markets. Although historical and modern scientific and practical approaches to the importance of import supplies for certain countries and industries vary both negatively and positively. *The purpose of the research.* The main purpose of the study is to systematize import threats, to coordinate the anti-crisis measures and to form the strategic approaches, which minimize the negative impact of import on the national agrarian business. *Methodology.* In scientific research were applied historical, axiomatic methods, as well as methods of comparison, generalization and synthesis. *Results.* In the paper were analyzed the current trends of purchasing the foreign agrarian products and the functioning of domestic agricultural formations on the basis of using the imported goods. It was determined that the key problems of the modern economy were high level of energy intensity of national production, low quality and technological characteristics of finished products, asymmetry of foreign economic relations, low level of competitiveness of many national nomenclature positions in the agrarian sector. *Practical meaning.* According to international experience it was founded that in Latin America import was oriented to the domestic market and in Asia – to the foreign market. Also it was recognized that Ukraine's trading partners were more interested in exporting raw materials or products with high added value. *Prospects for further research.* According to the results of the conducted studies, determinants of the regulatory system of Ukraine in countering global imbalances were identified. A strategy for minimizing the impact of import threats on the activities of domestic agrarian units has been developed. It has suggested the regulation of the import substitution policy in the conditions of openness of the national economy and the liberalization of foreign trade relations; the market saturation with domestic and foreign food products with high quality, a wider range and an affordable price range in accordance with the requirements of the international economic environment.

Keywords: import threats, import substitution, crisis management, import management, foreign trade turnover, strategy.

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Заходи антикризового управління щодо мінімізації дестабілізуючого впливу імпорту на господарську діяльність аграрних формувань України

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Анотація. Імпорт аграрної продукції є необхідною передумовою задоволення попиту національних споживачів, особливо з урахуванням різноманітних смаків та істотних порівняльних переваг у виробництві продукції на внутрішньому та зовнішньому ринках. Однак, історичні та сучасні науково-практичні підходи щодо вагомості імпортованих поставок для певних країн та галузей різняться як негативними так і позитивними оцінками. *Мета дослідження.* Головною метою дослідження є систематизація сучасних імпортованих загроз, узгодження антикризових заходів та формування стратегічних підходів щодо мінімізації негативного впливу імпорту на національний аграрний бізнес. *Методологія.* У науковому дослідженні застосовано історичний, аксіоматичний методи, а також методи порівняння, узагальнення та синтезу. *Результати.* Проаналізувавши сучасні тенденції закупівлі зарубіжної аграрної продукції та функціонування вітчизняних сільськогосподарських формувань на основі використання імпортованих товарів, визначено, що ключовими проблемами сучасної економіки є високий рівень енергоемності національного виробництва, низькі якісні та технологічні характеристики готової продукції, асиметрія зовнішньоекономічних зв'язків, низький рівень конкурентоспроможності багатьох національних номенклатурних позицій аграрної сфери. *Практичне значення.* За оцінками міжнародного досвіду з'ясовано, що країни Латинської Америки політику імпортозаміщення орієнтували на внутрішній ринок, а країни Азії – на зовнішній. Також встановлено, що країни – торговельні партнери України, більш зацікавлені в експорті сировини або ж товарів з високою доданою вартістю. *Перспективи подальших досліджень.* З метою подальшого використання і апробації на практиці визначено детермінанти регуляторної системи України у протидії глобальним дисбалансам та розроблено стратегію мінімізації впливу імпортованих загроз на діяльність вітчизняних аграрних формувань, яка передбачає: регулятивність політики імпортозаміщення в умовах відкритості національної економіки та лібералізації зовнішньоторговельних відносин; насичення ринку вітчизняними та зарубіжними продовольчими товарами високої якості, ширшого асортименту та прийнятної цінової діапазону відповідно до вимог міжнародного економічного середовища.

Ключові слова: імпортовані загрози, імпортозаміщення, антикризовий менеджмент, управління імпортом, зовнішньоторговельний оборот, стратегія.

