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INTERNATIONAL ENVIRONMENTAL AGREEMENTS

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The article presents a study of international environmental agreements, such as the United Nations Framework Convention on Climate Change and its protocols and Vienna Convention for the Protection of the Ozone Layer. The history, aims and principles of these international treaties have been analysed.

Keywords: international agreements, protocols, the United Nations Framework Convention on Climate Change, Vienna Convention for the Protection of the Ozone Layer.

Абрамова А., Манжос Я.Ю. Міжнародні угоди щодо охорони навколишнього середовища. У статті подано дослідження міжнародних угод щодо охорони навколишнього середовища, таких як Рамочна конвенція ООН щодо зміни клімату та її протоколи, Віденська конвенція щодо захисту озонного шару. В роботі проаналізовано історію, цілі та принципи цих міжнародних угод.

Ключові слова: Віденська конвенція щодо захисту озонного шару, міжнародні угоди, протоколи, Рамочна конвенція ООН щодо зміни клімату.

Due to the pressures of population and technology, the biophysical environment is degrading, sometimes permanently. This has been recognized, and governments have begun placing restraints on activities that cause environmental degradation. Since the 1960s, the activity of environmental movements has created awareness of various environmental issues irrespective of countries' borders and continents. All these facts make the issue of international environmental agreements (IEAs), extremely *topical*, as they are aimed at solving problems and increasing environmental awareness all over the world. The *aim* of this article is to analyze the main protocols; treaties and their amendments, conventions and declarations in this field, applying first of all the inductive *method*. For this purpose the following *material* has been used: the United Nations Framework Convention on Climate Change (UNFCCC), Vienna Convention for the Protection of the Ozone Layer, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) and others.

The United Nations Framework Convention on Climate Change (UNFCCC) is an international environmental treaty negotiated at the United Nations Conference on Environment and Development (UNCED), informally known as the Earth Summit, held in Rio de Janeiro from 3 to 14 June 1992. The objective of the treaty is to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system [7]: “such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner” [5].

The treaty has a number of later signed protocols, for example the Kyoto Protocol, which is an international treaty that sets binding obligations on industrialized countries to reduce emissions of greenhouse gases. The Protocol was adopted in Kyoto, Japan, on 11 December 1997, entered into force on 16 February 2005 and recognizes that developed countries are principally responsible for the current high levels of GHG emissions in the atmosphere as a result of more than 150 years of industrial activity, and places a heavier burden on developed nations under the principle of common but differentiated responsibilities. The detailed rules for the implementation of the Protocol were adopted in Marrakesh, in 2001, and are referred to as the “Marrakesh Accords.” Its first commitment period started in 2008 and ended in 2012, and after that there were further amendments to the Kyoto protocol. In Doha, Qatar, on 8 December 2012, the “Doha Amendment to the Kyoto Protocol” was adopted which includes new commitments for Parties to the Kyoto Protocol who agreed to take on commitments in the second commitment period from 1 January 2013 to 31 December 2020; a revised list of greenhouse gases (GHG) to be reported on by Parties in the second commitment period; amendments to several articles of the Kyoto Protocol which specifically referenced issues pertaining to the first commitment period and which needed to be updated for the second commitment period [2].

There are 192 parties to the convention, including 191 states (all the UN members, except Andorra, Canada, South Sudan and the United States) and the European Union. The United States signed but did not ratify the Protocol and Canada withdrew from it in 2011.

Another important multilateral environmental agreement is the Vienna Convention for the Protection of the Ozone Layer. It was agreed upon at the Vienna Conference of 1985 and entered into force in 1988. In terms of universality, it is one of the most successful treaties of all time, having been

ratified by 196 states (all United Nations members as well as the Holy See, Niue and the Cook Islands) as well as the European Union. It acts as a framework for the international efforts to protect the ozone layer. However, it does not include legally binding reduction goals for the use of CFCs, the main chemical agents causing ozone depletion. These are laid out in the accompanying Montreal Protocol.

On the basis of the Vienna Convention, the Montreal Protocol on Substances that Deplete the Ozone Layer was negotiated and signed by 24 countries and by the European Economic Community in September 1987. The Protocol called for the Parties to phase down the use of CFCs, halons and other man-made ODCs. After a series of rigorous meetings and negotiations, the Montreal Protocol on Substances that Deplete the Ozone Layer was finally agreed upon on 16 September 1987 at the Headquarters of the International Civil Aviation Organization in Montreal. The Montreal Protocol stipulates that the production and consumption of compounds that deplete ozone in the stratosphere - chlorofluorocarbons (CFCs), halons, carbon tetrachloride, and methyl chloroform - are to be phased out by 2000 (2005 for methyl chloroform). The scientific theory and evidence suggest that, once emitted to the atmosphere, these compounds could significantly deplete the stratospheric ozone layer that shields the planet from damaging UV-B radiation.

The Montreal Protocol on Substances that Deplete the Ozone Layer is one of the first international environmental agreements that include trade sanctions to achieve the stated goals of a treaty. It also offers major incentives for non-signatory nations to sign the agreement. The treaty negotiators justified the sanctions because depletion of the ozone layer is an environmental problem most effectively addressed on the global level. Furthermore, without the trade sanctions, there would be economic incentives for non-signatories to increase production, damaging the competitiveness of the industries in the signatory nations as well as decreasing the search for less damaging CFC alternatives [4].

The Rio Declaration on Environment and Development, often shortened to Rio Declaration, was another document produced at the 1992 United Nations Conference on Environment and Development, which consisted of 27 principles intended to guide future sustainable development around the world. Some of the principles contained in the Rio Declaration may be regarded as the third generation rights by European law scholars. For example, human beings are at the centre of concerns for sustainable development and they are entitled to a healthy and productive life in harmony

with nature. In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it [3].

In *conclusion*, the discussion concerning environmental protection often focuses on the role of the government, legislation and law enforcement. However, in its broadest sense, environmental protection may be seen to be the responsibility of all people and not simply that of governments. Decisions that impact the environment will ideally involve a broad range of stakeholders, including industry, indigenous groups, environmental groups and community representatives. Gradually, environmental decision-making processes are evolving to reflect this broad base of stakeholders and are becoming more collaborative in many countries [1] and international environmental agreements are a profound basis and framework for such a collaboration.

The *perspective* of the work includes the analysis of government agencies which are viewed by most people as being of prime importance in establishing and maintaining basic standards that protect both the environment and the people interacting with it [6].

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MARKET INFRASTRUCTURE OF UKRAINE: CURRENT SITUATION AND DEVELOPMENT PROSPECTS

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The article deals with the market infrastructure of Ukraine. It provides features of the market infrastructure and development prospects.

Keywords: development, economy, market infrastructure, stock exchange, system, Ukraine.

Аваргін М., Давиденко І.В. Ринкова інфраструктура України: сучасний стан та перспективи розвитку. У статті проаналізовано стан ринкової інфраструктури України. Визначено особливості ринкової інфраструктури та перспективи розвитку.

Ключові слова: економіка, ринкова інфраструктура, розвиток, система, Україна, фондова біржа.

Market infrastructure is an integral part of the market economy which identifies its reproduction and competitive capabilities. Moreover, this is sphere of highly skilled labor, which is important for creating workplaces and provides rational employment of the population. The problem in organization of the market infrastructure is extremely relevant for countries with a transitional economy, including Ukraine.

The goal of this research is to estimate the development of the market infrastructure of Ukraine, to pay particular attention to the processes of organization of the market infrastructure, as well as the problems and prospects of its development. *The object* is market infrastructure as an object of management research from the government and other participants of the market. *The subject* is important features of functioning of market infrastructure and the development of the system of market infrastructure institutions in the economy.

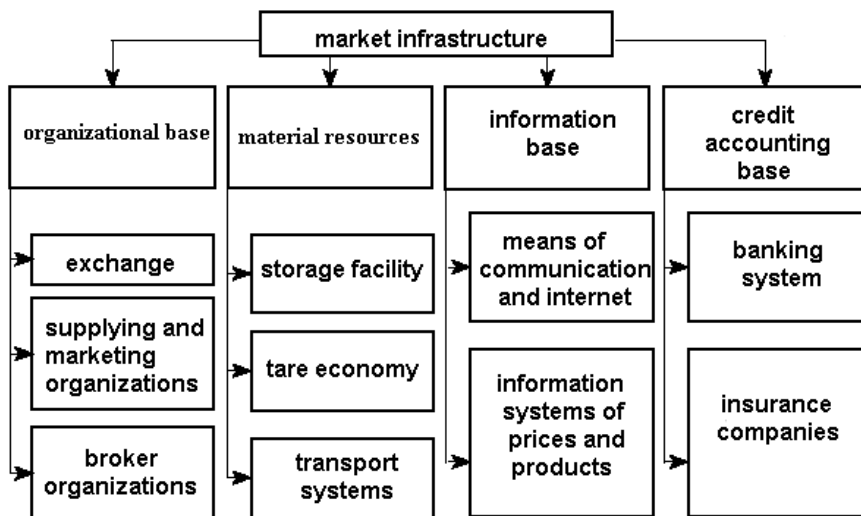
The infrastructure of the market is a set of various organizations, institutions, commercial and state enterprises and some services which provide normal and stable functioning of the financial and goods markets [2].

Market infrastructure is a link between production and consumption. Developed market infrastructure allows the quick resolving of a temporary

shortage of goods or information, service, banking, insurance and other services in order to promote efficient investment environment and to meet demand [1].

Table 1

The General Plan of the Market Infrastructure



Source: [6].

Considering the experience of foreign countries as to the government and market regulators in the development of market infrastructure, first of all, banking and financial structures, it is necessary for Ukraine to learn how to use the state and market mechanisms in appropriate way.

Market participants are conventionally divided into two levels.

The first level consists of those who make decisions on transactions in financial markets. The second level (the infrastructure of the market) – the ones performing functions related to the implementation of decisions taken at the first level, ensuring the registration, payment, accounting, human security holders, holding agency operations on calculation and payment of income.

The market infrastructure consists of the elements such as stock exchanges, banks, public finances, the taxation system, employment regulation system and other elements.

One of the most important elements is a stock exchange.

Table 2

The amount of registered exchanges by specialty

	2000	2005	2006	2007	2008	2009	2010	2011	2012
Total	339	439	448	461	482	484	510	537	570
Universal	885	114	114	114	118	113	106	106	107
Mercantile	146	214	258	272	293	318	341	368	393
Agroindustrial	28	30	29	30	30	26	25	25	25
Others	77	50	47	45	41	37	38	38	45

Source: [3].

Stock exchange is an organized and regulated financial market where securities (bonds, notes, shares) are bought and sold at prices governed by the forces of demand and supply. Stock exchanges basically serve as primary markets where corporations, governments, municipalities, and other incorporated bodies can raise capital by channeling savings of the investors into productive ventures; and secondary markets where investors can sell their securities to other investors, thus reducing the risk of investment and maintaining liquidity in the system [4].

Table 3

The main rates of exchange

	2005	2009	2010	2011
Amount of active exchanges, units 272	331	339	289	
Quantity of the held auction, units	45071	84318	43047	7071
Number of deals, units	117485	160184	87751	63631
Volume of deals, mil/hrn	17024,8	50995,9	51440,6	94420
Membership of the exchange, person 13372	47436	28203	4884	
Average number of permanent members, person	1396	1134	983	744
Amount of broker firms	2312	2414	2439	2128

Source: [3].

The second significant element of the market infrastructure is the stock market of Ukraine. Unfortunately it doesn't correspond to that role which is assigned to this financial intermediary in a world financial system. The domestic market of financial resources has not been able to service stakeholders completely yet [5].

The elements of market infrastructure of Ukraine are in crisis situation. The necessity to adopt new law which will regulate the work of stock exchanges, companies and centers which forming market infrastructure of Ukraine becomes greater every year. All this things show the difficult situation in the economy of Ukraine nowadays.

Public infrastructure policy influences the efficiency of the whole system. It is based on the following principles: development of productive forces of society, competitiveness, economic freedom, adequacy, efficiency.

Conclusion. Now, economists try to improve the conception and methodology of the alternative strategy of development of market infrastructure and economic mechanism of its functioning in Ukraine. The financial market infrastructure is composed of registrars, depositories, trading and clearing systems. The stock and futures exchanges play a special part in the stock market infrastructure operations. The infrastructure of these institutions may be one of the main functions in Ukraine, providing meeting buyers and sellers of securities, and organizing the process of trade and payments, performing control functions to guarantee the transaction.

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THE CONVENTION ON THE RIGHTS OF THE CHILD AND THE RESULTS OF ITS RATIFICATION

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The article tells about the United Nations Convention on the Rights of the Child, aimed at protecting children's rights, its history and the results of its ratification all over the world, including African, Latin American and European countries.

Keywords: children's rights, convention, ratification, the United Nations.

Бочкарьова К., Манжос Я.Ю. Конвенція з прав дитини та результати її ратифікації. В статті йде мова про Конвенцію з прав дитини Організації Об'єднаних Націй, метою якої є захист прав дітей, про її історію та результати ратифікації по всьому світу, включаючи різні країни Африки, Латинської Америки та Європи.

Ключові слова: конвенція, Організація Об'єднаних Націй, права дітей, ратифікація.

In recent years more attention has been paid in the society to children's opportunities to participate in matters that directly affect their lives. This stipulates the *topicality* of this article, the aim of which is to analyze the first international agreement protecting children's rights, namely the Convention on the Rights of the Child and its results. The texts of the Universal Declaration of Human Rights and the Convention on the Rights of the Child [3] have been used as the *material* for the present article.

The well-being of children and their rights have always attracted the attention of the international community. Back in 1924, the League of Nations adopted the Geneva Declaration of Rights of the Child, where children's rights were viewed largely in the context of the measures against slavery, child labor, child trafficking and prostitution of minors.

The Universal Declaration of Human Rights, which was adopted by the UN General Assembly in 1948, states that the child, by reason of its physical and mental immaturity, needs special safeguards and care, including appropriate legal protection, before as well as after birth, and therefore children should be subject to special protection and assistance. Later on in 1959, the UN adopted the Declaration of children's rights, which proclaimed social and legal principles connected with the protection and well-being of children.

However, the time and the situation of children demanded the international community to adopt a new document, which does not simply declare the rights of children, but can fix the protection of these rights on the basis of legal norms. In the period from 1979 to 1989, the UN Commission on Human Rights, which was attended by experts from many countries of the world, prepared the text of the Convention on the Rights of the Child (a child is defined in the Convention as any person under the age of 18). The Convention has 54 articles that take into account almost all the aspects related to the life and the situation of the child in the society. The state, which adopted the declaration, has a legal responsibility, as the document is legally binding. The countries that have ratified or acceded to it, should review their domestic legislation to ensure its compliance with the provisions of the UN Convention [23].

The Convention is the document of social and moral values, as it recognizes the child as a part of humanity and prevents discrimination. It proclaims the priority of the children before the needs of the state, society, religion, family. It specifically highlights the need for special care of the state and society on some social groups of children: orphans, refugees, offenders, disabled children. This is a legal document of high international standard as it declares the child as a full-fledged personality and an independent subject of the law.

The Convention also calls for both adults and children to build their relations on the moral and legal norms, which are based on humanism and democracy, on respect for the individual of a child and on their opinions and the views. 193 countries have either signed the declaration or become parties to the Convention as a result of ratification or accession and only the United States and Somalia have not acceded to the Convention yet [2; 4].

For 10 years since the ratification of the Convention, there has been remarkable progress. Virtually all governments that have ratified it have passed local legislation – where this did not exist previously – which stresses the rights of children and provides a legal basis to realize those rights. A number of countries (African and Latin American) have also modified their constitutions to incorporate the principles of the Convention into every aspect of national law. Other countries (mostly European ones, for example Norway) have introduced special positions of children's ombudspersons, who are officials appointed to investigate individual complaints against public authorities and have set up committees to monitor progress towards the realization of children's right [2; 1].

Now almost every government in the world has a ministry, commission or council responsible for children, in order to monitor the progress in children's

lives and to advance children's rights in policy making; twenty countries have established, or are in the process of establishing, independent human rights bodies for children. In Malaysia, an intersectional group of non-governmental organizations and government agencies have been set up to monitor its compliance to the Convention. In Costa Rica, a social rights 'audit' is being conducted involving children and the community to monitor and assess how the country is or is not meeting the Convention's provisions. In South Africa, the government has started reforming its juvenile justice system, as efforts are focused on moving the children out of the criminal justice system into other forms of legal mediation, popularly known as "children's courts." Several Latin American and African governments experiencing armed conflicts have officially demobilized their child soldiers under the pressure of the international community. Children's rights are also protected through successful international partnership aimed at improving the health and survival of millions of children. Through immunization, for instance, the lives of three million children are saved each year; through efforts to eliminate iodine deficiency 12 million children annually avoid mental disability; polio is on the brink of eradication. More children are enrolled in schools now than at any time in history, and significant gains have been made in improving access to sanitation and safe water.

In *conclusion*, it is important to point out that all these efforts taken by different countries that have ratified the Convention on the Rights of the Child are vitally important for children all over the world first of all to protect their human rights – basic standards that people need to live in dignity, which exist to make sure that people are treated properly and fairly, and given the freedom to develop to their full potential, and to promote their wellbeing. All human beings are entitled to enjoy human rights, but in addition to the rights that are available to all people, there are rights that apply only to children. Special rights are necessary for children because of their unique needs – they need additional protection that adults don't. The United Nations Convention on the Rights of the Child is the international document that sets out all of these rights [6;5]. The *perspective* of the work includes the analysis of children's rights violations in Ukraine.

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MANAGER'S CAREER IN HOSPITALITY INDUSTRY

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The article examines constituent elements of a manager's job in hospitality industry. The administrative structure of the hotel is studied. Basic operations performed by managers in hospitality industry are singled out. Methods of the management in hospitality industry are researched.

Keywords: administrative structure, basic operations, constituent elements, hospitality industry, manager, management.

Бондаренко Є., Сапрун І.Р. Кар'єра менеджера у готельному бізнесі. Стаття розглядає складові частини роботи менеджера в готельному бізнесі. Вивчена адміністративна структура готелю. Виділено головні види діяльності які виконує менеджер готелю. Вивчено методи менеджменту в готельному бізнесі.

Ключові слова: адміністративна структура, головні види діяльності, менеджер, менеджмент, складові частини.

Hospitality industry is one of the key elements of social sphere as it plays the leading part in the increase of public production and accordingly in uplifting living standards. The role of a manager contributing to smooth running of any lodging organization is particularly significant in hospitality industry. The *objective* of the article is to examine the constituent elements of a manager's job in hospitality industry.

The hotel is defined as “a commercial establishment providing lodging, meals, and other guest services. In general, to be called a hotel, an establishment must have a minimum of six letting bedrooms, at least three of which must have attached (ensuite) private bathroom facilities. Although hotels are classified into “Star” categories (1-Star to 5-Star), there is no standard method of assigning these ratings, and compliance with customary requirements is voluntary. A US hotel with a certain rating, for example, is may look very different from a European or Asian hotel with the same rating, and would provide a different level of amenities, range of facilities, and quality of service” [2].

Turn to the definition of the word “manager”. A French industrialist, Henri Fayol, known as the person who developed a general theory of business administration, wrote in 1916 a classic definition of the manager’s role. In his viewpoint to manage is “to forecast and plan, to organize, to command, to coordinate and to control”. This definition is still accepted by many researchers, economists, professionals today, though some writers on management have modified Fayol’s description. Instead of talking about “command”, they say a manager must “motivate” or “direct” and “lead” other employees [3].

Nowadays it is acknowledged worldwide that a manager in hospitality sphere is someone who completed his secondary education, has at least finished one-year Diploma Program in Hospitality Management. Modern manager is an experienced and skillful professional with a broad understanding of the operational aspects of the international hotel industry and knowledge of the underlying principles involved. Such specialist also gains vast knowledge about food service and production alongside a variety of academic disciplines, including foreign languages [1].

In most companies the activities of a manager depend on the level at which he/she works. Top managers, such as directors, will be more involved in long planning, policy making and the relations of the company. These strategy decisions are part of the planning function mentioned by Fayol [3].

The administrative structure of the hotel depends on its purpose, capacity and the specific character of the guests and might be presented as following:

1) Lineal structure. Every section has the manager who is responsible for the activities of this section. This manager submits to the higher manager. The advantages of this structure are the clear responsibility, the simplicity of the management. But the manager must be very skilled to manage all processes.

2) The functional structure. The main idea is that the specialists perform the separate functions and they are united in departments. The advantages of

the functional structure are the high competence of the specialists, standardization and the programming of the processes. The main problem of this structure is the excessive centralization.

3) Lineal-functional. It includes the special sections by the lineal managers. Among the advantages one can account the co-operation of the experts and the better preparation of the decisions and plans. The defects of this structure are the unclear responsibility and the absence of the connections between departments [4].

In addition to the usual management positions, multi-unit companies may have area, district, and regional and/or corporate-level management. There may be several separate departments operating at a hotel, requiring frequent communication among staff members to co-ordinate their activities.

Among the main methods of the management in hospitality industry one can number economic, administrative and social psychological methods.

The leading idea of the economic method is to provide the staff with all the necessities for fulfilling administrative and production activities. The administrative method is based on the directive instructions. The main purpose of the social-psychological method is the forming of the positive climate among staff. The success of the activities of the manager depends in the main on his ability to work with people and on right using all these methods.

Managers in hospitality industry perform five basic operations. Firstly, managers set objectives and choose ways to achieve them. For this task they need analytical ability. Secondly, managers organize the resources of the company, decide what they are to be used for, how the work is to be classified and delegated. Furthermore, they must pick up employees for the jobs to be done. To do this effectively, they have to be analytically minded and possess psychological understanding of a man's personality. The third task is to motivate and communicate effectively: that is the ability to get people to work as a team, and to be as productive as possible. To perform all duties and responsibilities, they are supposed to communicate effectively with all levels of the organization – their superiors, colleagues and subordinates. To succeed in this task, managers need to obtain some advanced social skills. The fourth activity is a system of standards. Having set standards, managers have to measure the performance of the organization and of its staff in relation to those standards. The system of standards requires analytical ability as well [4].

Decision-making is a key of management responsibility and career. In carrying out management functions, such as planning, organizing, motivating

and controlling, a manager will be continually making decisions. Routine decisions are those made up quickly. Being an experienced manager, he knows what to do in certain situations. Other decisions are often intuitive ones, thus not really rational. The manager may have a gut feeling that a certain course of action is the right one. Many decisions are more difficult to make since they involve problem-solving, they happen to be strategic decisions which will affect the future direction of the enterprise. To make good decisions the manager should be able to select rationally a course of action. In practice, decisions are usually made in circumstances which are not ideal. Thus they have to be made quickly, with insufficient information. When a complex problem arises, the manager has to collect facts and weigh up courses of action. He must be systematic in dealing with the problem. A useful approach to this kind of decision-making is as follows: the process consists of four phases:

1. Defining the problem;
2. Analyzing and collecting information;
3. Working out options;
4. Deciding on the best solution.

First, the manager must identify and define the problem. A crucial thing is to avoid mistaking the symptoms of a problem for the real problem he must sort out. At this early stage the manager must also take into account the rules and principles of the company which may affect the final decision. These factors will limit the solution of the problem.

Second, analyzing the problem and deciding what additional information is necessary before a decision can be making. Getting the facts is essential in decision-making. However, as it was already mentioned, the manager will rarely have all the knowledge he needs. This is one reason why making decisions involves a degree of risk. It is the manager's job to minimize that risk.

Once the problem has been defined and the facts gathered, the manager should consider the options for solving it. This is necessary because there are usually several ways of solving a problem. The enterprise might be modernized or service might be improved, for example. Before making a decision, the manager will carefully access the options, considering the advantages and disadvantages of each one. Having done this, he will have to take a decision. Perhaps he will compromise using more than the option.

In the lodging industry it is important that managers should be effective. They must be able to achieve their objectives. The problem is that there are so many pressures on managers, reducing their efficiency. The managers find

that they do not have enough time to devote to the really important jobs. They find that other people take up a lot of their time, so that they have little time of their own. Effective managers learn how to manage their time and are able to cut out unproductive activities.

People entering hospitality industry frequently face a number of problems: whether to begin their careers in a small or large hotel, what branch of hotel operation is the best to start in after graduation. It is important to learn something about all phases of hotel operation. You may prefer to work first in those departments you know least about. Then with some exposure to all areas, you can begin to focus on your areas of interest.

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THE SHORT OVERVIEW OF THE HISTORY OF ECONOMIC DEVELOPMENT OF THE CZECH REPUBLIC

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The article deals with the analysis of the history of the Czech economy, namely its condition and the main tendencies before and after the demolishing of the socialism system and after the transition of the country to the market economy as well as after the entry to the European Union on the 1st of May 2004. The topicality of the subject with a view to a current situation in Ukraine is also considered in the article.

Keywords: Czechoslovakia, industry, the Council for Mutual Economic Assistance, the Czech Republic, the European Union.

Бороденко М.М., Рябенка І.В. Короткий аналіз історії економічного розвитку Чеської Республіки. У статті проаналізовано історію економіки Чеської Республіки, а саме її стан та основні тенденції до та після розпуску соцтабору та переходу країни до ринкової економіки, та після вступу до Європейського Союзу першого травня 2004 року. У статті також розглядається актуальність цієї теми з приводу нинішньої ситуації в Україні.

Ключові слова: Європейський Союз, промисловість, Рада Економічної Взаємодопомоги, Чеська Республіка, Чехословачія.

Today the most important question for Ukraine is to go or not to go to the European Union. A lot of specialists, analysts or simple citizens of Ukraine are trying to prove that this way is the only one for Ukraine or that this way is dangerous for our country. The article focuses on issues of the history of economy of the Czech Republic. *This problem is very important for* Ukrainian economists because this country also had the command economy and the government of this country was also forced to make a lot of reforms to join the countries with the market economy, and to enter the European Union. So, it has already overcome the way that some Ukrainian politicians and citizens have chosen.

The *goal* of this research is to analyze the economic development of the Czech Republic and define the role of the European Union in this development on the basis of such *methods* as description and comparison.

This subject is investigated by both domestic and foreign scientists. Aspects of the economy of the Czech Republic have been analyzed by I. Jeneralova, Patricia Mc Grath, C. Kochkina, I. Deripaska, V. Sedov [2] and others.

The Czech Republic is a very young country which appeared in the political map of the world only on the 1st of January 1993. Nowadays the Czech Republic is a stable and prosperous market economy closely integrated with the EU, especially since the country's EU accession in 2004. While the conservative, inward-looking Czech financial system has remained relatively healthy, the small, open, export-driven Czech economy remains sensitive to changes in the economic performance of its main export markets, especially Germany. When Western Europe and Germany fell into recession in late 2008, demand for Czech goods plunged, leading to double digit drops in industrial production and exports. As a result, real GDP fell 4.7% in 2009, with most of the decline occurring during the first quarter. Real GDP, however, slowly recovered with positive quarter-on-quarter growth starting in the second half of 2009 and continuing throughout 2011. In 2012, however, the economy fell into a recession due to a slump in external demand.

But before the Czech Republic became independent it was the part of Czechoslovakia. In the 1949 this state was one of the main activists in the foundation of the Council for Mutual Economic Assistance and later it became one of the most economically developed countries of this organization. Czechoslovakia had developed infrastructure and industry. Czechoslovakia had the command economy in the second part of the previous century. However, it had its own way of development. In October 1964 the Communist Party of Bohemia and Moravia confirmed the principles of the development of its own national economic reform. In June 1966 the so called “The new economic model” was confirmed by the thirteenth meeting of the Communist Party, and since 1967 the government approached its realization.

The new model meant the consolidation of the role of enterprises and cooperatives in the short-term and mid-term planning with the concentration of the state bodies in the long-term macroeconomic regulation. Lending the experience of the socialistic Yugoslavia, the government planned to consolidate the independence of enterprises in the aspect of the income using. But unfortunately “The new economic model” wasn’t implemented. However, the pace of the mid-year income in the period of 1966–1970 amounted 6,9% in comparison with 4,1–4,4% of the average worldwide pace.

In the frames of the Council for Mutual Economic Assistance Czechoslovakia continued the further development of the machinery-producing industry, because it was a key industry for this state. The production of the aircraft engineering, which began in 1919, also continued [4]. After the building of the factory in Brno the tractor construction appeared. Czechoslovakia had also developed munitions industry. For example during the Second World War this state was one of the main suppliers of the Fascist Germany and produced engines, armors, and small-arms weapon including antitank [1]. In addition, the country had developed power engineering industry. Since 1960 three nuclear steam-electric generating units “Bogunize”, “Dukovany” and “Temelin” were built in the country and two of them are now located in the territory of the Czech Republic [2].

Czechoslovakia had also developed agriculture. The main figures of agriculture are shown in the table 1.

Table 1

Animal and poultry production

Type of production	Years		
	1960	1970	1976
Meat (in slaughter weight) (th. tones)	802	1098	1322
Beef (th. tones)	240	362	415
Pork (th. tones)	483	586	728
Poultry (th. tones)	45,8	103	141
Milk	4093	4978	5485
Fleece	2,5	4,1	3,6
Hen eggs (million items)	2267	3733	4492

Source: [3].

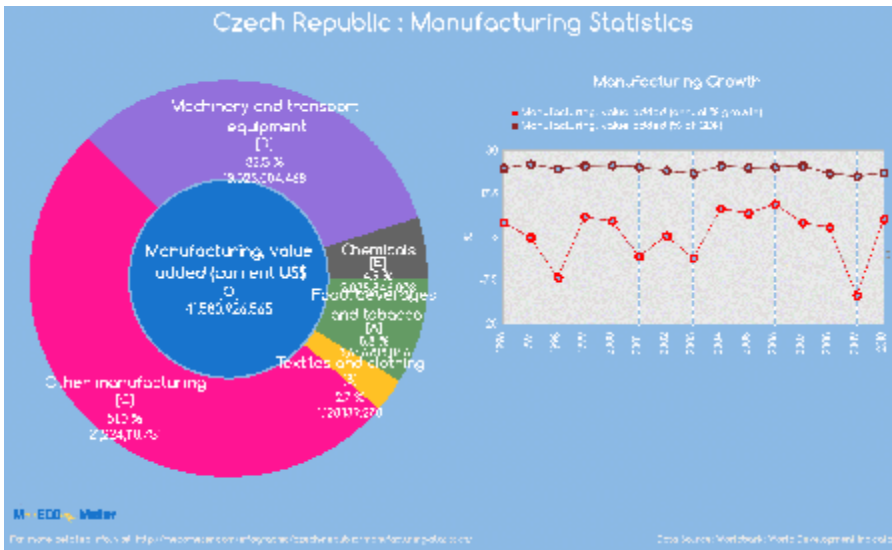
So, Czechoslovakia was one of the most industrially-developed countries. But after the collapse of the Soviet Union the country was forced to change its economic system, to make a lot of reforms in order to save its main production branches. And now we can see that the governments of the Czech Republic managed not only to save its own manufacturing, but also to continue the development of their country.

Nowadays the Czech Republic possesses a developed [10], high-income [7] economy with a GDP per capita of 80% of the average GDP in the European Union [5]. The Czech Republic is the industrial country. Its main spheres are fuel and energy sphere, metallurgy industry, machinery-producing industry, chemicals, consumer goods industry and food processing industry.

The auto industry remains the largest single industry, and, together with its upstream suppliers, accounts for nearly 24% of Czech manufacturing. The Czech Republic produced more than a million cars for the first time in 2010, over 80% of which were exported.

The manufacturing statistics and the manufacturing growth of the Czech Republic are shown in the diagram 1.

Diagram 1



Except the above mentioned types of manufacturing it has also developed service industries. The service sector accounted for 53 percent of the GDP in 1999. As opposed to a negative trade balance in industry, the Czech Republic registered a positive trade balance in services between 1993 and 2000. The service sector employed 53.7 percent of the labor force in 1997 [6].

Other long term challenges include dealing with a rapidly aging population, funding an unsustainable pension and health care system, and diversifying away from manufacturing and toward a more high-tech, services-based, knowledge economy [9].

Conclusion. The Czech Republic became a highly developed country not due to the European Union. It received the rich inheritance from the times of the socialist camp and the Czech government managed not only to save that inheritance but also to continue the development of its economy during the times of the market economy. So this state can be the example which shows that every country can develop outside the frames of the European Union.

The *perspective* of this research consists in analyzing the development of Ukrainian economy during the years of independence and using the same methods trying to understand whether the signing of the EU association agreement will be favourable for Ukraine.

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SPANISH TRADE IN THE CONTEXT OF GLOBALIZATION OF THE WORLD ECONOMY

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The article deals with the Spanish trade in the context of globalization of the world economy and the trend for the period from 1976 through 2004. It provides factors affecting the economy of Spain, such as low growth rates in the European Union countries, economic difficulties, changes in Spain's domestic demand, tourism and low cost of credits. It also defines the effect of Spain's foreign trade on its economy.

Keywords: discount interest rate, exports, foreign trade turnover, growth rates in the EU, jobs in Spain, Spain's economy, Spanish foreign trade.

Бойко К., Шамраєва В.М., Брославська С.М. Торгівля Іспанії в контексті глобалізації світової економіки. У статті проаналізовано стан торгівлі Іспанії в контексті глобалізації світової економіки і виявлено динаміку за період з 1976 року по 2004 рік. Визначено фактори, які впливають на економіку Іспанії, такі як невисокі темпи росту в країнах ЄС, економічні труднощі, зміна внутрішнього попиту в країні Іспанії, туризм та низька вартість кредитів. Визначено вплив зовнішньої торгівлі Іспанії на її економіку.

Ключові слова: економіка Іспанії, експорт, зовнішня Іспанська торгівля зовнішньоторговельний оборот, процентна дисконтна ставка, робочі місця Іспанії, темпи росту в країнах ЄС.

“Spain should join the G8. The base for this is its economic success.” This statement was made by Josй Марна Aznar, the head of the Spanish government, on the eve of the Brussels meeting of the ministers of finance of the EU countries. There Spain criticized the fiscal policies of the two members of the Group of Eight – Germany and France. Simultaneously, two groups of the U.S. congressmen drafted appeal to George Bush with the requirement to exclude Russia from this club for betraying democratic principles [1, p. 400].

The problem of economic development of Spain is very important for understanding the global economic processes developing in the modern world.

The *goal* of this research is to analyze Spanish trade in the context of globalization of the world economy and identify the trend for the period from 1976 through 2004 on the basis of such *methods* as description and comparison.

The *subject* is investigated by domestic and foreign scientists as well. Aspects of Spanish trade have been analyzed by Ukrainian and Russian economists, notably Golikov A.P., Chernomaz P.A., Stakhov P.S., Chirnik D.G., Landabaso A.V., Dejneka O.G., Arnays F.M and others.

At the turn of the century Spain was rapidly gaining economic weight. This was the main meaning of most messages, addressed to the rest of the world by official Madrid at that time.

This statement had a good rationale. Spain accounted for more than half of the jobs created in 2002 by the economies of the eurozone. While in 1976 and 1996 the employed population of the country amounted to 12 million people, in 2004, eight years after Aznar's cabinet coming to office, there were already 17 million – more than ever before in the history of Spain. Over the years of Aznar's cabinet's time in office unemployment had halved. During all these eight years the GDP growth rate in Spain was more than 3% per year. Over the third quarter of 2003 the country's economy grew by 0.7%, which was about twice as fast as the average rate of the euro area.

The present research clearly identifies the following factors affecting the Spanish economy: low growth rates in the EU, which is the main destination for Spanish export, economic difficulties suffered by Latin America countries, whose markets are very important for Spain, changes in the country's domestic demand, tourism, low interest rates and increasing employment, low cost of credits, tax cut, falling oil prices and the overall strengthening of the world economy, as well as Spain's membership in the European Union and entering the eurozone [1, p. 460].

Experts foresaw that by the end of 2003 the growth of the national economy of Spain would reach 2.3–2.4%, while the total growth of the twelve eurozone economies would be 0.4–0.5 %. The country's budget over the first years of the 21st century was almost perfectly balanced: the deficit was less than 0.5%.

The European Central Bank also contributed to this economic miracle. A 2% discount rate fixed by it was the lowest one in the history of Spain. Low-interest credits caused a jump in the demand for housing. Tax cut, conducted by the government at the beginning of 2002, saved Spanish taxpayers 3.8 billion euros (\$4.5 billion), thus increasing effective demand. By October consumer spendings of Spaniards had become 3.2% higher than a year before [2, p. 254–280].

Jose Maria Aznar, the Prime Minister of Spain, believed that very soon this success would force everyone to view his country, occupying the eighth rank in the list of the biggest economies of the world, as a member of the G8.

As if clearing space for his arithmetical calculations, U.S. Senators Lieberman and McCain and the House of Representatives of the U.S. Congress reported their intention to convince George W. Bush to exclude Russia from the Group of Eight for undemocratic behavior.

In economics, strong positions are occupied by the companies of the USA, France, Germany, the UK and Switzerland. They own more than 50% of mechanical engineering and metallurgy. About 40 % of the share capital belongs to 8 largest Spanish financial and industrial and banking groups: Marchena, Fierro, Urquijo, Garrigues, Ruiz - Mateos and others [3, p. 20–50].

Of Spain's total exports the EU accounts for 70% (France 20%, Germany 18%, Italy 10%, Portugal 9%, the UK 8%) and the United States for only 4.4%. The export ratio in the GDP of 1996 was estimated at 19.6%. Moreover, there is a tendency for its gradual growth. For example, in 2011 it was 11.28% [4, p. 60–200].

Foreign trade turnover in 1996 amounted to 226 billion dollars. Foreign trade volume per capita was 56.5 thousand dollars.

Foreign trade has a significant impact on the country's balance of payments. In 1996, revenues from foreign trade accounted for 12.8% of total revenues.

In 1996, the negative balance of foreign trade was not reduced. It amounted to 2.6 trillion pesetas (18.34 billion dollars), with exports amounting to 15 trillion pesetas (103.8 billion dollars) and imports – to 17.9 trillion pesetas (122.2 billion dollars) [5, p. 4–20].

Compared to 1976, exports increased by 18.1% and imports – by 16.4%. However, when calculating at constant prices, the export growth rate turns out to be 14.9 %, while the import growth rate is 11.4% [8].

Conclusion. Thus taking into account everything said above, the goal of the Spanish leadership was not to supplant anyone in the G8. The main targets of Aznar's speeches were France and Germany, which were officially allowed to remain fiscal discipline violators for another year at the Brussels meeting of the EU ministers of finance. The Prime Minister of Spain directly attributed their most modest economic gains of the previous years to the financial permissiveness that in his opinion devalued the European Stability Pact. He contrasted these failures to the exemplary behavior of Spain with all its beneficial effects. The equalization of the economic ranks of Spain and its main opponents, committed by him on credit, was an additional argument in this dispute [6, p. 254].

According to Aznar, the situation in the world is an enlarged reflection of the situation in Europe. While after the war in the Persian Gulf in 1990 there were three movers of economic growth in the world – the USA, Japan and

Germany, today there is only one – the United States, the main ally of Spain in the fight against terrorism.

Spain has heroic past rich in geographical discoveries, conquests and numerous colonies. At its new stage of development the country decided to still go back to its history [7].

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FEATURES OF THE CANADIAN ECONOMIC MODEL

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The article deals with the features of Canadian economic model. It reveals determinants that influence the economic policy of the country. The article considers key features that define the strategy of economic growth in Canada, including national social programs, government control, and foreign markets orientation of the country. Also global competitive advantages of Canada in modern economic relations are defined.

Keywords: Canada, economic model, economy, development factors, global competitiveness.

Чала О., Скрипник Т.І. Особливості канадської економічної моделі. У статті досліджено особливості економічної моделі Канади. Визначено визначальні фактори, що впливають на економічний курс країни. Розглянуто ключові особливості, які визначають стратегію економічного росту Канади, зокрема загальнодержавні соціальні програми, державний контроль, орієнтованість країни на зовнішні ринки. Визначено глобальні конкурентні переваги Канади в системі сучасних економічних відносин.

Ключові слова: глобальна конкурентоспроможність, економіка, економічна модель, Канада, фактори розвитку.

The relevance of this study is induced by global Canadian economy's scale, its important position in world economic process and leadership in some branches of modern economic relations. *The importance of the problem of study* is induced by Canada's special features as one of the most integrated economic systems in the world, which nevertheless had atypically few negative aftermaths from global economic instability.

Canada is a federated state, Commonwealth of Nations state, member of the UN and its specialized institutions, NATO, IMF, International Bank for Reconstruction and Development, International Finance Corporation, member-state of NAFTA and Asia-Pacific Economic Cooperation. Gross area is 9984670 km². The population is 35295770 people [2, p. 15].

Canadian economy was estimated to be ninth in the world in 2012–2013. As Statistics Canada reports, country's purchasing power parity GDP in 2012 was 1513 billion dollars and 43768.5 dollars per capita [4].

External factors determine Canadian economy due to its export orientation. More than 70% of Canadian exports are set up by products of 5 economic sectors: mining (including energy sources, oil and fuel industry), forestry, metallurgy, agricultural and food and transportation machinery. Raw materials are leading in commodity pattern instead of groups with high added value. It can threaten Canada's economy because raw materials demand has a decreasing tendency.

High external trade concentration should be taken into consideration. Ten foreign trade partners have 85% of all exports. The USA is the main Canadian trade partner (73% of export and 62.5% of import), but there is a tendency of China's share increase in trade structure [3, p. 292–293].

Canada is highly orientated on world economic relations. That happens because of raw materials specialization, little population (the USA market is the most important for Canadian goods) and main part of the USA capital in Canada economy.

Canada has remained own special model of national economy due to its geographical location, special natural resources potential, cultural and historical features (Francs and Anglo-Saxons traditions).

State control is stronger than in the USA, but not as strong as European and is one of the main features of Canadian economy. This is what allows us to refer the Canadian model as an independent, so-called “intermediate” between liberal and social. During three after-war decades most of national social programs were started. In spite of some changes most of them have remained the same. These unique programs cover wide range of social groups, incomes and social positions [1, p. 68].

Overall medical insurance program is the main. It guarantees all residents of Canada free access to wide range of health services, including hospital treatment. Such a system significantly ameliorates the effects of market income inequality and is an important element in ensuring social stability. Welfare programs for children and old-age pensions are also equally important. So, the welfare state system accompanies Canadian citizens throughout their entire life from birth to death. Not by chance currently Canada is a country with a very high human development index at the UN classification (11th in 2013) [4].

All that essentially distinguishes Canada from the USA that traditionally focuses on poverty reduction and social programs targeted mainly on senior citizens, the low-income and “socially disadvantaged” groups. Canada’s tax system is based on the principle of progressive taxation of incomes, when higher rates are applied to higher incomes.

Another feature of Canada is that the early 90-ies of XX century, the public sector held leading positions in many sectors of the national economy (electricity, transportation, communication) and was a major producer of goods and services. Then the formation of a new conceptual approach to social and economic functions of the state began: the government sold the bulk of the large state of manufacturing and the oil and gas industry to private investors. The privatization was carried out in the sphere of air and rail transport, maritime and river ports and port facilities and communications. Canada also developed the program of privatization of electric power facilities.

There is a reasonable argument about the inseparability of the economic strategy of social policy that promotes the development of human capital, which is a fundamental condition for the Canadian competitiveness in the modern world, especially taking into account those new conditions that have emerged during the global financial crisis. Canadian experience shows that interest and solidarity of business elite and society can save sufficiently high degree of

autonomy in the development and implementation of social policy that meets specific characteristics and needs of local people [1, p. 71].

This experience emphasizes high importance of social policies for the development of inter-regional relations and strengthening of social and economic cohesion of the country. The country successfully uses social policy as an instrument of territorial integration, a kind of “cement” that holds great country, subjected to severe centrifugal tendencies.

Canadian experience is also interesting to those states, where resource and energy sector occupies dramatic share in the economy complex. In this country, a change from the natural resources based economic system, to the system based on the optimal combination of natural resources potential and human capital is realized successfully. That is why on the background of the existing global economic situation Canada has much stronger position compared to other developed countries of G7group. Banks of Canada have been among of the most reliable in the world for many years. During the crisis the World Economic Forum (Davos, 2009) recognized the financial system of Canada to be the most healthy and sustainable in the world. Canadian real estate market takes much stronger position compared with other the most developed countries [1, p. 71–72].

The United States plays a special role because Canada is a resource base for many American industries and also the United States is distributing a large number of their products and services to Canada. Due to this mutual symbiosis the economic situation in Canada has become very developed just in few decades. By 2015, the Government of Stephen Harper plans to close the anti-crisis programs and balance the federal budget. A particular tendency is a focus on developing relationships with new foreign partners that makes Canada define more clearly its position in foreign investment market. Harper tends to abandon the priority development of trade and economic integration with the United States [3, p. 293].

Canada is on the 14th place among countries in the Global Competitiveness Index. Among the global competitive advantages high productivity, advanced social services that result in the stability of economic growth, rich natural resource potential, the constant increase of the labor force, intensive development of industry and agriculture can be identified [3, p. 23].

Among the drawbacks a very large dependence on foreign currencies is worth noting. Canada has rather dramatic external debt that is 1.326 trillion dollars. Other negative features are the drop in export competitiveness, low competitiveness in industry (machinery, metallurgy, etc.), lack of depth and

breadth of Canadian clusters, low competitiveness of the service sector on the world market, global dependence on the economy of the USA at all levels. In further support of the Canadian economic development the state should strive to diversify export markets and trading partners. The high share of foreign capital in the economy is a problem, too. It is necessary to reduce the country's dependence on it [3, p. 130–131].

So, having conducted the research we can make *a conclusion* that Canadian economic model has several special features: it combines social programs and state control with business development, the country export orientation determines its place in modern economic relations; Canadian economic model can be taken as one of the best examples of stable and long-terms development perspective.

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GLOBAL BRAND NAME LOCALIZATION

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The necessity of doing marketing researches in the country of a newly occupied market, consulting translators, using correct regional language and simplifying slogans or brand names before pushing product to the market are considered in the article. Methods are advisable to use while translating slogan and brand names are enlisted.

The main principles of making well-organized promotion are given. The article develops an important current theme.

Keywords: brand name translating methods, cultural differences, localization of the logo, previous research, target audience.

Данько А., Дядечко А.М., Сагер Л.Ю. Застосування фірмових найменувань у різних країнах. У статті зазначається необхідність та доводиться актуальність проведення маркетингових досліджень, що передують виходу товару на новий ринок збуту, співпраця з професіональними перекладачами, використання найбільш імпонуючої для цільової аудиторії мови та спрощення слоганів і фірмових найменувань для покращення сприйняття покупцем. Також наведено приклади найбільш поширених методів перекладу слоганів та фірмових найменувань і найголовніші вимоги для гарно підготовленої реклами та просування товару. Проблема, що розглядається в даній статті є досить актуальною.

Ключові слова: культурні відмінності, маркетингові дослідження, методи перекладу фірмових найменувань, переклад логотипу, цільова аудиторія.

Today the actuality of correct translations from foreign languages is quite high. The choice of method depends on the document, budget and communication objectives. In this article we will discuss the main options of translations and when to use them properly. If your aim is to make your target audience interested in your product you should make sure, that they will understand the message correctly. Brand names and slogans can be interpreted very differently across international markets. Their understanding depends on the peculiarities of languages and images they can recall. There are a lot of examples of bad slogan translation all over the internet. While entertaining inexperienced customers, many of these brands were killed because of well-intended but nonchalant globalization and localization efforts. To avoid such missteps it is necessary to learn all the features of the country where the advertising will be presented.

The decision to localize the brand depends on many factors. One of them is who potential customers are and if they appreciate the product. Defining this will help to draw the boundaries of what is suitable for the culture and what is definitely not.

A global brand name should be pronounceable, free of negative associations, non-confusing or offensive, not similar to those brands and slogans that already exist. To follow all these the PR-managers should be skillful in translating and know modern languages enough. Without meeting these basic requirements they would not be able to make their job correctly and costly consequences might also follow.

Some well-known global brands names stand out from the crowd and work in all countries and cultures with equal success. Others organizations and companies which have come to the market recently and have an newborn appearance may not be recognized and accepted immediately. The more recent and less-known brand names can be vulnerable to possible misunderstanding or misconceptions in the global market place. Such names could also mean something impolite or even rude in the native language.

It is also important to remember that some psychological and linguistic peculiarities differ from country to country so what is suitable and natural for one country may be strongly unacceptable for another. It is very important to know if your brand name works with this specific international audience well enough. The best way to find it out is to communicate with the locals. The goal is to discover potential issues before the name is launched. Brand name experts should talk to local linguists, native speakers in the target market in order to evaluate one or more names. A specific set of questions is used to reveal what is the first thought that the brand name makes come to mind and what are other possible interpretations. Does it have any negative or controversial associations that can cause troubles in understanding, memorizing or telling the name? It must be also explored beforehand how the name sounds in the local language and what other local words sound similarly? If such research is not done then funny and awkward situations may occur.

This approach is common to any new market and language. The results are analyzed and discussed thoroughly in the company to get a complete picture of any possible issue the name might have in the target market. Then it is decided whether it is worth using or not.

In some cases the localization of the logo (design adaptation) may be needed as well as the visual expression of a brand, because it can be extremely powerful in a global context and mean absolutely different information depending on the cultures and traditions of the particular country. People tend to recognize brands first by their design and second by their names, that is why good translation is virtual.

The translation method options used currently are:

1. Machine Translation.

It does this substitution without recognition of the whole phrases or meaning of different words combination. The use of such a translation is advised but in a limited amount.

2. Computer Assisted Translation.

This specialized translation software provides additional tools such as

Spell and Grammar checkers, Terminology managers, etc. Using the computer, a human translator can easily access these tools and come up with a translation in a much quicker and more efficient way.

3. Human Translation.

Naturally this method is more time consuming than matching words to words with the assistance of a computer. Consequently it is a more reliable and safe way of translating than the previous two options. This way fits best for the aim of marketing communication.

Only Human Translation will take into account such factors as cultural differences, slang, and other cultural nuances to come up with powerful and effective translations. That is why it is advisable to use this method when translating brand names, tag lines and advertisements in particular.

Contrary to what many people used to think, translating skills are important for those who act in the marketing not only because they help to explain the main features of the product to the foreign customer but also to run various marketing analyses and to examine the preferences of majority. Making your mind clear in other languages is not a simple task, but it certainly will give good advantages for the company.

When it comes to making a good impression in doing business internationally, it is worth to consider the following issues:

1. The slogan should be simple. It should convey the most important information about your company. Then it has less possibility to be understood incorrectly.

2. It may be useful to transliterate names including company names. It will help the receiver pronounce them properly.

3. It is necessary to make sure to use the correct regional language is used.

4. Some cultural nuances that can make an advertising attractive for one culture and unattractive for another one must also be taken into account.

5. Experts preferably local professional translators who are aware of cultural nuances must be involved.

It should be said in the conclusion that the issue of the article is up-to-date and requires further studying. As language tends to develop permanently it is important to the professionals in advertising to be aware of all changes to predict what effect the company's name will have on the target customers. Special researches on this issue should be done in advance. An appropriate method of translating should be used to maximize the positive effect an advertisement would have.

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UKRAINE'S EXPORT POTENTIAL: TRADE RELATIONS WITH EU

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This paper examines the current state of trade relations between Ukraine and the EU and the FTA effects on the export potential of the country.

Keywords: EU, export, export potential, free trade agreement (FTA), goods, trade partner, trade relations, Ukraine.

Дерев'янська А., Давиденко І.В., Експортний потенціал України: торговельні відносини з ЄС. У статті проаналізовано сучасний стан торговельних відносин України з країнами ЄС і виявлено вплив укладання УВТ на експортний потенціал країни.

Ключові слова: експорт, експортний потенціал, ЄС, товари, торговельні відносини, торговельні партнери, угода про вільну торгівлю (УВТ), Україна.

The goal of this research is to study the EU-Ukraine trade potential on the basis of such *methods* such as description and comparison. Aspects of Ukraine's export policy and free trade relations with the EU countries have been analyzed by Ukrainian, Russian and foreign economists, notably E. Sleptsova, O. Shevtsov, V. Naniwska, O. Shumylo, V.Pyatnytskiy, M. Emerson, T. Edwards and others.

A characteristic trait of Ukraine's export policy remains its inconsistency with the foreign policy priorities announced by the state: integration with the European Union, a deepening of cooperation with Russia and with the U.S. Ukraine is an open economy: its exports of goods and services accounted for 50.2% of GDP in 2012 and imports accounted for 53% of GDP. However, the

product structure of its trade is not diversified enough. Ukraine's exports are concentrated on commodities such as steel, fertilizers, and unprocessed or low-processed agriculture products. Import is dominated by energy products [1].

The problem of Ukraine's export policy with the EU countries is very important for Ukrainian economy. The EU is the Ukraine's largest regional trade partner.

Table 1

Total Goods: Top trading partners 2012

Source: Eurostat 2012

Imports			Exports			Total trade		
Partner	Value (Mn €)	Share in World (%)	Partner	Value (Mn €)	Share in World (%)	Partner	Value (Mn €)	Share in World (%)
World	60,851	100.0	World	59,621	100.0	World	111,771	100.0
1 European Union ...	24,795	40.7	1 European Union ...	17,698	29.7	1 European Union ...	37,694	33.7
2 Russia	11,912	19.6	2 Russia	12,273	20.6	2 Russia	24,185	21.6
3 China	6,270	10.3	3 Turkey	3,118	5.2	3 China	8,494	7.5
4 Belarus	4,787	7.8	4 China	2,134	3.6	4 Belarus	6,402	5.7
5 USA	1,628	2.7	5 India	1,789	3.0	5 Turkey	4,673	4.2
6 Turkey	1,506	2.5	6 Belarus	1,635	2.7	6 Kazakhstan	2,867	2.6
7 Kazakhstan	1,360	2.2	7 Kazakhstan	1,507	2.5	7 USA	2,655	2.4
8 South Korea	981	1.6	8 Egypt	1,091	1.8	8 India	2,228	2.0
9 Turkmenistan	587	1.0	9 USA	667	1.1	9 South Korea	1,520	1.4
10 World	574	0.9	10 Iran	679	1.1	10 Egypt	1,169	1.0
1 European Union ...	24,795	40.7	1 European Union ...	17,698	29.7	1 European Union ...	37,694	33.7

Source: [5].

In 2012 Ukraine was the EU's 22nd largest trading partner and 19th largest export market (1,4%), while ranked 24th by the volume of exports to the EU.

The EU is one of the most largest Ukraine's trading partner: in 2012, 25,3% of all Ukrainian exports of goods went to the EU and 40,7% of imports of goods came from the EU. EU – Ukraine trade in goods reached €37.7 billion in 2012 (an increase of 1,1% compared to 2011) [8].

The main goods Ukraine exports to the EU are ferrous metals, iron ore, electric machinery and cereals. The main goods the EU exports to Ukraine are machinery, transport equipment, chemicals, textile and clothing, and agricultural products [4].

Ukrainian exports to the EU, to a large extent, already liberalized thanks to the Generalised System of Preferences (GSP), which the EU granted to Ukraine in 1993. In 2012, total preferential exports to the EU under GSP amounted to 16.8 % of overall Ukrainian exports by volume. Preferential imports include machinery and mechanical appliances, plants, oils, base metals,

chemicals and textiles. Furthermore, there are sectors where the Most Favoured Nation (MFN) duty applied by the EU is already zero (around 42% of all agricultural products can be sold duty-free by the Ukrainian exporters on the EU market) [7].

Existing quantitative import restrictions on steel and textiles were cancelled on May, 16, 2008 when Ukraine acceded to the WTO. Since then Ukraine enjoys unrestricted exports of steel and textiles to the EU [9].

The European Union is the largest single market in the world with 27 countries and the population 11 times that of Ukraine at almost 500 million consumers, each with average income of US\$39,000 (compared with only US\$ 3,000 in Ukraine). For Ukraine to easily and effectively sell to this market, product regulations and health standards must be aligned with those of the EU. Following the adoption and implementation of a comprehensive and deep FTA, closer economic integration to this market will provide Ukrainian products with open access to an EU market 13 times greater than its own, valued at US\$ 20,000 bn. Recent studies have identified a number of sectors in Ukraine with potential for increased production resulting from alignment with EU rules and regulations [3; 10]. These include:

Table 2

	Ukrainian Production
Agriculture, fisheries, forestry	+1.1%
Cereals/oil seeds	+1.1%
Meat	+2.2%
Sugar/sugar confectionary	+4.7%
Animal/Vegetable Fats	+5.5%
Fruits and nuts	+3.8%
Machinery and Electronics	+7.4%
Motor vehicles/parts	+4.7%
Transport equipment	+3.3%
Ferrous Metals	+2.8%
Metal Products	+5.8%

Source: [10].

Although there will be huge opportunities for large producers in Ukraine, aligning Ukraine's laws with those of the EU will mean that all businesses (large, medium and small) will have to adopt and apply these rules. This means that small and medium sized producers will be ready to trade into the European market at any time, when the opportunity presents itself [6]. Moreover, the

agreement will also cover other areas which will provide further opportunities such as access to EU services markets for Ukrainian businesses. In addition, harmonization in horizontal areas such as public procurement will provide opportunities for Ukrainian businesses to participate in EU works, supply and services public tenders directly at an EU, national and regional level which total almost US\$ 2,500 bn [2].

Many people think that the FTA will not affect them as they are not involved, and do not want to be involved in trade with the EU. However, a comprehensive FTA and closer links with the EU will affect all businesses and consumers as Ukraine adopts many EU laws and procedures and then applies these nationally throughout Ukraine. This will have a number of benefits for all businesses in Ukraine. Firstly, it will establish the clear and transparent business laws and procedures in many areas which are currently nerous. This means that all Ukrainian businesses will have a certain business environment enabling them to effectively plan and grow their businesses. Also, because the laws will be transparent and be implemented with systems similar to those used in the EU, there will be less scope for unfair abuses in the system which simply raises the costs for legitimate business [9].

Moreover, better health and safety standards will benefit Ukrainian consumers as they will be assured of the quality and hygiene of the products on sale and reduce the risk of harm to all.

Conclusion. Nowadays The EU is the Ukraine's largest regional trade partner. Ukraine and the European Union (EU) are currently engaged in a set of negotiations aimed at establishing closer economic and political ties in the New Enhanced Agreement. As part of this process, the Free Trade Agreement (FTA) will be negotiated to foster increased trade between Ukraine and the EU.

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UKRAINIAN MACHINE-BUILDING INDUSTRY: CURRENT STATE AND DEVELOPMENT POTENTIAL

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The article carries out the analysis of machine-building industry in Ukraine; defines the trends of engineering; reveals the problems the engineering enterprises, slowing the development, face; and outlines possible ways of development of the country engineering.

Keywords: enterprise, industry, machine-building, market.

Дерій В., Давиденко І.В. Машинобудування в Україні: сучасний стан та перспективи розвитку. Проаналізовано діяльність машинобудівної галузі України; визначено тенденції розвитку машинобудування; виявлено проблеми, з якими стикаються машинобудівні підприємства, що уповільнюють їх розвиток, та окреслено можливі перспективи розвитку машинобудування країни.

Ключові слова: машинобудування, промисловість, підприємство, ринок.

Machine-building is one of the leading industries of Ukrainian economy. The companies of the industry are engaged in manufacturing of machinery and equipment for virtually all types of industrial activities, contributing 10% of

GDP in 2011. The most developed sub-industries are railway machine-building, heavy machine-building and machine-building for agriculture [1].

The majority of manufacturing companies are situated in the East of Ukraine, which is within short distance from raw materials supply base, mainly steel. The country has significant reserves of iron ore being among top-10 world countries by iron ore reserves with total amount of 27 bn tons. Also Ukraine is well supplied with labor force as domestic universities and colleges annually graduate 10,000 students from machine-building faculties.

Major machine-builders purchase raw materials directly from local or regional suppliers. Few plants are self-sufficient being part of large vertically-integrated industrial holdings. The sector's output is mainly export-oriented with Russia and other CIS states being the principal markets. However, a significant portion of export goes to the CEE, Middle East, Africa, China and India. A few players sell machines globally. The key export products are railway cars, locomotives, turbines and engines. Domestic market consumes substantial part of machines for agriculture, metallurgy and mining [2].

Leading market players are mainly controlled by local and Russian business groups, while a few companies are state-owned. Currently Ukrainian machine-building industry is characterized by the following:

- one of the strongest manufacturing performances during 2010-2011 (annual industrial index grew by 36.1% in 2010 and 17.2% in 2011) due to steady economic recovery (GDP enjoyed 5.2% growth in 2011 vs. 4.2% in 2010);
- domestic manufacturers contracted stable list of orders supported by significant level of machines in metallurgy, mining, oil and gas industries;
- rail-car production enjoyed rapid increase in demand posting the highest sub-industry growth of 132% in 2010 based on the extensive modernization programs being undertaken in Ukraine, Russia and Kazakhstan;
- consumption of heavy machine-building products remains high mainly driven by increased demand for energy and mining machinery, and supported by strong market position of Ukrainian companies on focus markets. Moreover, the sub-industry has a solid potential for development of domestic energy sector infrastructure with estimated investments of USD 74 bn until 2030 and probable privatization process of state coal mines, energy distribution and power generation plants;
- slow application of contemporary technologies and modernization of machine-builder's fixed assets. The main problem of the industry remains the depreciation rate of fixed assets, which is equals to 70%;

- leading players have been negotiating deliveries on the new markets of Asia and Africa which may increase diversification of sales geography and support long-term growth.

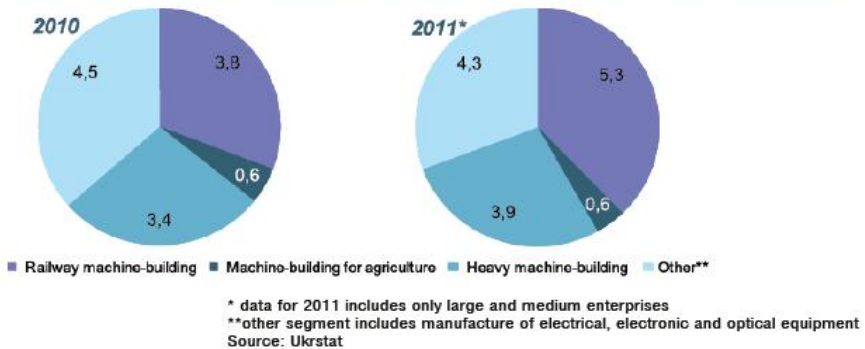
To summarize, the post-crisis period brought favorable market conditions to the industry and leading players started to increase their profitability [6].

