

**Ukraine's foreign trade:
responses to global challenges**

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THE STRUCTURE OF THE PRESENTATION

- **Overview of Ukraine's intensity of trade flows of goods with continents in the 21st century**
 - **World trade in 2020**
 - **Foreign trade of Ukraine in 2020**

THE METHODOLOGICAL BASIS OF THE RESEARCH

**The systemic approach combined with
the historical and logical methods**

**The method of comparative statistics
analysis,**

based on the data provided by

**the State Statistics Service of Ukraine and
the State Customs Service of Ukraine.**

Table 1. Dynamics of geographical structure of Ukraine's exports of goods

	TOTAL, including the undistributed goods	CIS	Other countries of the world	EU
	mln USD			
2000	14572.5	4459.7	10112.8	4576.3
2005	34228.4	10531.1	23697.3	10293.3
2010	51405.2	18740.6	32664.6	13085.3
2015	38127.1	7806.1	30321.0	13015.2
2019	50054.6	---	---	20750.7
2015/ 2000, %	261.6	175.0	299.8	284.4

Table 2. Dynamics of geographical structure of Ukraine's imports of goods

	TOTAL, including the undistributed goods	CIS	Other countries of the world	EU
	mln USD			
2000	13956.0	8029.6	5926.4	4047.7
2005	36136.3	16988.3	19148.0	12211.3
2010	60742.2	26697.4	34044.8	19151.4
2015	37516.4	10485.5	27030.9	15330.2
2019	60800.2	---	---	25012.2
2015/ 2000, %	268.8	130.6	456.1	378.7

World trade in 2020

The most significant reduction occurred in the second quarter of 2020, when compared to the second quarter of 2019, the value of world trade decreased by 21%.

For comparison, **during the financial crisis** the decline in the value of trade in goods in the second quarter of 2009 was **by 33%**.

World trade in 2020

If in April 2020, according to the WTO optimistic scenario, a reduction of 12.9% was forecast,

according to the WTO pessimistic scenario a reduction of 31.9% was forecast,

in the October forecast the WTO estimates a decrease in world trade in goods at 9.2%

Thus, **the updated forecast is better than the optimistic scenario**, which is evidence for **better adaptation of the world trade processes in the conditions of pandemic caused by the COVID-19 than it was expected in April.**

