



THE DEVELOPMENT OF UKRAINE AS AN INDEPENDENT TRANSIT STATE

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Abstract: *Today Ukraine is not using all the advantages of its geographical location, a transit sector of Ukraine economy satisfies only basic economy and population needs in transportation. The level of safety, quality and effectiveness of passengers and cargo transportation, energy efficiency, environmental impact do not meet modern requirements. Today, taking the great transit potential of our country, the most relevant are the questions of building a European transport system in the context of technical, regulatory and legal support, of the development of a transport infrastructure and of the establishment of a national network of transport corridors in the transport system of Europe and Asia, the Baltic and the Black Sea regions in accordance with international standards. The cross-border cooperation covers a range of problems and is very close to everyday human needs and it should be investigated. We must promote its development and seize the opportunities that are opened within the framework of cooperation to improve the life of the population. The solving of these tasks will help to create a transport system which will conform to the global market of transport services and will guarantee: the balanced development of the country transport infrastructure objects, ensuring the integration of the Eurasian transport systems; reorientation of transit cargo and passenger traffic to international transport corridors passing through the territory of Ukraine; the improvement of the competitiveness of Ukrainian carriers at the global transport services market; the quantitative and qualitative provision of foreign trade with transport services; the increase of investment in the transport sector; the increase of the innovation component of the country transport system; the transport services of a cross-border cooperation.*

Key words: *transit potential, transit sector, transport corridors, logistics system, political aspects, tariff policy.*

1 INTRODUCTION

Ukraine has an advantageous geographical location on the world map and has significant potential for the development of transit and cross-border cooperation. Nineteen of twenty-five of its regions are near the border and the outer borderline is the longest among European countries. The cross-border cooperation is on the border of Ukraine with the European Union and on the border with the countries of post-Soviet space, which are not part of the EU.

The development of Ukraine as an independent transit state began to take place after independence and was driven by the need to restore its economy and infrastructure and the need to improve the life sustenance of population using the opportunities opened in the cooperation with international organizations.

The analysis of the scientific literature indicates very serious theoretical study of the problem of functioning and development of transport and logistics systems. But the scientists had not yet taken a unified approach to defining the content and structure of the transport and logistics system of Ukraine (TLSU) as a part of international transport and logistics systems, and to the transit in different areas (land, water, underground, air).

2 METHODOLOGY

Today, taking the great transit potential of our country, the most relevant are the questions of building a European transport system in the context of technical, regulatory and legal support, of the development of a transport infrastructure and of the establishment of a national network of transport corridors in the transport system of Europe and Asia, the Baltic and the Black Sea regions in accordance with international standards.

The cross-border cooperation covers a range of problems and is very close to everyday human needs and it should be investigated. We must promote its development and seize the opportunities that are opened within the framework of cooperation to improve the life of the population.

For efficient use of a transit potential, cross-border cooperation and improvement of public policy in Ukraine it is necessary:

- to create a new legal framework for the implementation of a transit potential;
- to make the transition to the principles of international transportation and customs policy in transit;
- to improve the infrastructure of the main transit routes, terminals and customs of Ukraine to international technical-operational, commercial and ecological requirements;
- to ensure a well-defined coordination of all participants of transit;
- to improve a tariff and price policy, which will contribute to the competitiveness of transit services and attract additional transit of cargo and passenger traffic in Ukraine;
- to ensure the compliance of the national infrastructure of Ukraine with modern transport systems in Europe;
- to create new economic mechanisms to stimulate the development of transit;
- to implement a common policy of the spatial arrangement of the European continent;
- to form a single integrated space within the cross-border area;
- to overcome language barriers.

3 RESULTS OF INVESTIGATIONS

Transit is a component of international specialization of a country in accordance with the system of national factor advantages, which is defined by the sufficiency of the country's territorial and resource parameters of its transport and communication properties. The real measurement of the transit potential of the country is the capability of its transportation system to make transit and also the economic life of other countries, which can act as importers of its transit services or compete in certain market segments of transit.

In today's global economy the international transportation is impossible without a developed logistics infrastructure, both at the national and international levels. The transport logistics, which forms the global transport system, has a special place in the logistics infrastructure.

Ukraine's entry into the international transport organizations and its government ratification of several international agreements, conventions and other documents on transport systems and a transit were the first steps, which began an integration of the Ukraine transport and road complex into the international transport system. The advantageous geographical position of Ukraine at the crossroads from Europe to Asia and from North to South on the background of an overload and an occupancy of European hubs created the preconditions for integrating into the global transport system [1].

