

PROSPECTS FOR UKRAINE'S PARTICIPATION IN INTERNATIONAL TRADE IN SERVICES

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The dynamic development of trade in services, as well as changes in its structure under the influence of scientific and technological progress, in connection with which there is a constant need to conduct new studies using fresh statistical data.

Ukraine has significant potential to participate in international trade in services due to its geographical location, availability of a skilled workforce and competitiveness in a number of industries, such as information technology, transport, education, tourism and financial services. The development of this sphere is important for the country's economic growth, increasing its competitiveness and integration into the world economy. In recent years, Ukraine has taken active steps to modernize its regulatory framework and improve the business climate, which creates favorable conditions for the export of services. However, the country faces a number of challenges, including the need to improve infrastructure, digitalization, and overcome political and economic risks.

The report analyzes the prospects for Ukraine's participation in international trade in services, considers key factors affecting the development of this area, as well as the main challenges and opportunities. Particular attention is paid to the role of IT services, transport, tourism, educational and financial services in the country's exports. The author emphasizes the importance of reforms aimed at improving the investment climate, modernizing infrastructure and developing human capital. The paper examines strategies that can strengthen Ukraine's competitiveness in the global services market and promote economic integration.

The purpose of the research is to develop scientific and methodological foundations and practical recommendations aimed at studying the essence of Ukrainian trade in services and its concept, stages of development of international trade in services, as well as to consider the forms of international trade in services [1-17]. According to the International Economic Statistics, the United States has been the constant leader in the world market of trade in services over the past two years, the export of services of which accounts for about 14% of world exports. For several years now, the second position has been occupied by the United Kingdom, whose exports of services account for 7% of the world's total. It is followed by Germany with 5.5% of world exports of services [3, 7, 11, 15].

In Ukraine, as in other countries, the sphere of trade in services is developing quite dynamically. It ranks 21st in terms of exports of services, which in monetary terms is 66 billion, and in percentage terms 1.3% of world exports, and 11th place in imports – 119 billion and 2.4% of world imports [1, 5, 14]. It should be noted that, according to the Ukrainian State Statistics Service of Ukraine, it is more of an importer than an exporter in the international services market, and constantly has a negative balance in the field of trade in services [6, 9, 16].

The negative balance in the sphere of trade in services can be explained by the insufficient level of development of most infrastructures, financial and other organizations in Ukraine, increasing competition in the world services market, and a reduction in real disposable incomes of the population. All this contributes to a significant reduction in the possibilities of providing services to foreign consumers. Thus, Ukraine still needs to import a number of certain services from abroad [4, 7, 12].

The main exporters and importers of the Ukrainian services market are the EU countries (exports – 41%, imports – 47%), APEC countries (exports – 13%, imports – 12%). The structure of exports and imports of services with countries is presented in Figure 1 [5].

An analysis of the structure of exports and imports of services in Ukraine from 2015 to

2019 by enlarged positions based on data from the Department of Statistics of the Central Bank of Ukraine shows that in recent years it has been quite stable [1, 12]. The most significant element of the structure of Ukraine's exports of services is transport services. Their share in the total export of services is 31.2%. The next most important element is the category of other business services, the share of which is 25.4% in total exports; share of travel-related services – 17.9%; construction services – 7.9%; telecommunications, computer and information services – 7.2%; maintenance services – 3.2% [3, 9, 16].

In the structure of imports of services in Ukraine, services related to travel occupy a stable leading position, the share of which is 41.7% of the total volume of imports. The second most important element of the import structure is the category of other business services – 19.1% of total imports. Next are transport services - 12.9%; construction – 6.8%; telecommunications, computer and information services – 5.9% [7, 11, 17].

For the development of the service sector of Ukraine, it is necessary to more effectively use its national competitive advantages, in particular, intellectual, scientific, technological potential, the most interesting cultural and historical past, as well as its advantageous geographical location, which determines the availability of a large number of resources. It is the rational use of these advantages that will be a prerequisite for the development of exports of tourism, transport and other types of services [2].

To increase the export of Ukrainian services, domestic exporters should expand the range of services provided and focus them on modern and knowledge-intensive types. It is also important to promote the competitiveness of traditional services that are directly related to transport and tourism, and to introduce new promising services markets [5, 10].

Thus, Ukraine's position in the international services market is not stable enough. It is one of the thirty major countries participating in trade in services in the world market, but it is still a net importer of services. Ukraine accounts for 0.3% of world exports and 0.5% of world imports [2, 8].

It should be noted that the development of the service sector, increasing its competitiveness in the world market is hardly possible without modernization of this sphere. An important role here is played by state support for the domestic service sector, which should consist in the creation of legal measures to regulate this activity, the provision of preferential regimes and the allocation of direct price subsidies from the budget to economic entities providing services, and the optimization of tariffs. The implementation of these conditions is possible through the creation of programs of state support for organizations in the service sector, the use of the mechanism of public-private partnership, the improvement of the credit system and regulations in the service sector, the optimization of the system of tax regulation for organizations providing services to the population.

It can be said that for several decades there has been a tendency to increase the role of services in the economy of the world. As for Ukraine, its position in the world services market is currently not very stable: it is one of the 30 major countries participating in international trade in services, but continues to be a net importer of services. Ukraine accounts for 0.5% of world imports of services and 0.3% of world exports. Improving the situation in the service sector is impossible without modernizing this sphere, it is necessary to maintain a balance between the interests of protecting the domestic market and the needs of the country. Therefore, the main task of Ukraine should be to accelerate the development of the service sector: to expand the range of services supplied and to be more actively introduced into promising markets.

Thus, the prospects for Ukraine's participation in international trade in services look promising, especially in the context of the dynamic development of the IT sector and the growing global demand for remote services. Success will depend on the country's ability to integrate into international networks, improve the quality of services and meet international standards. Active state support,

investment in human capital, as well as strengthening the institutional and infrastructure base will allow Ukraine to take its rightful place in the global service market, which, in turn, will have a positive impact on the sustainable development of the national economy.

Ukraine has significant potential for successful participation in international trade in services. The main areas, such as IT and creative economy, transport and logistics services and education, are already showing positive dynamics. For sustainable development in this area, it is necessary to continue reforms, improve infrastructure, improve the skills of the workforce and actively introduce innovation. In addition, it is important to remove bureaucratic barriers, increase trust in state institutions and intensify international cooperation. By strengthening these aspects, Ukraine will be able to significantly expand its presence in the global services market and increase the share of exports in this area.

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