

## Problems and Prospects of Development of Ukrainian Economy

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**Анотація:** У цій статті розглянуто стан української економіки за 10 років. Перспективи розвитку і можливі покращення запропоновані з урахуванням стану поточного економічного розвитку країни.

**Ключові слова:** економічний розвиток, ресурси, проблеми розвитку, зовнішній борг, платежі, економічна система

**Abstract:** The state of Ukraine's economy over the past 10 years is examined in the article. Development prospects and possible improvements are suggested taking into consideration the state of current economic development of the country.

**Keywords:** economy development, resources, problems of development, foreign debt, payments, economic system.

Proclamation in 1991 Ukraine as independent state and the transition to market economic system fundamentally changed the further development of the productive forces of the country and its individual regions. Ukraine has all the main types of resources for the independent functioning of the economy and can compete in open market environment. The practical implementation of these provisions cannot be achieved overnight, as it is highly complex, dynamic, and longtime process. Today the country is in the state of economic transition.

Economic reforms in Ukraine require a special approach to the knowledge of their features, the study of the causes and consequences of social and economic processes that have taken place in Ukrainian society for centuries. A characteristic feature of Ukrainian region is its geographical position and political environment. The knowledge of the current state of Ukraine's economy should be considered as historical and political processes that significantly affect the further development of the country in the transition to an open economy. Continuous deterioration of the main indicators of Ukraine in the 90s had a negative impact on the formation of an effective mechanism of its economy.

The global economy increasingly influences the features of Ukraine. The main areas of impact are increase in exports and imports relative to GDP and worsening situation with the external debt of the country. The successful and relatively quick formation of market economic system and reduction of social tension require significant amounts of financial resources. Therefore, cooperation with international monetary and financial institutions, states - creditors during this transformation is essential. The problem of external debt is a constant phenomenon accompanying economic development of Ukraine ever since it gained independence. Ukraine has entered financial and credit relations concerning foreign borrowings and corresponding debt payments to many subjects - both national and international financial organizations, private lenders and creditors' associations. The table illustrates this; the problem of payments on external

debt is a noticeable load on the country's financial system. It is clear that the main criterion to work out debt payment strategy must be an objective assessment of our budget as well as mobilized international resources. Such estimation of credit resources cannot help accounting the overall results of the macroeconomic development of the country, which affect the money involved. The complexity of the debt problem for Ukraine is explained in particular by the fact that solving the problem of overcoming the economic indicators fall requires a long period time. Thus, according to forecasts of the World Bank, the stabilization of the economy of the CIS countries cannot be achieved until the second half of the decade (and this is possible in times of stable social development and the absence of large exogenous shocks as far as it concerns economic processes).

### Conclusion

Given the current conditions Ukrainian policy should aim to achieve common goals and meet the following principles: freedom of enterprise in foreign trade with active regulatory role of the state; unconditional compliance by all the subjects of foreign business and their equality before the law and non-discrimination; protection of the interests of domestic producers both in Ukraine and abroad; equivalence of international trade exchange, the inadmissibility of unfair competition and dumping the export and import of goods and services; enhancing the competitiveness of domestic products in the world market. Assessing the situation with the export production in Ukraine, we have to admit that it does not meet not only its economic potential in general, but also economic and technological structure, sector distribution and the level of personnel. In the presence of the great scientific potential, there are almost no high-tech exports of high-tech industries. It is therefore necessary to stimulate the production of complex manufacturing, export and promote foreign sales in those scientific and technical areas and in the economic sector which development could help to increase the mass commodities, exported from Ukraine. It should encourage export of high processing rate. This requirement corresponds to the general trends of increasing global system of trade relations, the share of high-tech finished products. According to expert estimates, the global market in 2010 the share of primary processing would be 20%, while the share of finished products - 80% of the total market. Analyzing the state of Ukrainian economy, we have proposed several solutions of economic problems and research showed the economic recovery.

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