

Kyiv National University of Trade and Economics
Department of international economic relations

FINAL QUALIFYING PAPER

on the topic:

“Strategic partnership between Ukraine and Germany in trade and economic spheres”

(based on Ministry of Economic Development and Trade of Ukraine materials, Kyiv)

Student of the 2nd year, 2am group,
speciality 051 «Economy»,
specialization «International
economy»

Ivoniak Nataliia

Scientific adviser
Candidate of Sciences (Economics),
Senior Lecturer

Pugachevska Kateryna

Manager of the program
Candidate of Sciences (Economics),
Associate Professor

Kravets Kateryna

Kyiv 2018

Київський національний торговельно-економічний університет
Кафедра міжнародних економічних відносин

ВИПУСКНА КВАЛІФІКАЦІЙНА РОБОТА

на тему:

«Стратегічне партнерство між Україною та Німеччиною у торговельно-економічній сфері»

(на матеріалах Міністерства економічного розвитку та торгівлі України, м. Київ)

Студентки 2 курсу, 2ам групи,
спеціальності 051 «Економіка»
спеціалізації «Міжнародна економіка»

Івоняк
Наталії Дмитрівни

Науковий керівник
канд. екон. наук,
ст. викладач

Пугачевська
Катерина Сергіївна

Гарант освітньої програми
канд. екон. наук, доцент

Кравець
Катерина Петрівна

Київ 2018

ABSTRACT

Ivoniak N. Strategic partnership between Ukraine and Germany in trade and economic spheres

Qualifying work for obtaining a master's degree in specialty 051 "Economics", specialization "International Economy". Kyiv National University of Trade and Economics, 2018.

In the final qualifying work the essence of strategic partnership is determined, the features of functioning of strategic partnership in trade and economic spheres are substantiated. The methodological approaches to the evaluation of the effectiveness of strategic partnership are presented.

Export and import operations between Ukraine and Germany are analyzed, foreign direct investments coming into Ukrainian economy from Germany are analyzed. An estimation of main factors, influencing strategic partnership between Ukraine and Germany, and of efficiency of strategic relations is conducted.

The necessity of forming of new sources for strategic partnership between Ukraine and Germany is grounded. The new directions for optimization of strategic relations are offered. An assessment of the effectiveness of the proposed measures is given

Key words: *strategic partnership, export, import, foreign direct investment, trade, trade and economic spheres.*

АНОТАЦІЯ

Івоняк Н. Стратегічне партнерство між Україною та Німеччиною у торговельно-економічній сфері

Випускна кваліфікаційна робота на здобуття освітнього ступеня магістра за спеціальністю 051 “Економіка”, спеціалізацією “Міжнародна економіка”. Київський національний торговельно-економічний університет, 2018.

У випускній кваліфікаційній роботі визначено сутність стратегічного партнерства, обґрунтовано особливості функціонування стратегічного партнерства в торговельно-економічній сфері. Представлено методологічні підходи до оцінювання ефективності стратегічного партнерства.

Проаналізовано експортні та імпорتنі операції між Україною та Німеччиною, проведено аналіз прямих іноземних інвестицій, що надходять в українську економіку із Німеччини. Проведено оцінку основних факторів, що впливають на стратегічне партнерство між Україною та Німеччиною, та ефективності стратегічних відносин.

Обґрунтовано необхідність формування нової бази для стратегічного партнерства між Україною та Німеччиною. Запропоновані нові напрями для оптимізації стратегічних відносин. Проведено оцінку ефективності запропонованих заходів.

Ключові слова: *стратегічне партнерство, експорт, імпорт, прямі іноземні інвестиції, торгівля, торговельно-економічна сфера.*

Kyiv National University of Trade and Economics
International economic relations department

SUMMARY
TO THE FINAL QUALIFYING PAPER
“Strategic partnership between Ukraine and Germany in trade and economic spheres”
(based on Ministry of Economic Development and Trade of Ukraine materials, Kyiv)

Student of the 2nd year, group 2am,
speciality 051 «Economy»,
specialization «International
economy»

_____ Ivoniak Nataliia

Scientific adviser
Candidate of Sciences (Economics),
Senior Lecturer

_____ Pugachevska Kateryna

Kyiv 2018

Final qualifying paper: 104 p., Illustrations - 6, Tables - 11, appendices – 4, references

72

The object of investigation is process of ensuring strategic partnership between Ukraine and Germany in trade and economic spheres.

The subject of investigation is the features of current state of strategic partnership between Ukraine and Germany in trade and economic spheres.

The basis for writing Final qualifying paper is materials of Ministry of Economic Development and Trade of Ukraine.

Purpose of final qualifying work is analysis of trends of strategic partnership between Ukraine and Germany in trade and economic spheres and forecasting its development scenarios.

Tasks: to define the essence, features and types of strategic partnership in international economic relations; to identify the factors influencing the development of strategic partnership in trade and economic spheres; to determine methodical approaches to the analysis of indicators of strategic partnership in trade and economic spheres development and assessment; to analyze the state of trade and economic operations between Ukraine and Germany; to estimate the factors influencing cooperation between Ukraine and Germany in trade and economic spheres; to assess the effectiveness of strategic partnership between Ukraine and Germany in trade and economic spheres; to explore and compare general sources of improving cooperation between Ukraine and Germany in trade and economic spheres; to formulate strategic directions of increasing cooperation between Ukraine and Germany and to forecast changes in trade and economic activity between Ukraine and Germany on the basis of proposed measures.

Methods of investigation: methods of induction and deduction, historical and logical and comparative methods, the method of analogy and analytical method, the method of economic-mathematical modeling and economic analysis, scenario planning, statistical analysis, matrix analysis and retrospective analysis.

In the introduction to the work the actuality and the practical value of the chosen topic are explained; the purpose and the urgency of its practical significance are formulated,

the research object, the subject of research and its tasks are represented. Also methodological and theoretical part of the study, methods that were used in the work are described.

In the first part of the work "Theoretical aspects of strategic partnership in trade and economic spheres researching" the essence, features and types of strategic partnership are defined. There are described the main factors influencing strategic partnership in trade and economic spheres. The methodological tools and approaches to evaluation of strategic partnership in trade and economic spheres are represented.

In the second part of the work "Research of current state and trends of strategic partnership between Ukraine and Germany in trade and economic spheres" analysis of strategic partnership between Ukraine and Germany in trade and economic spheres is provided. The impact of factors affecting strategic partnership and efficiency of strategic relations are investigated.

In the third part of the work "The ways of strengthening strategic partnership between Ukraine and Germany in trade and economic spheres" general sources and optimal directions of strategic partnership are identified. Forecasts of proposed measures are conducted in the framework of three possible scenarios.

Conclusions and proposals contain theoretical generalization and ascertain solutions to the given scientific problem, the essence of which is in the comprehensive study, assessment and effective implementation of strategic partnership between countries in trade and economic spheres.

CONTENT

INTRODUCTION	3
Part 1. THEORETICAL ASPECTS OF STRATEGIC PARTNERSHIP IN TRADE AND ECONOMIC SPHERES RESEARCHING	6
1.1. Essence, features and types of strategic partnership in international economic relations.....	6
1.2. Factors influencing the development of strategic partnership in trade and economic spheres.....	15
1.3. Methodical approaches to the analysis of indicators of strategic partnership in trade and economic spheres development and assessment.....	24
CONCLUSIONS TO PART 1	33
Part 2. RESEARCH OF CURRENT STATE AND TRENDS OF STRATEGIC PARTNERSHIP BETWEEN UKRAINE AND GERMANY IN TRADE AND ECONOMIC SPHERES	35
2.1. Analysis of trade and economic operations between Ukraine and Germany.....	35
2.2. Estimation of factors influencing cooperation between Ukraine and Germany in trade and economic spheres.....	44
2.3. Assessment of effectiveness of strategic partnership between Ukraine and Germany in trade and economic spheres.....	53
CONCLUSIONS TO PART 2	61
Part 3. THE WAYS OF STRENGTHENING STRATEGIC PARTNERSHIP BETWEEN UKRAINE AND GERMANY IN TRADE AND ECONOMIC SPHERES	63
3.1. General sources of improving cooperation between Ukraine and Germany in trade and economic spheres.....	63
3.2. Strategic directions of increasing cooperation between Ukraine and Germany.....	71
3.3. Forecasted changes in trade and economic activity between Ukraine and Germany on the basis of proposed measures.....	80
CONCLUSIONS TO PART 3	90
CONCLUSIONS AND PROPOSITIONS	92
REFERENCES	97
ANNEXES	104

INTRODUCTION

In terms of rapid economic growth, globalization and integration processes the development of favorable relations between the countries is an extremely important aspect of the development of any country in the world. What is more significant that when these relations are reached by the level of partnership, then there are even more prospects of growth and stable development. Recently, this kind of interstate relations is considered as a strategic partnership, which, on the one hand, can be implemented at the global level, and on the other hand, at the level of the regional economy. In the context of globalization, this concept is seen as a level of cooperation between countries to achieve common goals and interests.

Ukraine is an European country that has a huge potential to be among world leaders but internal problems and financial dependence make the country's position weak in comparison with other countries.

Moreover, taking to account the openness of Ukrainian economy it should be noticeable that world trends have a significant impact on the situation in our country. In terms of worsening of world market of goods and services conjuncture because of the global economic downturn that has led to a decline in export growth and worsening of the state of the country's balance of payments. The situation is also complicated by the fact that in the structure of Ukrainian exports prevail raw materials, low-tech products with a low level of added value whose competitive advantages on the world markets are primarily related to the price factor.

Besides, traditional markets of domestic products are subject of fierce competition and price advantages can be obtained very quickly by other countries especially when various kinds of restrictive measures are applied. At the same time export of Ukrainian products to highly dynamic markets that determine the prospects for the development of the world economy is extremely insignificant.

The only solution to improve competitive position of Ukraine on the world market is deepening of cooperation with strong country that will be based on increasing of trade and investing operations, realization of joint projects, etc. Germany, as a highly

developed country can be the best candidate for strategic partnership. It is not difficult to develop strategic partnership between Ukraine and Germany, as we have already the base on which deeper cooperation can be built. Germany is one of the biggest investor and the trade operations between Ukraine and Germany are growing.

The theoretical basis for the research of the concept of strategic partnership in trade and economic spheres and state of strategic partnership between Ukraine and Germany in trade and economic spheres are works of such scientists, as Demchenko N., Gilchenko O., Gutsal C., Makogin Z., Muhamedova D., Radchenko V., Romanchenko V., Shamraieva V., Shcherbata Z., Tarasiuk B., Zhovkva I., Zamiatin V., and many others. Separately should be distinguished the research of specialists of Razumkov Centre. In spite of presence of strong theoretical basis the question of strategic partnership between Ukraine and Germany in trade and economic spheres is still not disclosed completely that stimulates additional investigations in this area.

The research purpose is analysis of trends of strategic partnership between Ukraine and Germany in trade and economic spheres and forecasting its development scenarios.

In accordance with research goal the following objectives were formulated and achieved:

- to define the essence, features and types of strategic partnership in international economic relations;
- to identify the factors influencing the development of strategic partnership in trade and economic spheres;
- to determine methodical approaches to the analysis of indicators of strategic partnership in trade and economic spheres development and assessment;
- to analyze the state of trade and economic operations between Ukraine and Germany;
- to estimate the factors influencing cooperation between Ukraine and Germany in trade and economic spheres;
- to assess the effectiveness of strategic partnership between Ukraine and Germany in trade and economic spheres;

- to explore and compare general sources of improving cooperation between Ukraine and Germany in trade and economic spheres;
- to formulate strategic directions of increasing cooperation between Ukraine and Germany;
- to forecast changes in trade and economic activity between Ukraine and Germany on the basis of proposed measures.

The research object is process of ensuring strategic partnership between Ukraine and Germany in trade and economic spheres.

The research subject is the features of current state of strategic partnership between Ukraine and Germany in trade and economic spheres.

Research methods. In the process of research were used the following methods and approaches: methods of induction and deduction, historical and logical and comparative methods, the method of analogy and analytical method, the method of economic-mathematical modeling and economic analysis, scenario planning, statistical analysis, matrix analysis and retrospective analysis.

Scientific novelty of conducted research: deep and diversified analysis of strategic partnership between Ukraine and Germany with taking to account theoretical approaches to strategic partnership, factors influencing trade and economic relations of countries and world trends. In the process of research were identified key factors influencing strategic partnership between Ukraine and Germany. Due to analysis of trade and economic relations of Ukraine and Germany were determined interests which are followed by each of country. The main discrepancy of theoretical and practical vectors of strategic partnership was identified. Following all research findings, optimal directions for strategic partnership between Ukraine and Germany were defined. On the bases of proposed measures, forecasts and clear groundings were made with focus on probable consequences.

Structure of the scientific paper includes introduction, three parts, conclusions and propositions, references and appendices. The main content of research work consists 104 pages and includes 6 figures and 11 tables. References include 72 items, placed on 8 pages. The work contains 4 appendices on 4 pages.

PART 1

THEORETICAL ASPECTS OF STRATEGIC PARTNERSHIP IN TRADE AND ECONOMIC SPHERES RESEARCHING

1.1. Essence, features and types of strategic partnership in international economic relations

On the modern stage of development countries actively seek effective ways of cooperation in order to maximize benefits, strength its competitive position and increase influence on the global market. It is clear that no country in the world can achieve mentioned goals on its own. As a result new way of cooperation between countries was created and is widely being used now. This new way of cooperation is strategic partnership which enables both parties to put their interests in practice.

Strategic partnership is one of the most important foreign policy instruments that is increasingly being used by leading countries and integration associations since it can increase the effectiveness of their actions on international scene. Strategic partnership can be considered on the global level and on the level of regional economics. On the global level strategic partnership is seen as cooperation between states to achieve common goals and interests. On the regional level, strategic partnership manifests itself in the form of cooperation between firms and organizations that have common goals and seek ways to achieve them [60, p. 1205].

Currently there is no common definition of «strategic partnership» because there are many different points of view of national and foreign scientists who distinguish a notion «strategic partnership» in various ways.

Tarasyuk B. points that the main principles of strategic partnership are presence of common interests between partners, coincidence of views and approaches to the key issues of foreign policy, readiness to coordinate with the interests of the strategic partner or make decisions on its support on the international arena [53].

Zlenko A. assumes that strategic partnership is the highest form of cooperation which involves a high level of interaction of partners in achieving specific goals both in bilateral relations and on the international arena. The components of such interaction

should be mutual understanding and support of partners, definition of strategic interests and common position oriented to achieve the set goals. He also points out that strategic partnership should be based on respect for the national interests of each party, the policy of each partner, the chosen path of development, national status, as well as on equal rights and maintaining a balance of relations between partners. The level of development of such a partnership should be determined directly by parties, depending on the depth of these links [17].

Bilorus O. sees the basic principle of strategic partnership in effective protecting of its own national interests. In his opinion, the strategic task of the foreign policy course is achievement of a high level of competitiveness of the state and society. The principles of building a strategic partnership are effectiveness, efficiency and profitability of foreign policy [51].

Vitrenko N. is sure that relations of strategic partnership should be based on the principles of common interest, equality, trust and diligent fulfillment of obligations. The basis for forming strategic partnership should be the historical, spiritual traditions and similarity of worldview [51].

Zamyatin V. states that strategic partnership can only be realized if there is a genuine strategy not only foreign policy but also economic, security when there is a vision of their own future and own capabilities [18]. In his view, in a country where the foreign policy is clearly defined, there cannot be too many strategic partners whose interests are sometimes diametrically opposed. For example, the USA has only 5 strategic partners, and Ukraine has 19.

According to the opinion of Chekalenko L. strategic partnership is higher level of cooperation in comparison with usual relations. Being determined by certain interests of parties, this cooperation becomes possible between the partners who do not have mutual territorial claims, however, there are mutual adherence to the principles of territorial inviolability and invariability of borders. These are the relations of partners who have similar values and common roots, national interests that recognize evidence and need for trends in the dynamic growth of the bilateral trade turnover, the deepening of cooperation [59].

According to Zhovka I. strategic partnership is a special instrument of the foreign policy of the state, using which it coordinates its actions on the international arena with other states. Interaction in the use of this tool and the coincidence of strategic national interests of two or more states in several spheres lead to the emergence of a special type of interstate cooperation between them. In the postbipolar international system strategic partnership, as a special type of intergovernmental cooperation, takes on an increasingly important place compared to other types of cooperation that are based on uniting against a common enemy or based on only one of these spheres of cooperation [59].

Sedlyar Y. believes that strategic partnership characterizes higher level of trade and economic cooperation, heterogeneity of geopolitical interests, foreign policy mutual support, positive dynamics and effectiveness of contacts of state and political, financial and industrial, military, scientific and cultural elites. This is reliability of the mechanisms for resolving disputes, atmosphere of trust and mutual understanding [49].

The generalization of the positions of leading politicians and experts on foreign policy issues expressed in the poll conducted by the Ukrainian Center for Economic and Political Studies named after Alexander Razumkov allows to characterize the essence of strategic partnership, as existence of such an intergovernmental interaction which allows partners, combining their efforts, to achieve vital domestic and foreign policy goals by combining their efforts [59].

Taking to account all above mentioned definitions of strategic partnership we can formulate own unified notion. Strategic partnership is special form of cooperation between countries that bases on principles of efficiency, equality, mutual support and understanding in order to make possible realization of parties' interests in most optimal way.

In general under the strategic partnership in international relations we understand long-term mutually beneficial cooperation of equal subjects of international relations for solving important tasks. In order to implement strategic partnership the following conditions are necessary:

- existence of fundamentally important goals achievement of which is possible only with the long-term coordination of the parties' efforts in the long run;

- common understanding of the goals and principles of development of strategic partnership by parties;
- existence of actual legal base of partnership where the content of cooperation and mechanisms of its implementation are fixed;
- presence of established institutional mechanisms through which strategic partnership is implemented;
- common goals should prevail over differences, if any exist;
- coincidence of paradigm of the values of the social and political process of both side [59].

Besides conditions, strategic partnership is being formed with taking to account the following principles:

- ❖ transparency;
- ❖ stability;
- ❖ economic reasonableness;
- ❖ equality;
- ❖ mutual benefit;
- ❖ long-term relations;
- ❖ mutual understanding;
- ❖ economy.

The basic principle of strategic partnership is the principle of equality of relations, which distinguishes partnership from cooperation or other forms of relations. Despite the possible different levels of economic scales of entities, in relationships there must be absolutely equal rights in achieving the goals of the partners, although the goals themselves may not coincide, the rejection of discriminatory actions against one [25].

The principle of transparency implies a clear explanation by partners of their long-term goals and their full understanding, which is the basis of strategies development for their implementation. The principle of mutual benefit involves full realization of the economic interests of partners, although this does not mean the identity of these interests. The principle of long-term relations implies the existence of a strategy for realization the goals of inter-state partnership for the long-term perspective.

The principle of efficiency includes existence of developed indicators for assessing effectiveness of partnership in various fields of activity. The principle of stability implies the consistent implementation of defined strategies according to the agreed plan and specified stages. The principle of economic reasonableness is presence of well-defined priority areas of economic partnership, grounded strategies for their implementation [25].

Besides conditions and principles on which strategic partnership is build, any country trying to build a strategic partnership with another country should fulfill criteria for this special relationship. According to experts, this relationship must satisfy the following basic criteria:

1. Countries trying to establish a strategic partnership share mutual and strategically important targets or even vital interests. In this regard there should be collaboration between parties with a long-term plan and roadmap. One of the vital targets is maintaining security, prosperity and status of each other in the international arena, of which maintaining security and prosperity of each other is the core.
2. Countries should share common perceptions on targets and principles to develop strategic partnership.
3. It is necessary to set up legal foundations for shaping strategic partnership between two countries, clarifying the contents of cooperation and legal mechanisms to implement identified contents in strategic partnership.
4. It is important to attach great importance to demand for cooperation in fields of strategic importance on the basis of common interests.
5. One country that has advantages in some fields should consider the interests of the other being ready to have concession and support its partner even in case of no certain benefits for its own.
6. Parties should not have discriminatory acts or issue an ultimatum towards each other.
7. It is necessary to proactively build mutual conceptions on values based on the political system of the partner.
8. The effectiveness of a strategic partnership must be supported by political elites and social community meeting vital demands of people [66].

From the above-mentioned criteria, it is possible to identify several basic features of a strategic partnership:

- Strategic partnership bears clarity, transparency, and consistency especially in defining purposes, targets, tasks and mutual benefits of countries.
- Relationships formed between countries in the process of strategic partnership stay durable and stable.
- Strategic partnership is diverse; it could be applied into various fields of each country, such as economics, politics, military, culture, science - technology, and education.
- Motives and aims of each party in strategic partnership are different from those in other relationships among countries.
- Strategic partnership exists not only in bilateral relations but also in global scope.
- Strategic partnership is implemented on regional and global levels [66].

The role of strategic partnership changes depending on the state of factors of internal and external environments of the country.

In terms of stable economic development strategic partnership is used as an additional mechanism of cooperation between countries. The process of deepening relationships is slow and countries do not implement radical policies.

In terms of rapid economic development when changes are not predictable and global processes cover all the countries strategic partnership is used as the main tool to promote economic development of countries, insure countries from risks of external environment and to provide the basis on which both participant-countries will gain benefits.

Types of strategic partnership by subjects engaged in this type of relations:

- strategic partnership between states;
- strategic partnership between states and individual subjects of international economic relations (TNCs, companies);
- strategic partnership between individual subjects of international economic relations [66].

Types of strategic partnership according to the economic weight of partners:

- strategic partnership between developed countries;
- strategic partnership between developed and developing countries;
- strategic partnership between developed countries and countries with low level of development;
- strategic partnership between developing countries;
- strategic partnership between developing countries and countries with low level of development;
- strategic partnership between countries with low level of development [66].

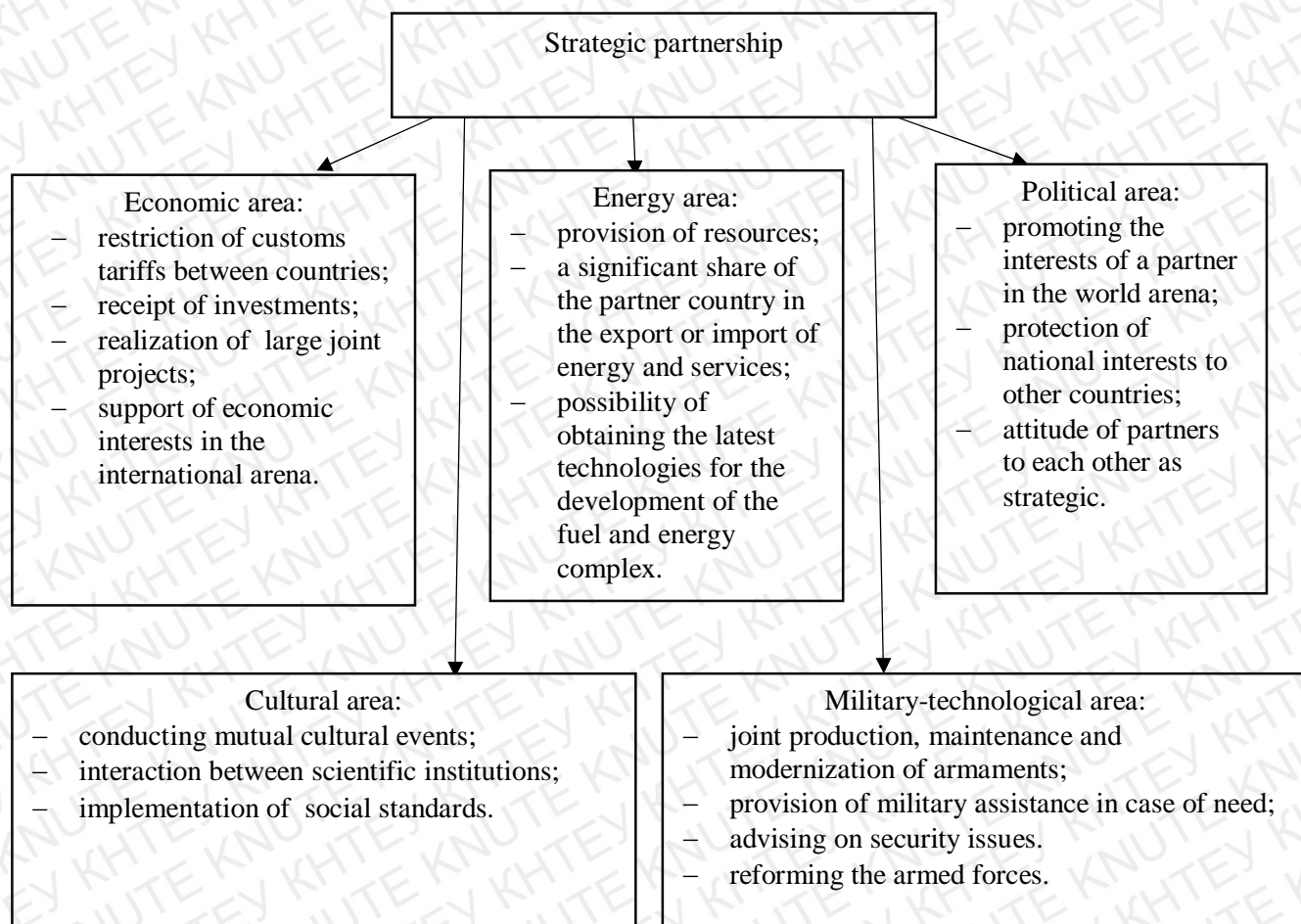


Figure 1.1.1 The key areas of strategic partnership

Source: [60, p. 1208]

Strategic partnership can be classified through key areas (Figure 1.1.1) of activity which determine direction of relations between partners. Types of strategic partnership by key areas of activity:

- strategic partnership in trade and economic sphere;
- strategic partnership in energy sphere;

- strategic partnership in political sphere;
- strategic partnership in cultural sphere;
- strategic partnership in military and technological sphere.

