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## **METHODS FOR REGULATING THE DEVELOPMENT OF FOREIGN ECONOMIC ACTIVITY**

It is noted that foreign trade is a leading link in foreign economic activity, taking, on the one hand, active participation in the formation of national income, while, on the other hand, continuing the reproductive cycle outside the national customs border. Currently, foreign trade activity in Ukraine is the most stable solvent sphere. In this regard, almost the entire system of state regulation of foreign trade is reduced to the impact on foreign trade using a wide arsenal of various, in essence and content, measures. In general, the mechanism of state regulation of foreign economic activity is considered as a set of economic, legal and administrative measures taken by the executive authorities to create favorable business conditions for foreign economic entities that provide them with economic support and legal protection in domestic and foreign markets. aimed at improving export potential, sustainable support of the country's balance of payments and economic security.

It is determined that if at the beginning of their existence they played mainly a fiscal role, today their functions in industrialized countries are primarily related to ensuring a certain trade and economic policy. trade of each of the trading countries. The import tariff causes a decrease in the exchange rate of the currency of the country - the initiator of its introduction. As a result, it is possible to reduce exports and, ultimately, export production. Meanwhile, under some conditions, the use of the tariff

may be more effective than economic passivity. It is important to find an import tariff that is optimal for a particular country, its consumers and producers».

Key words: state regulation, national income, foreign economic activity, foreign trade, export potential, trade and economic policy

**Statement of the problem** A foreign trade is a leading link in foreign economic activity, which is taking, on the one hand, an active participation in the formation of the national income, being, on the other hand, a continuation of the reproduction cycle outside the national customs border. Currently, a foreign trade activity in Ukraine is the most stable solvent sector. In this regard, almost the entire system of state regulation of foreign economic activity is reduced to the impact on foreign trade using a wide arsenal of various, in essence and content, measures.

In general, the mechanism of state regulation of foreign economic activity is considered as a complex of economic, legal, administrative and managerial measures of the executive authorities, who have the aim of creating favorable business conditions for subjects of foreign economic activity, that are providing them with economic support and legal protection in the domestic and foreign markets. That are aimed at improving of export potential, a sustainable support of the country's balance of payments and its economic security.

**Analysis of recent research and publications.** A sufficient number of publications of domestic scientists are devoted to the problem of the development of foreign economic activity of Ukraine, which confirms the relevance of the selected problem. Thus, the efficiency of foreign economic activity and its regulation were analysed by A.I. Yakovlev, D.V. Pudrik, an integration of enterprises into foreign markets - A.S. Galchinsky, V.M. Geyets. So, in the studies of O.I. Amoshi the problems of the domestic coal industry in the framework of Ukraine's accession to the World Trade Organization are analysed.

**The aim of the study.** The purpose of the research carried out in this article is to determine the constituent elements of methods for regulating the development of foreign economic activity.

**Presentation of the main material.** The methods of state regulation of foreign economic activity, depending on the classification criteria, are divided into economic and administrative, tariff and non-tariff.

The mechanism of application of methods of state regulation of foreign economic activity in Ukraine. The framework of the work does not allow to analyse in detail all the methods of state influence on the foreign economic activity of business entities, therefore, we will focus on the analysis of the most effective and justifiably applied in the conditions of an unbalanced domestic Ukrainian market state measures of foreign trade regulation [2].

The most common means of regulating foreign trade relations are customs tariffs, an application of which is due to the receipt of additional financial resources (as a rule, for countries), a regulation of foreign trade flows (mainly for developed countries) and the protection of national producers (mainly in labor-intensive industries).

The customs tariff can be set on the basis of the principle of tariff autonomy or with consent. In the first case, the country fixes the tariff on its own and can change it on its own initiative. More often, countries with an autonomous tariff want to reserve the possibility of negotiations and for this purpose establish a multiple tariff system.

In the international practice, duties are among the most traditional and at the same time the most actively adopted measures of tax and tariff regulation of export-import operations [3, p.34]. Each duty can be classified according to the purpose of collection (fiscal, protectionist) and the method of collection (specific, ad valorem<sup>8</sup> combined).

In the modern customs tariffs of developed countries, predominantly ad valorem rates (a certain percentage of the value of imported goods) are used, since the transition of this type simplifies the system of tariff qualification of

goods and makes it less cumbersome. However, this fee poses a great risk of abuse. In Ukraine, the specific rates of duties are mainly used (levied on a unit of taxable goods).

