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STATISTICAL INVESTIGATION OF FOREIGN ECONOMIC ACTIVITY OF THE VOLYN REGION

A statistical study of foreign economic activity of the Volyn region is accomplished in the article. The main tendencies, characteristics, problems and prospects of the region's external sector are revealed.

Keywords: foreign economic activity of the region, the methods of statistical analysis of foreign trade operations, indices and characteristics of foreign trade activity.

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СТАТИСТИЧНЕ ДОСЛІДЖЕННЯ ЗОВНІШНЬОЕКОНОМІЧНОЇ ДІЯЛЬНОСТІ У ВОЛИНСЬКІЙ ОБЛАСТІ

В статті здійснено статистичне дослідження зовнішньоекономічної діяльності Волинської області, виявлено основні тенденції, характерні риси, проблеми та перспективи розвитку зовнішньоекономічного сектора регіону.

Ключові слова: зовнішньоекономічна діяльність регіону, методи статистичного аналізу зовнішньоекономічної діяльності, показники та характеристики ЗЕД.

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СТАТИСТИЧЕСКОЕ ИССЛЕДОВАНИЕ ВНЕШНЕ ЭКОНОМИЧЕСКОЙ ДЕЯТЕЛЬНОСТИ ВОЛЫНСКОЙ ОБЛАСТИ

В статье осуществлено статистическое исследование внешнеэкономической деятельности Волынской области, выявлены основные тенденции, характерные черты, проблемы и перспективы развития внешнеэкономического сектора региона.

Ключевые слова: внешнеэкономическая деятельность региона, методы статистического анализа внешнеэкономической деятельности, показатели и характеристики ВЭД.

Problem statement in general view and its connection with significant scientific and practical tasks. World economic development is characterized by integration and increasing industrial and market globalization. In this respect, international cooperation can help national economy adjust to new economic realities. Therefore, one of the motive factors to affect world progress standard and economic development of any country is international economic cooperation. Activation of the international economic relations stimulates economic development of the world community, maintenance and strengthening of peaceful relationships, international stress reduction and establishment of the international security system.

Currently activation of foreign trade has become a mandatory condition of the country economy recovery, so foreign economic activity must be intended to deal with specific tasks: reduction of the external debt, satisfaction of import needs, optimal realization of export possibilities, structural national economy renovation. At the same time, regions must take over some tasks regarding organization and regulation of foreign trade activity and cross-border cooperation. Activation of external economic operations will raise the region's development standard, encourage integration into the world's economic space, which is highly relevant in the conditions of Ukraine's integration into the European Union, solution to the socio-economic problems.

Analysis of current researches to launch solution to the problem. A wide range of publications is devoted to study foreign economic activity. Notice in particular the works of such researchers as P. Belenkyi, M. Dolishnyi, O. Zhulkanych, N. Mikula, O. Chmyr and others. All of them used their own approach to investigate problems of external economic regional operations activation, revealing problems and the prospects of foreign trade activities growth at specific moments of Ukraine's economic development. System research was conducted by O. Grebelnyk, A. Mazaraki, I. Mantsurov, V. Yuhymenko [1, 2].

However, external geopolitical and economic conditions are subject to constant changes, needs are changed, new services and goods are created, thus leading to the changed external business trends. In this context, there are different subjective and objective conditions for foreign economic activity development for each Ukrainian region. Various degrees of activity are exercised on external markets, making it an actual direction of scientific research.

The purpose of the article is to produce a statistical study on the foreign economic activity of the Volyn region, to reveal the main tendencies, characteristics, problems and prospects of development.

Statement of the basic investigation material including theoretically grounded results of the research. Under the current conditions of a rapidly globalizing world, the role of cross-border cooperation between regions has become crucial and there are new possibilities to activate business operations on the peripheral territories and increase their competitiveness. Proceeding from the aims of the article, it is important to define methodical approaches and stages of investigation of foreign economic activity of the region.

1. Characteristics of geopolitical regional environment.
2. Absolute figures analysis of foreign economic activity of the region.
3. Relative figures analysis of foreign economic activity of the region.
4. Figures definition of foreign economic regional activity structure.
5. Activity and effectiveness valuation of foreign economic operations of the region.

Boundary location of the region is favourable for the development of international relations. The region has gained some experience and concrete results in this field due to implementation of some events and projects.

Absolute figures analysis of foreign economic activity of the region calls for definition of the tendencies of the volume change and dynamics of the foreign trade turnover, trade balance, general and specific trade.

External merchandise trade figures are displayed in Table 1. As can be seen, import volumes are considerably higher than export ones, so trade balance is negative. External trade turnover changed irregularly, but during the recession year in 2008 it was the highest one due to import.

