

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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Yu. V. Kyryliuk, Candidate of Economic Sciences, Associate Professor,
L. M. Mekshun, Candidate of Economic Sciences, Associate Professor,
S. O. Polkovnychenko, Candidate of Economic Sciences, Associate Professor

Ю. В. Кирилук, к. е. н., доцент,
Л. М. Мекшун, к. е. н., доцент,
С. О. Полковниченко, к. е. н., доцент

PECULIARITIES OF IMPLEMENTATION OF ECONOMIC AND TRADE PARTS OF THE UKRAINE-EUROPEAN UNION ASSOCIATION AGREEMENT

ОСОБЛИВОСТІ ІМПЛЕМЕНТАЦІЇ ЕКОНОМІЧНОЇ ТА ТОРГОВЕЛЬНОЇ ЧАСТИН УГОДИ ПРО АСОЦІАЦІЮ УКРАЇНИ З ЄС

Urgency of the research. The declared European choice of Ukraine was marked by the signing of the Association Agreement, which initiated a new stage in development of the cooperation between Ukraine and the EU.

Target setting. The success of socio-economic reforms in Ukraine largely depends on the implementation of the Association Agreement, which should become a key priority of the state policy of our country.

Actual scientific researches and issues analysis. The study of issues related to the Ukraine-European union association agreement is made in the works by I. Burakovskiy, V. Heyts, V. Savchenko, O. Shnyrkov and others.

Uninvestigated parts of general matters defining. Despite the available scientific works, the question of the peculiarities of implementation of the Ukraine-European union association agreement provisions in the fields of economic and trade cooperation remains insufficiently studied.

The research objective. The article is aimed at conducting an analysis of the general status of implementation of the economic and trade parts of the Ukraine-European union association agreement and justifying the ways of its provision.

The statement of basic materials. The article defines the main elements of the economic and trade components of the Ukraine-European union association agreement. The general status of the implementation of the Ukraine-European union association agreement in the areas defined in Title V "Economic and Sector Cooperation" is analyzed. The opportunities opened for Ukraine by the Association Agreement and free trade with the EU are systematized. New challenges and risks that may arise in implementing its provisions are identified. The ways of ensuring the implementation of the Agreement are substantiated.

Conclusions. The result of the study is the proposed ways to accelerate the implementation of the Association Agreement. Only in case of the practical fulfilment of all the components of the Association Agreement, Ukraine is able to get significant benefits from the integration with the EU.

Keywords: the Association Agreement; the European Union; implementation; free trade area

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Urgency of the research. The most important and monumental international legal document of today is the Ukraine-European union association agreement, which fully entered into force on September 1, 2017. The agreement can be considered as an integrated plan for conducting systemic socio-

Актуальність теми дослідження. Задекларований європейський вибір України ознаменувався підписанням Угоди про асоціацію, що започаткувало новий етап розвитку співпраці України і ЄС.

Постановка проблеми. Успіх соціально-економічних реформ в Україні значною мірою залежить від імплементації Угоди про асоціацію, яка повинна стати ключовим пріоритетом державної політики нашої країни.

Аналіз останніх досліджень і публікацій. Дослідженню проблем, пов'язаних з Угодою про асоціацію між Україною та ЄС, присвячені наукові праці І. Бураковського, В. Гейця, В. Савченка, О. Шниркова та ін.

Виділення недосліджених частин загальної проблеми. Незважаючи на наявні наукові напрацювання, питання щодо особливостей імплементації положень Угоди про асоціацію у сфері економічної та торговельної співпраці залишаються недостатньо вивченими.

Постановка завдання. Стаття спрямована на проведення аналізу загального стану імплементації економічної та торговельної частин Угоди про асоціацію між Україною та ЄС й обґрунтування шляхів її забезпечення.

Виклад основного матеріалу. У статті визначено основні елементи економічної та торговельної складових Угоди про асоціацію між Україною та Європейським Союзом. Проаналізовано загальний стан імплементації Угоди про асоціацію України з ЄС за напрямками Розділу V "Економічне та галузеве співробітництво". Систематизовано можливості, які відкриває перед Україною Угода про асоціацію і вільна торгівля з ЄС. Визначено нові виклики та ризики, що можуть виникнути під час реалізації її положень. Обґрунтовано шляхи забезпечення імплементації Угоди.

Висновки. Результатом дослідження є запропоновані шляхи прискорення імплементації Угоди про асоціацію. Лише у разі практичного виконання всіх складових Угоди про асоціацію Україна здатна отримати значні вигоди від інтеграції з ЄС.

Ключові слова: Угода про асоціацію; Європейський Союз; імплементація; зона вільної торгівлі.

