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CURRENT STATE OF ECONOMIC COOPERATION BETWEEN POLAND AND UKRAINE

Poland has successfully provided international support to Ukraine from February 24, 2022: it has provided humanitarian aid to Ukraine and has already sent a lot of military equipment to Ukraine. At the same time, the Ukrainian side agreed not to limit imports from Poland and undertook to cooperate with the Polish government in order to remove existing restrictions on the import of goods from Poland to Ukraine.

In the first 4 months of 2022, the volume of bilateral trade in goods with Poland amounted to 3.3 billion dollars. USA, including Ukrainian exports increased by +73% and amounted to 2 billion dollars. the USA (at the same time, Poland's share in Ukraine's world exports was 12%, which made Poland the first place among Ukraine's export markets, ahead of China; Poland's share in total exports to the EU was 23%). Polish imports decreased by -12% and amounted to 1.3 billion dollars. USA (share of 7.6% of total imports), the positive balance for Ukraine amounted to +729 million dollars. USA (in the corresponding period of 2021, the positive balance was 12.7%) [1].

If we analyze the level of technology, Ukrainian exports to Poland are inferior to Polish imports: almost half of Ukrainian commodity flows are products of raw and resource-intensive industries, another third are low-tech goods, and less are medium- and high-tech goods. At the same time, half of Ukrainian exports depend on 5 groups of goods: ores, wire, rolled metal, furniture, oil. The main types of services that Ukraine exports to Poland are services for the processing of material resources, transport services, business services, and services in the field of telecommunications, computer and information services.

Let's also add the fact that at the request of the Polish side, despite the ban on the export of Ukrainian coal, the Government of Ukraine adopted separate resolutions on the opening of a quota for the export of coal to Poland. Regarding imports to Ukraine, I want to draw attention to the fuel crisis in this country, but Poland was able to provide 25 thousand tons of fuel. And now it is the main route of fuel supply. In this way, in September 2022, Ukraine imported 780,000 tons of gasoline, diesel fuel, and gas. At the moment, this problem does not exist yet, so Poland no longer supplies fuel for free [2]. The Ukrainian side agreed not to introduce any restrictive measures on imports from Poland and undertook to cooperate with the Polish side on the removal of existing restrictions on the import of goods from Poland to Ukraine, in particular agricultural products [3].

If we take into account Ukrainian exports, now there are big problems due to the blockade in the Black Sea, which is why Poland has declared the urgency of expanding transport and border infrastructure, and port infrastructure is no exception. At the same time, in my opinion, this will not create additional competition for Poland, but on the contrary, it is a very constructive cooperation, as it gives the opportunity to have more contacts with the EU and will improve transport connections across the Polish border.

Ukrainian investments in Poland are at a low level. Difficulties also arise with the use of credit resources: the Polish loan for financing projects on the Ukrainian-Polish border which were blocked for almost five years due to gaps in the Ukrainian legislation. As a result, the main source of funding for Ukraine from Poland is labor migrants which are currently increasing in number today. As for Polish investors are interested in tax benefits for opening new factories, partnerships and acquiring Ukrainian assets, while strategic investors are interested in regulating trade relations with Ukraine for further integration into their large-scale supply chains. Today, about 420 Polish companies are interested in resuming exports to Ukraine and rebuilding the country within the framework of the program launched by the Ministry of Education and Culture and the Polish Investment and Trade Agency .

Ukraine's economy is forecast to shrink by 35% this year, although economic activity has been dampened by the destruction of manufacturing capacity, damage to farmland and a shrinking labor supply as more than 14 million people are estimated to have been displaced. According to the latest estimates of the World Bank, the needs for

the restoration and reconstruction of the social, industrial and infrastructure sectors amount to at least 349 billion dollars, which is more than 1.5 times the size of the pre-war economy of Ukraine in 2021 [4]. Poland's economic growth is expected to slow more markedly than initially expected in 2023 as the ongoing war in Ukraine has clouded prospects for Europe's post-pandemic economic recovery.

In conclusion, the global economy is experiencing some weakening due to significant disruptions in trade and food and fuel prices, and it is these signs that contribute to high inflation. This will leave its mark both in Poland and in Ukraine. Most likely, in the second half of 2022, there will be a rapid increase in energy prices, and here the cooperation between the two countries will be strengthened even more. Ukraine is interested in strengthening cooperation with Poland for the successful implementation of tasks that involve the achievement of the ambitious goal of our country's membership in the European Union.

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