

Development of Trade and Economic Relations of the BSEC Countries

Nadiia V. Kryvenko*

*NSC "Institute of Agricultural Economics"
03680, 10 Heroiv Oborony Str., Kyiv, Ukraine*

Abstract. The importance of international economic integration is underlined by the simultaneous conclusion by countries of regional trade agreements with various integration groups and individual countries, which is typical for Ukraine, which signed the Association Agreement with the EU, a number of free trade agreements and is part of the BSEC, which is especially important given the development of trade in Asia. The purpose of the study is to analyse the foreign trade relations of the BSEC countries and substantiate proposals for their deepening. The method of analysis was used in the work, including historical, abstract-logical, economic-mathematical, etc. The main perspective directions of BSEC cooperation are substantiated as a result of the analysis of scientific works on international economic integration on separation of the Asian region, economic indicators of countries and basic documents of the organization, separate normative-legal acts of Ukraine. The main exporters and importers were identified, the specific features of the BSEC commodity structure were clarified, the main exporting goods were identified, with the separation of agri-food products, foreign trade trends were analysed and some indicators of international trade were identified. The products that occupy the largest share in the country's exports to the group have been identified, which is a prerequisite for the establishment of joint ventures and can help increase their competitiveness. It was found that the group's exports increased more than the world, and the main exporters continue to remain so. The growth of intra-regional and total imports of the group was revealed, its structure was analysed. It is determined that the trade balance of most countries was mostly negative. The practical value is to identify the most promising areas of cooperation of the BSEC countries, which should promote their economic development, including – product positions for the development of domestic and extraregional trade, to increase demand inside and outside the region, producers' incomes and partially solve problems and food security in the world

Keywords: international economic integration, free trade zone, regional trade agreement, export, import

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*Corresponding author

Introduction

The development of integration processes in the world continues, in addition, there is a conclusion of new regional trade agreements by countries, the creation of integration groups, their expansion, the withdrawal of individual countries and disintegration processes in general. A striking example is the several stages of the enlargement of the European Union and the withdrawal of Great Britain.

Currently, one of the features of international economic integration is the participation of countries in various trade and economic associations at the same time, which is typical for some countries that are members of more developed integration groups. For example, given the United States' North American Free Trade Agreement with Canada and Mexico [1], and later UMSKA [2], the former has regional trade agreements with a number of countries, including Australia, Chile, Bahrain, Israel, Morocco, Panama, Peru, Singapore and others. At the same time, Canada has signed agreements with Israel, Panama, Peru, Ukraine, the European Union, Great Britain, the European Free Trade Association, etc., and Mexico with Argentina, Brazil, Chile, Colombia, Great Britain, Peru, etc. [3]. That is, there is a certain diversity, although there are some features that identify the attraction of countries, which depends on the level of their economic development, the presence of a common language, territorial proximity, etc. A similar pattern is observed for members of other groups, but it depends on the level of integration. Thus, countries concluding regional trade agreements with the EU sign them with all its members. Moreover, depending on the development of integration of the group, countries may conclude regional trade agreements with other countries or groups.

The development and importance of integration for countries remains one of the main issues, and in different regions. Thus, P. Claeys, H. Sanz-Morales, C. Turcu, analysing European and Asian integration, note that in Asia it has not reached a high level, but highlight the Association of Southeast Asian Nations (ASEAN). Researchers recall the desire to further strengthen the economic integration of the latter group, although it remains a free trade area, and explore its prospects and problems in parallel with the EU [4], which confirms the importance of both the integration process and the Asian region.

ASEAN countries are trying to continue trade liberalisation. S. Jagdamber, S.M. Mouzam, examining the impact of the Free Trade Agreement [3] between the group and India on certain categories of the latter's products, found an increase in trade, mainly conditioned upon trade creation, and singled out Indonesia and Vietnam, which will benefit the most ASEAN countries [5]. For example, ASEAN, the EU, MERCOSUR have seen the liberalisation of foreign trade with individual countries and integration groups. Trade flows in some countries are mainly directed to individual regions or countries, but their stability is not guaranteed for a number of reasons, so both commodity and geographical diversification of exports are needed.

Ç. Değer examining changes in the structure of Turkey's international trade during 1995-2012 identifies a shift in its

trade with the EU to Asia [6]. Therefore, the existence of bilateral trade agreements with a number of countries is no longer surprising, although they may be located on different continents and differ in the level of economic development. Ukraine has also concluded a number of bilateral free trade agreements with dozens of countries, but it also remains a member of the Black Sea Economic Cooperation (BSEC) and the Organisation for Democracy and Economic Development (GUAM). Although exports are largely focused on the European market and Ukraine's European integration aspirations are well known, the market of the East, in particular the BSEC member states, continues to be important.

The BSEC has significant economic potential, given the availability of resources of its countries, population, scientific potential. The importance of cooperation is also evidenced by common goals, a number of documents of the group and others. The BSEC market is important for its countries, the share of exports to it did not fall below 10.6%, and for some exceeded 50%. The importance of regional trade for the BSEC member states is confirmed by the fact that their share of exports to the organisation was higher than, for example, Turkey (according to calculations made according to ITC). This is especially important in terms of population growth in the world, the need to increase product competitiveness, increase production, etc.

The purpose is to determine the peculiarities of foreign trade relations of the Black Sea Economic Cooperation and to develop proposals for deepening their development. *The tasks* are to study the development of foreign trade of the BSEC countries, identify the importance of regional trade for member countries and promising areas of cooperation, study of domestic and extra-regional trade.

Literature Review

The benefits of integration have led to the inclusion of almost all countries in this process. And as noted by V. Babenko, O. Poplavska, M. Tkach, M. Sidorov, V. Ovchynnikova and Y. Fomina [7], that at the present stage of international economic relations there are more and more integration groups, states seek to become their members to improve trade conditions. And in the era of globalisation, international trade (IT), as the oldest form of international economic relations, is being transformed into a global system and contributes to a qualitatively new stage in the development of the world economy. Scientists define integration processes as a characteristic feature of the modern development of the global system of international trade [7]. Moreover, integration processes are observed on all continents, and between countries have different levels of economic development.

Regarding Ukraine's integration, special attention is focused on the EU, due to the expectation of a number of benefits. Yes, V. Babenko, I. Perevozova, M. Kravchenko, M. Krutko, D. Babenko [8] argue for the development of mutual cooperation with the EU for sustainable development and considering the specific features of the Ukrainian economy, in particular: the EU is a large market, a good market for imports; trade with the EU is an important source of

currency; production technology (there is a lack of capital to modernise existing and create new enterprises, and without modernisation of production Ukraine is unlikely to overcome the growing gap with economically developed countries, but entering the EU market will open access to Ukraine for foreign investors and capital); access to the European market of Ukrainian enterprises is important as a source of experience and practical skills to compete with producers in other countries; the development of cooperation with the EU will contribute to more efficient use of Ukraine's potential as a transit country, which means increasing revenues from exports of transport services and the development of related industries [8]. The level of development of the EU, its share in world imports, the development of technology and other factors confirm the benefits of cooperation with this group, which makes it attractive to many countries. This is evidenced by the development of trade, the existence of regional trade agreements with him and the desire of many countries to join the EU. However, the development of foreign trade and the conclusion of regional trade agreements with other countries are also important. Currently, Ukraine is a member of the Black Sea Economic Cooperation (BSEC), whose members are significant producers and exporters of strategic products and permanent trade partners of Ukraine.

The BSEC became a full-fledged regional economic organization in 1999, which was preceded by the conclusion of the Istanbul Declaration in 1992 [9; 10]. S.I. Sokolenko believes that its importance is confirmed by the fact that the organisation is located at the junction of three continents, from the Baltic Sea to the Pacific Ocean, and from the Mediterranean and Adriatic Seas to the Arctic Ocean [11]. The defining characteristics are: the diversity of natural resources, a strong labor market that is competitive with other regions; high intellectual potential, activity of scientific institutions; consumer market of 330 million people, where there is a long high demand; the region is attractive for the development of international tourism [11]. Member States should take advantage of these benefits to develop tourism, which is typical of Turkey and Greece, and this can help increase demand for agri-food products.