The integration of Ukraine transport and transport networks into the global transport system is to attract additional traffic volumes and foreign currency inflows, to reduce transportation costs, to become more relevant to international standards of passenger and freight transportation, of energy and ecology indicators of transport work and to increase the share of Ukraine export potential in the international transport services market by raising the competitiveness of Ukrainian carriers.

The improving of Ukraine transit in the global transit routes and of transport services volumes requires next primary steps:

- The Ministry of Infrastructure, The Ministry of Finance, The State Border Service of Ukraine must provide transportation through the territory of Ukraine in accordance with the rules and regulations of the common transit procedure, which is in force in the EU;

- to reduce the number of documents required at border crossings, introducing electronic records of documents;

- to develop information systems and infrastructure of transit to accelerate the delivery of goods, to provide service guarantees of their safety, to improve the quality and build new transport and logistics centers of these services.

A general cyclical fluctuations of the country economic growth, changes in a world conjuncture, transformations of the global system of distribution of productive forces and the structure of the world trade have additional impact on transit flows. At national level, the quality of transport services and the competitiveness of transit tariffs of the country influence in a certain way on the volume of transit .

The factors that restrain the development of transit in Ukraine are the next: the disorder of the control system of goods and baseless charges at the border; the high cost of services provided by customs brokers, control services and transport terminals; numerous bureaucratic obstacles in forming of transit documents; the slow delivery of goods; adverse corrupt system; lack of comprehensive (including information) service in the way of transit; lack of complex of regulations governing transit and its forwarding services; lack of transport and logistics facilities.

Building of border crossings in accordance with modern European standards, will strengthen the competitiveness of the national transport system and will increase transit volumes. Promoting of such projects through the development and implementation of

effective legislative, economic, licensing arrangements will lead to the attracting of investors and large-scale investment projects.

The development of port infrastructure, the eliminating of "bottlenecks" of railway infrastructure, the creation of a common aviation area, the increase of operational reliability and technical quality of roads on the routes of international transport corridors (ITC) will ensure the formation and implementation of effective tariff policy that could be interesting for freight forwarders and cargo owners to cooperate with Ukraine transport enterprises and will help to attract transit cargoes to the country [2].

Today Ukraine is not using all the advantages of its geographical location, a transit sector of Ukraine economy satisfies only basic economy and population needs in transportation. The level of safety, quality and effectiveness of passengers and cargo transportation, energy efficiency, environmental impact do not meet modern requirements.

Improvements of developed concept of establishing and operating of a national network of ITC in Ukraine, according to the principles of international transport policy accepted in the EU, which include political aspects, social progress, commercial aspects, tariff policy, arrangement of transportation, development of infrastructure and service, border crossing, technical and technological issues, liberalization and harmonization of the transport market, environmental and safety requirements will lead to improvements in appropriate legislative and regulatory framework in Ukraine. Lack of pace and volume of development of transport infrastructure, which technical and technological backwardness significantly makes the delivery process more expensive and leads to a reorientation of traffic flows to bypass Ukraine. As a result of unsatisfactory transportation operational condition of Ukraine roads (90% of which require reconstruction or repair) it becomes uneconomical to make use of modern cars with improved technical and environmental specifications, and it significantly reduces transit possibilities of Ukraine. The presence of "bottlenecks" in the railway infrastructure does not allow establishing more effective communication with the port sector, which is of particular relevance now, when cargo will bypass the Crimea. It is necessary to replace the link routes.

The pace and scope of development of Ukraine's transport infrastructure toward international transport corridors cannot be compared with similar processes in the countries of EU, Asia and East, which are actively developing their transport networks to accede to international transport system and are becoming stronger than Ukraine in competition at the international market of transport services, especially in the fight for service of the main transcontinental and transnational cargo in East - West and North - South destinations.

The most important for Ukraine in the current geopolitical conditions is the TRACECA corridor. Further development of the TRACECA corridor will be supported by the EU, as it provides a solid legal basis, organizational structure and strategic orientation towards the arrangement of stable functioning of transportation in the Europe-Asia way and diversifies risks connected with transit through Russian territory. Ukraine needs to review the priority transport routes on the basis of the revised EU policy in the development of the Trans-European Transport Network (TEN-T), as well as changes that occurred in the political and economic situation due to the annexation of Crimea by Russia, long counterterrorist operation in the east of the country. In this context the development of cargo transportation on the Baltic Sea - Black Sea way is important. In 2014 in Ukraine it was worked out a draft of intergovernmental Agreement on the development of the international transport Baltic Sea - Black Sea corridor [2].