Types of strategic partnership according to model of relations:

- representative strategic partnership - a state, which is the center of power, establishes partnership relations in a region with a state or states that can properly represent and secure interests of this center of strength;
- strategic partnership against a common threat - two or more states are united against a common enemy or a common threat and after disappearance or reduction of the threat partnership continues to function;
- tactical partnership for strategic results is a partnership of states that try to hide their main strategic interests by focusing on secondary tactical interests, as a basis for partnership;
- asymmetric strategic partnership is a partnership of states that have a long history of mutual relations and are in the same geopolitical region, and one from the parties, which, as a result of the historical development of relations, has gained more advantages, acts, as dominant in partnership relations [59].

The most important element of practical implementation of strategic partnership is definition of strategic economic interests of partner countries and formulation on this basis of partnership, priority areas, goals, strategies for their realization.

It is important to note that strategic partnership does not mean existence of common economic interests of partner countries. On the contrary, if the two countries have the same problems, such as limited energy resources, they are unlikely to become strategic partners. Different countries have different level of economic sectors development, different economic problems, their strengths and weaknesses and, therefore, different national economic interests in the long run. However, they can be strategic economic partners in different areas to realize their strengths and address weaknesses [25].

In this case partners define their interests and develop a strategy for their coordination and implementation. Thus, from the foregoing, one can determine the

following mechanism for the formation and implementation of a system of strategic partnership between countries (Figure 1.1.2)

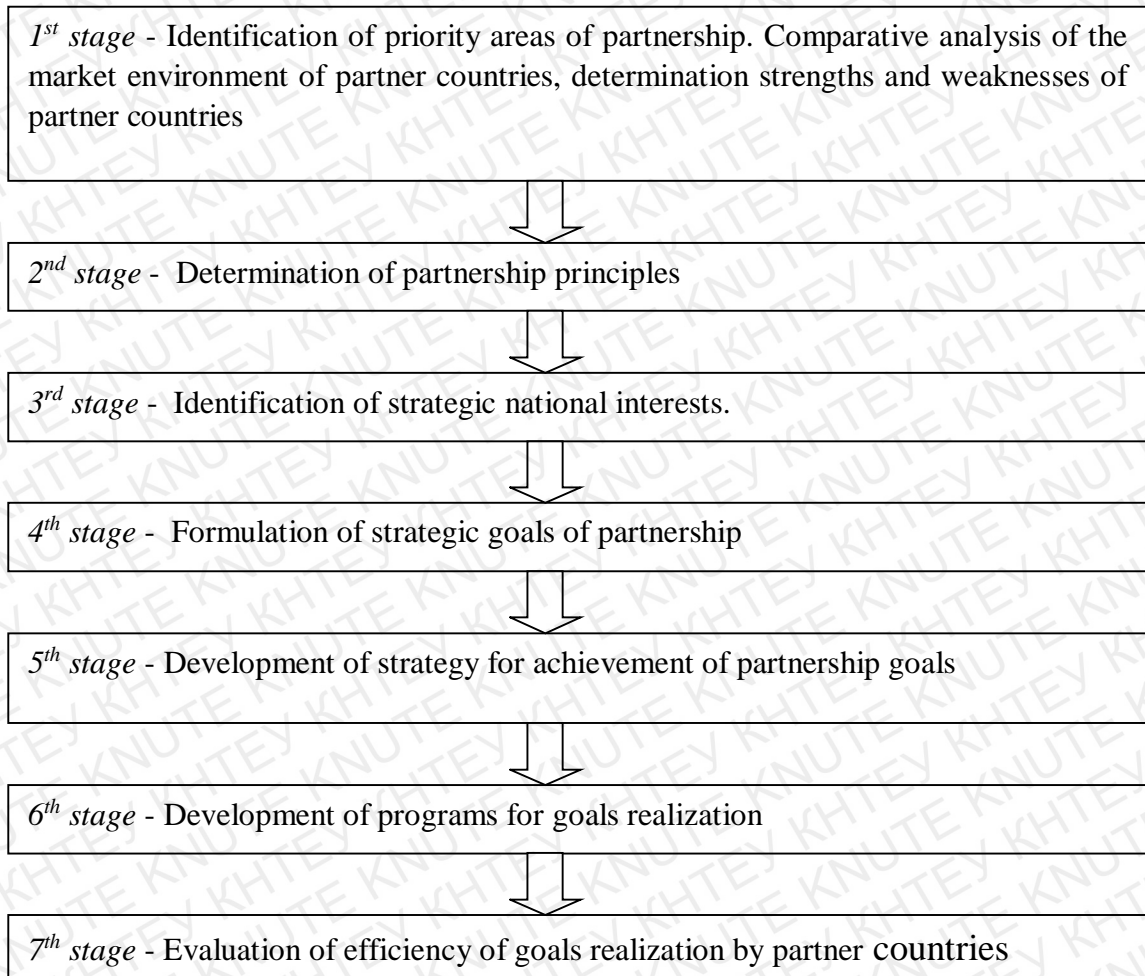


Figure 1.1.2 Stages of formation and implementation of strategic partnership between countries

Source: [25, p. 64]

On the modern stage of development strategic partnership is higher level of cooperation where countries work more deeply in order to realize its interests using its own strengths and strengths of its partner. Another side of strategic partnership is obtaining benefits, for example, the partner-company can help another partner-company to have positive decision in international institutions on some important issues for this country. Strategic partnership is not usual bilateral trade or some relations in some spheres it is one the best variant of relations between countries for benefits optimization.

1.2. Factors influencing the development of strategic partnership in trade and economic spheres

Generally strategic partnership is perceived as effective mechanism for goals achievement. In order to get such result of strategic partnership implementation, countries, as participants of this special form of relations, should minimize destabilizing factors influencing the development of strategic partnership and maximize favorable ones. As a result, constant monitoring is essential especially in modern terms of dynamism and rapid changes, as successful introduction of strategic partnership can seem impossible to function because of existence factors that have negative impact.

Taking to account mentioned above classification of strategic partnership, we will deal with strategic partnership in trade and economic sphere as a separate area of cooperation between countries. First of all, it should be noticed that most of different sources prove bigger weight of strategic partnership in trade and economic spheres among other kinds of strategic partnership. Secondly, clear explanation of strategic partnership in trade and economic spheres should be given in order to understand features of such relations between countries and its difference from other types of strategic partnership.

Strategic partnership in trade and economic spheres is cooperation between countries that includes a significant proportion of partner countries in the export/ import of goods and services, significant amount of foreign investments, presence of large joint projects in priority branches. Strategic partnership is not manifested by usual export/import operations, investments or realization of joint projects but the big attention is put on priority branches. Every partner of strategic partnership in trade and economic spheres tries to export goods/services from its priority branches, import scarce goods/services on the best conditions, attract investments to priority branches and promote large joint projects for economy development.

According to Law of Ukraine On Stimulating Investment into Top-Priority Sectors of Economy for the Purpose of Creating New, the priority sectors or branches of economy are industries aimed at provision the needs of society in high-tech competitive

environmentally friendly products, high-quality services that implement state policy on development of production and export potential, and creation of new jobs [1].

Primarily, we can determine general factors influencing strategic partnership which are fundamental and define state and direction of strategic partnership between countries. These factors are divided into three groups:

- geo-economic factors – complementarity of structures of national economic systems of partner countries;
- socio-cultural factors - cultural familiarity of nations, historical relationship, lack of language barriers;
- geo-political factors - presence of common views and approaches in key issues of international politics [60].

Moreover, we can point out another classification of factors that have influence on strategic partnership. These factors are also general for all types of relations between countries and divided into the following groups:

1. political and legal factors;
2. economic factors;
3. social and cultural factors;
4. technological factors.

Political and legal factors are created by government of the state and have impact on the level of existing opportunities and threats. For arranging and improving relations between countries adequate assessment of political situation is extremely important. Such an assessment is carried out through detailing of political and legal factors. There are a lot of such factors, even more of their different combinations, but we highlight the most commonly encountered in the analysis of external environment.

The political and legal factors that influence strategic partnership include:

- changes in tax legislation;
- alignment of political forces;
- business-to-government relations;
- patent law;

- legislation on environmental protection;
- government spending;
- government regulation;
- antitrust law;
- monetary policy;
- federal elections;
- political conditions in foreign countries;
- size of the state budgets;
- government relations with foreign states [20].

There are many economic factors that affect strategic partnership. The macroeconomic climate in general will determine the level of opportunities for country to achieve its goals pursued by strategic partnership. Bad economic conditions will affect the demand for goods and services of state, while more favorable ones can provide space for growth.

In the process of analyzing external environment there is a need to evaluate a number of economic indicators. This includes interest rates, exchange rates, rates of economic growth, inflation rates and some others.

The level of interest rate in economy significantly affects consumer demand. Consumers often borrow in order to consume goods. It is less likely that they will behave in the same way in the presence of high interest rates. As an example, the housing market, where the interest on a mortgage lender directly influences the demand for houses, which in turn affects the number of newly started housing projects, can be brought. Therefore, interest rate have a direct impact on the potential attractiveness of different strategies.

Exchange rates determine value of currency of country in relation to value of foreign currencies. Changes in exchange rates directly affect the competitiveness of state's goods and services.

Most governments in the world are struggling to reduce inflation. As a rule, the consequence of these efforts is to lower interest rates and, thus, the emergence of signs

of economic growth. The pace of economic growth influences on opportunities and threats for development of interstate strategic partnership.

To sum up, the structure of the main economic factors that influence strategic partnership include:

- inflation;
- structure of consumption and its dynamics;
- rates on monetary market;
- economic conditions in foreign countries;
- trade balance indicators;
- change in demand;
- monetary and financial policies;
- trends in securities market;
- level of labor productivity in the industry and its growth rate;
- dynamics of GDP;
- tax rates [20].

Social, cultural, demographic and geographical factors shape the life style, work, consumption and make a significant impact on strategic partnership. New trends create a new type of consumer and, accordingly, cause the need for other goods and services. A good example of this may be the increased concern of western consumers about the state of environment, which results in using recycled packaging and the refusal to use in the production of chlorinated fluorocarbons.

In order to identify the most significant opportunities and threats by social and cultural factors, states have to take into account new trends in the beginning of 2000 and beyond (for example, such facts as a more educated consumer, an increase in the number of working women, the aging population). For example, aging populations with a high percentage of people over the age of 55-60 mean favorable opportunities (in the sense of increasing demand for their services) for organizations working in those areas of greatest interest to the elderly: the social protection of pensioners and the poor, charity, patronage, healthcare, etc.

The main socio-cultural factors that can have influence on strategic partnership are the following:

- birth rate;
- mortality rate;
- coefficients of intensity of immigration and emigration;
- coefficient of average life expectancy;
- available income;
- lifestyle;
- educational standards;
- buying habits;
- attitude to the quality of goods and services, work and rest
- the requirement to control the quality of environment;
- energy saving;
- attitude towards government;
- problems of interethnic relations;
- social responsibility;
- social welfare [20].

Impact of technological factors is so obvious that they are considered the main engine of production - and more broadly - of social progress. Revolutionary technological changes and discoveries of recent decades, for example, robot production, computer penetration into the everyday life of people, new types of communication, transport, weapons, and more, presents serious opportunities and threats. Some innovations can both create new industries and close the old ones.

The influence of technological factors can be assessed as a process of creating a new and destruction of the old one. Accelerating technological changes shorten the average lifespan of the product life cycle, so organizations must anticipate what changes bring with them new technologies. These changes can affect not only production but also other functional areas [20].

Besides, presence of general factors influencing state and development of strategic partnership between countries there are special factors that take place in conditions of strategic partnership in trade and economic spheres between countries.

Strategic partnership between states in trade and economic spheres have such components, as export/import of goods and services in priority branches, investment operations between countries and joint projects between countries. We can define factors of strategic partnership in trade and economic spheres by paying attention to these components.

First group of factors include those ones that have impact on export/ import operations. These factors are divided on factors of internal and external environment.

The factors of internal environment determine and characterize the inner situation in the state. The factors of internal environment are the following:

- infrastructure factors that determine presence and level of development of a set of buildings, systems and services necessary for the functioning of the branches of material production and ensuring the living conditions of society;
- resource factors that determine availability of sufficient resources for broad activity in foreign markets;
- production factors that determine level of goods quality and its conformity to national and international standards;
- technological factors that determine level of technological provision;
- psychological and social factors that determine execution of agreements, rules, norms and taking into account interests of partners;
- information and bureaucratic factors that determine and characterize the procedure of obtaining necessary permissions and level of information availability.

The factors of external environment determine and characterize status of the state on international arena. The factors of external environment are the following:

- political factors that include membership of state in international organizations and its relations with other states;

- legislative factors that include excellence of legislation and its functioning not just inside the country but in process of international relations;
- economic factors that include presence of tariff and non-tariff barriers and positions of the country in different world economic ratings.

Second group of factors include those ones that have impact on investment operations between countries.

The main factors shaping investment climate of the state are the following:

- organizational and legal factors - level of investment activity management at the level of executive power, an effective legislative base;
- political factors - stable political situation in the country, level of public confidence in the government;
- economic factors - state of the country's economy, dynamics of GDP growth, size of internal and external debts, level of the shadow economy;
- characteristic of the country's potential - presence of labor, land, energy, scientific and technical resources;
- financial factors - profitability of the budget, interest rate on loans, amount of deposits per capita;
- socio-cultural factors - level of population security, living conditions, level of health care and medical care, crime rate, social protection of population, respect to human rights;
- international relations - international rating of the country, cooperation with international organizations, compliance with the rules of conventions and agreements;
- market economy development - presence of free competition, inflation rate, outlets, level of development of free competition among enterprises;
- general conditions of economic activity - ecological safety, development of branches of material production [58, c. 167].

All factors influencing investment activity can be divided into two groups:

- 1) positive, which positively influences investment activity;
- 2) negative, which negatively affect investment activity [57].

Depending on the nature of the occurrence, all factors affecting investment activity can be grouped into the following groups:

- a) objective factors emergence of which is not related to human activity, but due, for example, to natural phenomena;
- b) subjective factors emergence of which is due to human activity, in particular, managerial and creative [57].

All factors influencing investment activity, depending on the time of their occurrence and action, can be differentiated into temporary and permanent ones.

Depending on the degree of influence on investment activity, all factors can also be divided into three groups:

- 1) have a significant impact;
- 2) have less significant influence;
- 3) have a weak effect [57].

Third group of factors include those ones that have impact on joint projects between countries in priority branches.

Joint projects between countries in priority branches developing context of deepening internationalization, genesis of forms and purpose of its export concentration, diversification of production in a dynamic competitive environment. The scale, dynamics and performance of joint projects are influenced by a combination of interconnected factors, among which it is expedient to allocate:

- globally-economical - the state of development of world economy, the main international factor markets, including the investment market, stability of world currency system and activity of insurance of international operations;
- the political and resource and general economic situation in one country or another - the stability of political system and government, the threat of external stability, the degree of government interference in economy, its attitude to foreign investment, the observance of international bilateral and multilateral agreements, availability of natural resources, demographic situation, geographical location, the rate of economy development, the level of inflation, convertibility of the

currency, balance of payments, development of the national capital market and taxation system, etc [56].

Taking to account all above mentioned classifications we can identify unique system of factors which influence strategic partnership in trade and economic spheres. System of factors influencing strategic partnership in trade and economic spheres include the following group of factors:

1. factors influencing export/import components of strategic partnership – factors of external and internal environment that include information, infrastructure, legislative, political, resource, production, technological and economic factors;
2. factors influencing investment component of strategic partnership – factors creating and influencing investment climate of country that include organizational, political, legal, economic, financial, socio-cultural and other factors;
3. factors influencing joint projects in priority branches component of strategic partnership – factors influencing development and realization of joint projects between countries in priority branches that include economic, political and resource factors.

Strategic partnership in trade and economic spheres is one of the most important kinds of strategic partnership. This form of relations between countries is aimed to develop partners' economy and has the quickest period of getting benefits. Genesis of factors influencing strategic partnership in general and influencing strategic partnership in trade and economic spheres provide possibilities for mastering relations between countries and prevention factors with destabilizing effect. Moreover, proposed classification of factors is directed on evaluation of the most significant parts of strategic partnership in trade and economic spheres for deeper understanding of its state and creation functioning action plan.

Moreover, it should be noticed that investigation of factors influencing strategic partnership in trade and economic spheres provides possibility to see negative and positive impacts of factors. Positive impact can be maximized for optimization of strategic relations.

1.3. Methodical approaches to the analysis of indicators of strategic partnership in trade and economic spheres development and assessment

Strategic partnership in trade and economic spheres can be greatly characterized through different factors. However, the fullest picture can be got only after indicators analysis and assessment. In order to conduct proper analysis of indicators of strategic partnership in trade and economic spheres the right methodical approaches should be chosen.

Primarily, we can point out basic methodical tools for evaluation of strategic partnership in trade and economic spheres and conditions of its development. Basic tools for general characteristic of strategic partnership in trade and economic sphere include SWOT analysis, PEST analysis and factor analysis

In modern terms of development countries encounter with high level of competition, excess of similar goods and services, over-saturation of advertising and information flows, the growing demands of consumers to product quality, with constant changes in market conditions and capacity of the market. In order to successfully operate on global market and be competitive countries must be able to predict the difficulties they may face in the future and the new opportunities that can open for them. Therefore, countries need to identify priority directions of development, adapt to changes in the environment, use new technologies and change strategy of activity. One of the main tools that assess the complexity of the internal and external factors that influence the countries' development is SWOT analysis.

SWOT analysis is a process of establishing links between the opportunities, threats, strengths and weaknesses of a country, the results of which can later be used to formulate and select country's strategies of development. SWOT analysis is a kind of tool that does not contain final information for making decisions, but it enables to streamline the process of considering all available information using our own opinions and evaluations. SWOT analysis enables to create a general list of strategies of country's development, taking into account their features - adaptation to the environment or formation of influence on it. The main objective of SWOT analysis is

obtaining reliable data about the countries's opportunities and threats of its development on global arena [32].

The SWOT analysis includes three steps:

1. Identification of own strengths and weaknesses of the country allows to determine what strengths and weaknesses the country has.
2. Identification of opportunities and threats present on global arena is a kind of "exploration of the area" - the assessment of the market. This step enables to assess situation outside the country and understand what opportunities can be obtained, as well as what threats must be overcome.
3. Comparison of strengths and weaknesses of the country with opportunities and threats of the global arena.

SWOT analysis allows to systematize problem situations, better understand the structure of resources, which should be based on improvement of the country's activities and development in the future, track the overall state of the external environment, allocate and use new potential opportunities faster than other countries and choose the best path to development and avoid dangers [32].

Another method for evaluation of strategic partnership between countries in trade and economic spheres is PEST analysis.

PEST is abbreviation of P - Politics, E - Economy, S - Society, T - Technology. Using this method, an analysis of the four specified groups of factors is performed.

Political environment. This is one of the most important factors that needs to be studied first in order to have a clear idea of development of society, regulation of mechanism of circulation of money in the state, creation of conditions for resource support for each organization, changes in legislation, legal regulation and taxation [15].

Of great importance are the following aspects of the political factor, such as stability of the government, capabilities and strength of the opposition of political structures, possible changes in business after the legislative elections. Political stability of the state is a key factor in reducing economic uncertainty in the country.

The sources of information for the analysis of political environment include data from public opinion polls conducted by various institutes and public organizations,

reports and speeches by political leaders and government officials, orders of the day of meetings of parliament, private interviews with state figures, programs of meetings and visits of foreign politicians and representatives of the state power of the leading countries of the world, etc.

Economic environment. The analysis of the economic component of the macro environment aims at understanding how resources are formed and distributed. Among the main indicators analyzed in economic environment are the following ones: volume of GDP, the rate of inflation, the level of employment, the balance of payments, the rate of economic growth, unemployment rate, interest rates, labor productivity [34].

In the process of economic factor analysis attention should be paid to such indicators, as the level of economic development, extractive natural resources, the level of development of competition, population structure, etc. The analysis of the economic factor should be systematic and aimed at its comprehensive assessment in order to establish the existence of opportunities for effective development of the state.

Social environment. The country is also interested in information about such factors as: demographic, social security of population, labor protection and workers' health, traditions, dominant living values, etc. One of the important aspects is demographic, since markets are made up of people, and the potential for their growth depends on the dynamics of demographic indicators [34].

Technological environment. The technological factor of the macro environment is one of the important places among the factors of development of the social conjuncture. Technology is both an internal variable and an external factor of great importance. The speed of technology change is constantly increasing. At the same time, the analysis allows to see in time the possibilities of scientific and technological progress for the production of new products and the improvement of the product, as well as the technology of manufacturing products and the use of marketing tools for the marketing of products. It should be remembered about the two opposite effects of scientific and technological progress:

1. The emergence of new technologies and products stimulates the creation of new businesses, the emergence of new industries, which ultimately leads to an increase in the number of jobs and increased solvency of demand.

2. The introduction of new technologies leads to an increase in labor productivity, job vacancies and an increase in unemployment [34].

Factor analysis is based on identification, description and systematization of factors affecting dynamics and structure of strategic partnership in the trade and economic spheres and determination the trends of its development.

In order to assess indicators of strategic partnership in trade and economic spheres the following methodical instruments can be used: indicator method, index method, method of international comparisons, method of structural analysis, correlation and regression analysis, scenario planning and imitation modeling.

The indicator method involves calculation of the main indicators of strategic partnership in trade and economic spheres and their comparison with the threshold values. The index method involves the calculation of indices based on the ratios of the main indicators of strategic partnership in trade and economic spheres and enables to assess effectiveness of its implementation [21].

The use of index and indicator methods of analysis enables to systematize and formalize information on the current state of strategic partnership in trade and economic spheres, to determine key trends, factors of influence and resources of deepening strategic partnership in trade and economic spheres. At the same time, the calculation of indicators and indices of strategic partnership in trade and economic spheres gives only a static picture, but does not enable to formalize relationships between situation changes and give sound forecasts of dynamics of the relevant indicators [21].

There is no general accepted system of indicators and indices of strategic partnership in trade and economic spheres. Therefore, indicators will be classified on indicators of export/import activity and indicators of investment activity.