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1. Introduction.

In conditions of deepening the European integration, Ukrainian national economy requires fundamental changes in the management of foreign trade activity at the macro-, meso- and micro levels. There has been a steady tendency in the national market to exceed the volumes of import over export, despite the risks of global depression, the military situation and the financial crisis, the national market, over the past two decades,

Agrarian products are the basis of foreign trade of Ukraine (40% of the export potential of the national economy). Since 1997, the agro-food sector of Ukraine is practically the only one in the national economy, which has a positive foreign trade balance and the general tendency to increase export-import operations. Due to the proportional increase of foreign trade operations, this sector of the national economy had a positive balance in 2018 (13,6 billion USD).

However, a generalized assessment of the administrative and legal conditions for the development of agricultural products import shows the decomposition of the management system in the current conditions of openness of the national economy and the liberalization of foreign trade relations.

This determines the relevance of the study and requires more deep theoretical, methodological and applied provisions as for the argumentation of the adoption of anti-crisis management decisions in the field of foreign economic activity; optimization of the import activities in order to minimize distributional effects; assessing the import dependence of the national economy; balancing the economic, social interests of national commodity producers in the domestic and foreign markets.

2. Literature review.

The influence of foreign trade on the national economy is reflected in the works of leading economists such as A. Smith (1852), D. Ricardo (1941), T. Rybczynski (1955), M. Posner (1961), P. Lindert and N. Kindleberger (1982), M. Porter (1986), P. Krugman

and M. Obstfeld (1997), S. Kvasha and V. Vlasov (2014a) and others.

A significant contribution to the study of the socio-economic effect of import activities was the development of domestic and foreign scientists, namely S. Linder (1961), I. Burakovskiy (1996), S. Kim, H. Lim and D. Park (2007), R. Johnson (2010), S. Pasizina (2012), K. Pugachova (2018) etc.

Scientists realized the existence of advantages in the production of certain types of commodities by individual countries in ancient times. D. Ricardo (1941) notes that an increase in production volumes of certain goods led to an increase in export and the growth in demand caused the need for import. The founder of classical political economy, A. Smith (1852), in the theory of absolute preferences had formed the assertion that countries should specialize in the production of those goods in the production of which they have advantages and exchange them for goods of other countries (Smith, 1852, p. 309).

Mercantilists developed a doctrine of the balance of payments, according to which the development of the national economy should spend less than receive. In this scientific position, doubts arise about the identification of the surplus of trade balance and the excess of income over consumption. This can, of course, be explained by the lack of generally accepted terminology in the literature of that time, but this calls into question the interpretation of national wealth (Linder, 1961).

In theories of distribution of income from foreign trade, there is also no single point of view on the impact of import on the country's economic growth. According to the Theorem of Rybczynski (1955) it has been determined that the production expansion for the export of surplus factor will lead to a fall in production in other sectors, for which this factor is not relatively surplus. However, insufficient production expansion factor can increase production in import-substituting industries and reduce the need for import.

Importance of import operations has also been reflected in the following theories of international trade: the hypothesis of the simulation lag or the theory of international technological rupture (*Posner, 1961*), a model of science-intensive specialization (*Lindert and Kindleberger, 1982*), the theory of economy on the scale of production (*Porter, 1986*), theory of product life cycle (*Burakovskiy, 1996*), the theory of competitive advantages (*Porter, 1986*) and others.

Determinants of the importance of import are also the object of research of many modern economists-scientists. S Kim, H. Lim and D. Park (*2007*) notes that the growth of the import of consumer goods, in the face of perfect competition, encourages domestic producers of similar goods to innovate, to modernize and to diversify production.

P. Kozetskii (*2007*) considers that the historical scientific views of the mercantilists formed mainly negative attitude towards the commodity import. While the protectionist policy, which is currently used by certain countries in the world, is aimed at increasing export and limiting import. That is why, as a protectionist feature, he defines a “business rule”: importing goods – exporting jobs.