Current situation and potential for development: machine-building is one of the leading industries in Ukraine which comprised 10% of GDP in 2011 in monetary terms. The industry is mainly developing in the following sectors: railway machine-building, heavy machine-building; metallurgy machinery; mining machinery; oil and gas, chemical machinery; engines and turbines; machinery for other industries; machine-building for agriculture; other transportation: automotive; aircraft; ship-building; manufacturing of electrical, electronic and optical equipment, etc.

For the purpose of this overview Ukrainian machine-building industry is analyzed in respect of the following segments: railway machine-building, machine-building for agriculture, and heavy machine-building, which comprised 64% and 69% of total machine-building industry output (excluding automotive) in 2010 and 2011, respectively [4].

Table 1

Turnover of products manufactured in Ukraine by selected machine-building categories, USD bn

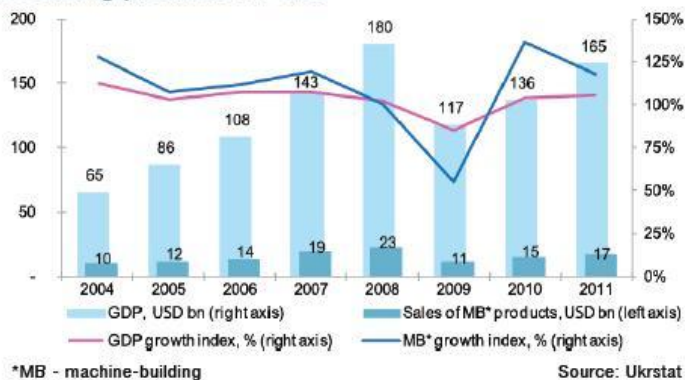


Source: [7].

For the last decade machine-building showed excellent results and production volumes increased by 2.5 times compared to 2000, despite significant (45%) volume decrease during financial crisis in 2008 and 2009.

Table 2

Sales of machine-building products vs. GDP



Source: [7].

Machine-building industry showed one of the strongest manufacturing performances during 2010 and 2011, with annual industrial index growth of 36.1% and 17.2%, respectively, while real GDP increased for the same period only by 4.1% and 5.2%. Sustainable growth of demand for machinery and equipment in Ukraine as well as in main export markets (Russia and other CIS countries) led to 23.9% CAGR in post-crisis period [5].

Conclusion. Ukrainian machine-building is characterized by the following: strengths and opportunities: long historical ties with large clients, firm position on CIS markets; great degree of wear and tear of production and transportation facilities; developed metallurgy industry together with significant reserves of raw materials that satisfy production needs; significant potential of scientific development based on educational level of staff. Also there are some threats and weaknesses: significant part of sales is to Russia, which makes the viability of the industry dependent on political relations between two countries; increase of components and raw materials cost [3].

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CURRENT STATE OF DEVELOPMENT OF THE TOURISM SERVICES MARKET IN UKRAINE

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The article analyzes the modern trends of development of tourism market in Ukraine. The basic statistical data of tourism development in the country during the recent years are shown. Information about tourism policy in Ukraine is provided. The basic ways of development of the tourism market in the country are proposed.

Keywords: domestic tourism, international tourism, tourism market, tourism policy.

Дігтяр І., Літовченко Я. М., Парфіненко А.Ю. Сучасний стан розвитку ринку туристичних послуг України. У статті проаналізовані сучасні тенденції розвитку ринку туристичних послуг в Україні. Приведені основні статистичні дані з розвитку туризму у країні за останні роки. Дана інформація щодо туристичної політики України. Пропонуються основні шляхи розвитку ринку туристичних послуг у країні.

Ключові слова: внутрішній туризм, міжнародний туризм, туристичний ринок, туристична політика.

The tourism market in Ukraine is yet under development. Status of tourism market is congruent to the status of the economy and is determined by socio-economic and political processes taking place in the country, and that factors take place in the reforming of public life. Ukraine is a country where tourism as an active leisure activity is encouraged by the state, promoted and

stimulated by the socialization of travel services and that is why it was perceived by most people as a part of life, that explains the *relevance* of this topic. Improvement of living conditions is introducing tourism to consumer social model, especially for urban population, by stimulating demand and creating tourism market.

The *purpose* of this study is to analyze the modern trends of development of tourism market in Ukraine.

The *materials* and statistical reports of the World Council of Tourism and Traveling and State Statistics Committee of Ukraine are used in the article.

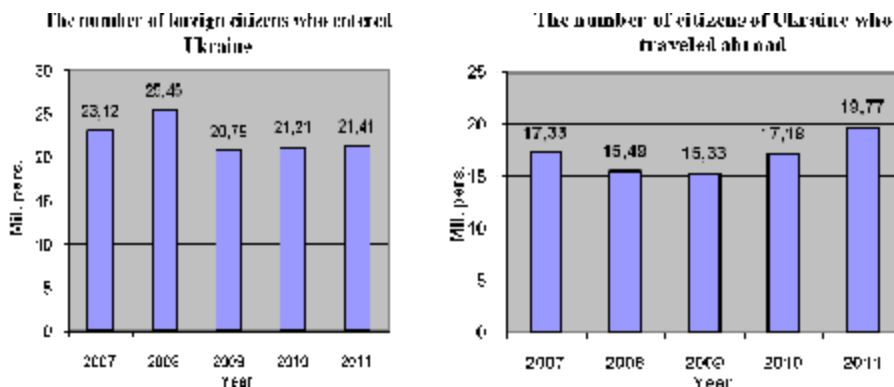
Analytical and statistical *methods*, comparison and generalization are used for the research.

Prolonged dominance of domestic tourism during the socialist era has caused a surge in demand for international travelling, which affected the change of status and the increase of Ukrainian participation in the international tourism market. From country-recipient with the dosed amount of services it has become a country – generator of outbound tourism flows [6; c. 302].

Basing on data from the State Statistics Committee of Ukraine, we can admit that there is a certain disproportion between outbound and inbound flows of international tourism in the country (Table 1).

Table 1

Dynamics of outbound and inbound flows in the structure of international tourism in Ukraine for 2007-2011, million people



Source: [2].

An important indicator of the impact of tourism industry on the economy is a measure of the proportion of income from the tourism industry to the gross domestic product. According to the World Council of Travel & Tourism, the

total contribution of the tourism industry to GDP is significant and relatively stable, especially during 2009-2012, and increase of its share over the next 10 years is expected [2].

According to the data for 2011, Ukraine takes 85 place out of 139 countries in the ranking of competitiveness in the tourism sector and travelling, which is drawn up every two years by the World Council of Tourism and Travel. And despite the relatively low status in the global ranking, tourist sphere of the country is developing quite actively.

The country proclaims tourism to be one of the priorities of the national culture and economy and creates favorable conditions for tourism, promotes the strengthening of international cooperation in the field of tourism. Ukraine participates in the activities of international tourism organizations, on the rights of full or associate member or observer [3, c. 3].

Institutional and organizational subsystem of tourism industry of the country is under permanent reformation which complicates the consistent tourism policy and discourages the development of the investment process. State tourism policy in the international and domestic tourism is implemented by the State Agency of Tourism and Resorts of Ukraine by coordinating the interests of state and local governments, non-profit organizations and commercial business market [6, c. 304].

Obviously, the successful holding of the European Football Championship in 2012 in Ukraine made a significant impact on development of tourism. Natural and cultural potential that was available and infrastructure potential created during the preparation for the football championship in Ukraine has provided a new level of development of the tourism industry.

Tourist Policy of Ukraine in the international tourism market is based on active marketing strategy designed to encourage foreign tourism by creating a positive image of the country as a tourist country for safe and comfortable stay. For this purpose the simplification of visa formalities is introduced, tourism is developing and rising in accordance with European standards of quality of service. Revitalization of the tourism sector is provided by the presence of well-developed tourism industry, the creation of market of tourism services, providing the industry with qualified personnel [1, c. 4].

In order to turn Ukraine into a world class tourist state, it is necessary to ensure effective coordination of the activities of various sectors of the economy which depend on the quality of tourist services. It is transport, trade, communications, production of souvenirs, entertainment, publishing and advertising activities, etc. [4, c. 86].

Diversification of the tourism proposals in Ukraine is possible in areas of cultural and educational excursions, environmental, sports and rural tourism. Resort tourism and spa treatment requires marketing efforts, cruise and sport market of tourism requires support and recovery, ski tourism market requires development. Concerning the segments of the consumer market, the main marketing efforts should be focused on the development of children's leisure and recreation, family fun, restoration and development of trailering (this is especially true regarding the status of a transit country and the establishment of trans-European transport corridors), religious tourism. The main consumer market is the market of mass demand. In the markets of non-standard and elite demand the dominant position of sports and eco-tourism take place.

The priority direction of development is domestic tourism. Its activation involves diversification of species of submarket and complexity of the territorial structure of the internal market through the formation of local regional markets based on the intensification of the resource base of tourism and the development of tourist infrastructure [6, с. 306].

Summing up the above, we can say that Ukraine has an abrupt increase in economic activity of the tourism sector. Development of the tourism industry and formation of national market of tourism services will affect the territorial organization of the country's tourism market, structuring and diversification of the local markets. Carrying out the regional tourism policy of stimulating small and medium businesses in domestic tourism and excursion activities should become the main regulator.

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GEOPOLITICAL STRATEGY OF THE CIS: MAIN FEATURES AND CHARACTERISTICS

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The article reviews the main characteristics of the CIS geopolitical strategy. Geopolitical course of the CIS member states is featured and the role of the CSTO in their further development is analyzed.

Keywords: CIS, CSTO, geopolitical strategy, geopolitical course.

Дядченко О., Кулініч Я.Ю. Геополітична стратегія країн СНД: загальні риси та особливості. Стаття присвячена дослідженню основних характеристик геополітичної стратегії країн СНД. Розглядається геополітичний курс країн-учасниць співдружності та аналізується роль Організації договору про колективну безпеку у їх подальшому розвитку.

Ключові слова: геополітична стратегія, геополітичний курс, ОДКБ, СНД.

In today's global economy and geopolitical position of state compliance with the appropriate course directly affects the formation of the economic system and the development of international economic relations. Both current economic situation and emerging prospects for economic growth depend on the rationality of political decisions about foreign policy orientation. That is why geopolitical strategy is very important for the future economic policy.

The *goal* of this research is to analyze the geopolitical strategies of the CIS countries.

State geopolitical orientation is influenced by a number of external and internal factors. One of the key factors that plays a significant role in the development of geopolitical level of any country in the development of international relations is geopolitical situation of the territory, framework agreement and relations with other countries, existence of common borders, geopolitical situation in the region and in the world, etc. [2].

The Commonwealth of Independent States (CIS) is an international organization at the regional level, which includes most of the post-Soviet countries: Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan. Ukraine and Turkmenistan are countries-observers. The primary purpose of the organization establishment was to provide

a transition from a single union state system to sovereign nation-states. Over time this target was changed to ensure effective foreign economic cooperation on the basic similarity of economic systems of the member states. In 2011, the CIS countries signed a free trade agreement, which was aimed at strengthening their ties. The agreement replaced over a hundred bilateral documents that were regulating free trade in the space community.

Among the CIS countries the most important position is occupied by the Russian Federation, which holds a unique position in the Euro-Pacific area both in the organization and on a global scale [4]. Scientists put forward the view that Russia has become on a par with the USA. Thus, it leads to the formation of a two-pole geopolitical world. With each passing year Russia strengthens its position on the world stage and its geopolitical course is aimed to achieve the superpower level of separation mechanisms and impact on the world economy along with the U.S.A. and China. Some scholars suggest that Russia undoubtedly has its own national interest. Russia is trying to create a new geopolitical entity, such as the Eurasian Union, and thus increase its competitive advantage [1]. That is, we can conclude that Russia is not interested in the development of the CIS as an international organization and uses the participating countries as a means to achieve a global goal – to strengthen its position on the world stage and in the region.

Ukraine as a peripheral state with a very favorable geographic position is interested in maintaining constructive relations with various countries in both eastern and western fronts. However, the events of the last month have proved that this tactic is false and maintaining equal relationships with the European Union and with the CIS countries is not possible. In this case, Ukraine becomes the so-called buffer zone and the need to define a foreign policy is very acute. It will definitely affect future social and economic development of the country, which means that Ukraine needs to choose the direction that will bring the greatest benefit for the country and its people.

Speaking of other CIS Member States, it should be noted, that there is no clear view on changing geopolitical course. Azerbaijan, Armenia, Kyrgyzstan, Tajikistan and Uzbekistan are unwilling to withdraw from the CIS and act alone. With regard to Belarus and Kazakhstan, these countries have shown that signing a free trade agreement in fact does not solve the existing problems in foreign trade cooperation with Russia.

Speaking about the factors that could strengthen the CIS, one should mention the creation of the Collective Security Treaty Organization (CSTO). If the CIS becomes analogous to the EU, the CSTO may be compared with NATO.

The organization's main goal is to grow into an effective regional security alliance for the 21st century, which only appears achievable if the CSTO becomes Moscow's genuine priority [4]. However, this structure of collective security is unlikely to preserve the CIS, considering that only 7 out of 12 former members of the Commonwealth have signed the charter on the CSTO foundation. In addition, the CSTO was a great opportunity to demonstrate their effectiveness during the recent events in Kyrgyzstan, but in this case it only showed its incapacity to face challenges.

Conclusion. Thus, all the countries of the CIS are pursuing a common goal, which is to achieve the maximum effect of collaboration within the organization, in particular with regard to most of the foreign trade and security. Among the CIS countries Russia occupies a leading position which seeks to consolidate its position in the geopolitical arena of the world, using the opportunities and markets of the member states of the international organization. Overall assessment of the performance of the CIS shows that this organization has certain advantages, in particular, strengthening of cooperation in strategic sectors, but does not offer as many opportunities as the EU does. Ukraine as a buffer state between the EU and the CIS countries needs to develop a rational policy of cooperation with both regional associations as this will directly affect its future geopolitical situation and image.

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ANALYSIS OF MNC HONDA MOTOR COMPANY'S PERFORMANCE

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The article considers the basic activities of TNC Honda Motor, namely, main performances, the structure of the company, the challenges with which the company facing and ways of their solutions.

Keywords: dividends per share, earnings per share, internal combustion engine technology, Multinational Corporation, protect environment, reliable shareholders, volatile prices.

Габінська О., Карпусенко М. В. Аналіз діяльності ТНК Honda Motor Company.
У статті розглянуто основну діяльність ТНК Хонда Мотор, а саме, основні напрямки роботи, структуру компанії, проблеми, з якими стикається компанія та шляхи їх вирішення.

Ключові слова: акціонери, дивіденди на акцію, захист навколишнього середовища, надійний, непостійні цінні, прибуток на акцію, технологія внутрішнього згоряння в двигуні транснаціональна компанія.

The *goal* of this article is to show and describe activities of Multinational Corporations. The main *subject* is such MNC Honda Motor Company. The topic is *relevant*, because Multinational Corporations become stronger every day. Advocates of multinationals say they create jobs and wealth and improve technology in countries that are in need of development.

The main strategy of “Multinational Corporation – MNC” is that a corporation may choose to locate in a special economic zone, which is a geographical region that has economic and other laws that are more free-market-oriented than a country’s typical or national laws. It could also choose a more rationalize decision and run with the money [1].

Nearly all major multinationals are American, Japanese or Western European, such as Nike, Coca-Cola, Wal-Mart, AOL, Toshiba, Honda and BMW.

Honda Motor Company, Limited is a Japanese public multinational corporation primarily known as a manufacturer of automobiles and motorcycles. The founder of the company was Soichiro Honda. His father, Gihei Honda, loved cars. So, Soichiro inherited from his father his inborn manual dexterity and his curiosity about machines [2].

Honda is headquartered in Minato, Tokyo, Japan. Their shares trade on the Tokyo Stock Exchange and the New York Stock Exchange, as well as exchanges in Osaka, Nagoya, Sapporo, Kyoto, Fukuoka, London, Paris and Switzerland.

Honda develops, produces, and manufactures a variety of motor products, ranging from small general-purpose engines and scooters to specialty sports cars that incorporate Honda's highly efficient internal combustion engine technology.

Their main strategy is: "Pursuing and realizing new dreams for people".

Honda's articles of incorporation provide for a Board of Directors of not more than 15 Directors and for a Board of Corporate Auditors of not more than seven Corporate Auditors. Directors and Corporate Auditors are 60 elected by resolutions of the general meetings of shareholders. Most of the Company's regular employees in Japan, except management personnel, are required by the terms of the Company's collective bargaining agreement with its labor union to become members of the Federation of All Honda Workers' Union (AHWU), which is affiliated with the Japan Council of the International Metalworkers' Federation.

As of March 31, 2013, 1,811,428,430 shares of Honda's Common Stock were issued and 1,802,297,290 shares were outstanding. Year on year, both dividends per share and earnings per share excluding extraordinary items growth increased 26.67% and 73.61%, respectively [3]. The positive trend in dividend payments is noteworthy since only some companies in the Auto & Truck Manufacturers industry pay a dividend. Additionally when measured on a five year annualized basis, both dividend per share and earnings per share growth ranked in-line with the industry average relative to its peers.

To the knowledge of Honda, it is not directly or indirectly owned or controlled by any other corporation, by any government, or by any other natural or legal person or persons severally or jointly. As far as is known to the Company, there are no arrangements, the operation of which may at a subsequent date, result in a change in control of the Company.

As any company Honda faces with problems. Main problems are:

1. Honda may be adversely affected by market conditions;
2. Prices for products can be volatile;
3. Honda's operations are subject to currency fluctuations;
4. The automobile, motorcycle and power product industries are subject to extensive environmental and other governmental regulations, including with respect to global climate changes;

5. Honda relies on external suppliers for the provision of certain raw materials and parts [4].

For more than half a century Honda's activity has taken the path of evolution from a small workshop in Japan to global company with manufacturing facilities, research missions, sales and service centers in more than 30 countries. Today, Ukraine is also the part of this movement and its residents can get the same benefits that millions of people all over the world involved in the brand Honda.

In Ukraine Honda has started its work in May 2006. Honda Ukraine is a subsidiary and main activities are import and distribution of automobiles, motorcycles and power products.

Honda worried about the environment and always conducts campaign that helps to save our environment. During this summer Honda decided to collect used batteries. Environmental Initiative "Battery price of 20ml" aims to promote a responsible attitude of Ukrainians to the environment. Protecting the environment and preserving the planet for future generations – the most important component of the corporate policy of Honda. By developing all of its products, the company is trying to minimize their impact on the environment. In addition, the priorities Honda is to reduce total CO₂ emissions from all of its products by 30% by 2020.

Since 2006 Honda has been providing the highest level of quality to the expectations of consumers. "Despite the difficult economic situation in the country, we decided to invest in the creation of a center to consolidate the status of a reliable company that you trust and to emphasize our commitment to improve the position of Honda in the country" – said Taku Kasahara, president of "Honda Ukraine".

Conclusion. Honda develops, produces, and manufactures a variety of motor products, ranging from small general-purpose engines and scooters to specialty sports cars that incorporate Honda's highly efficient internal combustion engine technology.

In fiscal 2013, approximately 97% of Honda's overseas sales were made through its principal foreign sales subsidiaries, which distribute Honda's products to local wholesalers and retail dealers. [5] In Ukraine it started to work in 2006, and it has over 50 dealerships all over Ukraine. Honda has strong positions in Ukrainian market and its cars are very popular. Honda cares about ecological problems and conducts campaign to save environment.

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DEFINITION AND INCIDENCE OF NON-TARIFF MEASURES

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The article provides the definition of non-tariff measures and their classification according to UNCTAD. It also examines methods for the analysis of non-tariff measures and results of their use. The article reviews the results of 30 studies in developing countries, EU countries and Japan in terms of NTM application. It identifies the relation between tariff and non-tariff regulation measures was identified. In the issue the importance of NTM in trade regulating.

Keywords: classification, methods, non-tariff measures, tariff, trade regulating, UNCTAD.

Гонтаренко Л., Карпусенко М.В. Поняття та сфера застосування нетарифних заходів. У статті надано визначення нетарифних заходів, їх класифікацію згідно ЮНКТАД. Розглянуто методи аналізу нетарифних заходів та наведено приклади результатів їх використання. Викладено результати дослідження 30 країн, що розвиваються, країн ЕС та Японії на предмет використання НТЗ. Виявлено зв'язок між нетарифними та тарифними заходами регулювання. Визначено важливість НТЗ у врегулюванні торгівлі.

Ключові слова: класифікація, методологія, нетарифні заходи, регулювання торгівлі, тариф, ЮНКТАД.

Relevance. The necessity to reduce tariff measures of international trade and to protect national manufacturer determines the dynamic development of non-tariff measures, which quantity increases every day.

Information and methods. World organizations like WTO, UNCTAD, WCO investigate this matter. The methods of analyses, comparison, and mathematics were used.

The goal of research is to analyze the incidence of non-tariff measures.

“Non-tariff measures (NTMs) are policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both” [1, p. 2].

The fact that they are increasingly used to regulate international trade makes the need to analyze data incidental to NTMs. But there is the scarcity of databases on them. The main reason of the scarcity is difficulties of collecting the data. Unlike tariffs, NTM data are not just numbers; the relevant information is often hidden in legal and regulatory documents.

NTMs are often incorrectly referred to as non-tariff barriers (NTBs). The difference is that NTMs comprise a wider set of measures than NTBs, which are now generally used only as discriminatory non-tariff measures imposed by Governments to favour domestic over foreign suppliers [1, p. 2]. To better identify NTMs and distinguish between the various forms of them, a detailed classification was made by UNCTAD. The classification has a tree/branch structure. These branches are export measures and import measures. The latter divides into technical and non-technical measures. The measures are categorized into “chapters” depending on their scope and/or design. Then each chapter is further differentiated into several subgroups. The NTM classification has 16 chapters (A to P). The classification is as follows. Technical measures are sanitary and phytosanitary measures (SPS), technical barriers to trade (TBT), pre-shipment inspection and other formalities. Non-technical measures include contingent trade-protective measures, non-automatic licensing, quotas, prohibitions and quantity-control measures other than for SPS or TBT reasons, price-control measures, including additional taxes and charges (F), finance measures, measures affecting competition, trade-related investment measures, distribution restrictions, restrictions on post-sales services, subsidies, government purchasing restrictions, intellectual property, rules of origin. Export measures have one “chapter” related to export-related measures [1, p. 3].

There are various approaches to identifying the importance of NTMs and assessing their effects on international trade. Methodologies include simple inventory measures, computation of price gaps and the estimation of

ad valorem, percentage equivalents. 30 developing countries plus the European Union and Japan were analyzed by the frequency index and the coverage ratio. The first one accounts only for the presence or absence of an NTM and summarizes the percentage of products to which one or more NTMs are applied. The second one means the percentage of trade subject to NTMs for the importing country and provides a measure of the importance of NTMs on overall imports [1, p. 4].

The research shows five most commonly used regulatory measures. TBTs are the first in the rating. Each country imposes them on about 30 per cent of products and trade. SPS are about 15 per cent of trade. Pre-shipment inspections affect, on average, 20 per cent of trade and products. Price control measures (8 per cent of trade and only 5 per cent of products) constitute one of the least used forms of NTMs. Finally, the average country imposes quantity controls on about 18 per cent of products and 23 per cent of trade [1, p. 5]. In addition, the use of NTMs was analyzed by grouping the countries into three broad developing regions and a high-income group. Although SPS measures and TBTs are the most used forms of NTMs, many countries especially in Asia and Latin America still implement a large number of quantitative restrictions like licensing. African countries regulate their imports more than many other developing countries, especially in relation to PSIs. The use of NTMs varies considerably, not only across regions but between countries. For example, in Latin America, use of NTMs by Argentina is double that of Chile or Paraguay. The incidence of the use of NTMs depends on both the percentage of imports affected by NTMs and, as a large number of products have more than one regulatory measure applied to them, the number of NTMs affecting each product. For example, a product could be subject to a sanitary standard as well as a technical measure on quality and finally to some licensing. The use of NTMs varies greatly across economic sectors, both for technical and economic reasons. For instance, some products, such as agriculture, footwear, wood and motor vehicles, are highly regulated because of consumer and environmental protection and technical standards, but some other goods, such as minerals, are by their nature relatively less subject to laws and regulation. According to UNCTAD research, the use of SPS measures is largely limited to agricultural sectors and products of animal origin; TBTs are found to be more evenly applied across economic sectors than SPS with peaks in textiles, footwear, processed food and chemicals; pre-shipment inspections are often relevant for agricultural products, wooden products, textiles and footwear; price-control measures are applied only to very specific products; quantity

control measures are evenly applied across economic sectors with peaks in agricultural goods, particularly animal products, motor vehicles and chemical products [1, p. 9]. With the exception of quantity control measures, the use of those has greatly increased in the last 10 years [1, p. 10].

Besides NTMs traditional forms of trade policy are used to regulate imports. Often NTMs are used as complements to traditional trade policy, namely tariffs. The analysis suggests the presence of a correlation between the use of NTMs and traditional forms of trade policy. Developed countries have higher tariffs. Also they have a larger number of products and a larger extent of imports affected by NTMs. This may indicate that NTMs have been used, at least to some degree, to reinforce tariffs in order to continue protecting key economic sectors in spite of tariff liberalization taking place [1, p. 13].

The importance of NTMs is due not only to their incidence but also to their actual impact on international trade. There are a lot of indicators used to measure the effect. Some of the most widely used are those developed by Kee, Nicita and Olarreaga (2009) and implemented by the World Bank in its global monitoring reports [1, p. 14]. The major trends which these indicators show are: 1) NTMs are relatively more restrictive in high- and middle-income countries than in low-income countries; 2) NTMs are more restrictive in the agricultural sector in high- and middle-income countries, but restrictiveness of manufacturing imports is important for middle- and low-income markets; 3) countries, whose main exports are agricultural products face more restrictive market conditions than countries exporting mainly manufactured goods, because agricultural market access is generally more restrictive; 4) the contribution of NTMs to restricting access to markets is more than double that of tariffs.

Conclusion. NTMs are widely used by countries today. The use of them has greatly increased in the last 10 years. NTMs are classified into a number of types. The most commonly used are technical barriers to trade, sanitary and phytosanitary measures, pre-shipment inspections, price control measures and quantity controls. The use of NTMs varies considerably both across regions and between countries of a region. NTMs have great impact on international trade, consequently they are a subject of research of world organizations like WTO, WCO, UNCTAD etc.

Potential. Since Ukraine joined WTO the opportunity of regulation the international trade especially imports considerably decreased. The necessity of the use of NTMs grows every day. Therefore this article may be continued with the research of NTMs are suitable for Ukraine.

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LANGUAGE MANAGEMENT AS A MEANS OF FOSTERING A SENSE OF BELONGING IN MULTINATIONAL CORPORATIONS

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The article considers language management as a source of competitive advantage and an ultimate barrier to aspirations of international harmonization. The role of language as an informal source of expert power in multinationals has been revealed. A number of possible solutions to the language problems and their consequences have been discussed.

Keywords: company communications, corporate language, functional multilingualism, multinational companies, selective recruitment.

Гордієнко Д., Олійник Н.А. Управління мовою як засіб виховування сенсу приналежності у багатонаціональних корпораціях. Стаття розглядає управління мови як джерело конкурентоспроможної переваги та остаточного бар'єру до прагнень міжнародного уніфікації. Розкрито роль мови як неформального джерела впливу експертів/експертної потужності у багатонаціональних компаніях. Було запропоновано декілька можливих рішень до мовних проблем та їх наслідків.

Ключові слова: багатонаціональні компанії, зв'язки в межах компанії, корпоративна мова, селективний набір, функціональна багатомовність.

Much of the earlier research emphasizes the importance of horizontal communication and team building as control and coordination mechanism in multinational organizations: yet the role of language is often forgotten. So *the*

aim of the article is to explore the impact of corporative language on members' loyalty within large and geographically dispersed multinationals.

It is obvious that coordination is a key tool of competitive advantage and it is equally undeniable that such coordination makes global communication more effective. "Physical distance makes effective communication necessary and cultural distance makes effective global communication essential" [3]. Though companies have invested heavily in the tools of present-day communication language can become a serious barrier.

Such barrier is extremely negative in terms of team-building and enhancement the sense of belonging to the organization. On the other hand, the language barrier triggers a whole range of negative consequences as it can:

- cause uncertainty and suspicion;
- accentuate group divides;
- undermine trust;
- lead to the polarization of perspectives, perceptions and cognitions.

There is an improvised approach to language that has been termed "functional multilingualism" [4]. Essentially this means relying on a mix of languages, pidgins and gestures to communicate by whatever means the parties have at their disposal. In a social context such a shared effort to make one another understand might be considered an aid to the bonding process with the frustration of communication being regularly punctuated by moments of absurdity and humor [3, p. 12]. However, introduction of functional multilingualism is not enough for building a strong sense of belonging in the multinational corporations and language barriers diminution.

To solve the problem there are some other options to minimizing language barriers: language trainings, corporate language, selective recruitment.

Any trainings in most companies depend on their economic stability. When a company works effectively sound money is usually invested in trainings. When instability or unpredictable expenditures turn up training is one of the first "luxuries" to be canceled. In a research run across four European countries [1], nearly twice as many companies said they needed as much language training in coming years as they had conducted in past years. This discrepancy, between "good intentions" and "actual delivery", underlines the problems of the role of training in language skills upgrading. Unless the company is totally committed to sustaining the strategy even through bad times, it will fail. An alternative to an individual training program (in which different individuals are trained in different languages) is to adopt a single

corporate language. All recruitment and personnel development could then be focused upon achievement of required standards in that one chosen language. A number of major multinational companies have adopted this strategy including Siemens, Electrolux, Daimler-Chrysler and Olivetti, AIESEC [4].

Michael Crom, Executive Vice President and Chief Learning Officer for Dale Carnegie Training, who runs training sessions for companies to help employees communicate and perform better points out that “there’s an internal pride of having your own little language. People like to think, “I know something the outsiders don’t know”. Especially in a harsh economy, it’s nice to feel like you’re a part of the tribe of people who’ve got your back; people who speak in the same tongue as you”[2].

A corporate language can be considered to have a number of important benefits:

- facilitation of formal reporting;
- ease of access to and maintenance of technical literature, policy and procedure documents and information systems;
- facilitation of informal communication between operating units and within cross-national teams;
- fostering a sense of belonging as an element in diffusing a corporate culture.

On the other hand corporate language introduction may cause the following problems: it is a long-term strategy. (Despite of the fact that English is an official language in AIESEC a lot of local committee meetings are held in Russian in Ukraine); it is sometimes impossible to adopt a single language for all circumstances (Nestle, for example, faced by a polarized split of personnel designated both English and French as the company’s official language [5, p. 43]; a corporate language will often incur resistance if there is a large body of corporate personnel lacking competence in the chosen language. (In Kone, the Finnish engineering company, for example, English was adopted as the corporate language despite the fact that almost two thirds of its employees were non-native speakers of the language [3].

Moreover a corporate language does nothing to ease the language barrier with external bodies such as customers, suppliers, international agencies and governments. So for these other solutions must also be well examined.

Some companies consider that the best option in recruitment process is to hire people who already have the required skills, i.e. selective recruitment. However, this turns out to be quite difficult in practice as, for instance,

existing post-holders may lack those skills. Besides there is considerable evidence to show that the right level and mix of language skills is not always available in the market place [4]. So the recruitment approach to bridging the language barrier must be used very selectively.

In conclusion it should be noted that there are sound strategic reasons why multinational companies should enhance their intra-company communication and set up their corporate language as no company will go multinational without going multilingual. It has been emphasized in the article that the impact of the language barrier can be wide-ranging and potentially serious to multinational enterprises, and that language should therefore be managed as a corporate asset.

As well as being the means by which we communicate our thoughts, our needs and our desires with the outside world, language is also among the most important carriers of group culture and identity. As part of a group, we adhere to specific rules and follow different patterns of behaviour but we may also make use of languages, dialects and modes of speaking which may be completely different from how we interact with people in other contexts. In this sense language serves first and foremost to promote the sense of community.

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PRIORITIES OF DEVELOPMENT OF THE UKRAINIAN-POLISH CROSS-BORDER CO-OPERATION IN TOURISM INDUSTRY

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The article deals with the current state and prospects of development of the Ukrainian-Polish cross-border co-operation in the tourism. It highlights the theoretical and procedural bases of cross-border co-operation. The current state of the Ukrainian-Polish cross-border co-operation in tourism is analysed and priority trends of its development are established.

Keywords: cross-border co-operation, priorities of development of border tourism, tourism.

Гречка Д., Літовченко Я.М. Пріоритети розвитку українсько-польського транскордонного співробітництва в галузі туризму. Роботу присвячено дослідженню сучасного стану та перспектив розвитку українсько-польського транскордонного співробітництва в галузі туризму. Висвітлено теоретико-методологічні основи транскордонного співробітництва. Проаналізовано сучасний стан українсько-польського транскордонного співробітництва в туризмі та сформульовано пріоритетні напрямки його розвитку.

Ключові слова: пріоритети розвитку прикордонного туризму, транскордонне співробітництво, туризм.

Successful cross-border cooperation between Ukraine and Poland during Euro-2012 showed that the further development of tourism industry is a potentially attractive investment of the economic activity.

Relevance of the Ukrainian-Polish cooperation in tourism is supported by the similarity of natural and recreational areas, common historical and cultural development. Proximity of the new EU member states to Ukraine, long-term bilateral economic cooperation, impletion of large-scale European projects in the humanitarian sector creates objective prerequisites for the use of the competitive advantages of tourism potential of Ukraine and Poland [5].

However, the current level of implementation of the capacity of Ukrainian -Polish cross-border region remains insufficient. This is due to the asymmetry in the level of development of the tourism industry of the two countries and differences in institutional support, what is caused by: 1) significant

differences in the organizational, economic and legal regulation of tourism in Ukraine and Poland; 2) lack of cooperation between the Ukrainian and Polish tourist organizations; 3) significant differences in priorities and programming of tourism development at national and regional level; 4) lack of information, finance, human resources and infrastructure provision of tourism [4].

Directions and forms of intensification of the Ukrainian-Polish cooperation were highlighted in the works of P. Belenky, M. Boruschaka, V. Borschevsky, E. Kish, V. Kravtsiva, J. Mihuschenko, H. Mikula, P. Fedan, A. Chmyr. The degree of knowledge of the problem is high, however, the significance of these scientific achievements of scientists do not deny the relevance of the issue of cooperation in the tourism sector from the both sides of cooperation.

At the national and regional level both Ukraine and Poland mark priority tourism and recreation for the national economy, including in the border areas. So, the National Strategy of Regional Development of Ukraine till 2015 states that the development of resorts and recreational tourist complex is defined as a state priority for several regions, including the border. The National Strategy of Regional Development of Poland for the period 2007–2013 the priority of “preservation and using the cultural and natural heritage and tourism development” is defined for all provinces of Poland [3].

Both Ukraine and Poland have the competitive advantages of diversification and the development of different types of tourism (geographical location, level of transitivity areas and vehicle maintenance, climatic, cultural and historical resources) in comparison of other European countries. There is a strong potential to develop common projects of different types of tourism, especially skiing, hiking routes, gastronomic tours etc. So, for example, it has already being implemented some joint projects of green and rural tourism. It has been planned to open cycling tourism complexes in the Trans Carpathian region with the support of the Polish partners of city of Krosno, and also new multilingual information guidebooks are being preparing with a map of cycle paths. But the level of popularization is currently insufficient [6].

The dynamic of tourist exchanges between Ukraine and Poland for the last five years has been featured with positive trends. Especially positive factor is the increase in tourist flows between countries, helped by simplification of visa restrictions. According to the State Statistics Service of Ukraine the total amount of incoming flow to Ukraine in 2011 was 21.4 million, for tourism – 1.2 million. The proportion of visitors from Poland, who crossed the Ukrainian border in 2011 is 1.7 million (9% of the total

incoming flow), of which more than 137 thousand people (8%) are tourists. And in the same time the volume of Ukrainian tourists in Poland is more significant (114 thousand yearly) [2]. The quantity of tourist flows between Ukraine and Poland is much more than tourism exchanges with other countries. And the growth of this dynamics is inherent especially to border regions. This fact confirms the theoretical expediency of intensification of Ukrainian-Polish cross-border tourism cooperation [5].

According to the data of The World Economic Forum the index of competitiveness in travel and tourism of the 2011–2012 period in Ukraine has risen from 89th to 82nd position in the overall ranking of the 142 countries, while Poland has moved from 39th position 41st. This difference in positions is a result of bright differences in competitive advantage and also in strategic directions and activities of the state tourism policy at the national and international tourism markets. Poland has competitive advantages in all parameters in the category of “Information and Communication Infrastructure”. For both countries more competitive disadvantages than advantages are defined (in categories of “Safety and Security”, “Political Regulations”, “Infrastructure Development” and “Sustainability of Environment”) [1].

To improve the tourism sector in Ukraine and Poland, it was suggested to create a cross-border tourism cluster. Based on volunteering the cluster must include deep industrial, consulting and education-training relationship and integration of economic agents of the tourism sector and related industries. Priority program activities of this cluster involve the implementation of pilot projects (green and environmental, medical, educational, religious, sport, cultural tourism and tourism of small historic towns), and organizational components of the institutional basis of the functioning of the cluster (the creation of cross-border innovation center of tourism infrastructure, network of local tourism and recreational centers and information centers).

The competitive advantages of cross-border cluster include: access to more providers of related services, public-private partnerships in the innovation process, transition from direct to indirect regulation of business activity, dynamic and flexible operation, easy access to new markets by unification of operation within cluster.

The main targets of the cluster are following: strategy and means to improve the quality of life of the population of the Ukrainian-Polish border by forming an efficient tourist infrastructure that meets EU standards; activation of tourist and recreational activities and management of related

industries, improving the quality of tourism and related infrastructure.

Thus, the adoption of the state target program of the Ukrainian-Polish cross-border co-operation in tourism is a priority step. Similarity of areas, resources, geographical location, direction and volume of international tourist flows require concentration of organizational efforts and financial resources on deepening bilateral cooperation in tourism of Ukraine and Poland. There is a strong potential to develop joint projects with different types of tourism. Some projects of eco- and sport tourism are being gradually implemented. The cluster model of territorial organization of tourism is chosen as a priority form for realization of Ukrainian-Polish cooperation with a target of focus on the socio-economic development and enhance of the integral competitiveness of tourism cooperation in border regions. The expected results include improved social and economic development of the border regions due to employment growth, increasing of horizontal links between tourism and related industries of neighboring countries, promotion of innovative activities and development of tourism infrastructure, further growth of tourism exchange [5].

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UKRAINE'S COMPETITIVENESS IN THE CONTEXT OF GEOPOLITICAL SHIFTS IN EUROPE

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The article defines the current challenges of Ukrainian economy competitiveness, considers the structural factors of competitiveness in the evolutionary manifestation of the vision and proposed priorities for strengthening the Ukrainian economy competitiveness.

Keywords: competitiveness, economy of Ukraine, foreign economic activity, geopolitical shifts.

Гурова Ю., Давиденко І.В. Конкуреноспроможність України в умовах геополітичних зрушень у Європі. У статті проаналізовано сучасні виклики конкуреноспроможності української економіки, розглянуто структурні чинники конкуреноспроможності в їх еволюційному прояві і запропоновано бачення першочергових завдань щодо зміцнення конкуреноспроможності української економіки.

Ключові слова: геополітичні зрушення, економіка України, зовнішньоекономічна діяльність, конкуреноспроможність.

At the present stage of world development, European States have faced severe constraints of their development and, consequently, of the economic growth, and therefore, the main slogan of the World Economic Forum in Davos (January, 2012) was “Great Transformation: a New Model of Development”.

The forum participants agreed with the need of a new model of economic growth which can provide the creation of new jobs and employment problem solution; overcoming excessive income inequality; supporting ecosystems and distribution of production on the basis of “green” technologies, focusing on quality management and consumer systems, elimination of distortions in the world trading system; ensuring sustainable development of the energy sector and the guarantee of geopolitical security of countries and regions.

Particular attention was drawn to the intellectualization of economic processes associated with new technologies that contribute to competitiveness

of national economies and the development of technologically new models of coping with global challenges.

Within the global transformational crisis, competitiveness is still the main economic policy and development strategy of states. Therefore, assessing the economy competitiveness, the development programs and policies and their implementation are necessary in the context of Ukrainian situation, and stress the relevance of this question.

The *goal* of the research is to study economic processes associated with new technologies which contribute to competitiveness of national economies. The *subject* is investigated by domestic and foreign scientists as well. Aspects of the competitiveness of Ukraine during the geopolitical shifts have been analyzed by Ukrainian and Russian economists, notably Anfalov A.A., Makogon Y.U., Balakin R.L., Gaydutsky P.I., Buzovsky E.A., Golikov A.P., N. Kazakov A.B., Pakhomov Y.M., etc. The *methodological basis* of the research are methods of description and comparison.

Nowadays national governments often face the loss of effectiveness of traditional methods of governance in an open economy. So, the desired competitiveness in modern globalization belongs to the country with stable competitive economic agents that can effectively, consistently and independently conduct their activities in the national and global economic environment, implementing the national competitive advantages [1; 5].

2005 and 2006 are characterized with some decrease in the competitiveness of domestic producers and the deterioration of the world markets, as well as the transience of competitiveness factors, acquired by the majority of the Ukrainian manufacturers. The state economic policy at that time was not aimed at improving the competitiveness of Ukrainian producers. These two years were almost lost to strengthen the competitive position of domestic companies.

2013 sees changes in the top five regions. Odesa Oblast appears in the top five ranking 3rd, ahead of Donetsk and Dnipropetrovsk oblasts. As a result Kyiv Oblast drops out of the national ranking. Thus, this year's top five regions include: Kyiv City, Kharkiv, Odesa, Donetsk and Dnipropetrovsk oblasts. There are also changes in the bottom half of the ranking. This year Kherson Oblast improves its positions overtaking Kirovohrad Oblast which is ranked a rock bottom 27th place in the national ranking. The five worst performing regions are in fact the same as last year: Chernihiv, Ternopil, Zhytomyr, Kherson and Kirovohrad oblasts.

Providing the competitiveness of the national economy is becoming more and more important. It involves the use of motivation tools for creation the competitive behavior in different areas of economic policy, which all together can create a harmonious consistent system of state regulation of the economy [3].

Implementation of this system will require the respective institutional environment, with the National Competitiveness Council as the main body, carrying out controlling, coordinating and developing processes in order to create a set of program documents.

Geopolitical interests are the main factor that can fix or destroy the geopolitical space. They are the driving force behind the two main trends in the contemporary world policy – globalization and regionalization.

The can be characterized by interconnection and unity, which are embodied in the allocation of the geopolitical interests of countries with different mentality, development levels and roles in the modern world.

The region becomes one of the dominant subjects of the modern world, neutralizing the negative effects of globalization. Regionalization is a sign of the modern global political process. In the context of the current geopolitical situation, Ukraine has opportunities to realize her geopolitical interests on the basis of long term policy [2; 5].

Ukraine has always had two orientations in her political directions: toward the internal forces and toward the external ones. Political orientation of the people of Ukraine will always remain a feature of theoretical and conceptual development of the country. The society of Ukraine has formed its national mentality, character, psychology, consciousness, self-consciousness and culture. The further development of all the spheres should be obviously base on all these factors, which have a huge impact on the improvement of the qualitative characteristics of the Ukrainian society, its culture and statehood.

Conclusion. The situation is getting really dramatic in the context of tight economic integration of Ukraine (joining the WTO, setting up the Free Trade Areas with the CIS, the EU and a number of particular countries). Nevertheless, further integration of Ukrainian economy can help businesses to improve their business processes and hence make national business more civilized. Some Ukrainian regions and sectors are quite competitive globally by certain indicators of business sophistication. If all the regions and industries improve their positions to the level of the leaders, that will lead to significant improvement of Ukraine's national competitiveness.

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THE IMPORTANCE OF FINANCIAL AND CREDIT RELATIONS BETWEEN UKRAINE AND THE IMF

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The article deals with the relations and the main activities between Ukraine and the IMF. It reveals the theoretical principles of the existence of the IMF. The article discloses the role of the IMF programs in Ukraine which concern providing technical assistance, advising and financing in order to stabilize the economic situation in the country.

Keywords: economy, IMF, stand-by program, reform, tranche credit, Ukraine.

Головченко К., Давиденко І.В. Значення фінансових та кредитних відносин між Україною та МВФ. У статті розглянуті відносини та основні напрямки діяльності між Україною та МВФ. Досліджені теоретичні засади функціонування МВФ. Розкрита роль програм з надання МВФ Україні технічної допомоги, консультацій та фінансування з метою стабілізації економічного стану країни.

Ключові слова: економіка, МВФ, програма stand-by, реформа, транш кредит, Україна.

The International Monetary Fund is an intergovernmental organization, developed to regulate monetary relations between the Member States and to provide them with financial assistance in case of currency complications caused by balance payment deficit, by providing short- and medium-term loans in foreign currency. The Fund, a specialized agency of the United Nations, is nearly the institutional framework of the global monetary system.

The *goal* of the article is the investigation of the current state of monetary and financial cooperation between Ukraine and the IMF, the research of the organizational and legal support in maintaining relationships. The *material* of the study was derived from the Internet resources, including statistics on loans from the IMF Ukraine, officially published on the websites of international organizations, news agencies data on the state of relations [3–5].

The subject is investigated by domestic and foreign scientists as well. Aspects of relations between Ukraine and the IMF have been analyzed by Ukrainian and Russian economists, notably O. Eremenko, I. Kovbasiuk, T. Vakhnenko, N. Bidnyk and others.

The stipulation of the programs supported by the IMF is constantly evolving, and in the early 1980s greatly expanded its scope. However, there are contradictions between the desire to ensure the implementation of programs and minimizing interference in the national decision-making process. Almost all programs of the IMF have included requirements of structural stipulations since the 1990s. The fund applies four type of monitoring in order to control these requirements, such as past events, performance criteria, structural tags and review of the programs. The expansion of the program content and structural changes in approaches of monitoring shows that the IMF could exceed their liabilities: instead of using the expertise the IMF can use its financial instruments to promote large-scale programs in economic policy within the limitations of the national decision-making process. Extending the stipulation places the issue about its efficiency. The follow-up conditions become impossible due to the inability of governments to find any political support within the community [5].

Ukraine's cooperation with the IMF, which was characterized, on the one hand by the general stipulation of the programs, and on the other hand – by the “agreeability” of the latter in order to show the support of Ukrainian reforms and some reformers in general:

- has contributed into the formation of adequate foundations of the market economy;
- was aimed to achieve macroeconomic, as well as financial stability,

overcoming inflation and ensuring the stability of the national currency;

- has provided the economy with financial resources to overcome the problems of the transformation period as well as the global financial crisis.

The prolongation of the cooperation between Ukraine and the IMF is reasonable and justified because of the tactical plan: IMF lending resources are cheaper than those involved in the global financial markets; the interaction with the IMF insures the flow of funds to Ukraine from other lenders and investors. Strategically, it can help Ukraine to be involved into the activities of global financial institutions, where the IMF forefronts and is a lender of last resort. The cooperation with the IMF allows Ukraine to use advisory, expert and analytical services of the IMF which are crucial within the economic globalization. But at the same time, the work of the IMF program means potential risks, so the funds from the IMF could be spent not only on the structural reforms. The second risk is the public debt increase, which, in its turn, can lead to the inability of the government and the threat of default [3].

On the 12 of November, 2013 it was revealed that Ukraine paid the last tranche credit of the IMF in the amount of 359.2 million USD in 2013. Overall, by 2013 Ukraine has paid to the IMF 5.603 billion USD. In 2014, the total amount of payments on the loan to the IMF will be a little less than \$ 3.6634 billion USD, and in 2015 it will be even smaller, 1.4845 billion USD.

Now Ukraine is trying to re-engage the cooperation with the IMF according to the stand-by program (the previous stand-by program completed its operation back in 2011). Since then, the Ukrainian government has expressed the need in opening a new credit line of about 15 billion USD. These funds are primarily required for payments on previous loans to the IMF. Gerry Rice, the IMF spokesman, said the fund intended to continue negotiations on cooperation with Ukraine in mid-December, 2013. The IMF believes that in the heart of the economic program of the Ukrainian Government there is a comprehensive consolidating strategy which can guarantee the financial stability. The financial situation improvement began in 2010 and was to be deepened in the years of 2011 – 2012 due to structural reforms of the pension system, public administration and tax system. The financial condition of the gas sector, as it was expected, will be strengthened, including reforms of domestic prices, supported by other multilateral institutions that help eliminate energy subsidies and create a more modern and viable sector, while protecting vulnerable segments through targeted social programs.

The reforms will pave the way for the restoration of the financial system and improve the independence and responsibility of the National Bank of

Ukraine. The planned recapitalization of banks and measures to strengthen monitoring and institutional frameworks are essential to restore financial stability to overcome the growing challenges of assets, in order to remove obstacles to the sustainable economic renewal.

The implementation of these reforms would help Ukraine to strengthen the macroeconomic stability, to increase confidence, to improve the access to capital markets, and to make a balanced and sustainable growth [3]. Ukraine is one of the largest consumers of IMF credit currently, that confirms the financial dependency injection of the Fund. During its cooperation Ukraine received 12.66 billion USD from the IMF. Ukraine was a member of the lending “Stand-by” program, which was restored in the fall, 2008. This program was very profitable for the Government, cheap and promising, as it provided the interest payment of about 2% of the total debt. The Loan Payment body plan had to be started in 2012 and lasted until 2014, but then its term was extended to 2015. The loan repayment isn't going to make too much difficulty with the positive scenario of the national economy. Within the pessimistic forecast the debt burden, even taking into consideration the money depreciation, will be too difficult for a weakened state. The debt of Ukraine to the IMF per capita is about 110 USD. The current Ukrainian income, minimum wages and unsigned gas agreements with Russia made impossible to perform the requirements which was the reason why Ukraine lost the next tranche [4].

It is reasonable to conclude that Ukraine's economy is built irrationally: there are enough resources, but there is no proper equipment and developed programs for their sustainable use. The focus of relations between Ukraine and the IMF should provide technical assistance, consultation and development programs. The received credit can stabilize the balance of payments, however, these positive developments have also a negative side such as real incomes reduction. In addition, the stabilization loan which was received in 2010 has not paid yet, and Ukraine needs a new loan [2].

The cooperation with the IMF is crucial to maintain the opportunities to finance the budget deficit within relatively cheap loans from international financial institutions, particularly the World Bank and the EU, loan terms of which are the best in value and time. The Commission provides the cooperation between Ukraine and IMF in order to the implement these programs [1].

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ROLE OF ASEAN IN WORLD INTEGRATION PROCESSES (economic and diplomatic aspects)

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The article deals with the leading formats of economic cooperation among ASEAN members and the relationship between ASEAN and strategically important partners in the East Asian region, the role of ASEAN as an integration association and economic achievements as a result at this stage.

Keywords: ASEAN, China, economic integration, free trade zone, trade liberalization.

Гречка А., Рябенка І.В. Роль АСЕАН у світових інтеграційних процесах (економіко-дипломатичний аспект). У статті розглянуто провідні формати економічної співпраці країн в рамках АСЕАН, а також стосунки АСЕАН із стратегічно важливими партнерами Східно-Азійського регіону, роль АСЕАН як інтеграційного об'єднання та економічні досягнення на даному етапі як наслідок.

Ключові слова: АСЕАН, економічна інтеграція, зона вільної торгівлі, КНР, торгівельна лібералізація.

Nowadays the global economy processes have caused contradictory trends in the development of national and regional economies. On the one hand, the global financial crisis has negatively affected the economic development of European countries, on the other hand – the crisis has strengthened the role of the East Asian region in the global economy. Thus, the global economic and financial survey, released by the International Monetary Fund in September

2012, states that Asia, despite the U.S. and the euro zone economic slowdown remains to be a locomotive of the world economy [5]. In addition, the leading world powers step up their efforts to establish closer ties with ASEAN and compete for influence in the organization. Thus, *the problem of integration processes in South-East Asia is very important* and the main directions of ASEAN economic and diplomatic activity need a deep study.

The issue of economic integration of ASEAN and the deepening of economic integration in East Asian region was studied in the works of such scholars as N. Horodnya, M. Kulynych, O. Leschenko, Yu. Pahomov, L. Petrashko [2], S. Shergin, A. Areshydzhe, O. Lukin, M. Miletin, H. Chufrin, M. Bikon, H. Kent, J. Kurlyantsyk, E. Frost, Yu. Vanadi, M. Kavaï, N. Kuma, Ya. Chaochen, L. Nua Xin, etc.

The goal of this research is to determine the major areas of economic cooperation among the members of ASEAN as well as among ASEAN and the key partners in the region as a decisive factor of economic growth of East Asian region in modern conditions on the basis of such *methods* as description and estimation.

In a region largely bereft of regional organizations, the Association of Southeast Asian Nations (ASEAN) has been the most significant multilateral group in Asia for the past forty-six years. Since its inception in 1967, ASEAN has largely achieved its initial purpose of preventing Southeast Asia from further outbreaks of war following the Indochina Wars, and has also accomplished several notable achievements in the economic and nonproliferation spheres [4].

Today ASEAN's economic weight is substantial, countries belonging to ASEAN have a common territory of 4.5 million square kilometers (that is around 30% the size of China, roughly the same size as that of the UK and 25% larger than India), the population of 560 million people and a GDP of USD estimated at 2.3 trillion in 2012. Its GDP accounts for 3% of the world's total [6].

In the economic sphere the countries of the Association carried out the policy of deepening of the integration among the members of ASEAN, trade liberalization on the basis of signed in 1992 and entered into force on 1 January 2002 Agreement on ASEAN Free Trade Area (AFTA) with China, Japan and South Korea as well as India, Australia and New Zealand, an Investment Framework Agreement (IFA) and Industrial Cooperation Scheme (AICO), which are the basis for the Free Trade Area within ASEAN + 3 (China, Japan, South Korea) and ASEAN + 6 (India, Australia, New Zealand) [1].

ASEAN countries are not donors to members of the organization, they rely primarily on themselves and the synergy of community efforts. Sufficiently high political integration has become necessary for more efficient protection of their legitimate interests, national identity and values in terms of the globalization of the world and the steadily growing power of China and India in the region. The logic is clear: in case of increase of joint efforts in ASEAN, this group of countries will be able to cooperate on more favorable terms with influential countries in the Asia-Pacific region and to promote their own ideas.

With regard to cooperation in the framework of the Association, the main objective here is to achieve regional economic integration by 2015. This community provides the following trends:

- Creation of a single production and market zone in which all Southeast Asian states retain national sovereignty but eliminate virtually all tariffs and open their borders to a much freer flow of trade, capital, investment and labor.
- Enhancing the economic competitiveness of the region through various measures to promote the ease of doing business, including infrastructure development projects, better consumer rights and IP laws, and policies to foster competition.
- Promoting equal economic development through the policies that are designed to bridge the development gap between the richest and the poorest members.
- Enhancing integration into the world economy by concluding free trade agreements with external powers.

To date, ASEAN authorities report that they have met 67.5% of their current targets (out of 100%) [3].

According to a recent BCG report, average regional tariffs fell from 4 to 2 per cent between 2002 and 2008, boosting intraregional trade from US\$ 260.9 billion in 2004, to US\$ 598.2 billion in 2012. For the same period, extra-ASEAN trade grew from US\$ 428.1 billion to US\$ 914.8 billion [6].

Trade in services increased rapidly in communications, computer & information services, travel services and business services, royalties & licenses.

The trade openness of ASEAN is high, at 110% of GDP. Among its members, Singapore has by far the highest trade-to-GDP ratio, close to 300% of GDP. Malaysia and Thailand have trade-to-GDP ratios way above 100%. All three countries are tightly integrated into regional and global manufacturing supply chains.

Members expand imports of cheaper goods for the replacement of the national products with higher costs. Lower prices lead to an increase in the volume of domestic consumption and trade and thus increase real national income.

Investment liberalisation serves to enhance the region's attractiveness to global investors. Inward flow of FDI to ASEAN has recorded an increase of more than fourfold – from US\$ 21.81 billion in 2000 to US\$ 114.08 billion in 2011 – with Singapore, Indonesia and Malaysia leading the Member States. Intra-ASEAN FDI inflow has increased from 3.9% to 23% during the same period [3].

Integration efforts and global developments have shifted the pattern of ASEAN countries' international trade. The share of the bloc's trade with the US, the EU and Japan has declined markedly over the past two decades or so. In 2011, ASEAN trade with the US accounted for 8.5% of the total (vs 18% in 1993), with the EU-27 for 10.6% (15% in 1993), and with Japan for 10.3% (20% in 1993). China has emerged as the No. 1 trading partner for ASEAN, with its share rising to 12% in 2011 vs just 2% in 1993. The rise in ASEAN-China trade provides evidence of the role of China in the Asian supply-chain networks. In 2011, 11% of ASEAN exports went to China and 13% of ASEAN imports came from China. Trade patterns reflect product specialization and rising domestic consumption in ASEAN countries [2].

It should be emphasized that ASEAN is an integration association, which has its own strategic interests and intentions to remain a central core of complex processes of economic integration in East Asia. Thus, it is a vital thing to choose the best model of cooperation with such a giant like China. Soon China must sign up an agreement with the association on using yuan instead of dollar in commercial contracts. This will cause the competition to both dollar and euro.

However, the role of China in ASEAN is extremely large. For example, 7 million of Chinese (3.5% of the population), who produce 73% of GDP live in Indonesia, and 6 million (10% of the population) live in Thailand, creating 81% of GDP [3]. China steps up its "soft" economic diplomacy in the region giving a hand in investment, especially in such countries as Cambodia and Laos.

Conclusion. Successful economic growth of Association of Southeast Asia is occurring primarily as a result of the introduction of urgent measures and mechanisms to overcome the crisis, which leads to increasing influence of the South-East Asian economy on the world economy. Policy of ASEAN is the peaceful coexistence of various nations and states in one region, based on preventive diplomacy, where the main thing is to smooth the conflict. If it was made possible to create ASEAN community with the help of political will of

states, nothing could prevent the development of such a community within the whole East Asia.

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ENGLISH AS A MEANS OF PROFESSIONAL COMMUNICATION IN THE CORPORATE SETTING

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The article focuses on the role of language in transmitting the corporate culture of the organization. There have been considered peculiarities of communication by means of the professional slang and hybrid language in IT professional environment by the example of Microsoft and Google companies.

Keywords: corporate culture, corporate language, IT (information technology), corporate setting.

Ісаєва Г., Олійник Н.А.. Англійська мова як засіб професійного спілкування в корпоративному середовищі. Стаття звертає увагу на роль мови у відображенні корпоративної культури організації. Були розглянуті особливості спілкування за

допомогою професійного сленгу та комбінованої мови у професійному середовищі інформаційних технологій на прикладі компаній “Майкрософт” та “Гугл”.

Ключові слова: корпоративна культура, корпоративна мова, ІТ (інформаційні технології), корпоративне середовище.

Recent organizational studies such as management, human resources and business ethics literatures have been similarly varied in their orientations to the notion of culture in a corporate setting which can be interpreted depending on the goal of the researcher: whether it is to teach managers how to ensure ethical employees or to describe the great range of diversity across a single organization or to compare many different organizations, the researcher picks up the one which makes his or her argument persuasive and research methods suitable.

In fact, the term “organizational culture” was made popular in the 1980s when Peters and Waterman’s book “In Search of Excellence” made the argument that “company success could be attributed to an organizational culture that was decisive, customer-oriented, empowering, and people-oriented” [12]. Since then, organizational culture has become the subject of numerous research studies, books, and articles and it is still a relatively new concept. In contrast to a topic such as leadership, which has a history spanning several centuries, organizational culture is a young but fast-growing area within management.

A review of human resources literature finds a great variety of definitions such as “shared values, assumptions, and behaviors [4, p. 4], “the context of dominance”, “business orientation”, “network of shared meanings” [2, p. 294], the “group’s effort to cope and learn, the residue of the learning process” [10] or a “source of valuations that allow for evaluation of various solutions to problems” [9], etc. which all illustrate pluralism on understanding the term and prove the idea of using different approaches when dealing with the issue.

Thus one can hardly disagree that “corporate culture is a broad, multifaceted concept that can be defined and measured in many different ways, and without first arriving upon a clear and concise definition of corporate culture, efforts to measure culture will do little to clarify our overall understanding of corporate culture and our knowledge about why this culture is important” [1]. Bearing in mind Sapir’s assumption: “The fact of the matter is that the ‘real world’ is to a large extent unconsciously built upon the language habits of the group” i.e. the way we think and view the world is determined by our language we should study the power of language in reflecting culture [13].

Needless to say that English continues to be a dominant language in the world of business and a working language for global corporations all over the world so *the objective of this study* is to give a brief overview of the role of English in corporate surroundings which will contribute to understanding not only the importance of the latter but also the influence it has on its users and the degree to which this influence extends and how it is revealed in everyday corporate communication.

Although markets are growing quickly in emerging economies, English is still an important skill for most workers and has always been in high demand. In many instances, employees having some level of English fluency already still want to improve upon what they know and some companies want to develop their employees' mastery of industry-specific terminology. At a minimum, nearly all companies want to help workers gain competency with workplace-specific English words and phrases in order to facilitate collaboration between employees, especially in multilingual surroundings. This is where cultural language differences are evidenced when some languages have specific words for concepts whereas other languages use several words to represent a specific concept. For example, the Arabic language includes many specific words for designating a certain type of horse or camel. To make such distinctions in English, where specific words do not exist, adjectives would be used preceding the concept label, such as "*quarter horse*" or "*dray horse*".