Indicators of export/import activity are classified on five groups: absolute indicators, relative indicators, structural indicators, indicators of intensity and indicators of economic efficiency of foreign trade.

Group of absolute indicators include the following indicators: export (re-export), import (re-import), foreign trade turnover and trade surplus.

Group of relative indicators include indicators that are mainly derivatives and are expressed in the form of coefficients, particles, percentages and other dimensionless quantities.

1. Indices of export and import dynamics. In order to analyze the development of export and import activities we implement the following indicators: growth rates of exports, imports or foreign trade volumes (individual, aggregate, average). The individual index refers to changes in the physical volumes of exports, imports or foreign trade volume. It helps determine the dynamics of physical volume, as well as the growth of physical volume compared with the base year. But it only takes into account changes in physical volume. The aggregate index of the physical volume of foreign trade taking into account the prices of the current year allows estimating export or import of goods at constant prices of one period for obtaining information on the movement of commodity mass without influencing the price fluctuations, that is, taking into account the price factor [22, p. 30-31].
2. Coefficient of import coverage by export is calculated by formula (1.1). The trade balance has positive balance if this coefficient is greater than one and has a negative balance if it is less than one. In order to assess strategic partnership in trade and economic spheres it is relevant to calculate this coefficient only on the base of export/import operations between two countries that are strategic partners. Moreover, calculation should be done on the base of general export/import operations and in separate industries [22, p. 31].

$$I_{e/i}=E/I, \quad (1.1)$$

where $I_{e/i}$ – coefficient of import coverage

E – volume of exports of good and services

I – volume of imports of good and services

3. Export concentration index is used to determine the export of a particular product in the total production of this product and is calculated by the formula (1.2). The more this index is approaching to 100%, the greater the share of exports in total

production. Analyzing strategic partnership this index can show whether country exports to its strategic partner goods which are strategically important to be exported and whether country's strategic partner does the same [22, p. 33].

$$ICE = E_i / V_{\text{prod.i}} * 100\%, \quad (1.2)$$

where ICE – export concentration index

E_i – volume of export of i-th type of products

$V_{\text{prod.i}}$ – the total volume of production of i-th type of products

4. Index of import dependence is defined as the share of imports in aggregate consumption and is calculated by the formula (1.3). This index characterizes the country's dependence on the external market in one or another commodity, that is, the level of satisfaction of demand for this type of products at the expense of its own capacities and import supplies. If it is equal to 100%, it will show that the country's demand in this product is completely satisfied with imports. Analyzing strategic partnership this index can show whether country imports from its strategic partner goods which are strategically important to be imported and whether country's strategic partner does the same [22, p. 33].

$$Z_d = I_i / V_{\text{con.i}} * 100\%, \quad (1.3)$$

where Z_d – index of import dependence

I_i – volume of import of i-th type of products

$V_{\text{con.i}}$ – the total volume of consumption of i-th type of products

5. The Grubel-Lloyd's index gives an estimate of intra-industry trade and is calculated by the formula (1.4). If the Grubel-Lloyd's index is equal to 0, in this case, the subject of international trade only exports or only imports the goods (intra-industry trade is absent). If the Grubel-Lloyd's index is equal to 1, then the volumes of export and import coincide and intra-industry trade is carried out to the maximum extent [3, c. 208].

$$GL = 1 - \sum (|X_i - M_i|) / (X_i + M_i), \quad (1.4)$$

where GL – the Grubel-Lloyd's index

X_i – exports in i-th type of industry

M_i – imports in i-th type of industry

Group of structural indicators provides a qualitative characteristic of international and foreign trade and includes the following indicators: commodity structure of export and import; geographical structure of export and import and index of export / import diversification.

Index of export (import) diversification shows the deviation of the structure of exports (imports) from the structure of world exports (imports). It is used to identify differences in the structure of foreign trade of countries, the export or import of which is sufficiently diversified. This index is calculated as the rejection of the share of goods in the country's exports from its share in world exports by the formula (1.5). Sometimes, instead of the global structure of export (import), as a comparison basis, structure of export (import) of the geographic region to which the country belongs is used. The value of the index is within the range from 0 (the positive value, that is, the structure of export (import) is not different from the world or the one being compared) to 1 (the negative value, that is, the structure of export (import) is significantly different from the world or with which is compared) [22, p. 34-35].

$$S_j = (\sum |h_{ij} - h_i|) / 2, \quad (1.4)$$

where S_j – index of export (import) diversification

h_{ij} – share of i -th type of products in total export of the country j

h_i – share of i -th type of products in total world export

Group of indicators of intensity includes the following indicators: volume of export/import per capita and export/ import quota.

Group of indicators of economic efficiency of foreign trade includes the following indicators: efficiency of export and import and efficiency of foreign trade turnover.

Indicators of investment activity can be grouped into the following groups: quantitative and qualitative.

The quantitative indicators at the macro level include: annual gross volumes of gross investment, annual capital investments, annual volumes of foreign investments and their growth rates, aimed at development of national economy in dynamics [46].

The qualitative indicators at the macro level includes:

- 1) the share of investments in the gross domestic product (GDP) (or national income) in dynamics. If this share tends to an optimal level, then this is a positive trend.
- 2) the ratio between annual growth rates of investment and GDP (or national income) in dynamics. If the growth rate of GDP (or national income) outstrips the growth of investment, this indicates the positive impact of investment activity on the development of the national economy and on the more effective use of investments;
- 3) the ratio between annual growth rates of capital investments in industry and the growth rates of industrial products in dynamics. If the growth rate of industrial output exceeds the growth rate of capital investments in industry, this indicates a positive tendency of investment activity and more efficient use of capital investments [46].

The method of international comparisons involves comparing the indicators of development of national economies in value form. This method enables to establish trends in development and analyze the structure of strategic partnership in trade and economic spheres [21].

The method of structural analysis is an analysis of the structure of strategic partnership in trade and economic spheres in the commercial context. The method of structural analysis involves separation of the constituent elements (subsystems) in the structure of the object of research and definition of relations and relationships between them in order to form a comprehensive understanding of the object of study as a whole. A kind of structural analysis is an ABC analysis that involves analyzing the structure of a strategic partnership in trade and economic spheres in a commodity context in order to determine the significance of certain product groups in ensuring the overall result of a strategic partnership in trade and economic spheres [21].

Correlative regression analysis involves manifestation of mathematical dependence between the investigated features and establishment of the correlation coefficient of the comparative estimation of the relationship density. On the basis of correlation-regression analysis in I.A. Ivanenko's work, a close connection was established between the volume of GDP of Ukraine and its export. This is evidenced by a positive, close to modulus unit, value of the correlation coefficient (0.99), and a linear

determination factor of 0.98, which means that the change in GDP share of the country is explained by the 98% export / import variation in Ukraine [21].

Scenario planning (forecasting) is construction of options for development of an economic entity based on the definition of common factors of influence. The basis for using this method is usually automated versions of models of general economic equilibrium and inter-industry balance, in particular, GTAP (Global Trade Analysis Project), ALFA, etc.

Scenario planning based on automated macroeconomic models is not purely an instrument for the analysis of strategic partnership in trade and economic spheres. In process of using these models determining indicators of effectiveness of export-import activities is not a goal but means of integrated assessment of the level of economic development of the country, subject to the implementation of certain scenarios. At the same time the predicted macroeconomic values obtained (including export / import volumes) are characterized by a high degree of probability, since they are based on the consideration of stable and unambiguous causes of new-consequential relationships between the elements of situation. But according to the essence of scenario planning, the forecast values of the indicators are determined for a limited list of future options, the probability and exhaustiveness of which is determined by researcher [21].

Imitation modeling is timing reproduction (forecasting) of strategic partnership development in trade and economic spheres by list of scenarios. The obvious advantage of imitation modeling is ability to take into account random actions and other factors that create difficulties in analytical research. Simulated elementary phenomena forms the process with their logical structure and sequence of flow in time. The risks of using imitation modeling are in the high probability of false imitation. First, the real economic processes are probabilistic and can be modeled only when introducing certain assumptions and constraints. Secondly, the limitation of imitation modeling is determined by a limited number of future imitation scenarios that researcher introduces to review [21].

A broad range of different methodical tools make it possible to conduct deep investigation of strategic partnership between countries in trade and economic spheres

and assess different indicators that characterize current state of strategic partnership in trade and economic spheres. Moreover, combination of different tools allows us to neutralize mistakes and have profound understanding of processes happening. Methodical approaches provide us with instruments and let us simplify analysis and assessment of indicators of strategic partnership in trade and economic spheres.

CONCLUSIONS TO PART 1

In the search of improvement relations between countries the concept of “strategic partnership” is suggested. The key ideas of concept are based on deepness of relations and active participation of partner-country in functioning of its partner-country. According to this, the relations of countries are aimed to transfer to another level.

There is no one unified definition of the notion “strategic partnership” because visions of scientists differ. Analyzing ideas and findings of scientists, one unified definition of strategic partnership is created. Strategic partnership is special form of cooperation between countries that bases on principles of efficiency, equality, mutual support and understanding in order to make possible realization of parties’ interests in most optimal way.

The main principles of strategic partnership are transparency, stability, economic reasonableness, equality, mutual benefit, long-term relations, mutual understanding and economy. The basic features of a strategic partnership are clarity, transparency, and consistency character of strategic partnership, especially in defining purposes, targets, tasks and mutual benefits of countries, durability and stability of strategic relations, motives and aims of each party in strategic partnership are different from those in other relationships among countries and diversity of strategic partnership, as it could be applied into various fields of each country, such as economics, politics, military, culture, science - technology, and education.

Strategic partnership can be classified by subjects engaged in this type of relations, according to the economic weight of partners and according to model of

relations. The most significant is classification of strategic partnership by key areas of activity on strategic partnership in trade and economic spheres, strategic partnership in energy sphere, strategic partnership in political sphere, strategic partnership in cultural sphere and strategic partnership in military and technological spheres.

The key area of research is strategic partnership in trade and economic spheres. It is cooperation between countries that includes a significant proportion of partner countries in the export/ import of goods and services, significant amount of foreign investments, presence of large joint projects in priority branches.

Fundamental factors influencing strategic partnership are the following group of factors: geo-economic, socio-cultural and geo-political factors. Strategic partnership is also object of impact of factors that are general for all types of relations: political and legal factors, economic factors, social and cultural factors and technological factors. Besides, factors influencing strategic partnership are classified by components of strategic partnership in trade and economic spheres. Therefore, strategic partnership in trade and economic spheres is influenced by factors affecting export/ import operations, investment operations and creation of joint projects.

Basic tools for general characteristic of strategic partnership in trade and economic sphere include SWOT-analysis, PEST-analysis and factor analysis. In order to assess indicators of strategic partnership in trade and economic spheres the following methodical instruments can be used: indicator method, index method, method of international comparisons, method of structural analysis, correlation and regression analysis, scenario planning and imitation modeling. The main analysed indicators are classified on indicators of export/import activity and indicators of investment activity.

Strategic partnership is one of the most optimal alternatives for mastering relations between countries. At the current stage of development, strategic partnership in trade and economic spheres is the most prominent for Ukrainian economy in the framework of internal situation and world trends.

PART 2

RESEARCH OF CURRENT STATE AND TRENDS OF STRATEGIC PARTNERSHIP BETWEEN UKRAINE AND GERMANY IN TRADE AND ECONOMIC SPHERES

2.1. Analysis of trade and economic operations between Ukraine and Germany

In order to develop successfully a state should have a reliable agent for mutual cooperation, which will help to optimize resources and to use its potential completely. In terms of European choice the best strategic partner for Ukraine is Germany that was always interested in Ukrainian economics and demonstrates its readiness to invest in Ukrainian economics and cooperate in different ways. Germany is one of the four strategic partners in area of key directions of cooperation.

The most important and urgent area of strategic partnership between Ukraine and Germany is strategic partnership in trade and economic spheres. Other areas are not so urgent or they are more complicated to form and organize and even after its implementation the result would be ambiguous.

Strategic partnership in trade and economic spheres is evaluated through export/import of goods and services, foreign direct investments volumes and presence of large joint projects in priority branches. According to the Order of the Cabinet Ministers of Ukraine the list of priority branches of economy include the following items:

1. Agro-industrial complex in the following directions: production, storage of food products, including baby food, as well as, production of biofuel, with an emphasis on import substitution.
2. Housing and communal complex in the following directions:
 - creation of waste management facilities (domestic, industrial and waste generated, as a result of extraction and processing of minerals and production of electric and thermal energy);
 - construction, reconstruction and technical re-equipment in the field of heat supply, centralized water supply and drainage.

3. Machine-building complex in the following directions: production of new and import-replacing types of computers, electronic and optical products, machinery and equipment, electrical equipment, motor vehicles and other vehicles.
4. Transport infrastructure in the following directions: construction, reconstruction and technical re-equipment in the field of transport infrastructure.
5. Resort and recreation sphere and tourism in the following directions: construction of resort and recreational objects and objects of tourist infrastructure.
6. Processing industry in the following directions: import-substituting metallurgical production [1].

In the period of 2013-2017 increase and decrease tendencies of export/import of goods operations were observed in Ukraine (Table 2.1.1.).

Table 2.1.1

Volume of total export/import of goods of Ukraine and total export/import of goods between Ukraine and Germany

Indicator	2013	2014	2015	2016	2017	2018 (January -June)
Volume of export of goods from Ukraine to Germany, mln USD	1604	1590	1329	1424	1754	1366
Volume of total export of goods of Ukraine, mln USD	63312	53901	38127	36362	43264	30910
Share of export of goods from Ukraine to Germany in total export of goods of Ukraine, %	2,5	2,9	3,48	3,9	4,05	4,42
Volume of import of goods from Germany to Ukraine, mln USD	6771	5361	3976	4318	5445	3986
Volume of total import of goods of Ukraine, mln USD	76964	54428	37516	39249	49607	35914
Share of import of goods from Germany to Ukraine in total import of goods of Ukraine, %	8,8	9,8	10,6	11	11	11,09
Trade balance, mln USD	-5167	-3771	-2647	-2894	-3691	-2620

Source: created by the author on basis of [43]

In 2013 total export of goods of Ukraine consisted 63,3 bn. USD, in 2014 – 54 bn. USD (-15%), in 2015 – 38 bn. USD (-29%), in 2016 - 36,3 bn. USD (-4,6%) and in

2017 – 43,2 bn. USD (2%). Comparing with total export of goods of Ukraine, export of goods to Germany was with more positive indicators. In 2013 export of goods to Germany consisted 1,6 bn. USD, in 2014 – 1,5 bn. USD(-0,8%), in 2015 – 1,3 bn. USD (-16,5%), in 2016 – 1,4 bn. USD (7,2%) and in 2017 – 1,7 bn. USD (23,2%). In January-June 2018 total export of goods of Ukraine consisted 30 bn. USD and total export of goods from Ukraine to Germany consisted 1,4 bn. USD.

In 2013 total import of goods of Ukraine consisted 77 bn. USD, in 2014 – 54,4 bn. USD (-29,2%), in 2015 – 37,5 bn. USD (-31%), in 2016 - 39 bn. USD (4,6%) and in 2017 – 49,6 bn. USD (26,4%). Comparing with total import of goods of Ukraine, import of goods from Germany to Ukraine had the same tendencies of increase and decrease. In 2013 import of goods from Germany to Ukraine stated 6,7 bn. USD, in 2014 – 5,4 bn. USD (-21%), in 2015 – 4 bn. USD (-26%), in 2016 – 4,4 bn. USD (8,6%) and in 2017 – 5,4 bn. USD (26%). In January-June 2018 total import of goods of Ukraine stated 36 bn. USD and total import of goods from Germany to Ukraine stated 4 bn. USD.

Analyzing total export and import of goods of Ukraine, we can see tendencies of rapid changes, which show big sensitivity of Ukrainian economy to the external and internal factors. But export and import of goods between Ukraine and Germany do not show such sensitivity, which is positive. This trend shows deepness of trade and economic relations between Ukraine and Germany which stay stable even in case of dynamism and rapid changes of external and internal environment. Moreover, even in the periods when slight decrease of export or import of goods between Germany and Ukraine was observed, the share of export/import of goods between Ukraine and Germany in the total export/import of goods of Ukraine was increasing.

Therefore, share of export of goods from Ukraine to Germany in total exports of goods of Ukraine, grew on 60%, consisting 2,5% in 2013 and reaching 4,05% in 2017. The same situation is observed with import of goods from Germany to Ukraine. The share of import of goods from Germany to Ukraine in total import of goods of Ukraine grew on 25%, consisting 8,8% in 2013 and reaching to 11% in 2017. The trade balance stays negative.

Analyzing trade structure of export of goods from Ukraine to Germany in 2013-2017, concentration tendencies were identified. Mainly, in the period 2013-2017 80-85% volume of export of goods from Ukraine to Germany was formed by export of such commodity groups, as machines, vehicles and equipment, metals and goods made from them, textile, textile products, footwear, food products and agricultural raw materials and products of chemical industry, rubber and/or mineral products (Table 2.1.2).

Table 2.1.2

Trade structure of export/import of goods between Ukraine and Germany in 2013-2017, %

	Commodity groups	Export					Import				
		2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
1-24	Food products and agricultural raw materials	12,38	13,61	12,07	14,08	17,44	4,12	3,51	2,92	2,82	2,65
25-27	Mineral products	5,16	7,03	7,21	7,61	7,33	6,10	19,25	24,57	12,69	16,33
28-40	Products of chemical industry, rubber	9,33	8,11	4,85	5,17	5,27	27,06	25,99	24,60	26,11	23,56
41-43	Skin raw materials, fur and products	0,55	0,64	0,73	0,46	0,53	0,36	0,19	0,19	0,16	0,15
44-49	Wood and pulp and paper products	5,78	6,20	6,42	6,90	6,58	3,15	3,99	3,50	3,71	3,17
50-67	Textile, textile products, footwear	13,32	14,51	14,01	14,21	11,73	2,43	2,88	3,34	3,69	3,16
72-83	Metals and goods made from them	20,72	14,43	14,65	11,75	11,94	5,28	4,89	4,43	4,56	4,03
84-90	Machines, vehicles and equipment	27,06	29,72	33,66	31,65	28,91	40,55	29,55	28,30	37,01	38,16
68-70, 71, 90-99	Other products	5,7	5,75	6,4	8,17	10,27	10,95	9,75	8,15	9,25	8,79

Source: created by the author on basis of [43]

Analyzing trade structure of the import of goods from Germany to Ukraine in 2013-2017, concentration tendencies were also determined. Mainly, in the period 2013-2017 75-80% volume of import of goods from Germany to Ukraine was formed by import of such commodity groups, as machines, vehicles and equipment, products of

chemical industry, rubber, mineral products and metals and goods made from them (Table 2.1.2).

Taking to account observed concentration tendencies and priority branches of economy determined by Ukrainian government, it is clear that foreign trade of goods between Ukraine and Germany develops in absolutely different way, than it is expected. Export/import of goods is concentrated in areas that are not priority branches of economy. In agro-industrial complex big part of export/import operations of goods is taken by goods of vegetable origin that is completely not effective. Export or import of this group of goods can be estimated, as cheap and very simple and characterizes country, as agro-oriented which is equal to countries with low level of development. In machine-building complex considerable share of export of goods is formed by export of goods that can be characterized as medium goods (boilers, some parts for internal combustion engines; pumps; rolling mills and rollers; bearings; electrical appliances for ignition or starting of internal combustion engines; parts and accessories for sound recording and reproducing apparatus and for equipment for video recording or reproduction of video recordings; monitors and projectors, which do not include receiving television equipment; isolated cables and other insulated electric conductors with or without connecting parts, etc). It means that typically these goods are not innovative ones. They are in medium price category and are produced by using big production facilities, dangerous for environment and cheap labor resources. Moreover, export of such goods do not initiate development of the country, it initiates depletion of resources. Quite different situation is observed in imports of goods in machine-building complex. Ukrainian import of goods from Germany in machine-building complex is represented by import of motor vehicles and other vehicles that belong to priority branches of economy. Processing industry in import-substituting metallurgical production is also item of priority branches of economy but there are not observed big volumes of export/import operations between Ukraine and Germany in this direction. To sum up, priority branches of economy determined by government and export/import of goods operations between Ukraine and Germany are not correlated together. For the last years concentration tendencies are observed and they are still in progress. Germany

and Ukraine export and import goods in some directions and do not improve their cooperation by opening new spheres of interaction

In the period of 2013-2017 increase and decrease of export/import of services operations were observed in Ukraine (Table 2.1.3).

Table 2.1.3

Volume of total export/import of services of Ukraine and total export/import of services between Ukraine and Germany

Indicator	2013	2014	2015	2016	2017	2018 (January- June)
Volume of export of services from Ukraine to Germany, mln USD	676	672	451	488	538	285
Volume of total export of services of Ukraine, mln USD	14509	11520	9736	9868	10714	5377
Share of export of services from Ukraine to Germany in total export of services of Ukraine, %	4,65	5,83	4,63	4,94	5,02	5,3
Volume of import of services from Germany to Ukraine, mln USD	614	591	538	364	357	145
Volume of total import of services of Ukraine, mln USD	7649	6373	5523	5326	5476	2551
Share of import of service from Germany to Ukraine in total import of services of Ukraine, %	8,02	9,27	9,7	6,83	6,57	5,68
Trade balance, mln USD	62	81	-87	124	181	140

Source: created by the author on basis of [43]

In 2013 total export of services of Ukraine consisted 14,5 bn. USD, in 2014 – 11,5 bn. USD (-21%), in 2015 – 9,7 bn. USD (-15%), in 2016 - 9,8 bn. USD (1%) and in 2017 – 10,7 bn. USD (8,5%). Comparing with total export of services of Ukraine, export of services from Ukraine to Germany demonstrated bigger flexibility and even after considerable decrease the situation was changing positively more quickly. In 2013 export of services to Germany consisted 0,68 bn. USD, in 2014 – 0,67 bn. USD(-0,6%), in 2015 – 0,45 bn. USD (-33%), in 2016 – 0,49 bn. USD (8%) and in 2017 – 0,54 bn. USD (10%). In January-June 2018 total export of services of Ukraine consisted 5,4 bn. USD and total exports of services from Ukraine to Germany consisted 0, 3 bn. USD.

In 2013 total import of services of Ukraine consisted 7,6 bn. USD, in 2014 – 6,4 bn. USD (-17%), in 2015 – 5,5 bn. USD (-13%), in 2016 –5,3 bn. USD (-4%) and in

2017 – 5,5 bn. USD (3%). Comparing with total import of services of Ukraine, import of services from Germany to Ukraine had worse indicators, as decrease tendencies are still in progress. In 2013 import of services from Germany to Ukraine consisted 0,61 bn. USD, in 2014 – 0,59 bn. USD (-4%), in 2015 – 0,54 bn. USD (-9%), in 2016 – 0,36 bn. USD (-33%) and in 2017 – 0,35 bn. USD (-2%). In January-June 2018 total import of services of Ukraine consisted 2,5 bn. USD and total import of services from Germany to Ukraine consisted 0,1 bn. USD.

Analyzing total export and import of services of Ukraine, we can observe flexibility of Ukrainian economy to the external and internal factors. Export of services from Ukraine to Germany also demonstrates flexibility. The decrease trend is observed in import of services from Germany to Ukraine. Observations of export/import of services operations between Ukraine and Germany complement the picture of foreign trade relations between Ukraine and Germany.

Therefore, share of export of services of Ukraine to Germany in total export of services of Ukraine, grew on 7%, consisting 4,7% in 2013 and reaching 5,02% in 2017. Import of services from Germany to Ukraine is in worse position. The share of import of services from Germany to Ukraine in total import of services of Ukraine decreased on 19%, consisting 8% in 2013 and 6,5% - in 2017. The trade balance is positive. Ukraine has good position of exporting more than importing, and it proves new focus of Ukraine, being services oriented rather than goods oriented.