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economic reforms in Ukraine, aimed at gradual economic and political rapprochement of our country with the EU.

An integral part of the Association Agreement is an economic and trading part, the implementation of which requires appropriate changes in many sectors of the national economy, aimed at modernizing the economy of Ukraine, ensuring its competitiveness, establishing closer relations with the countries of Europe, strengthening the position of the state on the world stage.

Target setting. The effective use of the potential of the Association Agreement depends on the full and timely fulfillment of the commitments of Ukraine on the establishment of a developed and stable democracy and a market economy, the harmonization of its legal system with European legislation. Therefore, the implementation of the Agreement should become a key priority of the state policy of our country.

Actual scientific researches and issues analysis. The problems of the implementation of the Ukraine-European union association agreement attract the attention of many domestic researchers today. Significant works, in particular by I. Burakovskiy [1], V. Heyts [2], V. Savchenko [3], O. Shnyrkov [4] and others, analyze the main provisions of the Agreement, its importance for Ukraine, positive and negative consequences for the national economy, and in particular the expected results (costs and benefits) from the establishment of a in-depth free trade area between Ukraine and the EU.

Uninvestigated parts of general matters defining. At the same time, the complexity of implementing the provisions of the Association Agreement requires further scientific research in this field. In particular, the peculiarities of the implementation of the economic and trade parts of the Agreement are insufficiently investigated.

The research objective. The purpose of the article is to study the current state of the implementation process of the economic and trade parts of the Ukraine-European union association agreement and to substantiate the ways of its ensuring.

The statement of basic materials. The Ukraine-European union association agreement stipulates that the political association and economic integration of Ukraine with the European Union will depend on the progress in the implementation of this Agreement, as well as on the achievements of Ukraine in ensuring respect for common values and the progress towards approaching the EU in the political, economic and legal spheres.

The Association Agreement provides for the implementation of a number of the EU legal acts in Ukrainian legislation in separate parts. In particular, it is stipulated to introduce gradually (until 2025) into the legislation of Ukraine certain provisions of the EU legislation: directives, regulations, decisions of the Council of the EU, etc.

The main economic part of the Agreement is Title V "Economic and Sector Cooperation". This part of the Agreement contains provisions on conditions, modalities and timelines for the harmonization of the legislation of Ukraine and the EU, commitment of Ukraine to reform the institutional capacity of the relevant institutions and the principles of cooperation between Ukraine, the EU and its member states in a number of sectors of the economy of Ukraine and areas of implementation of the state sectoral policy. In the 28 chapters of this title of the Agreement it is provided for the appropriate measures in the sectors: energy sector (including nuclear issues), transport, environmental protection, industrial and enterprise policy, agriculture, taxation, statistics, financial services, tourism, audiovisual policy, space research, healthcare, cooperation in science and technology, education, culture, sport, etc. [5].

The implementation of this title of the Agreement will allow for a more in-depth implementation of the provisions of the Free Trade Agreement, as it will contribute to the approaching of the legislation and regulatory environment of Ukraine to the EU, and hence, elimination of non-tariff trade barriers. The Agreement will also contribute to the integration of Ukraine into the EU internal market and the single regulatory environment in the vast majority of sectors of the economy and public life of Ukraine.

The general status of the implementation of the Ukraine-European union association agreement in the areas determined in Title V "Economic and Sector Cooperation" as of September 3, 2017 is illustrated in the Tab. 1.

According to the Table 1 data, only 2 (in terms of energy cooperation, including nuclear issues) out of 410 required normative legal documents were adopted, 9 documents were partly adopted, and 83

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documents failed to be fulfilled within the specified period. Thus, today Ukraine is far behind the timetable for implementation of the economic part of the Association Agreement with the European Union, for the adaptation of the legislation and for the adoption of by-laws, partial success was achieved only in the energy sector.

Table 1

The status of the implementation of the Ukraine-European union association agreement in the areas determined in Title V “Economic and Sector Cooperation” as of September 3, 2017

Title V ECONOMIC AND SECTOR COOPERATION		To adopt	Failed to be fulfilled in the specified period	Adopted	Partly adopted
Chapter 1	Energy cooperation, including nuclear issues	30	11	2	5
Chapter 4	Taxation	9	2	0	0
Chapter 6	Environment	155	55	0	1
Chapter 7	Transport	64	4	0	0
Chapter 13	Company law, corporate governance, accounting and auditing	16	4	0	0
Chapter 17	Agriculture and rural development	59	0	0	0
Chapter 20	Consumer protection	18	0	0	0
Chapter 21	Cooperation on employment, social policy and equal opportunities	42	2	0	0
Chapter 22	Public health	17	5	0	3
Total		410	83	2	9

Source: calculated by authors on the basis of [6]

We consider that it is worth focusing on those areas where certain provisions of the EU legislation (directives, regulations, decisions of the EU Council) have already started to operate, and outlining the prospects for their further implementation. It should be noted that the implementation of the provisions of Title V should prepare Ukraine for the complete establishment of the free trade area.