Every organization has its own distinctive culture and in most cases it is created unconsciously, based on the ethics and values of the top management or the founders of the organization. Microsoft is defined as having a developer-centric business culture which means they invest in young university-trained software developers training, in keeping them in the company and providing special office space and interesting perks to make these young developers feel special. Multi-lingual environment set up in such global companies makes professional language features appear i.e. specific language.

When a Ukrainian employee starts working in IT-sphere he or she would certainly start using English words and moreover they like to adapt the terms they use to their native language which is a widely-used practice nowadays. As a result we have a number of "neologisms" used not only by professionals but 'domestic' users as well, for instance: "*to host*" – "*захостити*", by "*bug*" we mean "*жук*", but in IT language it means "*error*". The word "*friend*" or the set phrase "*to make friends*" seem to be common and not accent-worthy, but not for programmers who transform "*to make friends*" into "*зафрендити*" [11].

Non-professional people neither understand such words in everyday life, nor use them. But for any perspective IT-company employee having a reserve of such words and phrases becomes vitally important as it is a part of the corporate culture and it can hardly be overestimated by the employer.

The following set of words and phrases used by IT corporate staff on everyday basis can also be a good illustration of the point: *a browser* – a software program used to locate and display information on the Internet or an intranet; *blue-ray* – an optical disc format like CD and DVD that can hold more information than other optical media, *blog* – a website designed to make it easy for users to create entries in chronological order; *bluetooth* – a low-power wireless networking technology operating in the 2.4 GHz unlicensed Industrial, Scientific and Medical (ISM) band; *cookie* – a permanent code placed in a file on a computer’s hard disk by a website that the computer user has visited; *framework* – a style guide that defines the look, feel and interoperability of software applications.

Particular attention should be drawn to the most hilarious and frequently-used words in both languages, the so-called “professional slang” which consists of a lexicon of non-standard words and phrases in a given language. Use of these words and phrases is typically associated with the subversion of a standard variety and is likely to be interpreted by listeners as implying particular attitudes on the part of the speaker: *to upgrade* – *ангрейдить*, *button* – *батон*, *to push the buttons* – *тонтать батоны*, *wizard* – *хороший, опытный программист*, *e-mail* – *мыло, емея*, *P.S.* – *З.И.*, *server* – *сервак*, *to send* – *сендануть*, *smile* – *смайлик*, *to flood* – *флудить (поток бессмысленного текста)*.

Such hybrid language containing elements from several different languages makes up an integral part of the corporate culture of the organization as all members speak one common language and think the way they speak.

Another example of the “corporate” language usage from Google Company is one of the most-asked questions at Google: “Wouldn’t it be cool if...” [5] which may mean either “heads consider each of their employees’ opinion” or “Google has its own style of working and independent opinion among great amount of IT-companies” [3]. This phrase is not a cliché; it is specific for Google staff only and when used by them it expresses those additional shades of meaning which are clear only for a limited amount of people – members of the corporation.

To sum up, corporate culture determines working language, which in its turn determines the way that we categorize our thoughts about the world and

our experiences in it. In multilingual working environment barriers are overcome by creating hybrid languages, common professional or corporate language. Nowadays corporate culture is not just about dress-code, hierarchy and personal relationships, but it is all about means of communicating company's values and beliefs within the company and to the consumer, it's all about employees interaction on a day-to-day basis and their making decisions (both large and small) that execute organizational vision and strategy.

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ROLE OF THE ENGLISH LANGUAGE IN BRAND CREATING ON THE UKRAINIAN MARKET

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The article deals with the problems of modern Ukrainian naming and branding affected by processes of globalization of the world environment. The role of English in brand creation, both positive and negative effects concerning this are observed. Basic trends of naming on the Ukrainian market are distinguished.

Keywords: advertisement, brand, competition, globalization, naming.

Жарая К., Галавтіна А., Голдіна О.М., Євтушенко А.В. Роль англійської мови у створенні брендів на українському ринку. У статті розглянуто проблеми сучасного українського неймінгу та брендінгу, на які впливають процеси глобалізації світового середовища. Розглянута роль англійської мови при створенні бренду, позитивні та негативні явища, що з цим пов'язані. Виділені основні тенденції створення назви на українських ринках.

Ключові слова: бренд, глобалізація, конкуренція, неймінг, реклама.

Obviously, the processes of globalization affect the spreading of a particular language in the modern world. The *relevance* of this article is that the English language performs the function of international language today, it is something like a “lingua franca” in the world community. That is why English words are increasingly used in the titles, slogans, advertising in non-English speaking countries, such as Ukraine. Sometimes it is thought that foreign terms sound modern and trendy. Process of brand creating is a rather complex one. There are a lot of definitions of the brand but they are similar a lot.

Purpose of this article is to find out the main trends of naming in Ukraine and to determine how these processed are affected by foreign languages.

A brand can be a trade name, a sign, symbol, slogan or anything that is used to identify and distinguish a specific product, service or business. But a brand is much more than this; it can also be a ‘promise of an experience’ and conveys to consumers a certain assurance as to the nature of the product or

service they will receive and also the standards the supplier or manufacturer seeks to maintain. For example, a “brand” might focus on exclusivity of design; or perhaps excellence of customer service or maybe high moral standards in its dealings with suppliers; or perhaps a combination of these and other values. This guaranteeing function is not created overnight; it is usually hard won in the marketplace and develops over time.

Brands are therefore reputational assets based on powerfully held beliefs; they drive the understanding of value in a product or company, and, perhaps most importantly, customer loyalty. It can, therefore, be important that as a company develops and expands it considers how its new products and services fit in with its branding, and how the value that they represent may be protected under intellectual property rights [5].

Product naming is considered a critical part of the branding process, which includes all of the marketing activities that affect the brand image, such as positioning and the design of logo, packaging and the product itself. Product naming involves the application of creative and linguistic strategy and results in a brand name that becomes a product’s shorthand. The process involved in product naming can take months or years to complete. Some key steps include specifying the objectives of the branding, developing the product name itself, evaluating names through target market testing and focus groups, choosing a final product name, and finally identifying it as a trade mark for protection.

“The name is a destiny”. The chosen name defines success or failure. The product name is the first element of any contact with potential consumers. Name creation is the initial stage of brand development. Naming, certainly, requires good educational and professional knowledge and skills in the PR sphere as well as creativity and taste. While creating the company and product names a wide range of potential consumers’ opinion should be considered. In addition, the name should enjoy buyers’ and service consumers’ confidence to form long-term positive associations [2, p.66].

Foreign branding and naming became increasingly noticeable, particularly after the USSR disintegration. Since the beginning of the new millennium this trend has strengthened, mainly due to changes in the international cooperation and global business development [3].

In XXI century brought a great deal of loan words like “briefing”, “meeting room”, “show room”, “holding” and the like, and people understand their meaning without any translation, they have become an absolutely natural feature nowadays.

Primarily, this trend can be explained by openness of the information society. Also, researchers tend to say that foreign names make producers improve products' quality [1].

Nowadays specialists in branding and naming became more aware of the importance of these and try to follow certain rules. Follow the 10 tips below to make your efforts to name a product more efficient, effective, and creative.

1. Be Descriptive. The first place most people start when they have to name a product is to simply create a name that describes what the product does. Microsoft's Internet Explorer product is a perfect example of a descriptive name. Consumers use it to explore the Internet. It cannot get more descriptive than that!

2. Use Real Words with a Twist. Words do not have to be used literally in product. They can be suggestive like Ford's Mustang (it is fast and sleek) or Ford's Expedition (it is built for adventure).

3. Add a Prefix or Suffix. You can turn a common word into a product name simply by adding a prefix or suffix to it. Apple uses this product naming technique all the time with the iPhone, iPad, and iPod offering perfect examples.

4. Create a Compound Word. Since so many brand and product names are already trademarked and the associated domain names have already been registered, it is very common these days for product names to be compound words made by putting two words together to form an entirely new brand or product name. PhotoShop, TurboTax, and Stickups are great examples.

5. Change Spellings. Products like Trix, Kix, Fantastik, and Liquid-Plumr use real words that are misspelled. It is creative and helps when the name you want is already trademarked or the related domain names are already taken.

6. Use a Place or Person's Name. The Clark Bar was named after its creator, David L. Clark. The George Foreman Grill was named after its celebrity endorser.

7. Create an Acronym or Use Initials or Numbers. Acronyms and initials are short, but they do not say much on their own. However, many companies have achieved great success in launching products with names that use numbers and letters. Honda's CRV, Toyota's Rav4, and even Formula 409 are examples of how this naming technique can work.

8. Use a Verb. You can use a verb as your product name (like Bounce dryer sheets or Apple's iPod Shuffle) or you can turn a word used in your product name into a verb. For example, the Skype application name has turned into a verb over the years. Today, it's common to say, "Skype me later and we'll talk" [4].

It is also important to know some tricks of naming. There are some pretty interesting psychophonetical aspects of the name perception by consumers. For example, if a brand name begins with English S, it will be associated with passion, and if with the letter K – it is perceived as reliable. Names which beginning with C, S and B are perceived by consumers as “traditional” and “classic”, while the letters X, Z, Q and V sound more innovative. Besides L, V, F and W are perceived as “feminine”, while X, M and Z cause more “masculine” association. Compare: Louis Vuitton and Microsoft Xbox. Serpentine shape of the letter S is associated with passion and sensuality, so brands like Sara Lee and Stouffers can be called more “feminine”. Why names beginning with the letter K, for example Kraft, are associated with reliability? This is partly due to the clear pronunciation of the letter that regardless of accent and other conditions, almost always sounds the same [2, p. 68].

Conclusion. Thus, naming is a very serious and responsible process. The name chosen successfully can subsequently become a great brand but only when done carefully. It is going to justify consumers’ expectations who believe that foreign products are often or higher quality, modern and trendy.

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THE ROLE OF SANATORIUM IN HEALTH-IMPROVING AND MEDICAL TOURISM

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The article describes the development of sanatorium industry, its main components and the role it plays in health-improving and medical tourism. Types of sanatoriums and its infrastructural and medical base are represented. The main reasons for resort and spa treatment are considered.

Keywords: health-improving and medical tourism, medical base, resort and spa treatment, sanatorium industry.

Качаленко О., Сапрун І.Р. Роль санаторія у сфері оздоровчого та лікувального туризму. Стаття описує розвиток санаторної індустрії, її головні компоненти та роль, яку вона відіграє у сфері оздоровчого та лікувального туризму. Представлено види санаторіїв, їхня інфраструктура та медична база. Розглянуто головні причини курортного та спа лікування.

Ключові слова: курортне лікування, медична база, оздоровчого та лікувального туризму, санаторна індустрія.

Health-improving and medical tourism is one of the most popular forms of recreation. It is defined as travelling to the regions with favorable to health climatic and natural conditions. The aim of this tourism is both disease prevention and treatment of different nature as well as just relaxation. It seems to be timely to familiarize with the situation of the resort industry in Ukraine, as well as the principles of health activities in general.

Sanatorium and resort business is one of the oldest forms of recreation in Ukraine. The resource base of sanatorium is natural systems, infrastructure and specialized buildings such as special health stations. The *objective* of the article is to analyze the components of the sanatorium-resort industry, to reveal the contents of resort treatment.

Using evolutionary method, one can determine that the original interpretation of the term “resort” had no link to the area with natural medicinal resources; the sufficient reason was the availability of certain favorable climatic conditions. As for their function, such institutions are mainly focused on a specific segment of consumers, people who cannot be considered physically and mentally healthy type. For example, resorts are

defined as institutions for sick, weak and convalescent, and are usually set up in areas where environmental conditions can make a beneficial (health some) impact, sanatorium effect is also stipulated by the normal life order, diet, rest. The key factor is that the maximum efficiency of patients' stay in this facility can be achieved by abiding to certain regulations [1].

Having examined the basic interpretation of the term "resort", it can be concluded that the resort is characterized as a medical facility, in which natural medicinal factors combined with physical therapy, specialized medical diet and other methods of treatment are used in preventive and curative purposes and provide good rest for people.

Regarding sanatorium, it is an institution of health protection that provides citizens with medical and rehabilitative services using natural medicinal resources of resorts (curative mud and mineral wax, mineral and thermal water, brine, estuaries and lakes, natural systems of treatable conditions, etc.) as well as using physiotherapeutic techniques, diet, physical training and other methods of spa treatment. Sanatorium and resort institutions include motels (including children motels, one-field hospitals, multi-field hospitals, specialized ones) sanatoriums for children with parents, sanatoriums-preventoriums, preventive clinics, health centers for children, international medical centers for children, resort polyclinics, balneological and mud therapy institutions. Medical profile of the resort is set depending on the natural healing factors of the resort and medical conditions affirmed for it. Treatment in a sanatorium materializes mainly by natural factors (climate, mineral water, mud, etc.) in combination with physical therapy, medical gymnastics, massage, diet and psychotherapy, on condition of the abundance of the assigned treatment and recreation of the patient [2].

Depending on the age of patients who have been ordered a sanatorium treatment, there are the following sanatorium-resort institutions: for adults, for children or for parents with children. Sanatoriums-preventoriums are also included to sanatorium institutions, organized by companies, departments, educational offices and organizations that provide recreational and sanatorium treatment of their employees.

The main base of treatment is resort resource base. Effect of medical and health resort factors had been studied for decades, and a system of classification has been formed and used in rational scheme of treatment patients and healthy people. According to current scientific knowledge of the balneology, there are three main types of a resort: balneal, mundane, and climatic [2].

On balneological resort natural mineral water is used as the main curative factor. It is recommended for external (bathing) and internal (drinking, inhalation,

etc.) consumption. Among patients coming to resorts there are people with diseases of the gastrointestinal tract, cardiovascular and nervous systems, musculoskeletal system and others. Medical surveys confirm the effectiveness of numerous diseases treatment on balneological resorts.

Another type of resorts, a mud one, is tied to deposits of medical mud (peloids). It is acknowledged that mud contains biologically active compounds such as iron oxides and metals – copper, aluminum, cobalt, amino acids, gases – hydrocarbons, hydrogen sulfide, nitrogen, methane, and hormonal, antibiotic and vitamin substances. Mud is ordered mainly in the pathology of the joints, nervous system of traumatic origin, as well as gynecological and some other diseases. Due to modern methods and advanced technologies, mud therapy achieves high medical results that contribute to the growing popularity of mud resorts for tourists who need medical treatment.

Therapeutic mud in Ukraine is peloids, plastic substance composed of minerals, organic matter and living organisms of different origin. Silt sulfide mud (Slavyansk, Saki, Odessa) formed at the bottom of the salt lakes and estuaries, sapropelic is formed at the bottom of freshwater stagnant water and peat (Morshin) is formed by the process of rotting plants in swamps.

Climate resorts are as diverse as the climate itself: forest (plain), mountain, coastal, koumiss treatment, each of them is characterized by a unique combination of climatic and weather factors (temperature, pressure, solar radiation, etc.), used for therapeutic and preventive measures. The profile of the resort depends on the combination of these factors. If forest resorts with their continental climate contribute to people mostly suffering from diseases of the upper respiratory tract, asthma, disorders of the nervous system, then staying at a mountain resort is recommended for primary forms of tuberculosis and anemia [3].

Together with sanatoriums located in the resorts, there are networks of local (suburban) sanatoriums, organized mainly close to large cities in the favorable microclimatic conditions. These resorts are designed for patients whose travelling to resorts may be harmful on medical grounds as well as for seriously ill patients. In accordance with a medical profile of a sanatorium the necessary diagnostic facilities and laboratories and staff of medical specialists are accorded for treatment. Many resorts have their own water and mud baths, beaches, inhalers of climate of the accommodation, etc. However, one of the important directions of development of sanatorium network is to build and strengthen a common medical diagnostic base (diagnostic and treatment centers, studies of functional diagnostics, spa- physiotherapy associations,

computer centers for automated processing results collection of biomedical information at mass screening of patients, water and mud baths with maximum automation and mechanization of labor-intensive processes). Basic motels of different medical profiles specializing on children and grown-ups treatment are being built on some of the leading resorts in the country. The leading resorts conduct organizational and methodological work to improve testing of new therapeutic and diagnostic methods and their implementation in practice [4].

All key factors of health-improving resorts: high professional doctors, necessary medicinal equipment, massage therapists and experts in the field of aesthetics contribute to guests' gaining a state of harmony and tranquility. There is a facility at an additional charge such as consultation with a medical specialist who will prescribe an individual diet to keep to at home. As a rule, resort guests have free access to basic infrastructure of the resort (thermal pools usage, spa, gym, where they can attend group exercise classes, etc.). The most important principles of spa treatment is the availability of treatment, unified system of health surveillance and the effectiveness of treatment before, during and after staying at the resort [5].

To draw the conclusion, it can be said that a sanatorium is essential in the field of health and medical tourism. Sanatoriums are versatile and rapidly developing in modern conditions, trying to anticipate and respond all tourists' needs. Maintaining therapeutic function, they offer a wide range of recreational facilities and rejuvenating services and make diverse programs for patients who hold cultural and sporting events.

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EU ASSOCIATION AGREEMENT TO INCREASE INVESTMENTS IN UKRAINE

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The article deals with benefits and opportunities that Ukraine can receive from participating in such integration association, as the EU, and particularly, with development of investment cooperation between Ukraine and the EU as a result of integration.

Keywords: competitiveness, economic transformation, EU (European Union), European standards international ratings, Free Trade Area, investment cooperation, law reform, Ukraine.

Каша А., Давиденко І.В. Підписання угоди про асоціацію з ЄС збільшить інвестиції в Україну. У статті розглянуто переваги та можливості, які отримає Україна від участі в такому інтеграційному об'єднанні як ЄС, а зокрема, розвиток інвестиційної співпраці України з країнами ЄС, як результат інтеграції.

Ключові слова: економічні перетворення, ЄС (Європейський союз), європейські стандарти, Зона Вільної торгівлі, інвестиційне співробітництво, конкурентоспроможність, міжнародні рейтинги, правова реформа, Україна.

Conditions of Ukraine's economy development require a thorough and comprehensive evaluation of capabilities of integration into the world economic space. The prospects of such integration are largely dependent on the place and role of countries, which are determined by the current competitive position of the country and its ability to provide the conditions for long-term competitiveness of the national economy.

The *goal* of the research is to determine how, where and why the assets are directed to Ukraine, is determined not only by the potential but also by the real conditions of doing business in the country and international ratings of the country. The *material* of the study was derived from American, Russian and Ukrainian theoretical sources. The *subject* is studied by many well-known Ukrainian scientists such as V. Geets, E.M. Libanova, M.O Kizim, V. Ponomarenko, O. Tishchenko, V.P. Seminozhenko and others [4].

Ukraine as an independent state can not remain aloof from the international integration processes and must choose her own way of development. The state faces the task to become a full member of the international community, basing

on its principles and preserving the national identity. This will allow the state to implement national interests within the mutually beneficial cooperation with other countries, which is especially relevant for Ukraine at this stage of the economy transformation. Moreover, the European Union is one of the most effective and fastest developing integration associations, our nearest neighbor and assumes close cooperation with Ukraine in the nearest future [1].

European integration of Ukraine is the way to modernize the economy, overcome technological backwardness, attract foreign investment and modern technology, create new jobs, increase the competitiveness of domestic producers, and provide the access to global markets, especially the EU market.

Another advantage of Ukrainian integration deals with the domestic policy. Close cooperation with Europe could provide future reforms concerning its political, administrative, legal, economic, social and educational systems [9].

The Cabinet of Ministers must actively reform the legal and manufacturing base in accordance with the European standards. However, this process is long-term and capital-intensive. Therefore, without the financial and advisory assistance from the European Union, Ukraine will not be able to bring the process of law reform up to the end. Preparations for signing the Association Agreement and the beginning of its implementation are a crucial for Ukraine [6].

Signing the Agreement with the EU will be a noticeable signal to investors around the world, including the United States, to cooperate with Ukraine according to clear and transparent European rules.

The expected increase in the inflow of investments into Ukraine will be converted into an increase in Ukrainian exports to Europe and other countries of the world. Ukraine will also receive a unique opportunity to accelerate modernization of its economy, to increase salaries and to bring a new quality of life and social standards to the country [7].

Revitalization of trade between Ukraine and Europe will also be promoted by mutual cancellation of duties and other charges on the products resulting from the agreement.

For example, under the Free Trade Area agreement between Ukraine and the EU, the EU will reduce import duties almost to zero – for 98% of all the product items for the first year. In turn, Ukraine will also reduce fees within 5 years [5].

State-based analysts say several Ukrainian industries with a long and active cooperation with the EU will show growth immediately after the agreement is signed. For example, Ukraine will be able to receive more than 4 billion UAH of additional revenue only by increasing the export of its agricultural products

to the EU. And due to the increase of grain exports to Europe, Ukraine will be able to earn over 2 billion UAH [2].

Ukraine has already been cooperating with Europe successfully and actively. In particular, the volume of goods and services trade between the EU and Ukraine amounted to 50.7 billion USD in 2012, or 29.2% of the total foreign trade of Ukraine. In 2013, almost 80% of total foreign investment in Ukraine came from the European Union [8].

Ukraine and the EU cooperation has grown because it has become easier and more convenient to work in Ukraine. Experts say that in the latest ranking Doing Business (authored by the World Bank and the International Finance Corporation), Ukraine moved up by 28 positions, reaching the 112th place among 189 rating participants. Over the last three years Ukraine has improved its ranking by 40 positions [10].

Concluding, we can say that Ukraine's integration into the EU will accelerate and improve the process of economic transformation in the country, and membership in the EU will not only bring significant economic benefits, but will also have a positive impact on the welfare of the country.

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UKRAINE AS ONE OF THE MOST ATTRACTIVE IT OUTSOURCING DESTINATIONS

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The article provides the review of key position of Ukraine on the current world IT outsourcing market. It defines factors that make up the attractiveness of Ukrainian IT sector for foreign partners.

Keywords: information technologies, outsourcing, potential, services, software development Ukraine.

Халілаєва Е., Карпусенко М.В. Україна як одна з найпривабливіших країн для ІТ аутсорсингу. У статті пропонується огляд ключових позицій України на сучасному світовому ринку ІТ аутсорсингу. Були визначено ряд факторів, які зумовлюють привабливість українського ІТ сектору для зарубіжних партнерів.

Ключові слова: аутсорсинг, інформаційні технології, розробка програмного забезпечення, послуги, потенціал, Україна.

Information technology (IT) has become a vital and integral part of our life. From multi-national corporations that maintain mainframe systems and databases to small businesses and individuals that own a single computer, IT plays a role. Almost all business processes today are based on IT, that is why the *relevance* of this article is indisputable.

Almost everything now is going online and the peculiarity of IT is that company's IT processes do not necessarily have to be carried out in company's premises – they can be outsourced to other countries with lower costs for labor and support. Ukraine is one the most powerful players on the IT

outsourcing arena. That brings us to the *object* of the research – international IT outsourcing relationship, and the *subject* – Ukraine’s IT outsourcing potential. Based on a 60 plus year history of the extensive network of educational and scientific institutions, the Ukrainian software development and IT outsourcing services industry is rapidly developing into one of the most important sectors of the Ukrainian economy.

Ukraine’s achievements in information technology are impressive. It was the first to create the semiconductor-based computer in the USSR together with the automatic control systems used in the Soviet space project. Ukraine was a major contributor of the space industry for Soviet Union, and its Ukrainian National Academy of Sciences contributes more than 40 percent of all Soviet research [3].

Since the year 2000 Ukraine has been a leading player in the software development space, and has been ranked at the top of IT outsourcing service providers in the global market. More and more companies come to Ukraine selecting it as a preferred destination for their R&D offices [2, p. 4].

Ukraine is a triple holder of the first position among CEE countries in terms of market value, number of IT outsourcing companies and number of professionals involved in IT outsourcing services [1].

In terms of IT services outsourcing, Ukraine primarily places emphasis on its deep IT talent pool. With 16,000 IT specialists graduating from Ukrainian universities each year, the country holds the fourth position in the world in the number of certified IT specialists, following the USA, India, and Russia. On top of that, the experts recognize both quantitative and qualitative potential of the Ukrainian specialists [2, p. 14]. The competence and quality of Ukrainian IT geeks have already pushed such world leaders as PayPal and Skype to seek software developers on the Ukrainian IT job market and hire them for both in-house and distributed work [3].

But still, the wide pool of experienced software engineers is not the only reason to choose Ukraine as outsourcing destination. Such factors as economic and political stability, legal and intellectual property protection and infrastructure really matter to a potential customer.

Talking of legal issues – there are some positive changes: recent implementation of the comprehensive Tax Code and a number of other legislative improvements are very promising steps. All these changes and measures helped to improve Ukraine’s rating in the “Ease of Doing Business Index” published by the World Bank. In 2011 Ukraine was ranked 145th, which is two points higher than the previous ranking.

The main infrastructure resources that are used in the business processes of the software development and IT outsourcing service industry are Internet services, office space, mobile services and computer equipment [2, p. 17]. Ukrainian companies are fully equipped with both hardware and software and the cost of Internet and mobile services is one of the lowest in Europe.

The main outsourcing centers in Ukraine are Kyiv (40% of all Ukrainian IT specialists), Kharkiv (19%), Lviv (16%), Dnipropetrovsk (7%) and Odesa (4%).

One of the primary unbiased indicators of growth in the IT outsourcing market is the volume of the services provided. The volume of the services provided in the software development and IT outsourcing service market is growing at a rapid pace. The most significant leap was recorded in 2004-2005 when Ukraine underwent an extensive liberalization of foreign economic relations and visa-free travel was introduced. The growth in the volume of the services provided jumped 51 % in 2005 and 56 % in 2006, respectively. By 2011, the volume of the software development and IT outsourcing services provided in Ukraine reached a healthy US\$1.1 billion. The software development and IT outsourcing service industry is the most rapidly developing sector in the export-oriented economy of Ukraine [2, p. 49].

In 2011 there were 1,050 companies, each with over 15 employees, in the Ukrainian software development and IT outsourcing services industry. This figure does not include companies with staff of less than 15 people, unorganized groups and those providing services to local consumers only [2, p. 55].

Since 2000, the United States has been the traditional leader among consumers of Ukrainian services. During the last 2-3years European consumers have become more active. Currently, the share of service consumption by EU countries is increasing. This is primarily influenced by the geographical and cultural proximity of Ukraine and the European countries [2, p. 59].

Strong engineering education, popularity of engineering professions among the youth, and rich history of the software development industry make Ukraine one of the most attractive Europe destinations for the IT outsourcing and software development businesses. With IT outsourcing market volume of US\$ 1,1bn, with more than 1,000 outsourcing companies operating in the industry, and more than 25,000 IT specialist involved in outsourcing, Ukraine is one of the most attractive near shore destinations for West European and UK companies and offshoring destination for North American businesses.

We may draw a *conclusion* that such advantages as unique geographical location, the availability of extensive IT talent pool, strong scientific legacy, and cost benefits make Ukraine a natural choice for outsourcing. Ukraine's

IT outsourcing service industry and Ukrainian outsourcing companies were recognized many times by global research organizations, national industry associations in their reports, listings, and rankings, as well as awarded in different nominations.

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THE TRUTH AND MYTHS ABOUT OFFSHORE BANKING

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The article covers two basic views of offshore activities: a significant increase in the volume of transactions and the growing number of global financial institutions, on the one hand, and a rather controversial attitude to this phenomenon by governmental, business and academic circles on the other. Various offshore financial transactions have entered deeply into the practice of international corporate governance, while governments consider them the main way to avoid taxes and money laundering. The article notes a great role of offshores in business, pushing the country with different levels of development to the necessity to develop a clear position towards this phenomenon.

Keywords: financial operations, foreign investment, offshore, offshore banking, offshore finance, preferential taxation, “tax haven” offshore, taxes, the global financial system.

Хрипунова Д., Карпусенко М.В. Правда і вигадки про офшорну діяльність.
В статті розглянуто два основні погляди на офшорну діяльність: значний ріст обсягів фінансових операцій та зростання кількості світових фінансових установ, з одного

боку і досить неоднозначне ставлення до цього явища в урядових, ділових та наукових колах з іншого. Ті чи інші види офшорних фінансових операцій глибоко ввійшли у практику міжнародного корпоративного управління, тоді як уряди вважають їх способом ухилення від оподаткування та відмивання брудних грошей. В статті зазначена велика роль застосування офшорів в бізнесі, що підштовхує країни з різним рівнем соціально-економічного розвитку до необхідності формування чіткої позиції щодо цього явища. У статті розглянуті основні протиріччя про офшорну діяльність.

Ключові слова: іноземні інвестиції, офшорна фінансова діяльність, офшори, офшорний банкінг, офшорні зони, пільговий режим оподаткування, “податкова гавань”, податки, світова фінансова система, фінансові операції.

For much of its history, offshore banking has been seen mostly as a way to avoid trouble. Countless action movies show Swiss bank accounts as places for criminals to hide their money. Indeed, one need not rely on movies for evidence of offshore banks housing shady activities.

But today, offshore banking is much more than a safe place for illegal financial games. Increasingly, legitimate businesses and individuals are finding it more advantageous than ever to use offshore banks for the privacy, flexibility and accessibility that they offer.

Now we will try to take a deeper look at offshore banking – including its key advantages and myths, which are connected with them.

The term “offshore banks” generally means a wide range of banking and investment institutions, outside the jurisdiction of the country of the depositor. Theoretically, any bank that meets this criteria, can already be considered as an offshore bank. However, in practice, the term usually refers to banks in countries with low taxes and liberal laws on banking regulation – the so-called “tax heavens”.

Among the most popular “tax heavens” are Andorra, The Bahamas, Bermuda, Cayman Islands, Mauritius, Liechtenstein, Monaco, Panama, Switzerland, Cyprus and others. The report, called the Financial Secrecy Index 2013, assesses 73 jurisdictions that, allow for billions of foreign dollars to be kept in offshore accounts and untaxed. About \$250 billion in tax revenue is lost by governments worldwide due to offshore accounts each year [5].

But the days when offshore bank accounts were mostly used by spies and criminals are gone. It would be silly to say that this does not happen, but the reality is that most of the funds kept offshore are deposited by Fortune 500 companies, which protect their asset base aspart of their risk management strategy.

Do you still think that offshore bank accounts are only for rich people? Than you should know that typical offshore package is less than \$2000USD to set up. Moreover, to open an offshore bank account you do not need to visit the country. They open bank accounts regularly for their clients without ever seeing them. Everything is done by phone and fax.

One more myth is about that offshore banking is too complicated, costly and confusing. Of course in the early days, offshore banking was much more complicated. But nowadays new technology allows you to bank overseas as easily and conveniently as you can bank down the street.

Everyone can now be an international investor from the comfort of your own home or office. All you need is a pen, a telephone or a computer. The few frills of offshore banking can be learned overnight. And language is not a problem since most havens run a business in English. So do their lawyers, accountants and other professionals who help international investors banking or do business within the heaven [4].

The next point is that offshore banking is too risky. It should be said that offshore rules are less restrictive than European banking laws, so offshore banks operate with greater flexibility earn much more money for their investors and provide efficient service to their depositors than the overregulated European banks.

Dealing with all points about offshore banking can give you investment profits, lower taxes, more financial safety and wealth protection, and a new sense of privacy and security.

If it were not for the lies, distortions, and self-serving propaganda distributed by the Government, and the Bankers, you would not cringe very time you hear the term “Offshore Banking”. The fear and mistrusting surrounding Offshore Banking is really only a matter of lack of knowledge and information [3]. Very few people, including both those who criticize it and those who promote it, really know what offshore banking is. But the Government and the Bankers do know that money held outside the country is money they cannot legally control, tax, or use for their own aims. That is why they are restrict in their critique.

If you do not already hold a bank account offshore, note that there are at least three good reasons why you too should consider moving at least a part of your assets to a good offshore banking haven: to protect, to preserve, and to increase.

Assets held domestically are subject to political and social factors that you cannot control. Your home administration may suddenly raise taxes to fund a

failing economic experiment. Local courts may be encouraging a culture of legal actions aimed at asset confiscation.

The unrestricted offshore environment, on the other hand, delivers freedom from extreme taxation and freedom from bureaucracy.

Offshore banking, however, is not only about saving taxes. Offshore banking also equals access to investment products and opportunities that might not be available from your domestic bank, as well as effective asset protection and a level of privacy / secrecy usually unheard of “onshore”.

It should be added that work scheme through offshore must be studied very carefully, because the fact that in recent years, under pressure from the international community represented by FATF (Financial Action Task Force - International Group against Money Laundering) and the OECD (Organisation for Economic Cooperation and Development) to work with offshores in all countries has become much more serious . If the offshore area is included in the so-called FATF “black list”, then be prepared for the fact that the Bank may suspend the operation of the company located there, and sometimes even freeze its account. There is only one recipe here – caution and forethought are above all [2].

In short, doing at least some of one’s banking offshore makes financial sense. Is not it time you tried, too?

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DOLLARIZATION OF ECONOMY: THE PROS AND CONS

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The article deals with reasons of dollarization nascence and analyzes its different types. It reveals the theoretical principles of the study of this process and examines the experience of implementation of dollarization in different countries and the influence of this phenomenon on these countries' economies. The article discovers the role of dollarization at the present stage of development of the world economy in the light of its strengths and weaknesses.

Keywords: bimonetary system, dedollarization, dollarization, official or full dollarization, semiofficial dollarization, unofficial or shadow dollarization.

Хриплива Ю., Рябенка І.В. Доларизація економіки: переваги та недоліки. У статті розглянуто причини виникнення доларизації та проведено аналіз основних її видів. З'ясовано теоретичні засади дослідження цього процесу, розглянуто досвід впровадження доларизації в різних країнах та вплив даного явища на економіку цих країн. Розкрито роль доларизації на сучасному етапі розвитку світової економіки через призму її переваг та недоліків.

Ключові слова: бівалютна система, дедоларизація, доларизація, напівофіційна доларизація, неофіційна/тіньова доларизація, офіційна/повна доларизація.

National currency is the key element of the independent monetary policy of the country. However, the authority cannot force people to consider only the currency they offer to be money. In the nineties the ban on foreign currency possession was removed and a lot of new currencies were introduced in the transitional economies. Those processes were followed by a long period of macroeconomic instability, that is why many of these countries started to implement partial dollarization by forming savings or setting prices for goods and services in dollars. But time showed that there is a seamy side of this process and the question of the importance, advantages and disadvantages of dollarization implementation is still opened [3].

The problem of the dollarization implementation is very important for those countries which have unstable economies and want to solve this problem with a help of dollarization. But this process can lead not only to the improvement of the situation but also to the deterioration. That is why this topic is very important today and needs a deep study.

The goal of this research is to analyze the dollarization process and to evaluate its consequences on the basis of such *methods* as description and comparison.

This subject is investigated by both domestic and foreign scientists. Aspects of dollarization have been analyzed by Ukrainian and Russian economists, notably N.Atamas, M.Holovnin, D.Huseynov, A.Halchynskiy, M.Savluk, V.Stelmach [2], A.Shapovalov, O.Bereslavska [1], S.Shumska and others.

Dollarization is a process of the country's abandonment of its own currency and adoption of a more stable currency of another country as its legal tender. Dollarization can be official and unofficial. In case of unofficial or shadow dollarization internal currency is usually used only when committing small deals or official payments (such as taxes, fees, duties etc.) whereas dollar is used when conducting large transmissions and accumulating the savings [4].

Official or full dollarization is less common and means that country does not have its national banknotes and sometimes coins and uses dollar as its official internal currency. Full dollarization enhances policy credibility and encourages foreign investment. It promotes fiscal discipline, a competitive financial system and economic integration with international markets. The most popular example of the country with full dollarized economy is Panama. It has been using dollar since 1904 despite the fact that it has its own accounting unit. There are a number of countries that use dollar as internal currency as well (see table 1) [5].

Table 1

Countries with full dollarization

Country	Status	Currency	Year
Andorra	Independent	French Franc, Spanish peseta	1278
Vatican	Independent	Italian Lira, own coins	1929
Virgin Islands, UK	UK dependent territory	USD	1973
Virgin Islands, US	USA territory	USD	1934
Greenland	Self-governing territory of Denmark	Danish Krone	Till 1800
Guam	USA territory	USD	1898
North Cyprus	Independent	Turkish Lira	1974
Kiribati	Independent	Australian Dollar, own coins	1943
Cook Islands	Self-governing territory of New Zealand	New Zealand Dollar	1995
Liechtenstein	Independent	Swiss Franc	1921
Mariana Islands	USA commonwealth	USD	1944
The Marshall Islands	Independent	USD	1944

Micronesia	Independent	USD	1944
Monaco	Independent	French Franc	1865
Nauru	Independent	Australian Dollar	1914
Palau	Independent	USD	1944
Panama	Independent	USD, own coins	1904
Puerto Rico	USA commonwealth	USD	1899
American Samoa	USA territory	USD	1899
San Marino	Independent	Italian Lira, own coins	1897
St. Helena	UK colony	Pound sterling	1834
Tuvalu	Independent	Australian Dollar, own coins	1892
Ecuador	Independent	USD, own coins	2000

Source: [5].

There is also a concept of semiofficial dollarization. According to IMF definition in countries with semiofficial dollarization foreign currency is considered to be the second legal means of payment, so we can say that these countries have bimonetary system (see table 2) [5]. Practically foreign currency is the currency of bank deposits, but wages, taxes and daily expenses are quoted only in national currency.

Table 2

Countries with bimonetary systems

Country	Status	Currency	Year
Bahamas	Independent	Bahamian Dollar, USD	1966
Bosnia and Herzegovina	Independent	Convertible mark, German mark, Croatian Kuna, Yugoslav dinar	1998
Brunei	Independent	Brunei Dollar, USD	1967
Bhutan	Independent	Bhutan Ngultrum, Indian Rupee	1974
Haiti	Independent	Haiti Gourde, USD	
Cambodia	Independent	Cambodian Riel, USD	1980
Laos	Independent	Lao kip, Thai Baht, USD	
Lesotho	Independent	Lesotsky Loti, South African Rand	1974
Liberia	Independent	Liberian dollar, USD	1944
Luxembourg	Independent	Luxembourg franc, Belgian franc	1945
Namibia	Independent	Namibian dollar, South African Rand	1993
Isle of Man	UK dependent territory	Isle of Man Pound, Pound sterling	1800

Source: [5].

Dollarization is usually the consequence of long-term macroeconomic instability. As a rule, economic agents are interested in relatively stable purchasing power of their money, that is why the residents of countries with high and volatile inflation in domestic prices prefer a more stable foreign currency. So when the purchasing power of national currency falls as compared with the stable foreign currency, the share of foreign currency in the financial turnover tends to increase. When the planned anti-inflationary effect is reached with the help of involving foreign currency the opposite process – dedollarization – takes place. Successful dedollarization was held in Bosnia-Herzegovina, Israel, Mexico, Poland and Slovenia. Sometimes it was reinforced by the control measures and accompanied with compulsory conversion of dollar-denominated assets or liabilities in national currency [4].

The experience of different countries showed that dollarization has a number of pros and cons. The pros of dollarization are the following:

1) It helps to avoid currency crises and balance of payments crises. Sharp depreciation or sudden capital outflows due to fears of devaluation are impossible if there is no national currency.

2) Reduction in the cost of operations and the guaranteed stability of the dollar price provide tighter integration with the global economy and the U.S. economy.

3) A country can strengthen its financial institutions and create a positive climate for investment, both domestic and international, accepting the dollarization and rejecting the possibility of inflationary finance.

The cons of dollarization are the following:

1) Countries are usually unwilling to give up their currency, a symbol of statehood, especially for the benefit of another country's currency.

2) From an economic point of view the right to issue the national currency provides government with seigniorage that the central bank receives in the form of profits and then passes to its government. This seigniorage may be lost by dollarized countries in favor of the United States, unless they agree to share it.

3) Dollarized country loses any opportunity to conduct independent monetary and currency policies, including the use of central bank credit to provide liquidity to the banking sector in case of emergency [3].

It is very hard to decide whether dollarization is beneficial or not. Firstly, because most of very important aspects, such as the cost of conservation of the opportunity of adoption of the inverse measures and the cost of the ensuring protection by means of the function of the last resort lender can't be estimated.

Secondly, it depends on the country that implements dollarization. It is easier to stick to dollarization if the country is highly integrated with the United States in terms of trade and financial relations.

Conclusion. To summarize the problem we should say that dollarization is a specific phenomenon that plays an important role in the world economy and in national economies as well. Dollarization appears in different forms and should be studied very carefully before its implementation as it can lead to unexpected consequences, both positive and negative.

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MERGERS AND ACQUISITIONS IN BANKING INDUSTRY: SLOW BUT GROWING PROCESS OF CONSOLIDATION

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The article describes the main tendency in the banking field, the process of consolidation. To keep the head high in globalized economy one has to follow the path of growth, which contains various challenges and to overpower these challenges to become a success story. Consolidation of business entities is a world-wide phenomenon. One of the tools for consolidation is mergers and acquisitions. The quest for growth is a major driving force behind mergers and acquisitions.

Keywords: acquisitions, consolidation, mergers, stocks, tangible book value.

Кічук Е., Старцева Н.М. Злиття та поглинання в банківській сфері: повільний, але зростаючий процес консолідації. У статті описується основна тенденція в банківській сфері – процес консолідації. Щоб тримати голову високо в глобалізованій економіці та стати історією успіху потрібно йти по шляху зростання, в якому містяться різні проблеми і постійно долати ці проблеми. Консолідація суб'єктів господарювання є глобальним феноменом, одним з інструментів якого є злиття і поглинання. Прагнення до росту є головною рушійною силою злиттів і поглинань.

Ключові слова: акції, балансова вартість матеріальних активів, злиття, консолідація, придбання.

The *goal* of this article is to display the current situation in the banking sector and to make predictions in a context of mergers, acquisitions, and consolidation.

The pressures on the banks around the world have been manifold across financial system deregulation, entry of new players and products with advanced technology, globalization of financial markets, changing demographics of customer behavior, consumer pressure for wider choice and cheaper service, shareholder wealth demands, shrinking margins.

In this scenario, mergers and acquisitions (M&A) are most widely used strategy by firms and also banks to strengthen and maintain their position in the market place. M&A are considered as a relatively fast and efficient way to expand into new markets and incorporate new technologies. Still, we can find many evidences that their success is by no means assured. On the contrary, a majority of M&A fall short of their stated aims and objectives.

The situation on the market of M&A deals is hesitating nowadays. A numerous economists, bankers and lawyers are *interested in this problem* and also make forecast into the future. Investment bankers and attorneys mentioned the pick-up in making deals in M&A sphere, especially comparing first half of 2013 year to the second half. The raise was mainly due to the fact that PacWest Bancorp agreed to buy Capital Source Inc., both Los Angeles-based banks, in a combined stock and cash transaction worth \$2.4 billion. In a present article we have analyzed the investment bankers' statements about the situation of M&A deals in banking sector and their predictions based on statistics.

Present worldwide situation on the M&A deals market

Nowadays the environment seems ready to help for more activity in M&A deals, because net interest margins and high regulatory costs are putting pressure on community bank balance sheets, providing incentives to sell. Buyers have faced with stock valuations soar during the last year. That means more banks have potential to pay a premium to buy a bank and avoid an argue considering

a deal price. Asset quality also has improved during the past year for both buyers and sellers.

Capital levels in banks, mainly, are high. Also, a good point for M&A process is that failed bank deals have been on the decline, and healthy bank deals have been taking their place. We can say, that we luckily see mergers of two healthy banks, that become one strong institution, then an acquisition of failed bank, that, by the way, also still exist.

The slow and steady economic improvement may be leading investors to look more at earnings accretion and growth potential in M&A deals. But here exist one long-term problem – it is regulatory problem that have a strong influence on M&A process. Both parties of the deal need to assess the potential for regulatory problems in any M&A deal, as well as closely assess the potential synergies and growth opportunities resulting from a combination. Banks are really afraid to make any comment about the future, but many investment bankers and attorneys in general predict slow but growing consolidation.

And what tell us the numbers? According to SNL Finance through the second quarter of this year, 105 whole bank or thrift deals were announced with an aggregate deal value of \$4.86 billion. This amount was comparable to the first half of 2012, when 106 deals were announced with an aggregate value of \$5.60 billion. The median price to tangible book value was 117 percent in the first quarter of 2013, and 112 percent in the second quarter, that approximately in line with the same quarters last year. But we also should take into consideration wide disparities in geography, influenced by the asset quality and the local economies.

Future trends based on bankers' predictions

Sellers are looking for the future, hoping that situation on the market in pricing will become better. But it hardly could be true, especially in a few years. Bigger banks have advantages over small, community banks, that want to compete head-to-head with them, but people are not visiting branches as much, and bigger banks also have better technology. To be competitive in future, branch banking should combing forces with the help of merger deals to achieve efficiencies and gain more services and advanced technologies.

For example Virginia-based Union Richmond Corp., that expects to achieve economies of scale in its acquisition of Stellar One Corp., a \$445.1-million stock deal when it was announced in June. So, The combined institution, with \$7.1 billion in assets, will be the largest community bank based in Virginia. First's stock of new consolidation has climbed from \$20 to \$22 per share immediately.

Another widely-spread problem among smaller banks is that their stocks haven't risen in value as much as larger banks, so smaller banks cannot afford to pay the premium that sellers want. Speaking about regulatory problems, as we mentioned above, they could be solved when the Basel III rules will be finally completed. It is also important for banks, because they need to know how a deal will impact their capital levels.

Many bankers say that in the conditions of unstable economy in the world, where margins are tight and competition is still tough, they are not able to cope with that on their own. These difficulties make us understand that wave of M&A activity are coming.

Not everybody thinks that a wave of consolidation will take place in future. For example, Mayes, of Raymond James, points "I do see activity picking up, and if economic conditions improve, you could see more activity in the next 12 months". Steven Hovde, the president and chief executive officer of the Chicago-based investment bank Hovde Group says that M&A activity is picking up in his business. "We have an anecdotal take that suggests the second half of the year could be a lot more active than the first" he says. "But, of course, there are hurdles".

John Gorman, a partner in the law office of Luse Gorman in Washington, D.C., points: "As the bigger banks get bigger, the regulatory hurdles become harder to clear. The regulators will not allow the megabanks to grow through acquisitions". Speaking about regulatory problems, Buffalo, New York-based M&T Bank Corp., thinks: "We are in a bit of a mini-reign of terror when it comes to regulatory compliance matters, particularly with respect to BSA [Bank Secrecy Act] and AML [Anti-money laundering program] on the one hand, and consumer compliance on the other". To avoid this and many others problems after making deal, both sides of the deal need to talk to their regulator about a specific deal.

Conclusion. While size and geography matter, investment bankers and attorneys say more investors are beginning to focus on the future earnings potential of M&A deals, a welcome sign for an industry that has been damaged by years of failed banks and lingering asset quality problems. So, we could see that the asset quality is not very important in these days.

Good organic growth stories are selling for a premium nowadays. For both buyers and sellers, becoming bank with strong growth prospects is key to improving value. As we know, it is very important to have an investor support for transactions that is why involving sides have to structure the deal right to make strategic sense.

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SOLID BIO-FUELS AS THE WAY FOR UKRAINE TO ACHIEVE GAS INDEPENDENCE

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The article deals with possibilities of replacement of gas with solid bio-fuels and analyses the cost of the use in Ukraine's economy. It defines the prospects of investment into solid bio-fuel sector.

Keywords: biomass, briquettes, energy independence, pellets, solid bio-fuel.

Колеснікова А., Давиденко І.В. Тверде біопаливо як засіб здобуття Україною газової незалежності. У статті проаналізовано вартість використання твердого біопалива в господарстві України, виявлено можливість заміни газу твердим біопаливом. Визначено перспективність інвестування у галузь твердого біопалива.

Ключові слова: біомаса, брикети, енергетична незалежність, пелети, тверде біопаливо.

Bio-fuels are a wide range of fuels which are in some way derived from bio-mass. The term covers solid bio-mass, liquid fuels and various bio-gases. Bio-fuels are gaining increased public and scientific attention, driven by factors such as oil price spikes and the need for increased energy security [8].

Solid bio-fuels include wood, sawdust, grass cuttings, domestic refuse, agricultural waste, non-food energy crops, and dried manure.

The *problem* of Ukrainian gas independence is very important, especially in the context of uncertain political status and projected fossil fuel depletion. The *object* of the study is the possibility to substitute fossil fuels with solid bio-fuels in Ukrainian industrial and household sectors. The *purpose* of the study

is to investigate the main indicators of the bio-fuel energy efficiency; to calculate investment outlay and payback period; to compare fossil fuels cost with bio-fuels cost; to reveal prospects of extensive bio-fuel usage. The *material* of the study was taken from Ukrainian and foreign scientific publications, statistical data from official Ukrainian sources and Ukrainian legislative acts and regulations.

Prospects of solid bio-fuel implementation have been analyzed by Ukrainian and Russian economists, notably V. Ananyeva, O. Vashyk, M. Tretyak, G. Geletukha, T. Zheliezna and others.

Nowadays there is a tough struggle for energy sources possession in the world. Ukraine is an energy-dependent country and she can't fix up herself with enough amounts of energy sources.

The energy-dependence of our country consists of different aspects: deficit of own energy sources and low efficiency of energetic consumption. Everyday Ukraine spends billions of dollars on purchase of oil, gas, nuclear fuel, that are being supplied mostly from Russia (a part of energy sources in Ukrainian import is 45%). Today, Ukraine possesses the rich reserves of coal and coalmine methane, but she is not able to develop or adopt some modern technologies of substitution of the natural gas by local fuel. Furthermore, Ukraine's amount of energy and gas consumption is one of the biggest in the world and our country occupies the last place of energy efficiency rating.

Unsuccessful talks with Russia on the import gas price decrease have lasted for several years. Such a situation dictates the vital necessity of capital reduction of Russian gas consumption by Ukrainian enterprises and the substitution of gas by alternative fuel. Manufacturing companies' owners and local governments are starting to think about solid fuel as a reliable way to energy efficiency and resource saving. On the one hand, there are oil-extracting factories; the biggest of them have already been using their waste (sunflower husk) to produce electricity for their needs. This provides total economy of 200 million cubic meters of gas for the country. On the other hand, the construction of the first thermal electric power plants, working on solid-fueled biological and blended raw materials, began in 2012. Finally, in 2012 active conversion of boilers from gas to solid bio-fuel in the household sector started [2].

Bio-energy (energy generation from biomass) is one of the priority directions of energy generation from renewable sources in the world. Thus, for example, in the European Union the energy production from biomass amounts about 118 million TOE / year (it is almost 70% of all renewable sources energy).

Bio-energy development and gas exclusion, oil and coal productions are among the most important world-wide tendencies [9].

Ukraine, on her part, possesses significant biomass potential, which is economically feasible for energy generation. Depending on the yield of the basic agricultural crops, this potential may range from 27 to 37 million TOE / year, which accounts for 13-18% of initial energy sources consumption in Ukraine (oil, gas, and coal) [8]. Growth of special fast-growing energy plants is also a prospective way of bio-energy development. Furthermore, Ukraine has additional possibility in raising the biomass potential: she can easily achieve the European level of the agricultural crop yield.

Unfortunately, today's contribution of renewable sources energy to Ukrainian energy balance amounts only to 2,7%, of which 2% is hydropower, and 0,5% is bio-energy. The main advantage of biomass is its renewable nature and comparative cheapness as against the traditional fuels: biomass energy cost is 3-17 times lower than gas energy cost [5].

It should be noted that nowadays, considering the development of necessary technologies and equipment, some sorts of bio-fuel can compete with fossil fuels and they are becoming a more attractive source of energy (see table 1) [6].

Table 1

**Crude estimate of bio-energy usage possibility
to generate energy in Ukraine**

Type of fuel (including other sources of energy)	Fuel price	Heating power of the fuel	COE of heat energy transformation, %	Fuel price in terms of useful heat energy, GJ
Coal	100 USD/ton	25,7 MJ/kg	80	4,8
Nature gas				
for population	194 USD/K m ³	33,7 MJ/K m ³	80	7,2
for industry	140 USD/K m ³ 230 USD/K m ³	33,7MJ/K m ³ 33,7MJ/K m ³	90 90	4,6 7,6
Granulated straw	59 USD/ton	16,0 MJ/kg	85	4,4
Granulated sunflower husk	71 USD/ton	18,5 MJ/kg	86	4,5
Sawdust, wood chips	16 USD/ton	12,0 MJ/kg	80	1,7
Firewood	16 USD/ton	11,0 MJ/kg	45	3,3
Wood pellets	79 USD/ton	17,0 MJ/kg	85	5,5
Electricity	0,048 USD/kWh	-	95	14,1

Source: [6].

Resulting heat energy cost accounts only for fuel price but no other production expenses.

Biomass boilers implementation will help to substitute nature gas in energy production. Such replacement can be made promptly, with low investment outlay and short payback period. Approximate number of Ukrainian market capacity of biomass boilers implementation:

- wood-burning boilers for heat supply, 1-10 MW – 500 units;
- industrial wood-burning boilers, 0,1-5 MW – 360 units;
- agricultural straw-burning boilers, 0,1-1,0 MW – 16 000 units [6].

Boilers' payback period with serial production is 1-3 years. Approximate cost of above equipment is about 5 billion hryvnas.

Solid fuel advantages over other types of fuel:

- low price; cost price of non-renewable energy sources will be growing rapidly and continuously, so, comparative price on renewable energy sources are significantly competitive;

- fully eco-friendly energy;
- minimal non-burning remainder (that is fertilizer for plants);
- minimal transportation and storage space;
- due to flowability and homogeneity solid fuel can be transported by trucks;

- maximum safety during storage and transportation (non-explosive, non-self-ignitable);

- does not decompose after long storage;
- does not cause allergic reactions, do not transport weed seeds and insect pests;

- burning of 2000 kg of fuel granules emits as much heat energy as burning of: 3200 kg wood, 957 m³ gas, 1000 l diesel fuel, 1370 l black oil [3];

Solid fuel production helps to solve economic, social and ecological problems:

- energy, economic and, consequently, political dependence decrease;
- Ukrainian export potential rises;
- bio-fuel production will provides continuous agricultural development;
- a greater number of transactors participate in bio-energy production;
- bio-fuel production is innovative.

As a conclusion we can say, that Ukraine has two different ways of development: to stay at her present position and always be an energy-dependent country or change the situation and raise her energy saving and producing potentials. There are a lot of different technologies of alternative energy production. But Ukraine has the greatest potential exactly in bio-energy

production because of high level of agricultural development. Our country doesn't need to grow special crops, like other countries (for example the EU countries). There is a lot of unused waste in agricultural sector that can be transformed into energy or heat.

But in order to begin production of bio-energy in Ukraine, a lot of changes have to be made: changes in legislation, adoption of “green rate” to bio-energy, grants and awards implementation, government subsidy implementation and so on.

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CUSTOMER TO CUSTOMER TYPE OF E-COMMERCE, ITS CHARACTERISTICS AND DEVELOPMENT

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The article deals with the customer to customer (C2C) type of e-commerce, its characteristics, advantages and disadvantages, provides the development and implementation of the chosen business model.

Keywords: auction fraud, category, Customer to customer, eBay, online auction, PayPal.

Кисленко М., Давиденко І.В. Вид електронної комерції “споживач-до-споживача”: характеристика та розвиток. У статті розглянуто вид електронної комерції – “споживач-до-споживача”, надані його основні характеристики, переваги та недоліки, а також інформація про розвиток та впровадження обраного типу електронної комерції.

Ключові слова: вид споживач-до-споживача, категорія, онлайн аукціони, шахрайство на аукціонах, eBay, PayPal.

The *object* of the study is the customer to customer type of e-commerce, its main characteristic and the development of the customer to customer (C2C) markets. The *purpose* of the study is to investigate the characteristics and development of the customer to customer e-commerce model; to analyze the advantages and disadvantages of its implementation; to describe an application of the customer to customer e-commerce type. The *material* of the study was derived from American, Russian and Ukrainian theoretical sources on E-commerce.

Customer to Customer (C2C) markets are innovative ways to allow customers to interact with each other. While traditional markets require business to customer relationships, in which a customer goes to the business in order to purchase a product or service. In customer to customer markets the business facilitates an environment where customers can sell these goods and / or services to each other. Other types of markets include business to business (B2B) and business to customer (B2C) [7].

Most current C2C sites, such as eBay, have both streamlined and globalized traditional person-to-person trading, which was usually conducted through such forms as garage sales, collectibles shows, flea markets and more, with their

web interface. This facilitates easy exploration for buyers and enables the sellers to immediately list an item for sale within minutes of registering [6].

When an item is listed on a C2C site, a nonrefundable insertion fee is charged based on the seller's opening bid on the item. Once the auction is completed, a final value fee is charged. This fee generally ranges from 1.25% to 5% of the final sale price.

After the C2C site sets up the system in which bids could be placed, items can be put up for sale, transactions can be completed, seller fees are charged, and feedback can be left, while the C2C site stays in the background.

C2C sites make money by charging fees to sellers. Although it's free to shop and place bids, sellers place fees to list items for sale, add on promotional features, and successfully complete transactions [5].

Many C2C sites have expanded and developed existing product categories by introducing category-specific bulletin boards and chat rooms, integrating category-specific content, advertising its service in targeted publications and participating in targeted trade shows. eBay specifically has also broadened the range of products that it offers to facilitate trading on the site, including payment services, shipping services, authentication, appraisal, vehicle inspection and escrow services [3].

Many online auction sites use a system called PayPal for sellers to receive online payments securely and quickly. A traditional credit card is not required to use this site because PayPal can be linked directly to your bank account.

Since products are usually second-hand, surplus, or used there is seldom a long development cycle associated with the products that are marketed via this method. However, in the case of individuals who are looking to sell a product or service they have developed to be sold on the small-scale, there is a product development life cycle. However, even when a product goes through a development life cycle when marketed in this manner, seldom does traditional marketing research occur. Often individuals are looking to make a quick profit, and simply place their product in the market place in hopes that it will be sold [10].

Customer to Customer marketing has become very popular in the recent years and has lots of advantages. Customers can directly contact sellers and eliminate the middle man. Moreover, anyone can now sell and advertise a product in the convenience of one's home – enabling one to easily start a business. Therefore, a wide variety of products can often be found on auction sites such as eBay, including second-hand goods. Since majority of these sales occur over the internet, sellers can reach both national and international

customers and greatly increase their market. Feedback on the purchased product is often requested to aid both the seller and potential customers. The actual buying and searching process is simplified and search costs, distribution costs, and inventory costs are all reduced. Moreover, the transactions occur at a swift rate with the use of online payment systems such as PayPal [2].

Although online auctions allow one to display his or her products, there is often a fee associated with such exhibitions. Other times, websites may charge a commission when products are sold. With the growing use of online auctions, the number of internet-related auction frauds have also increased [9].

Identifying theft has become a rising issue. Scam artists often create sites with popular domain names such as “ebay” in order to attract unknowing eBay customers. These sites will ask for personal information including credit card numbers. Numerous cases have been documented in which users find unknown charges on their credit card statements and withdrawals in their bank statements after purchasing something online. Unfortunately, websites often have a liability statement claiming that they are not responsible for any losses or damages. Furthermore, illegal or restricted products and services have been found on auction sites. Anything from illegal drugs, pirated works, prayers have appeared on such sites. Although most of these items are blacklisted, some still find their way onto the internet [4].

Despite the success of eBay, numerous other online auction sites have either shut down or consolidated with other similar sites. Creating an innovative and efficient business model is vital towards success. Online auctions can be categorized into five main models: C2C, B2C, B2B, B2G, and G2P. C2C refers to customer to customer, B2C signifies business to customer, B2B refers to business to business, B2G signifies business to government, and G2P refers to government to public. In recent years, online auctions have even appealed to major businesses. For instance, Sears has reported selling items at higher prices on these auctions when compared to discounting them in stores [8].

Conclusion. The success of an online auction site largely depends on six variables: interactivity, product offering, level of trust, rate of growth and adoption, networking, level of commitment, and payment options. Interactions among users are crucial and thus, websites must be accessible and easily navigable. E-mails, community boards, and feedback all aid in increasing the interactivity. With the growing need for convenience, the variety of products offered can greatly attribute to the client basis. Especially with the growing number of online frauds, trust is essential in auction sites. Users must be guaranteed that their personal information will remain secured and that they

will receive their purchased product in a perfect condition and in a timely manner. With the fast-paced advancements in technology, auction sites must respond to these changes by staying updated. Moreover, sites also need to constantly search for business opportunities in order to expand their market. A large network of users is also crucial. Having an array of different sellers, buyers, suppliers, and delivery agents will increase the number of users, which would also raise the level of interactivity. In addition, forming alliances with different partners will also aid in the site's success. The level of commitment in buyers and sellers also plays a role in the auction's success. Similar to the level of trust, buyers must be ensured that they receive their purchased item, and sellers must actually receive payment. Although most prefer speedy online transactions, it is beneficial to offer different payment options that will accommodate different buyers.

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THE MAIN ASPECTS OF TOURISM DEVELOPMENT IN INDONESIA: INVESTMENT CLIMATE

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The article is devoted to the consideration of the main tendencies in the tourism industry in Indonesia and the place of investment in the country's economic sector. All indicators that contribute to the development of the tourism industry and major factors of investment policy are disclosed.

Keywords: economy, investment climate, investment policy, tourism development, tourist flows.

Лепьохін М., Сапрун І.Р. Головні аспекти розвитку туристичної індустрії Індонезії: інвестиційний клімат. Стаття присвячена розгляданню головних тенденцій розвитку туристичної індустрії Індонезії та місця інвестиціям у секторі економіки країни. Розкриті усі показники які сприяють розвитку туристичної галузі та основні фактори інвестиційної політики держави.

Ключові слова: економіка, інвестиційний клімат, інвестиційна політика, розвиток туризму, туристичні потоки.