According to Ukrainian scientists, the Black Sea Economic Cooperation (BSEC) is a potentially capacious market that could be key in trade between Europe, the Middle East and Asia [12]. G. Mikaelyan believes that this region is one of the most dynamically developing in the world [13]. A. Goncharuk and I. Troyan note that the BSEC is an example of a modern model of project-sectoral integration of economies of countries that differ in socio-economic level of development, economic structure, cultural and religious aspects of life. However, although the differences are growing, economic cooperation is important for the development of national economies, based on the implementation of joint projects in energy, transport and other areas [14]. We believe that some differences, such as natural resource potential, specialisation of production may promote integration, and others, including political aspirations, the main vector of integration, inhibit it, so we propose to divide them into two groups (those that promote and inhibit integration).

An important feature of the BSEC, according to G. Mikaelyan is that its activities contribute primarily to the development of trade, not trade. The use of regional potential will allow making a breakthrough in economic development, as was the case in Europe [13]. N.O. Kukharskaya believes that active participation in the BSEC opens up prospects for Ukraine's international economic relations, which can be defined as a southern vector that is underdeveloped [15]. I.Yu. Guzhva appropriately notes that almost all countries of the Organisation are members of the WTO, whose system provides a practical mechanism for exchanging information, which makes the MT transparent [16]. Research on Ukraine's integration focuses primarily on the EU, but it is advisable to take advantage of participation in the BSEC, which led to the study.

Materials and Methods

General scientific and special methods were used in the research process. The historical-logical method was used to study the development of international economic integration and, directly, the cooperation of the BSEC countries, which revealed its main directions, principles of organisation, goals, main mechanisms of interaction, etc. The method of comparison identifies the leading countries of the Cooperation, the largest exporters and importers of products.

Graphic and tabular methods were used to analyse the foreign trade of the integration group, which allowed to trace the main trends and study the structure of trade.

The method of analysis and synthesis revealed the influence of various factors on the development of cooperation, determined the importance of foreign trade relations of the BSEC countries, its market for them, considering participation in other integration groups, signed the most important regional trade agreements, natural resources, etc. The economic-mathematical method identified the importance of the group for foreign trade of its member countries, identified the most exported goods and compared their share in exports to the Organisation in total exports. Thanks to the method of analysis, the main export agri-food products have been singled out. Through the use of a systematic approach, the main directions of deepening cooperation and, in particular, trade within the BSEC are proposed.

Thus, to achieve this goal, methods of analysis were used to identify features of trade of the BSEC in general and its member countries, historical method, abstract and logical to determine promising areas of cooperation in the group, economic and mathematical, tabular, etc. The information base for the study of the development of foreign economic relations of the BSEC countries was the statistics of the World Bank [17], the Center for International Trade (ITC) [18], regulations of Ukraine [19; 20], international agreements [1; 2; 10] and etc.

Results and Discussion

Promising areas of cooperation and foreign trade of the BSEC countries

In recent years, there has been an increase in the number of regional trade agreements (RTAs) concluded simultaneously with countries on different continents and members

of different integration groups. The BSEC covers the territory of the Black Sea coast, the Balkans, the Caucasus, with an area of almost 20 million square kilometers; 335 million people live in the region, the volume of trade in the region is 187 billion dollars. for a year; the region is the second largest source of oil and natural gas after the Persian Gulf, along with significant reserves of minerals, metals and other natural resources; and becomes Europe's main transport and energy corridor [9]. Areas of Black Sea cooperation were discussed at intergovernmental meetings in 1990-1992 and include joint projects on energy, telecommunications, transport, science and technology, agriculture and food industry, the creation of free economic zones, ecology [21, p. 29].

It is expected that with the increasing role of Black Sea cooperation in the world economy, the importance of Turkey will increase. Therefore, cooperation with it is promising, and significant benefits are projected [22, p. 273]. In addition, it is important to establish a free trade area (FTA) with it. Areas of cooperation under the BSEC Charter are: trade and economic development, cooperation between customs and other border authorities, banking and finance, science and technology, agriculture and agro-industry, energy, transport, environment; communications, healthcare and pharmaceuticals; tourism, exchange of statistics and economic information, etc. [19]. According to the BSEC Charter [19], the organisation should implement a number of principles and goals, including promoting the development and diversification of bilateral and multilateral cooperation; development of economic cooperation without violating the international obligations of the countries of the organisation; improving the conditions of entrepreneurial activity; considering the specific economic conditions and interests of members of the group; encouraging the process of economic cooperation of other interested enterprises, countries, international economic and financial institutions, etc. [19]. It is worth noting the differences between countries in terms of their socio-economic development, availability of natural resources, religious affiliation, WTO membership, some promoting integration and others hampering, so we propose to divide them into two groups of factors (those that contribute to and inhibit integration).

The principles set out in the Declaration on the Establishment of the BSEC [10] were proclaimed in a statement adopted at the summit of the group on 30 June 1995 and in the Declaration adopted at the meeting of heads of state on 25 October 1996, which set out the main mechanisms for cooperation and priority areas, the main of which are: gradual harmonisation of foreign trade and customs legislation, and unification of the tax and visa regime of the BSEC countries; state support of individual and collective initiative as an important factor in achieving the objectives set out in the 1992 Declaration [10]; stimulating the development of cooperation in various fields of interest [23, p. 607]; contribution to the development of a competitive economy in the Black Sea region; building the capacity and innovation capacity of enterprises and thus forming a new production capacity for bilateral and multilateral business contacts; creation of a regime of free movement of goods, services and capital, which will stimulate economic contacts, expand the boundaries of production cooperation, joint investments in the field of mutual interests; formation of security infrastructure due to the creation and development of joint financial and information networks; cooperation in agro-industrial complex, in particular on the basis of production of equipment for farms, production and processing of some grain; development of food and processing industry; cooperation on the development of a unified customs system and the formation of an effective mechanism of mutual settlements with the prospect of the formation of the Black Sea Payment Union; transition to the current transport and handling and warehousing technologies, construction of transport infrastructure facilities; use and protection of Black Sea resources; cooperation in the development of the region's fuel and raw material base and rational energy consumption as a result of joint financing of energy facilities, modernization of oil refineries, construction of oil and gas pipelines, etc.; development of a modern telecommunications system; implementation of joint projects of technological re-equipment of metallurgical industries [23, p. 608]. Moreover, a number of working groups have been set up to deal with relevant issues (Table 1).

Table 1. Coordination of the BSEC member states in the activities of working groups

No.	Workgroup	Countries
1.	Banking and finance	Greece, Turkey, Ukraine
2.	Communication	Turkey, Georgia, Moldova
3.	Railway transport	Albania, Greece, Russian Federation
4.	Energy	Armenia, Moldova
5.	Fighting crime	Russia
6.	Environmental protection	Bulgaria, Ukraine
7.	Health care	Georgia
8.	Science and technology	Romania
9.	Tourism	Turkey, Bulgaria, Romania
10.	Trade and economic cooperation	Ukraine, Armenia
11.	Transport	Georgia, Romania, Russian Federation

Source: [23, p. 610]

The Declaration states that economic cooperation will develop without violating the obligations of countries and will not hinder the development of relations with third parties, including international organisations, the EU, and cooperation within regional initiatives [10]. This is especially important given the participation in the EU and the desire of individual countries to do so. By the way, in the UN the Organisation has the status of an observer [13, p. 143]. A. Goncharuk and I. Troyan note: "In the context of dynamic development of economic integration, there are questions of determining trade aspects of deepening cooperation, because foreign economic activity of countries is increasingly becoming a key object of their integration relations" [14, p. 27-28]. Thus, the intensification of trade and economic cooperation of Ukraine in the BSEC is explained by the following: 1) participation is the only institutionalised area of subregional economic cooperation; 2) the most comprehensive realisation of national economic interests is facilitated by the intensification of trade cooperation within the Black Sea subregion; 3) economic cooperation with the countries of the subregion creates an alternative model of economic integration, based on centered strategic guidelines and project-sectoral approach to the implementation of trade relations [14, p. 31]. In general, the national interests of each country of the Organisation are highlighted, including Turkey's leadership, Azerbaijan – attracting foreign investment in innovation, technology transfer for technical support of basic export industries, Ukraine – increasing exports, intensifying foreign investment from BSEC and Black Sea Trade and Development Bank, diversification of gas and oil products supplies, diversification of markets for agro-industrial products, etc. [14, p. 32-33].