Analyzing trade structure of the export of services from Ukraine to Germany, the concentration tendencies are identified. Mainly, in the period 2013-2017 85-90% volume of export of services from Ukraine to Germany was formed by export of such group of services, as transport services; services of material resources processing; services in area of telecommunications, computer and information services and business services (Table 2.1.4).

Analyzing trade structure of the import of services from Germany to Ukraine, concentration tendencies are also observed. Mainly, in the period 2013-2017 75-85% volume of import of services from Germany to Ukraine was formed by import of such group of services, as transport services; services in the area of telecommunications,

computer and information services; construction services; business services and insurance services and/or state and governmental services and/or travel services (Table 2.1.4).

Table 2.1.4

Trade structure export/import of services between Ukraine and Germany in 2017

Type of services	Export			Import			Trade balance, ths USD
	Volume, ths USD	in % to 2016	Share in total volume, %	Volume, ths USD	in % to 2016	Share in total volume, %	
Services of material resources processing	178794,0	119,7	33,2	1093,1	44,9	0,3	177700,9
Repair and maintenance services, not included to other groups	29966,1	79,3	5,6	10227,7	38,4	2,9	19738,4
Transport services	173675,8	109,8	32,2	164657,2	116,0	46	9018,6
Services, concerning with travelling	4429,7	130,6	0,8	20205,1	194,3	5,6	-15775,4
Construction services	9378,0	119,6	1,7	3140,0	106,3	0,9	6237,9
Insurance services	4107,9	33,8	0,8	8093,3	67,1	2,3	-3985,4
Financial services	2002,4	161,5	0,4	11160,8	62,8	3,1	-9158,4
Royalties and other services related to the use of intellectual property	843,7	50,5	0,2	18777,3	137,6	5,2	-17933,6
Services in the sphere of telecommunications, computer and information services	70891,1	110,5	13,2	44258,0	98,6	12,4	26633,2
Business services	63534,3	123,7	11,7	49308,9	115,3	13,8	14225,4
Services for individuals, cultural and recreational services	901,8	125,1	0,1	7297,1	1389,1	2,0	-6395,2
State and governmental services	187,6	37,4	0,1	19538,8	40,6	5,5	-19351,2

Source: created by the author on basis of [43]

Previously, it has been concluded that priority branches determined by state authorities and real foreign trade of goods between Ukraine and Germany differ. Concerning the foreign trade of services between Ukraine and Germany similar tendencies are observed. Priority branches in the sphere of services determined by Ukrainian government include construction services in the sphere of creation of waste management facilities and in the field of heat supply, centralized water supply and

drainage; construction services in the field of transport infrastructure and construction services in the field of resort and recreational objects of tourist infrastructure creation. Shortly saying, the priority is placed on construction services for infrastructure improvement. In the process of services sector structure analysis it was noticed that construction services belong to the group of services creating concentration tendencies. However, in the analysis total construction services were taken, what means that percentage of construction services in the sphere of infrastructure improvement is not considerable. As a result, the focus in export/import operations is clearly determined but at the same time it is quite narrow. Present tendencies are positive because Ukraine exports more services, than imports. The only issue is prioritization of its activity and development of new directions of cooperation.

Ukraine is active participant in foreign trade operations, but the more interesting is attractiveness of Ukrainian economy in terms of foreign direct investments that proves a big potential of economy development.

Table 2.1.5

**Indicators of investment activity between Ukraine and Germany
in 2013-2017**

Indicator	01.01.2013	01.01.2014	01.01.2015	01.01.2016	01.01.2017	31.12.2017
Total direct investments from Germany to Ukraine, mln USD	4496,3	2908,4	2105,2	1598,2	1584,6	1 792,6
Total direct investments to Ukraine, mln USD	51705,3	53704	40725,4	36154,5	37513,6	39144
Share of Germany in total direct investments to Ukraine, %	8,70	5,42	5,17	4,42	4,22	4,58

Source: created by the author on basis of [14]

On 1st of Jan 2013 total direct investments coming into Ukrainian economy stated 52 bn. USD, increasing to 54 bn. USD on 1st of Jan 2014. After this decrease trend is observed that was in process till the end of 2017, when considerable growth was

identified. The worse situation was observed in total direct investments coming into Ukrainian economy from Germany. In 2013-2017 the volume of German investments into Ukraine was continuously getting down. Besides, share of Germany in structure of total direct investments coming into Ukraine has decreased on 52%, reaching – 8,7% in 2013 and stating – 4,2 in 2017. But on 31st of Dec 2017 share of Germany in structure of total direct investments coming into Ukraine demonstrated 8,5% of growth, consisting 4,58% (Table 2.1.5).

The main directions of investments coming into Ukraine from Germany in the period 2013-2017 are the following: production, trade, transportation, warehouses, storage and courier activity, machine-building, except repair and installation of machines and equipment, agriculture, forestry and fishery. All the other spheres of economy are invested but in lower volumes, some spheres stay not interesting for investments from German side (Annex A).

In the process of analyzing total export/import operations of Ukraine, total direct investments into Ukraine and German contribution to it, positive conclusion about strategic cooperation is made. Of course, Ukraine is obliged to do a lot of improvements to be more effective on the global market and take more stable position. In terms of strategic cooperation with Germany, improvements are also needed but more important is not to lose positive tendencies and seek new directions of export/import operations, attract investment into spheres with weaker position and stimulate continuous perfection of German-Ukrainian economic relations.

2.2. Estimation of factors influencing cooperation between Ukraine and Germany in trade and economic spheres

Analyzing features of export/ import and investment operations between Ukraine and Germany, it is noticed that some spheres of economic relations are more stable and independent of factors of external and internal environment. But most of spheres are sensitive to even slight changes in economy. In order to understand and chose optimal

way of mastering strategic partnership between Ukraine and Germany, impact, weight and consequences of different factors should be evaluated.

Germany is one of West Europe countries that actively build its policy focusing on east vector, and Ukraine is certainly part of this vector. Moreover, for the last years Germany expresses its interest in support of future going reforms in Ukraine. But there are still some factors which prevent effective and growing cooperation between Ukraine and Germany.

The first and most relevant group of factors is political and legal factors of external and internal environment. Of course, external political factors are behind the jurisdiction of Ukraine, but internal political factors can be regulated on the state level. Hybrid war with Russia, its direct military aggression in Crimea and Donbas stay the biggest issues among other political factors. Negotiations concerning these issues are conducted on international level and not big success is observed. These problems are the main burden of Ukraine and have a big impact on economy development [50].

From the other side these issues and European choice of Ukraine have created the base for transition of Ukraine-Germany relations on entirely new level. But still Ukraine can fail to create these relations. To prevent it, Ukraine should demonstrate what Germany appreciates in other countries: ability to strictly follow rules of game and execute taken obligations. It is still not clear whether situational relations, established between Kiev and Berlin, could be changed on priority ones and approached, as strategic. For ensuring it efforts should be made from both sides. The situation is threatened by not complete understanding of Berlin how seriously Kiev is interested to invest in German-Ukrainian relations and whether it is not tactic used against Russian aggression.

Generally German interests in Ukraine can be expressed, as following:

- 1) restraining the conflict in the East of Ukraine, as it can undermine the stability of other parts of Ukraine;
- 2) prevention of destabilization and disintegration processes in Ukraine, as well as a sharp deterioration of socio-economic conditions;

- 3) consolidation of Ukraine politically and through reforms, since the future of Ukraine depends on its internal transformations;
- 4) support of European integration of Ukraine as the most powerful instrument of transformation of the country [7].

Before events in 2013-2014 Ukraine was considered as one of post-soviet country with a propensity for authoritarianism, with fuzzy priorities, catastrophically corrupt elites and the dominance of the oligarchs. At moment, it has been possible to convince at least a part of German elites that Ukrainians sincerely want to change the situation. The new opportunities are that for German politicians, as well as for the German society, Ukraine seems to have left the "blind zone" [50].

German interest in Ukraine can be maintained at a high level in the medium term in two scenarios. The first one is pessimistic: it will be if the security situation in the region worsens, there will be an escalation of the conflict between Ukraine and Russia. Under such conditions, Ukraine will lose its place among priority partners of Germany. Obviously, this scenario is not desirable for any of countries. The second scenario is optimistic: Ukraine will demonstrate an incredible reforming, fight against corruption, and German politicians will be able to use the Ukrainian example, as their own achievement, a kind of trump card [54, p. 35].

For the last years support of Germany was seen in different way. Firstly, it is not just about financial resources that Berlin can provide to Ukraine, but also about consulting support or even engagement at the level of political declarations. Germany today belongs to countries that allocate the most funds for reforms in Ukraine. Moreover, Chancellor Angela Merkel personally played a significant role in ensuring unity in four critical areas for Ukraine: in Germany itself, in particular at the level of the ruling coalition; at the level of European Union; transatlantic unity; and, to some extent, at the level of the president-prime minister in Ukraine itself. The German government has developed an Action plan for Ukraine's support. Following Merkel's instructions, eight state secretaries of ministries and agencies of Germany have visited Ukraine to find points of contact in cooperation at the inter-ministerial level [7].

Germany remains the main partner of Ukraine in the fight against Russian aggression, the implementation of reforms and European integration of Ukraine. Ukrainian authorities count on Germany's support in establishing peace, restoring sovereignty of Ukraine and returning all occupied territories. In 2017 the level of assistance to Ukraine by the German government remained significant. The support measures continued to be implemented as part of a comprehensive "Action plan on Ukraine". According to the results of the first half of 2017, Germany was one of the largest sources of funding for donor projects that provide international technical assistance to Ukraine [50].

May 19 became a historic day: in the Bundestag there was a debate about Germany's historic responsibility towards Ukraine, initiated by the "Green" faction. They were called on to raise awareness about understanding Ukraine's contribution to peace in Europe, and to raise the appeal to the German government to increase support for Ukraine [55, p. 40].

In modern realities political factors are crucial and cannot be omitted. The main idea is in the right treating happening events. If some years ago the main focus was kept on economic factors and countries evaluate Ukraine in terms of potential of economic growth, then now Ukraine recommended itself, as a country ready to do huge changes. The main partners of Ukraine keep an eye on Ukraine and check how pronounced mottos respond to realities. Ukraine has all chances to build normal stable relations with European countries, especially with Germany. The idea is not about playing on Russia aggression policy, the idea is about demonstrating new vector of Ukraine. Therefore, political factors that took place for the last years in internal and external environment have ambiguous character. The losses are impossibly huge and future is challenging. However, Ukraine cannot continue its functioning under method of attempts and errors, conscious and reasonable decisions should be made. There is no second change. Germany is open for cooperation and Ukraine is obliged to use given opportunities properly.

The second big group of factors that have a big impact on quality and efficiency of German-Ukrainian relations are economic factors of internal environment. In any case economic indicators are the main triggers for evaluation of state competitiveness.

The main economic factors of Ukraine and Germany, characterizing their position on global market, differ. In 2013-2017 share of Ukraine in the world GDP has changed on 28%, stating 0,25 in 2013 and decreasing to 0,18 in 2017. In 2013-2017 share of Germany in the world GDP has changed on 4%, stating 3,5% in 2013 and decreasing to 3,3% in 2017. GDP per capita in Ukraine was decreasing in 2013-2015, after growth trend is observed. GDP per capita in Germany was also decreasing in 2013-2015, then increase was observed in 2016, comparing to 2015, but in 2017 GDP per capita has again decreased. In 2017 GDP per capita of Ukraine consisted 2640,3 USD, which is 5,6% of GDP per capita of Germany (Table 2.2.1).

Table 2.2.1

**Dynamics of economic development indicators of Ukraine and Germany in
2013-2017**

Indicator	2013	2014	2015	2016	2017
GDP of Ukraine, bn USD	183	131	90	93	112
Share of Ukraine in world GDP, %	0,25	0,17	0,13	0,12	0,18
GDP of Germany, bn USD	3753	3891	3376	3478	3677
Share of Germany in world GDP, %	3,5	3,4	3,3	3,2	3,3
GDP per capita of Ukraine, USD per capita	4030,3	3014,6	2115,4	2185,9	2640,3
GDP per capita of Germany, USD per capita	44470	42233	41324	48043	46531

Source: created by the author on basis of [43, 44]

Despite of the difference between Ukraine and Germany in main GDP indicators, trends are quite similar. Both countries faced slight decrease of GDP in 2014 and more significant decrease in 2015, after increase trends were identified. In 2016 growth rate of GDP consisted 3% in both countries. In 2017 bigger growth rate of GDP was observed in Ukraine (Figure 2.2.1).

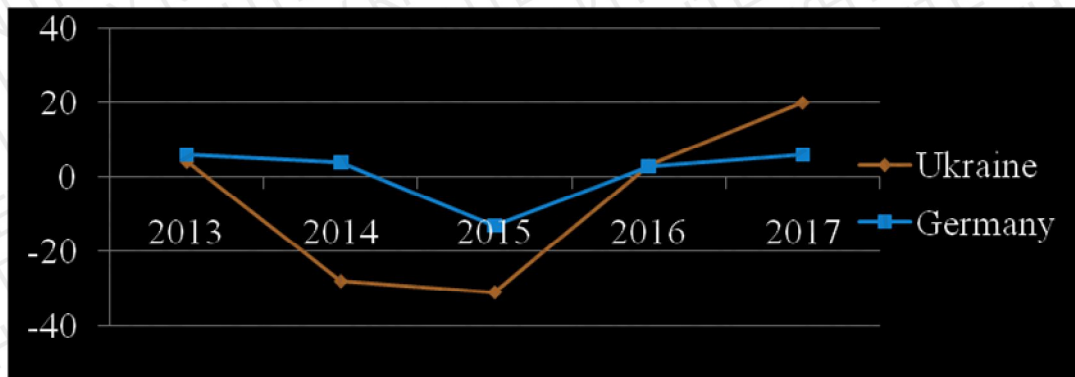


Figure 2.2.1 Dynamics of GDP of Ukraine and Germany, in % to previous year

Source: created by the author on basis of [43, 71]

In period 2013-2017 openness indices of Ukraine and Germany demonstrated positive trends. Export quota of Ukraine has increased on 10%, consisting 44,58 in 2013 and reaching 49,19 in 2017. Export quota of Germany is lower, than in Ukraine, but slight increase, equal to 3% was observed. In 2017 export quota of Germany consisted 47,2. Generally, export quota in both countries characterizes the growing participation of the countries in the international division of labor, and the growth of the competitiveness of its products (Table 2.2.2).

Table 2.2.2

Dynamics of openness indicators of Ukraine and Germany, %

Country	2013	2014	2015	2016	2017
Export quota					
Germany	45,5	45,7	46,83	46	47,2
Ukraine	44,58	49,01	52,58	49,33	49,19
Import quota					
Germany	39,44	38,77	38,86	38,15	39,6
Ukraine	53,11	52,46	55,17	56,25	57,07
Foreign trade quota					
Germany	42,47	42,23	42,84	42,08	43,4
Ukraine	48,84	50,74	53,88	52,8	53,13

Source: created by the author on basis of [68]

In period of 2013-2017 import quota of Ukraine demonstrated continuous growth, reaching 57,07 in 2017. Growing import quota of Ukraine is not completely positive because testifies high level of dependence of national economy on foreign supply.

Import quota of Germany demonstrated slight changes, consisting 39,44 in 2013 and decreasing to 39,6 in 2017 (Table 2.2.2).

Foreign trade quota of Ukraine has increased on 9%, consisting 48,84 in 2013 and reaching 53,13 in 2017. Foreign trade quota of Germany demonstrated slight changes, as in the case of import quota (Table 2.2.2).

Generally speaking, Ukraine and Germany are focused on international market. For the recent years, Ukrainian economy demonstrated higher level of openness in comparison with Germany.

To sum up, economic indicators have also big impact on strategic partnership between Ukraine and Germany in trade and economic spheres. Germany, as a country with transparent economy, seeks and waits for the same in its counteragent. Of course, on modern stage of development German side understands that Ukraine has just started transformation process and the process is quite long. Germany does not have empty expectations and slight positive changes of economic indicators are the best proof that Ukraine is following chosen path of development. The economic indicators are triggers for foreign agents and best characteristics of state performance on the global arena.

Social-cultural factors are not decisive ones in forming and improvement of strategic cooperation between Ukraine and Germany. However, in the case of their favorable nature, these factors can create or add value for transition of strategic relations on the new level.

Cultural factors can be omitted in the process of evaluation strategic partnership between Ukraine and Germany in trade and economic spheres. European countries, especially Germany, choose Ukraine, as a part of European community and some cultural discrepancies that would totally change direction of relations are absent.

On the contrary, social factors are strategic for German side and give signals for making the right decision. From the one side, Ukraine has well-educated population, qualified employees and costs on labor force are minimal. From the other side, unemployment rate and migration processes testify negative tendencies of social factors.

In 2013-2017 unemployment rate was quite low, especially paying attention to the crisis events and destabilization processes in economy of Ukraine. After crisis

period and decrease trend in 2013-2015, growth of unemployment rate is again observed in 2016-2017. The significant aspect of made observations is qualitative structure of obtained data. It is well-known that registered unemployment rate and real picture differ. Certainly unemployment rate is just artificial simulation of reality and Germany does not rely on it, assessing Ukrainian labor market [43].

For evaluation of level of social prosperity of the state Human Development Index (HDI) is analyzed, as a reliable source and characteristic of state social welfare. Ukraine's HDI value for 2017 is 0.751 which is however below the average of 0.757 for countries in the high human development group and below the average of 0.771 for countries in Europe and Central Asia [67].

Although, between 1990 and 2017, Ukraine's HDI value increased from 0.705 to 0.751, an increase of 6.5 percent. Between 1990 and 2017, Ukraine's life expectancy at birth increased by 2.3 years, mean years of schooling increased by 2.2 years and expected years of schooling increased by 2.6 years [67].

More recently, Ukraine's standard of living, measured by Gross National Income (GNI) per capita slightly increased by about 9 percent between 2015 and 2017 [67].

In terms of social-cultural factors, Germany is subjected to choose Ukraine because of its qualified and educated population. Ukraine is a source of talented people and Germany sees that recently migration processes have changed. People feel responsibility for future of Ukraine and nationalism prevails wish to move abroad in the search of better destiny. HDI improvement is just additional proof of positive changes in Ukrainian economy.

Additional group of factors, that can attract or be barrier for foreign counteragents, are technological factors. Highly technological economy of a country attracts investments and stimulates the growth of GDP and all the other economic indicators.

Germany is highly developed country with new technologies and continuous process of technological modernization. Medium manufacturing plant in Germany is totally different from the same plant in Ukraine. At the German plant five people are

more than enough for ensuring activity of the plant, because their task is just control functioning of technologies. The level of automation is 90-95%.

Ukraine is developing country with huge potential in technological sphere. Medium manufacturing plant in Ukraine consists from 800-1000 people, 70% of which are workers, performing hard production functions in tough working conditions. The level of automation is from 50% to 70-75% in the better case.

From the other case, level of technological automation and ability of people to work in hard production stimulate foreign countries to consider Ukraine, as a good platform for placing hard production. In the long term period, such perspective is considered, as negative. Certainly, hard production is dangerous for environment and has impact on living expectancy of population. In short term perspective, presence of plants and production facilities create working places.

Consequently, considering Ukraine from the side of technological factors, Germany should see big technological potential of Ukraine, not be focused on Ukraine, as a country with cheap labor force and possibilities for placing environment unfriendly plants.

In the process of analyzing factors influencing strategic partnership of Ukraine and Germany in trade and economic spheres new trends were indentified. If in before crisis period crucial factors for forming strategic relations of Ukraine with other countries were economic factors, then currently political factors are in priority, at least such trend is noticed in German-Ukrainian relations. After crisis period in 2013-2014 Ukraine approved its European choice and its status of the country that is ready to reform. Political reforms in this dimension are the most strategic, because Ukraine tries to prove that state authorities, way of accepting laws, legislation systems, etc. are changing. Political mottos and behavior of political forces are triggers for foreign countries. Of course, economic factors are also decisive ones but they appear more like a result of political factors. For foreign countries positive economic indicators are evidence that changes are in process and not just paper based. Social and technological factors cannot be omitted but they do not have crucial impact on quality of German-Ukrainian relations.

2.3. Assessment of effectiveness of strategic partnership between Ukraine and Germany in trade and economic spheres

In the process of analyzing components of strategic partnership between Ukraine and Germany in trade and economic spheres and evaluation of factors influencing it, it was concluded that German and Ukraine have some level of stability in relations. Moreover, focus of relations has changed. Germany is ready to invest in Ukraine more and support Ukrainian sides in reforms implementation. But the concept of strategic partnership is broader and deeper in classical variant, so level of approaching to strategic partnership is still not analyzed. Assessment of effectiveness of strategic partnership between Ukraine and Germany in trade and economic spheres is goaled to provide clear picture of state of strategic partnership and its essential difference from usual economic relations based on trade and investment operations.

Firstly, export concentration of goods and services from Ukraine to Germany can be assessed. Export concentration is considered to be an important factor for developing countries and countries with economies in transition since a large number of such countries are often heavily dependent on the relatively small amount of commodities that provide their export earnings. In order to measure the concentration of export of Ukrainian goods and service to Germany, two indices can be used: index concentration, whose values range from zero to one, where higher values correspond to greater concentrations, and the quantity of commodity groups of goods, for which value of export exceeds 10 mln. USD (by definition, it should negatively correlate with the concentration index).

Concentration of export of goods from Ukraine to Germany has decreased during 2014-2017, though in 2013 it was lower, than in 2017. The concentrations index increased from 0,143 in 2013 to 0,191 – in 2014. After 2014 it was increasing, consisting 0,146 in 2017. Quantity of commodity groups, for which export exceeds 10 mln. USD, stayed stable in 2013-2014, then decrease was observed in 2015 and repeated in 2017. Concentration of export of goods from Ukraine to Germany has decreasing trend and proves processes of diversification export of goods from Ukraine to Germany (Table 2.3.1).

Concentration of export of services from Ukraine to Germany has decreased during 2014-2016. The concentration index increased from 0,259 in 2013 to 0,261 – in 2014. After 2014 it was increasing, consisting 0,233 in 2016, and in 2017 increase is again observed, the concentration index consisted 0,247. Quantity of commodity groups, for which export exceeds 10 mln. USD, decreased to 5 in 2014-2015, then increase was observed in 2016, and decrease was again repeated in 2017. Concentration of export of services from Ukraine to Germany had decreasing trend till 2017 when slight increase was again observed (Table 2.3.1).

Table 2.3.1

Dynamics of indices of concentration of Ukrainian export of goods and services to Germany in 2013-2017

Indicator	2013	2014	2015	2016	2017
Quantity of commodity groups of goods, for which value of export exceeds 10 mln. USD	15	15	13	15	13
Index of concentration (for goods)	0,143	0,191	0,154	0,149	0,146
Quantity of commodity groups of services, for which value of export exceeds 10 mln. USD	6	5	5	6	5
Index of concentration (for services)	0,259	0,261	0,257	0,233	0,247

Source: created by the author on basis of [43]

Export of goods and services differ. Concentration of export of goods negatively characterizes country, especially developing country. Ukrainian export of goods to Germany is concentrated and not effective, because exported goods are not priority ones and in mostly cases are not in category finished products, which bring more value to economy of the country. Export of services can be concentrated with emphasize on technological oriented services.

Intra-industry trade is considered to create additional profits and benefits for countries involved in such trade, as compared to cross-sector trade in the form of increase in profits on a scale, which leads to accelerated economic growth. The degree of intra-industry trade in goods can be measured using the Grubel-Lloyd's index (GL). Implementation of GL index for foreign trade between Ukraine and Germany allows deeply assess trade component of strategic partnership and determine top-directions in which two countries currently cooperate.

GL index for total intra-industry foreign trade between Ukraine and Germany varied between 0,383 and 0,500. In crisis period 2013-2015 increase of GL index is observed. After 2015 till 2017 decrease trend of GL index is observed. On the level of total foreign trade between countries, the presence of big intra-industry trade is negative. In the case of German-Ukraine relations it is a scenario, when Ukraine is a donor of cheap raw materials, labor force and other resources, and Germany is recipient of these resources and takes main role of managing the use of its resources. As a consequence, Germany acquires cheap resources, produces finished goods and then export these goods to Ukraine by increased price, and Ukraine gets goods which are very expensive, loses its resources and stimulates not effective development of its own economy. Therefore, intra-industry trade on the level of total trade should be minimized.