R. Johnson (*2010*) noted that, as a result of the development of foreign trade, specific factors to the export sector would evolve, while the specific factors to the sector competing with import would be reduced. As a result, the income of owners of these factors will also change: in the export industries – to increase, and in the sectors competing with import – to decrease, which can both accelerate economic growth and slow down it (*Johnson, 2010, p. 504*).

For the unconditional significance of research conducted by renowned scientists in the field of import activities, the problems and mechanisms of import regulation in the conditions of the transformation of economic systems are in particular importance in modern conditions. It also requires in-depth study of

the theory and empirical research on the impact of determinants of import development, taking into account types of agricultural products, institutional factors, the level of economic and technological development of the agrarian sector of the importing country, the type of market environment of agrarian business, and the formation of an import substitution vector.

After all, the contours of an efficient, perfect market of export-import operations of agrarian units of Ukraine in the conditions of post-industrial civilization remain the subject of scientific discussions rather than the justification of the already formed paradigm. Commodity producers of agrarian products are increasingly faced with fundamentally new challenges and problems caused by the socio-economic consequences of globalization processes, first of all by significant technological and innovation changes.

3. Methods.

In the process of conducting this research, various general scientific and specific research methods were used, in particular, historical – in the study of theories of importance of import; axiomatic – in the formation of certain author’s provisions as a logical source of scientific axioms; the method of comparison – when assessing the volume of import of agricultural products in terms of the product range and regional market; the method of synthesis – in determining the priority directions of forming the vector of import substitution and developing strategic approaches to counter global imbalances.

4. Research objectives.

Formation of research purposes implies generalization of research results of representatives of leading scientific schools on the effects of import on the development of the national economy, identification of the reasons for the growth of import of livestock and crop products and the processing industry in view of the formation of an open national economy and liberalization of foreign trade relations

which can further aggravate the economic crisis; developing a strategy to counter global imbalances in the field of foreign trade and definition of anti-crisis measures aimed at developing an import substitution program.

5. Results and discussions.

The imbalance in agricultural production, low profitability of the vast majority of product lines agrarian formations concentration of production in private households, the lack of effective agricultural market infrastructure, logistics and marketing, low level of economic and technical-technological support of agrarian business, insufficient quality of

agricultural products and absence of a clear system of certification of national commodity producers in Ukraine according to world and European quality standards and food safety standards contribute to the growth of imported products in the domestic market and the formation of a passive balance of payments.

The destabilizing effect of the import of goods on the Ukrainian economy causes a capital outflow, forms a passive balance of payments, and forcing the government to attract foreign loans and tranches, or to sell national assets to non-residents in order to stimulate a surge of foreign capital (Fig. 1).