Important for cooperation is energy, which is associated with the transit status of the Black Sea subregion, and is a unifying element of the energy systems of Western Europe and North Asia. The country is concerned about the technical possibilities and economic justification for the development of a single energy system (in the group) and the relevant concept of energy development. The most profitable option for Ukraine in terms of energy supplies to Western Europe is the Black Sea-Ukrainian (Georgia-Ukraine-EU), although it is competing with the Iranian-Turkish, Caspian-Turkish, Black Sea-Romanian (Georgia-Romania-EU) and NABUCCO oil pipeline. In addition, the provision of tourist and recreational services is a profitable, although underdeveloped sector of trade cooperation. Health resources, nature reserves, territories of historical and cultural significance, recreational landscapes are a significant potential for tourism development [14, p. 37-38]. I.A. Troyan notes that the complex identification of disintegrating factors can be partially eliminated by their complex identification, analysis, and development of appropriate measures [24].

Subregional integration is also hampered by divergence in the social and economic standards of the grouping countries, especially in product standardisation. A common problem of the countries is the insignificant connection between scientific and technological research and national economic development. Thus, the International Center for

Black Sea Research was supposed to promote the use of scientific and technical achievements and innovative projects for the development of economic cooperation, but there were no great successes, and most enterprises in the BSEC market are characterised by low technology [24, p. 145]. The importance of science is confirmed by the international symposium "Integration of scientific systems of BSEC member states into the European scientific space: experience and prospects" (Kyiv, April 24-25, 2008), where round tables were held: "Experience and new opportunities in expansion scientific and technological cooperation of scientists within the BSEC and the EU: historical and sociological aspects"; "Application of European innovation indicators in the BSEC member states"; "Improvement of national systems of training and certification of scientific personnel in the context of the Bologna process" [25, p. 57-58]. And the importance of the EU for the group is confirmed. The Istanbul Declaration of Science and Technology includes priority areas for joint projects, including trade, industry, energy, transport, communications, standardisation and certification, information exchange, tourism, agriculture, the environment, etc. The group also has a working group on science and technology, which should provide a mechanism for cooperation in the protection of intellectual property; promoting cooperation between regional academies of sciences, higher education institutions, research institutions and centers; organisation of regional exchange of scientific and technological achievements and databases of scientific and technological information. In addition, the group proposed the creation of a scientific space for the group, which contributed to the first conference of representatives of academic circles of the BSEC countries (1996, Athens), conferences of representatives of national academies of sciences (April, 2002), creation of the International Center for Innovative Technologies, the International Center for Black Sea Research, the International Center for Water, the Association for Seismic Protection of BSEC member states and others [25, p. 58]. At the same time, special attention should be paid to the development of mutually beneficial projects, the interaction of science and production in the agricultural sector. It is advisable to consider the differences in climatic conditions of these countries, the impact of climate change and, accordingly, their cultivation and production of certain types of crop and fish products, and the development of intra-industry trade depending on the season.

By the way, a significant share of income from Bulgaria, Georgia, Romania and Turkey comes from tourism and seaside resorts. For Azerbaijan, Armenia and Moldova, integration is beneficial only economically [13, p. 146-147]. It is believed that close cooperation between the Black Sea and the Mediterranean would be a promising area of cooperation, which would include the periphery of Europe and contribute to the realisation of the idea of a united Europe [26]. The BSEC is important for long-term cooperation with the Caucasus, the Middle East, Central Asia [16, p. 32]. Ukrainian scholars note the simultaneous cooperation of Ukraine in the western and eastern directions, in particular the BSEC, but emphasise the strategic perspective of comprehensive integration into the EU [27, p. 463].

It is worth noting the special importance of the BSEC for the EU in terms of trade, energy, transport, environment. The EU is an important economic and trade partner for the countries of the Black Sea region, with preferences playing a special role. The region is of strategic importance for the EU in terms of energy supply, and is important for the diversification of energy supplies, etc. [28]. The BSEC countries are trying to integrate into the EU. For example, from January 1, 1996, Turkey is a member of the CU with the EU, and since January 1, 2016, Ukraine – FTA with them [29, p. 20]. It is worth noting the Mediterranean strategy of the EU, in particular in the 60's. Special trade benefits received Morocco, Turkey, Cyprus, Spain [30, p. 70], and in 1994 the Mediterranean area was named a region of "strategic and priority importance" [30, p. 72]. This confirms the importance of working with him, but there are many difficulties.

They also see an important task in strengthening cooperation with the EU, primarily conditioned upon joint participation in high-level events of their EU and BSEC countries, the development of mechanisms for cooperation in individual sectors [16, p. 32]. The BSEC economic cooperation policy is not characterised by coherence, on the contrary, it is based on competition between leading countries and between other members of the group in sectoral projects. Thus, the optimisation of trade and economic cooperation should consider the national interests of most BSEC countries on a parity basis [24, p. 7]. There are two ways to develop the BSEC: 1) pessimistic scenario, ie the gradual absorption of programmes and the EU and other integration organisations, 2) optimistic – independent development of the group and the region, even to form an EU-like structure [13, p. 150-151]. Although, given the creation of different depths of associations in the Organisation, it seems quite unrealistic to create an FTA. To intensify trade and economic cooperation, it is necessary to resort to specialised and localised exchange of information [16, p. 33]. That is, the creation of the FTA is preceded by a significant amount of work, and a clearly defined plan with deadlines should help speed up this process.

However, free trade agreements have been signed by some BSEC member states, including Georgia and Turkey, Ukraine and Georgia, etc., which may also help strengthen trade liberalization within the group. The desire of some countries to join the EU raises questions about the effective development of BSEC integration, but the membership of Greece, Romania and Bulgaria in the EU, the low probability of other countries joining the Union and disintegration processes raise doubts about the latter.

By the way, there are factors that determine the viability of the BSEC in the future: a pragmatic approach, which involves considering the fundamental economic interests of the BSEC countries with an emphasis on the needs of countries with economies in transition; focus on the development of specific projects of cooperation in the most important areas: trade, agriculture, energy, transport, communications, tourism, environmental protection, while business circles are encouraged to implement them together with government agencies; development of bilateral and multilateral relations [31, p. 81]. In the long run, the most promising is cooperation in the production and marketing of the Middle East, Asia and Africa, agricultural products, engineering and information technology industry [32, p. 159]. This is of particular importance for Ukraine, which remains a significant exporter of agricultural products and has a strong scientific potential.

Given Ukraine's dependence on energy, we note the Cabinet of Ministers Resolution "On Approval of the State Target Economic Program for Energy Efficiency and Development of Energy Production from Renewable Energy Sources and Alternative Fuels for 2010-2021" (March 1, 2010 No. 243), aimed at "is to create conditions for bringing the energy intensity of Ukraine's gross domestic product closer to the level of developed countries and European Union standards,..., increase the efficiency of fuel and energy resources and strengthen the competitiveness of the national economy; optimising the structure of the energy balance, in which the share of energy from renewable energy sources and alternative fuels will be at least 10 percent in 2015, by reducing the share of imported fossil fuels, including natural gas, and replacing them with alternative energy sources [20]. Moreover, all BSEC countries (during the session of the Parliamentary Assembly) confirmed their interest in creating a common Black Sea electricity "ring". Back in the late 1990s, such a project was proposed in general, but in 2009. Georgia introduced the idea of the "ring", and Turkey and then other countries supported. The resource base of the project is the large hydropower and oil and gas resources of the region [33]. V.A. Kravchenko and A.K. Gudakov noted the improvement of macroeconomic indicators of Ukraine conditioned upon improved cooperation within the group [32, p. 157]. The benefits and opportunities of integration must be used, given the significant potential of the group's member countries. According to the World Bank [17], the BSEC has a population of 337.82 million, and most in Russia, Turkey, Ukraine, Romania, so it would be appropriate to focus on demand from these countries, with the highest population growth in Turkey (1.47%) (Fig. 1).