Nowadays tourism in Indonesia is a fast growing industry and investment policy takes an inalienable place in this structure. Tourism cannot be provided without investment support, especially foreign rates. Due to that the research of the investment climate in Indonesia is relevant. The *main purpose* of the research is to determine some positive and negative features of tourism industry and investment situation in Indonesia.

Tourism industry in Indonesia is a unique activity, due to its complex nature which covers nearly all of the aspects of human's life. Thus, it gains currency to consider the main tendencies in the tourism industry in this region and the place of investment in the country's economic sector. Generally, tourism in Indonesia is developing which concerns not only about preserving condition but also all aspects of life that need to be conserved, including social culture of a human being. The key point of tourism development in Indonesia is that government tends to increase the role of tourism as the main sector which is able to promote economic activity including other related sectors [6].

Table 1

Tourist flows in Indonesia (September 2012–2013)

Total point of entry	September, 2012 (people)	August, 2013 (people)	September, 2013 (people)	Jan-Sep, 2012 (people)	Jan-Sep, 2013 (people)
	683 584	771 009	770 878	5 895 288	6 414 149
	Change of September 2013 over September 2012 (%)	Change of September 2013 over August 2013 (%)	Change of Jan-Sep 2013 over 2012 (%)		
	12.77	0.02	8.80		

Source: [5].

According to data from Statistics Indonesia (Badan Pusat Statistik), the country was visited by over 770 thousand foreign visitors in September 2013, up 12.77 percent compared to the same month last year. The Indonesian government has set the ambitious target of welcoming a total of nine million foreign tourists in 2013. In 2014, it wants at least 10 million foreigners to visit Indonesia. The government expects these increases to originate mainly from the Asia-Pacific region itself [1].

This table shows figures which reveal the tourist flows to the region. Singapore is the first country in this list of Indonesian visitors. According to that one can see the increasing number (+1, 84%) of travelers from Singapore. The biggest amount of growth shows us China (+25, 40%) per year.

Table 2

Tourism Economic Impact (2011 – 2012)

Economic Impact	Tourism sector					National		
	Number			Percentage				
	2011	2012		2011	2012	2011	2012	
GDP	296.97	321.57	IDR Trillion	4.0	3.9	7,427.09	8,254.48	IDR Trillion
Employment opportunities	8.93	9.28	Million people	7.75	8.37	109.95	110.81	Million people
Salaries	96.57	104.51	IDR Trillion	4.19	4.03	2,307.21	2,591.80	IDR Trillion
Indirect taxes	10.72	11.57	IDR Trillion	3.85	3.77	278.28	307.09	IDR Trillion

Source: [6].

In terms of economic impact, it is estimated that in 2012, tourism contributed 321.57 IDR Trillion or 3.9% to the National GDP and 8.37 percent or 9.28 million people on the employment. The tourism contribution to the National Economy 2012 compared to 2011 can be seen on the Table 2 [5].

Indonesia's growing middle class, strong domestic demand, stable political situation, and conservative macroeconomic policy paired with gross domestic product contribute to these processes.

In 2012, Indonesian government officials welcomed increased FDI, aiming to create jobs and spur economic growth, and courted foreign investors, notably focusing on participation in a large number of public private partnerships to develop Indonesia's infrastructure [3; 5].

Indonesia welcomes foreign investment on its own terms. Government policies aim at ensuring that foreigners work with Indonesians to assist in development of the country's economy and skill-base. There is a general recognition that Indonesia needs the development capital, and the technical and management skills of foreigners. Government regulation of foreign investment in Indonesia is manifested in a variety of ways, for example:

1. Approved and monitored through governmental bodies
2. Companies can employ only a limited number of expatriates, and are required to demonstrate plans for replacement of those expatriates by Indonesians (with the exception of expatriate directors and commissioners)
3. Certain fields of business are closed to investment by foreigners
4. Foreign individuals are permitted to acquire land or land rights with a number of restrictions.

A "foreign investor" is usually a foreign company incorporated under the laws of its host nation; however foreign individuals are also acceptable [5].

Talking about tourism investment the business field in that is closed to investment will be: public museums, historical and ancient heritage (temple, castle, epigraphy, remains, ancient buildings, etc.), residential/traditional environment, monuments, gambling/casinos [4].

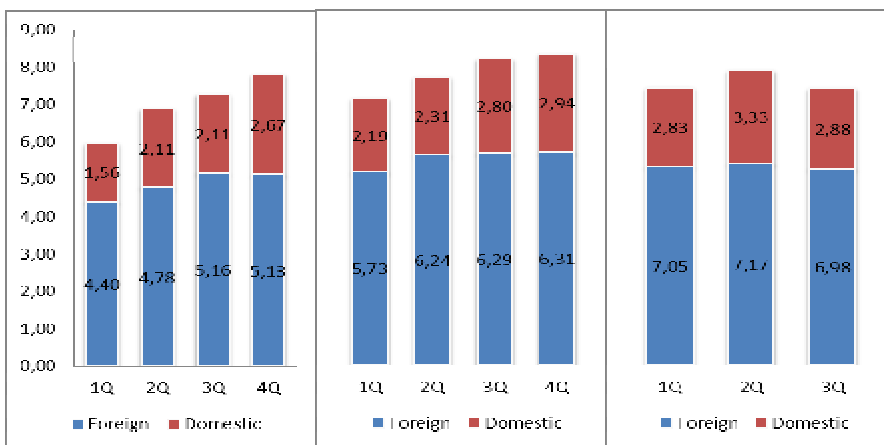
Nowadays the main type of tourism in Indonesia is wellness and spa. The Indonesia spa experience is the opportunity to become one with nature. Stunning spa locations blend with the natural setting; beside mountain streams or against a backdrop of Blue Ocean and pristine white beaches. Bali is one of the most popular tourist destinations in the world, Bali for few years awarded as the world best island by The International Travel Magazine [7].

Foreign tourist arrivals to Bali for the month of July 2013 totaled 297,783. That total was 15% more than the 258,781 foreign visitors who came to Bali in

the same month in 2012. On a cumulative basis for the first seven months of 2013, a total of 1,790,804 foreign tourists came to Bali, an increase of 9.96% over the first seven months of 2012 when 1,628,539 foreign tourists came to Bali. This figures explains how important is to invest into the tourism industry in Indonesia especially to Bali [2].

Table 3

Foreign and Domestic market (2011–2013)



Source: [3]

Tourism sector in this rates are not on the top place mostly is agriculture industry and constructions but as it has already been mentioned the government is ready for making tourism a major sector of economics [4].

Overall, Indonesian government is trying to make the market more opened for foreign investors and shareholders although now we can see that the investment figures are very successful despite the fact that some indicators of competitiveness still need improvement. This region has lots of prospects on future development, especially in tourism sphere; therefore researching and analysis seem to be perspective while being conducted regularly.

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ECONOMIC RELATIONS BETWEEN CHINA AND AFRICAN COUNTRIES

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The article studies the economic relations between China and African countries; it also reveals Chinese strategies in this fast-paced region.

Keywords: Africa, China, cooperation, investment relations, trade.

Ломоносов І., Давиденко І.В. Китайсько-африканські економічні відносини. У статті проаналізовано стан китайсько-африканських економічних відносин та стратегія Китаю у швидко розвиваючому регіоні.

Ключові слова: Китай, Африка, відносини, торгівля, кооперація, інвестиції.

Chinese-African relations are gaining great importance [4]. The problem of economic relations of the two most dynamic regions is very important for our country to identify new powers in this long-running crisis to rise above and find allies to overcome all obstacles on the way to welfare and prosperity.

The *goal* of this research is to analyze trade trends and investment levels between China and Africa. The *subject* has not been investigated properly, only foreign economists have some achievements concerning this topic.

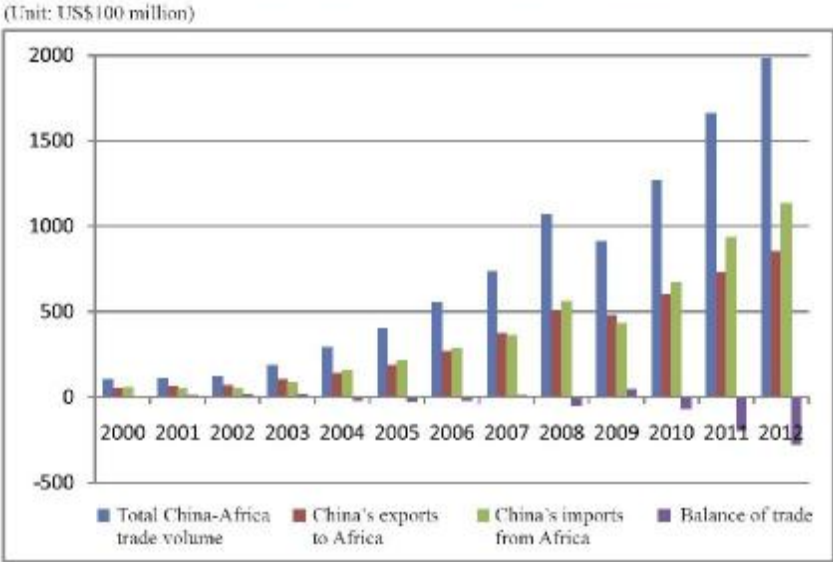
Africa's economies are on the move. The continent's GDP rose by 4.9 percent a year from 2000 through 2008, more than twice its pace in the 1980s and '90s. Today, Africa ranks among the fastest-growing economic regions in the world. It is home to 20 domestic companies with revenue of at least \$3 billion each and 52 cities with over 1 million people [6].

Chinese-African cooperation is facing a period of significant opportunities. Africa has become one of the fastest growth areas in the world, according to the 2013 annual report of China-Africa trade and economic relationship released by the Chinese Academy of International Trade and Economic Cooperation [4].

Fundamental doctrine of Chinese cooperation with African countries is based on the formula of “South-South”, envisaging expansion of trade between developing countries, cooperation in developing intermediate technologies, technical mutual aid. Chinese researchers have suggested the fact that the capacity of African countries can afford them to achieve accelerated economic growth and self-sufficiency on foodstuff [1].

Figure 1

Figure 1: China-Africa Trade Volume (2000-2012)



Source: [3].

The most extensive commitments were taken by China during the 3rd Beijing Forum on China-Africa Cooperation in November 2006. The adopted action plan designed for 3 years (2007–2009) included the following: 1. doubling financial aid in Africa. 2. providing its countries with \$3 bln soft loans and \$2 bln commodity loans. 3. writing-off the debts of the most loyal countries on interest-free government loans of \$1.4 bln. 4. training 15 thousand professionals and doubling the amount of annual scholarships for Africans (up to 4 thousand) and sending 100 experts in agriculture to Africa, creating 10 special

demonstration centers of agricultural technologies, building 30 hospitals in Africa, 30 anti-malarial centers, 100 rural schools. 5. increasing the amount of scholarships for students from Africa from 2 thousands up to 4 [1].

China's aid to Africa has generated effective results and contributed greatly to Africa's economic recovery. Since 1956, China has helped African countries establish nearly 900 projects including textile factories, hydropower stations, stadiums, hospitals and schools. In terms of projects completed and handed-over, Ethiopia, Sudan, Tanzania, Zambia, Mali, Egypt and Algeria have been among the top recipient countries on the continent. This sample of countries shows that Chinese development assistance has been directed to an assortment of African countries, from big to small, from resource-rich to resource-poor and from relatively higher-income to lower-income countries. After the establishment of FOCAC in 2000, Chinese development assistance and investment in Africa has improved and been strengthened rapidly. Furthermore, since China focused its aid on projects and managed them in a bilateral way, it can act quickly and with shorter procedures [2].

Backed by continuing investment in infrastructure and productivity capacity, growth in sub-Saharan Africa is projected to remain robust at about 5 percent in 2013 and 6 percent in 2014. Africa is transforming its economic growth model from exporting energy and resources to innovating its economic mechanism, which will gradually unleash the huge potential of the continent, although it is still challenged by regional instability, underdeveloped infrastructure and pressure from population surge and climate change.

The political and security situation in some parts of Africa remains vulnerable as the profound impact of the European debt crisis on the region's economies is unfolding, suggesting commodity price risks. Low cooperation levels, and the quality and unregulated operations of individual companies have also dampened the healthy and sustained development of China-Africa trade and economic cooperation [4].

Chinese people are coming to Africa in ever greater numbers and finding it a comfortable place to visit, work in and trade. They are the fourth-most-numerous visitors to South Africa.

The origin of China's fascination with Africa is easy to see. Between the Sahara and the Kalahari deserts lie many of the raw materials desired by its industries. China recently has overtaken America as the world's largest net importer of oil. Almost 80% of Chinese imports from Africa are mineral products. China is Africa's top business partner, with trade exceeding \$166 billion. Exports to Africa are a mixed bag. Machinery makes up 29%.

Until recently China concentrated on a few big resource-rich countries, including Algeria, Nigeria, South Africa, Sudan and Zambia. But places like Ethiopia and Congo, where minerals are scarce or hard to extract, are now getting more attention, as more Chinese businesses branch out into non-resource sectors. State-owned companies compete with private firms – both tempted by margins often far higher than at home. Young Chinese private-equity funds are also coming to Africa.

African elites see China as their biggest partner among emerging countries, but by no means the only one. Brazil, Russia and India (also in the BRICS club), as well as Turkey, South Korea and several others are following China's path. Indian companies rack up deals worth about a third of Sino-African trade, and some estimates see that proportion rising up to 50%.

China's image in Africa, once marred by suspicion, is changing. Businessmen facing Chinese competition, especially in farming, retail and petty trading, still complain. In Malawi, Tanzania, Uganda and Zambia, new rules restrict the industries or areas in which Chinese can operate. Yet a growing number of Africans say the Chinese create jobs, transfer skills and spend money in local economies. In small countries, where the Asian behemoth was most feared, the change is especially noticeable.

Only in Africa's largest economies has China become less popular. There it is increasingly seen as a competitor. Jacob Zuma, South Africa's president, who long cultivated Chinese contacts, was last year forced by domestic critics to change posture. In Nigeria the central-bank governor recently excoriated the Chinese for exuding "a whiff of colonialism". Other Africans guffawed – in the past it was often the Nigerians and the South Africans who muscled into their markets [7].

Conclusion. China is becoming the largest economy in the world transferring from "world factory" to an investment oriented country with hegemonic ambitions. Africa became the object of Chinese strategists as a fast growing market. The analysis shows us its trade prospects and trends towards the intensification.

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PECULIARITIES OF ADVERTISING TEXT TRANSLATION

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The article mainly focuses on the translation problems and methods of verbal expression, strengthening expressiveness of the advertising text. In this article the strategies for advertising translation are given. The examples of advertising translation from English into Russian show the importance of linguistic and national factors that should be taken into account during translation.

Keywords: advertising text, linguistic factors, translation problems, verbal expression.

Липова А., Скрипник Т.І. Особливості перекладу текстів реклами. Стаття в основному зосереджена на проблемах перекладу і методів словесного вираження, посилення виразності рекламного тексту. У статті наведені стратегії рекламного перекладу. Приклади рекламних перекладів з англійської на російську мову відображають важливість мовних і національних факторів, які повинні бути прийняті до уваги в процесі перекладу.

Ключові слова: лінгвістичні фактори, проблеми перекладу, рекламний текст, словесне вираження.

With increased global trade the idea, that it would be cost-effective to develop all advertising in the home country of the company for the use in other countries, either in the English language or translated into many different languages, was introduced. What we see are the words, but there is a lot

behind the words that must be understood to transfer advertising from one culture to another.

The problem of correct advertisements translation is very important for marketing and promoting goods on the market. Coca-Cola's CEO Douglas Daft said: "We kept standardizing our practices, while local sensitivity had become absolutely essential to success. Such sensitivity is essential when adapting or translating ads developed in one culture for use in others. In process of advertisement translation, a translator has to solve not only linguistic problems conditioned by differences in semantic structure and peculiarities of using two languages during a conversation, but also problems of sociolinguistic adaptation" [4].

The *goal* of this research is to show the importance of knowledge of differences in semantic structures and peculiarities of languages on the basis of such *methods* as description and comparison.

In English, the word "advertise" has its origin in "advertere" in Latin, meaning "to inform somebody of something", "to bring into notice" or "to draw attention to something". According to the Oxford Dictionary "to advertise" is to describe or draw attention to (a product, service, or event) in a public medium in order to promote sales or attendance, while "advertising" is "the activity or profession of producing advertisements for commercial products or services" [5].

Gillian Dyer in his book "Advertising as Communication" describes the features of the language of advertising as follows: "Advertising language is of course loaded language. Its primary aim is to attract our attention and dispose us favourably towards the product or service on offer" [2].

In advertising message verbal component there are often three main parts:

1. Slogan is a short and striking or memorable phrase used in advertising. There are various types of adaptation: literal translation, similar phrases selection, language game, etc. It is important to remember that new slogan should pass on the idea of original, good sound, easy to remember. In order to be persuasive, a slogan should be short and express an explicit idea simultaneously.

2. Title is information about company name. In name adapting there is always a question: to produce goods on the market under its original name or to create a separate pseudonym for the country. New name can be phonetically tuned with the old one, or to be its literal translation.

3. Main ad text. Adapted text should not contain negative association. Often, errors occur with advertising text translation because of ignoring language

features, and it is important to consider it when choosing a product name (brand) and slogans [3].

American Marketing Manager's Handbook points out that an advertisement should have four functions: AIDA, which represent four words: attention, interest, desire, action [8].

Broadly speaking, an advertisement has at least one of two functions: informing or persuading. Informative advertisements inform customers about goods, services and then tell people how to get them by means of an identified sponsor. A persuasive advertisement should try to persuade the potential customers to buy the new product. The above functions of the advertisement have determined the special style of the advertisement language. Therefore, the business advertising translation should overcome the cultural obstacles and form its own clear characteristics, which are simple and easy to understand for everyone. Various stylistic figures help to implement different advertising motive and to draw attention to the advertising text, such as to stimulate initial interest – to attract new users to company and its products, to develop loyalty – inspire existing customers to buy more of the advertised product, etc. [6; 7].

Although the marketing goal may be achieved in the source language (SL), the problem may arise when rendering slogans in the target language (TL). Therefore, they should be rendered applying a variety of translation methods or adapting the text taking into account the target clients' mentality [6].

For advertising translation three major strategies are identified [7]:

1. Total transfer = literalness (image and semantic contents preserved, exotic features of the original highlighted, not taking the context into consideration).

For example, in translation of a slogan such characteristics as brevity, laconicism, clearness should be considered, therefore the method of constant conformity is frequently applied to slogans and to the basic text the same time. *Your fragrance – your rules / Твой аромат – твои правила (Fragrance, Hugo Boss AG)* [6].

2. Translation with minimum changes = advertising compromise = partial adaptation (various degrees of departure from the original, partly adapted discourses).

For instance, *Intelligent Beauty / Умная красота (Rowenta)*, the adjective *intelligent* has not been translated literally as *интеллигентная* or *образованная*, but by using its synonym – *умная* [6; 7].

Rendering the slogan *Let's make things better / Изменим жизнь к лучшему (Philips)*, the translator has not transferred the phrase *Let's make*

literally. The literal translation – “*Давайте сделаем вещи лучше*” – would lead to the loss of the denotative meaning of the ST.

In general for the English-Russian translations most typical replacements are replacement of a noun with a verb and an adjective with a noun: *Defining beauty* – “*Воплощение красоты*” (*Estee Lauder Inc*). Adjective *defining* was replaced by noun *воплощение* [6].

3. Adapted translation = cultural transplantation = total adaptation = free translation (text transformed to appear more alluring to the target audience, without taking into account different shades of opinion expressed by linguistic means of the source text (ST)) [7].

In the translation of the slogan *Ideas You Can't Live Without (Tefal)* / *Без твоих идей не обойтись (Тэфаль)* the ST structure has been changed. The phrase *live without* has been substituted by *не обойтись*. The ST does not mention the brand name, whereas the TT contains its transliterated equivalent. Despite the minor changes, the translation retains the denotative meaning of the ST and is semantically precise.

The advertisers have used different rhetorical devices to ensure that the headline remains memorable. In many aspects an advertisement is a game. Game can be constructed on a rhyme [6]:

Add some flash to the splash ® *Капли блеска в бриллиантовом всплеске!* (*Maybelline company*)

An alliteration method consists of repetition of identical or close consonants on sounding.

Maybe she's born with it. May be it's Maybelline ® *Все в восторге от тебя, а ты от Maybelline.*

The emphasis has changed slightly. In the Russian slogan, the consumer is addressed more explicitly than in the English. The English slogan plays on the repetition at the beginning clauses of *maybe* and the fact that *maybe* – is also a part of the company name *Maybelline*, which would have been impossible to translate into Russian [7].

But sometimes slogans can remain untranslated into the TL because: 1) the impossibility of translating a slogan without losing its sense; 2) the words written in English can seem more attractive to the consumers as they create the image of imported goods. The untranslatable slogans contain easy English words that can be untranslatable for people with minimal vocabulary, such as: *Just do it – Nike; It's a Sony – Sony* [6].

Advertisement is one of the main sources of neologisms in the modern languages. One of the main uses of English words in Russian has been to fill

semantic gaps, where Russian does not have an obvious word for the English equivalent. For example, scientific terms: *керамид* – *ceramide*; and *антиоксидант* – *antioxidant*, etc. Another example is technical specifications: Intel Pentium; Windows XP, etc. Technical terms are used in the adverts to impress the potential reader [7].

In advertising practice, there are many examples of text, slogan or message that have been translated into different languages, and they have not been perceived by audience, as the translation has not taken into account linguistic and national factors, for example [3]: “General Motors” was trying to bring to the Latin America’s market, its new car “Chevrolet Nova” which has failed straight away, as “Nova” in Spanish means “does not go”. The model has been renamed in “Caribe” [3].

In order to understand how international advertising should be adapted to the Russian market the following should be taken into consideration: a Russian customer makes decisions impulsively, impressed by immediate circumstances; while choosing the product they have difficulties and doubts in determining whether this product is necessary and useful. Focusing on Russian consumer advertising the appeal should be more informative. Russian consumers prefer advertising message to be translated into Russian, it is increasingly clear and attracts attention [7].

Conclusion. To translate is to transfer the cultural message of one language through the means of language to another culture. The research has shown that the most commonly used translation method applied to slogans is semantic due to the reason that the preserving contextual meaning of the ST is vital in slogan translation, otherwise, the unit may lose its meaning, and the advertising goal will not be reached. Semantic translation allows minor changes, such as using synonyms or partial synonyms, the change of a part of speech, adding extra words or omission. These changes have not affected the original denotative and connotative meanings [6].

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EXTREME TOURISM AS A PROSPECTIVE TREND IN THE MODERN LEISURE AND ENTERTAINMENT INDUSTRY

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The article deals with the peculiarities of development and spread of extreme kinds of tourism in the world and Ukraine. Social and cultural conditions of the adventure tourism popularization are highlighted. The current state of the adventure tourism market is analyzed, its problems are established and development prospects are offered.

Keywords: extreme sports, extreme tourism, risk.

Мельничук Ю., Літовченко Я.М. Екстремальний туризм як перспективний напрямок у сучасній сфері відпочинку та розваг. У статті розглянуто особливості розвитку і поширення екстремальних видів туризму у світі та Україні. З'ясовано соціально-культурні передумови популяризації екстремального туризму.

Проаналізовано сучасний стан ринку туристичних послуг в екстремальному туризмі, виявлено проблеми і сформульовано перспективи його розвитку.

Ключові слова: екстремальні види спорту, екстремальний туризм, ризик.

Tourism serves as a complex social phenomenon that has many faces and a lot of people associate it with relaxation, new impressions and satisfaction. The tourism industry is constantly developing and improving, offering new services for the tourists, especially for young people, who do not like traditional holidays and are tired of the luxurious comfort in quiet hotels. There is a need to create conditions for outdoor activities. Active forms of tourism include recreational activities and travel, entertainment, sports that require considerable physical tension and are not available for all categories of travelers [1, с. 28].

The perspective direction of tourism industry is extreme tourism, which is growing rapidly and every year is becoming more popular in the global tourism market. The number of fans who like risks and active modes of travel and outdoor recreation is increasing year by year. The aim of active tourism is to get new experiences and sensations.

The *relevance* of this topic can be explained in the light of the phenomenon of international tourism as an important economic event. The growth of the actual adventure tourism is becoming a trend, which increases revenue to the budget and promotion of the global tourism market. Over the past few decades, this type of tourism is positioned as a significant independent sector of the tourism industry, which has become a peculiar phenomenon of the XXI century. The adventure tourism proclaims departure from mass tourism and promotes new forms of recreation.

The *purpose* of this study is to identify the characteristics and the current state of extreme tourism.

In the article the *materials* of such scientists as Babkin A., Sherbakov V. Buylenko V., Sirota A. and also statistical reports of the the UNWTO and the World Association of adventure tourism (ATTA) are used.

Analytical and statistical *methods*, comparison and generalization are used for research and writing the article.

Extreme tourism is a temporary movement of people from place of their residence to the territory with difficult natural and social conditions in order to get new experiences and skills. Extreme sports provide high physical activity and high risk for the health and life of the tourist.

Extreme is extraordinary actions that usually are associated with danger to life. Some modern sports that began to develop in the fifties of XX century have been called extreme ones. These sports include trial, skateboarding,

snowboarding, parachute jumping, etc. Nowadays they pay special attention to the exotic adventure tourism, for example, space travel, atomic tourism and visiting the exotic places, such as tours to the North or South Pole, as well as cruises to the Arctic and Antarctic [2, c. 142].

The most exotic and expensive type of adventure tourism is space tourism. The first space tourists were Dennis Tito, an American millionaire and Mark Shuttleworth, the citizen of South African Republic. Each of these week-long stay on the International Space Station costs at least 20 million dollars. Despite the high price of space travel, the number of those, who wish to see the space is steadily increasing [1].

Extreme sports are born every day. Tourism interest to extreme sports is growing every year. According to some estimates, the share of this segment accounts for over 10% of the tourism market in the world, and the growth of extreme travelling exceeds the average growth rate of tourism in general. People of different ages and occupations, with different family and social position, cultural and physical development are joining to the adventure tourism.

Some foreign experts explain the phenomenon of extreme tourism as the change of morals and tastes that have happened in the West in recent years. Modern person, accustomed to a stable lifestyle and technological progress, has a lack of adrenaline. Adventure tourism is one way to meet this need legally. It has become a particular good on the “vanity fair”. Now the farthest lands are available for many people, that is why the rich people tend to stand out, to rise above the mass in any way. Rafting on the wild rivers, ski trips, immersion into the depths of the oceans and the “soaring” in the clouds replace the previous him “sea-sand-sun” tourism [2, c. 143].

Director of the Coalition of extreme sports “Extreme Force”, the founder and chief editor of “Extreme”, Andrey Krasnov said that “there is a direct relationship between the level of social development, security, living standards and doing extreme sports, because these services are not cheap. Extreme is for those who constantly strains his brain, or, at least, whose brain is flexible and mobile. According to statistics, the number of extreme supporters is increasing every year exponentially. Extreme is sport, health, movement, something that tickles your nerves” [3].

The most recognition extreme tourism has achieved in North America, Asia and Europe. Travelers in Europe and especially in North America even considerate adventure Tourism like the most popular sports that is connected with higher income and standards of living in these regions, compared with Russia and Ukraine.

But every year there are more fans of thrills in Ukraine. The development of adventure tourism contributes to the diversity of landscapes, as well as a large number of abandoned industrial sites. Today, rafting is very popular in Ukraine and there are many offers of water routes for extreme rafting on the rivers Carpathian Prut and Black Cheremosh, and on the calm flowing rivers with charming nature and a lot of monuments on the banks [4].

One of the new types of extreme holidays in Ukraine is so-called “military tours”, where interested persons are invited to stay for a week in the conditions close to real military service with the study of the statute and combatant training. No less extreme type of tourism that is gaining popularity in Ukraine is a trip to the abandoned industrial sites in the Chernobyl zone.

So, we can conclude that adventure Tourism is a very interesting and exciting leisure activity and every year is becoming increasingly popular among various strata of the population, despite the fact that this kind of sport and entertainment has a very high cost.

This type of tourism was the result of changing tastes and hobbies of the modern tourist in society of risk and consumption, and includes various sports and recreational activities associated with risk. The sector of extreme holidays has a significant impact on the overall structure of the modern tourist industry and it is a promising source of income for tourism.

Ukraine with its resource potential is the country of unlimited opportunities for organizing active and extreme holidays. There are plenty of options for the development of such directions, but today they are mostly in the state of promising developments, due to the problems of underdevelopment information space of adventure tourism, lack of effective vocational training adventure tourism infrastructure underdevelopment.

A unique kind of adventure tourism in Ukraine is atomic or nuclear tourism. Promising directions of extreme sports in our country is ballooning, parachute jumping, caving, different types of safari and rafting.

Despite a number of challenges in the organization of adventure tourism in Ukraine, positive is the fact that this type of tourism requires a relatively small investment to develop their own infrastructure.

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STRUCTURE AND INDICATORS OF UKRAINIAN EXTERNAL DEBT AND ITS CONTROL DEVELOPMENT

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The article deals with the Ukrainian external debt structure and main indicators, presents its general dynamics from 2005 to 2012 and provides the development of its control.

Keywords: debt control strategy, indicator, public debt volume, Ukraine, Ukrainian external debt.

Мішкіна А., Давиденко І.В., Структура та показники зовнішнього боргу України та напрями вдосконалення стратегії його управління. У статті проаналізовано структуру та основні показники зовнішнього боргу України, наведена загальна його динаміка з 2005 по 2012 рік, досліджено основні напрями стратегії його управління.

Ключові слова: зовнішній борг України, показник, розмір державного боргу, стратегія управління боргом, Україна.

The *object* of the study is the structure and indicators of the Ukrainian external debt and the development of its control. The *purpose* of the study is to investigate the main indicators of the Ukrainian national debt; to analyze the legislative basis, which regulates this problem; to describe the methods of Ukrainian external debt control according to the existing standard acts. The *material* of the study was derived from Ukrainian and European statistical

sources, Ukrainian theoretical sources on the national external debt and the Ukrainian legislative and standard acts.

The constitutional rights, economic security and macroeconomic stability in Ukraine within the financial crisis require gradual increase of the government loans and growth of public debt volume. Under these conditions, the public debt and GDP correlation index value show the secure public debt volume, which corresponds to the Ukrainian budget code criteria (the critical index level should not be more than 60%).

The public debt and GDP correlation index in Ukraine is not relatively high in comparison with other countries, including the developed ones, despite the fact that Ukrainian abilities in national debt control are considerably restricted. However, the index growth rate is very high: 10% before the crisis, 40% – currently [1].

The Ukrainian national external debt consists of:

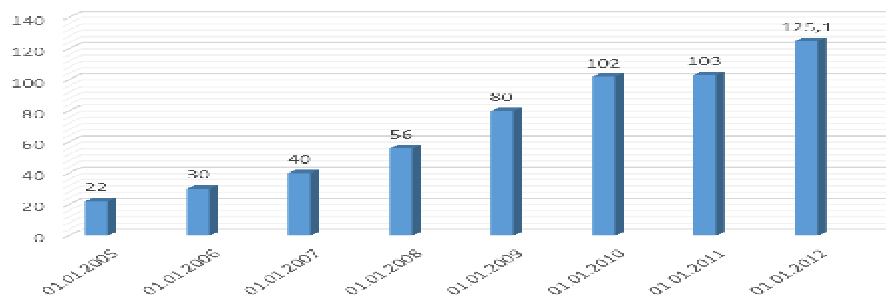
- the direct national external debt, which is formed by means of foreign credit involvements (the State is a direct debtor) and public securities issue as external government loans;
- the governmentally backed (or contingent) national external debt, which is formed by means of foreign credits, attracted by other borrowers, but under the state guarantee.

The external debt value and structure determine the debt load level and the State creditworthiness. In order to prevent the debt load growth, first of all, governments control the level of the direct national debt, so as its transactions affect the state budget rates [7].

The division of the Ukrainian debt into domestic and external is 33% and 67% correspondingly with the exception of the governmentally backed debt.

Table 1

General Ukrainian external debt dynamics: bln. USD



Source: [4].

Ukrainian debts can be divided into the public (unconditional) debt (70,19%) and the governmentally backed (conditional) debt (29,81%).

Among the factors, which caused such external debt value dynamics during 2012, there were [3]:

- new borrowing funds (4,1 bln. USD) attracted by public administration departments and monetary accommodation bodies; and the governmental Eurobond floatation (2 bln. USD);
- short-term debt accumulation of trade loans and past-due loans (3,3 bln. USD);
- increase of the Ukrainian enterprises' long-term debt of loans and Eurobonds (1,1 bln. USD);
- systematic reduction of long-term liabilities of Ukrainian banks to nonresidents (2,6 bln. USD).

The main reason of the bank external debt reduction at the beginning of 2012 was the liability value contraction of:

- currency and deposits – 1,3 bln. USD (23,5%);
- long-term credits – 0,9 bln. USD (4,9%);
- long-term debt securities – 0,4 bln. USD (7,6%);
- short-term credits – 0,4 bil. USD (15%).

Table 2

The indicators of Ukrainian external debt sustainability, %

Indicator	2008	2011	2012
Cumulative external debt to GDP	56,6	88,01	76,56
Governmental external debt to GDP	6,66	15,17	14,18
NBU external debt to GDP	2,63	5,29	4,29
External private debt to GDP	47,31	67,55	58,10
International investment position to GDP	-22,38	-34,25	-27,60
Currency reserves to Cumulative external debt	31,03	25,66	29,56

Source: [2; 4; 6].

So we can conclude that the existing high external debt level in foreign currency caused the fact that Ukraine is vulnerable due to [9]:

- the debt prolongation difficulties;
- low demand for export commodities, particularly steel and chemical products;
- sharp interest and exchange rates fluctuations.

Therefore, within the economic recession the debt policy should realize its adaptive and regulatory potential in order to gain gradual economic growth.

The strategic means of national debt control are to be basic for the debt policy as a state economic control method.

The Ukrainian economy is financially stable enough in comparison with European countries where the default announcement risk is high. In 2009, the year of the crisis, all the financial dependence indicators of Ukraine deteriorated, but they gradually became stable in 2010 [8].

The Ukrainian national debt control is carried out by The Ministry of Finance orders and the Cabinet of Ministers decrees. For external capital formation and cooperation with foreign investors, there is the “National budget” law and the “International treaty of Ukraine” law.

The basic standard act, regulating the sphere, is the Budget Code of Ukraine. It states general principles of the debt policy as well as the obligation to decrease the national debt in case it rises by more than 60% of GDP. The State Budget of Ukraine laws for certain years identify annual marginal figures of some quantity measures of the state debt, its sources and budget deficit financing. Some decrees of the Government of Ukraine fix the terms of certain types of national debt.

All the above-mentioned issues require a systematic legislative basis, which could take into consideration the latest achievements in the sphere of debt theory and the debt policy. One of the Verkhovna Rada committees worked out the State debt of Ukraine bill (#1229-1) [5].

The purposes of the draft are following:

- to create systematic legislative regulation of the relations while carrying out the debt policy and the national debt control by the Government;
- to define methods of the state debt control;
- to create prerequisites for separating powers;
- to increase the level of transparency and responsibility of the executive authority for debt decisions;
- to create an effective mechanism of the secure national debt control;
- to save the Ukrainian budget fund by preventing risks.

The bill authors think that it can help to improve national debt control by carrying out the following tasks:

- to improve the mechanism of national debt control;
- to establish a new mechanism to provide state guaranties, which cover risks.
- to form transparent and predictable conditions for all the economic agents within public debt control;

- to create a modern information infrastructure for national debt and risks control;
- to encourage the development of the state equity market;
- to establish a balanced mechanism for separating powers of governmental structures on national debt control.

Conclusion. The general tendency confirms that the investors' trust in Ukrainian economy is increasing. Particularly, it encourages that the attention from foreign investors to the Ukrainian Eurobond market is increasing. The Ukrainian Eurobond market demonstrates the positive development dynamic within last years.

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PHENOMENON OF ECONOMICAL CONVERGENCE IN UP-TO-DATE GLOBALIZED WORLD

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The article deals with the phenomenon of economical convergence in modern globalized world and its particular features of its continuity at different levels of relationships.

Keywords: convergence, development, globalization, levels, tendencies.

Мокра М., Давиденко І.В. Явище економічної конвергенції у сучасному глобалізованому світі. У статті проаналізоване явище економічної конвергенції у сучасному глобалізованому світі та його характерні риси на різних рівнях відносин.

Ключові слова: глобалізація, конвергенція, рівні, розвиток, тенденції.

Economical convergence refers to the process of revealing common features in two or more models of economics in different countries, leading to the development of similar tendencies independently from each other. The main reason of this process is the presence of identical or almost identical outer influence from other countries, mostly from developed ones, which causes the fact that the countries choose the similar ways and branches of economics [1].

The main difference between economical convergence, integration and globalization is that convergence is only a process, while the integration and globalization combine both the process and the result. Apart from this, integration and globalization are wider comprehensions; therefore they are motivated by both inner and outer incentives, while convergence, as already mentioned, develops due to outer factors like influence of developed states [2].

The basic model of the region's or state's convergent development consists of such elements as:

- 1) investments (the amount of them put up the scientific potential, their structure, formation of investment resources);
- 2) conversion policy (strategic and tactical planning of business in the world's competitive conditions);
- 3) people-ware and the way of thinking (preparation of the specialists who could work in the area of financial and investment projects and direct the macroeconomic processes connected with them) [5].

When it comes to microeconomic level, in some cases convergence may go on easier than in other conditions, but those are mostly technological activities, because technology can be standardized or adapted to local industry patterns. Also the task of reaching the international level of trade for firms may be not so complicated, if they have already achieved the certain level and reputation (this works mainly for domestic policies and institutions) [9].

At the middle level of economics the subjects of convergence are regions of the same state or two different states (particularly the regions which share a border), and the indicators are the level of population in these regions and its incomes, but in several cases more indicators can be included, such as ecological ones. Due to the process of convergence at the middle level, the development stage of the country becomes more proportional [6].

The brightest example of convergence in the modern world at the macroeconomic level is the process which is going on in the countries of the Euro zone. In this case it is based on the criteria of building a successful currency zone. But the main difficulty in it is that the nominal convergence (which is neither essential nor enough due to the different economic models in different countries) shouldn't dominate the real convergence, they both are required to take place at the same time (i.e. the planned processes should take place at the same time with real-time innovations in the countries' economic policies) [4].

Table 1

**The Correlation Factors of Business Cycles' Synchronization
in Euro Zone States in 1994-2011**

	1994–2002	2003–2011	1994–2011
Austria	0,878	0,961	0,929
Belgium	0,875	0,951	0,926
Finland	0,841	0,986	0,929
France	0,961	0,943	0,928
Germany	0,824	0,835	0,829
Greece	-0,488	0,739	0,667
Ireland	0,845	0,834	0,839
Italy	0,877	0,988	0,907
Luxemburg	0,713	0,982	0,812
Netherlands	0,854	0,752	0,766
Portugal	0,888	0,929	0,752
Spain	0,952	0,890	0,890
Average for the euro zone	0,752	0,899	0,848

Source: [4].

The most illustrative model of progressing convergence is the synchronization of the business cycles in such countries of Euro zone like Austria, Luxemburg, Italy and Finland. All of these states' business cycles are close to average ones, as a result of their activities during the period from 1994 to 2011 (see table 1).

As it can be seen from the table, most of the mentioned countries' correlation factors are close to the average one, excluding Greece (which may be a reason of being affected by the worldwide financial crisis more than other countries of the Euro zone).

Conclusion. Economical convergence is the process which is equally important at all three levels of development. On the microeconomic one, the conditions of future successful international trades are built; at the middle level the country gets prepared for entering different kinds of international relationships; and on the macroeconomic stage the world's regions become dependent on each other due to the way in which they influence each other, therefore the process of economical convergence becomes more and more important, allowing the states to become more protected from negative aftereffects of certain activities.

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THE MEANING OF THE ENGLISH LANGUAGE IN THE WORLD COMMUNICATION

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The meaning of the English language in the world communication and tourism in particular is examined. The attempts of the creation and subsequent usage of various artificial languages as international languages are analyzed. The necessity of using only natural language as a means of global communication is singled out. The fruitfulness and convenience of applying English to all business areas are pointed out.

Keywords: artificial language, business areas, English language, global communication.

Мязин М., Сапрун І.Р. Значення англійської мови у світової комунікації. Досліджено значення англійської мови у світової комунікації і туризмі зокрема. Проаналізовано спроби створення і послідовного використання штучних мов як міжнародних. Підкреслено настійну потребу використання тільки природної мови

як засобу світової комунікації. Виокремлено плідотворність та зручність застосування англійської в усіх бізнес сферах.

Ключові слова: англійська мова, бізнес сфера, світова комунікація, штучна мова.

The concept of a global society is becoming more and more popular in the international scientific community; it means that all people of the Earth are partials of a single global society, which consists of a huge amount of local societies in different countries. This concept greatly simplifies the analysis of globalization processes which are converted into ordinary social transformation in the global society.

However, nowadays it is hard to speak about single global society, because there are about 200 countries in the world. Every country has its own history, culture and language, thus the process of association cannot be limited to a few dozens of years.

It is obvious, that it is globalization that influences on the growth of tourist flows, but the development of tourism is impossible till there is a language barrier between people. That is why consideration of the value of English in the world tourism is very actually now.

The purpose of work is to analyze the degree of the language influence on the tourist flows, to examine the attempts of creation of one universal language and to identify the pluses and cons of using the last.

Foreign language is one of the most important constituents in tourism sphere worldwide. Today there is a huge amount of different languages and dialects in the world and only some of them are the most widely spread. First of all, these are English, French, Spanish, Portuguese, Chinese, Russian and Arabic. All these languages except Arabic and Chinese are the main languages used by residents of Europe and the USA, while English, French, Russian, Chinese are the main languages of the United Nations organization. More than 60% of Africa's population speaks English, French and Arabic; the total number of languages and dialects which are spoken throughout the African continent is more than one thousand. Spanish and Portuguese are official languages of Latin America. Asia, a region where 60% of world population lives, is a continent of contrasts. 47 countries are situated within this part of world. Its population speaks more than diverse 100 languages, including English, French, Chinese and Arabic as well. At the same time it is a region of exotic tourism, where many people from different countries come here for a vacation every year.

It is a universal truth that foreign languages are one of the most important factors facilitating the development of international tourism. Travelers getting

the knowledge of some of the above mentioned languages can travel around the world experiencing no obstacles, socializing with the locals in this or that country and being understood by them. But only a small percentage of the world population knows more than ten languages.

There has always been a controversial question: whether it is possible to create a common language for all people in the world? The most famous example of an attempt of creating such language was Esperanto, which was named after its inventor and which incorporated many features of other languages. Originally it was just a local scale language. Though later on it gained a huge popularity and was extensively used in England, France, Poland and other countries. In the early 20th century Esperanto was transformed from a small Slavic into a major international language that made it possible to apply it in different spheres of life. The number of words increased from 927 in 1887 to 16,000 in 1970. Many books from more than 50 languages were translated in Esperanto. However, despite all his accomplishments, Esperanto did not become the language of international communication in the second half of the twentieth century [4].

Another attempt to create a universal language was the introduction of Interlingua, an international auxiliary language that was developed in 1936–1951. The vocabulary of Interlingua includes words of Latin origin, as well as an international lexis, which were taken from the Italian, Spanish, Portuguese, French, English, German and Russian languages. It might seem that this is the language which combines the features of the most popular languages in the world; however, nowadays Interlingua is used even by fewer people than Esperanto. Scientists agree that the failures of these languages underlie in their artificiality. All worlds' languages have evolved for thousands of years and absorbed many dialects.

It is acknowledged that nowadays Chinese language acquisition is becoming more and more popular. This is not a surprising fact because Chinese is the language which is spoken by a large number of people, namely 1.2 billion. Taking into account the growth of the Chinese economy and its increasing penetration into the economies of other countries, as well as the increasing flow of tourists to China and Southeast Asia, it becomes clear that the number of those speaking Chinese will gradually increase each year. However, being a very difficult language to learn it is unlikely to gain worldwide popularity [2].

It should be noted that many prominent researchers, economists, scientists admit that only English may become a universal language in present historical conditions. It is believed that currently about 1 billion people, that is one fifth of

the world population, in varying degrees, speak English. Today English is the mother tongue for more than 400 million people living in 12 countries including the U.S., Canada, England, Australia, New Zealand and others. In more than 30 countries, such as India, Singapore, Philippines, Malaysia, Burma, and many others, it is widely used on a national scale together with national languages. A huge variety of different variants of English is being used all over the world. The most famed are the following: *Original English*: British English; *New Englishes*: North-American English, Australian English, South-African English; *New new Englishes*: Nigeria English, Singapore English, and Indian English. English occupies the first place in the world among foreign languages studied in primary and high schools, as well as at various adult education courses. English proficiency is becoming the norm of communication among scientific and technical intelligentsia in the developed countries. [2]. It is the main communication form between tourists and hotel staff on every continent. In modern five-star hotels every member of staff from the general manager to a chambermaid has to speak this language, because it allows tourists to spend their time more comfortably. Thus English covers all areas of activities, ranging from science, education, research to business undertakings, especially in tourism sector. People use English for different purposes: some of them need it for a successful career, others to get the necessary skills for comfortable and enjoyable travel.

The knowledge of English for professionals in customer care and tourists themselves, who often have to deal with people from different countries of the world, is a very important factor. If you speak English, you get a lot of advantages:

1. it facilitates getting a good job and later on it may boost your promotion;
2. in case of emergencies you are able to manage the issue on the spot without any help;
3. to defend your own interests in case of unpredictable obstacles;
4. easy access to different sources of mass media, due to rapid spread of information technologies, as well as an increased amount of editions in English that can easily be found in the NET and are available for everyone with a language knowledge;
5. communication with business partners;
6. interviewing confidently in international chat rooms and groups ;
7. the opportunity to travel around the world ;
8. the opportunity to learn many new and interesting things about the life and culture of other countries and nations [1].

Thus, we can conclude that English is not only a mandatory part of the

cultural knowledge of each person, but also one of the main constituents of international business communication, tourism and hospitality in particular. The quality tourism and hospitality service is estimated by its employees speaking English. Not only this, language knowledge provides a hospitality and tourism employee with zillions of possibilities, one of which is competitiveness at the business labour market.

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INTERNATIONAL RESERVES OF UKRAINE: TREND AND ADEQUACY LEVEL

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The article deals with the international reserve position of Ukraine and the trend for the period from 2005 through September 2013. It provides tolerable and current adequacy levels of official reserve assets.

Keywords: adequacy level, criterion, international reserves, official reserve assets, Ukraine.

Михайленко К., Карпусенко М.В. Міжнародні резерви України: динаміка та рівень достатності. У статті проаналізовано стан міжнародних резервів України і виявлено динаміку за період з 2005 року по вересень 2013 року. Визначено нормативний та наявний рівень достатності золотовалютних запасів по чотирьох основних критеріях.

Ключові слова: критерій, міжнародні резерви, офіціальні резервні активи, рівень достатності, Україна.

A country's international reserves refer to those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes [4].

Official reserve assets include foreign currency reserves, monetary and gold reserves, special drawing rights (SDRs), reserve position in the IMF, and other reserve assets [4].

Relevance. Fulfilling functions of store of liquid funds, payment facility in international business and resource of intervention, foreign exchange reserves actually ensure internal and external currency stability and are one of the main instruments of monetary accommodation. In global economy it functions as specific security reserves. Accumulation of foreign exchange reserves is used to avoid or weaken the influence of the currency crisis on the economy. That is why the continuous tracking of reserve wealth is important today.

The *goal* of this research is to analyze reserve trend of Ukraine and evaluate its adequacy level on the basis of such *methods* as description and comparison.

Table 1

**The Amount of International Reserves
of Ukraine in 2005-Sept. 2013**

Period	Amount, bn US dollars
2005	19.391
2006	22.358
2007	32.479
2008	31.543
2009	26.505
2010	34.576
2011	31.795
2012	24.546
2013	
January	24.652
February	24.710
March	24.729
April	25.242
May	24.542
June	23.245
July	22.720
August	21.656
September	21.640

Source: [1].

Analysis of recent research and publications. The subject is investigated by domestic and foreign scientists as well. Aspects of international reserve management have been analyzed by Ukrainian and Russian economists, notably D. Aksionov, A. Anikin, V.Kigel, A.Kovalchuk, E.Mazin, A.Matios, I.Platonov, A.Rouz, M.Fanenko and others (See *Table 1*).

Over the 2005 to 2012 period the amount of foreign exchange reserves of Ukraine rose by 67.5% and leveled at \$24 546 bn essentially as a result of a dramatic increase of \$10.121 bn in 2007 that is 77% of a 2-year growth.

For the period of global financial and economic crisis in 2008-2009 the international reserves of Ukraine dropped sharply by \$5.974bn or 18%. But as far back as in 2010 they exceeded the pre-crisis level by \$2 bn. However, from the year 2011 foreign currency and gold reserves have been decreasing again and that trend held until 2013.

In the first quarter of 2013 the amount of international reserves decreased by \$3.012 bn to \$21.640 bn (in equivalent). The Ukrainian government and Central Bank of Ukraine made planned payments promptly to settle and service a national debt and national guaranteed debt (\$5.5 bn in equivalent) including liabilities on stand-by credit received from the IMF (\$2.8 bn in equivalent)

Besides the afore said factors the international reserves were also affected by the foreign currency returns from foreign government bond placement (\$2.3 bn), domestic government bond placement (\$3.2 bn in equivalent) and treasury obligations (\$10 bn) [3].

Overall for 2005 through September 2013 the amount of foreign exchange reserves declined by \$2.249 bn. In percentage terms it is 11.6%.

Another important feature of international reserves is the adequacy level because both reserve under accumulation and reserve over accumulation have their disadvantages.

There are a lot of different methods to compete in economic literature. It is necessary to make calculations using different concepts and compare obtained results to check if they are trustworthy.

To evaluate the reserve adequacy level four recognized methods are used. They are:

- 1) Import cover criterion;
- 2) Guidotti-Greenspan criterion;
- 3) Vinhol-Kapteyn criterion;
- 4) Aggregate index of IMF [2].

Table 2

**The evaluation of the adequacy level of
international reserves of Ukraine in April 2013**

Criterion	Current reserve amount, bn US dollars	Reserve required amount, bn US dollars	Variance, bn US dollars	Lower bound	Current value
Import cover criterion	25.2	27.9	-2.7	3 months	2.7 months
Guidotti-Greespan criterion	25.2	60.9	-35.7	1	0.41
Vinholl-Kapteyn criterion (on basis of 10% of M3)	25.2	67.8	-42.6	1	0.37
Aggregate index of IMF	25.2	47.6	-22.4	1	0.53

Source: [2].

According to the data of the Institute for Economic Research and Policy Consulting (see table 2), the reserve adequacy level in Ukraine was at 0.3 off the lower bound of import cover criterion as of April 2013. But until the end of the year 2012 the index value far exceeded the three month quantity of imports.

The analysis data of reserve adequacy level by Guidotti-Greespan and Vinholl-Kapteyn criteria shows 0.41 and 0.37 respectively. This suggests that the available sum of international reserves could cover only 41% of external debt of Ukraine and 37% of short-term debt including internal capital outflow.

Concerning the aggregate index of IMF the soundness of official reserve assets of Ukraine to all key risks has been 0.53 or 53% with lower bound of 100%.

Summary. International reserves area reserve stock to avoid or ebb the influence of negative factors on currency stability in the event of crisis. From the year of 2005 the amount of foreign exchange reserves has been fluctuating. In 2010 it peaked at \$34.576bn and as from then international reserves have taken a downward trend. It was revealed that Ukraine's reserve level is inadequate and it makes the economy vulnerable to shocks of current and financial balance of payment accounts. It will be discussed in the *prospect* of conducting monetary policy.

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UKRAINE-EU RELATIONS: PROS AND CONS OF ASSOCIATION AGREEMENT

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The article deals with relations between European Union and Ukraine, advantages and disadvantages of signing Deep and Comprehensive Free Trade Area with EU and joining the European Union.

Keywords: deep and comprehensive Free Trade Area, European integration, European Union

Носко М., Давиденко І.В. Відносини між Україною та ЄС: переваги та недоліки підписання угоди про асоціацію. У статті проаналізовано переваги та ризики для України від підписання Угоди про Асоціацію з ЄС та приєднання до Європейського Союзу.

Ключові слова: Європейська інтеграція, Європейський Союз, поглиблена та всеохоплююча угода про зону вільної торгівлі.

Relations between Ukraine and the European Union were first established in December, 1991 when Minister of Foreign Affairs of the Netherlands, holding the presidency of the EU at that time, officially recognized Ukrainian independence on behalf of the European Union [2].

The policy of Ukraine aiming to develop the Ukraine-EU relations is based on the Law of Ukraine dating from the 1st of July, 2010 “On the Foundations of Internal and Foreign Policy”. According to Article 11 of this Law, one of the key elements of Ukrainian external policy is “ensuring the integration of Ukraine into the European political, economic and legal area in order to obtain the EU membership”.

Together with this, the intention of Ukraine to develop the relations with the EU based on the principles of integration was announced long time ago. In the Decision of the Verkhovna Rada of Ukraine (the Parliament of Ukraine) adopted on the 2nd of July, 1993 “On the Key Directions of the Foreign Policy of Ukraine”, Ukraine declared its European integration aspirations for the first time. The document indicated that “the priority of Ukrainian foreign policy is Ukrainian membership in the European Communities, as long as it does not harm its national interests. In order to maintain stable relations with the EU, Ukraine shall conclude Partnership and Cooperation Agreement, the implementation of which shall become the first step towards its association and later, full membership in this organization” [2].

Henceforth, the Ukrainian strategic policy according to the European integration was confirmed and developed within the strategy of Ukrainian Integration to the EU, approved by the Decree of the President of Ukraine on the 11th of June, 1998, and in the Programme of Ukrainian Integration to the EU, approved by the Decree of the President of Ukraine on the 14th of September 2000. In particular, the strategy announced that full membership in the EU was a long-term strategic aim for Ukraine on the way to the European integration.

The support of the EU integration course is also traditionally granted at the Verkhovna Rada of Ukraine. For instance, the corresponding provisions are contained in the Decision of the Verkhovna Rada of Ukraine on parliamentary hearings on the cooperation of Ukraine and the EU, approved on the 28th of November, 2002.

During the recent few years, the European Union considered Ukraine as the country of primary importance in the framework of the European Neighborhood Policy, launched in 2004. The basic principles of the ENP stated the deepening of political cooperation and economic integration between the EU and its member-states. This policy was extended to countries of East Europe, South Caucasus and South Mediterranean, thus, unifying the EU approaches towards the development of relations with countries of the specified regions. Taking into consideration the lack of membership perspectives in the ENP, Ukraine declared at the political level that such a

policy was inadmissible and did not reflect European aspirations.

In 2008, under the pressure of Ukraine and other EU Eastern countries, also in response to the launch of the “Mediterranean Union”, the EU brought forward the proposal to deepen the relations with its Eastern neighbors on the basis of new principles, taking the format of relations with Ukraine as an example (namely, political association and economic integration principles). The initiative was named Eastern Partnership and was launched in May, 2009 during the Eastern Partnership Summit in Prague. The Eastern Partnership does not provide partner countries with a candidate status. The Eastern Partnership is a new multilateral forum for a dialogue between the EU and its neighbors, taking place at regular foreign ministers’ meetings and summits [4].

The EU is seeking an increasingly close relationship with Ukraine that goes beyond mere bilateral cooperation, encompassing gradual progress towards political association and economic integration [3].

A new Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA), was negotiated in 2007-2011 and initialed in 2012. On December, 10, 2012, the EU Foreign Affairs Council adopted the Council Conclusions on Ukraine. This affirmed the EU’s commitment to signing the Agreement (including the DCFTA) as soon as Ukraine takes determined action and makes tangible progress towards achieving the benchmarks set out in the Conclusions.

On November, 21, 2013 the Cabinet of Ministers of Ukraine took a decision to suspend preparations to sign the Association Agreement. The EU takes note of the unprecedented public support in Ukraine for political association and economic integration with the EU and remains ready to sign the Association Agreement on the basis of determined action and tangible progress on the EU’s benchmarks [6].

One of the main conditions that the EU puts in front of Ukraine is the implementation of laws and especially human rights, political freedom, freedom of the speech. Unfortunately Ukraine is not ready to fulfill all requirements of the European Union.

The potential advantages for Ukraine after the signing of the FTA with the EU are the following: improving access of Ukrainian goods and services to the EU market; refitting and upgrading domestic companies, standardization of the manufacture [1]; increasing investments from the EU Members to Ukraine’s economy; harmonization of Ukrainian legislation to EU law; reduction of non-tariff barriers in agricultural trade through cooperation in the sanitary sphere and phyto-sanitary measures [5].

Risks for Ukraine after joining the EU: implementation of new legislative acts; some industries of Ukraine (manufacturing of machinery and equipment, including devices and instruments, chemical manufacturing of rubber and plastic products) will suffer losses because of low level of competitiveness; decline in the competitiveness of certain types of agriculture [5]; worsening export structure because of the reorientation of local exporters for export of raw materials and semi-finished products instead of goods; need to search partners and investors to upgrade manufacture [7].

Conclusion. By signing the DCFTA Ukraine will get more advantages than disadvantages. Ukraine has been trying to become a part of the EU for 20 years. In 2008, Ukraine joined the WTO, which means that the next step will be joining the European Union. Signing the DCFTA would modernize and diversify Ukraine's economy, and, most of all, it will be a milestone in sharing common European values and standards [1]. Creating a deep and comprehensive FTA with the EU will certainly have economic interests for the country. Ukrainian exporters will enlarge the access to a large and stable market of EU, while Ukrainian companies will be able to import advanced capital goods at lower prices, thereby increasing their competitiveness.

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PECULIARITIES OF THE RESTAURANT INDUSTRY IN UKRAINE

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The article deals with the peculiarities of Ukrainian restaurant industry compared with other types of business. It gives a general overview of the domestic catering market as well as characteristic features of the restaurant sector in Ukraine. The reasons for and trends in economic development and growth in this sector are examined. Further trends in the restaurant industry development in Ukraine are defined.

Keywords: catering market, development trends, economic growth, national cuisine, restaurant industry.

Новікова А., Калюжна А.Б. Особливості ресторанного бізнесу в Україні. У статті проаналізовано особливості українського ресторанного бізнесу у порівнянні з іншими видами бізнесу. Зроблено загальний огляд вітчизняного ринку громадського харчування та головних рис ресторанного сектору в Україні. З'ясовано причини та тенденції економічного розвитку та економічного зростання у цій сфері. Визначено напрями подальшого розвитку ресторанного бізнесу в Україні.

Ключові слова: економічне зростання, національна кухня, ресторанний бізнес, ринок громадського харчування, тенденції розвитку.

The restaurant industry differs from all other types of industries. This is the sphere which combines art and traditions, mechanisms of activity and experience in marketing, service philosophy and the concept of potential audience formation. Restaurants play a fairly important role in human life. Apart from satisfying the physiological needs of food, visiting a restaurant has an important social function.

Since the restaurant industry is actively developing in Ukraine and has a place in the global market, it is important to understand the factors of its development, key aspects of the business and its management. A combination of several activities in a single restaurant business makes it unique. A clear understanding of these activities by a specialist results in profitability of the institution and its success as a whole. This explains the relevance of the research conducted.

The aim of the paper is to identify the characteristics of the restaurant business, its common and different features as an economic activity in relation

to others as well as to trace its current development trends and prospects in the Ukrainian domestic market.

A wide range of materials has been used including theoretical papers by Patti J. Shock, John T. Bowen, John M. Stefanelli [8], articles from the popular current internet-magazines («Izvestia», «TSN», etc.) [4]. The findings of Carol Chemelynski studies [7], statistical data of government and private agencies such as «Restaurant Consulting» and «Pro-Consulting» companies [2; 1] form the basis for conclusions drawn in this paper.

Data analysis and comparative methods as well as the method of expert estimates (for forecasting business trends) have been applied in the research.

Catering is a fast growing sector of the economy. Due to the fact that it affects the interests of virtually the entire population (both living in this area, and visitors), catering responds quickly to market needs. Currently, most enterprises in the restaurant business should be classified as multi-product enterprises, as they not only meet the basic physiological needs of the customers, but also communicative needs, the needs for those or other forms of entertainment, as well as obtaining certain cultural goods.

Modern businesses in the catering industry can work closely with various industry sector complexes. In turn, this creates conditions for integrated territorial development, its investment attractiveness, enlarging the number of new jobs in the industry, expanding tourism infrastructure and improving the efficiency of its operation.

Companies operating in the industry are subjected to the particular effects of competitive forces. Let us examine them in more detail.

1. Consumers get satisfaction based on the supplies of products, mainly in the form of services. Properties of these services are not long-term storing and the impermanence of their quality. Sector enterprises must constantly seek competitive advantage through the implementation of standardization of products, enhanced quality control, supply of minority character accompanying services, etc. [5, c. 21].

2. The scale of a restaurant business is not decisive in the competition. Large restaurant complexes do not always have obvious economic advantages of the scale (traditionally inherent in other business areas) before the minor forms of the restaurant business [5, c. 22].

3. The formation of competitive strategy is largely determined by the nature of the region served. The regional segment in which the company operates, can be a determining factor in the formation or adjustment of the business philosophy, the choice of its marketing concept and strategy [5, c. 22].

4. In a competitive market of restaurant industry more non-resident entrepreneurs compete successfully with residents. The role of foreign capital in the industry is growing steadily. The opening of foreign and joint ventures in the restaurant sphere in Ukraine, the promotion of national cuisines from different nations of the world as well as various types of activities and holidays with the active participation of Ukrainian and foreign capital are becoming the modern regularity of development of the restaurant business [5, c. 23].

5. The role of government regulation in the industry is quite high. The state as an agent of management closely monitors hygiene standards, proper requirements for purchased products – finished products and food material, as well as products manufactured by the enterprise.

6. In the restaurant industry mainly small and medium forms of business dominate. Accordingly, this business sector is subjected to all features of small business and resulting advantages and disadvantages [8, p. 36].

