МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ НАЦІОНАЛЬНИЙ АВІАЦІЙНИЙ УНІВЕРСИТЕТ

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airliners, but more intensively. That is, aviation as a part of the aviation industry is forced to reckon with the emerging restrictions and seek a way out in a more complex approach to development schemes and the mechanism of interaction between aircraft manufacturers and air carriers.

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FEATURES OF UKRAINIAN EXPORT TO THE EU: MAIN PROBLEMS OF DOMESTIC EXPORTERS AND WAYS OF THEIR SOLVING

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The success of exporting domestic goods to European countries affects not only the general economic situation in the country but also profits of any exporting company, determining relevance of the research. A free trade area with the EU de facto started for Ukrainian exporters four years ago. Statistics show that exports to the EU increases every year, despite Ukraine's loss of control over a large part of its territory and production assets.

It was defined that in 2018 the EU remained the key trading partner of Ukraine with a share of trade in goods and services 41.1% of the total Ukrainian trade volume.

Volume of Ukrainian exports to the EU in 2018 amounted to \$23,032 mln. that is 14.3% higher than the previous year. Main importers of Ukrainian products during the reporting period were: Poland (14.9%), Italy (11.9%), Germany (11.3%), the Netherlands (7.8%), Hungary (7.4%), Spain (6.2%), and the Great Britain (4.9%) [1].

The main commodity categories of Ukrainian export to the EU include: ferrous metals (18.4% in exports to the EU); electrical machinery and equipment (11.8%); cereals (11.0%); ores, slag and ash (9.0%); seeds and fruits of oil plants (5.8%); fats and oils of animal or vegetable origin (5.7%); timber and wood products (5.2%) [2].

Despite the agreements concluded with the EU, Ukrainian producers face certain issues and obstacles in the process of performing foreign economic activity:

- 1. Producers completely fill grain quotas, but they cannot fill others, and for some items exports have not even begun, partially because of insufficient production, but mostly because of poor quality of products and difficult entry of manufacturers into the EU market. So, in 2018 only quotas for honey, malt and wheat gluten, grape and apple juices, processed tomatoes, wheat, corn, barley, flour and butter were fully completed [1]. But other product groups in the EU markets either were shipped in a very small amount or were not shipped at all.
- 2. Exporting enterprises are also affected by unfavorable economic situation in Ukraine and difficult domestic export procedures. For example, almost half of the whole export operation costs are costs of processing necessary documents [3]. These issues are perceived differently by enterprises depending on their size. Small businesses often experience a lack of financing, unlike

large ones. Thus, small enterprises spend twice more time on registration of goods, and cost of registration of foreign trade operations for them is higher because of the small sizes of lots.

- 3. Over the last two years, Ukrainian carriers have faced significant problems with the transportation of goods by vehicles to the EU countries. The biggest barrier was Poland the number of Ukrainian trucks that were allowed to cross Poland border has been decreased, despite of growing trade [4].
- 4. The problems faced by Ukrainian exporters are also the lack of production technologies and personnel skills, the lack of conformity of products with international technical requirements and standards, as well as the problems of access to imported resources needed for production. Thus, the share of raw materials for Ukrainian exports to EU countries exceeds half of the total export value, but the share of high-tech products is only up to 5% [3].
- 5. An obstacle for Ukrainian exports to the EU is trade instability, as the EU countries can suspend imports of goods at any time. If deliveries are not restarted, then possible losses of domestic manufacturers in the new season could amount to about \$4-5 mln. or 15% of all export revenue [5].

In order to fundamentally change the situation, at first decisive actions by the state are needed. To begin with, the government has to improve the system of state regulation of export procedures and remove bureaucratic barriers. It is also strategically important to develop infrastructure considering international trade needs, namely development of terminals and road network, distribution, logistics and insurance services, as well as political, legal and financial conditions of providing them. In addition, it is necessary to create favorable conditions for attracting foreign investments, and most importantly, to introduce a mechanism for their effective use in order to reorient Ukrainian exports of commodities to finished products.

It was concluded that leaders of exporting companies and individuals need to pay attention to certain aspects. Firstly, productivity at enterprises remains low, primarily due to the outdated structure of industrial production, predominance of production of goods with low added value and low internal labor mobility. Low productivity, in its turn, affects export capacity of enterprises. Therefore, exporters should firstly improve their own business performance. Secondly, the success of exports depends to a large extent on such factors as the use of up-to-date technologies and availability of high-tech manufacturing. Innovation is crucial to diversify production and increase added value. Domestic producers need to participate in international R&D programs and projects, share knowledge, technology with the EU trading partners in the form of targeted seminars, events, within international programs. Any success in international trade starts with effective management, so it is important for executives to improve their business process management skills, including business and finance management, operational and quality management, information systems, international marketing and export strategies.

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