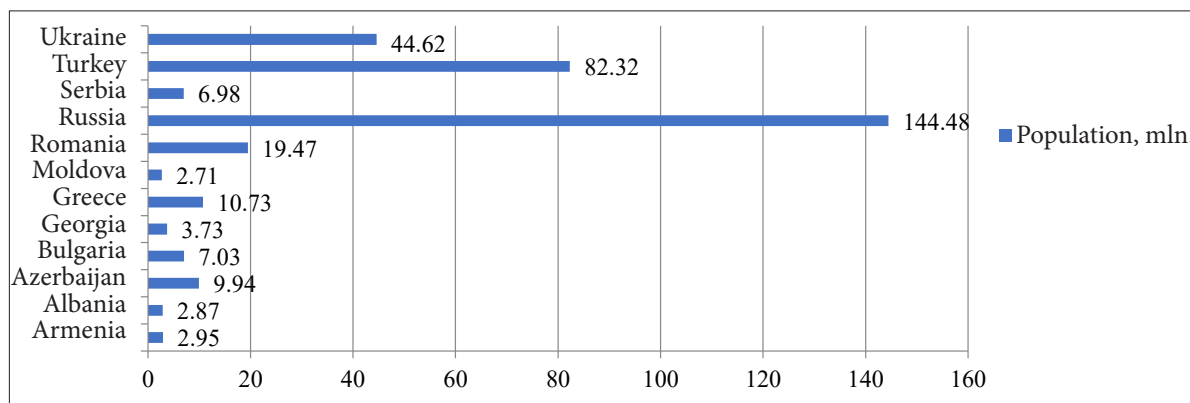


Figure 1. Population in the BSEC countries, 2018

Source: compiled by the author according to the World Bank [17]

The highest GDP growth is observed in Armenia (5.20%), Georgia (4.80%), Serbia (4.39%), Albania (4.15%), Romania (3.95%), and less in Russia (2.25%), Turkey (2.83%), Ukraine (3.34%), Greece (1.93%). The highest inflation rate is observed in Turkey (16.44%), Ukraine (15.41%), Azerbaijan (11.87%), Russia (10.30%), and in other countries – below 6%, with the lowest in Albania (0.95%) and Greece (0.55%). The share of agriculture in GDP is highest for Albania (18.42%), Armenia (13.70%), Ukraine (10.14%), Moldova (10.08%), and the lowest for Greece (3.72%), Bulgaria (3.65%), Russia (3.15%), and in other countries did not exceed 7% and did not fall below 4%. By industry, the largest shares were for Azerbaijan (52.21%), Russia (32.07%), Turkey (29.47%), Romania (28.97%), the smallest for Georgia (19.22%), Greece (15.27%).

At the same time, exports of goods and services to GDP are highest for Bulgaria (66.94%), Azerbaijan (54.29%), Serbia (50.78%), Georgia (50.56%), Ukraine (45.21%), Romania (41.64%), Armenia (37.81%), and the lowest – Turkey (29.53%), Moldova (29.29%). In terms of imports, except Bulgaria (64.31%), Georgia (61.2%), Serbia (59.29%), Ukraine (53.81%), Armenia (53.48%), Romania (44.85%), the highest values were observed in Moldova (55.0%) and Albania (45.40%), and the lowest – Turkey (30.63%) and Russia (20.77%). In general, the first positions in trade were occupied by Bulgaria (109.09%), Serbia (89.15%), Ukraine (79.79%), Romania (74.07%), Moldova (74.02%), Georgia (70.87%), and the last Turkey (50.69%), Greece (47.98%), Russia (41.81%). That is, the countries with the highest rates are characterised by the greatest openness of trade. Given the importance of new technologies for economic development, it should be noted that the highest share of their exports in Greece (12.81%), Russia (10.96%), Romania (10.80%), Bulgaria (9.98%), and the lowest – in Moldova (2.53%), Turkey (2.33%) and Albania (0.05%). Regarding the inflow of foreign direct investment (FDI), the leaders are Turkey (13061.0 million dollars), Russia (8784.85), Romania (7343.56), Serbia (4107.32), Greece (4025.45), Ukraine (2476.0 million dollars), and for other countries the value did not exceed 1403.0 million dollars. (Azerbaijan), and were the lowest for Moldova (311.87) and Armenia (\$ 254.15 million). In other words, the BSEC essentially singles out the leading countries such as Russia and Turkey, and trade with others is largely determined by export-import relations with them. The membership of Bulgaria, Romania and Greece in the EU is important for the development of trade and integration of individual BSEC countries with the EU.

Exports of the BSEC in 2018 amounted to 863.7 billion dollars, with the largest exporters being Russia (444.01 billion dollars), Turkey (167.97%), Romania (79.67%), Ukraine (47.35 billion) USD), they account for 85.6% of trade, and only Russia – 51.4%. The smallest exports were made by Georgia (3.35 billion dollars), Albania (2.88 billion), Moldova (2.71 billion), Armenia (2.41 billion dollars), and for other countries it did not fall below 20 billion USD. These same countries remained the largest exporters and importers.

It should be noted that the highest unemployment rates were in Greece (21.49%), Armenia (17.70%), Georgia (13.94%), Albania (13.75%), Serbia (13.48%), Turkey (10.82%), Ukraine (9.51%), and in other countries less than 6.16% (Bulgaria), with the lowest in Azerbaijan (5.0%),

Romania (4.93%), Moldova (4.1%). In 2018, compared to 2017, there was a slight increase in unemployment in Turkey, and in Greece, Georgia, Serbia, Turkey, Ukraine, Bulgaria, Russia, Azerbaijan, Romania, Moldova decreased, and most in Greece. In the exports of the BSEC [30] the largest share is occupied by the commodity group “Mineral fuels; oil and products of its distillation”, which in 2018 amounted to 32.5%, and during 2010-2018 varied from 26.5% to 46.7%. There was a decrease, in particular, until 2015 it did not fall below 43.7%, and later did not exceed 32.5%. Also predominant in exports are ferrous metals (5.8% in 2018), land transport, except rail (5.4%), nuclear reactors, boilers, machinery (4.8%), electric machinery (4.5%), cereals (2.6%), pearls, precious or semi-precious stones (2.1%), their share in 2018 did not fall below 2.1%. Less than 2%, but more than 1% of total exports (in 2018) accounted for ferrous metal products, plastics, polymeric materials, aluminum and aluminum products, wood and wood products, clothing and clothing accessories, knitted, copper and articles thereof, clothing and clothing accessories, textiles, rubber, rubber, ores, slag and ash, fats and oils of animal or vegetable origin, fertilizers, furniture. This trend was maintained with a few exceptions. Among agri-food products, the largest share in exports is occupied by cereals (2.6% in 2018), fats and oils of animal or vegetable origin (1.1%), edible fruits and nuts (0.8%), and if in 2010 it amounted to 1.1%, 0.7% and 0.8%, respectively, then in 2018 2.6%, 1.1% and 0.8%, i.e. the inclusion of fruits and edible nuts, which are not changed, there was an increase.

Importance of regional trade for BSEC member states

Consider the commodity structure of exports of the BSEC countries. In 2018, the share of Albania's exports to the BSEC amounted to 18.85% of its total exports. The largest share was occupied by ferrous metals (share in exports to the BSEC was 20.23%; and in Albanian exports 10.45%), mineral fuels, oil and its products (12.98% and 13.33%), vegetables (7.51%, 2.39%), clothing and clothing accessories, textile (7.40%, 11.00%), clothing and accessories, knitted (7.3%, 8.36%), salt, sulfur, earth and stones (5.74% and 2.38%), footwear (4.12%, 19.34%), aluminum and aluminum products (3.55%, 2.5%), products vegetable processing (3.21%, 0.63%), and the top ten included vegetables and products of their processing. Moreover, the value of all these goods did not fall below 3%, in total they accounted for 72.05% of exports to the group, in total exports of Albania – 70.38%.

Almost half of Armenia's exports, 42.11%, come from the BSEC countries. Among the goods that exported the most: ore slag and ash (their share in exports to the BSEC was 27.77%, and in total exports of Armenia 23.37%); clothing and clothing accessories, textile (8.19% and 6.61%); clothing and clothing accessories, knitted (5.04% and 2.24%); pearls (4.46% and 12.9%); vegetables (2.68% and 1.19%); edible fruits and nuts (2.46% and 1.06%); vegetable processing products (2.19% and 1.13%). Their share in exports to the group was 52.8%, and in total exports of Armenia – 48.49%. The share of any of these goods did not fall below 2% in exports to the Organisation. Vegetables sell more agri-food products; edible fruits and nuts; vegetable processing products.

As for Azerbaijan, in 2018 almost 20% of its exports went to the BSEC. Mineral fuels are mainly exported; oil and products of its processing, their share in exports to the Organisation amounted to 73.31%, and in total exports of Azerbaijan 91.74%. Also the most exported are: edible fruits and nuts (values were 7.12% and 1.67%, respectively); vegetables (5.94% and 1.20%); cotton (2.49% and 0.56%); aluminum and articles thereof (2.33% and 0.58%). The share of these goods did not fall below 2% in exports to the group; In total, these five product groups accounted for 91.19% of exports to the BSEC and 95.74% of Azerbaijan's exports. Among the main goods sold by Azerbaijan are agri-food products, including edible fruits and nuts and vegetables.