National restaurant industry does not claim to make a significant impact on the global market as it's quite new and has no competitive advantage. However, in Ukraine, over the last six years the catering market has increased from UAH 12.3 billion to UAH 28.4 billion, according to the company «Restaurant Consulting» [6] (Table 1). The highest growth rates seen in 2011 – 21%. In 2013 the growth rate is not so significant, it is rated at 10-12 %, that is about 31.8 billion UAH in quantitative terms.

Table 1

The volume of restaurant market in Ukraine in 2008–2012

Period	The volume of market, billion
2008	12,3
2009	17,8
2010	20,4
2011	24,6
2012	28,4

Source: [6].

At the same time, according to experts of the company «Pro-Consulting», only in 2012 the number of establishments increased by 13% compared to 2011, reaching almost 900. Experts attribute this recovery to high profitability of this business – 30–35% per annum, which is much higher than in the EU with 10–15% [6].

The largest market share, about half, is occupied by lower price segment places. Another 40% of the market are occupied by middle price segment places, the remaining 10–12% – luxury restaurants [6].

Catering outlets in Ukraine compared to the U.S. and Europe are still insufficient. For example, in a western restaurant the average number of customers per one place is up to eight people in a country, and in Ukraine – 35 people. Yet experts say that the domestic restaurant culture shows promise in improving the service and Euro 2012 being a catalyst for change, due to heavy investments in new points of catering [6].

The first place on the level of the restaurant business belongs to Lviv, where 1.6 thousand inhabitants fall on one catering institution, while in Kiev – 2.5 thousand, that shows a significant difference taking into account the difference in the number of population in these cities. However, Lviv would fall behind if placed in the ranking of other European, American and Asian cities.

The most popular national cuisines among Ukrainians are Italian and Asian. They account for 20% and 15% of all restaurants in Ukraine, and among Asian institutions Japanese restaurants dominate. From year to year the restaurant industry in Ukraine is growing rapidly, with 1:2 ratio of foreign and domestic businesses presence on the market [6]. At the same time, despite the changes for the better Ukrainian restaurants are distinguished by high prices, coupled with poor service. The author of Helen's Cooking blog Elena Koval, who has long lived in the United States, remarks that the prices of American food services are comparable to Ukrainian, but the portions there are a few times larger, but eating in Czech, Polish, Bulgarian restaurants can be 20% cheaper [4].

In general, the trends of the restaurant industry in Ukraine are distinguished by several features. They are as follows:

1. Over the past 15 years restaurants have changed their status of institutions for a narrow range of the selected few towards average consumers.

2. The trend towards so-called «democratization» of the business will continue in the future. A new «restaurant for low-income customers» format is an institution with a beautiful interior, furniture, kitchenware and good ventilation, but with affordable prices. Institutions of this type are the most popular in our country, and will remain so in the future.

3. The main criteria for choosing a restaurant are increasingly becoming neither interior nor prestige of the place but quality cuisine as throughout the civilized world.

4. Changes in the needs and capabilities of Ukrainians are reflected in the formats that developed most actively in 2013 such as cafes with Ukrainian, Italian, Japanese cuisine, sushi bars, coffee shops, pastry shops, bakeries, fast foods and street foods, etc. [3].

5. Ukrainian catering breaks a record in terms of profitability and the average payback period is 2–2.5 years compared to 5 years in Europe. Experts attribute this not only to the fact that almost all the waiters and chefs are paid in an envelope, but that their earnings are at times lower than in Europe [3].

It should be noted that experts have no doubt in the future growth of the domestic market, as well as it will increase the proportion of democratic segment in the restaurant industry in Ukraine. In the near future places of low price segment (format «casual dining») will open actively, while places of mid-price segment will also achieve a good growth. A great future awaits cafes and pubs which over time will become more conceptual and improve in quality [6].

According to «Restaurant Consulting» forecasts in the future the market will grow by no more than 10-11% per year [2]. There will be an increase in the number of specialized places: grill restaurants, «anticafe» (no payment for food - drinks but for the time spent), yoghurteries, cafes free-flow, unusual places with kitchen or accent dish, eco-restaurants, mobile coffee shops, pubs, cafe-cooking restaurants with active entertainment, children's cafes.

To summarize, the restaurant industry in Ukraine plays a vital role in addressing many socio-economic problems of the country and the region. It responds to current trends in the market of restaurant services, reflects the needs and capabilities of Ukrainians and is characterized by the predominance of domestic businesses. This contributes positively to Ukrainian economy and makes it investment attractive. Despite a slight recession following the rapid market growth of the industry until 2012, positive forecasts envisage a steady growth in this field particularly of middle price segment restaurants with the development of new formats and better levels of services.

Market research on a particular company, its administration and management features can be seen as prospects for further research.

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BILATERAL TRADE AND ECONOMIC COOPERATION BETWEEN UKRAINE AND SPAIN: DYNAMICS AND TRENDS

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The article deals with the state of international trade and economic relations between Ukraine and Spain, and dynamics and trends for the period from 2008 to 2013. It provides levels of Spanish investments to the Ukraine's economy.

Keywords: balance of trade, exports, goods, imports, investments, services, Spain, Ukraine.

Ольховий А., Давиденко І.В. Стан двостороннього торговельно-економічного співробітництва України та Іспанії: динаміка та тенденції. У статті проаналізовано стан міжнародних торговельно-економічних відносин України з Іспанією, виявлено динаміку та тенденції за період з 2008 по 2013 рік. Визначено рівень іспанських інвестицій, залучених в економіку України.

Ключові слова: експорт, імпорт, інвестиції, Іспанія, послуги, сальдо, товари, Україна.

During the last years we can see dynamic development of trade and economic cooperation between Ukraine and Spain. However, the potential for further growth of bilateral trade is far from being exhausted, there are also prospects for expanding the structure of Ukrainian-Spanish trade.

The *goal* of this research is to analyze the trade and economic relations between Ukraine and Spain, reveal levels of Spanish investments to the Ukraine's economy and its dynamics and trends for the period from 2008 to 2013. The *methodological basis* of the research is systematic (integrated) approach, that takes into consideration the whole variety of factors that affect the formation

and development of Ukrainian-Spanish economic relations. During the research such *methods* as descriptive, structural-functional and comparative analysis, the historical and problem-chronological approach were also used. The *subject* is investigated by domestic and foreign scientists as well. Recently, aspects of Ukrainian-Spanish economic relations have been analyzed by many authors, notably V. Chaly, A. Halchynsky, K. Kvasha, S. Makuha, A. Scherba and others.

During 2010–2012 there was a steady tendency of increasing the volume of bilateral trade in goods and services between Ukraine and Spain (2010 – 927.8 mln US dollars, 2011 – 1772.6 mln, 2012 – 2382.9 mln US dollars with positive balance of trade for Ukraine). Following the 2013 a relative decline in these volumes is expected [3].

According to the State Statistics Service of Ukraine, bilateral trade of goods and services in January-September 2013 amounted to \$1.3 bln US and decreased by 17.2% compared to the same period in 2012. Exports decreased by 34.7% and imports increased by 15.0%. The balance of trade was positive for Ukraine and was 25.4 mln US dollars.

During January – September 2013 the volume of bilateral trade leveled at \$1.2 bln and decreased by 17.8% compared to the same period in 2012 (Table 1). Exports dropped by 34.2% to 630.3 mln US dollars, imports grew by 14.6% to 610.9 mln US dollars. Positive balance of trade for Ukraine was 19.4 mln US dollars.

The major commodity items of Ukraine’s exports to Spain were: cereals (almost 63% of the total), fats and oils of animal or vegetable origin (14.5%), seeds and oleaginous fruits (8.2%).

The main commodity items in imports were: vehicles, except railway (11.9% of the total), edible fruits and nuts (11.5%), pharmaceutical products (9.2%), various chemical products (8.8 %), boilers, machinery (6.1%) [1; 3].

Table 1

**Dynamics of foreign trade of goods between Ukraine and Spain
(mln US dollars)**

Period	Amount, mln US dollars	+/-, % to the previous year
2008	1530,2	+55,1
2009	942,6	-38,4
2010	949,1	+0,7
2011	1655,9	+74,5
2012	2285,8	+38,0
2013	1241,2	-17,8

Source: [1].

As of July 1, 2013, according to the State Statistics Service of Ukraine, direct investment from Spain to the economy of Ukraine was 65.4 mln US dollars (Table 2) and decreased from the beginning of this year by 7.2% (5.1 mln). Spain is currently ranked 35 among foreign investor countries in Ukraine with a share of 0.1% of total foreign direct investment [1; 4].

In August 2013 a contract between “Ukrenergo” and “Instalaciones Inabensa SA” was signed on the construction of 750 kW overhead line Zaporizhska NPP – Kakhovska. The contract value is 55.5 mln euro (the funds of EBRD and EIB are also involved). The negotiations on signing the contract between the company “Isolux Corsón” and “Ukrenergo” on building transmission lines as a part of the Project of Transmission of Electricity (IBRD funds are also involved) still continue. Such Spanish companies as “NEW IBEREX”, “EREDA Energhas Renovables y Desarrollos Alternativos”, “EPTISA S.L.” are working out with Ukrainian partners the feasibility of joint projects in the fields of renewable energy, agriculture, construction and transport infrastructure [2; 5].

Table 2

**Dynamics of Spanish investments to the economy of Ukraine
(mln US dollars)**

Period	Amount, mln US dollars	+/-, % to the previous year
2008	63,4	+32,6
2009	58,9	-7,1
2010	70,6	+19,9
2011	72,6	+2,8
2012	71,0	-2,2
2013	65,4	-7,2

Source: [2].

In October 2013 during the visit of the delegation of Cherkasy region to Spain indoors Madrid Chamber of Commerce with the support of the Embassy a presentation of investment projects on construction, renewable energy and tourism of Cherkashchyna was held.

The establishing of contacts between business circles of the sides is the main result of this meeting [3].

Conclusion. Spain is a very important economic partner and it is interested in the development of bilateral relations with Ukraine in the political, economic and cultural fields, and in promotion of Ukraine’s course towards European integration. A special feature in the commercial cooperation between Ukraine and the Kingdom of Spain is a dominance of Ukrainian exports over imports

of goods and services. Spain is also an important investor among foreign investor countries in Ukraine, although its share is insignificant (0.1% of total foreign direct investment). Despite the global financial crisis of 2008–2009, which resulted in decreased volume of trade, countries were able to resume cooperation and even exceeded pre-crisis levels.

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PROSPECTS AND CONSEQUENCES OF A DEEP AND COMPREHENSIVE FREE TRADE AREA BETWEEN UKRAINE AND THE EUROPEAN UNION

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The article provides possible consequences of signing an Association Agreement and the creating a deep and comprehensive free trade area between Ukraine and the European union, as well as prospects and challenges associated with it. It was analyzed the positive and negative aspects of creating a deep and comprehensive free trade area for individual institutional units of the economy. It was brought out the differences between the effects on business, consumers and government of Ukraine.

Keywords: Association Agreement, business, consumers, European integration, European Union (EU), free trade area (FTA), globalization, government, Ukraine.

Осадчук М., Карпусенко М.В. Перспективи і наслідки створення поглибленої і всеосяжної зони вільної торгівлі між Україною та Європейським Союзом. У статті надано можливі наслідки підписання Угоди про Асоціацію та подальшого створення поглибленої та всеосяжної зони вільної торгівлі, а також перспективи і проблеми, пов'язані з цим. Проаналізовано позитивні і негативні сторони створення поглибленої та всеосяжної зони вільної торгівлі для окремих інституційних одиниць економіки. Виявлено відмінності між наслідками для бізнесу, споживачів та уряду України.

Ключові слова: бізнес, глобалізація, Європейська інтеграція, Європейський Союз (ЄС), зона вільної торгівлі (ЗВТ), споживачі, Угода про Асоціацію, Україна, уряд.

In its importance and thematic coverage, the Association Agreement is the most extensive international legal document in the whole history of Ukraine and the most extensive international agreement with a third country ever concluded by the European Union.

The *goal* of the article is to illustrate prospects and consequences of a deep and comprehensive free trade area between Ukraine and the European Union for Ukraine as a whole and such individual institutional units the state's economy as (business, consumers, government).

The theme of the European integration is really *relevant* for Ukraine nowadays, the country need to develop in the world of globalization, and the European integration is the priority of foreign policy of Ukrainian.

Methods of research are analysis of current documents and forecasting.

AA is the most advanced type of international agreements, which the EU may conclude with a non-candidate states like Ukraine – countries with which the EU is ready to develop strong long-term alliance, based on mutual trust and respect.

It covers the following fields of cooperation:

1. Bringing together the European Union and Ukraine on the grounds of common values and an increased participation of Ukraine in EU programs.
2. Helping Ukraine to achieve European standards in the areas of justice and home affairs by promoting the rule of law, democracy and human rights in Ukraine, as well as providing support in the fight against corruption.
3. An enhanced economic cooperation by establishing a deepened and strengthened free trade area between the EU and Ukraine.
4. Launching new ways of cooperation, providing funds and building up a platform for a civil society.

The urgency of forming a free trade area with the European Union for Ukraine is due to both the geopolitical situation of the country and its desire to

directly participate in the formation of the European system of international relations. Thus, the creation of a stable state, raising the level of social security, economic independence, bringing the state standards in line with international standards are an important part of the process of Ukraine's integration into the EU.

The main objectives of the Agreement are including the creation of associations, reducing the gap between Ukraine and the EU. This process will be based on shared values, deepening of economic and trade relations, in particular by establishing the Deep and Comprehensive Free Trade Area (DCFTA) enhancing cooperation in the fields of justice, freedom, and security.

The DCFTA provides for liberalization of trade in both goods and services, liberalization of the flow of capital and the labor force flow. A characteristic feature of the DCFTA between Ukraine and the EU will be the realization of a comprehensive program to harmonize sectoral legislation and regulations of Ukraine (transport, energy, services, agriculture, etc.) with the relevant EU standards.

The economic, sectoral and trade parts are the largest in volume and the most sophisticated ones in terms of details provided for in AA components. However, it is this part of the AA that may bring the best results for Ukraine – for consumers, businesses, etc. – already in the near future [1].

Overall, trade liberalization between the EU and Ukraine is expected to contribute to growth in 5 sectors and industries. The total growth in the Ukrainian economy under the DCFTA scenario is on average forecasted at 11%. However, we also should note that due to the global financial and economic crisis and differences in methodologies of the above-mentioned studies, these estimates require significant adjustments.

Consequences of forming the DCFTA for individual institutional units of the state's economy (business, consumers, government) will be different. In particular, for businesses realization of the economic component of the PA, including creation of the DCFTA, will mean:

1. New opportunities for exports into the EU by reducing tariff and, most importantly, non-tariff barriers to entering the EU market, which is currently the largest regional market and one of the two largest trade partners of Ukraine. Potential economic benefits of any regional integration project are positively connected with the size of the market with which this integration takes place.

2. Improving access to markets of third countries through harmonization of Ukrainian technical regulations and standards with the relevant EU regulations,

which will mean transition to international standards, as well as by entering into the above-mentioned regulatory space compatible with the rules agreed in the framework of agreements between the EU and third countries.

3. A more favorable domestic business climate, as adaptation of EU standards and rules will lead to changes in the national legislation. In turn, these changes will result in transparent rules familiar to foreign investors making conditions in the domestic market more attractive for them and encouraging an inflow of foreign investments into the country, which will reduce the cost of capital.

4. A gradual increase in domestic competition due to gradual liberalization of tariff and non-tariff limitation on trade. This will lead to redistribution of resources, i.e. of labor and capital, among companies or even among sectors. It will also be favorable for more competitive companies as well. In the long-term prospect, this will have a positive effect on the economy of the state increasing its efficiency and stability.

5. Increased costs of self-satisfaction with “social” standards, including professional safety requirements, environmental standards, providing for a certain level of social security, etc. Self-satisfaction with certain minimum social requirements is covered in the section of DCFTA arrangements focused on trade and sustainable development [3].

For consumers, formation of the DCFTA with the EU will mean:

1. Increased income due to new job creation and growth of production output. However, this income growth will depend on the enterprise or the industry where the individual is employed. Therefore, the labor market will see some changes that will, however, be extended in time due to existence of long transition periods to implement DCFTA formation arrangements.

2. Enhanced level of social protection due to including into the DCFTA arrangements text issues related to ensuring occupational safety and labor standards, social security, environmental requirements, etc.

3. Access to a wider range of products due to reduced tariff and non-tariff barriers on trade with the EU. These changes will result in the appearance of transparent rules for foreign investors, making conditions in the domestic market more attractive them and encourage foreign investment in the country, which will reduce cost of capital.

4. Increased safety of products offered in the domestic market through harmonization of product safety requirements with international standards. This is extremely important for the country that suffers problems related to insufficient safety control, especially food safety.

5. New requirements for qualification, as competitive businesses will demand greater efficiency from their employees, as well as the ability to comply with new standards, e.g. in the food industry [2].

For the government, effects of DCFTA creation include:

1. Additional budget revenues due to strengthening of economic activity in the country. As noted, the simulation scenario of DCFTA creation forecasts the real GDP growth by 11% in the long run, due to both reduction of tariff barriers to trade, and – to a greater extent – due to reduction of non-tariff limitations.

2. Improved public finance management efficiency through realizing reforms in the fields of budgetary policy, internal control and audit, state aid and public purchases, where the Ukrainian legislation is expected to become closer to the EU legislation.

3. Additional opportunities to complete the economic reforms already launched. For example, the reform of technical regulations and sanitary and phytosanitary control and making them compliant with international rules and regulations, including European ones, has long been on the state's agenda.

4. Additional costs for rapid reforms' implementation. As noted above, Ukraine will have 2 to 7 years to implement the changes in its legislation so that it gets close to the EU legislation. At the same time, the country can get technical and financial assistance from the EU.

5. The costs of the implementing the DCFTA, primarily for implementation of an active labor market policy, which will be needed to make easy the process of adapting the state's economy to new conditions.

In conclusion we can say that the signing of the Association Agreement between Ukraine and the European Union has a lot of positives in the future like new opportunities for exports, more favorable domestic business climate, access to a wider range of products. But also should not forget about the difficulties such as requirements for quality and qualification, a gradual increase in domestic competition and additional costs for rapid reforms' implementation and self-satisfaction with "social" standards that need to be taken into account. This is not an easy way. Europe make terms and Ukraine must comply them. The Association Agreement is not EU membership. And to become a full EU member Ukraine need to do a lot of work.

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THE BUILDING-UP OF POSITIVE IMAGE OF KHARKIV REGION AS BASIS FOR DEVELOPMENT OF TRANSBORDER COOPERATION

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This article deals with the building-up of Kharkiv's positive regional image within the framework of transborder cooperation with Belgorod region. It is also considering important elements of regional image such as economic, political, social, environmental, informational and investment elements and their influence on building-up of Kharkiv's regional image.

Keywords: euroregions, marketing informational system, regional image, regional potential, transborder cooperation.

Панова А., Карпусенко М.В. Формирование позитивного имиджа харьковского региона как условие развития трансграничного сотрудничества. В статье рассмотрено формирование позитивного имиджа Харьковского региона в рамках трансграничного сотрудничества с Белгородским регионом. Также проанализированы важные составляющие регионального имиджа, такие как экономическая, политическая, социальная, экологическая, информационная и инвестиционная. Было проанализировано их влияние на формирование имиджа Харьковского региона.

Ключевые слова: трансграничное сотрудничество, региональный имидж, еврорегионы, региональный потенциал, маркетинговая информационная система.

Relevance. Today European Border Regions are one of the most efficient forms of economic cooperation. The development of transborder cooperation helps to solve a lot of problems using to the best national and regional potential.

Goal. The analysis of the structural elements of the Kharkiv's regional image.

Results. Today there are eight European Border Regions in Ukraine. The first four had been created in cooperation with EU-countries, and the last four – with Russia. The first European Border Region created in cooperation with Russia was Euroregion Slobozhanschina, which covers Kharkov and Belgorod regions.

There are five goals of transborder cooperation between Russia and Ukraine that need to be solved within Euroregion Slobozhanschina. One of them is development of regional marketing informational system of Euroregion Slobozhanschina.

One of the stages of solving this problem is the building-up of positive image of Kharkiv's region, which is the part of Euroregion Slobozhanschina.

The building-up of positive image of a region influences its social, economic and political development [1]. The positive image also helps to support authority of a region at the international level and gives the opportunity to the advancement and realization of regional interests.

The term of regional image contains the following elements: economic, social, political, informational, investment and ecological.

Undoubtedly, economic situation of the region is one of the most important forces of the image building up. The reason of it is its influence on other forces. The key indexes are the amount of created jobs, the level of the city business activity and population. In 2012 36,049 new jobs were created in Kharkiv – one of the highest numbers in Ukraine. According to the data of 1 April 2013 given by The State Committee of Statistics the average salary in Kharkiv was 2,927 UAH. This figure is not the highest one in Ukraine. The highest salaries are received by the inhabitants of our capital (4,743 UAH), Dnepropetrovsk (3046 UAH), Nikolaev (3,038 UAH), Donetsk (3,972 UAH), Zaporozhzhia (3,099 UAH). According to the rate of population Kharkiv is one of the leaders (1,432,000 people). Our city takes the second place after Kyiv, which population is 2,847,000 people [2].

The building-up of positive regional image is also based on social indexes, which reflect the efficiency of the social development of the region. Positive social indexes can attract new inhabitants, tourists and students to the region. This article considers such indexes as the city budget expenditures per person, rate of unemployment, rate of stationary medical help maintenance, maturity of infrastructure. The index of the city budget expenditures per person in Kharkiv is 3,122 UAH. It is one of the lowest among the regional centers.

A lower index we can see only in Chernigov (2,379 UAH/person) and Simferopol (2,333 UAH/person). Talking about the rate of unemployment, there were 6300 unemployed in 1 January 2012 in Kharkiv. This number is 8,2% less than previous year and 43,700 people less than it was in 2009 when the region had the highest rate of unemployment in Ukraine. According to the Focus journal Kharkiv is in the top-ten rating of stationary medical help maintenance taking 7th place. As for the maturity of infrastructure Kharkiv takes 11th place [3].

Concerning the political element of Kharkiv's regional image now the instability of political relations between Russia and Ukraine causes the negative impact on the building-up of Kharkiv's regional image. This impact is particularly strong taking into account that Russia is the only country, which shares borders with Kharkiv region.

Today the majority of ideas are created with the help of mass media. That is why the development of informational element of regional image is so significant. The idea about the region can be developed with the help of articles, TV-programmes, ratings. As for the latter, Kharkiv is successfully taking up high-end positions there. Following the results of 2011, our city took the 5th place in the Top-20 rich cities of Ukraine having given up to Donetsk (1st place) and Kiev (2nd place) only. Kharkiv is also taking the 4th place in Top-20 comfortable cities of Ukraine where the first three places have been shared between Chernovtsy (1st place), Kiev (2nd place) and Yalta (3rd place). What is more, the educational programmes of Karazin National University, Kharkiv National University of Radioelectronics and NTU KhPI entered the list of the best educational programmes of Ukraine.

The building-up of regional image is influenced by the investment element that is based on numerous indicators. Investment helps to enhance the region's economic potential. According to the rating of investment attractiveness composed by the State Agency for Investment and National Projects of Ukraine Kharkiv region took the first place. A lot of forces have played their role in it [7].

First, there are a lot of high-educated people among the work force of Kharkiv (34%) which also influences the investment attractiveness. Secondly, regional universities take up high-end positions in national ratings. Thirdly, Kharkiv also has high investment attractiveness in terms of consumer segment. What is more, the region raised foreign investments of 2,7bn USD in 2012. As for the number of research establishments our region takes the 2nd place in Ukraine. There 189 research establishments in the region (15,1 % of the total number in Ukraine).

The key role in building-up of the region's image is played by environmental situation. This index is the only one among all above which gives a negative impact on Kharkiv image. According to the data given by State Administration of Environmental Protection, the ecological situation of the region is consistently stressed. At the same time the decline in output partially restrains the processes of environment degradation. In terms of environmental pollution Kharkiv takes the 15-16 place in Ukraine [8].

In conclusion we can say that Kharkiv has quite a large basis for building-up the positive image. The positive elements are high investment attractiveness, high population, which makes one of the biggest consumer segments in Ukraine, high-end positions in national ratings. The negative elements are environmental situation and political instability connected with relations between Russia and Ukraine.

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PROBLEMS IN TOURISM PRODUCT ADVERTISING

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The article deals with the peculiarities of the tourism product together with its spread onto the tourist market. The current state of advertising of tourism services is analyzed. The problems in tourism product advertising are revealed. The ways of its development are provided.

Keywords: advertising, tourism product, tourism market.

Поліванова В., Літовченко Я.М. Проблеми у сфері реклами туристичного продукту. У статті розглянуто особливості туристичного продукту а також його поширення на туристичному ринку. Виявленні основні проблеми реклами туристичного продукту. Проаналізовано сучасний стан реклами у сфері туристичних послуг, виявленні проблеми та сформульовано шляхи розвитку.

Ключові слова: реклама, туристичний продукт, туристичний ринок.

Advertising is primarily a set of words and graphic images by which an advertiser is trying to influence the consumer. It is well-known that the words and images never turn into action automatically. Otherwise, the children would always obey their parents, pupils – teachers.

Tourism advertising is tourism-related marketing on the part of a private or public entity directed towards audiences abroad, and might target potential travelers and non-travelers alike. Wholly private firms such as travel agencies, hotel chains, cruise agencies, non-governmental organizations often run their own advertising campaigns to market their existence, mission, or services and/or goods offered to the consumer, and these advertisements seldom carry intentional political messages. On the other hand, advertising distributed by governments themselves, such as through tourism ministries or government-

owned private sector enterprises, is sometimes intended to convey more than simply the value of the product, service, or experience; governments can use tourism ads as a channel for communicating directly to the public of other countries because tourism is a common and internationally encouraged industry and the advertising of it is subject to minimal content regulation [1; c. 104].

As the global travel market continues to expand with yearly increasing flights among international destinations, advertising efforts on the part of the major actors in this market are also increasing. Advertising campaigns to promote travel to destinations abroad are particularly prevalent in western countries where the general public's expenditures on tourism tend to be consistently high, even in light of the economic recession. Many advertisers, which include both private entities and foreign governments themselves, share the intended goal of increasing their own revenue by popularizing their service or destination to boost receipts from travelers; however, some travel campaigns have additional or alternative purposes, such as promoting good public sentiments or improving existing ones towards them among the target audience. Sometimes, states may use the branding of a product or service, itself, as a means of conveying a specific message without explicitly stating the message; this tactic is often used to soften the implied message itself, thus allowing the brander to sidestep or minimize controversy or opposition [4; c. 203].

Mostly, examining the problem of influence in an advertisement, the special attention is paid to the realized and unrealized influences, also differences between the rational influences, based on logics and arguments, and irrational ones, based on emotions and feelings are examined in detail [2; c. 76].

The particular character of the tourist product causes restrictions and imposes certain directions, regarding the type of communication and the means which can be used. The determination of the nature of the tourist product also indicates the way it will be managed and advertised.

It is a special type of private consumption which includes a line of individual products and services and is influenced by distinguishable governmental policies. A major characteristic of the tourist product is its intangible nature. The provision of services is not about the transferring or the acquisition of natural objects. Thus, consumers cannot see, touch or picture what they are buying in any way. Therefore, it is not possible for someone who wants to buy a service to estimate its quality before this service is provided. The intangible character of services decreases the ability of the consumer to distinguish the differences between providers and leads to "generalization". That means that the consumer

tends to conceptualize all services in a similar way. In order to deal with this problem, there have been propositions that could help a product-service acquire a more “tangible” character when a particular offer is presented to the consumer. Four methods were proposed:

1. Visualization
2. Association
3. Physical Representation
4. Documentation.

The main ones are “Visualization” and “Documentation”.

Generally, “visualization” and “documentation” are two methods which are very effective in the advertising of tourist products or services, especially if these methods are combined, since they are complementary. With “visualization”, the consumer is provided with a lot of information about the service and its quality, and therefore the probability to accept the offer is increased. However, “visualization” alone does not increase the “uniqueness” of a service and does not effectively differentiate it from the services offered by competitors. “Documentation” is the way to solve this problem, by providing the appropriate information so that the uniqueness of a service is highlighted and its qualities are promoted.

A very important finding of other studies regarding the advertising of services is that people are more concerned in searching information when the motive for the purchase and consumption of service is the amusement or pleasure. In the case of “hedonic” services, people have a higher level of involvement. Travels and tourism are included in this category of services. People participate in tourism mainly in order to enjoy physical, mental and intellectual experiences

So, the tourist product is a set of all expressed tangible and intangible elements. Tourism industry businesses who would like to be on the market have an informal task of selling “hospitality”. This complicates the problem of selling its services to potential customers and at the same time enhances the role of advertising and the development of other forms of communication system. For an effective tourism advertising should be able to take into account the specifics of the industry and integrate into a single system several aspects of advertising. This is a high-quality artistic image, personifying a particular tour or service that is transmitted using elements such as beautiful photo (in press) or video (on television), and which is provided complete and accurate information, which is designed to attract a specific target audience and reflects their needs [3; c. 89].

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CORRUPTION IMPACT ON ECONOMIC GROWTH AND DEVELOPMENT

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This paper aims to give a brief overview of the corruption phenomenon in the world and Ukraine. It reveals the causes of this “*social disease*” and its impact on economic development. A nexus between corruption and GDP per capita level on cross-country evidences was considered and proved empirically.

Keywords: correlation, corruption, economic development, GDP per capita, Ukraine.

Позднякова А., Давиденко І.В. Вплив корупції на економічне зростання та розвиток. Метою статті є надання стислого огляду явища корупції в Україні та світі. У статті зазначено причини цієї “*соціальної хвороби*” та її вплив на економічний розвиток. Було розглянуто та емпірично встановлено зв’язок між корупцією та ВВП на душу населення.

Ключові слова: ВВП на душу населення, економічний розвиток, кореляція, корупція, Україна.

The problem of corruption has been with us for centuries and is widely regarded as “*a cancer*” of the 21st century. Unfortunately, every day, all over the world, ordinary people bear the cost of corruption.

According to Transparency International:

- more than one in four people (27 per cent) around the world report having paid a bribe in the last 12 months when interacting with key public institutions and services;

- the majority of people around the world believe that their government is ineffective at fighting corruption and corruption in their country is getting worse;
- personal contacts and relationships are the most common instrument to get things done in the public sector in their country [8].

According to the OECD (Organization for Economic Co-operation and Development), the world economy losses from 500 billion to 1 trillion dollars annually due to the corruption practices. Corruption accounts for nearly 3–5% of global GDP. In Ukraine, corruption is recognized as a threat to the national security, we lose about 20 billion dollars annually due to corrupt practices [2].

Leading institutions (the WB and IMF) have identified corruption as the ‘*greatest obstacle to economic and social development*’. The most widespread definition of corruption was given by the World Bank (1997) “*corruption is the abuse of public office for private gain*” [9].

Corruption causes people in corrupt countries to stay poor and illiterate, suffer from high mortality rates, high dropout rates in primary schools [5].

Thus, the impact of corruption on economic development is an important research problem, the solution of which may be useful for Ukraine in future.

There are two main types of corruption:

- low level (bureaucratic) corruption: people are exposed to it daily when they have to pay a bribe to receive a service (which is a free right of any citizen) from a government official;
- high level (grand) corruption: high-ranking officials exploit their positions to extract large bribes from national and transnational corporations, also includes embezzle of large sums of money from the public treasury into private (often overseas) bank accounts [4].

There are three basic conditions for corruption to survive: discretionary powers; weak and ineffective public institutions; existence of rents associated with discretionary powers [4]. Moral component (values of the whole society and each individual personally) should also be taken into consideration.

Some authors see corruption as the treatment against inefficient government regulation (“*the grease in the wheels of commerce*”) [6]. However, those authors miss the point – the more they bribe the more regulations will be established. We can consider the impact of corruption within 3 scopes:

1) economic scope:

- shadow sector expansion \Rightarrow a financial control loss \Rightarrow tax payments reduction;
- violation of competitive mechanisms in business \Rightarrow increase of inefficiency in business processes;

- misallocation of public funds and resources;
 - reduction of the economy attractiveness to foreign investors;
 - increase of costs (serves as additional tax).
- 2) political scope:
- loss of confidence in all political leaders;
 - violation of the objective process of establishing the legislative framework;
 - lack of accountability \Rightarrow decrease in the officials' efficiency;
 - judicial decisions are sold or become an object of political manipulation;
 - loss of the country's prestige on the international arena.
- 3) social scope:
- reduction in the quality of provided services (education, health);
 - reluctance of foreign governments to provide humanitarian assistance;
 - income inequality \Rightarrow increase in social tensions \Rightarrow growth of crime;
 - lack of equal opportunities for everyone.

The greatest problem with corruption – even though it affects the whole economy it seems to target the most vulnerable people. It hurts the poor tremendously by decreasing an economy's growth rate, introducing costs and benefits that create a bias against the poor and causing income inequality [10].

Corruption may be one of the factors of “brain drain”, since people, whose skills are undervalued when bribing or personal contacts are involved, often choose to leave their country and seek a better life.

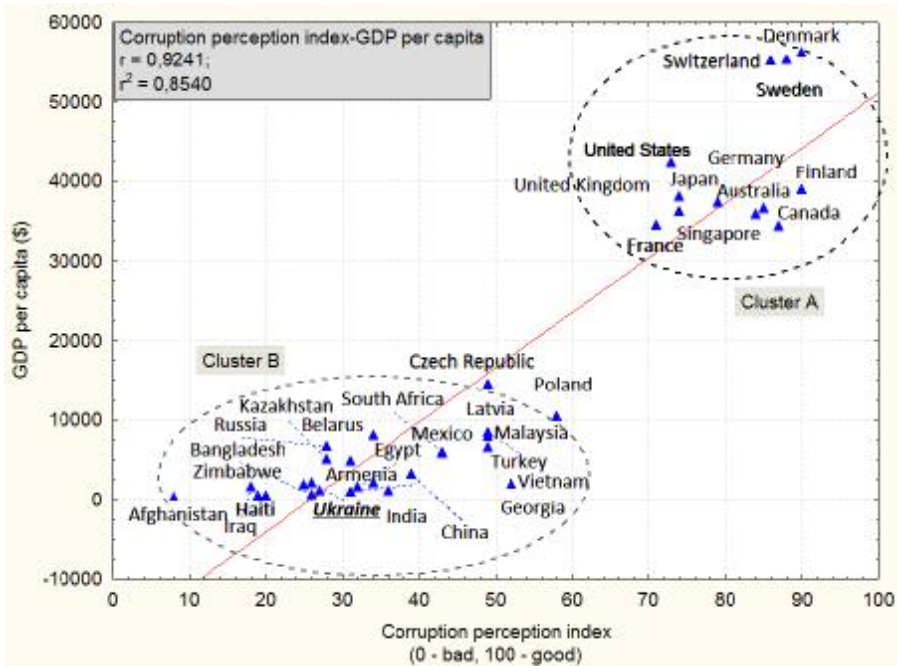
Serious empirical research on the link between corruption and growth began with Mauro. He found a negative nexus between corruption and growth rates [6].

Based on the newest data we have studied the nexus between GDP per capita level and Corruption perception index (CPI) for cross-country selection. They appeared to be highly correlated ($R=0,92$). We have also identified two clusters based on our scatterplot (*see figure 1*). Cluster A includes countries with high incomes and low corruption, cluster B is vice versa.

Therefore, a number of conclusions may be drawn from this: countries with lower level of income tend to be more corrupt (CPI is close to 0); corruption may actually cause countries to become poorer; Ukraine belongs to cluster B.

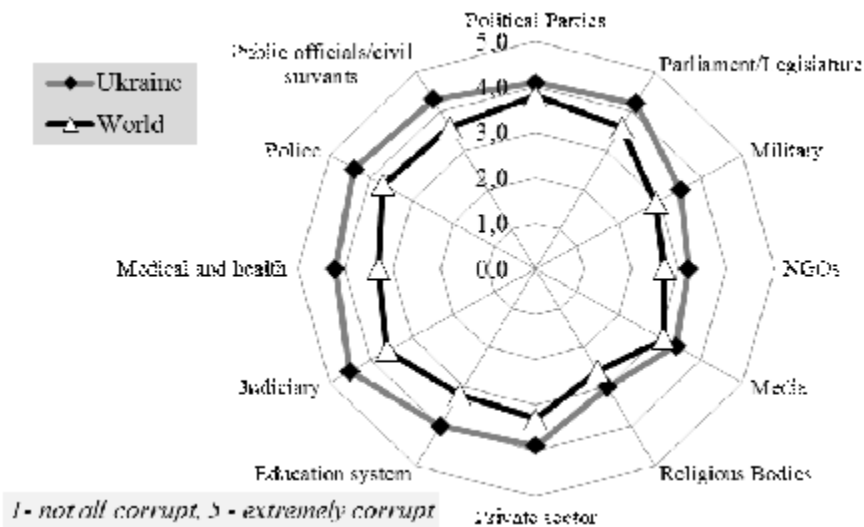
Corruption is a great problem in Ukraine (*see Figure 2.*).

Figure 1



Source: [8, 9].

Figure 2



Source: [8].

According to Global Corruption Barometer survey, only 4% of respondents in Ukraine consider governmental actions in the fight against corruption to be effective versus 22% in the world [8].

However, the greatest problem in Ukraine nowadays is that people do not believe anything can be changed or even worse, they do not want to change anything. Only 26% of respondents would report an incident of corruption (versus 69% in the world) [8].

To combat corruption we need an effective anti-corruption legislation and political will to implement it, active civil society to control the process, corruption incentives elimination (lifting economic barriers, establishing fair wages and so on) and inevitable punishment of those involved in corruption practices [1].

Corruption is a global problem, but it can be tackled only within national boundaries with the desire and involvement of each particular individual.

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TAX REGULATION AND ECONOMIC BENEFITS OF OFFSHORE BUSINESS

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The article deals with the mechanism of functioning of offshore business, its tax regulation as well as with the economic benefits of offshore enterprises.

Keywords: double taxation, offshore, tax credit, tax exemption, tax income, tax legislation.

Предибайло Ю., Давиденко І.В. Податкове регулювання та економічні вигоди офшорного бізнесу. У статті проаналізовано податкове регулювання та ризики подвійного оподаткування в офшорному бізнесі. Визначено основні економічні вигоди офшорного бізнесу.

Ключові слова: звільнення від податків, офшори, податкове законодавство, податковий кредит, подвійне оподаткування.

Offshore is one of the most effective methods of tax planning. It is based on the legislation of many countries, which are partly or wholly exempt from taxation of the company owned by foreign entities [2]. So it is a legitimate way for the entrepreneur to reduce significantly the amount of tax payments of the firm. This problem is very important because of the risk of the income double taxation that can reduce the rate of net income in the activities of such firms.

The goal of this research is to consider the action of various schemes that help to eliminate double taxation and the economic benefits of its functioning on the basis of such *methods* as description and comparison. *The subject* is investigated by domestic and foreign scientists as well. Aspects of offshore business have been analyzed by Ukrainian and Russian economists, notably V. Lomakin, L. Hodov, N. Kravchuk and others.

Offshore is reliable and legitimate instrument of business management. Offshore companies do not differ from local business organizations. The advantages of such business methods are following: easing the use of non-resident companies in the business; providing the confidentiality of asset ownership; tax planning; structuring of holdings; access to the IPO.

So the company maximizes profits by minimizing taxes, an offshore zone stimulates the flow of the capital, capital-intensive equipment, goods; reduces the effects of the poor development of the national economy, uneven regional development, unemployment, the colonial past.

But the most pressing problem is the mechanism of the offshore business.

Offshore schemes are based on the typical conditions of the elimination of the double taxation, which are regulated by both national legislation and bilateral agreements. The risk of double taxation of income increases when the source of income is located in the same country and the recipient is the resident of another country. More often tax credit and tax exemption are applied to avoid double taxation [5].

The tax credit is used to offset taxes paid abroad while calculating the internal tax. This means that if the external tax rate is higher than internal, then nothing should be paid. If it is lower, the difference should be paid [3]. Tax exemption provides with full exemption from taxation of foreign profits either in the country of the parent company, or in the country – the source of income [3].

The tax credit applies to the United States, Germany, Japan, the UK, Belgium, Norway, Greece, Austria, Ireland, to all firms – residents. The system of tax exemption operates in Australia, Liechtenstein, the Netherlands, Norway, France, Switzerland, countries that practice the action of tax treaties. Also tax deduction can be used but very rarely [1].

Most legislation in the area of taxes use combined methods to eliminate double taxation. The chart given below appears in the monograph “Offshore company in international business” which is based on the expectation that the income tax in the source country income is 40%, and in the recipient country is 60%, as well as that there is a significant simplification of the real picture: it is assumed, particularly, that all income is allocated to the subsidiary dividends and tax “at source” is absent [3].

The chart 1.1 below shows that offshore schemes significantly increase the rate of net income, which is naturally important for companies using such schemes.

Tax losses can be reduced by the use of sophisticated forms of offshore business. For example, the tax scheme may include the establishment of intermediate firms in the most favorable tax jurisdictions, where funds are held.

The use of various schemes to eliminate double taxation

Financial index	A. Compensation is absent	B. Tax credit	C. Tax exemption
1. Gross profit in the source country	100	100	100
2. Income tax (40% of 1)	40	40	40
3. Net-of-tax earnings (1-2)	60	60	60
4. Taxable income in the recipient country	100	100	0
5. Tax rate for taxable income (60% of 4)	60	60	0
6. Tax credit	-	40	-
7. Actual tax in recipient country (5-6)	60	20	0
8. Aggregate tax (2+7)	100	60	40
9. Net income	0	40	60

Source: [3].

In general, offshore companies have a number of strategic advantages. They are following: possibility of transferring of the part of the costs to areas with low taxes; possibility to accumulate the bigger part of the proceeds from the export-import operations in offshore areas with the help of inter-company transactions thereby avoiding significant tax payments; possibility to reallocate and reinvest income; use of the advantages of the elimination of double taxation; implementation of the wholesale purchases directly from foreign manufacturers [4].

So economic benefits of offshore business, regardless of its sphere are based on the idea that the parent company and the foreign partners interact in such a way that a maximum of the cost and minimum profit are accounted per financial group companies located in countries with high tax and basic income have remained in offshore companies [4].

Any company registered in an offshore zone, can perform a variety of functions: for instance, to be an import supplier, to be an export recipient, to be a party barter, to be an intermediary in transactions etc. [4; 8].

Conclusion. Types of special tax status of the company are diverse and determined by the particularities of the local corporate and tax laws. Special tax status can be obtained during the registration, and usually it reduces the possibility of application of certain rules of international agreements to the company. As a rule, some special tax status, obtained by registering in free economic zones and offshore areas, that establishes income tax benefits, is not an obstacle for the use of standards agreements on elimination of double

taxation of income and property. There are also a lot of economic benefits that help companies to maximize income by minimizing tax rates.

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ECONOMIC BUBBLES: FORMATION CONDITIONS AND CALCULATION MODEL OF FAIR PRICE

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The article deals with economic bubbles: conditions of their existence, development and functioning. The author provides the calculating model of fair price in terms of economic bubble.

Keywords: economic bubbles, monetary and financial crisis.

Ревякін Г., Давиденко І.В. Економічні бульбашки: умови утворення та модель розрахунку справедливої ціни. У статті проаналізовані економічні бульбашки: умови їх утворення, розвитку та функціонування. Автор надає власну модель розрахунку справедливої ціни товару в умовах ринку економічної бульбашки.

Ключові слова: валютно-фінансова криза, економічні бульбашки.

Modern economy is experiencing dramatic changes in its structure. Today we can observe shifting of global economic activity from manufacturing to financial sector. The fact that a growth graph of financial market has exponential

nature and world production increases according arithmetic progression is proving that. Even today, the volume of financial market is ten times bigger than the volume of production. As the result, market subjects cannot adequately estimate price and value of the goods. Thus, one of the most urgent problems of economic science, at the present stage of its development, is “economic bubbles”, which are pertaining to overestimate existing assets. After collapse of a bubble, economic system faces a number of negative consequences, such as excess supply in the market, price reducing of capital stock and in the end deep economic recession.

Economic Bubbles have been widely discussed in the economic literature in recent decades. Interest to this phenomenon increased when the U.S. financial bubbles collapsed in the summer, 2008 and launched a mechanism of global financial crisis. The main questions were why bubbles are blistering, and how they relate to financial crises [2; 5].

The goal of this research is to analyze the phenomenon of economic bubble and provide own counting model of the lowest price in the market after experiencing a bifurcation point on the basis of such methods as description and building of graphical model. Detection of such phenomena allows making the right investment decisions for market participants and helps the government to make changes in economic policies and adopt measures that will help to minimize negative effects of crises. Thus, the most important is the problem of identification and assessment of bubble stability in a given market.

To solve this problem it is necessary to study the phenomenon of bubbles, its nature, causes and patterns of functioning. Economic bubble is a kind of trading of large volumes of goods or more securities at prices that greatly differ from fair value [6]. Typically, the situation is characterized by rush demand for certain items, bringing the price for it growth considerably [3]. The fair price means a price, which includes only economically justified costs and average market profit.

There is no consensus about the causes of bubbles and stages of their development in the economic theory. There are hypotheses, considering the emergence of economic bubbles as a consequence of the indeterminacy of a true value, as the result of speculation and choice of a product in terms of bounded rationality. Bubbles could occur in situations where market participants are quite capable to correctly evaluate current market price [1]. Austrian School of Economics believes that a favorable environment for a bubble is a combination of high inflation and low interest rates.

There are necessary conditions for economic bubbles to emerge: the

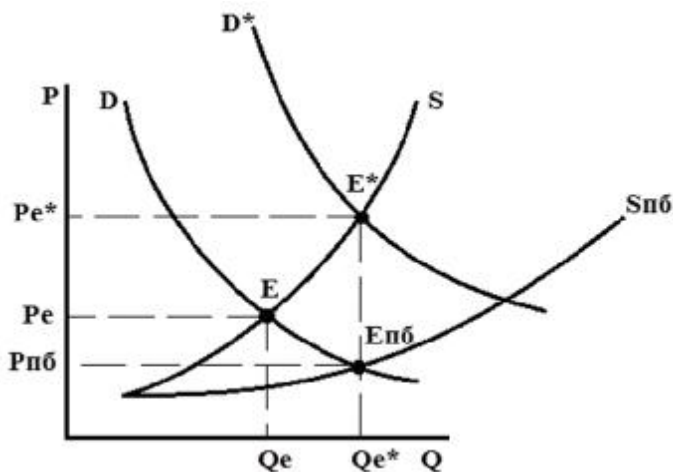
existence of developed financial and banking sectors with “cheap” money and huge amount of derivatives; a large number of participants in the market in which there is economic bubble; highly speculative activity in the market of a bubble.

The above conditions for the existence of a bubble are necessary, but not sufficient. Special conditions include the existence of a monopoly in the market, springs of demand as a consequence of advertising campaigns, as well as the high expectations of future profitability of assets.

The above factors, besides the fact that they create a basis for a bubble, determine a level of economic stability of the market. Thus, the question of calculating the period of bubble existence is reduced to finding the maximum permissible factor impact on the system, which preserves the relative stability of prices in the market. This factor may be that excess demand over supply volume, a refutation of overestimating growth rates of return on assets or non-return of high-risk credits because of rising interest rates and falling dollar PPP, as in the case of the U.S. mortgage crisis.

Graph 1

Supply–demand relation in the market with a bubble



Source: designed by the author.

The author of the article considers a bubble economy in terms of classical economic school [4]: in terms of supply and demand in the market. Market finds its equilibrium in E-point, and Pe and Qe – the equilibrium price and the equilibrium quantity of goods on the market, respectively (see graph 1).

Emerging of non-price demand factors (economic and political expectations, changing consumer tastes influenced by fashion, advertising, etc.) demand function is extrapolated up and right on graph 1, so that the E^* point is a new equilibrium point, and Pe^* and Qe^* are new equilibrium price and equilibrium quantity of goods in the market. In this case, $Pe^* - Pe$ is speculative premium created by speculative demand, which unique purpose is to obtain speculative profits from an asset. $Qe^* - Qe$ is a real supply of goods caused by speculative demand.

Overcoming a bifurcation point, the aggregate demand for goods decreases by speculative premium ($Pe^* - Pe$), but the real supply of goods caused by speculative demand ($Qe^* - Qe$) remains at Qe^* point, which leads to a cheaper product than the original equilibrium point. Decline in prices is the result of the presence of excess supply in a market, which is equal to $Qe^* - Qe$. The supply function after overcoming the bifurcation point becomes flatter and does not extrapolate down.

New equilibrium point E_{pb} will have coordinates $(P_{pb}; Q_{pb})$ where $Q_{pb} = Qe^*$. Under these assumptions, we can predict the lowest price in the market after experiencing a bifurcation point. One needs to know the function of real demand, current price and volume of the goods in the market.

The information on current prices and volume of supply is relatively available; to obtain the volume of real and speculative demand it is necessary to make analytical transformation of an aggregate demand for normal and speculative. In general, the aggregate demand should be classified on the basis of the asset acquisition purposes. The speculative part of aggregate demand must include medium- and long-term investment in the asset to which the expected return on investment does not occur in the real economy. The asset, which is invested in long-term investments is not directly used for its initial purpose, and takes one of the money functions – the accumulation one.

Thus, the real demand will be equal to the aggregate minus medium and long-term investments (the asset is not used for its initial purpose).

$D_{\text{real}} = D_{\text{aggregate}} - \text{medium- and long-term investments}$

Then the normal price of the goods at the current time may be calculated based on the function of real demand, by substituting the value Qe^* in the initial formula $P_{pb} = D(Qe^*)$.

Conclusion. This model gives an opportunity to analyze the markets in order to find out their resistance within any majeure and calculate the real value of the goods in the market with economic bubble. In addition, with the help of this model, investors can analyze the risk of their investment in this sector, and state can respond to the market conditions before its collapse.

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THE ESSENCE OF COMPETITIVE ADVANTAGE

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The article determines the term of competitive advantage and analyzes the main tendencies as to how the competitive advantage can be gained, analyzes usefulness of the competitive advantages in achieving long-term success.

Keywords: competitive advantage, competitive strategy, long-term competitive advantage, ventures.

Ріпа Ю., Старцева Н.М. Суть конкурентної переваги. Стаття визначає термін конкурентна перевага і аналізує основні тенденції щодо того, як конкурентну перевагу можна отримати, аналізує корисність конкурентних переваг у досягненні довгострокового успіху.

Ключові слова: довготривала конкурентна перевага, конкурентна перевага, конкурентна стратегія, підприємства.

A lot of scientific works devoted to *the acute problem of competitiveness* and competitive advantage of the market as well as the importance of forming an effective competitive strategy appeared in economics lately. Many firms strive for a competitive advantage, but few truly understand what it is or how

to achieve and to maintain it. A competitive advantage can be gained by offering the consumer a greater value than the competitors, such as by offering lower prices or providing quality services or other benefits that justify a higher price. The strongest competitive advantage is a strategy that cannot be imitated by other companies. Competitive advantage can also be viewed as any activity that creates superior value above its rivals. A company wants the gap between perceived value and cost of the product to be greater than the competition [2].

The main goal of the article is to summarize and describe the essence of competitive advantage and strategies for gaining competitive advantage at the present state of economics.

When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals. The goal of most business strategies is to achieve a sustainable competitive advantage. Competitive advantage is defined as the strategic advantage one business entity has over its rival entities within its competitive industry. Achieving competitive advantage strengthens and positions a business better within the business environment.

A competitive advantage is an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and service that justify similar, or possibly higher, prices. For growers and producers involved in niche marketing, finding and nurturing a competitive advantage can mean increased profit and a venture that is sustainable and successful over the long term.

A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus, a competitive advantage enables the firm to create superior value for its customers and superior profits for itself. [4]

There are three major dimensions over which competitive advantages can be challenged [3]:

- Added value. A high added value implies a technical or managerial expertise that is very difficult to replicate and could even be protected by patents. This implies that a product is offered at a lower cost or is of higher quality than a competing product.
- Scarcity. Often related to the existing market size or to the resources sector. If a market for a good is relatively small and thus scarce, potential competitors may be unwilling to enter this market. A good that has a mass market (low scarcity) is also subject to intense competition.

- Imitation costs. A simple product tends to have low imitation costs and competitors can thus easily enter the market. A complex product, such as a high tech device, is much more difficult to replicate and often protected by patents.

Depending on the combination of these dimensions, an actor may find himself at some level of competitive advantage in regard to its competitors. If the added value provided is high and the imitation costs are also high, an actor can be in a situation of sustained competitive advantage and achieve market dominance. On the other range of the spectrum, if a good has limited added value (cost parity or even a higher cost), is concerning a mass market and can easily be replicated, then the concerned actors are facing a situation of competitive disadvantages that could put them out of business. Globalization has placed pressures on each of these dimensions by making a larger array of resources available (labor, parts and raw materials) as well as a larger number of actors that can potentially compete.

It may be helpful to take a more in-depth look at what it means to have a competitive advantage: an edge over the competition. Essentially a competitive advantage answers the question, “Why should the customer purchase from this operation rather than the competition?”.

For some ventures, particularly those in markets where the products or services are less differentiated, answering this question can be difficult. A key point to understand is that a venture that has customers has customers for a reason. Successfully growing a business is often dependent upon a strong competitive edge that gradually builds a core of loyal customers, which can be expanded over time.

With the advent of product differentiation and niche and direct marketing, that reality has changed, and now there are niche markets in which both individual and wholesale buyers are looking for products with very specific characteristics or special services. These characteristics often use strategies that don't focus on costs and volumes exclusively; rather the product or service may be of premium quality, be differentiated from other products and services available in the market (such as organic, natural, or humane production), or have a value-added component (i.e. flavored meats, pre-washed salad mixes, etc.).

Successful ventures perform a combination of business activities well, including marketing, production, distribution, finance, customer service, and/or other activities important to the enterprise. However, a competitive advantage is often a single key element that gives an edge to a business beyond what the competition has or does.

10 reasons businesses succeed:

- The experience and skills of the top managers. Over half of business failures are directly related to managerial incompetence.

- Energy, persistence and resourcefulness (the will to make the business succeed) of the top managers. Many business owners have failed or come close several times before their “instant” success. Do not give up.

- A product that is at least a cut above the competition and service that does not get in the way of people buying. There must be a compelling reason to buy; the product is great, the people love to provide service, the buying experience is easy and fun, etc.

- The ability to create a “buzz” around the product with aggressive and strategic marketing. Make scarce marketing resources count. Do as much homework about your customers and their choices as you can before investing your marketing dollars.

- Deal-making skills to sell the product at the highest possible price given your market. It comes down to your customers’ perception of the value of your product and sometimes the power of your personality.

- The ability to keep developing new products to retain and build a customer base. Consider gradual product development based on improvements to the current product line and sold to the current customer base.

- Deal-making skills to work with resource suppliers to keep costs low. Keeping costs lower than competitors’ and continuing to look for cost reductions even when the business is profitable is key.

- The maturity to treat employees, suppliers and partners fairly and respectfully. Trust and respect result in productivity increases in ways that may be difficult to see and quantify.

- Superior location and/or promotion creating a connection between your product and where it can be obtained. Studies have shown it can take seeing your product or name seven times before a customer is ready to buy.

- A steady source of business during both good economic times and downturns. Over the long term, develop a product mix that will include winners during good economic times and other winners when times are tough.

Mastery of that single key element often provides marketers with a distinct niche in the marketplace and may lead to the creation of a competitive advantage that serves to establish or preserve success. To be successful in this environment, a manager needs to identify those activities at which the management and the venture excel, not just activities in which they perform equally well with the competition.

A company may be lucky enough to identify several potential competitive advantages, and it must be able to determine which are worth pursuing. Not all differentiation is important. Some differences are too subtle, too easily mimicked by competitors, and many are too expensive. A company must be sure the consumer wants, understands, and appreciates the difference offered. A difference may be worth developing and promoting, advice Armstrong and Kotler, if it is important, distinctive, superior, communicable, preemptive, affordable, and profitable [4].

A competitive advantage can make or break a firm, so it is crucial that all managers are familiar with competitive advantages and how to create, maintain, and benefit from them.

Thus, the competitive advantage is the presence of some enterprise resource properties that make it more competitive with other companies that can operate in the same area.

At the core competitive advantages are firm resources – technical, technological, human, financial, information, spatial, managerial, organizational, etc. But the competitive advantage is not just the availability of these resources, it is, above all, effective use of all resources, their successful combination.

Conclusion. To be competitive in the market, the company must have a unique competitive advantage. These are so-called benefits of strategic level. Due to the advantages of existing resources or benefits that provide operational efficiency only temporary result can be achieved, you cannot achieve them under current conditions. Therefore, an important area of competitive advantage is to develop an effective strategy of the venture, which will be based on the unique positioning of the company, focus on unique activities. This is the fact which will provide long-term competitive advantage.

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THE EFFECTS OF GLOBAL FINANCIAL LIBERALIZATION ON THE INTERNATIONAL FINANCIAL ARCHITECTURE

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The article deals with the effects of global financial liberalization on the international financial architecture. It provides data on correlation between financial deregulation and frequency of banking crises, and how international capital flows affect national economies

Keywords: capital flows, crisis, financial liberalization, instability, international financial architecture.

Савін Р., Журавльов О.В. Вплив політики фінансової лібералізації на світову фінансову архітектуру. У статті проаналізовано вплив глобальної фінансової лібералізації на міжнародну фінансову архітектуру. Визначено взаємозв'язок між фінансовою дерегуляцією та частотою банківських криз, та механізм впливу міжнародного руху капіталів на національну економіку.

Ключові слова: криза, міжнародна фінансова архітектура, нестабільність, рух капіталу, фінансова лібералізація.

The term “international financial architecture” appeared in the 1990s with the intensification of crisis and the need to improve the efficiency of monitoring the situation on the financial markets. There is no unique definition for this term but, generally, it is defined as the set of rules under which international capital flows take place, the way countries interact with the international financial system and the role of international financial institutions [1].

The relevance of the topic. The past several decades have seen a push towards global financial deregulation based on a misplaced confidence in the power of financial markets to self-regulate, despite the evidence derived from earlier crises that deregulated financial markets are prone to crises and instability. In developed markets, policymakers seemingly lacked the will to develop a new regulatory framework to deal with significant changes in risk-taking stemming from the growth of credit default swaps, securitizations and other derivative products. To the contrary, some of the crucial mechanisms to protect the financial system that had been put into place in the aftermath of the Great Depression were dismantled. Regulatory and tax competition among expanding financial centres led to a race to the bottom, compounding the

problem. In this environment, the “shadow banking system” outside the regulatory umbrella grew enormously, introducing significant risks into the global financial system.

The *goal* of this research is to analyze the effects of global financial deregulation on global economy on the basis of such *methods* as description and comparison.

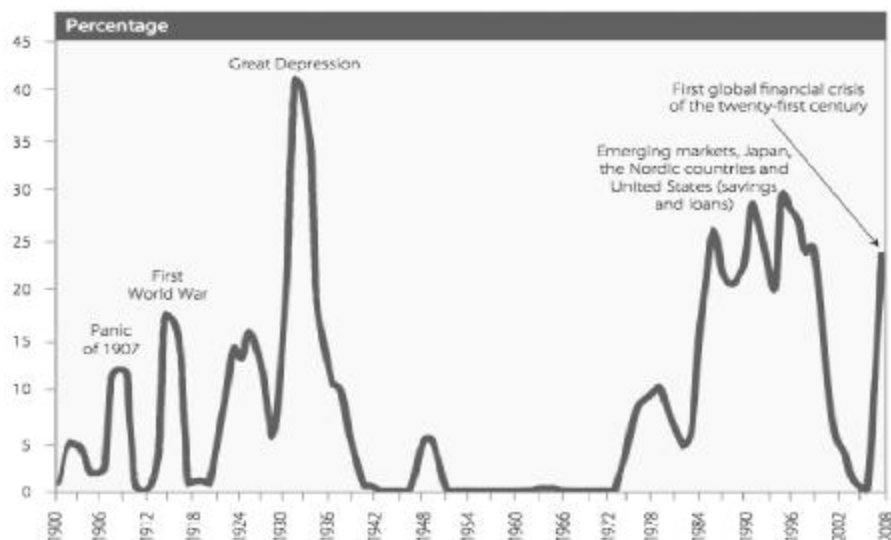
In developing countries, the counterpart of this phenomenon was the deregulation of domestic financial and capital markets, often undertaken as part of structural adjustment programmes. In particular, countries, experiencing marked pressure from the international community, removed capital controls on external private capital flows in an attempt to increase the rate of inflows to support domestic investment. This was part of the decades-long evolution to place financial markets at the centre of economic decisions, yoking economic policy coherence to the notion that whatever projects financial markets deigned to finance would be in line with strong growth and development. However, instead of attracting long-term sustainable investment to achieve structural transformation for development, the move to open capital markets led to short-term inflows and increased volatility, while limiting the macroeconomic policy space necessary for responding to the boom-and-bust behaviour of capital flows.

Following the Latin American and Asian crises of the 1990s, many emerging and developing countries used the boom period 2003–2007 to strengthen their internal and external balance sheets to better avoid or manage crises. As part of this strategy, public authorities accelerated their purchases of liquid low-earning developed-country financial assets as a form of self-insurance. This policy was also congenial to countries that had robust export sectors and were concerned with protecting international competitiveness. The end result was a flow of financing from developing countries to developed economies and an increase in global risk, as the accumulation of reserves contributed to growing imbalances, with the potential to destabilize the global economy.

The period of global financial deregulation, which, arguably, started in the 1980s, was characterized by a series of market crises. The savings and loan crisis in the United States of America in the late 1980s was followed by the Mexican “tequila” crisis in 1994, the Asian financial crisis in 1997–1998, payments and currency crises in the Russian Federation, Brazil, Turkey and Argentina between 1998 and 2001 and the bursting of the “dot-com” bubble in United States financial markets in 2000. As shown in figure 1, the banking crises of the early 1900s and the recent wave exhibited similar periodic patterns, marked by severe real-sector collapses following banking sector crashes.