In 2013 intra-industry trade between Ukraine and Germany was concentrated in the following commodity groups: non-precious metals and goods made of it, textile materials and textile products and finished food products. The lowest level of intra-industry trade is observed in the following commodity groups: polymer materials, plastics and goods made of it, fats and oils of animal or vegetable origin and ground vehicles, aircraft, floating vehicle (Table 2.3.2).

In 2014 intra-industry concentration is observed in such commodity groups, as non-precious metals and goods made of it, fats and oils of animal or vegetable origin and natural or cultured pearls, precious or semi-precious stones. The lowest intra-industry trade was noticed in the following commodity groups: mass of wood or other fibrous cellulosic materials, polymer materials, plastics and goods made of it and ground vehicles, aircraft, floating vehicle (Table 2.3.2).

In 2015 the highest intra-industry trade is observed in the following commodity groups: non-precious metals and goods made of it, fats and oils of animal or vegetable origin and vegetal animals; products of animal origin. The lowest intra-industry trade was determined in such commodity groups, as polymer materials, plastics and goods made of it, mass of wood or other fibrous cellulosic materials and chemical products and related industries to it (Table 2.3.2).

Table 2.3.2

Dynamics of Grubel-Lloyd's indices for foreign trade between Ukraine and Germany by commodity group

Commodity group	2013	2014	2015	2016	2017
Chemical products and related industries to it	0,192	0,216	0,150	0,141	0,154
Fats and oils of animal or vegetable origin	0,044	0,879	0,940	0,421	0,387
Finished food products	0,818	0,190	0,241	0,266	0,297
Goods made of stone, gypsum, cement	0,252	0,355	0,550	0,433	0,546
Goods of vegetable origin	0,619	0,594	0,625	0,590	0,388
Goods, purchased in ports	0,169	0,120	0,001	0,002	0,002
Ground vehicles, aircraft, floating vehicles	0,038	0,081	0,197	0,059	0,022
Machines, equipment and mechanisms; electrical equipment	0,390	0,581	0,678	0,584	0,553
Mass of wood or other fibrous cellulosic materials	0,077	0,040	0,129	0,152	0,182
Mineral products	0,334	0,195	0,179	0,330	0,029
Natural or cultured pearls, precious or semi-precious stones	0,655	0,835	0,743	0,774	0,917
Non-precious metals and goods made of it	0,963	0,934	0,950	0,918	0,977
Optical and photographic instruments and apparatus	0,131	0,139	0,195	0,228	0,071
Polymer materials, plastics and goods made of it	0,046	0,056	0,065	0,080	0,087
Shoes, hats, umbrellas	0,291	0,125	0,575	0,562	0,416
Textile materials and textile products	0,857	0,791	0,826	0,876	0,902
Unprocessed skins, trimmed skins	0,535	0,991	0,874	0,981	0,949
Various industrial products	0,591	0,726	0,841	0,737	0,711
Vegetal animals; products of animal origin	0,284	0,610	0,932	0,995	0,629
Wood and goods made of wood	0,667	0,485	0,399	0,431	0,385
Works of art	0,008	0,959	0,729	0,530	0,611
Total	0,383	0,457	0,500	0,495	0,487

Source: created by the author on basis of [43]

In 2016 the highest intra-industry trade is observed in the following commodity groups: vegetal animals; products of animal origin, non-precious metals and goods made of it and textile materials and textile products. The lowest index of intra-industry trade is identified in the following commodity groups: ground vehicles, aircraft, floating vehicles, polymer materials, plastics and goods made of it, and chemical products and related industries to it (Table 2.3.2).

In 2017 the trend was quite similar to previous years. The highest intra-industry trade is observed in such commodity groups, as non-precious metals and goods made of

it, natural or cultured pearls, precious or semi-precious stones and textile materials and textile products. The lowest index of intra-industry trade is notices in such commodity groups of goods, as ground vehicles, aircraft, floating vehicles, mineral products and optical and photographic instruments and apparatus (Table 2.3.2).

To sum up, intra-industry trade between Ukraine and Germany is deeply cored in such sectors, as non-precious metals and goods made of it, textile materials and textile products and fats and oils of animal or vegetable origin. Absolutely opposite situation was determined in such sectors, as polymer materials, plastics and goods made of it, mass of wood or other fibrous cellulosic materials, chemical products and related industries to it and ground vehicles, aircraft, floating vehicles.

Analyzing efficiency of strategic partnership between Ukraine and Germany in trade and economic spheres positive aspects and big area for improvement are identified. The exchange of goods between German and Ukrainian companies increased significantly in 2017, in general by 22.4%. At the same time, the growth of Ukrainian export by 24.4% compared to 2016, for the first time in many years ahead of the growth of German imports, which reached an increase of only 21.9%. The strongest drivers of growth of Ukrainian export products to Germany were agricultural products with a plus of 69%, metallurgical products with an increase of 57%, as well as chemical industry products - 39% [40].

In other industries Ukrainian producers showed that they are getting more successful in developing trade relations with German partners: the statistics on electrical equipment shows an increase of 23%, an increase in the supply of metal products - by 19.5%. Ukrainian apparel manufacturers increased their exports to Germany by 17%, machinery and equipment - by 16.5%, and food producers - by 14.5%. Suppliers for the automotive industry in Ukraine, whose activities are largely influenced by foreign investors, also achieved an increase in exports by 11%. As for the growth of German imports to Ukraine in 2017, in the first place vehicles, which increased by 38.5%, imported machinery and equipment increased by 30%.

If we divide the German-Ukrainian foreign trade into their commodity groups, then suppliers for the automotive industry - 22% - were the first to export to Germany

again. This is a continuation of the picture of the previous year, when foreign, first of all, German suppliers for the automotive industry, working in Ukraine, also make up a significant part of Ukrainian exports to Germany. But producers with Ukrainian capital are tightening at high speed: the second place is in exports to Germany of agricultural products - 15%, followed by metallurgy products - 12.2% and clothing industry - 8%; the fifth place in the volume of exports to Germany is food products - 7%.

“Ukrainian economy continues to diversify, but it is also very good that metallurgy is returning to its position in Ukraine, while at the same time we see that Ukrainian light industry with its high-quality products is taking an increasing share of German-Ukrainian foreign trade,” stated Andreas Lear, president of the German-Ukrainian Chamber of Commerce and Industry [40].

Another very positive development is that the German-Ukrainian foreign trade is becoming more balanced year after year. “While Ukraine's exports to Germany in 2012 amounted to only 25% of German imports, exports of Ukrainian foreign trade to Germany in 2017 amounted to 51% of Germany's imports into Ukraine. And Ukraine is catching up in this regard, as its exports grow faster than German imports,” adds Alexander Markus, chairman of the board of the Chamber [40].

Besides export/import component of strategic partnership between Ukraine and Germany in trade and economic spheres, efficiency of investment component should be assessed. After decrease processes in 2013-2017, positive changes are noticed at the end of 2017. Moreover, on 1st of June 2018 total direct investments from Germany into Ukraine consisted 1731,8 mln. USD. For the half of year 2018 was reached a goal of 2017.

Companies from Germany, the locomotive of Europe, are investing more money in Ukraine and are expanding operations deeper into the nation. They see ‘clear conditions’ for growth in Ukraine.

At the same time, labor shortages in Western Ukraine are pushing German manufacturers to open factories further east from the EU border. “Ten years ago, they wanted 30 km from the border for quick logistics,” Alexander Markus, chairman of the chamber, said of export-oriented companies. “Now brain drain is becoming a problem.

“Visa free travel is good for Ukraine, but let’s see what this means for the labor market.” He cited two German auto part manufacturers that are building factories in central Ukraine [63].

In 2005, Kromberg & Schubert opened a factory in Lutsk, 100 km from the Polish border. The company employs 6,000 workers in Lutsk. But when it decided to build a second factory in Ukraine, the company chose Zhytomyr, a five hour drive from the Polish border. The factory opened there in 2016. It now employs 2,000 people at the new plant. With a combined workforce of 8,000 employees, it is the biggest German employer in Ukraine today [63].

Similarly, when Leoni opened its Ukraine factory in 2003, it chose Stryi in Lviv region. That auto parts factory now employs more than 6,000. In 2017 Leoni opened its second factory, in Kolomyya, Ivano Frankivsk regionn, three hours east of Stryi [63].

With 43,000 Ukrainians now working in international auto parts factories, every second or third new German car contains Ukrainian parts [63].

In the framework of all positive aspects and increasing attractiveness of Ukraine for investments, Ukraine has no focus or program for investors. Future investor chooses Ukraine because of its potential of economic development, but a big burden is put on investor, which should do its own research for understanding all aspects of Ukrainian economy. Potentially Ukraine needs to develop its own profile through the cluster development approach – what are our strengths? where are we good? German companies investing in Ukraine call Ukraine’s current economic environment ‘good’ or ‘very good.’ But, without positive promotion, Ukraine’s image is defined by negatives, largely the war and corruption.

Moreover, Ukrainian-German relations since the moment of their establishment and till now have a certain dynamics, which was conditioned by the development of modern international relations and internal political peculiarities of both states. Initial period of bilateral relationships is characterized by the formal recognition of Ukraine as an independent state, as a result of reaching agreements on the non-nuclear status of Ukraine, changed constructive relations between Germany and Ukraine. Creating of effective institutional mechanism of political cooperation in the field of European

integration issues of bilateral development testify transition to a qualitatively new stage of Ukrainian-German relations. Positive dynamics due to the efforts of both Ukrainian and German diplomats, which confirms the mutual determination of the strategic perspective of the future bilateral relationships.

The political and security dimension of Ukrainian-German cooperation is characterized by high popularity and high-quality results: Germany's support for Ukraine's position on the inadmissibility of nuclear weapons placement in the countries of Central and Eastern Europe; the desire of the Ukrainian state to integrate into the European integration structures. Important role lies in Germany's interest in considering Ukraine as a potential candidate for accession to the EU without indication of a specific term. Given the great role of European organizations in the realization of foreign policy interests, Germany forms relations with Ukraine at the level of the relevant European structures.

Doing retrospective to analyzed state and quality of strategic partnership between Ukraine and Germany in trade and economic spheres, the efficiency of such relations has not been ensured yet. Export of goods and services from Ukraine to Germany demonstrates trends of growth. Assessing efficiency of export operations, it was observed that export of goods tends to be less concentrated, while concentration of export of services rose up last year. Additionally, intra-industry level of foreign trade between Ukraine and Germany was evaluated, what put light on forming and functioning of export/import operations between Ukraine and Germany. Investment component of strategic partnership between Ukraine and Germany was considered also. Currently, attention was put not on investing areas, but on perception of Ukraine. German companies are eager to choose Ukraine and positively assess current state of Ukrainian economy. The left destabilizing factors are corruption image of Ukraine and war issues. Besides, Ukrainian side has no agenda for potential investors, which acts blindly, without complete and clear understanding of Ukrainian economy. Forming of new agenda for potential investors will increase their quantity and quality of obtained investments that will enable development of priority branches of Ukrainian economy in the quickest period.

CONCLUSIONS TO PART 2

In terms of strategic partnership, European choice of Ukraine and internal conditions, Germany is the best strategic partner for Ukraine, as the country that was always interested in development of Ukraine, demonstrated its readiness to invest in Ukrainian economy and cooperate in different ways. Moreover, Germany is one of four strategic partners in area of key directions of strategic partnership. In modern realities, strategic partnership in trade and economic spheres between Ukraine and Germany is of a high necessity.

Analyzing total export and import of goods of Ukraine, tendencies of rapid changes were identified, that show big sensitivity of Ukrainian economy to the external and internal factors. But export and import of goods between Ukraine and Germany do not show such sensitivity, which is positive. This trend shows deepness of trade and economic relations between Ukraine and Germany which stay stable even in case of dynamism and rapid changes of external and internal environment. Moreover, even in the periods when slight decrease of export or import of goods between Germany and Ukraine was observed, the share of export/import of goods between Ukraine and Germany in the total export/import of goods of Ukraine was increasing.

Analyzing total export and import of services of Ukraine, flexibility of Ukrainian economy to the external and internal factors was observed. Export of services from Ukraine to Germany also demonstrates flexibility. The decrease trend is observed in import of services from Germany to Ukraine. Observations of export/import of services operations between Ukraine and Germany complement the picture of foreign trade relations between Ukraine and Germany.

In trade structure of export/ import of goods and service operations between Ukraine and Germany were identified concentration tendencies.

The main directions of investments coming into Ukraine from Germany are production, trade, transportation, warehouses, storage and courier activity, machine-building, except repair and installation of machines and equipment, agriculture, forestry

and fishery. All the other spheres of economy are invested but in lower volumes, some spheres stay not interesting for investments from German side.

In before crisis period crucial factors for forming strategic relations of Ukraine with other countries were economic factors, then currently political factors are in priority, at least such trend is noticed in German-Ukrainian relations. After crisis period in 2013-2014 Ukraine approved its European choice and its status of the country that is ready to reform. Political reforms in this dimension are the most strategic, because Ukraine tries to prove that state authorities, way of accepting laws, legislation systems, etc. are changing. Economic factors are decisive but they appear more like a result of political factors. For foreign countries positive economic indicators are evidence that changes are in process and not just paper based. Social and technological factors cannot be omitted but they do not have crucial impact on quality of German-Ukrainian relations.

The efficiency of strategic partnership between Ukraine and Germany has not been ensured yet. Assessing efficiency of export/ import operations, it was observed that export/import of goods tends to be less concentrated, while concentration of export/import of services rose up last year. German investors companies are eager to choose Ukraine and positively assess potential of Ukrainian economy. But Ukraine has no clear agenda for potential investors, in which the key strengths of Ukrainian economy would be demonstrated. Forming of new agenda for German investors will stimulate growth of investments coming into Ukrainian economy from Germany.

Analysed components of strategic partnership between Ukraine and Germany in trade and economic spheres demonstrate presence of base on which strategic relations can be formed and improved. Countries are different by the stage of economic development but mutual interests, common vision and readiness to cooperate are strong triggers for continuation of the process of mastering strategic relations. Germany sees Ukrainian side, as a country with big market, resources and potential. Ukraine sees German side, as a highly developed country with effective government, big experience in reforms conduction and strong technological infrastructure. Pictures are different but the idea is similar and bases on strategic cooperation.

Part 3

THE WAYS OF STRENGTHENING STRATEGIC PARTNERSHIP BETWEEN UKRAINE AND GERMANY IN TRADE AND ECONOMIC SPHERES

3.1. General sources of improving cooperation between Ukraine and Germany in trade and economic spheres

Ukraine and Germany have a long history of relations, not all the time these relations were favorable for both sides, but way of improvement is chosen. Germany can become not just good investor in Ukraine, but a strong initiator of economic changes in Ukraine. In the light of recent major events happening in Ukraine, Germany was the country that always gave support, even taking to account that had a lot of its own internal problems. The idea of strengthening strategic partnership between Ukraine and Germany in trade and economic spheres should be based not on assumptions, but economic indicators, proving deepness of relations, and general sources, indentifying way of current state of relations and ways of potential change of state of relations.

All international relations can be divided into relations of cooperation, coexistence and neutrality. Relations of cooperation are established between approximately equal countries by force, strength and potential. Such relations are based on the awareness of common interests and goals, and their higher legal form is embodied in various unions, agreements on friendship and cooperation. International unions of such states are concluded in the majority against "someone" or "something"; they provide approximate equality of power of the parties, uniformity of duties, equality of guarantees and obligations. Unions also assume equality of confidence between the parties to each other, certain tolerance to errors and random negative actions of the parties, consent to mutual compensation of losses, etc. The partnership is a deeper level of mutual interest and cooperation based on the geopolitical interests of the two parties that coincide. Thus, partnership does not exclude cooperation, but not all kinds of cooperation can be treated, as a strategic partnership.

Strategic partnership means that each side within the framework of such interaction has sufficient autonomy and consistently implements its own interests; that is, in such relations the possibility of full or even partial integration is excluded. In other words, countries within the framework of partnership realize common goals, while none of them is inferior to their fundamental interests, consistently and persistently defends them. At the same time, the realization by each country of its interests is impossible without interaction and taking into account the interests of the other party. That is the basis of such a partnership and this is what makes a similar alliance stable and strategic [47].

In addition, such a partnership does not involve the cooperation of any two countries, namely those that are geopolitically important to one another, when, without cooperation with such a partner, the other party will not be able to realize its geopolitical interests in the given region and at given time, or their realization would require much more time and cost. In turn, the other party is of the same interest to the partner. The idea lies down in interconnection and dependence of two states in a particular political space. But apart from geopolitical importance, a strategic partner, in order to be such, has to approach to the role of a partner in many ways:

- the territorial scope and geographical position of the potential partner should be taken into account;
- economic and political resources and prospects for their development;
- historical traditions of interaction;
- inclusion or possibility of inclusion in certain regional unions and coalitions;
- foreign policy priorities;
- proximity of both sides in understanding the principles of international relations and proximity of views on the prospects and objectives of bilateral relations;
- stability and consolidation of political elite of the partner country, making its foreign policy sustainable and predictable [47].

Another important characteristic of the strategic partnership, which follows from the previous one, is its long-term nature. This partnership is not temporary, but with

long-term perspective character. In the course of such a partnership, not small and occasional, but the most important and complex foreign policy goals are realized [52].

Applying the above to the analysis of the relations between Ukraine and Germany, it can be noted that to date, these relations do not correspond to all parameters of level and purpose of strategic partnership.

The basis for its formation, of course, is. This is a high level of interest of the parties in each other, a convergence of interests in many spheres of public life, a common view on the development of international relations and the actual place in this system [52].

So, with regard to equality and mutual benefit in the relations between Ukraine and Germany, then we can speak more about the international legal aspect of equality, while from the point of view of economic and political importance in the system of international relations, our country is still inferior to Germany. Understanding this of Ukraine makes its policy towards Germany more compliant and not always consistently autonomous [62, p. 13].

Thus, in the cooperation between Ukraine and Germany, there is a dialectical unity of certain resistance and mutual interest that is necessary for a strategic partnership.

Even more important is that both countries are geopolitical centers: Germany in Western Europe, and Ukraine in the East. Germany objectively perceives the geopolitical importance of Ukraine for stability in Europe and throughout the "Eurasian" space. Germany, for Ukraine, is also interested in the role of ally in its efforts for deeper integration into European structures [27, p. 8].

According to other parameters, they are also sufficiently suitable for the role of strategic partners: both countries are quite significant in terms of the size of the territory and population; both have a favorable geographic location. However, their economic and political resources are not equal. But Ukraine has great prospects in these areas, and is attractive for German investments.

In addition, it should be noted that within the framework of the strategic partnership the question arises about the different level of interest of the countries in

one another. This also applies to the Ukraine-Germany tandem, as each partner pursues own interests in the framework of strategic partnership. Ukraine and Germany are "doomed" to a strategic partnership and for quite a long time precisely because of economic backwardness of Ukraine and its geopolitical neighborhood with Russia. On the other hand, there are bases for strategic partnership, because there are quite common problems and interests in each side, the solution of which requires strategic partnership [27, p. 8].

However, strategic partnership is differently seen by Kyiv and Berlin.

In framework of presence of common interests and similar features of the countries, accordance with key criteria and fulfillment of conditions of strategic partnership to be named so, strategic partnership between Ukraine and Germany in trade and economic spheres can be not just proclaimed but successfully implemented. Ukraine announced Germany, as its strategic partner at the beginning of 21st century, though not big progress of strategic relations is observed. Therefore, the question of general sources of improving cooperation between Ukraine and Germany is being arisen.

First of all, ways of elimination of key problems of improvement of strategic partnership between Ukraine and Germany in trade and economic spheres should be identified. After this, agenda of mastering strategic partnership between Ukraine and Germany can be determined.

To improve the situation, the Ukrainian government should take decisive action aimed at:

- ensuring effective regulation of foreign economic activity;
- creating an investment climate favorable for attracting foreign direct investment to high-tech industries and infrastructure facilities;
- the in-depth use of elements of international marketing, which creates opportunities for the promotion of domestic goods to the German market;
- providing information and financial support to domestic exporters, as well as increasing the competitiveness of Ukrainian goods and services in international markets [12].

The reinforcement of status of strategic partnership between Ukraine and Germany will allow to increase the level of investment cooperation and to promote strengthening of trade and economic potential.

An important aspect of attracting German capital to the domestic market is an active participation of the state, as the main regulator of investment processes (Figure 3.1.1).

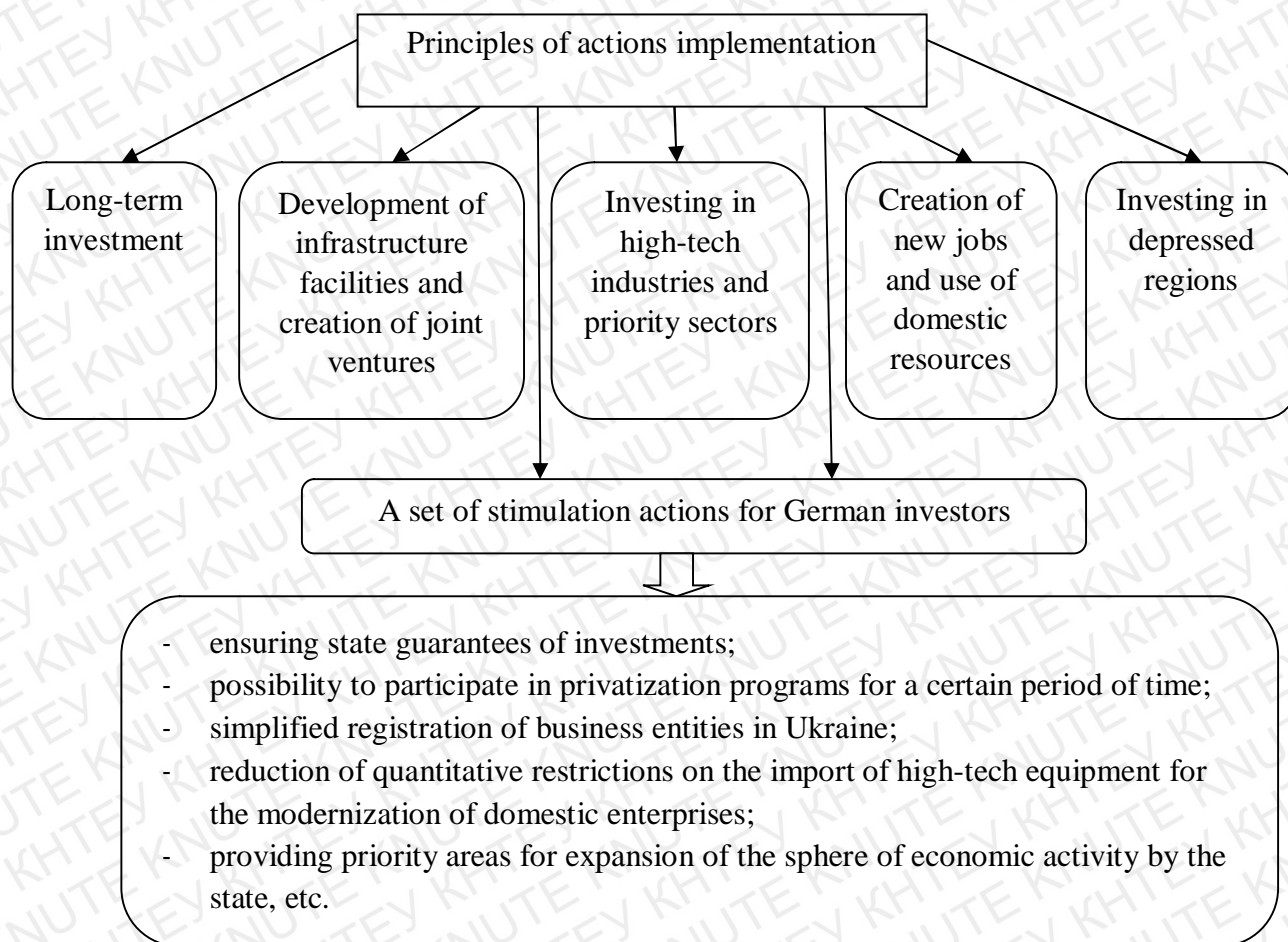


Figure 3.1.1 Set of stimulation actions for German investors in FDI coming into Ukrainian economy

Source: created by the author [31, p. 251; 41]

Another important step in activating investment process is monitoring the activities of government, involving external resources. An important place in this context taken by the State Agency of Ukraine for Investment and Innovation and the Ministry of Foreign Affairs of Ukraine, the authority which belongs to popularize the

image of domestic enterprises and potential industries among German investors. For this purpose, it is necessary to do the following steps:

- to organize regular meetings at the highest level with the participation of representatives of mass media of the two countries;
- to present German side specific projects under government guarantees with specification of objectives, prospects, return period and risks;
- to provide a legal instrument for the participation of investors from Germany in the Ukrainian market [11].