Foreign trade in goods of Ukraine in 2020

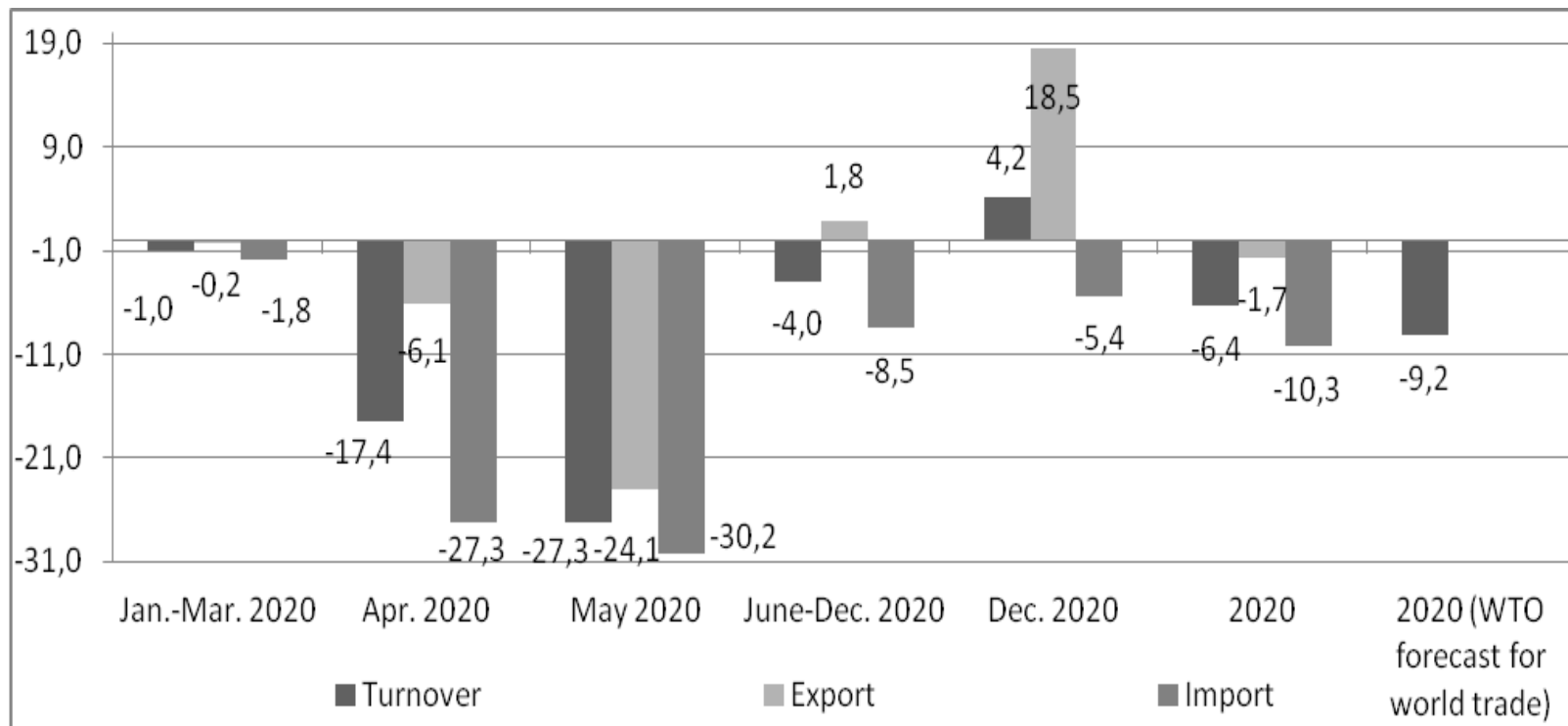


Figure 1. Dynamics of commodity foreign trade of Ukraine in 2020, %
 Source: authors' calculations based on *the State Customs Service of Ukraine* database.

Balance of foreign trade in 2020

*Higher rates of decline in imports of goods in comparison with exports of goods resulted in **more than two times reduction of the negative balance in foreign trade.***

If the negative balance for 2019 was 10.4 bln USD, then in 2020 it decreased to 5 bln USD.

Commodity structure of export in 2020

- ✓ ***If in 2019 the share of food products and agricultural products in the commodity structure of export was 44.3%, in 2020 it increased to 45.1%.***
- ✓ ***At the same time during this period the share of metals and metal products decreased from 20.5% to 18.4%.***

These two product groups account for almost two thirds of total exports of goods from Ukraine

The fluctuations in prices for main product groups of Ukraine's exports.

Price trends had different directions.

- ✓ ***The prices for the agricultural exports increased*** (as a result, when the value of exports of goods of this group increased by 0.2%, their physical volumes decreased by 9%), the prices for the other goods mostly fell.
- ✓ It is due to the decline in prices for chemical products that the increase in the physical volume of their exports by 24.9% in value brought much lower growth (by 2.3%).

Commodity structure of import in 2020

- *The leading role in the commodity structure of imports is played by*
 - ✓ *machinery, equipment and transport (34.3%),*
 - ✓ *chemical products (20%) and*
 - ✓ *fuel and energy products (14.7%).*
- *These three product groups account for almost 70% of total imports of goods to Ukraine.*
- *The world oil prices fell which resulted in the decrease of 34.6% in the cost of imports of fuel and energy products, while reducing purchases of their physical volumes by 15.1%.*

Table 3. Geographical structure of Ukraine's commodity exports and imports in 2020, %

	Export	Import
EU	37,8	43,8
China	14,4	15,3
EAEU	9,2	14,6
Turkey	5,0	4,4
Other countries	33,6	21,9

Source: authors' calculations based on *the State Customs Service of Ukraine* database.

Conclusions

- **Considering the negative trade balances with both unions – the EU with 5.1 bln USD and the EAEU with 3,4 bln USD –**

Ukraine's focusing on the improving the dynamics of increasing trade with the other countries can be viewed as positive factor that contributes to the partial compensation of the negative balance in trade.

- **COVID-19 demonstrated that agricultural and food products are of primary importance during the challenging times.**

The rise of the prices for the agricultural and food products makes it logical for the future of Ukraine to pay more attention to the development of the transport system in order to increase their exports to the developed countries of the West and to the prospective economies of the East and the South.

THANKS
FOR YOUR ATTENTION !