Almost a third (28.01%) of Bulgaria's exports go to the BSEC countries. Mineral fuels are exported the most; oil and products of its refining (the share in exports to the BSEC is 9.68%, and in total exports of Bulgaria – 8.45%); nuclear reactors, boilers, machinery (7.57% and 8.15%); electric machines (6.56% and 10.94%); copper and articles thereof (5.37% and 8.94%); ferrous metal products (5.28% and 3.03%); ferrous metals (4.44% and 2.37%); plastics, polymeric materials (4.25% and 2.95%); pharmaceutical products (3.67% and 3.18%); cereals (3.65% and 3.65%); means of land transport, except rail (3.23% and 3.13%); glass and glass products (2.49% and 1.40%); wood and wood products (2.12% and 1.05%). The share of exports to the BSEC of any of these goods was not less than 2%, and together amounted to 58.3%, and relative to total exports of Bulgaria – 57.22%. Among agri-food products, grain was the most exported.

Trade within the BSEC is also important for Greece, in particular, the Organization's countries account for 17.4% of its exports. The largest share falls on mineral fuels, oil and products of its distillation (the share in the BSEC exports is 31.7%, and in the total exports of the country – 34.33%); plastics, polymeric materials (7.68% and 3.53%); nuclear reactors, boilers, machinery (4.94% and 4.75%); ferrous metals (4.62% and 1.95); aluminum and its products (4.61% and 5.24%); edible fruits and nuts (3.82% and 2.67%); copper and articles thereof (3.3% and 2.01%); toys (2.73% and 0.8%); electric machines (2.22% and 2.98%). These goods account for 65.61% of exports to the BSEC and 58.1% of total Greek exports, with exports of each falling below 2%. The largest share falls on industrial products, and agricultural products – edible fruits and nuts. The importance of the BSEC for Greece, which is a member of the EU, shows the feasibility and necessity of developing foreign trade relations and concluding RTUs with different countries.

The BSEC is of particular importance to Georgia, as it accounts for more than half of its exports (53.94%). Among the goods that Georgia exports the most ore, slag and ash (their share in exports to the BSEC is 22.32%, and in the country's total exports – 19.85%); ferrous metals (16.49% and 16.28%); clothing and clothing accessories, knitted (3.75% and 2.10%); fertilizers (3.54% and 4.04%); mineral fuels, oil and products of its distillation (3.37% and 4.12%); nuclear reactors, boilers, machinery (3.16% and 2.73%); edible fruits and nuts (2.73% and 3.10%); pharmaceutical products (2.54%

and 4.45%). The share of each of these goods in the BSEC did not fall below 2.5%, and in general the share of their exports to the group was 57.9%, and in the total exports of Georgia – 56.67%.

It is difficult to overestimate Moldova's trade with the BSEC, which accounts for almost half of its exports (49.3%). The largest share falls on electric machines (their share in exports to the BSEC was 29.65%, and in total exports 19.45%); seeds and fruits of oilseeds (13.9 and 8.95); edible fruits and nuts (7.45% and 7.67%); pharmaceutical products (4.36% and 2.66%); cereals (4.22% and 8.23%); clothing and clothing accessories, knitted (3.55% and 4.13%); clothing and clothing accessories, textile (3.32% and 7.22%); glass and glass products (3.10% and 1.89%). They accounted for 65.99% of exports to the BSEC and 60.18% of Moldova's exports. The smallest share of exports of each of these goods to the BSEC did not fall below 3%. Seeds and fruits of oilseeds were the most exported from agri-food products (13.9% and 8.95%); edible fruits and nuts (7.45% and 7.67%); cereals (4.22%).

Although Russia is one of the largest suppliers of the BSEC, only 10.6% of its exports went to the group, of which mineral fuels, oil and refining products account for 40.56%, and in total exports they account for 52.87%. Among the goods that Russia exports, ferrous metals also occupy the largest share (their share in exports to the BSEC was 9.19%, and in the country's total exports – 5.2%); cereals (3.57% and 2.33%); nuclear reactors, boilers, machinery (2.55% and 2.04%). The share of these goods in exports to the group was 55.86%, and in total exports of Russia – 62.44%, and separately for each product group did not fall below 2%. It is worth paying attention to the significant volumes of grain exports.

Romania's share of BSEC exports was 13.2%, higher than Russia's, although the former is a member of the EU. However, the commodity structure of Romanian exports is quite diversified, and among the goods that exported the most to the group, the share of each of which exceeded 2% – mineral fuels, oil and its products (their share in exports to the group is 18.13%, and in Romanian exports – 4.36%); means of land transport, except rail (10.39% and 17.36%); electric machines (9.69% and 17.62%); nuclear reactors, boilers, machinery (8.23% and 11.0%); ferrous metals (8.13% and 2.89%); plastics, polymeric materials (3.9% and 2.32%); cereals (2.5% and 3.23%); seeds and fruits of oilseeds (2.49% and 1.79%); ferrous metal products (2.41% and 3.12%); rubber, rubber (2.35% and 3.41%); essential oils (2.2% and 0.52%); pharmaceutical products (2.13% and 1.12%). They account for 72.54% of exports to the BSEC and 68.73% of Romania's total exports. Among the goods that Romania exports the most to the BSEC are agricultural products, including cereals and seeds and fruits of oilseeds.

Almost a fifth (19.33%) of Serbia's exports are to the BSEC. Among the goods that were mostly exported to the group and the share of exports exceeded 2% – grain (the share of exports to the Organization was 7.37%, and in total exports of the country – 2.42%); electric machines (7.17% and 13.55%); ferrous metals (6.57% and 5.39%); copper and articles thereof (6.28% and 3.41%); rubber, rubber (5.62% and 4.86%); nuclear reactors, boilers, machinery (5.41%

and 6.99%); plastics, polymeric materials (5.3% and 5.02%); mineral fuels, oil and products of its distillation (5.26% and 2.9%); edible fruits and nuts (5.19% and 3.05%); paper and cardboard (4.5% and 2.5%); clothing and clothing accessories, knitted (3.77% and 2.57%); pharmaceutical products (2.86% and 1.43%); organic chemical compounds (2.47% and 1.48%); seeds and fruits of oilseeds (2.02% and 0.95%). These goods accounted for 69.79% of exports to the BSEC and 56.53% of Serbia's total exports. Among agri-food products, grain was the most exported; edible fruits and nuts, as well as seeds and fruits of oilseeds.

Turkey directs only 10.8% of its exports to the BSEC. Among the goods that sell the most nuclear reactors, boilers, machinery (the share in exports to the group is 11.06%, and in Turkish exports – 9.43%); means of land transport, except rail (8.7% and 15.93%); ferrous metals (6.31% and 6.88%); electric machines (5.94% and 5.19%); plastics, polymeric materials (5.93% and 3.6%); ferrous metal products (5.9% and 3.89%); edible fruits and nuts (5.41% and 2.36%); mineral fuels, petroleum and its products (3.23% and 2.63%); knitted fabrics (3.12% and 0.91%); clothing and clothing accessories, knitted (2.98% and 5.39%); clothing and clothing accessories, textile (2.33% and 3.73%); furniture (2.1% and 1.86%). The share of exports to the group of each of these groups exceeded 2%, and together they accounted for 63.01% of exports to the group, and 61.8% of total exports of Turkey. Among agricultural products, the Organization exported the most edible fruits and nuts (their share exceeded

5%, and in the country's total exports – 2%). Moreover, the share of exports of certain product groups is smaller than some BSEC countries, in particular Moldova, Georgia, Azerbaijan, although its volumes are higher. For example, the share of ferrous metals exports to the BSEC of Turkey was 6.31%, and Georgia – 16.49%.