Figure 1

Proportion of countries in the world economy with banking crises, 1900-2008



Source: [2].

The frequency of crises subsided after the 1930s, once regulations devised to limit runs on banks and protect depositors had been put into place, and increased again only in the deregulatory period of the 1980s (see table 1). It should be noted that the decades between the spikes were the heyday of the global Bretton Woods capital regime, a period of stable and relatively high growth.

Table 1

Frequency of banking crises

	<i>Developed countries</i>	<i>Developing countries</i>
1947-1979	3	17
1980-2007	17	127

Source: [2].

Although the recent global crisis was unique in terms of its size and systemic reach, compared with other post-1930s crises, it still resembled them. Those crises were generally characterized by bubbles induced by excess liquidity which subsequently burst when the liquidity was withdrawn; similarly, the period of the

mid-2000s build-up to the recent crisis was one of massive global liquidity. Growing global imbalances, with developing countries saving huge amounts in the form of dollar reserves, allowed the United States to borrow cheaply from abroad, keeping long-term interest rates low and increasing leverage in the system.

In the emerging market crises, excess liquidity became manifest through large international capital flows which were pro-cyclical in nature, increasing during boom periods and quickly turning into outflows during economic contractions. During the boom periods, domestic agents took advantage of the inflows by borrowing relatively cheaply, often in the form of foreign currency loans. Contrary to the original assumption that capital market liberalization would increase long-term investment in poor countries, the majority of the inflows (which were generally short-term in nature) went to finance consumption and real estate bubbles, which burst when the inflows turned into outflows. The capital outflows often led to a devaluation of the domestic currency and a spike in domestic interest rates, leading to widespread defaults (including some sovereign defaults), banking crises, lost wealth and increased poverty. Instead of increasing investment, capital and financial market liberalization had the opposite effect of increasing volatility and uncertainty, which negatively impact long-term investment [3].

Conclusion. The present financial crisis has shown again how dysfunctional the current international financial architecture is, with all its channels through which financial contagion spreads across the world, and especially with its major financial regulatory deficit. As financial liberalization leads to the increased market volatility and instability there is strong evidence that today's international financial architecture should be reformed.

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THE ROLE OF THE ENGLISH LANGUAGE IN TODAY'S BUSINESS WORLD

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The article is dedicated to the examination of the role of the English language in the modern business world. The definition to the concept Business English has been provided. Spheres and areas of its application have been singled out. The influence of Business English on a career promotion has been analyzed.

Keywords: Business language, career promotion, definition, modern business world.

Шатохіна І., Сапрун І.Р. Роль англійської мови в сучасному бізнес світі.

Стаття присвячена вивченню ролі англійської мови в сучасному бізнес світі. Висвітлені сфери і галузі її використання. Проаналізовано вплив бізнес англійської мови на просування у кар'єрі.

Ключові слова: бізнес англійська мова, сучасний бізнес світ, просування у кар'єрі.

For centuries foreign language skills were considered to be one of the indisputable features of person's education, his general cultural development. In today's competitive world of globalization it has become not only a sign of a personality's holistic development but also of the perceived need. In particular, it concerns the English language proficiency, which has to be considered as an instrument of international communication. Therefore it is an undeniable fact that the full activity of any large-scale company, regardless of its specializations, is impossible without English staff speaking at level sufficient for understanding oral and written language, conducting a dialogue and business correspondence, etc. [2, p. 142]. The *aim* of the article is to examine the role of the English language in the modern business world.

Thus, English is the most popular language of the XXI century. Such popularity is caused by many factors; the chief among them is using English in the field of business [2, p. 145]. Today, our planet is a network of trade and economic relations. Analyzing the requirements of modern employers, we can confidently say that the most popular are skilled workers with the knowledge of business English. More than one quarter of employees in 26 countries around the world admit that their jobs involve dealing with and socializing with people from other countries. Two-thirds point out that English is the language they

use most often. Employees in India, Singapore and Saudi Arabia are the most likely to say their jobs involve interacting with people in other countries, with 59 percent, 55 percent and 50 percent saying so, respectively.

According to latest researches of Oxford University the definition of “business” English includes the following aspects:

1) Terminology vocabulary, phraseology specific (business vocabulary of a financial manager may be completely different from the terminology used in marketing, the same term in different industries may be referred to a completely different concept);

2) Professional level of human knowledge (vocabulary, ability to use common phrases and expressions, as well as general communication skills not only to know the name of the term, but also be able to understand and apply it properly);

3) Stylistic norms of speech and writing, including the rules and requirements for written business communication (three-quarters of business correspondence in the world is made in English).

So, why is Business English so important in everyday life of business communication? “Business English” is a wide-ranging term used to describe the type of English used by people of business. It is an area of the English language aimed at in-depth study of topics, vocabulary, laws and regulations of construction of English speech [5, p. 10]. Business English is the language of communication in business sphere; it is the language of transactions and contracts, meetings and presentations. We communicate with foreign partners, write commercial correspondence, prepare business plans, make up presentations, and conduct educational seminars and meetings in Business English. A range of areas included in the concept “Business” English is wide. Oxford Business English Dictionary includes the following areas: accounting, commerce, e-commerce, economics, finance, HR, Insurance, IT, law, manufacturing, marketing, real estate, stock exchange, (international) trade, transport etc [3, p. 135]. Scientists allocate the following scope of English for those who wish to achieve a high career in business:

1) For the Hospitality Industry-Hotels around the world are constantly looking for English-speaking staff to work at the reservations desk and in the restaurants and other facilities offered at the hotel. Even smaller establishments such as bed and breakfasts and family-run hotels are eager to have English speakers on staff.

2) For the Healthcare Professions- doctors and nurses from overseas will often take specialized English classes in order to have the opportunity to find a position in a good hospital in their own or in an English-speaking country. They

require a high standard of spoken and written communication, as well as of very precise and accurate medical vocabulary in English [2, p. 140].

3) For Finance – many of the world's largest stock exchanges are based in English speaking countries. These include The New York Stock Exchange, the NASDAQ, the American Stock Exchange, London Stock Exchange, Toronto, Australia, and Johannesburg. English has become a key language for investment, foreign exchange, and banking. They require a high standard of spoken English and a clear grasp of financial vocabulary.

4) Business English for Computing – English has become one of the key languages of the internet. Anyone wishing to do work with computers or do business online needs a basic command of business English and should be able to spell common words accurately [3].

Speaking about self-education or basic skills an employee lacks though they are necessary for boosting his career prospects or gaining the knowledge at this or that field of one's sphere, extensive literature could become a stumbling block for those, who do not know English (editorials and business books, scientific papers, the most recent advances in the field of economics and modern technology are mostly published in English). Research shows that 80% of content on the web is in English, and business content makes up a large part of that content. Therefore, a good grasp of business information, data, or terminologies in the English language is integral for benefiting from the wealth of business information available on the Internet. For example, for marketers, the knowledge of English is considered obligatory, but there is a fact that they do not always have to work with foreign partners, so where is the reason? The main reason is that the lion's share of the actual profile information, that is necessary for specialists in the field of marketing, is available only in English [2, p. 147].

Despite the fact that the company can always use an interpreter, that in its turn involves extra pay and time, English proficiency will greatly facilitate the work. It is well known that the most prominent companies have a practice of hiring interpreters however; it is very difficult to find a famed specialist, who can be allowed to the translation of important negotiations, signing a contract, and perhaps the secret of competitive sailing. Another thing happens when a company has an employee with English language knowledge, who himself has a direct interest in this work [4]. The most crucial is that being able to speak appropriate and competent English at work gives an individual and their employer credibility.

Summing up, English has a significant role in today's world of business communication in the current economic climate. Language knowledge provides

staff with a chance to expand the ability to function effectively in English for international business in particular. Admittedly, the role of Business English as a mediating language between public and business is enormous. Communication problems, whether personal or business, translate directly into losses, zero result in negotiations, incompetence for global business, or the inability to conduct business in the international arena. Comparative study of terminology vocabulary of Business English in different areas presents interest for further researches.

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EURASIAN ECONOMIC COMMUNITY: CURRENT SITUATION AND PROSPECTS

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This article deals with the practical results of Eurasian integration, current situation and prospects of Eurasian Economic Community.

Keywords: Customs Union, Eurasian Economic Community, Eurasian integration, prospects.

Шеховська А., Давиденко І.В. ЄВРАЗЕС: поточна ситуація і перспективи. У статті проаналізовано поточну ситуацію Євразійського Економічного Співтовариства, перспективи його розвитку, а також можливість розширення інтеграційного проекту.

Ключові слова: Євразійське Економічне Співтовариство, Євразійська інтеграція, Митний Союз, перспективи.

Eurasian integration is very important for the member-states of the Commonwealth of Independent States (CIS).

Within the global historical context economic integration on the Eurasian space is a logical and natural process. Under the conditions of globalization and strengthening of the competition there is a steady tendency to strengthening regional economic associations all over the world. Taking into account the crisis phenomena in the world financial and economic system, the integration processes are very important. Common interests and tasks having been united, the groups of the states work at the global economy more successfully, getting real competitive advantages [2].

The member-states of the Commonwealth of Independent States are on the way of strengthening multilateral cooperation. Different integration formats within the borders of CIS are being developed now: Eurasian economic community (EURASEC), Organization of the Contract on collective security, Customs Union (CU), Common Economic Space (CES). They organically supplement each other, creating a wide platform of partnership [1].

The *goal* of this article is to show, how the participation in the Eurasian Economic Community can influence the economic situation of the states-participants. The *subject* is investigated by domestic and foreign scientists: E. Furman, N. Levantseva, A. Ball and others.

Eurasian integration. The Eurasian integration can be considered as a strategic choice of the Russian Federation. Thus a special role can be given to the development of cooperation within the most complex and deep integration formats, such as the Customs union and the Common Economic Space of Russia, Belarus and Kazakhstan. These three countries have created a core of the Eurasian integration [6].

Main points Moscow's, Astana's and Minsk's common work are described in the Declarations on the Eurasian economic integration, signed during the summit of the Supreme Eurasian economic council on November 18, 2011. The next meeting, held on December 19, 2012 in Moscow, confirmed the idea of further development of the Eurasian integration processes [1].

Customs Union and Common Economic Space. All the main actions for the functioning of the Customs Union have been created. The system of the foreign trade tariff, non-tariff and customs regulation, maintaining the coordinated policy of technological regulation, application of sanitary, veterinary and phyto-sanitary measures has been created [5].

The creation of the Common Economic Space of "three" is being done nowadays. On the 1st of January, 2012 the package of 17 agreements forming

the EEP contract and legal base came into force. More than 50 international standards, legal documents are to be worked out by 2015, and changes to national legislations of Russia, Belarus and Kazakhstan are to be carried out. Creating the Customs Union, the countries provided a freedom of movement of goods, services and capitals [2].

Practical results of integration. New integration formats have already brought practical results. It is expressed not only in figures of gross domestic product and mutual trade. For example, for the first half a year since the beginning of full-scale operation in July, 2011 the volume of mutual trade of the states – participants of the Customs union grew almost by 40%, in January-September, 2012 – by 10%.

Along with this result of functioning of the Customs Union and the Common Economic Space there was an improvement of the general investment climate in the Customs Union and EEP countries, providing more suitable conditions for business and creation of new jobs.

According to the statistical data, the number of the unemployed population at the beginning of October, 2012 in the countries of the Customs Union and the Common Economic Space was lower than the similar indicator in 2011 (Belarus – 12,8%, Russia – 19,1%, Kazakhstan – 30,5%) [2].

Potential results of the integration project. The Russian Federation considers the Eurasian economic integration as an unconditional priority of its work within the CIS space. The developing integration processes do not mean separation. On the contrary, the Eurasian project from the very beginning was considered to be a structure, open for other states, first of all for members of EURASEC and participants of the CIS.

Countries which have expressed desire to join the Eurasian integration project, not only share its purposes and the principles, but also will be really ready to implement them. The countries of the Customs Union and EEP seek for further strengthening of full mutually beneficial and equal cooperation with other countries and international integration associations, planning to become a part of Common Economic Space creation [4].

For citizens abolishing of boundaries and other barriers will give an opportunity to choose where to live, get an education and work without any restrictions.

Conclusion. The facts, given above, do not mean restoration of the former USSR. This is going to be absolutely another association of the states based, first of all, on common economic interests. The policy is to be objectively arranged in order to reach the fulfillment of these tasks [2].

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CAPITAL PUNISHMENT IN THE USA

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The article deals with the application of death penalty in the USA, the history of executions has been analysed, the peculiarities of capital trials in the Supreme Court, the arguments of supporters and opponents have been given.

Keywords: application, death penalty, the Supreme Court, trial.

Шевченко А., Манжос Я.Ю. Смертна кара у Сполучених Штатах. У статті розглядається застосування смертної кари у Сполучених Штатах, проаналізовано історію виконання покарань, особливості судових процесів із цією мірою покарання, надані аргументи прибічників та противників смертної кари.

Ключові слова: Верховний Суд, застосування, смертна кара, судовий процес.

The issue of applying death penalty in the USA is extremely *topical*, taking into account that this country is among the top five countries with the highest rate of executions in the world. The *aim* of the article is to study the history of applying capital punishment, find differences among states, analyse the reasons of supporters and opponents. Federal legislation and state laws have been used as the *material* for the article.

Capital punishment or death penalty is a legal process whereby a person is put to death by the state as a punishment for a crime. The judicial decree that someone is to be punished in this manner is a death sentence, while the actual process of killing the person is an execution. Crimes that can result in death penalty are known as capital crimes or capital offences.

In the past capital punishment was practised by most societies. Nowadays it is a matter of active controversy in various countries and states, and positions can vary even within a single political ideology or cultural region. Currently 58 nations actively practise it, 97 countries have abolished it *de jure* for all crimes, 8 have abolished it for ordinary crimes only (maintain it for special circumstances such as war crimes), and 35 have abolished it *de facto* (have not used it for at least ten years or it is under moratorium) [1].

Great steps towards the abolition have been taken by international organizations. Article 2 of the Charter of fundamental rights of the European Union prohibits the use of capital punishment in the European Union [4]. The Council of Europe, which has 47 member states, also prohibits the use of death penalty by its members. In its turn, the United Nations General Assembly adopted non-binding resolutions calling for a global moratorium on executions, with a view to eventual abolition in 2007, 2008 and 2010. Although many nations have abolished capital punishment, over 60% of the world's population live in countries where executions take place, such as the People's Republic of China, India, the United States of America and Indonesia, which are the four most-populous countries in the world. The list of countries with the highest number of death penalties includes the USA, China, Saudi Arabia, Iran, and Iraq.

In the United States capital punishment is still used despite controversy over its merits and effectiveness as a deterrent to serious crimes. A sentence of death may be carried out by one of five lawful means: electrocution, hanging, lethal injection, gas chamber, and firing squad. In 2003, 38 states applied capital punishment; 12 states (Alaska, Hawaii, Iowa, Maine, Massachusetts, Michigan, Minnesota, North Dakota, Rhode Island, Vermont, West Virginia, and Wisconsin and the District of Columbia) did not.

The first known infliction of death penalty in American colonies occurred in Jamestown Colony in 1608. During the Revolutionary War, capital punishment apparently was widely accepted, as 162 documented executions took place in the eighteenth century. At the end of the war, 11 colonies wrote new constitutions, and although nine of them did not allow cruel and unusual punishments, all of them authorized capital punishment. In 1790, the First Congress enacted legislation that implemented capital punishment for the crimes of robbery, rape, murder,

and forgery of public securities. The nineteenth century saw a dramatic increase in the use of capital punishment with 1,391 documented executions [2].

Capital punishment is a divisive issue with two defining sides, in support of or against it. Every criminal deserves their justice; however Americans differ in their views of justice. The major division in the issue of capital punishment is whether executions are a justifiable punishment for serious crimes (such as murders). Most Americans still support death penalty (64%) while others see life imprisonment as an appropriate punishment (39%). The issue is divisive even in the Supreme Court, which decided to abolish this penalty in 1972, only to reverse its decisions four years later [5]. At present, death penalty is legalized at the federal level and is a part of criminal law in 34 states. In some states, this measure of punishment is completely absent, being spelled out in the legislation of other states it is not practiced de facto, and it is still applied in a number of states (Texas, Florida, Indiana).

The leader in the number of death sentences is Texas: 66% of all executions in the United States are committed in this state. The moratorium on death penalty in Texas was abolished in 1982, by the year 2000 227 people had been executed, and now five hundred people are executed every year [3]. The application of death penalty is a controversial issue not only from the moral point of view, but also from the financial one.

Capital trials in Texas are much more expensive to carry out than their noncapital counterparts because of the price at stake, the life of the accused. Evidence gathering is also more expensive: evidence must be collected not only to determine the guilt or innocence of the accused but also to support or contradict death sentence. All sentences of death face a mandatory review by the state Supreme Court, at an additional cost of at least \$70,000. If a case advances further in the state or federal appeals process, the costs are likely to jump to \$275,000 or more for each appeal.

Appeals of death sentence guarantee great expense to taxpayers, as the state pays both to defend and to prosecute death row inmates. Public defenders in such appeals openly admit that their goal is delay, and prosecutors and state attorneys slow the process by fighting access to public records and allowing death row defendants to sweat out their cases until the last minute.

Abolitionists believe that the existing system cannot be improved and must be abandoned. The alternative sentence, life imprisonment without parole, achieves the same result as capital punishment, a life sentence permanently removes the convict from the community against which he or she committed crimes, and it is far less expensive for the taxpayers.

According to a 1990 study, the total cost to build a maximum-security prison cell is \$63,000, which breaks down to approximately \$5,000 a year in principal and interest. The annual cost to maintain an inmate in this cell is approximately \$20,000 a year. Together, these costs mean an annual expenditure of \$25,000 to incarcerate an inmate. Based on a sentence term of 40 to 45 years, one inmate would cost the taxpayer only slightly more than \$1 million and it is less than a third of what it would take to pay for the process that culminates in execution. A twenty-five-year-old woman convicted of first-degree murder would need to serve a life term to the age of 145 before the costs of incarcerating her would surpass those of executing her [5].

Other studies have reached similar conclusions. According to a study by the Indiana Criminal Law Study Commission released in 2002, executions cost the state 38 percent more than the costs of keeping an inmate incarcerated for life. Similarly, a 1993 study at Duke University showed that between 1976 and 1992, North Carolina spent more than \$1 billion on executions or \$2.16 million per execution. Moreover, in January 2003, the California governor approved the construction of a \$220 million state-of-the-art death row.

Not only the costs of executions are excessive, the time delays are also great. It is not unusual for an individual to wait on death row for more than ten years. In the 1995 case *Lackey v. Texas*, Clarence Allen Lackey, who had been on death row for seventeen years, claimed that such a duration constituted cruel and unusual punishment [3]. Although his motion was denied, the Justices admitted that the concern was not without warrant.

Opponents of capital punishment point out that abandoning the death penalty would make available many millions of dollars as well as thousands of hours that the courts could allocate to other aspects of the criminal justice system. The amount of money necessary to execute a single inmate might be used to put several criminals behind bars for the rest of their lives.

Supporters of capital punishment agree with detractors on one issue: the death row appeals process is far too complex and expensive. However, while opponents of the death penalty use this as a reason to reform sentencing, supporters use it as a reason to reform the system of appeals. Supporters argue that a thorough reform of the appeals process would free up as much money as abolishing the death penalty; expenses could be cut while capital punishment is retained. Supporters also argue that too many rights are provided to death row inmates, the appeals process is too kind to convicts, and ignores

the pain that persists in the aftermath of the criminals' actions. Family members of victims of capital crimes are expected to wait years, while perpetrators abuse the system to forestall the execution of the imposed sentence.

In a 1995 interview, former President Bill Clinton, a staunch supporter of capital punishment, called the appeals process ridiculous and in need of reform. Clinton, like other death penalty supporters, saw appeals reform as paramount if capital punishment is to be efficiently and effectively carried out. In addition to the president, the nation's highest court sides with those who support capital punishment. Under the leadership of Chief Justice Rehnquist, the Supreme Court has moved to limit the number of appeals a death row inmate may file, arguing that endless appeals serve only to undermine the ability of the state to carry out its constitutionally sanctioned punishment [6].

The *conclusion* from the opposing parties' arguments is that the application of death penalty in the USA should be thoroughly reviewed, including the list of crimes and the procedure itself, taking into account all factors: social, moral and financial. The *perspective* of the work includes the analysis of the Supreme Court decisions relating to capital punishment.

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INTERNATIONAL LEGAL PERSONALITY AND INTERNATIONAL LAW

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The article deals with the issues of international legal personality and international law, the definition of international legal personality has been given, the main entities that possess it (states, international organizations, and other non-state actors) have been provided.

Keywords: international law, international legal personality, international organizations, state.

Шевченко А. Манжос Я.Ю. Міжнародна правосуб'єктність та міжнародне право. В статті розглядаються питання міжнародної правосуб'єктності та міжнародного права, подано визначення міжнародної правосуб'єктності та визначено тих, хто нею володіє (держави, міжнародні організації та недержавні суб'єкти).

Ключові слова: держава, міжнародна правосуб'єктність, міжнародні організації, міжнародне право.

The issues of international law and international legal personality are *topical* nowadays, because on the one hand international law acts as a universal set of rules and principles concerning the relations between sovereign states and governing telecommunications and transport, international economic law, international crime and extradition, human rights and others and on the other hand international legal personality (ILP) is an essential element of effective functioning at the international level for solving problems in all of these fields.

The *aim* of the article is to define what the ILP is and show its relations with international law. The *material* for the article includes the verdicts of the Permanent Court of International Justice (PCIJ), the UN Charter and the course books in international law.

International legal personality refers to the entities or legal persons that can have rights and obligations under international law [1]. An entity which has international legal personality can be a subject of international law and then can be a regular member of international society. In international society, international legal relations are generally formed by treaties. Thus, from the legal point of view, the treaty-making power is one of the essential elements of

international legal personality [3]. The main subjects of international law and the principal international legal personalities are the states. A state has the following characteristics: a permanent population; a defined territory; a government; and the capacity to enter into relations with other states. Some writers also argue that a state must be fully independent and be recognized as a state by other states. The international legal system is a horizontal system dominated by states which are, in principle, considered sovereign and equal. International law is predominately made and implemented by states, as only they can have sovereignty over territory, become members of the United Nations and other international organizations and have access to the International Court of Justice [1].

International law is based on rules made by states for states. States are sovereign and equal in their relations and can thus voluntarily create or accept to abide by legally binding rules, usually in the form of a treaty or convention. By signing and ratifying treaties, states willingly enter into legal, contractual relationships with other state parties to a particular treaty, which observance is normally controlled by the reciprocal effects of non-compliance. The capacity of states to enter into such relationships with other states and to create legally binding rules for themselves is the result of states' international legal personality [6].

Traditionally, states were seen as the only subjects of international law and thus the only ILP. The Permanent Court of International Justice (PCIJ) affirmed this in 1927: international law governs the relations between independent States in order to regulate the relations between these co-existing independent communities or with a view to the achievement of common aims. As such, states were (and still are to a large extent) the omnipotent creators of international law which in turn primarily concerned states and their conduct internationally. Individuals, international organizations (IOs) and other non-state actors (NSAs) were of no concern to international law as they were devoid of international legal personality, which is a prerequisite for the capacity to have international rights and / or obligations [6].

But as international law advanced, respectively international organizations and individuals came to have limited international legal personality while fulfilling some legal conditions [3].

With globalization, international law and international relations expanded rapidly with increasing complexities: new technology made the world smaller and more interconnected, new global threats emerged that could not be fought unless with state cooperation, new players emerged at the international forum

such as various IOs and NSAs. International law was greatly influenced by this development and shifts in international relations whereby states were no longer the only players on the international arena and thus they were not the only subjects of international law any longer [6].

Now international organizations are considered by most commentators subjects of international law. Having a limited degree of international personality, especially vis-a-vis member states, they are established by states through international agreements and their powers are limited to those conferred on them in their constituent document. They can enter into international agreements and their representatives have certain privileges and immunities. The constituent document may also provide that member states are legally bound to comply with decisions on particular matters. The most influential international organization is the United Nations, the powers of which are set out in the UN Charter of 1945. The United Nations Organization, the most successful aspect of multilateral diplomacy, is based on both international law and international legal personality. Both of these have enabled the United Nations to act effectively as the parliament of the world where states can debate and discuss various issues. Frequently the United Nations, armed with international law, has managed to prevent or postpone a conflict in various parts of the world. The main political organ of the UN is the General Assembly and its authority on most matters (such as human rights and economic and social issues) is limited to discussing issues and making recommendations. The Security Council of the UN has the authority to make decisions that are binding on all member states when it is performing its primary responsibility of maintaining international peace and security. The main UN judicial organ is the International Court of Justice (ICJ), which has the power to make binding decisions on questions of international law that have been referred to it by states or give advisory opinions to the U.N. [1]

It is legitimate to ask whether a separate international legal personality for international organizations is really necessary. The legal personality that the international organizations can possess makes them subjects of international law and thus capable of enforcing rights and duties upon the international plane as distinct from operating merely within the confines of separate municipal jurisdictions. This states that international legal personality is necessary to operate on the international plane. However, all the member states of any given organization would possess international legal personality. Why, then, is a separate legal personality necessary for the organization? The reason is that if this concept was not accepted, the individual legal personalities of the members of the organization would be the ones through which the organization would

operate on the international field and such a solution could have caused serious problems [5].

One example is the question of responsibility as far as an organization is concerned. If the organization did not have its own legal personality on the international plane, the potential responsibility would be a collective one shared by all member states. This could result in practical problems and conflicts between member states. Also the opposite situation, namely that the organization wished to bring an international claim against another international legal person claiming responsibility, could create problems because all the member states would have to agree. This could sometimes give rise to political problems within the separate member states, and also between particular member states and third states.

Another example is the possibility of an international organization to appear in legal proceedings in its own right. Again conflicts between member States, perhaps relating to issues irrelevant to the functioning of the organization, could impede the work of the organization. Problems could also arise concerning conflicts between the organization and a member state. It is much more practical that the organization itself can handle these situations without all the other member states being obliged to both get involved and also jeopardize their relations with the member state in question.

A separate legal personality of international organizations has therefore emerged as a practical concept giving the organizations the capacity to operate in their own right, both in legal proceedings and as entities possessing their own rights and obligations [2].

International legal personality cannot exist without international law. This link between international law and international legal personality is very important as its core purpose is to resolve international disputes. Like any legal system, international law is designed to regulate and shape behavior, to prevent violations and to provide remedies for violations when they occur. Though the purpose of international law is noble and important, it is equally important to understand that without the legal personality international law would not be as efficient. International legal personality enables individual states to be personified and in this way facilitates legal procedure. Thus states could be taken to court or accused of breach of international law. Those wishing to take action against them can do so with the support of the clearly defined legal system [4].

This article has briefly argued that legal personality has certain relevance and brings to the *conclusion* that this relevance exists in two ways: personality

forms recognition of the group's legitimate existence, and helps shield that existence from possible interference by outside authorities.

International Law provides its actors at the international level with rules and guidelines on how to act. On the other hand the international legal personality allows them to be punished should international law be breached.

The *perspective* of the work includes the detailed analysis of the functions and powers of the UN and its specialized agencies in the international setting.

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ECONOMIC EFFECTS OF CUSTOMS UNION

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This article evaluates the economic results of Customs Union existence and the prospective of its development with possibility to attract new countries.

Key words: CES, CU, EurAsEC, integration, long-term effects, short-term effects, trade creation effect, trade diversion effect.

Шокало К., Старцева Н.М. Економічні ефекти Митного Союзу. Дана стаття дає оцінку результатам існування Митного Союзу та перспективи його розвитку з залученням інших країн.

Ключові слова: довгострокові ефекти, ефект витіснення торгівлі, ефект створення торгівлі, ЄврАзЕС, СЕС, інтеграція, , короткострокові ефекти, МС.

Currently Ukraine is going to make one the biggest and the most important decisions during the period of its existence. The Ukrainian government is about to stick our future to EU or to EurAsEC or to be more particular to CU. According to the actions which have been taking place during this week, it seems more *relevant to deep into details of Eurasian development, its economical results and nearest and possible future.*

CU has been a victim of criticism for a long time. There were a lot of reasons for such attitude: small and undeveloped market, incompatible manufactures. The existence of political dictatorship and the absence of enough political support of economic system. Some politics take CU as artificial creation, a political toy for Russian Federation. To answer whether it is true or not is better to track down to the real figures and facts. And on their basis to make a prediction of CU future.

The goal of this article is to evaluate the results of CU performance up to date comparing the benefits taken by each country-participant and bring to the light real disadvantages of this entity.

CU started its performance in 2010 acting for 2,5 years to date. Taking into consideration the theory of economic integration we can talk about the effects which are caused by the process of integration , CU here.

Creation of CU is accompanied with the effects of trade creation and trade diversion, which are caused mostly because of elimination of customs borders between countries-members of CU.

2,5 years is not a big enough term to talk about long-term trend, besides CU creation causes the time lag of manufactures' reaction.

First of all, effect of trade creation should be analyzed. When a customs union is formed, the member nations establish a free trade area among themselves and a common external tariff on non-member nations. As a result, the member nations establish greater trading ties between themselves now when protectionist barriers such as tariffs, import quotas, non-tariff barriers and subsidies have been eliminated [3]. The result is an increase in trade among member nations in the goods or services of each nation's comparative advantage. In other words, increase in trade causes greater revenues, (more profitable).

A sectoral analysis of the trade flows dynamics shows a very modest increase in intra-Union trade within two years of the Customs Union operation. For instance, Russia's exports of ferrous metals, which constitute its most important export product group after oil and gas, demonstrate a very ambiguous trend. After initial growth in the first two quarters of 2010 (which can be attributed to post-crisis recovery), Russia's exports to the EurAsEC remained quite stable for a year. The export volumes did pick up substantially in 2011 (mainly due to the increase in demand for steel products on global markets, as a sharper export increase to the EU in the same period would suggest), only to decline in the first half of 2012, which might be an indication of seasonal factors in demand. This development leads us to assume that Russia's export of ferrous metals could have been initially encouraged by the improvement of trade conditions within the CU, yet failed to have a sustainable effect, with Russia's exports to its member countries returning to the pre-2010 levels in mid-2012.

A similar trend is observed in Russia's export of finished goods. The first three quarters of 2010 saw a two-fold increase in Russia's exports of machinery and equipment, largely due to the post-crisis recovery of demand. However, in the last two years Russian exports of these products have fluctuated and ultimately declined to the (roughly) pre-Customs Union level [2].

As the data above show, changes in export volumes to EurAsEC markets were mostly consistent with fluctuation in exports to the EU, apart from the stable volumes of exports at the end of 2011, while supplies to the EU saw a sharp decrease. This latter 'divergence' might indeed suggest the improvement of Russian suppliers' trade terms in the EurAsEC due to the Customs Union. However, this support seems to have been rather short-lived, as Russia's exports of machinery and equipment to EurAsEC countries returned to the same level as exports to the EU in mid-2012, despite prior elimination of tariff barriers with Belarus and Kazakhstan within the Customs Union.

Overall, these volatile dynamics in major export-oriented sectors of Russia's economy fail to supply strong evidence for the sustainable trade-creation effects of the introduction of the Customs Union. This development is rather different from the strong trade creation effects in these industries seen in the early stages of European integration. On the one hand, the increase in 2011 could indeed have been aided by the elimination of trade barriers. On the other hand, initial trade creation effects appear rather precarious in the short run, illustrated by the slump in 2012. We therefore conclude that integration steps beyond tariff policy are needed to boost intra-bloc trade in the key sectors [1].

The second which is created with CU is trade diversion. When a country applies the same tariff to all nations, it will always import from the most efficient producer, since the more efficient nation will provide the goods at a lower price. With the establishment of a bilateral or regional free trade agreement, that may not be the case. If the agreement is signed with a less-efficient nation, it may well be that their products become cheaper in the importing market than those from the more-efficient nation, since there are taxes for only one of them. Consequently, after the establishment of the agreement, the importing country would acquire products from a higher-cost producer, instead of the low-cost producer from which it was importing until then. In other words, this would cause a trade diversion.

The dynamics of imports to member states help to estimate possible trade diversion effects in the Customs Union. In order to ascertain how the share of imports of manufactured products from EurAsEC countries changed in comparison to imports from major suppliers (the EU and APEC countries), we analyse the change in Russia's 38 import structures for the period under review. Interestingly, the EurAsEC share of machinery and equipment imports to Russia increased at the beginning of 2011, while imports from other suppliers shrank. However, the share of EurAsEC did not exceed 6% in mid-2012, thus remaining a rather minor line in Russia's imports. APEC and EU suppliers managed to preserve their share of imports to Russia, despite the more discriminatory terms of the newly created Customs Union.

In contrast to the early EEC developments (spurred mainly by the onset of the Common Agriculture Policy), the introduction of the Customs Union and the Common Economic Space appears not to have caused trade-diverting effects in the most important food sectors of the member states. For instance, the share of Russian imports of meat products from the EU not only remained stable in 2011, it also managed to increase substantially in the first quarters of 2012, while the share of EurAsEC suppliers decreased.

Thus, in line with EEC experience, the trade diversion effects in the sector of machinery and equipment have not been prominent in the CU so far, which can be attributed to rather uncompetitive domestic producers. However, unlike the European experience of building an agricultural 'fortress', food imports (in particular, meat products) from external suppliers were not replaced by intra-Union producers. This trend might be attributed to the poor competitiveness of its agricultural producers and comparatively minor changes to industry regulations brought about by the Customs Union.

Both trade creation effect and trade diversion effect have influence on

foreign trade structure, changing the orientation for the major trade partners.

Finally, a word on the impact of the customs union on the foreign trade structures of the member states is warranted. One of the possible economic motivations for Russia to embark on the Eurasian integration project was the potential to increase the exports of manufactured products and thus help diversify its economy away from raw material export dependency (mostly oil and gas). On the one hand, the share of Russia's intra-regional exports increased in the wake of the creation of the Customs Union. However, Russia's export structure in machinery and equipment has not managed to sustain these gains in the longer run: Russia's share of manufactured goods exported to EurAsEC rebounded to 16% in mid-2012. Despite more favourable conditions introduced by the Customs Union, its export share to EurAsEC markets has in fact decreased over the past two years (compared to early 2010).

Furthermore, the share of Belarus' total exports to CU members has been declining for 2.5 years since the CU was established: not only did Belarus fail to increase its modest share of trade with Kazakhstan; it also saw a dramatic decrease in its total export share to Russia, its main trade partner. Contrary to what one would expect from CU implementation, its share of exports to Russia decreased by 8% by mid-2012.

Conclusion: to sum up, the EurAsEC Customs Union appears to have had a two-pronged impact on the structure of its member states' foreign trade in crucial sectors (ferrous metals, machinery and equipment). On the one hand, Russia (like more export-oriented countries in terms of manufactured goods) did indeed increase its intra-Union trade in 2011, amid the CU implementation. On the other hand, the dwindling share of CU-bound exports from Belarus, as well as Russia's 'rebound' in 2012, lead us to believe that the short-term effects of the introduction of the Customs Union are over, and that its member states will need to introduce new policy measures to sustain intra-bloc trade growth.

The implementation of the integration project, the opening of markets for each other – it is always a complex process, especially in the early stages, there are certain trade imbalances, the costs, that is natural, and take place, in fact, in all integration processes. But long-term systemic integration worth it.

The business has already praised the simplification of customs procedures and benefits associated with competing national jurisdictions. Now each of the countries strives to create the most attractive employer for work and development of the business. A number of Russian-Kazakh enterprises is growing steadily, has already exceeded 5000. They operate in almost all key areas.

The deep industrial cooperation in various sectors of economic relations will give even greater strength and will balance the effects of fluctuations in world markets.

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INFORMATION AND COMMUNICATION TECHNOLOGIES: ECONOMIC ASPECT

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The article deals with the role of information and communication technologies in the economic development and the state of Ukrainian ICT sector. It provides the specific steps, which the national governments could take to enjoy the benefits of the ICT sector expansion.

Keywords: economic development, ICT, information and communication technologies, IT, Ukraine.

Шолом А., Давиденко І.В. Інформаційно-комунікаційні технології: економічний аспект. У статті проаналізовано роль інформаційно-комунікаційних технологій у економічному зростанні, а також стан ІКТ-сектору України. Визначено

конкретні кроки, які можуть бути вжиті національними урядами, щоб перетворити на свою користь розширення ІКТ-сектора.

Ключові слова: економічне зростання, ІКТ, інформаційно-комунікаційні технології, IT, Україна.

The term information and communication technologies (ICT) refers to the integration of telephone and computer networks through a single link system, which enables people all around the world to access, transmit, store and analyze information. Sometimes the phrase ICT is often used interchangeably with the term Infocommunications (IT), but the former stresses the importance of unified communications and their influence on the way how modern people think and behave [4].

Today, the world has undergone massive changes: the Internet bubble has come and gone, and emerging countries such as China and India have become prominent global users and providers of ICT equipment and services. Struggling to emerge from the financial crisis, developed economies are striving to return to higher levels of growth and competitiveness while fighting stubbornly high unemployment rates, especially among the youth. Both emerging and developed economies are focusing on innovation, competing globally for talent, resources, and market shares [2].

The problem of the impact of ICT on the economic growth is very important, as it is impossible to get any success without acknowledging the fundamental changes the world economy is facing now and which ICT reflect. The *goal* of this research is to analyze the relationship between ICT and national economy and the role of Ukrainian government in the development of ICT sector on the basis of such *methods* as description and comparison. The *subject* is investigated by domestic and foreign scientists as well. Aspects of international reserve management have been analyzed by Ukrainian and Russian economists, notably O. Sazonets, I. Ogirko, V. Anurina, S. Duka, I. Alekseeva, A. Sokolova and others.

Information and communication technologies have shifted the paradigm of economic development. The total money spent on IT worldwide is currently growing at 5% p.a., i.e. doubles every 15 years. In recent years ICT industry has solidified its position as an important part of the Ukrainian economy. Following the dramatic downturn caused by the financial crisis, Ukrainian ICT market increased by 40% in 2011 and by approximately 35% in 2012. In 2012 its value reached USD 3.3. bln, which is higher than the level recorded in 2005 but is still lower than the peak volumes before the crisis [7] as it is given in table 1.

Table 1

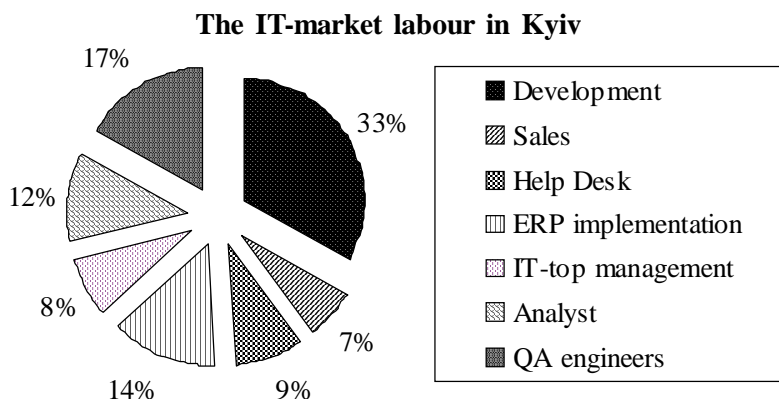
The IT market in Ukraine in 2008-2012

Period	Value, bn US dollars	Growth rate, %
2008	3.5	0.29
2009	4.0	0.14
2010	2.0	-0.50
2011	2.8	0.40
2012	3.3	0.35

Source: [3].

Depending on the estimates, there may be up to 4,000 IT companies operating in Ukraine, which employ between 40,000 and 50,000 professionals (see picture 1).

Picture 1



Source: [7].

The influence of the development of ICT on the national economy could be summed up to changes in three areas: production, investment and employment, as there is a growing demand in the service fields that require expert knowledge and detailed information.

In order to enjoy the benefits of ICT the Ukrainian governments should:

1. strengthen information infrastructure and increase the national productivity:
 - a. upgrade telecommunication networks and create Cyber Ukraine, where high-speed communication services will be available to anyone, anywhere, at any time;
 - b. implement information education and legal/institutional reforms;
 - c. digitalize the administrative work to boost government productivity and transparency;
 - d. enhance corporate productivity by using ICT;

2. promote new business by utilizing information technology and infrastructure:
 - a. create new jobs by Internet industries;
 - b. promote R&D and international cooperation in ICT [8].

Conclusion. The links between ICTs (their tools, services, and models) on the one hand and the unwavering importance of competitiveness, growth, and jobs on the other have never been so strong before. Developed economies need to reinvent themselves to maintain or restore their competitiveness, retain or regain market shares, and create jobs; emerging and developing economies are seeking ways to improve productivity and find new sources of growth through new technologies. However, it is only possible if national governments concentrate on solving system failures, rather than on solving the market failures.

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FOREIGN TRADE COOPERATION: UKRAINE AND BENELUX COUNTRIES

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The article refers to the total volume of foreign trade turnover between the two countries, the specification of the relationship, the level of investment and promising areas of cooperation.

Keywords: export, import, development trends, trend, turnover.

Шостак С., Давиденко І.В. Зовнішньоекономічне співробітництво України з країнами Бенілюкс. У статті йдеться про загальний обсяг зовнішньоторгового обороту між країнами, специфікація цих відносин, рівень інвестицій та перспективні галузі співробітництва.

Ключові слова: експорт, імпорт, напрямки розвитку, тенденція, товарообсяг.

In the north-west of Western Europe there are three small countries – constitutional monarchies Belgium, the Netherlands and Luxembourg. Together these countries are called the Benelux Economic Union.

Their desire to create such a community is caused by many factors: common history (once all of these countries were part of the Duchy of Burgundy), economic and trade ties, that were developed back in the Middle Ages, and of course the understanding, that together they can get much greater influence in Europe and all over the world.

This union with the population of 28 million people and such a small area has superior economic indicators, living standards and political weight [4]. Their interest in the Ukrainian economy has had some impact. Over the past 10 years foreign trade cooperation has increased in several times. It shows tables 1, 2 and 3.

Table 1

**Ukrainian foreign trade in commodities,
2012 y., mln US dollars**

	Export	Import	Balance	Balance (2004 y.)
Belgium	467,6	708,5	-240,8	18,5
Luxembourg	3,9	30,7	-26,8	-9,1
the Netherlands	829,9	1122,0	-292,1	184,6
Sum	1301,4	1861,2	-559,8	194

Source: [1; 2].

As it can be seen the volume of trade is different in all countries, but its sum is large enough. The difference in the levels of balances indicates an increase of interest of these countries in Ukraine.

Table 2

**Ukrainian foreign service trade,
2012 y., mln US dollars**

	Export	Import	Balance	Balance (2004 y.)
Belgium	302	84,2	217,8	92,7
Luxembourg	6,2	9,3	-3,1	0
the Netherlands	137,2	153,1	-15,9	13,5
Sum	445,4	246,6	198,8	106,2

Source: [1; 2].

Service trade statistics looks much more attractive and also tends to increase in volume, but keeps positive balance.

Another important criterion of the Benelux interest in Ukraine is foreign direct investment.

Table 3

**Foreign direct investment (shareholders' equity)
as at 01.07.13, mln US dollars**

year	FDI to Ukraine		FDI from Ukraine	
	2013	2005	2013	2005
Belgium	72,8	42,6		0,013
Luxembourg	581,1	58,4	Secret inf.	0,08
the Netherlands	5376,1	548,3	13,4	0,025
Sum	6030	649,3		0,118

Source: [2].

There is also a tendency of growth. Total Ukrainian foreign investment to EU is amounted to 6540,4 million US dollars.

Cooperation between the union and Ukraine enhanced when our country was preparing to Euro-2012. Series of meetings at the highest level with all member-states of the union were held. A number of agreements on economic cooperation were signed, and working meetings were organized. Also, these countries have supported Ukraine in an effort to enter free trade zone with the EU.

The prospect of cooperation between these countries is extremely attractive, especially as the Benelux countries are not politicized that for our current situation is important. It means that for the union only mutually beneficial cooperation is important, rather than geopolitical victory

Trade relations between the Netherlands and Ukraine in recent years are actively developing. The Netherlands are the third largest trading partner in Europe of Ukraine and the third largest investor. They mainly invest in infrastructure, building and construction sector and banking services [3].

In the nearest future there are hopes of more active joint activities in agriculture. And it applies not just to exchange of experiences or equipment trading, but a substantial investment in the agricultural sector of Ukraine.

Note the successful work on the Ukrainian energy market of Dutch large companies – ING and Shell.

Ukraine imports products of agricultural sector, engineering and chemical industries. At the same time our country is exporting to the Land of Tulips steel, cast iron, agricultural and engineering products.

We can sort out four priority areas of Ukrainian and Belgian business cooperation: building and construction sector, transport infrastructure, food industry, energy conservation projects and green technologies [3].

Belgium and Ukraine within the Ukrainian-Belgian Forum (held in the autumn of 2010) are implementing energy conservation and green technologies projects. Between Nikolaev port and the Belgian port of Ghent (East Flanders Province) a memorandum of cooperation was signed, particularly concerning facilitating the development of alternative forms of energy. The representatives of Belgium are interested in cooperation with Ukraine in production and transportation of bio-fuel, pellet, as well as production of wood chips. Note that transportation is one of the most complex issues related to the organization of export-oriented production of bio-fuel. A maritime transport is the most efficient way to transport it over long distances.

Among the products that Ukraine exports to Belgium are electrical machinery and equipment, textiles, refined petroleum products, etc. The

exporting of some products (e.g. grain) to Belgium actively began in 2010. From Belgium, Ukraine imports about 8 thousand types of products, in particular boilers, machinery and technical equipment, as well as products of chemical and pharmaceutical industry.

Luxembourg, as seen from the tables above, has the smallest effect on the Ukrainian economy. And since the member-states conduct quite the same policy towards 3rd countries, the Luxembourg interest for the industry remains the same.

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CURRENT STATE OF THE TOURISM SERVICES MARKET DEVELOPMENT IN ICELAND

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The article analyzes the modern trends of tourism market development in Iceland. Information about tourism policy in Iceland is provided. The basic ways of development of the tourism market in the country are proposed.

Keywords: domestic tourism, international tourism, tourism market, tourism policy.

Сіюшов А.С., Літовченко Я.М. Сучасний стан розвитку ринку туристичних послуг Ісландії. У статті проаналізовані сучасні тенденції розвитку ринку туристичних послуг в Ісландії. Дана інформація щодо туристичної політики Ісландії. Пропонуються основні шляхи розвитку ринку туристичних послуг у країні.

Ключові слова: внутрішній туризм, міжнародний туризм, туристичний ринок, туристична політика.

Iceland is a wild and beautiful country. There it is possible to see one of the most surprising and unique landscapes on a planet, the wild nature of the remote island where the person fights against forces of nature. It is the country of contrasts where fire meets ice, and ancient traditions face the latest technologies. There is a big congestion of glaciers and volcanoes, geysers and hot springs on this island. The special attention is deserved by lava fields and the tops of mountains covered with snow, picturesque coast, high falls and rather numerous fjords [1].

The fine nature gives to Iceland that unique look which attracts tourists from all over the world. Here everyone has an opportunity to watch whales or seals, to visit bird's markets, and also to bathe in a hot spring or the cold ocean. It's quite notable that all recreational resources are at close distance from each other [2].

In spite of the fact that Iceland is covered with permafrost, climate here is rather soft thanks to the warm Gulf Stream Current. Despite such conditions, the highest standards of living and education are observed in Iceland making it an advanced country. The trip to Iceland will provide any traveler with many new and exciting impressions. This is an excellent place for any kind of rest.

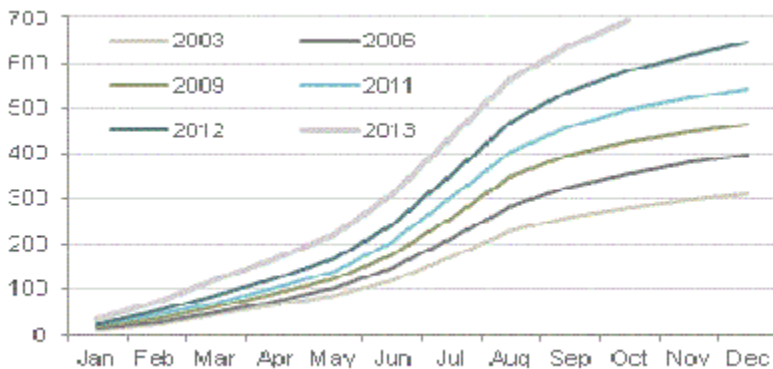
The *purpose* of this study is to analyze the modern trends of tourism market development in Iceland.

Analytical and statistical *methods* together with generalization are used in the research.

The tourism market in Iceland is highly developed. It is clear that tourism has become an increasingly important sector of the Icelandic economy in recent years, which can be seen from the statistics below. (Table 1.)

Table 1

Foreign travellers' statistics



Source: [3].

When the world financial crisis began to extend actively throughout the planet in October 2008, many world powers gave in. Some countries had to declare themselves bankrupts for various reasons, but the reason of increase in the dollar value and, therefore, fall in rate of national currencies in relation to dollar became the most widespread. The financial crisis anyway influenced economy of every country. It did not go by Iceland, especially the tourism infrastructure, which till November 2008 had been developing at fast pace, suffered greatly from the financial crisis. This year the dollar rate in Iceland makes 105 kroner to one dollar, earlier the rate made only 60 kroner. Reduction in cost of the Icelandic currency negatively affected all spheres of activity of the country. For example, in November 2008 tourists from other countries practically neglected Iceland. But soon the situation changed sharply as there was a huge flow of foreign tourists to Iceland. It is also known that the flow of the Canadian tourists in comparison with the previous years increased by 68% and amounted to 702 thousand people in 2013 [3].

The Icelandic currency fell to 44% by the end of 2008. It negatively influenced the Icelandic economy. But the authorities found a way out of the current situation. It appeared that tourists could freely spend two-week holidays in Iceland for only 200 dollars. And it was not a joke. Now the country gets the main profit only from tourism sector in Iceland. Many bartenders say that their bars are visited mainly by foreign tourists who leave there quite good tip.

The most part of tourism in Iceland is based on offering the travelers to visit geothermal sources near Reykjavík. As the country is known for the picturesque sceneries among which there are hot springs of the Blue Lagoon, constantly throwing up geysers directly in the middle of snow-covered rocks, even falls with warm water which, moving away from a source of natural heat, turn into glaciers many tourists like to visit national park of Thingvellir which is recognized by UNESCO the world heritage.

Nevertheless, the world crisis knocked down the tourism industry in Iceland, having forced 8200 people who occupied this industry, to worry about their future. It is known that unemployment rate in Iceland increased almost by 5% in comparison with the years before the world financial crisis hit the country and made 7,1%. But thanks to foreign tourists the economy of Iceland is sure to return to its normal state soon. The Tourist council of Iceland noted a decrease in flow of the American tourists at the end of 2008 by 22%, but the flow of tourists from the USA has renewed and even increased, strange as it may seem, thanks to decrease in the rate of national currency [5].

The tourist council of Iceland has also made the decision to take all possible measures to increase a flow of foreign tourists to the country. In particular, the Icelandic authorities hope for the European tourists. Britons visit Iceland more often than other Europeans and the figure accounts to nearly 70 thousand guests a year. The number of German tourists to Iceland equals to 45100 people and of Danes – 41 thousand a year.

The representative of the Tourist council in the country told that tourism in Iceland would hopefully develop as trips to Iceland don't demand from tourists a large number of money for fare and accommodation.

The *materials* and statistical reports of the World Council of Tourism and Traveling and the State Statistics Committee of Iceland used in the article prove the above mentioned idea.

Iceland is an ideal place for ecotourists too. Ecological tourism differs in its approach to lodgings and the nature. It assumes a very careful attitude to the nature and the person in it. The basic principle of the ecological tourism is to do no harm to nature. In this regard Icelanders are very careful and attentively control the ecological situation.

And for the tourists who love true thrills, there is no better country in Europe than Iceland, the island of fire and ice with tens of hot geysers, blue lakes and spacious glaciers [6].

To Sum up, we can say that over the past decade Iceland has experienced a rapid expansion of its tourism industry. The country is now at a crossroads where as the destination matures the focus of tourism policy needs to shift away from focusing purely on increasing visitor numbers and international tourism receipts towards the creation of a sustainable destination that will remain competitive in the long term. The rapid growth in visitor numbers, particularly cruise passengers, has started to cause some friction and congestion at key visitor sites within the Golden Circle. Thus there is a need for urgent action and sustained responsibility in regard to the preservation of both the natural environment and local culture. Key visitor sites are increasingly at risk of saturation and therefore urgently require better site management and planning in order to ensure they are enhanced and preserved. If a Conservation Fund were to be introduced some of the proceeds could be allocated to site management and preservation in order to ensure the long-term sustainability of these as well as opening up new destinations to visitors. Like elsewhere, the Icelandic tourism industry is complex in nature and as such it requires co-ordination of government at all levels as well as of the private sector businesses that both compete and co-operate with one

another. At the present time there is a lack of consensus among many of these stakeholders and thus we recommend that a tourism strategy group is introduced in order to encourage better stakeholder alignment and co-operation. At this stage a clear and cohesive approach is therefore required in order to maximize the financial and socio-economic benefits that such a unique and much desired product deserves. A long-term strategy that is supported by all key stakeholders is consequently needed to provide focus and combined with a top down approach; there is no question that the desired outcomes can be delivered in protecting the product whilst ensuring its sustainability for generations to come.

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A CLUSTER-BASED APPROACH TO COMPETITIVENESS: KEY CONCEPTS

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The article features a new approach to the economic development of all types of enterprises on the regional level – a cluster approach which is closely connected with innovative investment model and leads to competitive status of an enterprise.

Keywords: cluster approach, cluster initiatives, competitiveness, industrial cluster, innovative investment model, regional economic development.

Смахтіна В., Старцева Н.М. Кластер-підхід до конкурентоспроможності: основні концепції. У статті запропоновано новий підхід до економічного розвитку всіх видів підприємств на регіональному рівні – кластерний підхід, який тісно пов'язаний з інноваційно-інвестиційною моделлю та призводить до конкурентного статусу підприємства.

Ключові слова: інноваційна інвестиційна модель, кластерний підхід, кластерні ініціативи, конкурентоспроможність, промисловий кластер, регіональний економічний розвиток.

Under imperfect market economy and a deep economic crisis of a traditional economic thinking – in the form of individual companies, sectors, industries, ministries – *the problem of introduction of a regionally-holistic approach* considered as the region's educational complex *is vitally important* being an integral part of the national economic complex development.

In practice a successful implementation of a regionally-holistic approach is possible only if there will be used more specific approaches with *a clear practical orientation*. Among them a cluster approach figures a special role since it allows to introduce the innovative investment model of economic development at the regional level.

The goal of the research is to give deep analysis of processes of clustering of regional economies which is of *scientific and practical interest*, particularly in the context of the implementation of the State Strategy for Regional Development of Ukraine in 2015. It can significantly improve the predictability of the processes of regional economic development and points out the real path to recovery and increase of competitiveness at the regional level.

An industrial cluster is an agglomeration of companies, suppliers, service providers, and associated institutions in a particular field. Often financial providers, educational institutions, and various levels of government are included. These entities are linked by externalities and complementarities of different types and are usually located near each other. Because of their proximity – by geography and activities – cluster constituents enjoy the economic benefits of several location-specific externalities and synergies. Such benefits include access to specialized human resources and suppliers, knowledge spillovers, pressure for higher performance in head-to-head competition, etc. Moreover, through these linkages, one cluster is inevitably linked with others and to the overall economy.

Cluster initiatives can contribute to comprehensive national competitiveness efforts that include policy reform, trade capacity building, a private-public

dialogue, regional economic development, workforce development, etc. They become a catalyst, generating broad public understanding and support for the economic reform agenda by working with the media, universities and think tanks, knowledge and technology foundations, industry leaders, government officials, etc. When designed carefully and implemented efficiently, cluster initiatives may well be one of the most effective tools in a broader context of policy reform and other private sector development initiatives.

The concept of economy-wide competitiveness has brought forward the relevance of a cluster approach. Competitiveness is a proxy for the productivity of an economy and depends on the value of a nation's products and services, measured by the prices they command in international markets and the efficiency with which they are produced. Industrial clusters can increase productivity and operational efficiency through linkages, spillovers, and synergies across firms and associated institutions and through efficient access to public goods and the diffusion of best practices.

Clusters whose activities span regional or national boundaries differ from those that operate within a nation. The McKinsey Global Institute estimates more than 70 per cent of developing country exports are concentrated in six industries: agribusiness, mining, light manufacturing, tourism, information and communications technology, and retail distribution. Clusters based on these industries are emphasized throughout this toolkit, although it will try to differentiate export industry clusters from those serving the local market. A study by the Institute for Strategy and Competitiveness, Harvard Business School, shows that locational patterns of export-oriented clusters are likely to reflect the underlying forces of linkages rather than economic geography. On the other hand, local industries are present at roughly the same density throughout economy, showing they serve local markets and are not exposed to direct competition across regions. They may account for higher employment but lower wages, productivity, and rates of innovation than the economy on average. In contrast, export-oriented clusters are concentrated geographically because industries in this category can choose where to locate and serve markets beyond the border. Such clusters account for relatively smaller employment but register above average wages, productivity, and innovation [2].

Clusters provide a particularly fertile ground for firms to raise their innovation capacity. Clusters are well aligned with the modern approach of "open innovation" that suggests that innovation is not created by isolated organizations but mostly in dynamic environments where competent

organizations and skilled labor interact in a constructive and complementary way to assimilate existing knowledge and generate new ideas and products. The concept of clusters is very similar to this concept of “open innovation” which is nowadays broadly accepted. Similarities also exist with the concept of “triple helix” that emphasizes that innovation depends on the interaction between strong academic research (universities), dynamic entrepreneurship and the availability of risk capital (private sector) as well as on a supportive policy framework (public administrations).

Cluster firms benefit from the geographic proximity of other drivers of innovation which facilitates the flows of tacit knowledge, the presence of a skilled labor as well as unplanned interactions that are critical parts of the innovation process. Cluster firms interact more frequently with research institutions which are located in proximity of other firms and have an easier access to international networks and capital. Furthermore, within dynamic clusters, levels of personal exchanges between firms appear to be higher than in non-clustered locations. This type of “crosspollination” of ideas and innovation has been recognized as one of the main drivers of the success of the Silicon Valley model. Another example is the successful Stockholm ICT cluster which exhibits higher rates of inter-firm labor mobility than the rest of the labor market and higher rates of intra-firm mobility than other comparable private-sector enterprises. Clusters provide competitive advantages for those firms participating in them. The participation of firms in clusters may also be driven by the sheer need to cooperate due to the increasing complexity of innovation nowadays.

It can be reasonably assumed that clusters are among the most relevant microeconomic factors that influence the levels of prosperity of a region. Clusters and regional specialization are empirically associated with higher levels of prosperity. All mapping efforts – such as the profiling of specialization patterns across cluster categories (groups of industries that empirically co-locate) in regional economies in Europe, North America, and a few other countries – have provided systematic evidence on these links. Economic prosperity among the regions of Europe is linked to the degree of cluster strength. Regions with a higher share of employment in industries that belong to strong clusters are generally more prosperous. While many factors other than clustering can have an impact on prosperity, the data provides clear evidence that clusters are significantly related to prosperity.

Porter’s study of US clusters shows that US regions that have a high proportion of their total work force located in “strong” clusters enjoy a

higher level of economic development in the form of average wages and employment growth in addition to higher patenting. A study of Danish biopharmaceutical clusters has confirmed these results, suggesting that an increase of the location quotient (i.e. agglomeration) of one percent would lead to a three percent increase in cluster average wages. In other words, the more specialized a region is the greater the potential for higher wages. A study by Wennberg & Lindqvist covering 4,000 new entrepreneurial firms in knowledge intensive industry sectors in Sweden showed that at the firm level clustered firms created more jobs, higher tax payments, and higher wages to employees. In addition to the effect on performance, the study found strong empirical evidence that being located within a cluster has positive effects on the survival of new firms. The comparative survey of 34 clusters in 17 countries summarized in the report on “Regional Clusters in Europe” also reveals that most of the surveyed clusters are growing in both the number of firms and employees, yet with a bias towards science-based and young clusters. Regional clusters perform in general better than the national average.

While it can be assumed that clusters come with higher innovativeness, more employment and economic growth especially in the first years of a local cluster’s existence, a study by Brenner & Gildner points out that the positive relation between local clusters and economic performance may wear off with time, even though it is still visible, on average, in local clusters that exist for more than 50 years. Importantly, the study highlights that over time “old” clusters seem to still have a positive long-term economic impact on unemployment, income and the local start-up rate only, while a negative impact over time seem to emerge with regards to the involvement of a region in new technologies. This seems to confirm that clusters need to change and adapt to new contexts and challenges. Altogether, there is nevertheless strong evidence that a cluster-based regional economy generates better economic results.

Conclusion. Cluster initiatives could be effective tools for countries improving their competitiveness in international trade. If we ever implement them into our economy there might be some good results after. Clusters may evolve naturally over time to exploit economic benefits of location-specific externalities and synergies. Specific cluster initiatives can be developed to draw from and expedite the spillovers influencing economic performance within and across clusters. But competitiveness is not a quick fix, stakeholders will eventually agree that it is a complex challenge and no single policy or grand step can be a panacea.

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INTERNATIONAL ECONOMIC COOPERATION BETWEEN UKRAINE AND COUNTRIES OF CENTRAL EUROPE: AUSTRIA, GERMANY, SWITZERLAND

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The article deals with the foreign trade between Ukraine and several Central European countries (Austria, Germany and Switzerland) as the most wide-spread form of the international cooperation. It provides the dynamics of the main foreign trade indicators for the past ten years and gives a forecast for the next three years based on the trend analysis.