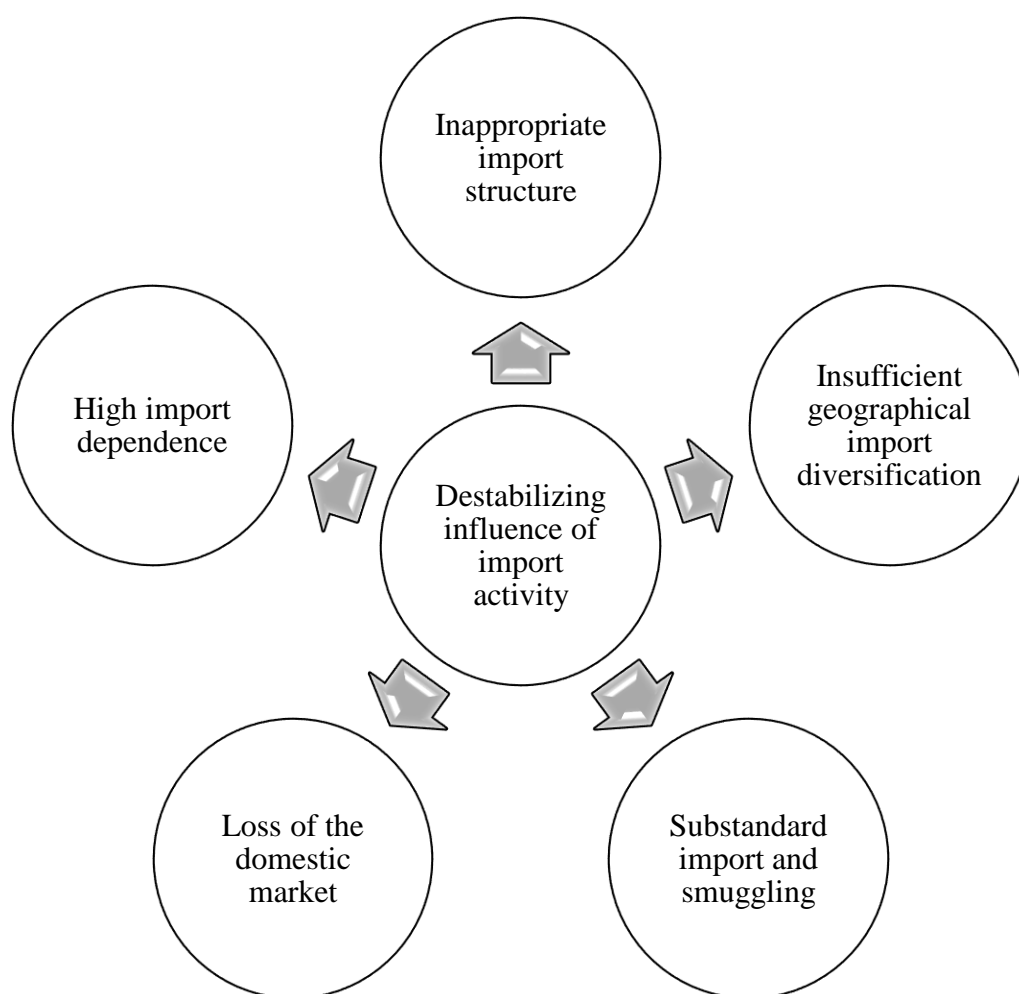


Fig. 1. Determinants of strengthening the economic crisis in the economic activity of domestic agrarian units in the implementation of import operations

Source: author's own developments.

In Ukraine, during 2014–2016, there was a decrease in import operations due to a number of reasons, including devaluation of the UAH (hryvnia), weak production activity, falling real incomes and a decrease in domestic

demand, the introduction of a temporary additional import duty.

However, in 2018 the volume of import of goods and services amounted to 57.1 billion USD, which is 25.3% more than in 2016. And

the negative balance of foreign trade balance was 9.8 billion USD (in 2016 positive balance was 541.6 million USD) (*State Statistics Service of Ukraine, 2018*).

Among the significant determinants of increased economic crisis in the economic activities of domestic agricultural units in the implementation of import operations are the high import dependence (*Yaremko, 2011*).

Primarily the structure of national import is determined by high dependence on energy: in 2018, 25% of Ukraine's commodities import 14.1 billion USD) accounted for natural mineral products (salt, ore, energy materials, oil, etc.). Among other import articles, machinery, equipment and machinery (20%), chemical products and related industries (13%), agro-industrial products and food-processing industry (9%) are the main ones (*State Statistics Service of Ukraine, 2018*).

The import dependence of the Ukrainian economy is a real threat to the national development especially with critical import. This dependency concerns vital and irreplaceable products and resources. The most vulnerable is the energy sector of Ukraine, which can provide about half of the national energy needs (*Yaremko, 2011, p. 80*).

In general, during 2010–2018, the share of import of agrarian sector products in the Ukrainian economy in the total volume of import supplies decreased from 9.5% (5.8 billion USD) in 2010 to 9.0% (5.1 billion USD) in 2018. The average growth rate of import volumes for 2010–2018 is negative and is 1.5 billion USD, however, for 2015–2017 it is characterized by increments of 80 million USD. In monetary terms, the import of agrarian products is growing more than in the physical. This testifies to the traditional growth of the world price situation for imported goods (*State Statistics Service of Ukraine, 2018*).