Plus, the import duties are the most common. If at the beginning of their existence they played mainly a fiscal role, today their functions in industrialized countries are associated, first of all, with ensuring the implementation of a certain trade and economic policy. The trade of each of the trading countries. So, the import tariff causes a decrease in the exchange rate of the country's currency - the initiator of its introduction. As a result, the exports and, finally, export production could be reduced. Meanwhile, under certain conditions, the use of the tariff may be more effective than economic passivity. It is important to find an import tariff that is optimal for a particular state, its consumers and producers. " The use of a tariff protection system gives the desired results in the following cases:

with a real restriction of imports and the creation of conditions for the development of production for domestic producers. For example, Venezuela, Colombia and Ecuador, by wishing to develop the domestic assembly production of cars, agreed to set high import duties up to 35% on finished cars and at the same time keep duties on component parts at a low level (3-5%) [1]. Moreover, the suppliers of products in such conditions, as a rule, are forced to reduce prices;

- when the introduction of customs tariffs is an important source of state budget revenues;

- when pursuing a policy of redistributing income within the country and creating the foundations for social protection of low-income citizens;

if it is necessary to create stocks of certain domestic products to facilitate the welfare or defense of the country.

In Ukraine, as in many countries, an increase in duty rates is used as the degree of processing of goods increases. The highest rates are set for labor-intensive finished goods due to significant competition in the market for such

goods. The system of import duties includes the games of the level: the raw materials, the materials and components, the semi-finished products and finished products 20% [5, p.8].

The imposition of low rates of duties on industrial equipment does not allow the Government of Ukraine to replenish the budget from this source and at the same time prevents industrial enterprises from selling their own similar products on the domestic market.

The application of tariff measures initially had to fulfill a double task: to protect the domestic market and to stimulate structural changes in the economy. However, the latest changes in customs legislation indicate an increase in the fiscal functions of the Ukrainian import duty.

In addition, the export duty is used as a means of additional financial receipts. In developed countries, they are practically not used (the US Constitution prohibits their use), since they increase the value of goods on the world market or if the national currency is undervalued. Therefore, the export duties are used mainly by countries with unstable economies. Besides, the customs taxation of Ukrainian exports was introduced in January 1992 and was viewed as an exclusively temporary measure. The specificity of the application of export tariffs in Ukraine was that they concerned by a relatively small list of export goods, including some types of fuel, mineral raw materials, metals, chemicals, certain types of weapons, food and webbing [4, p. 91]. Their use was due to the gap between the prices of the domestic and foreign markets and, as a result, the danger of exporting a number of raw materials in alarming proportions.

The devaluation took place in its effect approximately equivalent to the introduction of more than 200% of import duties, that the state, as it were, automatically transferred to exporters in the form of export subsidies, thereby depriving itself of huge profit from the export of duties on raw materials of natural and plant origin, non-ferrous metals and scrap. The rates were

determined taking into account the compensation for the decrease in income from imports.

So, of the two types of customs tariffs (simple and complex), the complex one, which is setting two or more rates for each type of goods, is considered more mobile and allows to maneuver and to exert pressure on some countries (by pursuing a protectionist policy) and providing benefits to other countries (by tying them to their own river). Usually the highest rate is stand-alone, followed by conventional and preferential rates.

**Conclusions.** Due to the nature of their origin, the fees are either autonomous or conventional. The autonomous duty can be significant. In international negotiations, the duty rates are reduced in exchange for reciprocal concessions, thus creating contractual or conventional duty rates that are fixed in the agreement.

The Law of Ukraine "On the Customs Tariff of Ukraine" provides for the application of seasonal duties (for a period not exceeding six months) as the degree of operational regulation of export and import operations. Their introduction is associated with periodic seasonal fluctuations, the conjuncture of the relevant commodity markets (in particular, agricultural products), for the products of which the purchase and retail prices change cyclically for the seasons.

The law also provides for the introduction by the Government of Ukraine of special duties (countervailing, special anti-dumping) on the import of certain types of goods as protective or retaliatory measures. These measures, like all duties, are economic in nature, but refer to non-tariff restrictions on foreign trade.

Finally, the antidumping measures are relevant for Ukraine as they are most often taken by foreign countries in relation to Ukrainian goods. The scheme of their use is reduced to levying compensation from the exporter for damage to the national industry and the manufacturer, often by means of an additional duty. Plus, the size of dumping is defined as the difference between

the export price and the price used as the basis for comparison. To determine dumping, two main criteria are used: price and economic damage criterion, while the duty is collected only after investigation and confirmation of the fact of dumping.

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