Keywords: balance of foreign trade, exports, foreign trade turnover, imports, international economic cooperation.

Смаль В., Давиденко І.В. Міжнародне економічне співробітництво України та країн Центральної Європи (на прикладі Австрії, Німеччини та Швейцарії). У статті проаналізовано зовнішню торгівлю між Україною та окремими країнами Центральної Європи (Австрією, Німеччиною та Швейцарією) як найбільш поширену форму міжнародного економічного співробітництва. Розглядається динаміка основних показників зовнішньої торгівлі та надається їх прогноз на наступні три роки на основі трендового аналізу.

Ключові слова: експорт, імпорт, зовнішньо-торгівельний обіг, зовнішньо-торгівельне сальдо, міжнародне економічне співробітництво.

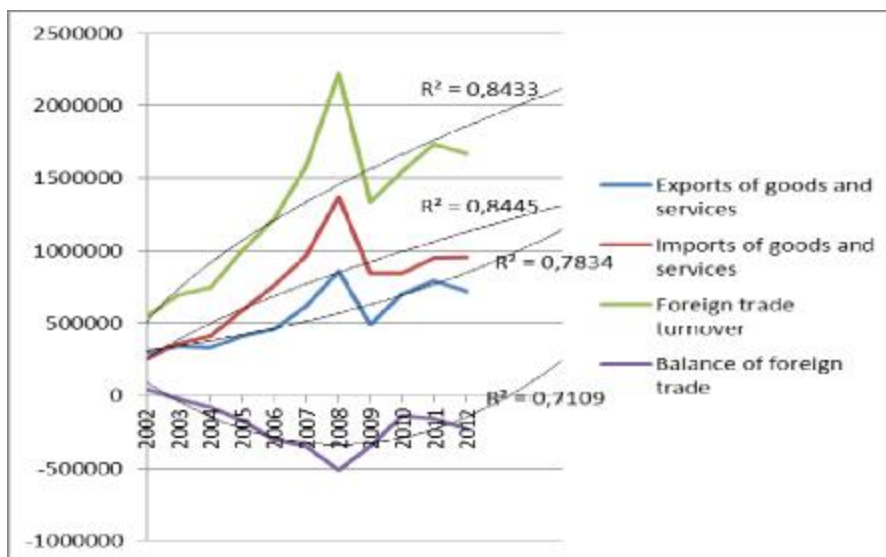
Economic cooperation between countries covers several fields such as exports and imports of goods and services, lending and borrowing of capital and payments, and acceptance services [4]. Foreign trade is an exchange of goods and services between countries. The inclination for one country to trade with another is based in large part on the idea of comparative advantage – which says that any country, no matter how technologically disadvantaged it might be, can always find some sort of good that will let it enter the game of foreign trade [5].

That is why, there is a sense to analyze Ukraine’s trade relations with her European partners such as Austria, Germany and Switzerland, especially, considering the fact that the Ukrainian foreign policy is Europe-oriented [3].

The *goal* of this article is to find general patterns in the development of the foreign trade relations between Ukraine and her partners (Austria, Germany and Switzerland) and to give a forecast for next years, which is based on the trends discovered during the research [6].

Graph 1

**The dynamics of Ukraine’s foreign trade with Austria
(2002–2012), thousands US dollars**



Source: [2].

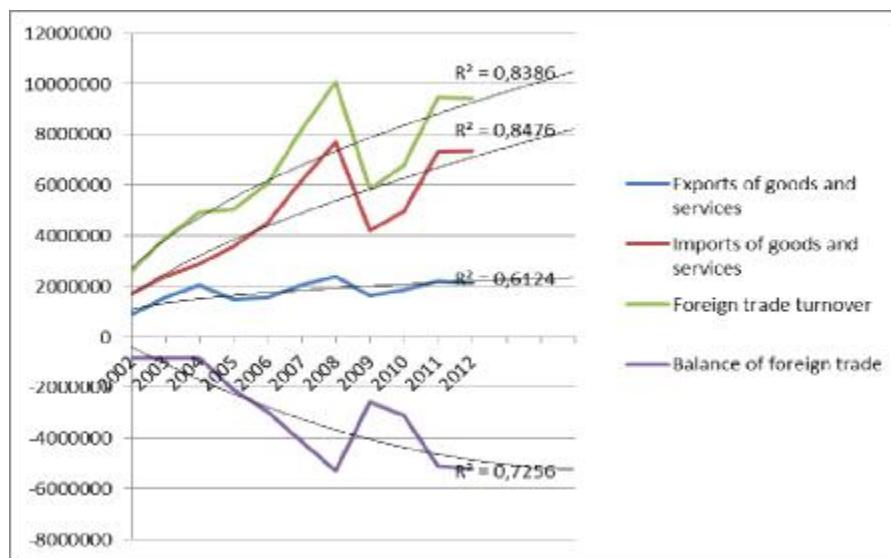
According to the graph 1, there had been a rising trend of the foreign trade turnover with Austria before the world financial crisis happened. During one

year the volumes of imports and exports were reduced by nearly 50%. The graph also shows us that since 2003 there has been a consistent pattern when imports prevail over exports. Besides, the growth rates of imports are much faster that affects the balance of foreign trade.

Having analyzed the trends of four main foreign trade indicators, we may come to the conclusion that Ukraine’s trade relations with Austria are getting better and there is a 84.33% chance that the trade turnover will recover to pre-crisis levels in 2015.

Graph 2

**The dynamics of Ukraine’s foreign trade with Germany
(2002–2012), thousands US dollars**

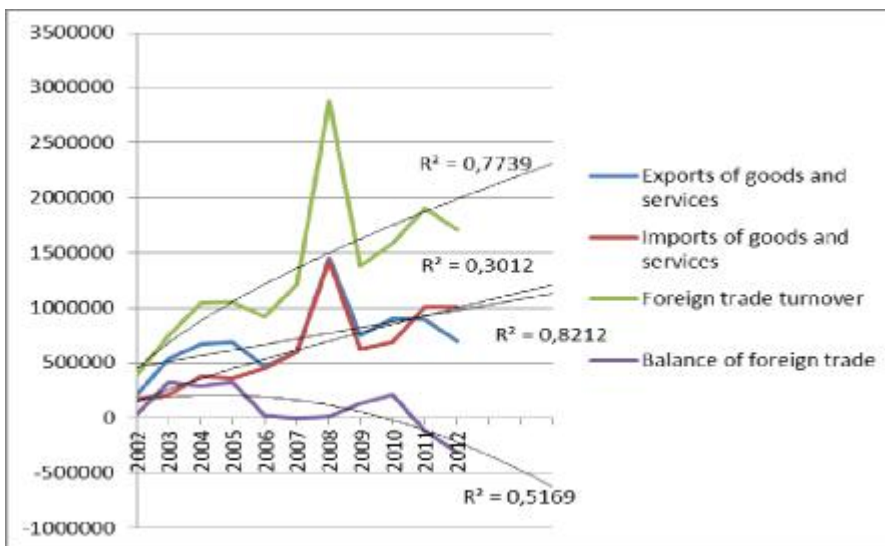


Source: [2].

As it is shown on the graph 2, the turnover between Ukraine and Germany shrank dramatically during the world financial crisis because of the decrease in imports. At the same time, Ukraine’s exports to Germany have a very steady trend but at extremely low levels. Ukraine’s imports are almost 4 times as big as her exports. As the result, the balance of the foreign trade depends only on the volumes of imports.

According to the trends, it is obvious that if nothing changes there is a strong chance that Ukraine will still have a negative balance of foreign trade with Germany.

**The dynamics of Ukraine's foreign trade with Switzerland
(2002–2012), thousands US dollars**



Source: [2].

Ukraine's trade relations with Switzerland are much more balanced in comparison to Austria and Germany (see graph 3). Although the foreign trade between these countries was also affected by the crisis in 2008, they managed to keep the equality between imports and exports.

The trend analysis shows us that Ukraine will have a negative balance in 2015 but the chances are 51%. That makes this prediction unreliable. That is why, we may say that the situation will depend on Switzerland and Ukraine's further actions.

In conclusion it is important to consider the current situation of Ukraine's foreign trade with these countries.

Table 1

Ukraine's foreign trade indicators in 2012, thousands US dollars

	Austria	Germany	Switzerland
Imports of goods and services	951 396	7 333 056	1 009 357
Exports of goods and services	717 281	2 108 949	701 362
The foreign trade turnover	1 668 676	9 442 004	1 710 719
The balance of the foreign trade	-234 115	-5 224 107	-307 996

Source: [2].

As we can see (table 1), nowadays Ukraine's trade relations with developed Central European countries are ill-proportioned. Mostly Ukraine cooperates with Germany importing goods and services from abroad. At the same time, as it was mentioned the demand for Ukrainian commodities and services is incomparably low. That causes the deficit in the balance and means the outflow of the foreign currency which weakens the national economy.

In terms of Austria, we may see a much smaller deficit in the balance, but the problem is that it grows constantly.

The only country Ukraine manages to trade efficiently, although with mixed success, is Switzerland. As we may see, today's situation with the balance is not in a benefit for Ukraine.

So Ukraine should change something in her trade policy in order to turn to advantage, otherwise the results are rather predictable.

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CURRENT TRENDS AND PERSPECTIVES OF WORLD SUGAR MARKET DEVELOPMENT

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The article deals with the issues of the world sugar market. The research provides analysis of current changes of the world sugar market, together with determining main trends and perspectives.

Key words: beet sugar, cane sugar, perspectives, trends, world sugar consumption, world sugar market, world sugar production.

Сохань В., Давиденко І.В. Тенденції та перспективи розвитку світового ринку цукру в сучасних умовах. У статті досліджено стан світового ринку цукру, проаналізовані його зміни, що відбуваються на сучасному етапі, визначені основні тенденції перспективи.

Ключові слова: білий цукор, перспективи, світове виробництво, світовий ринок цукру, світове споживання, тенденції, тростинний цукор.

In conditions of globalization of the world economy, together with mismatching world production, consumption pace and diversity of natural settings, one of the preferred goals of society development is to provide food supply security, especially with strategic kinds of products. Sugar is among them according to the world standards.

The *goal* of this article is to analyze the situation on world sugar market and determine its main tendencies and perspectives. The *subject* was investigated by Stanisevych S.A., Hryshenko O.U., Kodenska M.U., Fursa A.V., Boyeva V.R., Zeldner A.R., Klukacha V.A., Ushachova I.H.

During the XX's century world sugar market developed as a certain sector of merchandise market. At the end of the XX's century globalization processes affected the world sugar market that has become much more dynamic and flexible. The extension of globalization, development of world economy and growing of population resulted not only in the increasing of sugar production, but caused rapid multiplication and redistribution of world trade volumes. International trade of sugar is average out at 58 Mt that is about 33–34% of world production [9].

Industrial production of sugar is based on two kinds of crops – sugar cane and sugar beet. The cane sugar production costs nearly twice as little than beet sugar production, but all countries-producers of beet sugar defend their own market. Current globalization processes influence either cane sugar or beet sugar productions that are 80% and 20% correspondingly.

Generally over 120 countries produce sugar. Traditionally, there are three main regions of its production:

- Northern Hemisphere, which includes countries-producers of beet sugar in Europe, North America, Central Asia and North Africa;
- the equatorial region, which includes countries producing cane sugar in Asia, North and Central America, Africa;
- Southern Hemisphere, which includes countries, producing cane sugar in South America, South Africa and Oceania.

The five largest sugar producers in the world are Brazil, India, EU, China and the United States. Their share in world production is 60% [1; 3].

According to the USDA in 2012 / 2013 MY world production was 176 Mt of sugar. The largest sugar producer is Brazil, whose share in the structure occupies 22% – 38.6 Mt, a significant proportion is occupied by India – 15.5% (27.2 Mt), European Union – 9.43% (16 59 Mt). The share of Ukraine is 1.19% – 2.1 Mt [9].

Table 1

World sugar producers

Country/MY	2009/2010	2010/2011	2011/2012	2012/2013
Brazil	36,4	38,35	36,15	38,6
India	20,637	26,574	28,62	27,2
EU	16,897	15,939	18,32	16,591
China	11,429	11,199	12,341	14
Thailand	6,93	9,663	10,235	10
USA	7,224	7,104	7,7	8,144
Mexico	5,115	5,495	5,351	7,393
Pakistan	3,42	3,92	4,52	4,78
Russia	3,444	2,996	5,545	5
Australia	4,7	3,7	3,683	4,25
Guatemala	2,34	2,048	2,499	2,6
Philippines	1,8	2,52	2,4	2,45
South Africa	2,265	1,985	1,897	2,02
Columbia	2,294	2,28	2,27	2,21
Turkey	2,53	2,274	2,262	2,13
Indonesia	1,91	1,77	1,83	1,97
Egypt	1,82	1,83	1,98	2
Argentina	2,23	2,03	2,15	2,3
Ukraine	1,382	1,54	2,3	2,1
Cuba	1,25	1,15	1,4	1,51
Other	17,386	17,556	18,478	18,785
Total	153,403	161,923	171,931	176,033

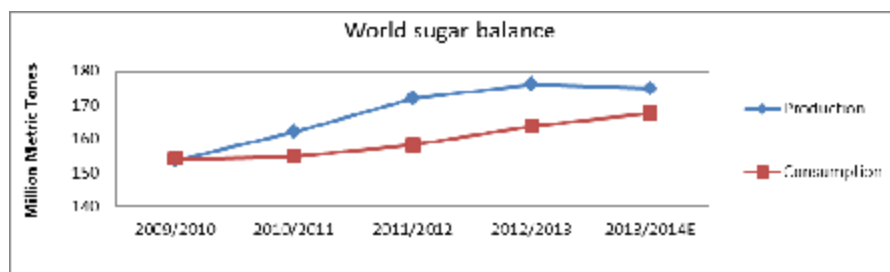
Source: [9].

It should be noted that Brazil and India are the producers of cane sugar and their interaction is crucial in terms of supply in this segment. The EU is the largest world producer of sugar beet and, accordingly, beet sugar. China and the United States combine sugar beet and sugar cane. Keeping sugar beet industry in these countries, despite a cheaper cane production, is a reflection of global trends for resistance of beet and cane sugar production and

demonstrates the strategic importance of sugar beet in maintaining the balance of agricultural production. In 2013 beet sugar is produced in 53 countries. Significant amounts of sugar beet are processed in the USA, France, Germany, Russia, Ukraine, Turkey [1; 2].

Almost 70% of produced sugar in the world is used for internal consumption. The level of sugar consumption per capita in major sugar producing countries ranges from 9 kg per year in China and 59 kg per year in Brazil with an average consumption rate of 20 kg [6; 5].

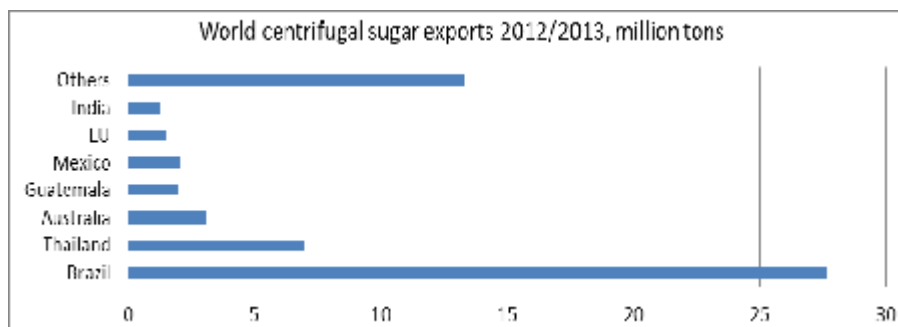
Picture 1



Source: [9].

Global sugar production for 2013/14 is estimated at 175 million (metric) tons, down over 1 million from last year as sharply lower production in India and Russia is somewhat offset by growth in China and Thailand. With abundant supplies continuing to weigh on the market, low prices are expected to stimulate global consumption and trade. OECD scientists expect that the volume of world sugar production will increase by 2% p.a. and reach 212 million tons in 2020, an increase in the base period amount to 38 million tons. Moderate yield increases will account for most of additional production, rather than expansion of the area under sugar crops. Nearly all of the increase in sugar production is projected to originate from sugar cane rather than sugar beets. The developing countries – Brazil and India – will remain the leading producers based on sugar cane. Global consumption of sugar is projected to grow at around 1,9% p.a., slightly slower than in the previous 10 years, and reach 204 Mt in 2022/2023 MY. It is expected that the sugar deficit regions – Asia and Africa – will keep a dominant share in the world consumption of sugar [7].

Picture 2

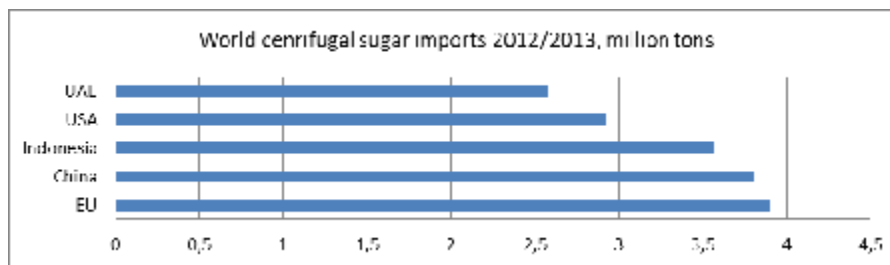


Source: [9].

Analyses of the global sugar trade show that in the 2012/2013 MR 63% of its exports belongs to two cane sugar exporting countries – Brazil (49% – 27.65 Mt) and Thailand (14% – 7 Mt). Brazil as the largest exporter of sugar has the best conditions for an increase in the cultivation of cane and its processing to an alternative fuel such as ethanol. The country annually increases production capacity for ethanol, which allows enlarging the volume of cane growing, despite the state of the world sugar market [1].

The largest importers of sugar are the United States, Indonesia, the UAE, China and the EU.

Picture 3



Source: [9]

The largest increase in imports over 9 years observed in the United States, Indonesia, the United Arab Emirates. As a result of the implementation of the EU reform of the sugar-beet complex some European countries are moving in the category of importing countries [3]. Instead, over the past three years, Russia has shown a significant reduction in imports of sugar from 2,51 Mt in 2010/ 2011 MY 0,5 Mt in 2011/2012 MP, in 2012/2013 MY imports was 0,6 Mt. According to ROSSTAT, the amount of sugar production in Russia in

January-December 2011 amounted to 7,11 Mt, up 49.6% over the same period of 2010, including sugar beet - 4.73 Mt (up 69.9 %). However, in the future raw sugar import increase is projected. To meet domestic demand, imports are estimated to nearly double to 1.1 Mt [8].

Therefore, we can come to conclusions about general trends in the global sugar market:

- an increase in the structure of production of sugar cane over a sugar beet (80% and 20% respectively);

- gradual predominance of production growth rates over sugar consumption in the last 3-4 years;

- 77% of sugar exports accounted for three countries-producers of cane sugar such as Brazil, India, Thailand. The largest importers of sugar are Asian countries – China, Indonesia, Japan, South Korea, Malaysia and the USA. At the same time the EU gradually transforms from an exporter to an importer of sugar.

In the future, developing countries (Brazil and India) will remain the world leaders in sugar manufacturing. Sugar will be cheaper because of the huge supply. Despite the increase in world production, domestic markets of individual countries feel shortage of the product. Growing demand for sugar will not affect its reserves. USDA experts predict, world sugar residues amount to be 38 Mt, which is less than the previous ones.

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THE GLOBAL COMPETITIVENESS INDEX 2013–2014 RANKINGS

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An extract from the Global Competitiveness Report 2013-2014 is given in this article which assesses the competitiveness landscape of 148 economies, providing insight into the drivers of their productivity and prosperity.

Keywords: changing environment, competitiveness, competitive economies, economic growth, efficiency, innovation, interaction.

Сопова Е., Старцева Н.М. Рейтинг держав за індексом глобальної конкурентоспроможності 2013-2014. В статті наводиться витяг зі Звіту щодо глобальної конкурентоспроможності 148 країн у 2013-2014 р.р. та оцінюється конкурентоспроможність їх економік, забезпечуючи розуміння рушійної сили їх продуктивності і добробуту.

Ключові слова: взаємодія, економічне зростання, ефективність, інновації, зміни навколишнього середовища, конкурентоспроможність, конкурентоспроможні економіки.

We live in the age of total globalization and internalization. The country which aims to succeed and develop itself in economy should take this factor into account. Successful economic activity on domestic market is impossible without interacting with foreign economies. That is why the *issue* of global

competitiveness turns out to be *relevant and acute* for assessment of the correct vector of development of Ukraine. The Global Competitiveness Report 2013–2014 made by the members of World Economic Forum remains the most comprehensive assessment of national competitiveness worldwide. The analysis of the top 10 economies' strengths and weaknesses constitutes the *goal* of the article.

As in previous years, this year's top 10 remain dominated by a number of European countries, with Switzerland, Finland, Germany, Sweden, the Netherlands, and the United Kingdom confirming their places among the most competitive economies. Three Asian countries also figure in top 10, with Singapore remaining the second-most competitive economy in the world, and Hong Kong SAR and Japan placing 7th and 9th. It is worth noting that a vast majority of the top 10 most competitive economies share strengths in innovation and a strong institutional framework.

Switzerland retains its 1st place position again this year. The country's most notable strengths are related to innovation and labor market efficiency as well as the sophistication of its business sector. Switzerland's top-notch scientific research institutions make the country a top innovator. Productivity is further enhanced by a business sector that offers excellent on-the-job-training opportunities. Citizens and private companies are proactive at adapting the latest technologies and labor markets balance employee protection with business efficiency. Public institutions in Switzerland are among the most effective and transparent in the world (5th). Governance structures enhance business confidence: these include an independent judiciary, a strong rule of law, and a highly accountable public sector. Competitiveness is also buttressed by excellent infrastructure (6th) and highly developed financial markets (11th). Finally, Switzerland's macroeconomic environment is among the most stable in the world (11th). Still Switzerland will have to boost the university enrollment rate of 56.8 percent, and increase the participation rate of women in the economy (86 percent).

Singapore ranks 2nd overall for the third consecutive year. It dominates the goods market efficiency pillar and the labor market efficiency pillar, and places 2nd in the financial market development pillar. Furthermore, the city-state boasts one of the world's best institutional frameworks (3rd). Singapore also possesses world-class infrastructure (2nd), with excellent roads, ports, and air transport facilities. Its economy can also rely on a sound macroeconomic environment and fiscal management (18th). Singapore's competitiveness is further enhanced by its strong focus on education (its ranking in the higher education and training

pillar is 2nd), behind Finland. Singapore's private sector is becoming increasingly sophisticated (17th) and more innovative (9th), which are the keys to Singapore's future prosperity.

Finland retains its 3rd position. The country boasts well-functioning and highly transparent public institutions (1st), its private institutions ranked 3rd are also seen to be among the best run and most ethical in the world. Finland occupies the top position in the health, primary education and higher education pillars. This has laid the groundwork for high level of innovation, allowing Finland to become a highly innovative economy. Finland's macroeconomic environment has weakened slightly on the back of rising inflation (above 3 %), but it fares comparatively well when contrasted with other euro-zone economies.

Germany moves up by two notches to 4th place this year. The country is ranked 3rd for the quality of its infrastructure, boasting in particular first-rate facilities across all modes of transport. The goods market is quite efficient and is characterized by intense local competition (10th). Germany's business sector is very sophisticated, especially when it comes to production processes and distribution channels. German companies are among the most innovative in the world, spending heavily on R&D (4th). Germany benefits greatly from its significant market size (5th), which is based on both its large domestic market and its strong exports. Some shortcomings remain with respect to labor markets and the educational system: Germany's labor market remains rigid (113th for the labor market flexibility). To maintain Germany's competitiveness, the quality of the educational system (23rd place) needs to be improved further.

After having declined for four consecutive years in the ranking, the United States reverses its downward trend, rising by two positions to take 5th place this year. Overall, many structural features continue to make the US economy extremely productive. US companies are highly sophisticated and innovative, supported by an excellent university system that collaborates admirably with the business sector in R&D. Combined with flexible labor markets and the scale opportunities afforded by the sheer size of its domestic economy – the largest in the world – these qualities continue to make the United States very competitive. Although the assessment of institutions improves this year, the business community continues to be rather critical, with trust in politicians still somewhat weak (50th) and a general perception that the government spends its resources relatively wastefully (76th). The macroeconomic environment continues to be the country's greatest area of weakness (117th), although the deficit is narrowing for the first time since the onset of the financial crisis.

Sweden falls two places to 6th position. Like Switzerland, the country has been placing significant emphasis on creating the conditions for innovation-led growth. The quality of Sweden's public institutions remains first rate, with a very high degree of efficiency, trust, and transparency. Private institutions also receive excellent marks, with firms that demonstrate highly ethical behavior. Additional strengths include goods and financial markets that are very efficient, although the labor market could be more flexible (Sweden ranks 57th on the flexibility sub pillar). Combined with a strong focus on education over the years and a high level of technological readiness (1st), Sweden has developed a very sophisticated business culture (7th) and is one of the world's leading innovators (6th). These characteristics come together to make Sweden one of the most productive and competitive economies in the world.

Hong Kong SAR further consolidates its position among the 10 most competitive economies, advancing a further two places to 7th, thanks to a consistently strong performance. Hong Kong tops the infrastructure pillar reflecting the outstanding quality of its facilities across all modes of transportation. It also dominates the financial market development pillar, owing to the high level of efficiency, trustworthiness, and stability of the system. The dynamism and efficiency of Hong Kong's goods market (2nd) and labor market (3rd) contribute to its excellent overall positioning. Still Hong Kong must improve on higher education (22nd) and innovation (23rd).

The Netherlands loses three places and slips to 8th place this year. The drop mainly reflects weakening financial markets and rising concerns regarding the stability of banks. Overall, the economy is highly productive due to some pronounced strengths. Dutch businesses are highly sophisticated (4th) and innovative (10th). Its excellent educational system (ranked 4th for health and primary education and 6th for its higher education and training) and efficient goods market (8th) are highly supportive of business activity. The quality of infrastructure is among the best in the world, reflecting excellent facilities for maritime, air, and railroad transport, which are ranked 1st, 4th, and 11th, respectively.

Up one position, Japan now ranks 9th. The country continues to enjoy a major competitive edge in business sophistication (1st for the fifth consecutive year) and in innovation (5th). High R&D spending (2nd), availability of talent (4th), world-class research institutions (9th), and capacity to innovate (6th) are among Japan's strengths. However, the country's overall competitive performance is dragged down by severe macroeconomic weaknesses (127th). For the past four years, the budget deficit has been hovering around 10 percent

of GDP while the public debt reached record levels, representing almost 240 percent of Japan's GDP. It is unlikely that the coming year will see a reversal in these trends in light of the country's aggressive monetary policy and various stimulus packages. In addition, the labor market (23rd, down three) is characterized by persisting rigidities and inefficiencies, including the lack of female participation in the labor force (90th). Burdensome regulation, notably for business creation, high taxation, various trade barriers (111th) and a relative isolation resulting in low foreign investment represent Japan's major competitive weaknesses.

The United Kingdom (10th) rounds out the top 10 falling by two places. The country deteriorates slightly in several areas, most notably its macroeconomic environment and its financial markets. Overall, the United Kingdom benefits from clear strengths such as the efficiency of its labor market (5th), sophisticated (9th) and innovative (12th) businesses that operate in a very large market (it is ranked 6th for market size). The highly developed financial market also remains a strength overall. On the other hand, the country's macroeconomic environment (115th, down from 85th two years ago) represents the greatest drag on its competitiveness, with a fiscal deficit above 8 percent in 2012, an increase of over 7 percentage points in public debt amounting to 90.3 percent of GDP in 2012 (136th), and a comparatively low national savings rate (10.8 percent of GDP in 2012, 122nd).

After thorough research and investigation of top 10 the most competitive economies some important *conclusions* can be made. Generally the participants of the rating remain stable, as in previous years European countries prevail among the most competitive ones, along with the USA and three Asian countries. Regarding their economical activity on both domestic and foreign markets here are key points of their success:

- Innovation is a driver of economic growth and prosperity. Important point is to acknowledge the need for a broad horizontal vision of innovation that is applicable to both developed and emerging economies;

- Good quality infrastructure is an important ingredient for sustainable development. All countries need efficient transport, sanitation, energy and communications systems if they are to prosper and provide a decent standard of living for their populations;

 - development of financial and labor markets;

 - sophisticated businesses in private sector and transparent activity of public institutions;

 - sustainable macroeconomic environment.

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PROBLEMS AND PROSPECTS OF GASTRONOMIC TOURISM IN KHARKIV REGION

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The article is dedicated to research of gastronomy tourism. Theoretical bases of tourism market are highlighted. The essence of strategy of tourism service diversification is revealed. Up-to-date state of tourism market of the Kharkiv region has been analyzed. Prospects of gastronomy tourism development in the Kharkiv region are grounded.

Keywords: development prospects, gastronomy tourism, tourism market.

Стешенко Д., Літовченко Я.М. Проблеми і перспективи розвитку гастрономічного туризму в харківському регіоні. Робота присвячена дослідженню гастрономічного туризму. Висвітлено теоретичні основи дослідження туристичного ринку. Розкрити сутність стратегії диверсифікації туристичних послуг. Проаналізовано сучасний стан розвитку туристичного ринку Харківської області. Обґрунтовано перспективи розвитку гастрономічного туризму в Харківській області.

Ключові слова: гастрономічний туризм, перспективи розвитку, туристичний ринок.

Gastronomy tourism is the most attractive and quite promising direction, which involves attracting tourists to the development of the restaurant business and festivals. For this reason it is necessary to examine problems that restrict development of this type of tourism in the city. The most pressing issue nowadays is to determine necessary steps for the problems elimination and the current state of their implementation.

Problems of gastronomy tourism development are mentioned in works by A.P. Busygin, A.Y. Parfinenko, I.V. Rusanov, V.K. Fedorchenko and other scientists. This article analyzes the city potential for the tourism development and provides a clear list of issues to be solved for improving the tourism industry in the city and increasing a number of tourists who come to Kharkiv for the gastronomic reasons.

The purpose of this study is to determine the necessary steps to improve the current state of the gastronomy tourism development in the Kharkiv Region and the tasks of this study are to identify the main obstacles for sustainable tourism industry development in the city and the region, to determine measures that should be taken to remove them as well as to introduce the results of the city authorities activities as to the city's resource base improvement.

Over the recent years scientists and practitioners have observed a fast-growing and steadily rising interest in gastronomy tourism.

There are multitudes of definition of "gastronomy tourism" in specialized literature. In our opinion, definition by Zhelezko the most accurately describes the essence of the concept. According to her definition "gastronomy tourism" is a journey through countries and continents to explore the features of the local cuisine and culinary traditions in order to taste dishes or products unique for a tourist.

Gastronomy tourism is a promising and highly profitable branch of tourism. Its share in the international tourist exchange is estimated at 7-10%. This type of tourism is one of the most profitable and has a great importance for the beneficiary. At the session of the Kharkiv Regional Council the Concept of Tourism Development in the Kharkiv Region as to 2020 was adopted and gastronomy tourism was defined as one of the most promising directions of the region's development [2].

In Ukraine gastronomy tourism has just appeared and to its sustainable development it is necessary for the tourism service sector to meet certain specific requirements. In terms of Kharkiv it can be seen what the problems of the gastronomy tourism development still exist in Ukraine [3, c. 165–170].

Kharkiv operates primarily as an administrative, business and scientific center on the Ukrainian tourism market. The vast majority of tourists who stay in city hotels come to Kharkiv primarily for work placement reasons. Therefore problems of gastronomy tourism development in our city require more careful consideration as a new tourism direction in Kharkiv.

The main problems are as following:

1. City restaurant business underdevelopment.

Most Kharkiv restaurants are quite old and need at least partial reconstruction; also they do not meet European and international standards what extensively affects their attractiveness to tourists, especially foreign ones.

2. Absence of large modern well-equipped places for holding mass events and culinary festivals.

Currently there is a single Convention and Exhibition Centre “Radmir Expohall” in the city that can accommodate about 500 people.

3. Kharkiv transport infrastructure improper state.

The current state of city transport infrastructure does not meet international standards of comfort, efficiency, security and requires the implementation of some measures.

4. Value for money misbalance.

The analysis of lunch prices in city national restaurants (“Sloboda”, “Maria”, “Dykanka”) showed that, an average lunch costs 100 hryvnas, that corresponds to (and sometimes is above) lunch prices in the European restaurants while food quality is significantly lower.

5. Lack of qualified staff skilled in organization and catering of large-scale events and exhibitions.

6. Very little attention is paid to the gastronomy tourism development in this region. It is necessary to allocate a small amount of the state budget to create a program of gastronomy tourism in Kharkiv and the Kharkiv Region [1, c. 74–76].

If the given problems are considered with responsibility and careful analysis, a draft strategy on their solution is developed and Kharkiv is promoted as a gastronomy centre, worthy to host large domestic and foreign tourist groups in Kharkiv’s hotels and restaurants then this could potentially provide significant economic benefits, attract money and other resources to the further development of city infrastructure, and to improve citizens’ living standards. Growth of the number of tourists arrived for the gastronomy reasons will help to tighten Kharkiv economic ties with the Ukrainian regions and other countries.

It should be noted that, to a greater extent thanks to holding the 2012 European football championship in Kharkiv the local authorities managed to solve some of these problems.

Some gastronomy events have been held in Kharkiv lately. One of them took place in early March. At the invitation of the Cultural and Information Center of the Embassy of Ukraine in France its representatives came to Paris with working visit. Within the framework of the visit Ukrainian students held a party to introduce Ukrainian cuisine in Paris for French partners. In response, the Center officials invited the French delegation with a visit and master-class to Kharkiv restaurants.

The Delegation was represented by the deputy director of the Paris Higher School of the Hotel and Restaurant Business (Ecole hôtelière de Paris) and lecturers (leading head-cooks and restaurateurs) with their students. The Head of Delegation is Mistal Olena, the President of the French-Ukrainian Association of Paris and the headmaster of the Ukrainian School of Arts of Cultural and Information Center Embassy of Ukraine in France.

During the visit of representatives for the Kharkiv Region Tourism Center to Paris, the possibility of establishment a Tourist and Information Room on the base of Cultural Centre Of Ukrainian Embassy in France was discussed and already in June 2013 an Association agreement between organizations was signed.

In June the sweet event, Strawberry Festival took place in Kharkiv. It was held in the town Izum located in the Kharkiv region. This event has become a good tradition for the town and takes place every year during the berry harvest peak. The Fair with different varieties of strawberries on sale was opened within the framework of the Strawberry Festival. The main event of the Festival was the establishment of a new “tasty” record of Ukraine. Local cooks made a half-ton of strawberry jam and treated guests. Festival finished by the performance of folk groups.

The ethno festival “Pechenyzke pole”, which has already acquired the national status is considered to be a mass event. In 2013 on “Pechenyzke pole” performances of Ukrainian bands and a concert of people’s artist of Ukraine and other competitions were held. The brightest festival event was the cooking of the largest pot of porridge with registration in the Guinness Book of Records.

When analyzing the current gastronomy tourism market situation in Kharkiv we can say that the city has a significant potential for the development of this type of tourism, but still there are a number of problems that hinder its development.

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ILLCIT OPIATE MARKET: AFGHANISTAN AND THE “GOLDEN TRIANGLE” COUNTRIES

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The dynamics of opium poppy cultivation and production in Afghanistan and the “Golden Triangle” countries – Lao PDR, Myanmar and Thailand – is considered in the article. The differences in opium poppy cultivation in Afghanistan and the countries of the “Golden Triangle” are analyzed. The importance of international cooperation in the struggle against illicit drug production and consumption is emphasized.

Key words: Afghanistan, illicit economy, Lao PDR, Myanmar, opium, Thailand.

Святуха І., Рябенка І.В. Незаконний ринок опіатів: Афганістан та країни “Золотого трикутника”. У статті розглядається динаміка культивування та виробництва опійного маку в Афганістані та країнах “Золотого трикутника” – Лаосі, М’янмі та Таїланді. Аналізуються відмінності у культивуванні опійного маку в Афганістані та країнах “Золотого трикутника”. Наголошується важливість міждержавного співробітництва у боротьбі з незаконним виробництвом та споживанням наркотиків.

Ключові слова: Афганістан, Лаос, М’янма, незаконна економіка, опій, Таїланд.

Illicit opium production continues to jeopardize the health and welfare of people throughout the world. It represents a clear threat to the stability and security of entire regions and to economic and social development. Drug dependence is often reinforced by low social and economic development, and

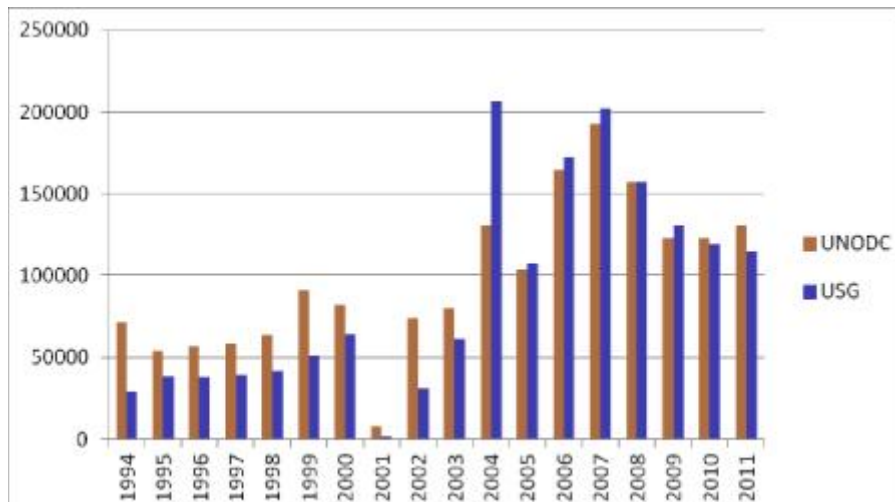
drug trafficking, along with many other forms of transnational organized crime, undermines human development. The article focuses on issues of opium production in Asia and its current trends. It is *relevant* as this challenging problem involves most of countries by creating a global illicit net of opium production, transit and consumption. Thus, the article is *aimed* at discovering the mainstream tendencies of Asian opium production.

The *material* used in the article, namely the reports of the United Nations Office on Drugs and Crime (UNODC), is considered to be the most informative and factual amongst all the sources of literature. Besides, some figures are taken from the US (USG) research in order to compare the corresponding data.

Speaking about opium “manufacturers”, firstly we should mention the Islamic Republic of Afghanistan that maintained its position as the lead producer and cultivator of opium globally. Afghanistan became a major source of global opiate inflow in the late 1970s and 1980s and turned into the primary source of the global poppy cultivation and opiate production in the 1990s [3, p. 19]. The opium poppy cultivation in Afghanistan during 1994-2011 is reflected on the picture 1 below.

Table 1

Opium poppy cultivation in Afghanistan



Source: [3, p. 19].

Afghanistan’s opiate output has continued to grow since the U.S. led intervention in 2001. The area under poppy cultivation in the peak year of

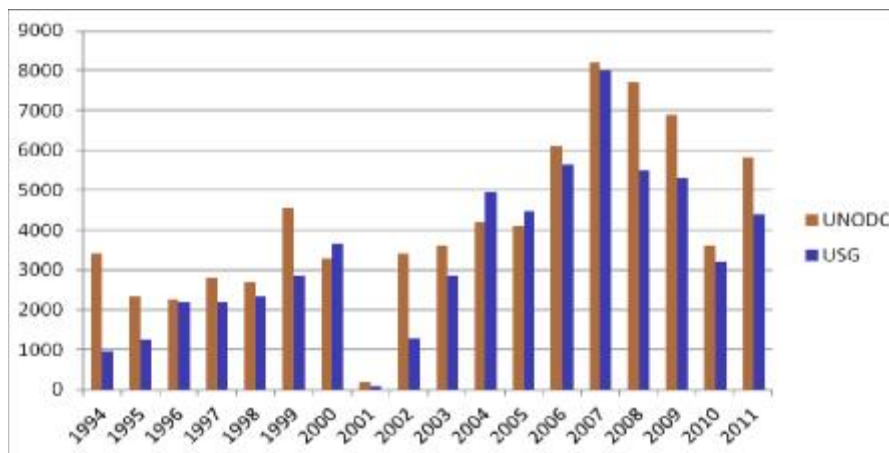
2007 (193,000 ha) was more than 25 times larger than the low of 8,000 ha in 2001 – the last year of de facto Taliban rule, when the strict ban on poppy cultivation had been effectively enforced. For much of the first decade of the 21st century, poppy cultivation in Afghanistan rose and its overall level was higher than that under the de facto Taliban rule in the second half of the 1990s. A temporary decline in poppy cultivation in Afghanistan in 2008–2009 primarily occurred due to combined pressures by market forces at global, regional, and local levels. This was the result of several factors: a positive market correction towards a short-term shift to wheat cultivation amidst a global food crisis; rising wheat prices coupled with low-cycle opium prices due to over-production in the previous years; and growing food insecurity of individual farmer households. Compared to those changing economic conditions, the limited eradication efforts played only a marginal role in this temporary reduction in poppy cultivation. Nevertheless, this decline was short-lived. Cultivation started to rise again, reaching 131,000 ha in 2011, or a 7% increase for the two previous years, and 154,000 ha in 2012 (an 18% increase from 2011) [1, p. 2].

In addition to Afghanistan, countries of Southeast Asia, such as Lao People's Democratic Republic (Lao PDR), Myanmar and Thailand also take part in global opium poppy cultivation. According to government reports, opium poppy cultivation in Thailand has remained stable at a very low level. However, opium poppy cultivation in Myanmar increased from 21,600 ha in 2006, the year with the lowest level of cultivation, to 57,800 ha in 2013. In Lao PDR, it increased from 1,500 ha in 2007 to 6,800 ha in 2012. Thus, overall, opium poppy cultivation in the region has more than doubled since 2006 despite official reports from the Governments of the three countries indicating that a total of 12,949 ha of opium poppy were eradicated in 2013 [2, p. 5].

In the 1980s and 1990s, the opium economy in Afghanistan was still largely confined to poppy growing and production of raw and dry opium. In the course of the 2000s, the full narcotics production cycle, from cultivation to conversion into morphine and heroin, as well as massive storage and wholesale trade at local, regional, and cross-regional levels developed. The volume of opium production in Afghanistan during 1994–2011 is shown on the picture 2 below.

Table 2

Opium cultivation in Afghanistan, 1994–2011



Source: [3, p. 22].

The overall size of the opium economy in Afghanistan is best illustrated by comparing its total value with the country's licit GDP. In 2011, the farm-gate value of opium production alone was estimated at 1.4 billion USD, or 9% of the licit GDP (16.34 billion USD).

In Southeast Asia, opium poppy is mostly cultivated on steep hills with poor soil and no irrigation, and opium yields are much lower than in Afghanistan, where opium poppy is often cultivated on good soils and flat, irrigated land. In 2013, opium yields were estimated at 6.0 kilograms per hectare in Lao PDR, 15.0 kilograms per hectare in Myanmar and 15.6 kilograms per hectare in Thailand. In 2005, Lao PDR and Myanmar together produced 326 tons of opium, or 7% of that year's global opium production of 4,620 tons. In 2013, the two countries produced 893 tons, or 18% of the total opium production in 2012.

In the 1980s, Myanmar was the world's largest producer of illicit opium. Between 1981 and 1987 it had an average annual opium production of about 700 tons, which continued to increase until 1996 when it reached annual production levels of some 1,600 tons. In 1991, Afghanistan replaced Myanmar as the world's largest producer of opium, primarily due to its higher opium yield per ha. However, the area under cultivation remained larger in Myanmar than in Afghanistan until 2002 [2, p. 45].

To sum it up, we should emphasize the following *conclusions* concerning the present-day tendencies in opium poppy cultivation and production that are

typical to Afghanistan and the “Golden Triangle” countries. Both processes – opium production and cultivation – have continued the upward trend during the last decade. Afghanistan overcame Myanmar and took the position of the first opium producer in the world in the beginning of this century. Lao PDR and Thailand considerably yield to Afghanistan and Myanmar within the volume of opium cultivation and production. Nevertheless, illicit drug production in these countries creates a grave challenge to global community and international security.

The *perspective* of this research consists in highlighting the necessity of illicit opium cultivation prohibition. Combating drug abuse is a multi-pronged effort involving not only enforcement, development and international cooperation, but also prevention, treatment, and education. Balanced plans aimed at slowing and stopping production and trafficking, while preventing drug use and providing evidence-based treatment and care for drug-dependent users, in full compliance with human rights standards, must be made a priority by states and international partners.

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LABOUR MARKET OF UKRAINE AND LANGUAGE PROFICIENCY

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The article considers current job requirements related to the knowledge of foreign language on the labour market of Ukraine using statistics. Attention has also been drawn to the state legislative policy of the labour market regulation and the issues to be solved.

Keywords: employment, labour force, language proficiency, unemployment.

Свіденська М., Олійник Н.А. Ринок праці Україні та мовні вміння. Стаття розглядає сучасні вимоги пов'язані зі знанням іноземної мови на ринку праці України, що підкріплюються статистичними даними. Увага також зосереджується на державній політиці регулювання ринку праці та проблемах, що потребують вирішення.

Ключові слова: безробіття, зайнятість, мовні вміння, робоча сила.

Employment of the population of Ukraine is provided by the state through active social and economic policies aimed at meeting the needs of the individual in the voluntary choice of the type of activity and stimulating the creation of new jobs and business development.

One of the most difficult social and economic problems at the transitional stage of the market economy in Ukraine is the regulation and planning of the national labor market. The transition from command to market economic system is accompanied by the increased level and duration of unemployment, a tendency towards hidden unemployment, etc.

Thus the issue of employment regulation is one of the most actual nowadays and of great practical importance so it requires theoretical analysis of various aspects of the state regulation of the labour market of Ukraine.

The *objective* of the article is to analyze the employment, its development at the transitional stage to market economy as well as state and social policies regulating employment issues and current labour market demand.

The Labour Code of 10 December 1971, which is the key piece of legislation regulating employment matters in Ukraine, defines the term «employment» as «activities of citizens related to satisfaction of individual and social needs thereof and generally accounting for income of the said citizens in monetary or other form in terms of salary, allowance, supplementary financial assistance or in-kind payments» [5]

When analyzing the current labour market it is necessary to make a clear difference between the economically active population and the unemployed so by the current law of Ukraine the employed population shall include the following categories of citizens lawfully residing in the territory thereof:

- a) individuals hired to work on full or part time (daily or weekly) basis for enterprises, institutions and organizations irrespective of form of ownership thereof, as well as for international and foreign entities in and beyond Ukraine;
- b) self-employed citizens, including entrepreneurs, persons pursuing individual or creative work activities, members of cooperatives, farmers and family members thereof taking part in production;

c) persons elected, appointed or approved to maintain paid positions in bodies of state power or administration and in public associations;

d) persons in active service in the Armed Forces of Ukraine, the National Guard of Ukraine, the Security Service of Ukraine, the Border Troops of Ukraine, the interior and convoy guarding troops, the Civil Defence of Ukraine, the bodies of the Ministry of Internal Affairs of Ukraine, other military formations established in compliance with the legislation of Ukraine, and in alternative (non-military) service;

e) persons pursuing professional training, re-training or advanced training on full-time basis, or studying at full-time schools of general education, or higher education establishments;

f) the employed foreign nationals temporarily residing in Ukraine and performing functions unrelated to the statutory activities of embassies or missions [3].

In terms of the society employment is any economic activity contributing to the national income and creating the national product and therefore its utility for the society is crucially important. It is considered as both the economic potential of the society and the level and quality of life of the population as a whole and the well-being of individual citizens [4].

More and more companies go global and set more requirements to their prospective employees and the most recent trend on the labour market both in Ukraine and overseas is the knowledge of the second foreign language. Language proficiency gives a candidate a decisive competitive advantage and enables the person to step ahead other candidates when applying for jobs. The language of international communication and business, in particular, has traditionally been English. But the market is growing and other languages can also boost your resume, e.g., Spanish and Chinese which are among «the hottest» languages nowadays. More than 1 billion people in the world speak Mandarin. It is also the fastest-growing language taught in U.S. schools and people are looking at China as the next big economic competitor to the U.S.

Table 1 below shows the percentage rate of jobs with the foreign language requirement by regions in Ukraine:

Table 1

**Percentage rate of vacancies requiring
foreign language knowledge**

City / Region	Percentage rate of vacancies with foreign language requirement
the Crimea	20
Dnipropetrovsk	22
Donetsk	20
Zaporizhzhya	21
Kiev	35
Lugansk	19
Lviv	34
Odessa	22
Poltava	30

Source: [2].

As to the areas of business for the last 10 years IT industry has been most interested in foreign language proficiency where preference is given to English, the second place is occupied by banking and investment sectors requiring fluent English. Among other top ten industries with the demand for English-speaking employees there is trading, marketing, logistics, health care, insurance, tourism, human resource management and construction [2].

In *conclusion* it should be noted that labour market of Ukraine is constantly changing trying to adjust to new economic conditions and overcome current problems of hidden employment, unemployment growth, migration of labour, low qualified unskilled labour force, low level of social protection, etc. State regulation policies should create more productive jobs and introduce strategic measures against unemployment using direct and indirect economic incentives - tax credits, the development of small and medium-sized businesses and attraction of foreign investment [1]. Taking into account that more and more companies are becoming multinational there are more and more careers that require foreign languages opening new opportunities for bilingual employees and making foreign language learning an important competitive advantage at the modern labour market of Ukraine.

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THE CONCEPT OF CORPORATE CULTURE IN THE BUSINESS SURROUNDINGS

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Some aspects of the concept of corporate culture as the main constituent element of effective management in modern business environment have been highlighted in the article. The definition to the concept has been provided. The classification of the constituent parts of corporate culture as well as typology of different types of the notion under consideration has been given.

Keywords: concept, corporate culture, constituent parts, modern business environment, typology.

Світайло А., Сапрун І.Р. Поняття корпоративної культури у бізнес оточенні. У статті висвітлені деякі аспекти поняття корпоративної культури як необхідної складової ефективного управління організацією у сучасному бізнес оточенні. Дана дефініція поняття. Приведена класифікація складових елементів корпоративної культури і типологія різних видів вивчаемого явища.

Ключові слова: корпоративна культура, складові елементи, сучасне бізнес оточення, типологія.

In today's market conditions, make the company successful is so easy. There are many external factors which are not easy to control, for example:

the economic situation on the market, the number of competitive companies, etc. But the key to success of a company depends on a company itself, namely its internal policy that is conducted by its owner. The *aim* of the article is to analyze the concept of corporate culture as the main constituent element of effective management in modern business environment.

One of the most important components of this idea is a corporate culture. This notion was born in the 19th century, its founder is considered to be the German Field Marshal von Moltke, who used it for describing the relationships among the officers. Written and unwritten rules of conduct were developed within professional communities in the medieval guilds, the violation of these rules could lead to the exclusion of community's members [1].

Currently, the concept of corporate culture has evolved a bit and become more multifaceted. Foreign and domestic authors give the following definitions:

“Organizational culture is a set of beliefs and expectations which are shared by members of the organization. These beliefs and expectations form the norms which largely determine the behavior of the organization's individuals and groups” [3].

“An organization's culture – attitudes, norms and values, behavioral styles that are simulated among people, considering a reproduction feature as a crucial in the analysis and functioning of the organizational culture” [2].

Different researchers and economists give different definitions of corporate culture, but they all agree in the following: modern concept implies the adoption of common rules, regulations, orders, which are adhered by all employees. In most cases, heads of companies consider corporate culture as a subtle tool with the help of which they can unite a staff with a common goal, motivate and direct to the high- quality work results. Corporate culture is formed as a benchmark for some employees. It regulates the behavior, establishes certain limits and standards in relationships, ways of thinking, attitude to the organization, which leads to the formation of a single coordinated system – organization. Due to the received and agreed certain standards, orders and unspoken rules by the director, the staff are combined to achieve leadership's goals. Every company cannot succeed without a well thought out and planned internal policy of the concern.

There are various classifications of corporate culture. In particular, Harris and Moran (1991) propose to consider specific organizational culture based on ten characteristics [5]:

- Awareness of yourself and your place in the organization;
- Communication system and communication language;

- Appearance, clothing and representation yourself at work;
- What and how people eat, habits and traditions in this field;
- Awareness of the time schedule, the way of its usage;
- Relationship between people;
- Values and norms that people appreciate in their organizational life;
- Faith in something and an attitude or disposition to something;
- Employee development and learning;
- Work ethic and motivation.

As any apprehension, corporate culture is different, depending on the concentration of certain processes and policies dictated by the boss of the company. Consider one of the most popular classifications of organizational culture developed by K. Cameron and R. Quinn. Their typology is based on emphasizing the company's internal or external processes combined with the flexibility, personality or stability, control. These are the following types:

Clan organizational culture: very friendly workplace where people have a lot in common. The organization holds together thanks to the dedication and tradition, gives a high degree to the importance of the team unity and morale.

Adhocratic organizational culture (from Lat. Adhoc – “on occasion”): a dynamic entrepreneurial and creative place of working. For a success of the company employees are ready to take on personal risks. Leaders are considered to be innovators and people who are ready to risk. Success means production / providing unique and new products and / or services. The organization encourages individual initiative, creativity and freedom.

Hierarchical organizational culture: a very formalized and structured place to work. Leaders are proud of whom they are – rationally minded coordinators and organizers. The organization brings together the formal rules and official policy.

Market culture. This type of organizational culture is dominant in organizations which are focused on results. People are purposeful and compete with each other. Leaders – hard heads and severe competitors. They are determined and demanding. Binds together the organizational focus on the desire to win. Style organization – rigidly pursued line for competitiveness [4].

These types of cultures may be typical as for the whole company (as a dominant type), and as for the separate subcultures. Corporate (organizational) culture is based on the fundamental values shared by members of the company. These values in different corporations may be different, depending on whose interests lie in the core of the company. From the definition of the main objectives of the company and the way how they run the business owner will be able to

choose the most effective type of corporate culture that will help the most in achieving its goals.

To sum up, the skillful use of corporate culture can lead to the company success, prosperity and stability, but with mismanagement it will cause absolutely opposite results. Therefore, it is perspective to examine corporate culture, to watch to its formation, improved and its changes should be regulated. It must become an organic part of the business, be adequate to modern requirements which are dictated by economic and technological developments, it should be the specifics of the legislation and mentality, as well as the specifics of a particular company, it should contribute to achieving these goals, and, consequently, improve the efficiency of the company. Analysis and detailed examination of the corporate culture is perspective for usage in the Ukrainian business environment and for practicing in small, medium and large businesses.

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FOREIGN INVESTMENTS IN UKRAINE

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The article analyzes the state of foreign investments in Ukraine. The research reveals the dynamics of foreign investments in Ukraine within the latter period.

Keywords: business activity, export quotas, investment, investment climate, transparent trade regime, Ukraine.

Травенко О., Давиденко І.В. Особливості іноземних інвестицій в Україні.

У статті проаналізовано стан іноземного інвестування в Україні і виявлено динаміку за останній період.

Ключові слова: експортні квоти, інвестиційний клімат, інвестиції, підприємницька діяльність, прозорий режим торгівлі, Україна.

One of the most important factors of economic development is investments, a long-term investment capital to create or re-industrialize the productive facilities in order to earn profit. Movement of the capital affects the economy of the country which it exports and / or imports. On the one hand, the export of capital is profitable; however, if the capital export is much higher than its influx, there may be a shortage of investment resources [1].

The positive effects of foreign capital importation in one or another country include the establishment of new production facilities, the increase in production, the creation of additional jobs and usage of new technologies. But, on the other hand, the capital importation is part of the outflow channel of added value from the country [7].

The problem of foreign investment is very important for Ukrainian economy. As the global economy has entered a stage of globalization, the movement of investment resources occurs respectively to the principle of economic feasibility. They are concentrated in the regions where it is possible to achieve the greatest efficiency. The inflow of foreign direct investments has become a key criterion of the country's status and the success of its integration into the world economy.

The *goal* of this research is to study the investment market in Ukraine on the basis of such *methods* as description and comparison. Aspects of foreign investment in Ukraine have been analyzed by Ukrainian and Russian economists, notably I. Gurniak, O. Megeda, R. Nignik, P.Vdovych and others.

The attitude towards foreign investment in Ukraine, as in many other countries with emerging economies, is ambiguous [3]. Multinational companies deserve a lot of complaints; they often do not take into account the national interests of the country. However, in order to ensure stable accelerated economic growth, the capital investment in the economy should increase repeatedly, including foreign investments.

Foreign investments are invested by foreign investors in investment activity objects in order to get profit or achieve social effect (in accordance with Ukrainian legislation) [6].

Viktor Yanukovich, the President of Ukraine, has prioritized the role of investments in his Economic Reform Plan and has repeated publicly that he wants to make Ukraine more attractive to foreign investors. However, conditions

for doing business remain very difficult. Complex tax and customs codes, laws and regulations, poor corporate governance, weak enforcement of contract law by courts which allow and sometimes protect corporate raiding, and official corruption have made Ukraine a difficult place to invest. In fact, although the Government of Ukraine (GOU) has listed improving the investment climate as a top economic policy goal since 2004, the country still has a low ranking – 137 out of 183 economies – in the Bank’s Doing Business Report for 2013. Although this is a 15-position jump from 2012, it does not reflect any fundamental change in the investment climate. Foreign direct investment (FDI) has been anemic in recent years, and a number of foreign financial institutions have pulled out of the market.

2012 GDP growth appears to have been flat, with the economy contracting in the third quarter, reflecting soft global demand for steel. Ukraine received no disbursements in 2011 or 2012 from its 2010 Stand-By Agreement (SBA) with the International Monetary Fund (IMF), due to the GOU’s failure to implement several key requirements, including reducing subsidies for domestic gas prices. The 2010 SBA (which followed a 2008 IMF loan that went off track in 2009) envisioned USD 15.2 billion in financing to improve Ukraine’s macroeconomic situation and facilitate structural reforms, but collapsed in 2012. Talks about potential future engagement with the IMF are scheduled for early 2013 [2].

Negotiations with the European Union (EU) on the Deep and Comprehensive Free Trade Agreement (DCFTA) that could move Ukraine toward a more open and transparent trade regime and improve the investment climate were finalized in 2011, and the broader EU Association Agreement was initialed in March 2012. However, formal signature, ratification, and implementation of the agreement have been based on broader non-economic criteria. Ukrainian legislation provides for national treatment of foreign investors, in line with its World Trade Organization (WTO) commitments. Due to conflicts in the body of laws that govern investment and commercial activity in Ukraine, and a high level of corruption in the country, foreign investors have found it difficult to pursue cases in Ukrainian courts and often seek arbitration outside of the country. While it was anticipated that Ukraine’s preparations to co-host the Euro 2012 Soccer Championship would open opportunities for public-private partnerships and investment in infrastructure, in practice, the process for awarding tenders and contracts highlighted the problems of corruption and government red tape in Ukraine, and discouraged many international companies from participating [4].

Despite the difficult operating environment, some investors are finding opportunities in Ukraine. Officials at local levels are increasingly looking forward

to attracting investment and creating jobs in their regions. In many instances, these local officials have become willing partners for investors in need of land or permits, which frequently are controlled below the national levels. Ukraine continues to have a poor business environment and investment climate, despite having risen fifteen places on the World Bank's "Doing Business 2013" report, up from "152" last year. Ukraine has improved its ranking of starting a business, from 112th (2012) to 50th: on an average it takes 22 days and seven procedures to open a business in Ukraine, a notable improvement in efficiency. Other factors helped to improve Ukraine's score, including taxation (165, up from 183), and property registration (149, up from 168). In 2010, the total investment funds of foreign investors in fixed capital amounted to only 4.2% in Ukraine, in Central and Eastern Europe – 16.1% [3].

Under Ukrainian law, certain types of business activity may be pursued by state-owned enterprises only. These include some natural monopolies, the rocket industry, the production of bio-ethanol, and the printing of banknotes and blank securities forms. In addition, Ukrainian law authorizes the government to set limits on foreign participation in "strategically important areas", although the wording is vague and the law is rarely used in practice. Generally, these restrictions limit the maximum permissible percentage of foreign investment into Ukrainian firms in these sectors [8]. For example, the share of foreign investors' participation in Ukrainian publishing houses is limited to 30%. Investments into the energy sector can also be problematic. A company's "strategic status" can be lifted by Parliament, on the recommendation of the Cabinet of Ministers, and foreign entities would then be allowed to participate. Although foreigners are prohibited from establishing TV or radio stations, they can invest into already established entities in this area. In addition, foreign entities cannot buy agricultural land [5].

Conclusion. Ukraine continues to have a poor business environment and investment climate, despite having risen fifteen places on the World Bank's "Doing Business 2013" report, up from "152" last year. Corruption continues to lie at the heart of many investor disputes. Laws and regulations are vague, with considerable room for interpretation, providing officials at every bureaucratic layer ample opportunities for rent-seeking. If a foreign investor is involved in a dispute with the State Tax Administration (STA), the STA will often request that the Ministry of Economic Development and Trade impose sanctions against the foreign company, preventing it from clearing its goods through customs or engaging in financial transactions with entities outside of Ukraine. Export quotas, awarded in a non-transparent fashion, and export

tariffs have also been introduced on short notice, negatively impacting foreign investors' ability to run their businesses. Such practices are not codified in Ukrainian law, but are part of the government's standard procedures.

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INTEGRATION PROCESSES IN UKRAINE

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Influence of integration choice of Ukraine is analysed in the article. Main consequences and prospects are certain. Basic pre-conditions of integration are considered.

Keywords: association with the European Union, customs union, international integration processes.

Удовенко Б.В., Давиденко І.В. Інтеграційні процеси в Україні. У статті проаналізовано вплив інтеграційного вибору України. Визначено головні наслідки та перспективи. Розглянуто основні передумови інтеграції.

Ключові слова: асоціація з європейським союзом, міжнародні інтеграційні процеси, митний союз.