An important factor in increasing import supplies is the integration into the EU and the openness of national economies. Of course, on the one hand, it contributes to the economic growth of the state, but on the other – it breaks

the process of import substitution and causes growth of economic dependence.

An increase in the share of imported food on the Ukrainian market is also due to the gradual decrease of import tariffs. T. Ostashko (*2010*) has noted that the level of tariff protection in the whole of Ukrainian agriculture is low. So if in the EU countries this figure is 15.9%, then according to the Ukrainian product nomenclature it is much lower: the level of milk market protection is 9.8% (EU – 64.1%); products of animal origin are at the level of 20% (in the EU – it has exceeded 200%).

In general, the comparative indicators of foreign trade of Ukraine and the EU countries reflect the real situation of dependence of economies on the global space. Of course, Ukraine's presence in the global production network has increased significantly over the last ten years, but still remains insufficient.

Overall, during 2018 the EU has increased volumes of international trade: export has grown to 1,879 billion Euros (7.7%) compared to 2016, while import of goods – to 1854 billion euros (8.2%). The balance of foreign trade in goods of the EU countries was positive and amounted to 25 billion Euros. In 2018, as in the previous one, there was an increase in the volumes of foreign trade in goods of Ukraine and the EU, but the pace of such growth was much slower than in 2017. Thus, the total value of Ukrainian commodity export was 47.3 billion USD (or 41.5 billion Euros). It is 9.4% more compared to 2017 (*Economic Discussion Club, 2018a*).

The danger of importing goods from abroad is manifested in the lack of geographical diversification of import. The main trading partner of Ukraine remains the European Union, which share in Ukrainian export is 42.6%, and its volumes in 2018 increased by 15%. Growth of import from the EU is 11.5%, and its share in total volumes of import – 40.6%. The second place in Ukraine's foreign trade turnover is Russia, the third – China.

From the 1st January 2016, within the framework of the concluded agreement on a

free trade area between the EU and Ukraine, the national economy received certain preferences in trade in agricultural products and foodstuffs. However, as a result of high requirements for the quality and safety of domestic products from the EU countries, the vast majority of domestic producers were not ready to trade on these international markets. The estimation of the commodity nomenclature of foreign trade operations by agricultural products shows the raw material orientation of export and a larger share of import operations. The main importers of agricultural products to Ukraine from the EU countries are Poland, Germany, France, Denmark, Italy (*State Statistics Service of Ukraine, 2018*).

In connection with trade and military aggression in relations with Russia, the share of CIS countries in Ukrainian import has decreased. The Russian Federation banned import of agricultural products of Ukrainian origin (including meat and meat products, milk and dairy products, fish, fruits, vegetables and nuts), as well as limited transit traffic from Ukraine through Russia to Kazakhstan and Kyrgyzstan. Actions of the Ukrainian Government in response to the embargo on the part of the Russian Federation, the unilateral suspension by Russia of the Treaty on the CIS Free Trade Area in relations with Ukraine and the cessation of the movement of goods through the line of collision with roads and railways within the Donetsk and Luhansk regions, the temporary occupation of the Crimean peninsula led to a decrease in the import deliveries to Ukraine from the CIS countries (*State Statistics Service of Ukraine, 2018*).

At the same time, the domestic market of products is actively expanding Asian goods, which are characterized by a wide assortment, lower cost and quality. The dynamics of export-import operations and the direction of development of cooperation between Ukraine and China show a significant increase in trade turnover, especially due to the growth of import of Chinese goods and services to Ukraine. According to statistics of Ukraine, in 2018 turnover was 9.8 billion USD, of which import

amounted to 7.6 billion USD, and export to China was only 2.2 billion USD (*State Statistics Service of Ukraine, 2018*).

