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UDK 327

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THE SANCTIONS ECONOMIC IMPACT ON RUSSIA

Today, due to the high level of development of the world economy and international relations, there are many disputes between countries. For this reason, economic sanctions are becoming more common, because they are actually a tool to influence the state. Economic sanctions have not omitted our country, which is why this issue is relevant so we must analyze their impact on our society and evaluate the alternatives for Ukraine's entry into international markets, taking into account their direct impact.

At first, we will consider the term «economic sanctions». Economic sanctions are restrictive economic measures applied by one or more countries to another country to force the governments of the target countries to change their policies (various forms of trade barriers, tariffs and restrictions on financial transactions).

We can begin to talk over the main essence of the issue with considering Ukrainian sanctions against Russia and the reverse amount of sanctions. As a result of these sanctions, which were caused by the annexation of the Russian Federation to the Autonomous Republic of Crimea and interference in the military conflict in the east of the country, we have identified Ukrainian industries that have suffered losses. Ukrainian companies in the energy, mechanical engineering, metallurgy, light industry and agricultural sectors have lost markets and this is forcing them to look for new ones in Europe, Asia or overseas. And the reduction of exports from Russia of certain goods, i.e. the loss of a supplier, should give a boost to the domestic producer, i.e. force the introduction of import substitution policy.

Since 2014, Ukraine's trade with Russia has been declining, but for four years it remained our largest trading partner, as it failed to quickly redirect our products to new markets. In 2018, Poland became the main exporter, followed by Italy. After the anti-Ukrainian sanctions, a list of goods banned from importing into Russia was formed [1]. First, goods

produced in Ukraine or moving through the territory of Ukraine were banned. The main part of these goods were those belonging to the category of industrial and also included agricultural products, raw materials and food. Due to this, Ukrainian livestock products had to look for a new importer.

If we are talking about the export of meat and by-products, then the continued wide geographical diversification and consolidation in new markets helped Ukraine achieve positive results after the loss of the Russian market. Back in 2015, Russia occupied the position of the leading importer of Ukrainian meat and offal, but since 2017, these products have been mainly supplied to the markets of Europe and Asia. In the next year, 2018, Ukraine supplied meat to the following countries: the Netherlands, Slovakia, Iraq, Belarus, Germany, Azerbaijan and Hong Kong, which accounted for 63% of the export of domestic meat products. A distinctive feature of the first half of 2018 was the increase in the value and volume of poultry meat exports.

In terms of Ukrainian imports, Russia played a large role by banning the supply of components to enterprises of the defense sector in 2014. The lack of these products caused a scarcity in the market [2].

An import substitution policy has begun to function in this sector. Since 2015, an import substitution program has been implemented in the OP, initiated by the state concern "Ukroboronprom". Regional state administrations of 21 regions signed memorandums of cooperation under the import substitution program and more than 400 enterprises of various forms of ownership were involved in defense cooperation. The most important areas of import substitution, first of all, included: aircraft repair, repair of armored vehicles. The list of the main types of products requires import substitution of products of ferrous and non-ferrous metallurgy; radio-electronic and rubber-technical products; bearings; standardized and unified units, components, assemblies and parts for weapons and military equipment. According to "Ukroboronprom", at the beginning of 2019, the import substitution program in the defense industry was provided by more than 85%.

Taking all this information into account we can conclude that Ukrainian industry can find alternative markets for its products, but due to the low level of competitiveness of our products and the weakness of Ukraine in the international geopolitical arena, this is extremely slow.

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