More than a fifth of Ukraine's exports (20.7%) go to the BSEC. Among the goods that are exported the most – ferrous metals (their share in exports to the BSEC was 27.24%, and in exports of Ukraine – 20.99%); inorganic chemistry products (7.41% and 1.87%); nuclear reactors, boilers, machinery (6.87% and 3.64%); electric machines (4.83% and 6.19%); ores, slag and ash (4.18% and 6.41%); seeds and fruits of oilseeds (3.89% and 4.13%); ferrous metal products (3.56% and 2.34%); wood and wood products (3.45% and 3.15%); plastics, polymeric materials (2.88% and 1.29%); paper and cardboard (2.71% and 1.02%); cereals (2.12% and 15.3%). The share of each of these goods exceeds 2%, and in total they accounted for 69.13% in exports to the BSEC and 66.34% in exports of Ukraine. Seeds and fruits of oilseeds (3.89% and 4.13%) and cereals (2.12% and 15.3%) are the most exported of agri-food products, their total share of exports to the group was lower than in the total exports of Ukraine, and was 6.01% and 19.42%, respectively.

In general, the BSEC is a very important grouping for each country, in particular taking into account their share of exports to the Organization, population, commodity diversification of exports and others (Table 2).

Table 2. Trade indicators of the BSEC countries within the group

Countries	Share of exports to the BSEC	The share of individual goods whose exports did not fall below 2% to the BSEC	The number of some product groups whose exports did not fall below 2%	Agro-food products, which are mostly exported to the BSEC
Armenia	42.11	52.8	7	Vegetables (07) Edible fruits and nuts (08) Vegetable processing products (20)
Albania	18.85	74.8	10	Vegetables (07) Vegetable processing products (20)
Azerbaijan	19.95	91.19	5	Vegetables (07) Edible fruits and nuts (08)
Bulgaria	28.01	58.30	12	Cereals (10)
Georgia	53.94	57.90	8	Edible fruits and nuts (08)
Greece	17.44	65.61	9	Edible fruits and nuts (08)
Moldova	49.29	69.55	8	Seeds and fruits of oilseeds (12) Edible fruits and nuts (08) Cereals (10)
Romania	13.17	72.54	12	Cereals (10) Seeds and fruits of oilseeds (12)
Russia	10.59	55.86	4	Cereals (10)
Serbia	19.33	69.79	14	Seeds and fruits of oilseeds (12) Cereals (10) Edible fruits and nuts (08)
Turkey	10.79	63.01	12	Edible fruits and nuts (08)
Ukraine	20.68	69.13	11	Seeds and fruits of oilseeds (12) Cereals (10)

Source: calculated by the author based on ITC data [31]

Given the importance of the agricultural sector, it is worth noting which types of agri-food products account

for the largest share in the exports of the BSEC countries to the group (Table 3).

Table 3. Agricultural products, which occupy the largest share in the exports of the BSEC countries to the group

Freight group	Countries
Crops	Bulgaria, Moldova, Romania, Russia, Serbia, Ukraine
Seeds and fruits of oilseeds (12)	Moldova, Romania, Serbia, Ukraine
Vegetables	Armenia, Albania, Azerbaijan;
Edible fruits and nuts (08)	Armenia, Azerbaijan, Georgia, Greece, Moldova, Serbia, Turkey
Vegetable processing products	Armenia, Albania

Source: calculated by the author based on ITC data [31]

The development of trade within the BSEC is important for its member countries both in relation to all and, directly, agri-food products, and some countries are its main exporters, which may help strengthen their position in the world market.

Intra-regional trade of the BSEC

Exports of the BSEC of all goods from 2001 to 2018 (2019) increased from 178,209.2 million dollars up to 866575.7 million dollars (841326.3 million dollars), i.e. 4.9 times (4.7 times), and more than in the world – 3.2 times (3.1 times). The largest exporters are Russia, Turkey, Romania and Ukraine, and this was observed both in 2018 (2019) and in 2001. Although in 2001 the share of Ukraine (9.1%) was higher than Romania (6.4%), but in 2018 the situation changed, and for the first it was 5.5%, and for the second – 9.2%. The smallest exporters remained Albania, Moldova, Georgia and Armenia,

their share in the group's total exports did not exceed 0.3% (and 0.4% in 2019), and in 2018 these countries accounted for 1.2% BSEC exports. Greece, Bulgaria, Azerbaijan and Serbia sold more products, and in 2018 their share did not fall below 2.2% (Azerbaijan, Serbia), but did not exceed 4.6% (Greece). The share of Russia was not less than 46.2%, and in 2006 reached a maximum of 59.1%, although from 2001 to 2018 it decreased from 56.0% to 51.9%, and in 2019 amounted to 50.3% (Table 4). For Turkey, the figure increased from 17.6% in 2001 to 19.4% in 2018 (20.3% in 2019), and during this period ranged from 15.2 to 23.1%. Gradually and significantly decreased the share of Ukraine, in particular in 2001 it was 9.1%, and in 2018 (2019) was the minimum – 5.5%, the maximum value was 9.8%. The share of all countries, except Russia, Ukraine, Greece and Moldova, in the group's total exports in 2018 increased compared to 2001 (and compared to 2019, except for the first three countries).

Table 4. Share of BSEC member states in total exports of the group, 2001-2019

Exporters	2001	2005	2010	2012	2014	2015	2016	2017	2018	2019	Min. value	Max. value
Russia	56.0	58.3	57.0	57.8	55.9	50.3	46.2	48.7	51.9	50.3	46.2	59.1
Turkey	17.6	17.7	16.3	16.8	17.7	21.7	23.1	21.4	19.4	20.3	15.2	23.1
Romania	6.4	6.7	7.1	6.4	7.9	9.1	10.3	9.6	9.2	9.3	5.9	10.3
Ukraine	9.1	8.3	7.4	7.6	6.1	5.8	5.9	5.9	5.5	5.5	5.5	9.8
Greece	5.8	4.2	4.0	3.9	4.0	4.3	4.5	4.4	4.6	4.5	3.7	5.8
Bulgaria	2.9	2.8	3.0	2.9	3.3	3.8	4.3	4.3	3.9	4.0	2.7	4.3
Azerbaijan	1.3	1.1	3.1	2.6	2.4	1.9	2.2	2.1	2.2	2.3	1.0	5.7
Serbia	0.0	0.0	1.4	1.2	1.7	2.0	2.4	2.3	2.2	2.3	0.0	2.4
Georgia	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.2	0.4
Moldova	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.2	0.4
Albania	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3
Armenia	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.1	0.3

Source: calculated by the author based on ITC data [31]

The share of exports of all BSEC goods in world exports increased from a minimum of 2.9% in 2001 to 4.5% in 2018 (2019), and the maximum value was 5.2%. For Russia, the indicator is the highest and ranged from 1.6 to 2.9%, and in 2018 (2019) it was 2.3%, ie its growth was observed. For other countries the share was smaller, and the largest for Turkey, although not exceeding 0.9%, for Romania and

Ukraine the maximum value was 0.4%, Azerbaijan – 0.3%, Greece and Bulgaria – 0.2%, and Serbia – 0.1%, Georgia and Moldova – 0.02%, Albania (except 2001) and Armenia – 0.01%.

Exports of the BSEC countries within the group increased from 25522.0 million dollars in 2001 to 114136.0 million dollars in 2018 (116765.1 million dollars in 2019), i.e. 4.5 (4.6) times, although its share in total BSEC exports

decreased from 14.3% to 13.2%, respectively (13.9% (2019), and ranged from 12.5% (2014) to 17.9% (2008). The share of exports to the organisation of land transport also decreased; electric machines, nuclear reactors, boilers, machines; milk and dairy products, poultry eggs, natural honey, finished grain products, and among the above product groups most of the milk and dairy products, poultry eggs, natural honey. And the minimum and maximum value of the indicator were equal to 7.3% and 24.1% for land transport, respectively; electric machines 10.0% and 18.1%; nuclear reactors, boilers, machinery 14.7% and 25.8%; milk and dairy products, poultry eggs, natural honey 16.1% and 50.9%; finished grain products 14.8% and 25.5%; 9.6% and 18.7% of vegetable products. However, the share of regional exports of mineral fuels, oil and refined products from 7.2% to 10.0% (10.7% (2019)) increased, and during the whole period varied from 6.6% to 11.2%, ferrous metals – from 17.3 to 20.5% (22.5% (2019)) and ranged from 16.7% – 27.0%, and certain groups of agricultural products, in particular, vegetables from the minimum 10.7% to 33.4% (37.1% (2019)), but did not exceed 47.3%, edible fruits and nuts from a minimum of 14.5% to 29.3% (29.6% (2019)), and the largest value was 31.4%, oilseeds from 18.2 to 20.0 (26.9 (2019)), and ranged from

17.3% to 34.1% , and the share of vegetables and edible fruits and nuts increased the most (by 26.4% and 15.1%, respectively). That is, a significant percentage of BSEC trade is accounted for by intra-regional trade, with the lowest share of these products was 6.6% for mineral fuels, oil and refined products (2014).