The next manifestation of the destabilizing effect of import on the Ukrainian economy is its inefficient structure. Domestic scientists, under the optimal nomenclature of import, understand the proportion of imported goods and services that are part of the structure of imported goods or services rendered by each country or region, taking into account the availability of natural and other resources, in accordance with the tasks set (*Bilenko and Petrushenko, 2013; Kuchyn, 2010*).

As in previous years, in 2018, domestic export dominated raw materials, the share of which exceeded 70%. The main five products of national commodity export include: ferrous metals – 21% of the total export value, grain crops – 15%, vegetable oils – 10%, ores – 6%, timber – 3% (*State Statistics Service of Ukraine, 2018*).

As for the national agricultural import, its structure only to a certain extent can be considered economically reasonable for this stage of economic development. The rationality of the structure of import can be seen in the direction of reducing the share of social goods, in particular light and food industry, and in the structure of export - the growth of the share of goods with high added value (*Pasizina, 2012*).

Import can also lead to losses in certain sectors of the domestic market. This is observed in the non-regulated state structures import of foreign goods, which overwhelmed the national markets with cheap products displaced national commodity producers. This problem is very acute to the agrarian producers. So in 2018 along with a decrease in the dairy herd livestock by 2.1%, the volume of imported dairy products increased by 24% and amounted to 130 thousand tones. The main share of dairy import (46,724.5 thousand of USD) in Ukraine is cheese from the EU countries (Poland, Germany and France). The import of meat products mainly forms pork (9,958.2 thousand USD) and poultry (46,973.8 thousand USD) also from EU countries

(Poland, Germany, Hungary, Denmark). The share of import in domestic food consumption was almost 11%. Also, during the last decade, the domestic market not only increases the volume of sugar import, but also raw sugar for its production (1,259.8 thousand USD in 2018) (*Economic Discussion Club, 2018b*).

The negative consequence of goods import is also the occupation of the national market by foreign producers, which often resort to unfair competition and dumping measures. Such import deliveries of agrarian products cause not only loss-making production, but also exacerbate the issue of economic security of the state (*Kozetskyi, 2007*).

At present, the domestic market of grocery products has captivated inadequate products, which are even harmful to consumers' health. According to expert estimates, about 80% of consumer goods are imported into Ukraine under shadow schemes (*Yaremko, 2011, p. 80*).

On national markets, one can find products of the meat processing industry using low-quality imported "feed" soybeans, or products of unknown origin. S. Pasizina (*2012*) believes that in Ukraine, in order to control the quality of imported products, it is appropriate to create special agencies in the same way as in the EU countries. And also to ensure the harmonization of domestic quality standards of products with international and European ones, which will facilitate the quality control of the quality of domestic agricultural products (*Pasizina, 2012, p. 200*).

Despite the considerable opposition to the import of foreign goods, one should not forget, as well as the so-called justified import. For Ukraine, these are scarce energy resources (oil, gas, nuclear thermal elements), some types of raw materials, advanced technologies and high-tech equipment, etc. In agrarian production, this group includes breeding young plants, seedlings, edible fruits and nuts, various kinds of delicious meat.

In order to eliminate the destabilizing effect of imported goods, one could simply ban the importation of foreign goods. However,

restricting the importation of goods from other countries, the national economy may lose the foreign markets. This thesis is confirmed by I. Bernard and J. Collie (*1997*) who argue that import does not suffer from the benefits it provides, but as a charge from anyone who wants access to the international market (*Bernard and Collie, 1997, p. 305*). So, it is common ground to protect the domestic market, but using the well-known and generally accepted world community for these methods.

In theoretical and practical terms, there is a problem of optimization of import, it means the search for optimal amounts of foreign goods that would ensure macroeconomic benefits for a country. P. Kozetskii (*2007*) notes that with the help of optimization methods determine the advantageous ratio between own production and import of products, taking into account the equilibrium in foreign trade with other states. Structuring the financial and economic effects of import, its impact on individual macroeconomic processes will contribute to the formation of an effective state policy on import and ensuring the national interests of Ukraine.