The need to restore the transit potential of Ukraine demands as soon as possible to build their own strategy for the development of the national transport network, to construct major infrastructure facilities and to attract new transit cargo traffic. In this context, Ukraine should focus on implementation of the Action Plan provided by the Association Agreement

between Ukraine and the EU. The areas of Ukraine-EU cooperation in the transport sector focus on new developments and the effectiveness of choice of transport for carriage, multimodality, and improvement of border crossing points at the customs border. They include all components of integrated transport networks, improvement of the road safety, providing of the modern technical, environmental and social standards in the transport and the Ukraine's participation in the Single European Sky and the Common Aviation Area programs.

The cross-border cooperation could become Ukraine's admission to the European community, and the border regions - the gateway to the European Union. European regions, as the most important form of cross-border cooperation, contribute not only to strengthening and deepening of good-neighborly relations between states, but are also a kind of an instrument for the integration of a country into European structures – it is the sphere of foreign economic, political, environmental, cultural, educational and other international activities [3]. The cross-border cooperation is aimed to overcome the negative consequences that have arisen in the border areas because of their location on the national outskirts of the states, and to improve living conditions of the population. The main objectives of this cooperation are: the overcoming of stereotypes and prejudices on both sides of the border; the elimination of political and administrative barriers between neighboring countries; the creating of economic, social and cultural infrastructure, on condition of formation of joint bodies, businesses, cells, etc. European regions are also regarded as a means of settling of possible territorial problems of two states. This is a field for testing of compatibility of different kinds of legislation of different countries and their legal systems. A variety of problems and potential development opportunities on both sides of the border at the area of Europe leads to the fact that cross-border cooperation (CBC) becomes imminent because it serves the implementation of the principles of international law.

The cross-border cooperation would not be complete without overcoming of language barriers that it is one of the reasons of the slow development of Euro-regional cooperation at the border. The Council of Europe had suggested a number of measures to support the study of one or more languages of neighboring countries at all levels of schooling and also at the initial and further stages of studying of older citizens. In its recommendations, the Committee of Ministers of the Council of Europe offers to the governments of member states to commit the following events:

a) to create conditions that provide all levels educational institutions in the border regions with the opportunity to learn and use languages of neighboring countries together with the study of the culture of them;

b) to motivate the participants of CBC to integrate educational work and language training activities into the general development strategies of cross-border cooperation;

c) to seek ways to cooperate with the appropriate organizations of European Union acting in this area, to achieve the maximum level of synergy.

These problems of culture and languages, and the ways of their solutions can be summarized as follows: to promote awareness of the specifics and the importance of CBC; to facilitate all forms of exchange between students; mutual admission of diplomas; to promote the free flow of information in a cross-border dimension (e.g., creating of cross-border information servers); to expand all forms of cultural cooperation in cross-border dimension; to create study courses (of various levels) of languages of neighboring border areas for public servants, representatives of business elite, public organizations and others.

Analyzing the economic development forecast for Ukraine in terms of transportation, it can be concluded that the general priorities of development of transit potential are:

- the development of international transport links;
- the integration of Ukraine transport into the international transport system by creating a national regulatory basis, brought in accordance with international documentation;

- the introduction of new equipment and modern technologies of transportation;
- the development of a market competitive environment based on promoting the establishment of enterprises of different ownership forms, involving both domestic and foreign investors;
- the introduction international standards and recommendations in the transport sector and the development of mutually beneficial cooperation with national and international organizations;
- the providing of security in the transport and logistics sector;
- the development of scientific basis in Ukraine CBC;
- the mutually beneficial cooperation with foreign scientific and technical institutions;
- the implementation of resource-saving and energy-saving technologies; the reducing of specific fuel and energy cost; the complex solution of the problem of environmental protection;
- the creation of informational and automated control systems;
- the development of Europe - Ukraine - Asia, North - Ukraine - South communications and other new national transcontinental systems;
- the expanding and improving of export transport services;
- the development of tourism and the provision of service at the level of developed European countries.

4 CONCLUSIONS

The solving of these tasks will help to create a transport system which will conform to the global market of transport services and will guarantee: the balanced development of the country transport infrastructure objects, ensuring the integration of the Eurasian transport systems; reorientation of transit cargo and passenger traffic to international transport corridors passing through the territory of Ukraine; the improvement of the competitiveness of Ukrainian carriers at the global transport services market; the quantitative and qualitative provision of foreign trade with transport services; the increase of investment in the transport sector; the increase of the innovation component of the country transport system; the development of new sectors of the domestic and international markets of transport services; the transport services of a cross-border cooperation; the development of logistics and information technologies; the harmonization of national transport legislation, standards and documentation with the rules and regulations, which are in force at the international transport services market.

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