The *object* of the research is the influence of integration processes on Ukraine. The *subject* of the research is the economic state of Ukraine. The *material* of the article was derived from various periodicals. The field of the research is extremely important nowadays, as the issue of a development vector of Ukrainian integration is being identified now.

Speaking about the integration, Ukraine is facing a serious choice, which determines the future of the country. On the one hand, Europe has advanced technologies, powerful economic potential, very capacious market, duty-free exports to the EU and significant quota. On the other hand, Russia can provide Ukraine with the reduction of energy prices, Russian food market, cancellation of export duties and cooperation in mechanical engineering.

For any country, issues of creating economic unions have always been critical elements of long-term economic policy, the implementation of which is impossible without a comprehensive analysis [9].

First of all, one is to define the character of influence of each possible choice of the country.

In the sphere of foreign policy, Ukraine has chosen strategic course towards European integration, which remains priority of both domestic and foreign policy of Ukraine. Ukraine has successfully completed almost 3 years of negotiations on a Free Trade Agreement with the EU.

The establishment of free trade area between Ukraine and the EU contributes considerably to Ukraine further success on the way to European integration. The continuation of the EU enlargement process is the key to the viability of the EU. Termination of this process can bring the loss of positive dynamics development within the European Union, and hence the historical perspective.

The EU integration of Ukraine with its resources and capabilities can help to quickly and systematically solve the problems faced by the EU and its member-states.

The implementation of the Association Agreement will contribute to the convergence of the regulatory frameworks of Ukraine and the EU, resulting in the elimination of not only customs duties but also non-tariff barriers to trade. This will facilitate Ukraine's integration into the European economic and legal space, in particular the EU's internal market and the European Economic Area.

Ukraine's Association Agreement was initialed in July 2012. Unfortunately, the deteriorating atmosphere of EU-Ukraine relations has cast doubt on the prospects that the agreement will actually be signed. In December 2012, the EU Council stipulated that Ukraine needs to meet certain conditions in order for the Association Agreement to be signed [11]. These include ending selective justice (including, essentially, the release of former prime minister Yulia Tymoshenko from jail), improving election legislation (based on the judgments of the Council of Europe's Venice Commission), and implementing reforms in line with previously adopted commitments.

The EU will be able to sign the Association Agreement only by agreement of the Council of the European Union, i.e., by unanimous decision of the governments of EU member states. As of August 2013, there is a lack of consensus within the EU on the matter of signing the Association Agreement with Ukraine. There is a real chance that one or member states will not agree to the agreement being signed.

If Ukraine does not enter the European Union, its economy can face a problem of growing energy prices. This is due to the fact that the "window of opportunity" associated with granting Ukraine a variety of discounts for energy resources, inevitably will be closed after Russia's transition to the principle of equal return on supply of natural gas to the domestic and foreign market (about 2015).

The Russian Federation has been promoting the Eurasian Customs Union as its main strategic initiative in the post-Soviet space, aiming to structure the region in line with its updated vision of Russia's own regional and global role. The existence of the Customs Union "means that the EU is not the 'only game in town' and presents a normative challenge to it" [15].

Ukraine is the principal target of the Russian policy aimed at continued Customs Union expansion. During recent visits to Ukraine, Russian President Vladimir Putin has made the Customs Union the keystone of his dialogue with Ukrainian President Viktor Yanukovich. During his last visit to Ukraine at the end of July, Putin unexpectedly attended a "pro-Eurasian" NGO conference in Kyiv and spoke of the "pragmatic need" for Ukraine to join the Customs Union in order to solve Ukraine's economic problems. These latest efforts by Russia's leadership were spurred by the fact that Ukraine has a real chance to conclude an Association Agreement. Russian presidential aide Sergey Glazyev told the conference in Kyiv that Ukraine would not be able to participate in the Customs Union, or be an observer in the future Eurasian Economic Union, if it signed an Association Agreement. Some days later, Glazyev openly

threatened to disrupt Russia's existing free trade agreement with Ukraine if the latter were to sign an Association Agreement [15].

Under these circumstances, Kyiv's hopes to build free trade regimes with both Russia and the EU – beginning with integration in the EU market while “partially” integrating in the Customs Union – appear naive and disconnected from reality. For Ukraine there is a dilemma. The choice will determine the long-term Ukraine's place in the world [14].

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LABOR MIGRATION IN UKRAINE: PROBLEMS AND LEGAL PROTECTION

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The article reflects the true scale, causes and trends of external labour migration problems which must be solved; it grounds the measures that must be implemented for the solution of these problems. The main directions of the state regulation of external labour migration are also examined.

Key words: demographic crisis, employment, external labour migration, labour market, migration processes, social policy, the mechanism of state regulation, unemployment rate.

Вахтурова С., Рябенська І.В. Трудова міграція в Україні: проблеми та правовий захист. У статті висвітлено дійсні масштаби, причини та основні тенденції зовнішньої трудової міграції, проблеми, які потребують вирішення, обґрунтовано заходи, що повинні запроваджуватися для розв'язання цих проблем. Розглянуто також основні напрямки державного регулювання зовнішньої трудової міграції.

Ключові слова: демографічна криза, зовнішня трудова міграція, міграційні процеси, механізм державного регулювання, працевлаштування, ринок праці, рівень безробіття, соціальна політика.

The international experience shows, that migration is the common global process, which accompanies world economic and sociopolitical development. Being one of subjects of this process, Ukraine cannot simply avoid it [1, p. 87]. So, at the state level the task is to define the ways of overcoming the negative trends of foreign labor migration, which determines the *relevance* of this topic. To study the problems of the work, a number of research *methods* was used, which include the following: analysis, synthesis, experiment, generalization, systematization and classification. A significant contribution in the research process was made by the publications of scientists such as E. Libanova, V.I. Perevedentsev, O.A. Malinovska, M.V. Kravchenko, T.I. Zaslavska, I.M. Pribytkova, O.A. Vyshnevskaya [1], I.A. Maliutin [3].

The main *objectives* of this research are the following: to shed light on the causes and the scale of external labour migration; to define the problems faced by migrant workers and members of their families; to identify the mechanisms of state regulation of migration processes; to justify the factors in overcoming the negative phenomena of the external labour migration.

The dominant trend in international relations is the labour force migration. Movement of human resources due to various factors is becoming increasingly popular worldwide and in particular in Ukraine [2]. The volumes of foreign labour migration in Ukraine are growing every year. The main reasons for this phenomenon are demographic processes and the needs of economic character both at the individual and at the national level. Therefore migration for Ukraine can become additional source of development as the country-donor of human recourses, and as the country, which receives human recourses. In this regard, the state bodies and the international community face the task to take these processes under control. Namely, by means of regulating the migratory processes and licensing the activity of entrepreneurs, who are engaged in the arrangement of Ukrainian citizens abroad and who organize social protection of Ukrainians working abroad. In addition, a problem that requires special attention is the problem of stimulation of Ukrainian immigrants to return to

their homeland, namely by establishing the authentic informing on changes in system of employment of the population in Ukraine. Programs of returning of labour migrants to their home country are rather expensive but they are the most effective [3, p. 98–99].

The analysis of the migration situation in Ukraine shows that it is developing much faster than the bodies, which are supposed to regulate it. Today at the level of governmental structures, each office operates on the basis of their interests and their understanding of processes, without the whole picture of migration. The situation is aggravated by the continuous reorganization of the management bodies responsible for the implementation of migration policy. As a result, the sphere of migration regulation has passed under the jurisdiction of more than ten offices having no clear coordination among them [1].

The main reasons for Ukrainian labor immigration to other countries are still low income and high level of unemployment. Short-term, often illegal immigration encompasses principally educational professional groups and the spheres of functioning of socially active people. All the varieties of origin, age group, social status, level of education and sphere of occupation of those who failed to apply their abilities in Ukraine, are devoid of sense in a foreign land by the status of immigrant with consequently menial or frequently changed jobs.

As during the former periods of economical migration, among those Ukrainians leaving for the West, the immigrants from Western Ukraine prevail; however, the number of people from the Central, Eastern and Southern parts of Ukraine is growing steadily.

Basically, the spheres of occupation of Ukrainian labor immigrants remain the same: household running, nursing and care for elderly people and children, building, restaurant service and hotel business, and farming. At the same time, the tendency for involvement in other spheres of occupation is being observed among the part of Ukrainian guest workers. They are not only involved in the sector of physical work, but also in business (skilled specialists, small business owners and average business owners) [5, p. 45].

The main problem faced by more than 90 percent of Ukrainian labor migrants is illegalized migration. Illegal labour migrants place themselves outside the law by their status, thus creating a lot of problems, both for themselves and for their state, which is not able to protect them in this situation, in particular to provide their social and legal protection abroad. Other problems are mostly economic and concern first of all, bad conditions of life and work of migrants, as well as inadequate level of wages compared with the salary which is received by citizens of the country-recipient. There are also problems of social

and humanitarian nature, related to violation of rights and freedoms, violation of their honour and dignity.

The efficiency of the mechanism of state regulation in the sphere of external labour migration depends on the residence status of Ukrainian citizens abroad. Only those migrant workers, who work legally, can count on the appropriate level of social and legal protection, as provided both by domestic legislation of the recipient country and by relevant international instruments signed or concluded by Ukraine [4, p. 30].

Social and legal protection of Ukrainian citizens working abroad depends on:

- peculiarities of the internal legislation of the recipient country, political system and economic condition of the foreign state, peculiarities of mentality of the local population;

- the international cooperation of Ukraine with other countries, in particular those countries, which are the destinations of the migration flows from Ukraine;

- cooperation with international organizations, that aim to assist in resolving issues in the spheres of labour and migration (International Labour Organization, International Labour Office, International Organization for Migration);

- control within the state over the activities of business entities that provide services on mediation in employment for work abroad [2].

To empower legal employment of Ukrainian citizens abroad the following programs should be the main directions of the state policy: resistance to illegal migration, a more active position in protecting the rights of migrant workers by the direction of diplomatic missions and consular institutions of Ukraine, mitigation of the factors that stimulate departure to work abroad, strengthening of social protection of Ukrainian citizens in recipient countries and stimulation of migrants to invest the money they have earned in the economy of Ukraine. The state policy of Ukraine regarding the regulation of labour migration processes should be flexible, active and mobile; the government should aim at developing a comprehensive approach for solving the problems in this direction [1].

To sum up the results of this research, we can draw the following *conclusions* of overcoming the negative consequences of labour migration: implementation of sound economic policies, reduction of unemployment and poverty, higher wages and approximation of the incomes of Ukrainians to the level of neighbor foreign countries, development of small entrepreneurship, the extension of preferential loans to individuals who wish to undertake

entrepreneurial activity, increase of purchasing prices for agricultural products with the purpose to improve the level of life.

The *perspective* of this research consists in studying the actual policy challenge for Ukraine which includes the developing of a set of incentive-based measures or voluntary return of the Ukrainian labor migrants and their successful reintegration into the local labor market that would ensure the sustainability of returns and productive use of the incoming labor. Such measures and initiatives are to be intended for central and local governments in Ukraine that should act in cooperation with international organizations and NGOs involved in the labor migration issues both from the side of the host and sending countries [4, p. 28].

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ANALYSIS OF DAIMLERAG TNC PERFORMANCE

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The article discusses in detail the structural and analytical indicators of Daimler AG TNC. It deals with the company's history, business strategy analysis and wide range of financial figures. This work also describes the TNC's financial results in Ukraine.

Keywords: Daimler AG statistics, Mercedes-Benz marketing policy.

Вашенко Д., Карпусенко М.В. Аналіз діяльності ТНК Daimler AG. У статті детально розглянуто структурні та аналітичні показники ТНК Daimler AG. Висвітлено історію розвитку компанії, проаналізовано бізнес стратегію та фінансові показники. В роботі описані результати діяльності корпорації в Україні.

Ключові слова: маркетингова політика Mercedes-Benz, статистика Daimler AG.

Today, TNCs provide about 50% of global industrial production. TNCs account for over 70% of world trade. Extra big TNCs have a budget exceeding the budget of some countries. Out of 100 largest economies in the world, 52 – are multinational corporations, others – the states. They have a great influence in the regions, as they have vast financial resources, public relations, political lobbying [1].

Daimler AG – one of the world's leading car manufacturers, the fifth largest automaker in the world. The headquarters are located in Stuttgart, Baden-Wurttemberg, Germany.

The company's founders, Gottlieb Daimler and Carl Benz, made history with the invention of the automobile in the year 1886.

Mergers and Acquisitions

May 14, 2007 Daimler Chrysler AG announced the sale of 80.1% stake of Chrysler Group unit for \$ 7.4 billion to the private U.S. investment fund Cerberus Capital Management. October 4, 2007 at the shareholders meeting the name was changed from Daimler Chrysler AG to Daimler AG [1].

Daimler's main goal is to remain number one brand in a luxury segment and a commercial vehicles segment. And as a pioneer of automotive engineering, Daimler continues to shape the future of mobility today: The Group's focus is on innovative and green technologies as well as on safe and superior automobiles that appeal to and fascinate. So in addition to vehicles with hybrid drive, Daimler now has the broadest range of locally emission-free electric vehicles powered by batteries and fuel cells.

Daimler sells its vehicles and services in nearly all the countries of the world and has production facilities on five continents. Its current brand portfolio includes, in addition to the world's most valuable premium automotive brand, Mercedes-Benz, the brands Smart, Freightliner, Western Star, Bharat Benz, Fuso, Setra and Thomas Built Buses. In 2012, the Group sold 2.2 million vehicles and employed a workforce of 275,000 people; revenue totaled €114.3 billion and EBIT (Earnings before interest and taxes) amounted to €8.6 billion [4].

Also, it may be noted that 70% of company's shares are owned by Europeans, 20% by representatives of the United States and 7.6% by Kuwait's Government [2, p. 28].

Daimler AG is one of the world's most successful automotive companies. With its divisions Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses and Daimler Financial Services, the Daimler Group is one of the biggest producers of premium cars and the world's biggest manufacturer of commercial vehicles with a global reach. Daimler Financial Services provides financing, leasing, fleet management, insurance and innovative mobility services.

Sources of income:

- Revenues from car sales;
- Revenues from sales of services;
- Income from investments and lending activities;
- Revenue from intellectual property sales;
- Income from securities transactions.

Dr. Joachim Schmidt, Head of Sales and Marketing, Mercedes-Benz Cars says: "The best or nothing" was Gottlieb Daimler's motto, and it still guides our actions today.

It is important to add that the corporation is a worldwide market leader of bus and truck production. Although that commercial vehicles segment brings only 30% of the total income, while the car production – 52% [2, p. 79].

The most popular car series is the C / CLK / SLK-Class, where the average car price in the base set starts from 360 thousand UAH according to the price policy from the official Ukrainian website. The USA is the most important consumer sales market, where TNC won 23% of their entire income in 2012. According to statistics, the best selling model in the CIS (The Commonwealth of Independent States) is GLK-Class [2, p. 2].

Currently Daimler is working intensively on young buyers market expansion. For this reason, they have begun to actively develop the A-and B-classes. It allows Mercedes-Benz to be highly competitive in tough rivalry with Audi, BMW and Lexus.

The concern's advertising expenses are stable even during the World crisis and are at about the same level – 2% of revenue. That fact indicates that Mercedes-Benz demand is and remain stable regardless of various economic conditions.

According the TNC reports in the last decade, the company has never shown income for the base year lower than for the previous. Net income in 2012 amounted to € 6,5 million, the increase over the previous year is + 8%. We can also note that Daimler income in the U.S. has risen by 23% over the previous year, and by 11% in Asia [2, p. 2].

The company's stock price has grown continuously over the past five years. The exception is 2011, when despite the record year of car sales concern suffered from a € 35 million loss from equity of "KAMAZ" OJSC [5].

AutoCapital company is General Representative Office of Daimler AG in Ukraine. Last year the total revenue from its distribution solutions amounted to approx. €221 million, the LLC paid VAT of UAH 370 million. For 2012, Ukraine had sold about 5,000 cars [6, p. 46–49].

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EUROBOND MARKET AND ITS INFLUENCE ON UKRAINIAN ECONOMY

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The article deals with the Eurobond market and its development in Ukraine. It reveals the current Ukrainian Eurobond market and possible variants of its future.

Keywords: borrowings, Eurobond, Eurobond market, Ukraine, Ukrainian Eurobonds.

Ворона О., Давиденко І.В. Ринок єврооблігацій та його вплив на українську економіку. У статті проаналізовано ринок єврооблігацій та його розвиток в Україні. Визначено його сучасне становище та можливі варіанти його розширення у майбутньому.

Ключові слова: єврооблігації, запозичення, ринок єврооблігацій, Україна, українські євробонди, українські єврооблігації.

The *goal* of the research is to analyze the current state of the Eurobond market in Ukraine and find out possible variants of its development on the basis of such *methods* as description and comparison. The *subject* is investigated by domestic and foreign scientists as well. Aspects of Eurobond market functioning have been analyzed by Ukrainian and Russian economists, notably M. Alekseev, D. Bazilevich, O. Kryvorychko, S. Moshenskyu, O. Rogach and others.

Eurobonds are international bonds that are denominated in the currency of the country where they are issued. They are usually issued in more than one country and traded across the international financial centers. They are also issued by international bodies such as the World Bank [7].

Eurobonds are unique and complex instruments of the relatively recent origin. They appeared as the kind of securities as a result of the recovery of European financial markets after World War II. Eurobonds debuted in 1963, but did not gain international significance until the early 1980s. Since then, they have become a large and active component of international finance [9].

The development of the Eurobond markets becomes extremely important for the countries with transition economies, including Ukraine, as it is one of the most important instruments of borrowing that helps to solve the internal economic problems of the country.

Compared to other securities markets, Eurobond market stands out because of its greatest variety of instruments of its own characteristics. Eurobonds are quite a flexible borrowing tool within international capital markets and have a variety of characteristics that could potentially benefit both issuers and investors:

- purpose of a loan;
- currency, in which the loan is being made;
- original maturity;
- method of repayment;
- average size of a loan;
- liquidity and reliability;
- method of payment of income;

- frequency of coupon payments [5].

The main participants of the international Eurobond market are:

- issuers, using Eurobonds in order to borrow on the international capital market;
- investors who invest in Eurobonds;
- Eurobond market operators, who are engaged in placement, calculation and storage.

We can also name a separate group of participants – rating agencies, that carry out multivariate analyses of the creditworthiness of the issuer.

The main regulators of Eurobond market on the international capital market are self-regulating international structures:

- ISMA (International Securities Market Association), which monitors the effective functioning of the international securities market through the implementation and monitoring of compliance with self-regulatory code that includes issues about the practice of trade, settling accounts and other general market issues (e.g. ethics of market behavior of participants);
- EMTA (Emerging Markets Traders Association), which is the main trade group for community engaged in trading and investing in instruments from the countries of category of “emerging markets”. It directs its forces to facilitate the proper development of fair, efficient and transparent markets for developing countries and to facilitate their integration into global capital markets [4].

The participation of countries with economies in transition in the Eurobond market is often based on the need to finance unforeseen emergency expenditures. Typically, the need for emission of Eurobonds occurs in the absence or insufficiency of existing financial reserves and is used for:

- refinancing and restructuring of old debts;
- meeting domestic demand for foreign exchange reserves;
- involvement of foreign capital in the economy and solving the problem of insufficiency of the national capital;
- financing current budget costs (including budget deficits) [3].

The reasons to enter the international Eurobond market for Ukraine were:

- absence of domestic market of government debt securities;
- need in servicing the public debt;
- financing the current budget deficit;
- providing financial institutions with liquid assets.

The features of Ukraine’s participation in the international Eurobond market are:

- low international credit ratings;

- high % of external debt in relation to nominal GDP;
- discontinuation of crediting using the stand-by program from the IMF;
- absence of a global strategy for integration into the global economic community. There is no certainty which economic block to join (the European one or the Customs Union);
- heavy dependence of our industry on imported energy sources (Russian gas);
- low export competitiveness of Ukrainian producers in times of global economic crisis [6].

It seems reasonable to assume that in the nearest future Ukraine will increase its presence in the Eurobond market. This is driven by several factors. For countries with emerging markets, which include Ukraine, it's very typical to use Eurobonds as a tool of refinancing the foreign debt. Taking into account the fact, that in 2013–2016 years Ukraine has to repay half (48.4%) an external debt, this factor can be seen as fundamental.

If we look at the trend of development of the Ukrainian Eurobonds market, the natural one will be most likely a use of various tools by the issuer. As to the promising areas of development, we need to pay attention to the use of medium-term Euronotes (MTN), which could serve as an effective source of regulation of the balance of payments. In addition, the issue of Eurobonds can reasonably be used with such a form of issue as floating rate notes (FRN) – this would make possible to negate the risk of lowering of interest rates on currency of borrowings' issue. Against the background of the lowering of the U.S. Federal Reserve discount rate during the 2008–2012 period, this trend is developing and getting much sense, as the decrease of a reference rate affects the interbank lending rate LIBOR and is able to prevent the real loss of Ukraine as the borrower, who has to pay a flat rate for its commitments [6].

The absence of options' use in the organization of issue scheme of Ukrainian Eurobonds should be evaluated as a shortcoming of the national market of Eurobonds. Within such schemes, the issuer's right to use option should be tied to conditional changes in prices on credit sources or to their achievement of a certain, predetermined level, and when this level is reached, the issuer will be able to exercise his right of a long-term repayment of their obligations.

A very promising direction of development of the Ukrainian Eurobond market is widening the range of its participants. In particular, it is reasonable to remove current restrictions and allow the purchase of Ukrainian Eurobonds to all categories of domestic investors. It should be noted that the implementation of this idea would require changing the law on currency regulation. As an example,

we can look at the favorable experience of Kazakhstan, where more than 60% of Eurobonds are owned by domestic investors, and the profitability had gradually decreased from 30 to 7.5% per annum. In Russia, where there is a partial restriction on the purchase of Eurobonds by residents, domestic investors own, according to various estimates, between 10 and 20% of government Eurobonds [3].

Despite some negative aspects (the dominance of the U.S. dollar, low sovereign credit rating), the participation of Ukraine in the Eurobond market can have a favorable outlook. In this respect, Ukraine has untapped potential, such as reducing the cost of borrowing by raising the credit rating, the resumption of cooperation with the International Monetary Fund, which will increase the trust of international investors to the state, the development of the corporate sector of Eurobond borrowings, the development of the internal market of Eurobonds; use of a bigger variety of tools (first of all, with the floating rate); the development of Eurobonds market denominated in other (except U.S. dollars) world currencies could reduce borrowing costs and significantly increase monetary stability during the economic crisis.

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WOMEN'S RIGHTS AROUND THE WORLD

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The article deals with the legal restrictions against women in different countries of the world, including Saudi Arabia, India, and Morocco. The benefits of the Convention on the Elimination of All Forms of Discrimination against Women have been analysed, unsolved issues of the Convention have been outlined.

Key words: discrimination, elimination, legal, restriction.

Яцун А., Манжос Я.Ю. Права жінок у світі. В статті висвітлені основні правові обмеження проти жінок в різних країнах світу, включаючи Саудівську Аравію, Індію та Марокко. Були проаналізовані позитивні моменти Конвенції щодо ліквідації усіх форм дискримінації по відношенню до жінок та невирішені питання, пов'язані із цією конвенцією.

Ключові слова: дискримінація, ліквідація, обмеження, правовий.

The *topicality* of the present article is stipulated by the fact that women's rights around the world are an important indicator to understand global well-being. Despite great success in empowering women, numerous issues still exist in all areas of life, ranging from cultural and political to economic ones. For example, women often work more than men, yet are paid less; gender discrimination affects girls and women throughout their lifetime; women and girls are often the ones that suffer poverty. The *aim* of this article is to show

that women's rights are a controversial issue, not only in the countries which have religious law as the basis of their legal system, such as many Muslim countries, but such problems still exist in the USA and in European countries. The Convention on the Elimination of All Forms of Discrimination against Women [6] and regulations of different countries of the world have been used as the *material* for the present article.

Men, being physically stronger than women (in general), have exploited their advantage over the centuries to mold societies, religions, and traditions, which are, in many cases, advantageous and convenient for men, but oppressive and abusive to women. The impact of these religious and traditional beliefs touches every aspect of our lives. They help explain why in many countries boys are educated before girls; why girls are told when and whom they must marry; and why many face enormous and unacceptable risks in pregnancy and childbirth because their basic health needs are not met [2]. In some Islamic nations, women are restricted in their movements, punished for permitting the exposure of an arm or ankle, deprived of education, prohibited from driving a car or competing with men for a job. If a woman is raped, she is often most severely punished as the guilty party in the crime [1].

The same discriminatory thinking lies behind the continuing gender gap in pay and behind having so few women in office in the West. The root of this prejudice lies deep in our histories, but its impact is felt every day. It is not women and girls alone who suffer, in fact it damages all of us. The evidence shows that investing in women and girls delivers major benefits for society, because an educated woman has healthier children, she is more likely to send them to school, she earns more and invests what she earns in her family [7].

The most remarkable legal restrictions against women have been noted in India, Yemen, Saudi Arabia, Ecuador and Morocco. In some states of India, women are excepted from safety rules that mandate motorcycle passengers wear helmets – an exemption that kills or injures thousands of women each year. Women's rights advocates have argued the exemption springs from a culture-wide devaluation of women's lives, while supporters of the ban say they're just trying to preserve women's carefully styled hair and make-up. In Yemen women can't leave the house without their husbands' permission, but for a few emergency exceptions, for instance if the woman must rush out to care for her ailing parents. In this country a woman is also considered only half a witness: the policy on legal testimony, where a woman is not recognized as a full person before the court. In general, a single woman's testimony isn't taken seriously unless it's backed by a man's testimony or concerns a place or

situation where a man would not be. And women can't testify at all in cases of adultery, libel, theft or sodomy [3]. In Ecuador abortions have long been outlawed for everyone but "mentally ill" people, and this law is frequently used to criminalize miscarriages [3].

Saudi Arabia has a great number of restrictions for women. Women are not allowed to drive, although it is often tolerated in rural areas. The country has no written ban on women driving, but Saudi law requires citizens to use a locally issued license while in the country. Such licenses are not issued to women, thus making it effectively illegal for women to drive. Furthermore, most Saudi scholars and religious authorities have declared women driving *haram* (forbidden), because driving a car involves uncovering the face, may permit women to go out of the house more often, to have interaction with non-mahram males, for example at traffic accidents, and may lead to overcrowding the streets and many young men may be deprived of the opportunity to drive. Still the most important reason is that driving would be the first step in an erosion of traditional values, such as gender segregation [5]. Laws in Saudi Arabia and Morocco very often fail to protect the victims of rape, and even go a step further – punishing women for leaving the house without a male companion, for being alone with an unrelated man, or for getting pregnant afterwards [5].

It isn't easy to change traditions overnight. However, there is some progress in this field. For example a royal decree, issued in Saudi Arabia in 2011, will let women vote (for the first time in the history of this country) in elections in 2015. Some success has been achieved in South Africa. Women gained more positions in parliaments throughout Africa and in many cases African countries have more women in parliaments than some western ones. Still being unsigned by many countries, a protocol to protect womens's rights in Africa came into effect in 2005. But the most important achievement is an almost universal ratification of the women's rights treaty, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) [4], which was adopted in 1979 by the UN General Assembly, and is often described as an international bill of rights for women. By accepting the Convention, states commit themselves to undertake a series of measures to end discrimination against women in all forms, including incorporating the principle of equality of men and women in their legal system, abolishing all discriminatory laws and adopting appropriate ones prohibiting discrimination against women; establishing tribunals and other public institutions to ensure the effective protection of women against discrimination; and ensuring elimination of all acts of discrimination against women by persons, organizations or enterprises [2].

The Convention provides the basis for realizing equality between women and men through ensuring women's equal access to, and equal opportunities in, political and public life – including the right to vote and to stand for election – as well as education, health and employment. States parties agree to take all appropriate measures, including legislation and temporary special measures, so that women can enjoy all their human rights and fundamental freedoms. [6]

A number of benefits the women's right treaty has provided around the world were listed on the 30th anniversary of CEDAW. The Convention has been used to challenge discriminatory laws, interpret ambiguous provisions or where the law is silent, to confer rights on women. For example, Morocco gave women greater equality and protection of their human rights within marriage and divorce by passing a new family code in 2004; Mexico passed a law in 2007 toughening its legislation on violence against women; India accepted legal obligations to eliminate discrimination against women and outlawed sexual harassment in the workplace; in Cameroon, the Convention is applied in local courts and groundbreaking decisions on gender equality are being made by the country's high courts. The CEDAW committee in Austria decided two complaints against Austria concerning domestic violence in 2007. Within the UN itself, the number of women in senior posts has increased by 40 percent [6].

But the progress is mixed. When it comes to female education rates, progress has been made around the world, and in many countries girls and young women have outnumbered and outperformed boys and men at all levels of schooling for decades. Nevertheless these advances have yet to translate into greater equity in employment, politics and social relations. In some places claims are made that women's rights will be respected more, yet policies are sometimes not changed enough – or at all – thus still undermining the rights of women [2]. Despite the almost universal ratification of the Convention (second only to the Convention on the Rights of the Child), a number of countries have still not signed or ratified it. The handful of remaining countries are: the USA (signed, but not ratified), Iran, Qatar, the Cook Islands (a non-member state of the United Nations), Nauru, Palau, Tonga, Somalia, and Sudan.

Summing up it is important to say that women's rights are empowered all over the world but it is not as effective and positive as many are looking forward to. Considering all the conventions, bills, declarations against women discrimination we can see that it is a very slow process, but on the other hand it is somehow developing and that gives women hope that in time they will finally achieve their deserved legal rights. It has turned out to be very difficult to suppress religion or some historically formed visions of women rights in

comparison with the rights of men. Eventually historical views are being replaced by current legislation around the world and hopefully this will influence women's rights for the better. The *perspective* of the work includes the analysis of different forms of domestic women abuse in different countries.

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ANALYSIS AND EVALUATION OF MODERN TECHNOLOGIES ON GLOBAL BRAND MANAGEMENT

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The article deals with modern technologies on global brands management. Current trends in brand management are analyzed. The difference in western and eastern approaches on brand management, which differ in types of priority brands, orientation, communication strategy are revealed. The modern methods of brand evaluation are defined.

Keywords: brand management, global brand, marketing.

Єнікєєв Р., Шамрасва В.М., Літовченко Я.М. Аналіз та оцінка сучасних технологій управління глобальними брендами. У статті розглянуто сучасні технології управління глобальними брендами. Проаналізовано сучасні тенденції розвитку бренд-менеджменту. З'ясовано відмінність західних (Західна Європа, США, Канада) та східних (Японія, Корея, Китай) підходів до управління брендом, які різняться за типом пріоритетних брендів, орієнтацією, комунікаційною стратегією та інше. Описані методи оцінки вартості бренду.

Ключові слова: бренд-менеджмент, глобальний бренд, маркетинг.

Global brand provides many competitive advantages to its owner in commodity, price, distribution and communication strategies through its basic characteristics. Global brand provides its owner with great savings through the growth of production. Global companies have more abilities to invest in improving the quality of goods and services or the formation of brand image compared to the national products with no real reason for it.

Global brands are high-value, intangible assets of any company that provide additional revenue worldwide. Brands that have already become global, simultaneously have taken responsibility for the failure of social promises of the company to the public.

The modern trends of brand management growth in global companies include: isolating it in a separate area of activity, the use of strategies of adapted standardization and focus on creating a brand identity that forms the psycho-emotional connection with the consumer, and consumer participation in the formation of a global brand [3].

A modern factor that proved the importance of the Global Brands management was the financial crisis during 2008–2009. According to the analysis conducted by a research agency “Millward Brown Optimor”, global brands not only fall at a slower pace than the market, but recover faster than 500 American public limited companies with the largest market capitalization [5].

However, to achieve this effect under economic instability brand management must be implemented with the help of the following principles:

1. Emphasis on the strong emotional connection with the consumer brand makes it possible to minimize losses;
2. Fulfillment of obligations – investments in future profits;
3. Rapid response to changes in supply of available brands, allowing to retain customers and attract new ones;
4. Use of the Internet, low-cost and creative projects as a decent alternative to costly communication channels;
5. Downsizing caused by the crisis must be carried out correctly [1].

There are also a plenty of factors that justify refusal of the application of global strategy: difference in legal systems, competition, differences in the habits of consumers, structure of the distribution and so on. The modern world is characterized by the struggle of local needs and standardization. It is up to marketers around the world to decide which side to choose, evaluating the possible advantages and disadvantages of all options. Combining elements of standardization of brand positioning with partial adaptation of the marketing mix – adapted standardization – proves to be the best solution to this problem [4].

In terms of technologies on brand management it must be emphasized that it is impossible to create a global brand just by making a decision on its creation. A brand will become a global one, only when the management takes place globally, based on global planning process, global brand communications, efficient organizational structures meeting the requirements of modern international economic environment.

There are several models of creating and managing international brands. However, an obstacle to the widespread use of these models is their unjustified complexity, underdeveloped model of use, managers' unwillingness to use them because of cultural differences with developers, incompatibility with the legislative requirements of the individual countries.

Analysis of western (Western Europe, the USA and Canada) and eastern (Japan, Korea, China) differences in approaches on brand management, which differ in types of priority brands, orientation, communication strategy, connection with the corporate brand, the amount and type of investments, taking into account life cycle of products, level of diversification, depth of market segmentation makes it possible to argue that the effective scope of their application is the market of consumer goods and markets of high-tech products, respectively [2].

Qualitative methods for brand value assessment also study consumer attitudes to goods and services, that is why they give indirect picture of the financial results of the brand usage. Financial and Quantitative Approaches to brand evaluation allow to determine the real economic value of the brand and, at least partially, explain the difference between the balance value of the company and its market capitalization. To ensure a high level of results reliability it is necessary to use a comprehensive approach that includes revenue and qualitative methods of the brand evaluation as one of the major strategic targets.

The relevance of the brand evaluation problem takes place when the business is under the sale and formation of an optimal capital structure, the amortization

of intangible assets, determining the effectiveness of marketing strategies and the company as a whole, attraction of necessary financial resources and others. The development of brand evaluation methodologies takes place in two ways – the definition of the brand value and its cost [6].

Brand value is a relative category, which is set using the comparative method, based on experimental studies of thoughts and behavior of consumers and comprehensive methods that work out the total value of the brand.

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ANALYSIS OF BANK PERFORMANCE BY THE METHOD OF CAMELS

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The article considers the method of estimation of financial stability of banks, its constituents and key factors which determine the financial position of the Bank as well as the advantages and disadvantages of the system of CAMELS.

Keywords: asset quality, capital adequacy, earnings, liquidity, management, off-balance sheet assets, sensitivity to risk.

Юхновець Т., Карпусенко М.В. Аналіз діяльності банку за методикою CAMELS. У статті розглянуті метод оцінки фінансової стійкості банків, його складові і основні фактори, що визначають фінансове становище банку, а також переваги і недоліки системи CAMELS.

Ключові слова: достатність капіталу, ліквідність, позабалансові активи, прибутковість, чутливість до ризику, якість активів, якість управління.

The *goal* of this article is to give an outline of one of the most famous approaches to the estimation of financial stability of banks – CAMELS. This method is used by American authorities for banking regulation and supervision, which makes it *relevant* in today's global economic situation. The authors have chosen to apply the *methods* of description and comparison.

The CAMELS method was introduced in 1978, after the decision of the Supervision agency of the United States to standardize their system analysis of the financial condition of a commercial Bank [1].

CAMELS rating was used during the global financial crisis for the selection of banks, which were part of the US bailout plan. It represents a full assessment, given to the Bank on the basis of data supplied to the Supervisory authorities [2].

Abbreviation CAMELS stands for the first letters of the components which are analysed:

- (C) – Capital adequacy,
- (A) – Asset quality,
- (M) – Management,
- (E) – Earnings,
- (L) – Liquidity,
- (S) – Sensitivity to risk.

C – *Capital adequacy* – the system determines which capital of the Bank may be used for protection of its creditors (depositors), and whether or not its value;

Main factors:

- the size of the Bank;
- the volume of troubled assets;
- the experience of the Bank's development plans;
- the quality of capital;
- retained profit;
- capital market access;
- off-balance sheet assets.

A – asset quality – the system allows to receive information about the areas of extra credit risk, analyze the composition of the loan portfolio, paying attention to the financial impact of problem loans, the structure of capital issues.

Main factors:

- structure of assets;
- the ratios and trends in the group of loans;
- volume, amendment and comparison of nonperforming and extended loans;
- concentration of loans;
- the scope and nature of transactions with insiders.

M – management – the methodology defines the quality of banking management based on the evaluation of work, observance of laws and regulations adopted by the monitoring system.

Main factors:

- competence and level of middle management and senior management;
- compliance of the banking laws and regulation;
- the adequacy and consistency with domestic policy;
- focus on independence;
- ability to plan for and response to changing conditions;
- willingness to be useful for the achievement of the reasonable needs of the collective;
- competence of a Manager;
- the presence and level of qualification of the personnel and programs.

E – earnings – the system assesses the efficiency of the Bank, determine the sources of profit and reveals its sufficiency for the future development of the Bank.

Main factors:

- return on assets in comparison to the group and its own tendency;
- income and expenses in comparison to the group and its own tendency;
- the adequacy of the allowances for losses on loans;
- the quality of earnings;
- dividend payments in relation to adequate Bank capital.

L – liquidity – the system determines the adequacy of the Bank's liquidity in terms of timely performance of its obligations.

Main factors:

- sufficiency of liquid resources in comparison with current and future needs;
- adequacy of highly liquid assets, without loss of convertible into cash;

- access to financial markets;
- the level of diversification of funded resources;
- share of short-term volatile attracted resources;
- trend and variability of deposits;
- ability to protect and sell its assets;
- ability of management to identify, measure, monitor and control liquidity position.

S – sensitivity to risk – how will change the financial condition of the Bank at the interest rate change.

Assessment of Bank system of CAMELS is done on the basis of quarterly statements of the Bank, the so-called call reports. Each of the above indicators CAMELS rated on a scale of 1 to 5, where the Best estimate – 1, which is the worst – 5. According to the results of the evaluation of each component exhibited a composite rating.

- 1 – Strong,
- 2 – Satisfactory,
- 3 – Fair,
- 4 – Marginal,
5. – Unsatisfactory.

“1” – Bank “healthy” in all respects (can be only minor deviations in the number of indicators); there is a proper management system; is resistant to external economic and financial turmoil; no need for intervention by the Supervisory authorities.

“2” – Bank almost “completely healthy”; received critical data is of little value; in the system of control is not critical gaps; stable and can successfully overcome the fluctuations in the business world; the interference of banking supervision is limited and is carried out to the extent necessary to correct identified deficiencies.

“3” – the availability of financial, operational or technical weaknesses, ranging from the permissible levels are unsatisfactory; vulnerable when adverse changes in the economic situation can easily go broke if the measures taken to overcome the weaknesses are ineffective; additional intervention by the banking supervision authorities to address the amendment.

“4” – serious financial problems; the preservation of the unhealthy situation in the absence of proper attention to financial issues; without corrective measures, the situation may lead to undermining the viability in the future; high probability of ruin; it requires careful supervision and control, as well as the specific plan to overcome identified deficiencies.

“5” – there is a probability of ruin in the near future; the revealed shortcomings so dangerous that requires urgent support from shareholders or other financial sources, without corrective action is likely to be liquidated or merged with other credit institutions [5].

In conclusion we would like to mention the advantages and disadvantages of the method. The main advantage of the CAMELS system is that it is a standardized method of assessment of banks, ratings for each of the indicators point to the direction of action for increases, comprehensive assessment expresses the degree of intervention required to be taken against the Bank by the regulatory authorities.

Disadvantages:

1) Low formalization. There are no exact definitions and rules (what size the Bank's liquidity is considered to be strong or critical. Exhibited scores components.

2) Final indicator of the reliability of the Bank is a simple sum of score components reliability, not taking into account the varying degrees of influence of components of the methodology the overall assessment of the Bank.

3) Highly depends on the objectivity and competence of analysts

4) It is largely based on expert (subjective) estimates, so the quality of the final result will largely depend on the professionalism of representatives of Supervisory authorities.

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INFORMATION TECHNOLOGY AS A BASIS OF A MODERN INTERNATIONAL BUSINESS

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The article deals with the concept of “information technology” and characterizes its components. It analyzes the advantages and disadvantages of information technology in today’s business areas and defines the impact of information technology on international economic activity.

Keywords: disadvantages, economic benefits, information technology, international business, management.

Захуцька Н., Давиденко І.В. Інформаційні технології як основа сучасного міжнародного бізнесу. У статті розкрито поняття “інформаційні технології” та дана характеристика його складових. Проаналізовано переваги та недоліки впровадження інформаційних технологій у сучасному бізнесі та визначено напрямки впливу інформаційних технологій на міжнародну економічну діяльність.

Ключові слова: економічні переваги, інформаційні технології, міжнародний бізнес, недоліки, управління.

Information technology, also known as IT, is a comprehensive term that includes all types of technology used to produce, exchange, store, manipulate and circulate, use or create information. Information technology relates to information systems that are computer-based. It’s a term that combines the design, study, development, implementation, support and / or management of these systems in computer hardware and software. Commonly used information technology equipment includes computers, servers, peripheral devices, Internet connectivity equipment and phone systems. From basic computer terminals to IP-based telephony systems, information technology is an integral part of most modern business operations.

The problem of information technology use is very important for modern international business. Modern technology has transformed the way businesses run their core processes. It would likely be hard to find a company that doesn’t use any form of technology in their daily activities. Information technology has become a vital part of every business plan. From multi-national corporations

who maintain mainframe systems and databases to small businesses that own a single computer, IT plays a role [3].

In most businesses today technology is found to be integrated in operations, customer services, human resources, accounting, sales, marketing and almost every other aspect of any organization.

The *goal* of this research is to analyze the impact of information technology on modern international business on the basis of such *methods* as description and comparison. The *subject* has been analyzed by Ukrainian and Russian economists.

The reasons for the omnipresent use of computer technology in business can best be determined by looking at how it is being used across the business world [8].

Here are a few primary ways modern technology affects the workplace:

Communication. Many companies are changing the way they do business internationally by utilizing the latest advancements in information and communication technology. Information technology is largely shared through mobile devices; laptops and smartphones are now common in any workplace. These devices make it possible for companies to instantly share updates and new product releases not only within their company, but with affiliates, shareholders, colleagues and competitors anywhere in the world. The speed at which information can be shared via this type of technology has made international businesses extremely accessible, both to others in the business world and to customers.

IT has also made it possible for businesses to be open 24 x 7 all over the globe. This means that any business can be open anytime anywhere, making purchases from different countries easier and more convenient [2; 6].

Data Management. The days of large file rooms, rows of filing cabinets and the mailing of documents is fading fast. Today, most companies store digital versions of documents on servers and storage devices. These documents become instantly available to everyone in the company, regardless of their geographical location. Companies are able to store and maintain a huge amount of historical data economically, and employees benefit from immediate access to the documents they need [7].

Cost Effectiveness. When businesses take advantage of information technology resources, they are able to streamline the production of goods and services. Because of low cost advancements, the days of worrying about international or long-distance calling rates are almost obsolete. It has become very easy to send and receive messages to and from anywhere

through information technology systems. Externally, it can help create an efficient, flexible online / offline platform for doing business with customers, suppliers and partners. In commerce, it can help streamline and integrate channels to market, create new channels and integrate multiple online / offline channels [4; 10].

Job Creation. The field of information technology has created a growing number of jobs internationally. When a business wants to function online, it must hire or contract those who can meet the demands of the company through computer programming, the development of hardware and software, information technology set-up and support, web design, search engine optimization and creating customer's autonomy.

More jobs are open to workers in an international business field. Many companies are allowing workers to perform their jobs from any location with Internet connection; a worker in New York can join a meeting in Tokyo via video conferencing, or a worker in Seattle could sell products from Argentina online. Opening up the workforce means more job opportunities for workers and a better chance for employers to find the perfect person to fill a position [2; 9].

Customer Relationship Management. Companies are using IT to improve the way they design and manage customer relationships. Customer Relationship Management (CRM) systems capture every interaction a company has with a customer, so that more enriching experience is possible [10].

Competitive Advantage. International businesses, by default, face more competition than other businesses, as a company on the other side of the world may be producing a similar product. Information technology provides speed of communication that helps companies stay one step ahead of their competitors.

Information technology resources allow companies to maintain a competitive advantage over their rivals [3].

Information technology has changed the way how the world does business. Correspondence that once took weeks to get from one organization to another is now delivered instantly with the push of a button. Advances in telecommunication allow associates from all point of the globe to confer in a virtual environment, minimizing the need for business travel. Although there are many benefits of integrating information technology in business, there are some **disadvantages**.

Implementation Expenses. While information technology solutions can contribute to the success of your organization, there are a number of unique

costs to consider. Every business must consider startup costs when implementing any type of information technology system. In addition to the cost of hardware and software, some technology vendors require businesses to purchase user licenses for each employee that will be operating the system. Although basic information technology systems may be user-friendly, advanced programs still require formal instruction by an expert consultant. That is why a company must employ highly educated and specialized workers to maintain, monitor, expand and repair the IT infrastructure.

Information technology systems are expensive to maintain. These expenses present a major disadvantage of information technology in business, particularly to businesses that are entering the technology era for the first time [8; 5].

Security Breaches. Although information technology systems allow business to be conducted at a faster pace, they are not without their flaws. Information technology systems are vulnerable to security breaches, particularly when they are accessible via the Internet. If appropriate measures are not in place, unauthorized individuals may access confidential data. Information may be altered, permanently destroyed or used for unsavory purposes [7].

Conclusion. Information technology is a modern phenomenon that has dramatically changed the daily lives of individuals and businesses throughout the world. Leveraging information technology for business success is the key to survival in the modern business world.

Information technology has granted modern day businesses the capability to become linked with other companies throughout the world with the use of one single system. The demand for this type of technology is global: no matter where they are, clients and customers demand higher efficiency, lower prices and better quality in the products and services they receive.

Talking about Globalization, IT has not only brought the world closer together, but it has allowed the world's economy to become a single interdependent system. This means that we can not only share information quickly and efficiently, but we can also bring down barriers of linguistic and geographic boundaries. The world has developed into a global village due to the help of information technology allowing countries to shares ideas and information with each other [7; 8].

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FOREIGN EXPERIENCE IN LEGAL REGULATION OF FRANCHISE OPERATIONS

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The article deals with the problem of the legal regulation of franchising operations. The theoretical bases of legal regulation of franchise operations were highlighted. The article provides the role of franchise activities in different countries. The problems and prospects of franchising in different countries were identified.

Keywords: franchising activities, legal regulation, problems and prospects of application.

Зароченцева Ю., Літовченко Я. М. Зарубіжний досвід в нормативно-правовому регулюванні франчайзингових операцій. У статті розглянуто проблеми в нормативно-правовому регулюванні франчайзингових операцій. Висвітлено теоретичні основи нормативного регулювання франчайзингової діяльності. Розкрито роль франчайзингової діяльності в різних країнах, виявлено проблеми і перспективи застосування франчайзингу в різних країнах.

Ключові слова: нормативно-правове регулювання, проблеми і перспективи застосування, франчайзингова діяльність.

Legislation on franchise relationships in different countries are characterized by their specificity. In some countries, the franchise operations are subject to independent legal regulation with no use of provisions in other laws and regulations.

For example, the U.S., France, Italy, Spain, Canada, Brazil, Romania, Indonesia, Malaysia, China, Japan, Korea and some other countries have specific legislation on franchising [2].

The United States have the highest level of development of specific legislation on franchise operations due to rich franchising experience in this country. The United States were the first to give legal definition of franchising. The laws of the various states determine the franchising, mainly, in two ways: as a sales system and as a community of interests of the parties of franchise relationships [8].

The offer and sale of franchise agreements in the U.S. are regulated at the level of individual states and legislation at the federal level. Regulation of franchising at the federal level is carried out by not a special law, as in the

case at the state level, but specific rules about the requirements and prohibitions on disclosure of franchising and business opportunities for companies. These rules are adopted by the U.S. Federal Trade Commission. The rules provide the definition of a franchise, franchise relationship of the parties, a list of their rights and obligations [7].

Among the European countries, the legal regulation of franchising was first introduced in France – “Law on the commercial development of commercial enterprises and improve the economic, legal and social environment.” The law of Louis Dubena has two basic requirements: first, the franchisor must provide a prospective franchisee with franchise information at least 7 days prior to signing the franchise agreement, and secondly, it must contain a comprehensive data about the proposed franchise.

In Spain, at the conclusion of franchise agreements, the parties use the act of “State of the regulation on the retail franchise mode” and the Resolution “On the registry franchisors” [6].

In China, franchising is regulated of the Ministry of Internal Trade “Measures of franchise management operations.”

British Franchise Association uses the concept of franchising to refer to many economic relations, including licensing, distributor and agency agreements. It specifies that the franchise – control license is issued by one person (the franchisor) to another (the franchisee) who:

a) Authorizes or requires the franchisee to carry out business during the term of the contract of reduced business (franchise agreement) under the name that belongs to the franchisor or associate with him;

b) Requires the franchisor to exercise permanent control over the entire period of the contract over the way the franchisee conducts his business that is the subject of a franchise agreement;

c) Requires the franchisor to provide the franchisee assistance in doing business that is the subject of the contract (in the sphere of privileged business, training, sales, management, etc.);

g) Requires franchisees to pay regularly the franchisor all payments specified in the contract throughout the duration of the franchise contract [2].

Thus, all relationships are regulated under franchise contracts from one person (the franchisor) to another (the franchisee), which entitles the franchisee to trade under the trade name (trade name) the franchisor and allows you to use the whole complex of rights, including all the necessary elements for transfer of rights specified in the so-called “franchise package” [1].

At the same time, it should be noted that despite the rapid growth of

franchising in the Ukrainian legislation the concept of franchising agreement currently does not exist [5, c. 303].

Ukrainian legislation is ignorant of the term “franchising”. It operates with the term “commercial concession”.

Basic legal act – Civil Code of Ukraine:

- Chapter 76 – Commercial concession;
- Book Four – Intellectual Property Law;
- Chapter 75 – Order of intellectual property rights.

It should be noted that there are also provisions of the Commercial Code of Ukraine (Chapter 36 – Using in business rights of other entities management (commercial concession) Chapter 16 – The use of economic activities of intellectual property) and legislation for the protection of intellectual property rights, competition policy, responsibility for product quality and consumer protection [9].

Contract of commercial concession – a contract where one party (the holder) is obligated to provide the other party (the user) workers for the defined payment the right to use, in accordance with its requirements, complex, due to that party, the rights to manufacture and (or) the sale of certain types of goods and (or) services.

The subject of a commercial concession is the right to use:

1. Objects of intellectual property: trademarks, industrial designs, inventions, works, trade secrets, etc.;
2. Commercial experience;
3. Business reputation;

Parties to a contract of commercial concession are the holder and the user.

Contract of commercial concession involves the use of a complex of exclusive rights, reputation and commercial experience of the holder in a specific amount (including the establishment of minimum and (or) the maximum amount of use), with or without specifying a particular area with respect to the scope of business activities (sales of goods received from the copyright owner or produced by, the implementation of other trading activities, works, services) [3, c. 67].

Parties to the contract of commercial concession may be commercial organizations and citizens registered as individual entrepreneurs.

In Ukraine, the franchise does not always imply the use of a commercial concession. Within the framework of the franchise agreement the following contracts can arise: commercial concession agreement, supply agreement, agency, licensing, trade credit, custody, sale, and a number of others [4, c. 56].

Thus, we can conclude that the franchise – is a business organization in which a powerful company (the franchisor) transfers the legal or natural person (franchisee) the right to sell the product or services of the company. Franchisee agrees to sell a product or service in strict accordance with the rules of doing business that sets the franchisor. Under these conditions, the franchisee receives the right to use the brand name company, its marketing technology and services internal audit and examination quality. To obtain such rights and opportunities, the franchisee pays the franchisor an initial fee and then makes monthly contributions.

It should be noted that until Ukraine does not adopt a special law regulating norms, status and other legal aspects of the Ukrainian franchising, the process itself will not go smoothly. The sooner the legislature will pay attention to this process, the better and easier franchise systems in our country will develop and strengthen.

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INVESTMENT IN THE KHARKIV REGION: ESSENCE, FORMS AND PECULIARITIES

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The article deals with the essence and forms of investment and its peculiarities in the Kharkiv region. It provides economic potential of the region and the most profitable sectors to invest in.

Keywords: clusters, investment, forms, projects, the Kharkiv region.

Зашупіна Ю., Давиденко І.В. Інвестування в Харківську область: сутність, форми та особливості. У статті проаналізовано сутність та форми інвестування та його особливості в Харківській області. Визначено економічний потенціал області та найбільш прибуткові для інвестування сектори.

Ключові слова: інвестування, кластери, проекти, форми, Харківська область.

The *goal* of this research is to analyze essence, forms and peculiarities of investment in the Kharkiv region on the basis of such *methods* as description and comparison. The *subject* is investigated by domestic and foreign scientists as well. Aspects of investment in general and investing in the Kharkiv region in particular have been analyzed by Ukrainian and foreign economists, notably O.S. Balan, N.O. Par'eva, M. Malik, T.P. Kurelenko, V.V. Khrustalev,

N.V. Gavrilova, T.M. Vlasyuk, P.Y. Atamas, J.E. Petrun and others.

Investment is the action or process of investing, or a thing worth buying because it may be profitable or useful in the future [8]. Forms of investment depend on the investment decisions which represent a type of administrative decisions concerning the formation of the optimal composition and structure of company's assets, by choosing the most appropriate options for investing [1]. Investors can choose among a vast universe of investment alternatives, from art to real estate. When it comes to financial investments, most people concentrate on three core categories: stocks, bonds, and cash equivalents [4]. The most widely known and used type of cash-equivalent instruments are savings accounts and time deposits at banks and finance companies [10]. It can be invested in these asset classes directly or through mutual funds and exchange-traded funds (ETFs) [4]. In general, an investment

fund is a vehicle that allows a number of separate and unrelated investors, a group of individuals or companies, to make investments together [9]. There are some other forms of investment: business (entrepreneurial) activities pursuant to production sharing agreements; joint business activity without creation of a legal entity; joint business activity without merging funds; public-private partnerships [5].

The problem of investment in Kharkiv region is very important for the development of the oblast' and for the improvement of international relations of Ukraine as a whole, because the investors have a lot of opportunities to benefit from investment in this region meanwhile different economic and social projects can be realized. Kharkiv's potential stands out for its rare combination of factors, which makes it attractive for foreign investments. The main competitive advantage for business and effective investment is the city's favorable geographic location and its developed infrastructure. The developed industrial potential of Kharkiv enterprises, a substantial scientific and technological basis, as well as a considerable amount of local natural resources enable an investor to adopt a flexible investment strategy [2].

One of the most important indicators of the economic climate and the potential of the region is the dynamics of attracting foreign investment. On the 1st of January 2012, the volume of foreign direct investment in the region amounted to 2 745 700 million USD (985 USD per resident). By specific figure of investment in the economy of the region, among regions of Ukraine the Kharkiv region consistently ranked third. The main part of foreign investment is concentrated in the financial sector. Businesses of the region are investing from 63 countries.

The region has adopted a "Program of investment development of Kharkiv region up to 2015", implementation of which will ensure the creation of favorable investment climate and provide additional investment and will enhance not only the regional level, but also international [6].

There are some priority sectors for investment in the Kharkiv region: energy machine building; aviation industry; precise and complex machine building; pharmaceutical industry; research and development; agriculture and food processing; energy generation and energy saving [7].

The cluster approach to the formation of the economy is one of the most effective for improving the competitiveness of the territory. It allows studying the structure of investment and comparing clusters' characteristics [3] given in the table 1.

Table 1

List and description of leading clusters to be the formation and development in Kharkiv region

Cluster	Feature cluster			
	Cluster Feature	The scale	Directivity to markets	Model construction and operation
Oil and gas production and processing	The development model	national	On the domestic market	The post-Soviet
Production and processing of farm products and food production	Advanced development	regional	To foreign and domestic markets	Italian
Light manufacturing	The supporting development	regional	To foreign and domestic markets	Italian
Construction and release of building materials	The supporting development	regional	On the domestic market	Italian
High-tech manufacturing	Advanced development	national	To foreign and domestic markets	Japanese
Research and Education	Advanced development	national	To foreign and domestic markets	Japanese
Protection of health	Advanced development	regional	On the domestic market	India-China
Housing and Communal Services	Catching-up development	regional	On the domestic market	India-China
Transport and trade and logistics	The supporting development	trans-boundary	On the domestic market	Italian

Source [3].

The development of the leading clusters in the region requires the development and implementation of relevant projects of various scale, among them there are Alternative Fuel, Village of the future and Depressive territory, City of Fashion, Affordable Housing, Ukrainian-Russian industrial park, Technological town in Kharkov, Health of the region, Comfortable and energy-efficient housing, “Gateway Ukraine – Russia” [3].

Foreign investors are also entitled to certain guarantees under the Foreign Investment Law. They are protection against nationalization, guarantee for compensation and reimbursement of losses, guarantee in the event of the termination of investment activity, guarantee of repatriation of profits, protection against changes in legislation [5].

Investment is a process of laying out money or capital in an enterprise with the expectation of profit. The most widespread forms of investment are stocks, bonds, and cash equivalents. There are also such investment instruments as mutual funds and exchange-traded funds. In the Kharkiv region investors have some guarantees to protect their investment and can make profit from investments in leading clusters of the Kharkiv region which are mentioned in the table above.

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INTERNATIONAL TRANSPORT CORRIDORS AS A TOOL FOR REGIONAL COOPERATION

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The article deals with the International Transport Corridors of Ukraine; it reviews the progress achieved in the implementation of the Asian Highway and Trans-Asian Railway activities of the secretariat; it also reveals the potential for developing inter-modal facilities, such as dry ports and inland container depots.

Keywords: economic rebound, financial crisis, inter-modal facilities manufacturing slump, potential for developing.

Жигло В., Давиденко І.В. Міжнародні транспортні коридори як інструмент для регіонального зв'язку. Стаття присвячена міжнародним транспортним коридорам України, огляду прогресу, досягнутого в рамках будови Азіатських автомобільних доріг та Трансасіатській залізничної діяльності секретаріату; стаття також розкриває умови потенціалу для розвитку інтермодальних заходів, таких як сухі порти і внутрішні контейнерні термінали.

Ключові слова: економічний підйом, інтермодальні об'єкти, потенціал для розвитку, спад виробництва, фінансова криза.

The global economy was badly affected by the financial crisis that started in the second half of 2008, and 2009 started with forecasts of stalled

investments, crunched credits, depressed consumer demand and a prolonged manufacturing slump.

However, halfway through 2009, signs of an early revival were already clearly visible for many economies in Asia and the subsequent economic performances of most Asian countries in the second half of 2009, and 2010 confirmed that this early rebound was a return to sustained growth. Forecasts now predict that Asia's emerging economies could report annual growth rates of 6 to 8 per cent over the next five years, i.e. at least three times the rate expected for developed countries in Europe and North America [1].

The *goal* of this research is to analyze an international integrated inter-modal transport. The *subject* is investigated by domestic and foreign scientists as well. Aspects of International Transport Corridors of Ukraine have been analyzed by Ukrainian and Russian economists, notably V. Chaly, K. Kvasha, A. Scherba and others. The *methodological basis* of the research are methods of description and comparison.

A prominent reason behind this rebound is that, while the economies of ESCAP member-states are still reliant on exports to developed countries, intra-Asia trade is playing an increasingly important role in the region's overall exchanges. Thus, while China still remains ASEAN's fourth trading partner behind the European Union, the United States and Japan, bilateral trade between China and ASEAN reached US\$ 231.1 billion in 2008, compared to US\$ 39.5 billion in 2000. India's trade with China also jumped from US\$ 2.91 billion to US\$ 38.7 billion over the period 2000–2007, while its trade with ASEAN has been growing at an annual growth rate of 27 per cent since 2000 to reach US\$ 17 billion in 2008 [4].

Traditionally, the smooth flows of international trade have relied on maritime transport. While this is naturally the most optimum way to ensure the efficient movement of vast volumes of cargo between Asia and its trading partners in Europe and North America, it has also represented the preferred choice for exchanges between Asian countries. As a result, coastal areas have always attracted the establishment of manufacturing and trading centers which in turn became magnets for the settlement of populations in ever larger communities enjoying higher incomes, greater employment opportunities, better access to education and health facilities, and higher standards of living. Yet, the concentration of large segments of population in a reduced number of locations has also brought with it a number of problems, such as unbalanced spatial development, social inequalities and over-exploitation of resources in certain areas [5].

In 1992, ESCAP and its member-countries adopted the Asian Land Transport Infrastructure Development (ALTID) project articulated around the three components of Asian Highway, Trans-Asian Railway and facilitation of land transport. At the time, the objective was to improve intraregional and interregional transport links as part of the secretariat's efforts to assist member countries in addressing the challenges of globalization by providing them with a tool to access the world's markets. The relating work focused primarily on the identification and formalization of the Asian Highway and Trans-Asian Railway networks [3].

While this objective remains true and both networks need to be further expanded, the region's continued economic growth and vibrant manufacturing industry are calling for countries to go beyond the mere development of transport infrastructure and look at how the many individual transport solutions offered by road, rail, inland waterways, ports and airports, can be effectively linked to increase efficiency so that each mode can play on its specific strengths while complementing others to offer seamless transport solutions and expand the reach of transport services so that population in hinterland can be part of mainstream economic development and prosperity.

Conclusion. The present paper reviews the progress achieved in the implementation of the Asian Highway and Trans-Asian Railway activities of the secretariat. It also reviews the potential for developing inter-modal facilities, such as dry ports and inland container depots, not only as an important additional element of the regional vision of an international integrated intermodal transport and logistics system but also as a focus for more widespread development around industrial poles offering a level of activities similar to those that exist at or around seaports and, at the same time, further promote intraregional trade.

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Наукове видання

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ЕКОНОМІКО-ПРАВОВОМУ ПРОСТОРИ:
СТУДЕНТСЬКІ СТУДІЇ**

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