Tabl1

Figures for External Turnover Volumes, million US \$

Years	Number of partner countries	Export	Import	Trade balance	External trade turnover
2008	95	465,0	1307,7	-842,7	1772,7
2009	88	319,0	427,7	-108,7	746,7
2010	91	434,8	571,5	-136,7	1006,3
2011	95	646,4	1059,6	-413,2	1706
2012	100	605,8	1015,2	-409,4	1621

Speaking about foreign economic activity of the Volyn region in 2012, it should be pointed out that according to The State Customs Service of Ukraine export of goods in 2012 decreased by 6,2 % compared with 2011, while imports – by 4,2%. Negative trading balance of external goods trade was 409,4 million dollars.

Figures for external service trade are displayed in Table 2. External service turnover of the region is rather small, but export prevails in contrast to goods trade. Therefore, a trade surplus is observed during the whole investigation period.

Tabl2

Figures for External Service Trade, million US \$

Years	Number of partner countries	Export	Import	Trade balance	External trade turnover
2008	91	40,9	57,6	-16,7	98,5
2009	82	18,5	22,7	-4,2	41,2
2010	89	29,2	27,7	1,5	56,9
2011	84	33,3	24,6	8,7	57,9
2012	92	53,4	28,4	25,0	81,8

Consider relative figures for foreign economic activity of the region. Export and import dynamics is defined by indices characterising growth rate and growth rate surplus. Export growth rate, import growth rate, growth rate of external trade turnover pertain to growth rate of external economic relations. Export growth rate surplus, import growth rate surplus, growth rate surplus of external trade turnover pertain to growth rate surplus of external trade turnover.

Here belong also coefficient of covering import with export (defined as a ratio of export revenues to import costs); 'trade conditions' index (ratio of the country's export prices to import prices); index of import dependence of the country or import quota (import share in a gross domestic product, characterizes the level of country's dependence from goods and service import); net trade index (displays the level of prevailing export over import (index value being positive) or the level of prevailing import over export (index value being negative) (Table 3).

Tabl3

Relative Figures for Foreign Economic Activity of the Region

Figures / Years	2008	2009	2010	2011	2012
<i>1. Figures of external economic relations growth rate</i>					
Export growth rate, %	93,38	68,59	136,31	148,65	93,72
Import growth rate, %	216,51	32,70	133,63	185,40	95,81
External trade turnover growth rate	160,87	42,12	134,78	169,52	95,02
<i>2. Figures of external turnover growth rate surplus</i>					
Export growth rate surplus, %	-	-24,79	67,72	12,34	-54,93
Import growth rate surplus, %	-	-183,81	100,93	51,77	-89,59
External turnover growth rate surplus, %	-	-118,75	92,66	34,74	-74,5
<i>3. Coefficient of covering import with export, %</i>					
	35,56	74,58	76,08	61,00	59,67
<i>4. 'Trade conditions' index</i>					
	1,0	0,73	1,06	1,04	0,89
<i>5. Import dependence index (import quota)</i>					
	0,73	0,37	0,42	0,64	0,58
<i>6. Net trade index</i>					
	-0,48	-0,15	-0,14	-0,24	-0,25

Export growth rate was characteristic of 2010 and 2011, comprising + 36,31 %, + 48,65 % respectively. Import growth rate was observed in 2008 (116,51%), 2010 (33,63%), 2011 (85,4%), and growth rate of external trade turnover was characteristic of 2008, 2010, 2011.

Export growth rate surplus was negative in 2009 and 2012. Import growth rate surplus was observed in 2010 (33,63%), 2011 (85,4%). External turnover growth rate surplus was positive in 2010 (34,78%), 2011 (69,52%).

Coefficient of covering import with export shows that export earnings do not cover import costs.

‘Conditions of trade’ index is not affected by currency which was chosen for index calculation of average prices, so indices of different countries can be compared. Index value in the Volyn region was < 1 in 2009 and 2012, i.e., conditions of trade became worse in comparison with the previous period. In 2008, 2010, 2011 ‘conditions of trade’ index was somewhat more than one, i.e., trade conditions improved in comparison with the reference period.

Net trade index is negative during the whole investigation period pointing at considerable predominance of import over export.

Level of development of foreign economic sector of the region is characterized by foreign trade activity structural indices: marketable, geographical, institutional. Commodity composition of foreign economic activity of the Volyn region is displayed in Tables 4,5.

Tab4

Export Commodity Composition of the Volyn Region, %

Product Groups / Years	2008	2009	2010	2011	2012
Animals, products of animal origin	12,8	13,8	16,2	13,2	9,8
Wood, woodwork	9,2	9,0	9,7	10,2	12,5
Equipment and machinery; electrical equipment	42,2	41,3	43,6	50,0	43,2
Manufactured products	6,6	7,3	8,1	8,6	10,0

Classification indices of export and import into basic commodity items reveal the level of the economic development of the region. Final products comprise 53,2 % of the commodity export of the Volyn region in 2012. These include machinery and equipment, electrical equipment, manufactured products. However, they do not dominate, so it is inappropriate to consider economic system of the region effective and developing.

