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**FOREIGN ECONOMIC FACTORS OF SECURE DEVELOPMENT
OF UKRAINE'S AGRO-INDUSTRIAL SECTOR IN CONDITIONS
OF EUROPEAN INTEGRATION**

The article examines the role of the foreign economic component in the development of agro-industrial sector of Ukraine. The importance of the agro-industrial sector is of particular relevance in connection with the implementation of the Association Agreement between Ukraine and the EU. European companies are the main source of foreign direct investments in the agro-industrial sector of Ukraine, the volume of agricultural exports to the EU amounting one-third of total exports.

Both positive and negative changes took place during the times of reforming the agro-industrial sector. The positive ones include diversification of food items, improvement of their quality, and reduction of food shortages; whilst the negative changes regard saturation of the consumer market with either imported food or food produced by processing imported agricultural products.

During the period between 2008 and 2015, it is observed an increase in the share of production output of agricultural goods in the total amount of GDP of Ukraine. Currently, the volume of capital investments in agriculture, forestry and fisheries totalled 27.9 billion USD or 11.1% of the total. On 1 January 2016 the volume of foreign investments in agriculture reached 500.6 million USD (1.2% of the total).

According to the World Bank, the profitability of capital in agriculture exceeds profitability in other industries. The agro-industrial sector keeps being integrated into the global market. The share of agricultural exports in total exports of Ukraine has reached its record high in 2015, which was 38.2%. In the geographical aspect, the major importers are the EU member states, countries of the Southeast Asia and the Middle East, with a decrease in exports to the Russian Federation.

The revealed tendencies of active integration of the agro-industrial sector of Ukraine in the international market are subjected to a number of external threats, along with positive factors contributing to its development. Because of the economic prerequisites, the agro-industrial sector is very sensitive to world markets conditions, primarily due to low market significance of the seller, decline in prices of raw materials, tight peg to the growth of industry in foreign countries and so on.

That is why an annual review of the results of foreign trade activities regarding the agro-industrial sector is necessary as well as implementing the programme of domestic market protection, increasing production of domestic products, creating a modern transport and logistics infrastructure are required.