An agenda of mastering strategic partnership between Ukraine and Germany can be divided on two parts: inter-country agreements, contracts or some other documents fixing state and direction of German-Ukrainian relations at inter-country level and internal programs, laws, development concepts, confirming direction of development of Ukraine and stimulating cooperation with other countries.

There is no special general agreement between Ukraine and Germany with focus on strategic partnership, moreover, with focus on strategic partnership in trade and economic spheres. On October 19, 2000 during the press conference after the meeting between the parliamentary delegations of Germany and Ukraine, First Deputy Speaker of the Verkhovna Rada, Medvedchuk said that Ukraine and Germany are "strategic partners". But Ukrainian government proclaimed in such a way that Ukraine have 19 strategic partners. Abstracting from strategic partnership, it should be noticed that general cooperation of Ukraine and Germany is governed by documents, regulating EU-Ukrainian relations [19].

We can witness just separate cases of presence special agreements between Ukraine and Germany. In 2016 protocols on cooperation or joint intentions were signed with Germany and Ministry of Regional Development (implementation of the provisions of the Leipzig Charter "Cities of Europe on the path of sustainable development"), and Germany and Ministry of Education and Science (the order of interaction and procedures and timing for the selection of joint scientific projects). In 2017, following a meeting of the Minister of Justice with German colleagues, a Joint Statement on Legal Cooperation between the Ministry of Justice of Ukraine and the

Federal Ministry of Justice and Consumer Protection of Germany and the Work Program of Cooperation were signed [54, p. 37; 55, p. 33].

Thus, in order to intensify strategic partnership between Ukraine and Germany in trade and economic spheres efforts should be put on development of a comprehensive strategy for the future cooperation with focusing on further development and optimization of trade and investment cooperation.

Ukraine should hold a dialogue with Germany at all levels - not just at the presidential. The crisis period required active negotiation between the president and the chancellor. There is a need to expand the range of those responsible for developing these relations from the Ukrainian side [62].

In Ukraine, the inter-parliamentary cooperation and the influence of the Bundestag on the agenda of the country are underestimated. The Bundestag lacks the colleagues from Ukraine, in particular those who can effectively introduce a "new Ukraine" and correct the perception of Ukrainian politicians. Ukraine and Germany need to develop a common strategy for engagement that could form the basis of the renewed Berlin policy towards Ukraine. To do this, the German Government's action plan to support Ukraine can be used [50].

Ukraine and Germany should develop common indicators of reforms in order to avoid misunderstandings in the success of these or other reforms and statements that no changes occur. This applies primarily to reforms in which Germany is involved directly or through consulting or financial assistance. Ukraine has to convince Germany that every German euro is used effectively [8, p. 87].

This part of agenda of strategic partnership between Ukraine and Germany in trade and economic spheres includes involving German side in forming new ways of relations with Ukraine and bases on concept "we want to make changes but we do not know how". One day German side will be tired of playing a role of couch and investor at the same time. That's why it is proposed to focus on internal improvement.

Ukraine side should introduce its policy and concept of development, determining main directions and action plan. Ground introduction of chosen strategy should be based on identifying the biggest strengths of Ukrainian economy, the main opportunities of

Ukrainian market, the biggest weaknesses and possible threats in long-term period. German investor should have all available information, entering Ukrainian market. German investors should do not try to identify where are possible areas for investments. Ukrainian side is obliged to provide a continuous insight of how economy is developing and what areas are not good just for Ukrainian side and for German investor, too.

Creation of concept of development of Ukraine with focus on investments obtaining, of Ukrainian version of "partnership for modernization" and updating of priority branches of economy are mechanisms with objective to increase amount of investments coming into Ukraine from the Germany.

Ukraine should give maximum assistance to the German business to invest in by the principle of "zero barriers for any German investor." In particular, the government should actively promote the effective functioning of the German-Ukrainian Chamber of Industry and Commerce.

The strategic partnership between Ukraine and Germany in the long run is quite possible and logical due to many reasons, as discussed above. However, today, this partnership is more desirable and more proclaimed than real, since the foreign policy priorities of Ukraine do not look as stable and transparent. Therefore, the main focus should be placed on quick theoretical grounding of strategic relations between Ukraine and Germany and real practical implementation of development concepts and action plan.

Strategic partnership between Ukraine and Germany in trade and economic spheres is logical and background of trade and economic relations, general sources perfectly help to fill in the structure of strategic partnership. Of course, practical components of strategic relations are very volatile and distabilizing factors can quickly change the direction of relationships between countries. However, general sources of strategic partnership are base which determine direction of such partnership and guarantee their functioning even in the case of destabilization of factors of external and internal environment. Therefore, formation of general sources of strategic partnership between Ukraine and Germany in trade and economic spheres is very important for building efficient relations.

3.2. Strategic directions of increasing cooperation between Ukraine and Germany

Taking to account analyzed features and determined sources of strategic partnership between Ukraine and Germany in trade and economic spheres, it is logical to go up to another level, a level of potential directions of strategic cooperation. Germany and Ukraine has a good level of export/import cooperation, investment relations, but it is no level of strategic cooperation and does not correlate with pronounced promises of new stage of relations. Creation and identifying strategic directions are aimed at accelerating the change of Ukraine and Germany's strategic cooperation vector.

First of all, in the long-term perspective the "face" of world trade will form the following technological changes:

1. The evolution of industrial production: digital innovation and strengthening of the imperative of sustainable growth. Digital technologies are the new products and services, new business models, new opportunities for a diversified approach to different categories of consumers, new markets.
2. Reverse innovation and mass personalization of goods and services. Reverse innovation is the process of creating goods for markets that are in the process (while traditionally, this process was oriented towards developed countries). Mass personalization is a business strategy based on a combination of mass production (minimizing costs per unit of output) with the benefits of individualization (for specific consumers, goods and services with specific characteristics). Mass-media personalization agents are small production units located near the end consumers
3. The rise of micro-TNCs. The digital revolution and formation of stable and closely interconnected global production-commercial links create opportunities for equalizing the competition of SMEs with large companies. Digital platforms become an instrument of democratization of global economy.
4. "Reassessment" of factors of trade: reduction of costs and growth of trade speed. The main factor in the development of trade is the improvement of logistics. Mechanism: reducing the cost of moving goods from the place of production to the place of

consumption and growth of speed movement of goods (services) on the route manufacturer-consumer.

5. Continuation of the process of liberalization of trade. In fact, we are talking about two trends: further increasing the number and complexity of regional free trade agreements (including regional agreements) and harmonizing standards, technical requirements, or broadly regulatory procedures. Particular attention is paid to the stability of political, regulatory and monetary financial environment of production and commercial activities of economic agents [12].

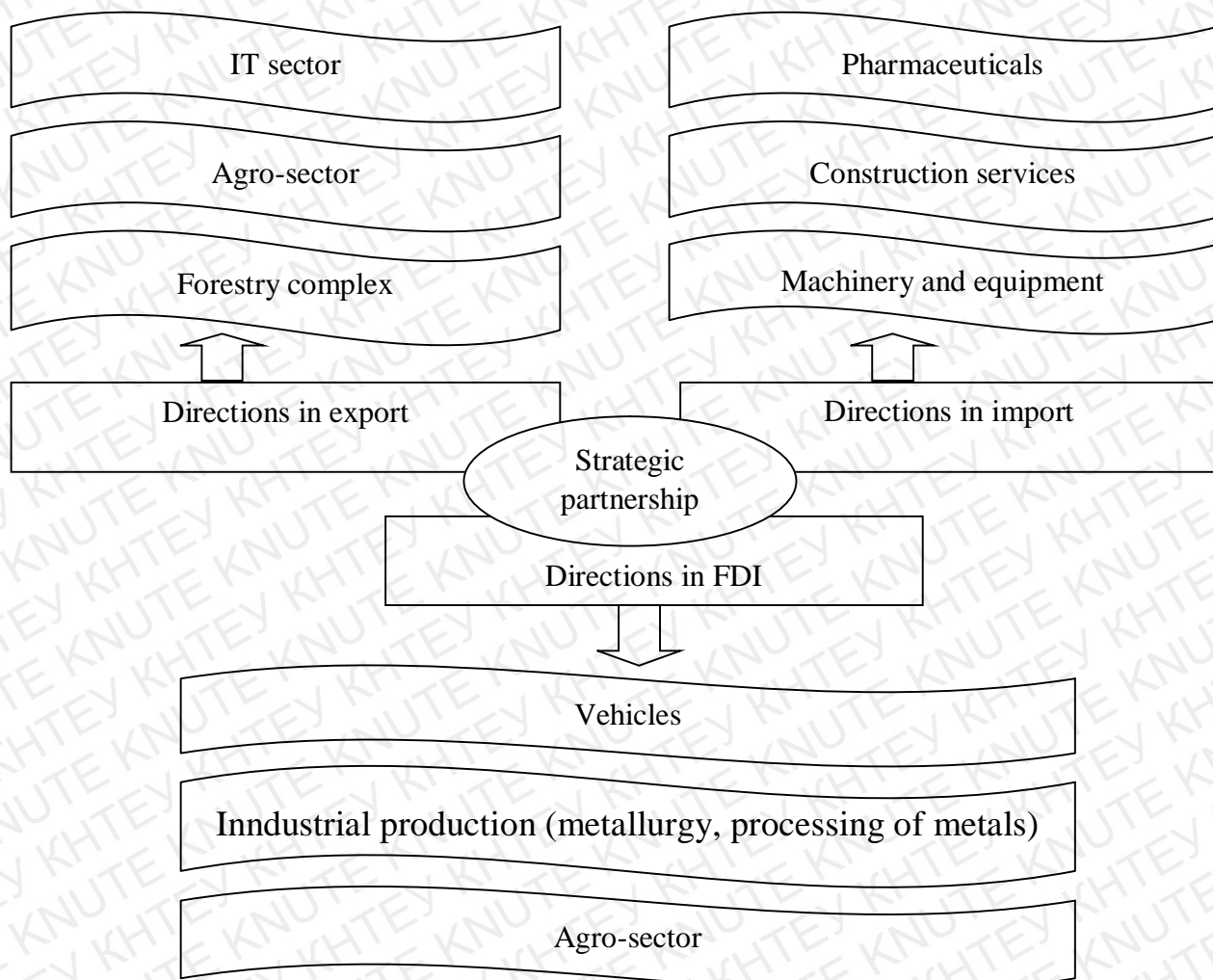


Figure 3.2.1 Directions of strategic partnership between Ukraine and Germany in trade and economic spheres

Source: created by the author [45, p. 139; 69, p. 77; 52]

In the framework of future tendencies of development of world trade and tendencies of development of Ukrainian-German relations the most optimal directions

of strategic cooperation between Ukraine and Germany in trade and economic spheres can be identified (Figure 3.2.1).

In the export component of strategic partnership between Ukraine and Germany in trade and economic spheres are determined the following most optimal directions: IT sector, as a part of export of services, agro-sector, as the most stable and priority one, and forestry complex, as very potential but currently realized only through export of raw materials.

IT sector should be the first priority direction of export from Ukraine to Germany. Ukraine is well known for qualified, affordable and most important- available IT- staff. According to expert estimation, with about 200000 IT-developers in 2020 Ukraine will rank №1 IT-destination in Eastern Europe [72]. Due to qualified IT staff Ukraine is a capital city for allocations of development centers of many world IT companies, R&D centers and client support centers. The domestic market now has very low consumption, as Ukraine has low industrialization and modernization of production. The development of the IT market is essentially the development of IT economy. For Ukraine, this is an opportunity for easy and quick access both to foreign markets and to raising the welfare of population. Looking at Ukraine's further opportunities, the country has a real opportunity to become an IT hub for Europe, and perhaps for the whole world. The potential for development is quite large [34].

The development of the IT market depends on several components. The first is the general business climate and all that concerns economic barriers. The second is development of infrastructure - Internet penetration, 3G development, 4G. The third is how the products in the IT market are developing. That is, the stimulation of startups and all kinds of IT developments. Fourth, known to all is the development of outsourcing services [34].

IT companies present on Ukrainian market are engaged in software IT and outsource IT. Software IT companies work on creation of innovative products, for example, medical system Dr. Eleks provides an automation of medical institutions and medical data, company Kodisoft creates interactive restaurant technologies, Lime Systems creates platforms for automation of banking processes, etc. Outsourcing IT

companies provide IT solutions in a range of industries: Telecom, Fintech, Oil & Gas, FMCG, Retail & Distribution, Life Sciences & Healthcare, Energy & Utilities, Manufacturing & Auto, etc.

However, ideal fit is IT and agro-sector, as a key competence. Numerous startups are in constant search for new innovative solutions for agriculture. Among the companies that have joined such development, can be identified Drone UA, SmartFarming, SkokAgro, Klever Systems and Preagri. The platform for agrarian growth provides a bridge between IT companies and agriculture. Pioneers in the application of modern technologies are large agro-holdings [37, p.12].

Agriculture plays a huge role for the Ukrainian economy. In 2017 almost 20% of export of goods to Germany consisted agro-goods and ready food products. The main direction of agriculture in Ukraine is vegetable production. The main field crops are cereals (wheat, corn, barley) and oilseeds (sunflower, soybean, rape). As for sunflower oil, here Ukraine is the largest producer in the world. If we talk about other products, then the country belongs to the leading world producers and the largest exporters. The cultivation of oilseed crops and maize has considerably expanded in the past years, primarily due to feed and sugar beet. At the same time, yields increased, for example, sunflower seeds. Due to the transfer of know-how, new technologies and high-yielding sowing material, amazing productivity growth has been achieved. Less encouraging is development of livestock. Today, milk and meat production is on very low level. The exception is poultry farming. Ukraine should maximize its export of agro-goods to Germany by exporting goods of vegetable origin and conducting negotiations concerning possibilities of export of goods of livestock [37].

Forestry complex consists 5-6% of export of goods from Ukraine to Germany. But more important is that these 5-6% of export are being achieved through export of raw materials, as wood fuel, different timber products, etc. At the same time, Ukraine imports such goods, as wooden furniture; boxes, bags, packaging packs and other containers of paper, cardboard, cellulose wadding or cellulose fiber cloth, etc. The idea is focus of forestry complex on export of finished goods made from wood materials, not export of raw materials. The price of raw material is much lower, than the price of

finished goods. Export of finished goods in forestry complex requires creation of production that makes the process of obtaining profits slower. Most of individuals operating in forestry complex used to conducting business by simple export of raw materials, as very simple and quick way of earning profit. New direction of export in forestry complex should be effective and with features of sustainable growth.

In the import component of strategic partnership between Ukraine and Germany in trade and economic spheres are determined the following most optimal directions: pharmaceutical products, construction services, and machinery and equipment.

Ukrainian pharmaceutical companies are weak, not able to cover present needs and to compete with German companies. Germany has a highly developed pharmaceutical industry that includes classical chemical companies, biotech enterprises and small high-tech research centers that produce a small amount of rather complicated products. Enterprises in Ukraine are limited to production and their activities are still closely related to classical chemistry. The leading Ukrainian pharmaceutical companies, compared with German companies, are relatively small (in terms of production and sales). For this reason, it is difficult for them to set up their own R&D centers. The development of a new chemical substance costs about 400-600 million USD, and in order to obtain an acceptable level of return on investment, such new chemicals should be sold globally or at least in the three largest markets (USA, Europe, Japan). Pharmaceutical companies in Ukraine have neither the means to develop such medicines nor the possibility to trade them in different countries of the world.

The impossibility to develop new medicines along with the general inability of population to pay for such expensive medicines is the reason that generics occupy an enormous market share and also that domestic production is based on generics. Generics are mostly cheap products, as there are no R&D expenditures and marketing costs are insignificant. Since demand is price-dependent, these products have a relatively low level of profit, which limits the ability of generic producers to invest and keep track of scientific progress.

Another characteristic of Ukraine is production that does not meet GMP and GDP standards. Although the Ukrainian government has introduced GMP standards, there are

only a few pharmaceutical companies that at least partially meet the European GMP standards. It is estimated that in order to bring the pharmaceutical industry to the GMP standards, 5-10 billion USD are needed and achieving this ambitious target will take about 10 years.

Due to identified issues of pharmaceutical industry in Ukraine, state of pharmaceutical enterprises and taking to account strong position of Germany, as key player on at least European market of pharmaceutical products, it is wiser to develop import with Germany in the sphere of pharmaceutical products in the framework of strategic partnership.

Construction services are optimal direction of import component of strategic partnership between Ukraine and Germany in trade and economic sphere in terms of concentration on infrastructure development. German construction companies can play a role of advisory construction companies, a main contractor or realize turnkey projects. Of course, in terms of infrastructure development, which is, mostly, invested by state or municipal funds, the tender procedure would be used. But for effective and qualitative modernization of infrastructure state authorities should involve German construction companies and advisory construction companies that have valuable experience and can guarantee quality of services by diversity of projects.

Another optimal direction of import component of strategic partnership between Ukraine and Germany in trade and economic sphere are machinery and equipment. Machinery & equipment is the second largest and most innovative industry sector in Germany. It is one of the technological motors that drive the country, as a high-tech nation, and one which combines all of the key future technologies including electronics, robotics, materials, and software.

Lying at the heart of Europe at the crossroads between the highly developed West and the booming East, Germany has attracted major system integrators who are taking advantage of the outstanding conditions that the country has to offer. German M&E industry strength is driven by a combination of Germany's proven engineering tradition, its position as a leader in technological development, and its highly diversified

industrial base. The fourth industrial revolution has already begun in Germany with INDUSTRIE 4.0.

Therefore, Germany can be ideal partner for import of machinery and equipment that are not developed in Ukraine due to lack of financial resources, labor force and absence of focus. In perspective Ukrainian side should develop its industry inside the country, but currently it is more rational to import this group of goods.

Ukraine is an attractive country for investments. There are a lot of opportunities for conducting business, variety of spheres and big potential, hidden by present political and economic issues. In strategic partnership with Germany the most optimal investment directions are vehicles, industrial production (metallurgy, processing of metals) and agro-sector.

Ukraine is quickly emerging as an important player in the European vehicle production supply chain. In recent years dozen of automotive components production plants have opened up, primarily in Western Ukraine, to take advantage of the proximity to their OEM customers in the EU, as well as Ukraine's competitive wage levels and skilled workforce. It is estimated that 500 million EUR has been invested to date in 38 factories, which together employ more than 60 000 workers. In addition, as new vehicle sales increase, domestic vehicle manufacturers are increasing production figures and new investment opportunities are being explored, such as electric vehicles and batteries, with Ukraine possessing the world's largest reserve in lithium [38].

On February 23, 2018, the PJSK "Ukrzaliznitsa" concluded a framework agreement with General Electric (GE) for the amount of 1 billion USD. Part of the deal is the supply of 30 diesel locomotives, modernization of rolling stock fleet and long-term maintenance for a period of 15 years. In addition, GE will work with the Kryukiv carriage production plant. A gradual achievement of the degree of localization of production in Ukraine is planned at the level of 40 percent. Siemens also has plans for cooperation with Kryukiv carriage production plan [38].

In the framework of strategic partnership vehicles industry should include investments for modernization of vehicles plants, expanding of operations by placing

more processes on Ukrainian enterprises, developing automotive and other types of vehicles production. The main objective is creation of joint full cycle enterprises.

Metallurgy industry is one of key elements of Ukrainian economy. In terms of war with Russia significant part of metallurgical enterprises are not able to function, but taking to account numerous resources of Ukraine, this industry cannot be moved aside. Numerous resources of Ukraine are not concentrated just on east of Ukraine, different resources can be found in other parts of Ukraine, too. Due to investments, the quality and state of this industry can be improved, increasing the potential of Ukraine. Germany can be one of investor stimulating further development of metallurgy industry in Ukraine. The main destabilizing triggers of the industry are technical and technological backwardness, high energy and resource consumption of metallurgy production; insufficiency of raw materials in metallurgical enterprises; undeveloped intra-industry and inter-sectoral cooperation; lack of systematical state support to the industry and insufficient mechanisms of protection of domestic producers and destruction of production capacities as a result of hostilities on east of Ukraine [6].

Agro-sector of Ukraine is considered one of the leading export directions. But even being major exporting industry of Ukraine, agro complex of Ukraine is not developed on sufficient level, the potential is huge. It is very important that the products of the highest quality get unhindered provided for the consumer and the farmer. For example, livestock breeding requires that high-quality veterinary medicines be introduced into Ukraine. But for this, all regulatory barriers that impede the timely receipt of such products must be eliminated. In Europe and in the USA IT technologies are widely used and help the agro-industrial complex, increasing its efficiency. Large agricultural holdings can, of course, afford to use the latest technology on their own. For example, now drone is being actively used. But when it comes to small farms, things are getting harder. And here, in addition to the introduction of such technologies, it is necessary to carry out certain training programs. One more direction is the possibility of purchasing hybrid seeds, plant protection products, the use of the most modern material. The introduction of these steps will help improve the efficiency of agriculture and bring it to a new level. Increasing yields per hectare by 25-30%.

The most optimal variant is implementation of joint projects between Ukraine and Germany that would promote the development of rural areas, the availability of new technologies for small and medium-sized farmers, and increase of organic goods production. From 2016 in Ukraine the project "German-Ukrainian Agricultural Policy Dialogue" (ADF) is being implemented. Among its key themes is rural development, improvement of agrarian education and science, raising the standards of quality and safety of products. The agrarian sector is currently a promising area of cooperation and negotiations are in process concerning continuation of active dialogue and facilitation of projects implementation [37, p.12].

Strategic partnership between Ukraine and Germany in trade and economic spheres in above determined directions is logical and possible. But still subjects of Ukrainian economy should pay attention to the following issues:

1. Exports begins at home. This means that today the ability of Ukrainian producers to keep their positions on world markets, diversify exports in commodity and geographic terms is determined by the quality of the national business climate in general and the logistics system in particular.
2. Import is an export. The accelerated modernization of the national economy, the integration of national producers in the global cost chains requires the reliable and efficient functioning of the channels of import of raw materials, components and equipment.
3. Changing the logic of politics: from the maniacal attempts to improve the formal position of the country in the Doing Index to real changes to the better regulatory environment of export-import operations and to create an appropriate system for evaluating such changes. In practice, such an approach to the development of trade (in the broad sense of this term) policy means the following:
 - firstly, the introduction of a national system for assessing the regulatory regime in general and export promotion policies in particular, and the use of specific indicators for the quality of the regulatory environment from the export standpoint;
 - secondly, the introduction of a trade simplification in the process of developing and evaluating regulatory acts related to export-import operations;

- thirdly, the assessment of the regulatory impact of the relevant legislative and regulatory acts made from the point of view of exports.
4. Radical improvement of the business climate, as a strategy:
 - firstly, the harmonization of the national regulatory regime with the EU regulatory regime;
 - secondly, the concentration of efforts on solving a limited number of "export" problems;
 - thirdly, a real dialogue with exporters;
 - fourthly, technical regulation.
 5. Strategic objective: leadership and development of the institutional capacity of the government to develop and consistently implement the export promotion policy [12].