L. Sarkisian and Yu. Ishchuk (*2016*), emphasizes that the problem of optimizing the import of agricultural products is not limited to minimizing absolute indicators. After all, the volume of import is, on the one hand, an aggregate quantitative indicator that does not reflect the degree of its efficiency for the economy. On the other hand, state programs and measures, strategies of agrarian units aimed at reducing the volume of import of agricultural products can have both positive and negative effects for the national economy. After all, the application of measures aimed at import substitution involves targeting domestic producers and the domestic market, which may not be sufficient to create powerful and effective market-based national structures.

In conditions of import dependence of Ukraine in the energy sector, which caused by political imbalances, it is important to achieve a high level of self-production of the

agricultural sector not only in the types of products with comparative advantages (grain, oil), but also those Ukrainian forced import due to climatic conditions and seasonality of production (*Kvasha, 2014b, p. 13*).

International experience in implementing import substitution strategies indicates its positive and negative manifestations. So the use of this strategy for metallurgy, heavy machinery, and agriculture in Latin America caused the lack of competition in technology and reduced motivation for innovation (*Bilenko and Petrushenko, 2013*).

The governments of the Asian countries have introduced a policy of import substitution to strengthen the economy and increase the export potential of the countries. After all, this policy was focused on diversifying production, creating new jobs, modernizing the economy (*Samuseva and Petushkova, 2012*).

The US government under the policy of import substitution was using three integrated programs that focus primarily on stimulating the development of national industries. The program "Expansion of Information and Establishment of Communications" was aimed at forming cooperation between national producers and local consumers, forming the basis of analogues of imported domestic products, holding exhibitions and promotional events among national commodity producers. According to the program "Buy local", the government has taken measures to encourage consumers to buy locally produced goods, as well as widely used priority procurement of national goods, clusters and local business associations. The program "Industrial Targeting" was defined a number of companies, which has been stimulated by the government for the implementation of this economic analysis and quantitative evaluation of the policy of import substitution. A number of national enterprises specializing in the production of certain goods that were subjected to import substitution were provided with raw materials, resources (*Rumiantsev and others, 2005, p. 109*).

State import substitution programs are used in Belarus and Kazakhstan. They are

based on the use of tariff and non-tariff regulatory methods (technical barriers, quotas, licensing), and are trying to develop their own economy.

The application of import substitution methods at the governmental level is not only due to protectionist measures at the national level, but also with the increase of the competitiveness of domestic agrarian products. In our opinion, increasing the competitiveness of domestic goods is a significant alternative to the application of protectionist measures. Therefore, the reorientation of consumers on the domestic and foreign markets to high-quality domestic agricultural products contributes to the "natural" process of import substitution.

In general, foreign food products in Ukraine show slight import dependence. The main products of the imported crop are coffee, tea, vegetables and fruits, the production of which is absent in Ukraine or does not provide domestic demand, as well as seeds of cereals and oilseeds. Due to natural and climatic conditions, it is possible to increase the production of own fruits and vegetables (apples, pears, cucumbers, tomatoes, garlic) in Ukraine, and to grow seedlings. And the purchase of coffee, tea and exotic fruits (bananas, pineapples, kiwi, etc.) continue to be imported (*Kvasha, 2014b, p. 15*).

The basis of import of livestock products to Ukraine is fish products and meat products. According to statistics, prices for foreign products are lower compared to domestic ones (*Pankratov, 2018*). Of course, it is not possible to replace import of sea fish and seafood by own production in Ukraine, but to increase the production of beef, pork, is quite realistic.

Accordingly, for the equal participation of the country in the globalization processes, it is necessary to develop and implement a series of measures aimed at implementing an import substitution strategy in Ukraine. This strategy should include the activation of regulatory changes in agriculture and generally in the economy, progressive innovation and investment development of production potential of national agrarian units, the introduction of

privileges and mechanisms of support for commodity producers of export-oriented types of products that will ensure the competitive level of domestic agricultural products in international markets.