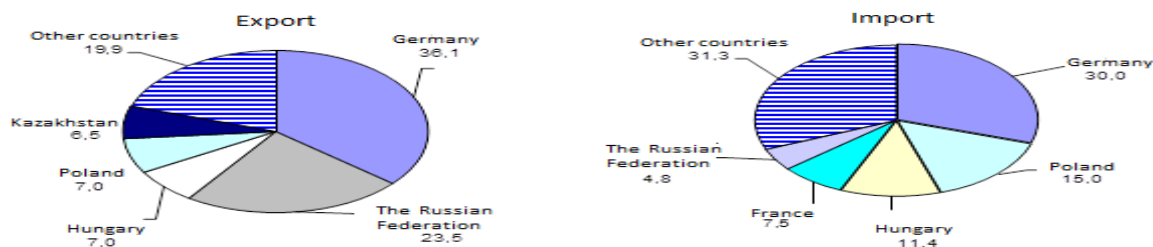
Tab5

Import Commodity Composition of the Volyn Region, %

Product Groups / Years	2008	2009	2010	2011	2012
Polymeric and plastic materials, manufactures	6,3	12,5	12,8	9,3	11,1
Equipment and machinery; electrical equipment	26,7	27,3	21,8	23,3	17,3
Land transport vehicles, air vessels, water transport	40,6	7,4	14,6	21,8	38,7

Means of transport are dominant in the import commodity composition of the Volyn region.

Geographical structure characterizes distribution of external economic operations by groups of countries. This index defines the degree of development of foreign economic activity of the region with other countries of the world and displays the dependence on the relations with a particular country. (Pic. 1)



Pic.1 Geographical structure of foreign economic activity in 2012 [3]

External trade operations were performed with 84 partner countries. EU countries are the main markets for sale and purchase, which account for 65,8% of the total volume of exports and 86,6% of imports. Market share of CIS countries comprise 32,8% in export and 6,3% in import. EU countries provided 83,4% of export and 65,6% of service imports, while CIS countries — 9,7% and 22,1% respectively.

Key service consumers are enterprises of Estonia, Germany, Poland, the Russian Federation, Switzerland, Austria. The most significant import services are provided by Poland, Austria, the Russian Federation, Belarus, Panama, Estonia, Sweden, Germany. Export services dealing with retail fuel trade, manufacturing industry and transport are dominant. Import structure is formed by services referring to retail fuel trade, transport, services of hotels and restaurants and those related to licensing activity.

Institutional structure characterizes distribution of external economic relations by subjects and methods of commodity exchange. The main exporters of the region are limited liability companies such as 'Kromberg & Schubert Ukraine', 'Komo-Export', 'Cascade Transport', 'Herbor-Holding', 'Terichem-Lutsk', 'Modern-Expo', 'SKF Ukraine', 'VGP', accounting for two-thirds of the regional export.

Intensity and effectiveness indices of external economic activity of the region are displayed in table 6.

Table 6

Intensity and Effectiveness Indices of External Economic Activity of the Region

Indices	Years				
	2008	2009	2010	2011	2012
Export per head, dollar/person	448,70	307,84	419,41	623,22	583,26
Import per head, dollar/person	1261,79	412,74	551,29	1021,68	977,44
External trade turnover per head, dollar/person	1710,49	720,58	970,70	1644,91	1560,7

These figures are pointing at low intensity of foreign economic activity of the Volyn region and its lack of efficiency.

Conclusions. Conducted investigations demonstrated basic problem issues and tasks of European integration cooperation as such:

- large negative trading balance;
- low competitiveness and product quality;
- necessity to expand the outlet and promote local products and services on the external market;
- increase in export volumes of machine building high-tech goods and overall development and deepening of mutually beneficial external economic relations of the region with other countries.
- lack of finance which disables realization of most events to intensify trans-border cooperation;
- underdevelopment and low modernization of Ukrainian-Polish and Ukrainian-Belarusian boundary infrastructure and transport network of border area;
- lack of experience referring to development of trans-border projects, their promotion through European Union authorities to receive funds within the framework of technical assistance program;
- shortage in experts on realization and coordination of trans-border cooperation between regional executive authorities, business structures and community.

However, the Volyn region has a significant potential due to geopolitical location, natural – for development of recreational and tourist services, labour — for activation of common enterprise, ecological — for export expansion of organic

products of agro industrial complex. Therefore, it is essential to define priorities of the external economic activity of the region, thus enabling to move to an entirely new level of the economic development.

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