Strategic partnership concept is based on identifying key directions, rather than on attempt to cover all existent ones. The most optimal directions for strategic partnership between Ukraine and Germany in trade and economic spheres are chosen with considering trends of development of Ukrainian and Germany economies, trends of world economy and prospects of Ukraine.

3.3. Forecasted changes in trade and economic activity between Ukraine and Germany on the basis of proposed measures

In the process of research of strategic partnership between Ukraine and Germany in trade and economic spheres current tendencies were identified, the general sources for cooperation mastering were determined and the most optimal directions of strategic relations were defined. But, as always, future is still challenging and one of an attempt to prevent the most negative scenario of future is forecasting of possible changes, thus initiating positive changes.

Before forecasting strategic partnership between Ukraine and Germany, the main influencing factors should be defined and their trends should be forecasted. The main factors currently affecting strategic cooperation between Ukraine and Germany are political and economic factors.

Political factors cannot be evaluated through quantitative measures just qualitative assessment can be conducted. Positive scenario of development of political factors would include further political stability, improvement of government institutions functioning, decrease of corruption and bureaucracy, transparent activity of state bodies and higher involvement of citizens in politics for controlling procedure of reforms conducting. Negative scenario of development of political factors would include further growth of pessimistic feelings among citizens that would result in not efficient elections, coming of new political force that would ruin already settled level of relations not just with Germany, but with other EU-countries, too, low level of interest of citizens in politics and very slow process of conducting reforms.

Economic factors can be evaluated through quantitative measures and forecast of main economic factors would enable to do more ground forecast of strategic cooperation of Ukraine and Germany in trade and economic spheres. Government of Ukraine has elaborated Forecast of economic and social development of Ukraine for 2018-2020 years. The forecast is based on three scenarios and is grounded on analysis of economic development in 2017 and the three previous years, of current economic situation, of expected state of economic indicators in 2018 and taking into account the influence of external and internal factors and contains the vision of Ukraine's economic development in 2019-2020. In addition, the forecast takes into account the recommendations of the International Monetary Fund.

In 2018 GDP growth rate is projected at 5%, export of goods and services growth rate – 9.9% and import of goods and services growth rate – 10,2%. Scenarios 1 and 2 envisage active implementation of economic and social reforms identified in the medium-term plan of government's priority actions till 2020. At the same time, according to the first scenario, the pace of business adaptation to the new conditions is seen more moderate, taking into account the preservation of significant challenges and risks in the economy. Accordingly, in this scenario, in 2019 GDP growth is projected at 3.6%, in 2020 - by 4%; in 2019 total export of goods and services growth is projected at 6,1%, in 2020 – 8,2%; in 2019 total import of goods and services growth is projected at 6,2%, in 2020 – 6,8%. By the second scenario, economic and social development will

take place against the backdrop of more optimistic expectations of adapting business to changing economic conditions, as well as a more dynamic shift in social indicators, in particular, the growth of social standards and lower unemployment. According to this scenario, GDP is forecasted to grow by 4% in 2019 and accelerating to 5% in 2020; total export of goods and services growth is forecasted to grow by 10,3% in 2019 and accelerating to 11,1% in 2020; total import of goods and services growth is forecast to grow by 10,4% in 2019 and decreasing to 9,5% in 2020. The third scenario takes into account the volatility of world economic trends and suggests somewhat worse external development conditions than in previous scenarios. The negative impact of the external conjuncture will weaken the opportunities, first of all, for the financial implementation of reforms. In this scenario, in 2019 GDP growth is projected at 1%, in 2020 - by 1.7%; in 2019 total export of goods and services growth is projected at 3,4%, in 2020 – by 5,3%; in 2019 total import of goods and services growth is projected at 3,9%, in 2020 – by 5,5 % (Table 3.3.1).

Table 3.3.1

Expected and forecasted values of GDP, total export of goods and services and total import of goods and services in Ukraine in 2018-2020

	2018	2019			2020		
	Expected	Scenarios			Scenarios		
		1	2	3	1	2	3
GDP nominal, bln USD	121,8	129	132,3	130,6	142,2	148,8	144,8
GDP, in % to the previous year	105	103,6	104	101	104	105	101,7
Export of goods and services, mln USD	55 770	57 718	61 534	54 578	62 427	68 340	57 456
Export of goods and services, in % to previous year	109,9	106,1	110,3	103,4	108,2	111,1	105,3
Import of goods and services, mln USD	63 083	65 649	69 652	62 090	70 104	76 269	65 506
Import of goods and services, in % to previous year	110,2	106,2	110,4	103,9	106,8	109,5	105,5

Source: created by author on the base of [2]

As it can be noticed, forecasts made from side of government are rather positive, than negative. The key idea of the forecast is trend of growth of indicators in all three scenarios.

Basing on forecasting of the state of political and economic factors and taking to account recommendation implementation measures expressed through general sources and optimal directions of strategic cooperation between Ukraine and Germany, the forecast of strategic partnership between Ukraine and Germany in trade and economic spheres can be created.

The forecast of strategic partnership between Ukraine and Germany can be conducted in the framework of three possible scenarios of further development of strategic relations between Ukraine and Germany. But prior to forecasting of strategic partnership between Ukraine and Germany, assessment of strategic partnership in 2018 should be made, basing on already available data for the first half of year 2018. In 2018 volume of export of goods from Ukraine to Germany is expected to grow on 56% comparing to previous year, consisting 2732 mln USD, and volume of import of goods from Germany to Ukraine is expected to grow on 46% comparing to previous year, consisting 7972. In 2018 volume of export of services from Ukraine to Germany is expected to grow on 0.9% comparing to previous year, consisting 543 mln USD, and import of services is expected to decrease on 19% comparing to previous year, consisting 290 mln USD (Table 3.3.2).

The first scenario is optimistic and the most favorable for development of strategic partnership between Ukraine and Germany in trade and economic spheres. It is believed that all tools for mastering strategic relations between Ukraine and Germany will be used. First of all, the positive tendencies of social, economic and political factors will be in process. The state would pay attention to the issue of modernization of priority branches of economy determined in 2013. Interest of German investors in Ukrainian economy will be increased by introducing concepts of development with identification of key strengths and weaknesses of Ukrainian economy. The main focus will be kept on the most optimal directions, determined for export/import of goods and

services from Ukraine to Germany and for foreign direct investments, coming into Ukraine from Germany.

Due to this, the focus of strategic partnership between Ukraine and Germany in trade and economic spheres would be changed, omitting not effective directions of cooperation and concentrating only on strategic for Ukrainian economy.

Thus, it is forecasted that volume of export of goods from Ukraine to Germany will consist 4642 mln USD in 2019 and 6649 mln. USD - in 2020, and, volume of import of goods from Germany to Ukraine will state 11639 mln USD in 2019 and 18622 mln USD - in 2020. Tendencies of export/import of services between Ukraine and Germany will be less dynamic. It is forecasted that volume of export of services from Ukraine to Germany will consist 597 mln. USD in 2019 and 657 mln USD – in 2020, and, volume of import of services from Germany to Ukraine will consist 284 mln. USD in 2019 and 278 mln USD – in 2020 (Table 3.3.2).

Table 3.3.2

Expected and forecasted volumes of export/import of goods and export/import of services between Ukraine and Germany in 2019-2020

Indicator	2018	2019			2020		
		Scenarios			Scenarios		
	(expected)	1	2	3	1	2	3
Volume of export of goods from Ukraine to Germany, mln USD	2732	4262	3033	2431	6649	3367	2164
Volume of import of goods from Germany to Ukraine, mln USD	7972	11639	8450	7494	18622	8957	7044
Trade balance, mln USD	-5240	-7377	-5417	-5063	-11973	-5590	-4880
Volume of export of services from Ukraine to Germany, mln USD	543	597	545	541	657	547	539
Volume of import of services from Germany to Ukraine, mln USD	290	284	264	252	278	236	219
Trade balance, mln USD	253	313	281	289	379	311	320

Source: created by the author on basis of [2; 43]

Note: 1 scenario – optimistic; 2 scenario – neutral; 3 scenario – pessimistic

In 2018-2020 trade structure of export/import of goods and export/import of services between Ukraine and Germany would have concentration character. 65-75% of volume of export of goods from Ukraine to Germany would be formed by export of such commodity groups, as metals and goods made from them; food products and agricultural raw materials; goods of chemical industry, rubber; finished goods of forestry complex and/or mineral products. 60-70% of volume of import of goods from Germany to Ukraine would be formed by import of such commodity groups, as machines, vehicles and equipment; goods of chemical industry, rubber; metals and goods made from them and/or mineral products. 75-80% of volume of export of services from Ukraine to Germany would be formed by export of such group of services, as transport services; services of material resources processing; services in area of telecommunications, computer and information services with concentration on IT sector and business services. 60-70% of volume of import of services from Germany to Ukraine would be formed by import of such group of services, as transport services; construction services; business services and insurance services and/or state and governmental services.

The second scenario is neutral and describes strategic relations of Ukraine and Germany under motto “not really strategic”. In terms of this scenario, economic factors develop according to the forecasts of government. Political and social factors are considered to develop at slow rates, but generally their development is positive. However, ideas concerning the change of priority branches of Ukraine or optimal directions of strategic partnership between Ukraine and Germany in trade and economic spheres are ignored. Countries continue to cooperate, according to established procedure. As a consequence, Ukraine exports the same goods to Germany, which are not effective for Ukrainian economy because of price of this goods, way of production and just because it is raw materials. Positive situation is observed with export of services from Ukraine to Germany. Generally, Germany gets wished benefits due to such cooperation, and for Germany it is strategic partnership with full concentration on needs of German side.

Thus, it is forecasted that volume of export of goods from Ukraine to Germany will consist 3033 mln USD in 2019 and 3367 mln. USD - in 2020, and, volume of import of goods from Germany to Ukraine will consist 8450 mln USD in 2019 and 8957 mln USD - in 2020. Growth rates of export/import of services between Ukraine and Germany will be low. It is forecasted that volume of export of services from Ukraine to will consist 545 mln. USD in 2019 and 547 mln USD – in 2020, and, volume of import of services from Germany to Ukraine will consist 264 mln. USD in 2019 and 236 mln USD – in 2020 (Table 3.3.2).

In 2018-2020 trade structure of export/import of goods and export/import of services between Ukraine and Germany would have concentration character. 80-85% of volume of export of goods from Ukraine to Germany would be formed by export of such commodity groups, as machines, vehicles and equipment, metals and goods made from them, textile, textile products, footwear, food products and agricultural raw materials and products of chemical industry, rubber and/or mineral products. 75-80% of volume of import of goods from Germany to Ukraine would be formed by import of such commodity groups, as machines, vehicles and equipment, products of chemical industry, rubber, mineral products and metals and goods made from them. 85-90% of volume of export of services from Ukraine to Germany would be formed by export of such group of services, as transport services; services of material resources processing; services in area of telecommunications, computer and information services and business services. 75-85% of volume of import of services from Germany to Ukraine would be formed by import of such group of services, as transport services; services in the area of telecommunications, computer and information services; construction services; business services and insurance services and/or state and governmental services and/or travel services.

The third scenario is pessimistic and describes worsening of not just strategic partnership between Ukraine and Germany in trade and economic spheres, but deterioration of already established trade and economic relations. Deterioration of already existent relations would be affected by negative state of political factors. Political factors are considered, as decisive ones. In the terms of pessimistic scenario

level of political stability would be low, level of corruption would rise up, interest of citizens in politics would be decreased that would influence the quality of relations of Ukraine and Germany. German side would doubt promises of Ukrainian side about reforms and in result the cooperation would be narrowed.

Thus, it is forecasted that volume of export of goods from Ukraine to Germany would consist 2431 mln USD in 2019 and 2164 mln. USD - in 2020, and, volume of import of goods from Germany to Ukraine would state 7494 mln USD in 2019 and 7044 mln USD - in 2020. Volumes of export/import of services between Ukraine and Germany would decrease, too. It is forecasted that volume of export of services from Ukraine to would consist 541 mln. USD in 2019 and 539 mln USD – in 2020, and, volume of import of services from Germany to Ukraine would state 252 mln. USD in 2019 and 219 mln USD – in 2020 (Table 3.3.2).

In 2018-2020 trade structure of export/import of goods and export/import of services between Ukraine and Germany would have deep concentration character. 80-85% of volume of export of goods from Ukraine to Germany would be formed by export of such commodity groups, as machines, vehicles and equipment, metals and goods made from them, food products and agricultural raw materials, mineral products and forestry raw materials. 75-80% of volume of import of goods from Germany to Ukraine would be formed by import of such commodity groups, as machines, vehicles and equipment, products of chemical industry, rubber, mineral products and metals and goods made from them. 85-90% of volume of export of services from Ukraine to Germany would be formed by export of such group of services, as transport services; services of material resources processing and services in area of telecommunications, computer and information services. 75-85% volume of import of services from Germany to Ukraine would be formed by import of such group of services, as transport services; services in the area of telecommunications, computer and information services; construction services; business services and insurance services.

Besides export and import, the important component of strategic partnership between Ukraine and Germany in trade and economic spheres is investment component. The expected value of foreign direct investments coming into Ukrainian economy from

Germany on 31.12.2018 is 2007,7 mln USD (Fig. 3.3.1). In case of optimistic scenario (1) growth rate of volume of FDI is forecasted at 26%. The main areas for investments are metallurgy, vehicles and machine-building, except repair and installation of machines and equipment transportation, agro-sector and forestry. In case of neutral scenario (2) growth rate of volume of FDI is forecasted at 13%. The main areas for investments are production, trade, transportation, warehouses, storage and courier activity, machine-building, except repair and installation of machines and equipment, agriculture, forestry and fishery. In case of pessimistic scenario (3) growth rate of volume of FDI is forecasted at -1%. The main areas for investments are production, transportation, warehouses, storage and courier activity, machine-building, except repair and installation of machines and equipment and agriculture.

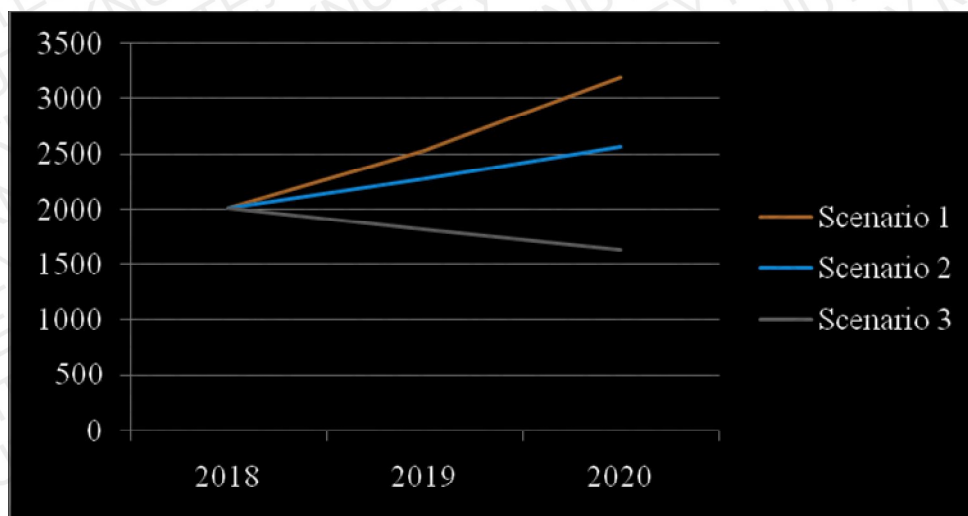


Figure 3.3.1 Dynamics of expected and forecasted values of FDI coming into Ukrainian economy in the framework of three scenarios of development of strategic partnership between Ukraine and Germany in 2018-2020

Source: created by the author on basis of [2; 43]

Note: 1 scenario – optimistic; 2 scenario – neutral; 3 scenario – pessimistic

To sum up, all three scenarios are aimed at showing directions in which Ukraine can develop its relations with Germany.

The first scenario is a draft of strategic partnership between Ukraine and Germany in trade and economic spheres that cannot be achieved in two or three years

but, by following this direction, German-Ukrainian relations would be transformed into practical strategic partnership.

The second scenario demonstrates result of adaptation to established conditions. Strategic partnership between Ukraine and Germany is proclaimed. In fact even some few commodity groups coincide with strategic directions. Volume of export/import of goods and services and investment rise up, but efficiency of such cooperation is not seen and would not be observed because of absence of optimization of such cooperation.

The third scenario demonstrates deterioration of trade and economic relations of Ukraine and Germany, if Ukraine would fail to execute taken obligations and, moreover, internal factors, especially political would develop negatively, making destabilizing impact on Ukrainian economy.

It is self-understandable that in modern realities implementation of optimistic scenario is impossible. The decision is a combination of optimistic and neutral scenarios. It means that already established directions of trade and economic relations of Ukraine and Germany should be kept. At the same time optimal directions can be slowly developed by conducting thematic business forums, presenting concepts of development, exhibitions, etc. Later substitution stage would be in process, and within 5-7 years complete change of established directions on optimal can be realized.

Strategic partnership between Ukraine and Germany in trade and economic spheres is possible and already separate cases of such cooperation can be found. Germany is not accidental strategic partner and the logic of choice is simple. Germany and Ukraine have a long history of relations and are mutually interested in development of own relations. Strategic partnership in such terms is the best alternative and it is just one part of puzzle because strategic relations are quite possible in different spheres, not just in trade and economic spheres. Currently the focus must be kept on trade and economic relations that are the most important for development of Ukrainian economy. Germany and Ukraine can be strategic partners mutually achieving goals, pursued by such type of relations.

CONCLUSIONS TO PART 3

The base for cooperation of Ukraine and Germany is stated by a long history of relations. For a long period of time Germany is not just good investor in Ukraine, but a strong initiator of economic changes in Ukraine, especially in the light of recent major events happening in Ukraine, Germany was the country that always gave support to Ukrainian side. The idea of strengthening strategic partnership between Ukraine and Germany in trade and economic spheres should be based on economic indicators, proving deepness of relations, general sources that indentify current state of relations and ways of potential change of state of relations.

In the process of analysis of general sources for strategic relations of Ukraine and Germany were identified barriers preventing improvement of there relations and ways of barriers elimination. Additionally, key stimulation actions for German investors were defind that include simplified registration of business entities in Ukraine, reduction of quantitative restrictions on the import of high-tech equipment for the modernization of domestic enterprises and providing priority areas for expansion of the sphere of economic activity by the state, etc.

Important aspect in updating of general sources of strategic relations between Ukraine and Germnay is forming of an agenda that can be divided on two parts: inter-country agreements, contracts or some other documents fixing state and direction of German-Ukrainian relations at inter-country level and internal programs, laws, development concepts, confirming direction of development of Ukraine and stimulating cooperation with other countries.

On the basis of agenda the most optimal directions of strategic cooperation between Ukraine and Germany in trade and economic spheres can be identified. In the export component of strategic partnership between Ukraine and Germany in trade and economic spheres are determined the following most optimal directions: IT sector, as a part of export of services, agro-sector, as the most stable and priority one, and forestry complex, as very potential but currently realized only through export of raw materials. Import component of strategic partnership between Ukraine and Germany in trade and

economic spheres include the following most optimal directions: pharmaceutical products, construction services, and machinery and equipment. In investment component of strategic partnership between Ukraine and Germany in trade and economic spheres the most optimal directions are vehicles, industrial production (metallurgy, processing of metals) and agro-sector.

Taking to account proposed measures for forming new vector of strategic partnership between Ukraine and Germany in trade and economic spheres the forecast of such relations can be conducted. The base of this forecast is forecasting of state of political and economic factors in Ukraine. Political factors are forecasted to develop in the framework of optimistic or pessimistic scenarios, but in neither variant these factors would have crucial impact on strategic relations of Ukraine and Germany. Economic factors are forecasted by government and three scenarios of possible future trends were identified.

Basing on forecasting of the state of political and economic factors, the forecast of strategic partnership between Ukraine and Germany in trade and economic spheres can be conducted in the framework of three possible scenarios of further development of strategic relations between Ukraine and Germany. The first scenario is optimistic and demonstrates the most favorable conditions for development of strategic partnership between Ukraine and Germany in trade and economic spheres. The second scenario is neutral and describes strategic relations of Ukraine and Germany under motto “not really strategic”. The third scenario is pessimistic and describes worsening of not just strategic partnership between Ukraine and Germany in trade and economic spheres, but deterioration of already established trade and economic relations.

Actualization of conducted forecasts proves that in current conditions implementation of optimistic scenario is impossible. The solution is a combination of optimistic and neutral scenarios.

Strategic partnership between Ukraine and Germany in trade and economic sphere is possible and can be achieved by continuous process of reforming of Ukrainian economy and stimulating of relations deepness.

CONCLUSIONS AND PROPOSITIOS

Strategic partnership is one of the best tools in an attempt to rebuild relations with other country, as this tool bases on principles of efficiency, equality, mutual support and understanding in order to make possible realization of parties' interests in the most optimal way. The main features of a strategic partnership are clarity, transparency, and consistency character of strategic partnership, especially in defining purposes, targets, tasks and mutual benefits of countries, durability and stability of strategic relations and diversity of strategic partnership, as it could be applied into various fields of each country, such as economics, politics, military, culture, science - technology, and education.

Strategic partnership can be implemented within different spheres of economy, but the most actual area for Ukraine is strategic partnership in trade and economic spheres. In terms of European choice of Ukraine and internal conditions, Germany can become one of the best strategic partner of Ukraine, as German side always demonstrated interest in development of Ukrainian economy, readiness to invest in Ukrainian economy and cooperate in different ways.

Strategic partnership in trade and economic spheres can be characterized through assessment of its key components: export/ import of goods and services in priority branches and volumes of foreign direct investments in priority branches coming from its strategic partner. In export and import of goods between Ukraine and Germany flexibility trends were observed. These trends show deepness of trade and economic relations between Ukraine and Germany which stay stable even in case of dynamism and rapid changes of external and internal environment. Moreover, even in the periods when slight decrease of export or import of goods between Germany and Ukraine was observed, the share of export/import of goods between Ukraine and Germany in the total export/import of goods of Ukraine was increasing.

In export of services from Ukraine to Germany flexibility trends were also observed. The decrease trend is observed in import of services from Germany to Ukraine.

In trade structure of export/ import of goods and service operations between Ukraine and Germany were identified concentration tendencies. Mainly, export of goods from Ukraine to Germany is formed by export of such commodity groups, as machines, vehicles and equipment, metals and goods made from them, textile, textile products, footwear, food products and agricultural raw materials and products of chemical industry, rubber and/or mineral products. Mainly, in import of goods from Germany to Ukraine is formed by import of such commodity groups, as machines, vehicles and equipment, products of chemical industry, rubber, mineral products and metals and goods made from them. Mainly, export of services from Ukraine to Germany is formed by export of such group of services, as transport services; services of material resources processing; services in area of telecommunications, computer and information services and business services. Mainly, import of services from Germany to Ukraine is formed by import of such group of services, as transport services; services in the area of telecommunications, computer and information services; construction services; business services and insurance services and/or state and governmental services and/or travel services.

Investments coming into Ukraine from Germany demonstrated sensitivity because decrease trend was observed from 2014 till the end of 2017, when considerable growth was identified. Besides, share of Germany in structure of total direct investments coming into Ukraine has decreased on 52%, reaching – 8,7% in 2013 and stating – 4,2 in 2017. But on 31st of Dec 2017 share of Germany in structure of total direct investments coming into Ukraine demonstrated 8,5% of growth, consisting 4,58%. The main directions of investments coming into Ukraine from Germany are production, trade, transportation, warehouses, storage and courier activity, machine-building, except repair and installation of machines and equipment, agriculture, forestry and fishery. All the other spheres of economy are invested but in lower volumes, some spheres stay not interesting for investments from German side.