In 2018 (2019), compared to 2001, all BSEC countries increased exports of goods to the group, with Albania, Azerbaijan and Armenia the most, including 12.9 times, 12.3 and 12.0 times, respectively, and the largest exporters Russia, Turkey, Romania and Ukraine – 4.2 times, 6.4; 8.3 and 1.7 times, with Ukraine being the lowest among all BSEC countries.

Imports of BSEC goods in 2018 amounted to 780320.5 million dollars, an increase of 1.6 times compared to 2006 and 5 times compared to 2001. The largest share is accounted for by nuclear reactors, boilers and machinery, although it did not exceed 14.2% and mineral fuels, oil and its products; electric machines; means of land transport, except for rail, for which the minimum and maximum value was 9.6%-16.2%, 8.9%-10.6%, 7.4%-9.0%, respectively. The main imported goods are presented in Figure 2.

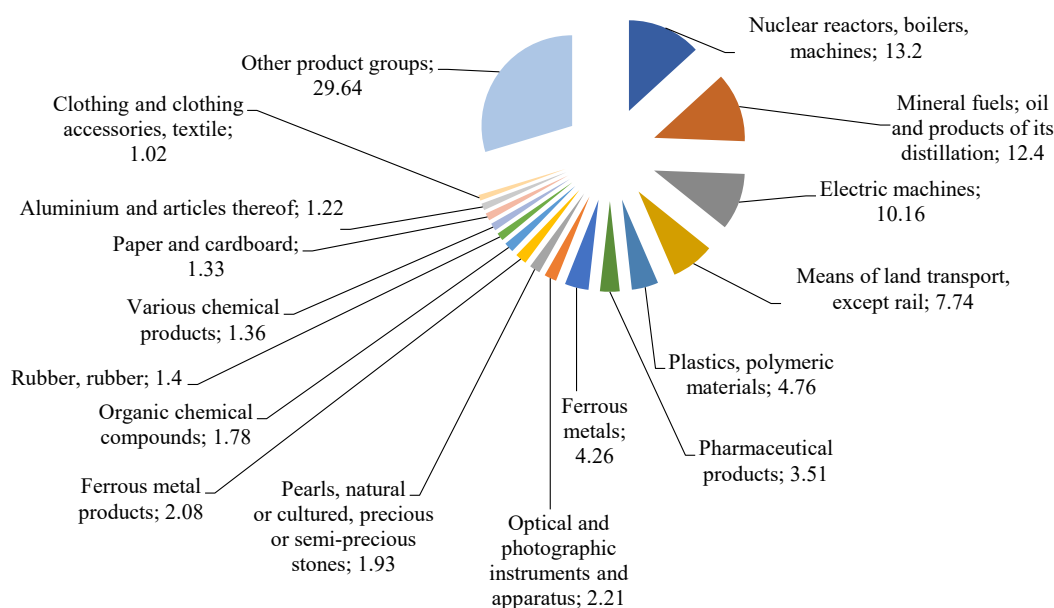


Figure 2. Share of basic goods in BSEC imports in 2018, %

Source: compiled and calculated by the author according to ITC [18]

Among agri-food products, the most imported were edible fruits and nuts (their share in total imports varied within 1.0%-1.1%), meat and edible offal (0.7%-1.4%), seeds and fruits of oilseeds (0.5%-0.8%); milk and dairy products, poultry eggs; natural honey (0.5%-0.8%); various food products (0.5%-0.6%); cereals (0.4%-0.6%); fats and oils of animal or vegetable origin (0.5%-0.7%).

In 2018, compared to 2010, the share of pearls, precious or semiprecious stones and reactors of nuclear, boilers and machinery increased the most in total imports, although the share of the latter was significantly higher than the former, in 2018 it was 13.2% and 1.9%. Among agri-food products, the largest growth is characteristic of live animals,

seeds and fruits of oilseeds, cereals, finished products and grain. However, the share of mineral fuels, oil and refined products in imports decreased the most; meat and true by-products, pharmaceuticals, paper and cardboard, ships. As for agri-food products, they are also sugar and sugar confectionery; fats and oils; edible fruits and nuts; vegetables.

Intra-regional imports of all BSEC goods increased from \$ 93424.0 million. in 2006 to 117386.4 million dollars. in 2018, ie 1.3 times, and compared to 2001 – 4.4 times. Its share in the group's total imports varied from 13.4% to 19.0%, with a general decrease, in 2001 and 2018 the values were 17.3% and 15.0%, respectively. One of the largest is the share of intra-regional imports of mineral fuels, oil and

refined products in their total imports, which decreased from 43.0% in 2001 to a minimum of 39.0% in 2018, and in 2010 even more half of 56.4% bought within the group. For ferrous metals, the values of the indicator decreased and ranged from 32.8% to – 56.3%. A significant part is accounted for by intra-regional trade in fertilizers, in particular the share of imports did not fall below 34.1% (2018) and reached 62.9% in 2003, although it decreased in 2018 compared to 2001 by 28.8%. Less than 9% was the share of exports of land transport, except for rail (5.0-7.3%), electric vehicles (4.7%-6.7%); nuclear reactors, boilers, machinery (5.2%-8.3%); pharmaceutical products (2.2-4.5%). Regarding agri-food products, the share of regional grain imports increased significantly, in particular from a minimum of 15.2% in 2001 to a maximum of 71.0% in 2018, as well as vegetables – from a minimum of 14.5% to 26.3%, and reached the highest 28.5% in 2009, edible fruits and nuts (ranged from 19.1% to 29.5%), seeds and fruits of oilseeds (8.9%-30.6%), finished products from grain (15.9%-20.8%), but decreased in milk and dairy products, poultry eggs, natural honey (7.8%-27.0%), vegetable processing products (15.4%-23.3%). That is, the share of regional trade in these products was

quite high, and the lowest did not fall below 7.8% for milk and dairy products, poultry eggs, natural honey.

The largest importers from the BSEC countries are Russia and Turkey, which account for more than half of imports. In 2018, compared to 2001, the share of imports from Russia, Turkey, Romania, Serbia, Azerbaijan, Georgia, Moldova, Armenia increased, and decreased – Greece, Ukraine, Bulgaria, Albania.

The share of imports of the BSEC countries in world imports increased from 2.47% in 2001 to 3.94% in 2018, and its maximum value was 5.01%. This is typical for most countries, except Greece (its share decreased from 0.45% to 0.33%). Although for Ukraine there was a slight increase from 0.25% to 0.29%, but the highest values were in 2003-2013, when they did not fall below 0.30% (2003), and in other years did not exceed 0.29% (2014, 2018). The largest importers are Russia and Turkey. Only for them the values were greater than 1%, and for Romania, Greece and Ukraine – did not exceed 0.58%, Bulgaria and Serbia – 0.23%, Azerbaijan and Georgia – 0.06, Albania, Moldova and Armenia – 0.04%. And this is understandable based on the size and economic potential of the BSEC countries (Fig. 3).

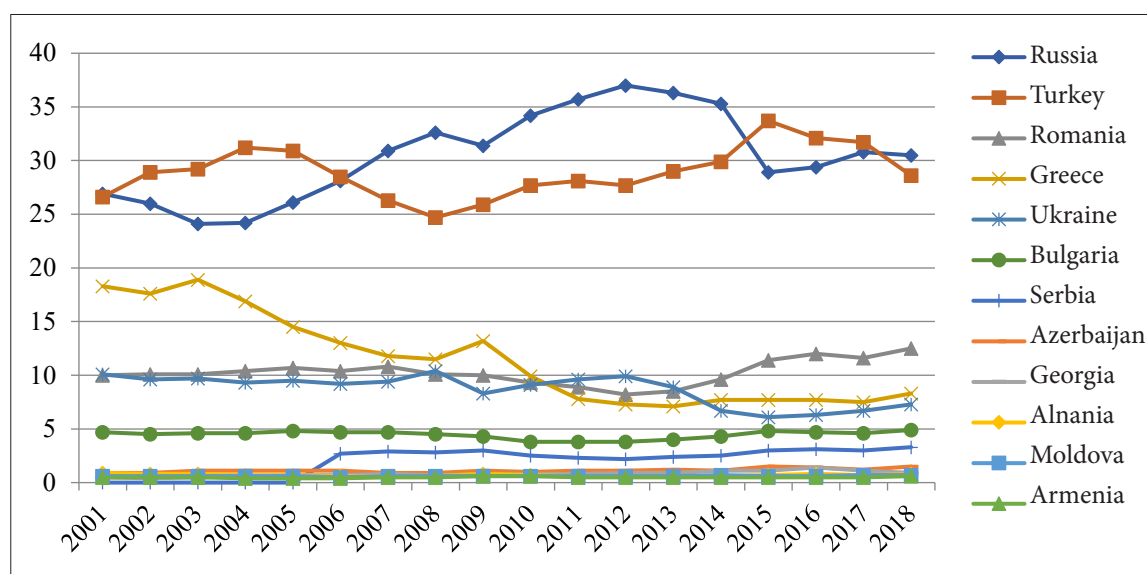


Figure 3. Change in the share of BSEC member states in the group's total imports, 2001-2018,