Nobel laureate P. Kruhman (1997) notes, that the protection of young and export-oriented industries is a significant factor in reducing the negative impact of import.

In general, the state program of import substitution should be based on strategic and tactical approaches. The strategic approach involves a phased reduction in the import of agrarian products and stimulation of its production by national commodity producers in accordance with national and international standards. The tactical approach is aimed at the introduction of privileges and support of sectoral and territorial import-substitution industrialization of products by domestic agrarian formations (Kvasha, 2014b).

In our opinion, Ukraine's integration into the European space depends largely on the use of advanced technologies, knowledge-intensive production, the attraction of innovations, and direct foreign investment through the transfer of modern technologies and their import. Therefore, the main and anti-crisis measures to minimize the impact of import threats on national import activities should be to reach the modern level of industrial and technological import base and the introduction of mechanisms for encouraging innovation.

It is also desirable to divide branches and agrarian units into sectors: organizations are capable in the future to provide to additional non long-term benefits and the expansion of markets; enterprises that require significant investment resources to provide a competitive edge in the foreign market (Osipova, 2016).

At the national level, it is also necessary to take appropriate protectionist measures against national producers of agrarian products. In particular, among the determinants of the regulatory system, appropriate customs tariff regulation of import and the establishment of non-tariff barriers (sanitary, ecological, technical,

technological norms and standards) should be widely applied, which will help to increase the production potential of agrarian products and accelerate adaptation to international requirements.

An important determinant of import volume regulation is the quotation that should be applied to seasonal goods. This group includes some varieties of cheese, meat, tomatoes, cucumbers, apples, pears, walnuts, seeds of agricultural crop.

In our opinion, the basis of the strategy of minimizing the destabilizing effect of import operations on the agrarian sector and the possibility of active inclusion of the national economy into global value-added chains is the expediency of improving the commodity structure of Ukrainian export and the transition to the production of medium and high-tech products.

At the state level, there should be a policy of export stimulating. Indeed, in today's globalized conditions, the expansion of export potential is one of the main preconditions for the effective functioning of the national economy and a guarantee of its dynamic development. Accordingly, the strategic task for the agrarian sector of the economy is the large-scale growth of national products in foreign markets. It is the partial or total loss of traditional foreign markets for domestic products that has been observed over the past few years, amplifying the negative balance and encouraging national commodity producers to develop effective strategic decisions regarding the development of export products.

6. Conclusions.

Growth of import deliveries of products under conditions of a transitory economy is a significant factor in the development of international market relations, but large-scale import operations increase the country's dependence on international markets. The intensification of import activities in Ukraine gradually leads to an increase in the interest of importing countries. Thus, in recent years there has been an increase in the volume of import from the

EU and China, which virtually overflowed the national market of agrarian products.

In order to develop domestic production and increase the volume of foreign trade, the main a priori measures to minimize the destabilizing effect of import operations on the economic activity of domestic agrarian units are: stimulation of national production in terms of products that has a significant share in import, but is produced in Ukraine and can be renewed with sufficient investments and state support measures (beef and pork meat); an increase in the volume of production of seasonal products at a competitive price (fruits, vegetables); optimization of production of food products of critical import, the processing of which can be arranged in Ukraine on the basis of joint ventures, licenses, etc.; export-oriented development of national production.

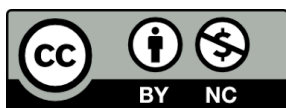
In general, the security of the national economy is achieved by the commodity and geographic balance of the imported goods; the absence of threats to domestic producers of agricultural products, consumers and the environment.

Consequently, modern determinants operating in the free trade zone of Ukraine and the EU require the organization and development of an effective concept of the specialization of Ukrainian agrarian units in the international division of labor, taking into account current trends of cooperation and the projected strategy of forming the foreign trade balance of Ukraine (by industry, country, region and individual commodity groups), as well as strategies for optimizing foreign trade in agricultural products.

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