In before crisis period crucial factors for forming strategic relations of Ukraine with other countries were economic factors, then currently political factors are in priority, at least such trend is noticed in German-Ukrainian relations. After crisis period

in 2013-2014 Ukraine approved its European choice and its status of the country that is ready to reform. Political reforms in this dimension are the most strategic, because Ukraine tries to prove that state authorities, way of accepting laws, legislation systems, etc. are changing. Economic factors are decisive but they appear more like a result of political factors. For foreign countries positive economic indicators are evidence that changes are in process and not just paper based. Social and technological factors cannot be omitted but they do not have crucial impact on quality of German-Ukrainian relations.

The efficiency of strategic partnership between Ukraine and Germany has not been ensured yet. In the process of assessing efficiency of export/ import operations, it was observed that export/import of goods tends to be less concentrated, while concentration of export/import of services rose up last year. German investors companies are eager to choose Ukraine and positively assess potential of Ukrainian economy, but they are not able to see focus of Ukraine and spend a lot of efforts to understand how Ukrainian economy functions and where are prospects for development.

Strengthening of strategic partnership between Ukraine and Germany in trade and economic spheres should be based on economic indicators, proving deepness of relations, general sources that legally form this type of cooperation and operate, as orienters. Analysing general sources of strategic partnership, dezimprovement barriers and ways of their elimination were identified. Additionally, a set of stimulation actions for German investors was formed and principles of actions implementation were determined. The set of simulation actions includes the following points: ensuring state guarantees of investments; possibility to participate in privatization programs for a certain period of time; simplified registration of business entities in Ukraine; reduction of quantitative restrictions on the import of high-tech equipment for the modernization of domestic enterprises and providing priority areas for expansion of the sphere of economic activity by the state, etc.

In the process of determination of new sources of strategic relations between Ukraine and Germany, an agenda should be created. This agenda contains two parts: inter-country agreements, contracts or some other documents fixing state and direction

of German-Ukrainian relations at inter-country level and internal programs, laws, development concepts, confirming direction of development of Ukraine and stimulating cooperation with other countries. After formation of clear agenda most optimal directions of strategic cooperation between Ukraine and Germany in trade and economic spheres can be identified.

Strategic partnership is presented by export, import and investment components that have different focus. That's why optimal directions are formulated separately within each of components and with taking to account possibilities of Ukraine and new focus of development. Export component of strategic partnership between Ukraine and Germany in trade and economic spheres are presented by the following most optimal directions: IT sector, as a part of export of services, agro-sector, as the most stable and priority one, and forestry complex, as very potential but currently realized only through export of raw materials. Import component of strategic partnership pharmaceutical products, construction services, and machinery and equipment directions. In investment component of strategic partnership between Ukraine and Germany in trade and economic spheres the most optimal directions are vehicles, industrial production (metallurgy, processing of metals) and agro-sector.

Implementation or rejection of proposed measures can be possible only after ground forecasts. The base of forecast includes forecasting of state of political and economic factors in Ukraine. Political factors are expected to develop in the framework of optimistic or pessimistic scenarios, but in any scenario these factors would not have crucial impact on strategic relations of Ukraine and Germany. Economic factors are forecasted by government and three scenarios of possible future trends were identified.

Paying attention to forecasts of political and economic factors, the forecast of the state of strategic partnership between Ukraine and Germany in trade and economic spheres can be conducted. Strategic partnership between Ukraine and Germany is forecasted in the framework of three possible scenarios of further development. The first scenario is optimistic and demonstrates the most favorable conditions for development of strategic partnership between Ukraine and Germany in trade and economic spheres. The second scenario is neutral and describes strategic relations of

Ukraine and Germany under motto “not really strategic”. The third scenario is pessimistic and describes worsening of not just strategic partnership between Ukraine and Germany in trade and economic spheres, but deterioration of already established trade and economic relations.

Using critical estimation, it is decided to propose implementation of optimistic and neutral scenarios combination that would enable slow and ground transition to new directions of cooperation.

Strategic partnership is too new technik for countries cooperation, the key ideas of technik are promising, but practical realities differ. In German-Ukrainian relations the dominant position is taken by Germany and ideal variant of relations exludes a dominant. Ukraine is expected to show its flexibility and adaptivity in order to build partnership based on benefits of its strategic partner and on own benefits.

REFERENCES

1. Про стимулювання інвестиційної діяльності у пріоритетних галузях економіки з метою створення нових робочих місць : Закон України від 01.01.2013 №5205-VI
2. Про схвалення Прогнозу економічного і соціального розвитку України на 2018-2020 роки : Постанова Кабінету Міністрів України від 31.05.2017 №411
3. Бакаєва І.Г. Критерії вибору партнерів у стратегічних альянсах / І.Г. Бакаєва // Збірник наукових праць ДЕТУТ. Серія «Економіка і управління». – 2013. – Вип. 25. – С. 206-211.
4. Беренда С.В. Господарська інтеграції України з країнами ЄС в контексті утворення глобальних та регіональних ланцюгів доданої вартості / С.В. Беренда, І.І. Зелцер // Социальная экономика. - 2016. - № 1. - С. 16-24.
5. Бураковський І. Український експорт: підсумки 2016 року та погляд в майбутнє / І. Бураковський // Інститут економічних досліджень та політичних публікацій. – 2016. – [Електронний ресурс]: Режим доступу до матеріалу: <http://www.ier.com.ua/ua/publications/articles?pid=5503>
6. Власюк Т.О. Металургійна галузь України на світовому ринку: проблеми та пріоритети / Т.О. Власюк // Науковий вісник Національної академії статистики, обліку та аудиту: збір. наук. праць. – 2016. - №3. – С. 91-103
7. Гетьманчук А. Аудит зовнішньої політики. Україна та Німеччина: чи переросте дружба проти Росії у серйозніші почуття? / А. Гетьманчук, С. Солодкий // Інститут світової політики. – 2016. - [Електронний ресурс]: Режим доступу до матеріалу: <https://www.eurointegration.com.ua/articles/2016/02/9/7044548/>
8. Гільченко О.Л. Роль Німеччини в урегулюванні української кризи / О.Л. Гільченко, Д.М. Верютіна // Грані. – 2016. – № 3. – С. 84–90.
9. Губенко Д. Зростання інвестицій: Україна купує німецьке обладнання / Д. Губенко // Deutsche Welle. – 2016. - [Електронний ресурс]: Режим доступу

до матеріалу: <https://www.dw.com/uk/%D0%B3%D0%BE%D0%BB%D0%BE%D0%B2%D0%BD%D0%B0/s-9874>

10. Двосторонні відносини України та Німеччини [Електронний ресурс] // Federal foreign office. – Режим доступу до матеріалу: http://www.auswaertigesamt.de/EN/Aussenpolitik/Laender/Laenderinfos/01-Nodes/Ukraine_node.html 02.02.2017.
11. Двостороння торгівля між Україною та Німеччиною зросла на 23%. – 2018. - [Електронний ресурс]: Режим доступу до матеріалу: http://ipress.ua/news/dvostoronnya_torgivlya_mizh_ukrainoyu_ta_nimechchynoyu_zrosla_na_23__poroshenko_256139.html
12. Економічний розвиток України 2017: досягнення, невдачі, перспективи. // Міжнародний центр перспективних досліджень. – 2017. - [Електронний ресурс]: Режим доступу до матеріалу: <http://icps.com.ua/ekonomichnyy-rozvytok-ukrayiny-2017-dosyahnennya-nevdachi-perspektyvy/>
13. Євроінтеграційні прагнення України: досягнення та перспективи. [Електронний ресурс]. – Режим доступу до матеріалу: <http://www.viche.info/journal/2288/>
14. Жолквер М. Берлін сподівається на внутрішньоукраїнський «круглий стіл» [Електронний ресурс]: Режим доступу до матеріалу: <http://www.dw.com/ru/berlin-nadeetsya-na-vnutriukrainский-kruglyy-stol/a-17630109>
15. Жолонко Т. Інструмент стратегічного партнерства: український досвід / Т. Жолонко // ЕМІНАК. – 2016. С. 49- 53.
16. Заборовець Ю.О. Розвиток пріоритетних галузей економіки України як запорука покращення інвестиційного клімату в Україні / Ю.О. Заборовець // Вісник Донецького національного університету, Серія випуску: Економіка і право. - №1. – 2015. – С. 114-118
17. Заходи щодо поліпшення інвестиційного клімату в Україні. – 2016. – [Електронний ресурс]: Режим доступу до матеріалу: <https://mfa.gov.ua/ua/page/open/id/801>

18. Зміна парадигми стратегічного партнерства. – 2015. - [Електронний ресурс]: Режим доступу до матеріалу: <http://ivinas.gov.ua/uk/archive/zmina-paradyhmy-stratehichnoho-partnerstva.html>
19. Зовнішньоекономічні зв'язки України та необхідність їх зміцнення. – 2015. - [Електронний ресурс]: Режим доступу до матеріалу: <http://www.ukr.vipreshebnik.ru/mobile/mign-economika/4515-zovnishnoekonomichni-zv-yazki-ukrajini-ta-neobkhdnist-jikh-zmitsnennya.html>
20. Зуб А. Т. Стратегічний менеджмент: підручник для бакалаврів / А. Т. Зуб. - 4-е вид., перероб. і доп. - М.: Видавництво Юрайт, 2013. - 375 с.
21. Калюжна Н. Г. Зовнішня торгівля України: методологія дослідження / Н.Г. Калюжна // Зовнішня торгівля: економіка, фінанси, право. — 2017. — №. 1(90). — С. 16–31
22. Козак Ю.Г. Міжнародна торгівля: навч. госіб. / Ю.Г. Козак, Т. Спорека, Е. Молендовський. - 5-те вид., перероб. та доп. – Київ-Катовіце-Краков: Центр учбової літератури, 2015. – 272 с.
23. Коваль І. Підсумки-2016: промисловість переведено в режим виживання / І. Коваль // Forbes Україна. – 2016. - [Електронний ресурс]: Режим доступу до матеріалу: <http://forbes.net.ua/ua/nation/1426415-pidsumki-2016-promislovist-perevedeno-v-rezhim-vizhivannya>
24. Коровайченко Н.Ю. Вплив внутрішніх та зовнішніх шоків на розвиток торгівлі України з ФРН / Н.Ю. Коровайченко, Л.В. Шевченко // Зовнішня торгівля: економіка, фінанси, право. – Сер.: Економічні науки. – 2015. – № 3 (80). – С. 45-49.
25. Кравченко О.В. Міжнародне стратегічне економічне партнерство в сучасних умовах глобалізації // Маркетинг в Україні, 2011. – №4. – С. 61-65.
26. Корольова Н. Президент ФРН виступає за тісніші зв'язки України з ЄС. [Електронний ресурс]: Режим доступу до матеріалу: <http://www.dw.com/ru/президент-фрг-выступает-за-более-тесные-связи-украины-с-еса-17874265>.

27. Крушинський В.Ю. Сталення Німеччини до євроатлантичних та євроінтеграційних прагнень України / В.Ю. Крушинський, Б.І. Приймак // Актуальні проблеми міжнародних відносин. – 2017. – Вип. 131. – С. 22-33
28. Кудирко Л.П. Проблеми деінституціалізації стратегічного партнерства в умовах глобальних трансформацій / Л.П. Кудирко // Економічний простір. - № 117. – 2017. – С. 5-14.
29. Кучеренко В.Р. Аналіз наслідків впливу глобальної фінансово-економічної кризи на стан торгівлі між Україною та ФРН / В.Р. Кучеренко, Л.В. Шевченко // Зовнішня торгівля: економіка, фінанси, право. – 2012. – № 5. – С. 63-67.
30. Манаєнко І.М. Тенденції торговельно-економічної співпраці України та Німеччини / І.М. Манаєнко, В.В. Подвальна // Інфраструктура ринку. – Вип. 6. – 2017. - С. 43-47
31. Макогін З.Я. Особливості торговельно-економічної та інвестиційної співпраці України та Німеччини / З.Я. Макогін, Р.Я. Андрусейко // Науковий вісник НЛТУ України. – 2016. – Вип. 26. – С.249-254.
32. Маркетинговий аналіз: навч. посіб. В.В. Липчук. К.: Альма-Матер.– 2008. – 216 с.
33. Мініч О. Навіщо розвивати ІТ ринок / О. Мініч // НВ Бізнес. – 2016. - [Електронний ресурс]: Режим доступу до матеріалу: <https://biz.nv.ua/ukr/experts/minitch/navishcho-rozvivati-it-rinok-178107.html>
34. Міщенко А. П. Стратегічне управління : навч. посіб. / А. П. Міщенко. – К.: ЦУЛ, 2016. – 336 с
35. Мороз Н.К. Аналіз економічного становища України 2013–2017 років / Н.К. Мороз // Економіка та підприємництво : зб. наук. пр. – Київ: КНЕУ, 2017. – Вип. 38. – С. 304–316.
36. Мухамедова Д.Р. Перспективи розвитку сфери бізнесу завдяки торговельно-економічному співробітництву України та Німеччина / Д.Р. Мухамедова, К.В. Антоненко // Східна Європа: Економіка, Бізнес та Управління – 2017. – Вип. 3 (08). – С. 7-9.

37. Немітц Ф. Україна може стати житницею для усього світу / Ф. Немітц // Спільна публікація Німецько-Української промислово-торговельної палати та Germany Trade and Invest. - №4. – 2018. – С. 10-12
38. Немітц Ф. Українське машинобудування виграє від зростання інвестицій світу / Ф. Немітц // Спільна публікація Німецько-Української промислово-торговельної палати та Germany Trade and Invest. - №3. – 2018. – С.4-6
39. Німецький бізнес задоволений зростанням торгівлі з Україною [/ Made for minds. – [Електронний ресурс]: Режим доступу до матеріалу: <http://p.dw.com/p/2YWqb/>.- 02.03.2017
40. Німецько-українська зовнішня торгівля продовжує зростати // Німецько-Українська промислово-торговельна палата. – 2018. - [Електронний ресурс]: Режим доступу до матеріалу: <http://ukraine.ahk.de/ua/news-detail/artikel/deutsch-ukrainischer-aussenhandel-weiter-im-aufwaertstrend/?cHash=d29790477a493364cc491d1130069e1>
41. Німецько-українські економічні відносини. [Електронний ресурс]. – Режим доступу: http://www.kiew.diplo.de/Vertretung/kiew/uk/04/Bilat__wirt__bez/Bilat__wirt__bez.html.
42. Обуховська К. Економіка України – 2017: більше зростання і менше інфляції. / К. Обуховська // Finance.ua. – 2016. - [Електронний ресурс]: Режим доступу до матеріалу: <https://news.finance.ua/ua/news/-/392088/ekonomika-ukrayiny-2017-bilshe-zrostannya-i-menshe-inflyatsiyi>
43. Офіційний сайт Державної служби статистики України [Електронний ресурс]: Режим доступу до матеріалу: ww.ukrstat.gov.ua
44. Офіційний сайт Міністерства фінансів України [Електронний ресурс]: Режим доступу до матеріалу: <https://index.minfin.com.ua>
45. Петришина, Н. В. Пріоритетні галузі економіки України : стан та перспективи розвитку / Н. В. Петришина // Науковий часопис Національного педагогічного університету імені М. П. Драгоманова. Серія 18 : Економіка і право : зб. наук. праць. - Київ : Вид-во НПУ імені М. П. Драгоманова, 2015. - Вип. 27. - С. 136-145.

46. Показники, що характеризують інвестиційну діяльність [Електронний ресурс]:
Режим доступу до матеріалу: https://studme.com.ua/138711266845/investirovanie/pokazateli_harakterizuyuschie_investitsionnuyu_deyatelnost.htm
47. Реалії та перспективи стратегічного партнерства. [Електронний ресурс]:
Режим доступу: https://dt.ua/POLITICS/realiyi_ta_perspektivi_strategichnogo__partnerstva.html
48. Романченко В.О. Проблемні аспекти, що впливають на обсяги двосторонньої торгівлі між Україною та Німеччиною / В.О. Романченко, Ю.В. Ілясова // Культура народів Причорномор'я. — 2011. — № 201. — С. 166-168.
49. Седляр Ю.О. Теоретичні засади стратегічного партнерства / Ю.О. Седляр // Наукові праці. Сер. Політологія. — 2009. — Вип. 12, т. 25. — С. 155–160
50. Соловей І. Канцлер Німеччини Ангела Меркель Україну ніколи не здасть / І. Соловей // LB.ua. — 2018. - [Електронний ресурс]: Режим доступу до матеріалу: https://ukr.lb.ua/world/2018/09/04/406631_kantsler_nimechchini_angela_merkel.html
51. Стратегічні партнери України: декларації і реалії [Електронний ресурс]: Режим доступу: <http://www.uceps.org>.
52. Стратегічно партнерство України / Національний інститут стратегічних досліджень. — [Електронний ресурс]: Режим доступу: <http://www.niss.gov.ua/articles/600/>.
53. Тарасюк Б. Практика стратегічного партнерства випереджає теорію // [Електронний ресурс]: Режим доступу: <http://www.ieac.org.ua>
54. Українська призма: Зовнішня політика 2016. Аналітичне дослідження // ГО «Рада зовнішньої політики «Українська призма», Фонд ім. Ф. Еберта. — Київ, 2017. — 204 с.
55. Українська призма: Зовнішня політика 2017. Аналітичне дослідження // ГО «Рада зовнішньої політики «Українська призма», Фонд ім. Ф. Еберта. — Київ, 2018. — 232 с.
56. Умови створення та функціонування спільних підприємств в Україні [Електронний ресурс]: Режим доступу: <https://studopedia.info/5-31728.html>

57. Фактори, що впливають на інвестиційну діяльність і ефективність інвестицій [Електронний ресурс]: Режим доступу: https://studme.com.ua/199207286846/investirovanie/factory_vliayuschie_investitsionnuyu_deyatelnost_efektivnost_investitsiy.htm
58. Фактори формування інвестиційного клімату в Україні / Н. М. Третяк // Фінансовий простір. - 2013. - № 3. - С. 165-170.
59. Фесенко М. Глобальне стратегічне партнерство провідних акторів: теоретико-методологічний вимір / М. Фесенко // Вісник Київського національного університету імені Тараса Шевченка // Міжнародні відносини. – 2015. – № 1(43). – С. 24–29.
60. Щербата З. Я. Концептуальні засади стратегічного партнерства / З. Я. Щербата // Економіка: проблеми теорії та практики : зб. наук. пр. – 2009. – Вип. 247. – Т.5. – С. 1205-1209.
61. Яворська, Г. Німеччина як перша скрипка в європейській політиці : Мелодія для України / Г. Яворська // Дзеркало тижня. – 2009. – № 48. – 12 груд. [Електронний ресурс]. – Режим доступу: <http://dt.ua/articles/58727>
62. Як ситуативне партнерство перетворити на пріоритетне: аудит зовнішньої політики Україна Німеччина. Дискусійна записка // Інститут світової політики. – Київ, 2016. – 40 с.
63. German companies expand investments in Ukraine // UBJ. - [Електронний ресурс]: Режим доступу до матеріалу: <https://theubj.com/news/view/german-companies-expand-investments-in-ukraine>
64. Flournoy M., Brimley S. Strategic Planning for National Security /M. Flournoy, S. Brimley // Joint Force Quarterly. – № 41. – P. 126-138.
65. Friedberg A. Strengthening U.S. Strategic Planning // TheWashington Quarterly. – №31. – P. 96-112.
66. Identifying strategic partnership in globalization and international integration era. – 2013. – [Електронний ресурс]: Режим доступу до ресурсу: <http://tapchiqptd.vn/en/research-and-discussion/identifying-strategic-partnership-in-globalization-and-international-integration-era/9297.html>.

67. Official site of UNDP [Електронний ресурс]: Режим доступу до матеріалу: <http://www.ua.undp.org/content/ukraine/en/home/presscenter/pressreleases/2018/human-development-indices--where-does-ukraine-rank--.html>
68. Official site of UNCTAD [Електронний ресурс]: Режим доступу до матеріалу: <http://unctadstat.unctad.org>
69. Strategic partnership of Ukraine: declarations and realities / N. Demchenko, O. Kozyryeva // *Baltic Journal of Economic Studies*. – 2015. - Vol. 1. – С. 75-80.
70. The concept of strategic partnership as an input in the modern alliance theory / L. Czechowska // *The Copernicus Journal of Political Studies*. – 2013. - № 2 (4). – С. 36-51
71. Trading economics data center [Електронний ресурс]: Режим доступу до матеріалу: <https://tradingeconomics.com>
72. Ukraine 4.0 – Afternoon Meeting at the Embassy of Ukraine in Germany July 4th [Електронний ресурс]: Режим доступу до матеріалу: <https://outsourcing-journal.org/ukraine-4-0-afternoon-meeting-at-the-embassy-of-ukraine-in-germany-july-4th/>

ANNEXES

Annex A

Foreign direct investments in Ukrainian economy from Germany by types of economic activity in 2017

Indicator	Volume of foreign direct investments			
	01.01.2017		31.12.2017	
	mln USD	in % to total	mln USD	in % to total
Total investments	1584,6	100,0	1 792,6	100,0
Agriculture, forestry and fishery	58,3	3,7	83,4	4,6
Production	1005	63,4	1068	60
Construction	5	0,3	9,4	0,5
Wholesale and retail trade, repair of motor vehicles and motorcycles	178,6	11,3	199	11
Transportation, warehouse, storage and courier activity	146	9,2	204,4	11,4
Financial and insurance activity	104,6	6,6	122,5	6,8
Real estate operations	18,4	1,2	19,5	1,1
Professional, scientific and technical activity	30,6	2	34	2
Activity in administrative and support services	25,6	1,6	38,4	1,8
Health protection and provision of social assistance	7,4	0,5	8,4	0,5
Others	5,1	0,2	6	0,3

**Dynamics of product concentration and diversification indices of exports in
Ukraine and Germany in 2013-2016**

Germany					
Indicator/ Year	2013	2014	2014	2016	2017
Number of products	258	258	257	257	257
Concentration Index	0,093	0,097	0,105	0,106	0,100
Diversification Index	0,351	0,340	0,319	0,311	0,313
Ukraine					
Indicator/ Year	2013	2014	2014	2016	2017
Number of products	246	246	244	242	246
Concentration Index	0,120	0,127	0,135	0,146	0,142
Diversification Index	0,612	0,669	0,682	0,666	0,679

**Dynamics of product concentration and diversification indices of imports in
Ukraine and Germany in 2013-2016**

Germany					
Indicator/ Year	2013	2014	2014	2016	2017
Number of products	258	257	257	257	257
Concentration Index	0,069	0,066	0,063	0,071	0,067
Diversification Index	0,174	0,175	0,173	0,180	0,182
Ukraine					
Indicator/ Year	2013	2014	2014	2016	2017
Number of products	251	250	249	249	249
Concentration Index	0,138	0,128	0,126	0,083	0,092
Diversification Index	0,390	0,414	0,435	0,392	0,384

Annex D

Dynamics of trade value, volume, unit value, terms of trade indices and purchasing power index of exports in Ukraine and Germany in 2013 - 2017

Country	Indicator/ Year	2013	2014	2015	2016	2017
Germany	Value index of exports	114,29	118,59	105,25	105,90	114,93
	Value index of imports	112,38	114,97	100,11	100,51	111,13
	Volume index of exports	104,64	106,84	109,65	110,31	113,44
	Volume index of imports	101,01	104,40	108,14	111,02	114,68
	Unit value index of exports	109,22	111,00	95,99	96,00	101,32
	Unit value index of imports	111,25	110,12	92,57	90,53	96,90
	Terms of trade index	98,17	100,79	103,70	106,04	104,56
	Purchasing power index of exports	102,73	107,69	113,70	116,98	118,61
Ukraine	Value index of exports	124,98	105,29	73,54	70,64	83,92
	Value index of imports	126,06	89,20	59,62	64,28	81,14
	Volume index of exports	100,43	89,24	75,75	75,63	77,52
	Volume index of imports	93,64	67,40	50,17	56,11	62,12
	Unit value index of exports	124,45	117,97	97,09	93,40	108,25
	Unit value index of imports	134,63	132,34	118,84	114,56	130,60
	Terms of trade index	92,44	89,14	81,70	81,53	82,89
	Purchasing power index of exports	92,83	79,56	61,88	61,66	64,25