Since January 1, 2016, the temporary application of Title IV of the Ukraine-European union association agreement has started (except for Article 158 to the extent it concerns the enforcement of intellectual property rights during criminal proceedings, as well as Articles 285 and 286 to the extent they are applied to administrative proceedings and review and appeal at the level of the member states) as part of an in-depth and comprehensive Free Trade Area (IC FTA). At the same time, the EU autonomous trade preferences regime for Ukraine, started on April 3, 2014, has come to an end.

The provisions of Title IV “Trade and Trade-related Matters” of the Association Agreements determine the in-depth and comprehensive free trade area between Ukraine and the EU (FTA). The temporary application of the IC FTA regime implies the gradual expansion of the access to the Ukrainian market for the European import within the liberalized customs regime, changes in the legal and administrative regime of the export of Ukrainian goods to the European market in accordance with the provisions of the Association Agreement, the introduction of the regulatory reforms in Ukraine under the IC FTA.

The Parties shall gradually establish a free trade area during a transitional period of not more than 10 years from the date of this Agreement enters into force in accordance with the provisions of this Agreement and in accordance with Article XXIV of the General Agreement on Tariffs and Trade of 1994.

But it should be noted that the Association Agreement and the free trade area between Ukraine and the EU do not mean an automatic increase in export and recovery of foreign trade. The Association Agreement and free trade with the EU provide only opportunities: to enter one of the largest, most powerful and most high-margin markets in the world; to take a place in the global and regional value-

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added chains; to diversify export flows in order to minimize risks in the event of the impossibility of the access to the markets of certain CIS countries; to access the markets of third countries; to receive high-quality and cheaper imported goods; to simplify processes of attraction of technological and innovative decisions, realized in the EU countries; to receive foreign investments; to reduce non-tariff barriers in trade with agricultural products in terms of cooperation in the sphere of sanitary and phytosanitary measures; to preserve sovereignty in the determination and implementation of the foreign economic policy.

At the same time, the Association Agreement and the establishment of a free trade area between Ukraine and the EU member states not only open new opportunities for Ukraine, but also lead to new challenges and risks: increased competitive pressure from the EU companies; need for re-equipment and modernization of the existing enterprises; lack of cheap credit resources; search for new foreign partners; current and potential anti-dumping measures; lack of opportunities for a significant export increase in the near future; trade wars with the Russian Federation (barriers, embargo).

As far as the implementation of the Association Agreement provisions related to the establishment of the FTA with the EU is concerned, it should be noted that certain progress has been made in such areas as: public procurement, transparency of extractive industries, technical regulation, sanitary and phytosanitary measures. A large number of the by-laws were adopted. However, the ineffective work of the parliament and the delay in the approval procedure of the draft legal acts at the level of the Cabinet of Ministers slow down the implementation of the important institutional changes.

In order to accelerate the implementation of the Association Agreement, it is necessary to develop and implement a mechanism for the rapid passing through of the legal acts aimed at the implementation of the Agreement. In this regard, it is important to simplify the procedure for reviewing (approving) draft legal acts at the level of the Cabinet of Ministers; to establish effective communication at the level of the Cabinet and Parliament; to carry out an explanatory work among people's deputies, aimed at realizing the importance of European legislation.

At the same time, it is important not only to develop and enforce the legal norms of the adapted European legislation, but also to create real conditions for the implementation of these norms and ensure their positive impact on the economic situation in the country.

Conclusions. Thus, in the course of the implementation of the Ukraine-European union association agreement, both new opportunities and new factors that hinder the effective use of the integration benefits arise. Moreover, the integration processes currently taking place in Ukraine are carried out with different pace, depth and complexity.

Integration of Ukraine with the European Union is not an end in itself and is not a guarantee of success on its own. Ukraine is able to get significant benefits from integration with the EU only in case of the practical implementation of all its parts, both, economic, institutional and political. Therefore, the implementation of the provisions of Title IV "Trade and Trade-related Matters" and Title V "Economic and Sector Cooperation" of the Ukraine-European union association agreement stipulates a series of reforms, first in the sphere of technical regulation, sanitary and phytosanitary measures, raising the standards of quality and safety of products.

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