%Source: calculated by the author based on ITC data [31-32]

Regional imports of the BSEC countries increased from 2001 to 2018 by 4.4 times, namely from 26954.8 to 117386.4 million dollars. Turkey, Russia, Romania, Bulgaria, Greece and Ukraine import the most from the Organization, in particular, in 2018 the share of their imports was 28.0%, 13.3%, 12.7%, 10.3%, 9.5%, respectively, and 10.0%. And Serbia, Azerbaijan, Georgia, Moldova, Armenia and Albania in 2018 accounted for 4.4% and 3.5%, respectively; 3.2; 2.2; 1.6; 1.4%, ie a total of 16.3% of imports from the group. Although the values of the shares changed, for example in 2001 and 2010 for Ukraine they were more than 20%. In 2018, compared to 2001, the imports of Azerbaijan and Georgia increased the most, in particular by 11.1 times and 10.2 times,

respectively, and the least by Ukraine – 1.9 times.

During 2001-2018, the trade balance was negative, which is typical for Turkey, Bulgaria, Greece, Serbia, Georgia, Moldova, Armenia and Albania. Although for Romania, Ukraine and Azerbaijan in some years there was an active, in particular the first in 2010-2014, the second in 2007-2008 and 2014-2016, the third in 2010-2012. And only the balance of Russia throughout the period remained positive, and in 2001-2006 and 2017-2018 one of the countries of the union. In other words, the BSEC includes countries with significant potential, there is a development of trade between them, but the success of integration will be determined by a number of factors. This indicates the presence of significant

potential of the BSEC countries, the prospects for the development of foreign economic relations, regional trade, but it is necessary to take into account disintegration factors, which are quite difficult to level.

Therefore, it is advisable to focus on the common goals and economic potential of the BSEC countries, and to achieve them effectively by using resources. Particular importance should be given to joint research and energy projects, and to promoting the group's food security. As member states import products, Ukraine is a major producer, it is advisable to increase exports to them. At the same time, special importance should be given to agri-food products, as Ukraine is one of its largest exporters, and it is desirable to support the export of ready-made products. Since the exports of individual countries are dominated by the same types of products, the creation of joint ventures could help increase their competitiveness, expand their position in the world market, more stable supply and more.

A. Honcharuk and I. Troyan [14] note that their economic cooperation is important for the development of national economies of the BSEC member states. It is difficult to disagree with this, given the importance of intra-regional trade for them and the size of the group's population, but it is quite problematic that, in parallel with the same goals, there are those who block integration. A.S. Babashina and M.G. Nikitin believe that the main obstacles to the integration of the BSEC include inequality in economic development [34, p. 4], although, on the other hand, there are positive consequences of the integration of different levels of economic development, including between the US, Canada and Mexico, the creation of groups North-South, so integration into the BSEC can be successful under such conditions. The opinion of M. Plaksenko deserves attention – he said that the expansion of cooperation with the EU is one of the priorities of the BSEC [35], which is especially important given the Association Agreement between Ukraine and the EU, membership of Romania, Bulgaria and Greece in the EU, European integration aspirations of individual countries. S. Radzievska also notes that Ukraine's membership in the BSEC "strengthens its competitive advantages in the markets of transport services, as well as in the sale of agro-industrial, machine-building... complexes" [36], but special attention should be paid to improving product quality, modern demand in EU and other developed countries. Conflict resolution and coordination on specific issues could help increase product competitiveness, trade development and, in general, national economies.

Conclusions

With the increase in the number of integration groups, the BSEC stands out, considering its territory, population (over 300 million people), natural resource and scientific potential, and Ukraine's participation. It is advisable to develop joint projects in science and technology, energy, agriculture, ecology and international tourism, which also helps increase demand for agri-food products. In addition to the common goals of countries, they are characterised by differences that

can promote or inhibit integration, and which would be appropriate to divide into two groups of factors. It is worth focusing on deepening the interaction of science and production in the agricultural sector, the development of VGT. Turkey is interested in integration, although it aspires to join the EU, as does Ukraine. Free trade agreements have been concluded between individual countries, including Ukraine-Georgia, Turkey-Georgia, and others. The region is important for the EU, in particular in terms of energy supply. At present, the establishment of the BSEC FTA is not very likely, although it depends on a number of factors and their changes.

The BSEC is a large market, with the share of exports to the latter not falling below 10.6% for all its countries and exceeding 17.44%, except for Russia (10.59%), Turkey (10.79%) and Romania (13.17%), and for Georgia it reached 53.94%. Commodity groups, which account for more than 2% of exports to the BSEC, account for more than half of the group's exports. For the largest exporters and importers, the share of exports to the group was the lowest compared to other countries, including Russia, Turkey, Romania – did not exceed 13.17% (Romania), and Armenia, Georgia and Moldova did not fall below 42.11%. The importance of the BSEC market should not be underestimated. Thus, the share of exports of Bulgaria, Greece and Romania, which are members of the EU, in their total exports to the Organization was 28.01%, 17.44% and 13.17%, respectively, and Russia (10.59%) and Turkey (10.79%) was smaller.

Of the agri-food products, the BSEC countries mainly export to the group – cereals, seeds and fruits of oilseeds, vegetables, edible fruits and nuts, vegetable products. The largest share in its exports is occupied by vegetables in Armenia, Albania, Azerbaijan; edible fruits and nuts – Armenia, Azerbaijan, Georgia, Greece, Moldova, Serbia, Turkey; vegetable processing products – Armenia, Albania; grain – Bulgaria, Moldova, Romania, Russia, Serbia, Ukraine; seeds and fruits of oilseeds – Moldova, Romania, Serbia, Ukraine. The largest exporters of these products can set up joint ventures to process agricultural raw materials, in particular to create and exchange new technologies to improve the quality and export of products both inside and outside the group. Mineral fuels, oil and refined products account for a significant share of exports in Albania (12.98% in exports to the BSEC and 13.33% in the country's exports); Azerbaijan (73.31% and 91.74%), Bulgaria (9.68% and 8.45%), Greece (31.7% and 34.33%), Russia (40.56% and 52.87%), Romania (18.13% and 4.36%). Given Ukraine's energy dependence and their importance, in particular for the agricultural sector, it is advisable to develop cooperation and trade on mutually beneficial terms. The union's exports grew 4.9 times more than the world, and the largest exporters as in 2001 remain Russia, Turkey, Romania and Ukraine, and the smallest – Albania, Moldova, Georgia and Armenia.

Imports of the BSEC countries have increased, with the largest share coming from nuclear reactors, boilers and machinery, mineral fuels, oil and refining products; electric machines; means of land transport, except for rail, and from

agri-food products – edible fruits and nuts, meat and edible offal, seeds and fruits of oilseeds; milk and dairy products, poultry eggs; natural honey; various food products; crops; fats and oils of animal or vegetable origin. And the share of pearls, precious or semiprecious stones and nuclear reactors, boilers, machines, and of agri-food products – live animals, seeds and fruits of oilseeds, cereals, ready-made products and cereals – increased the most in total imports. There is also an increase in intra-regional imports, although its share in general decreased slightly, and in general varied between 13.4% (2016) – 19.0% (2006).

The trade balance in 2001-2018 was consistently

positive in Russia alone; Romania, Ukraine, Azerbaijan – in some years (for the first in 2010-2014, the second in 2007-2008 and 2014-2016, the third in 2010-2012), and all other countries – constantly negative. Prospects for the development of the BSEC depend on the agreed policies of member countries, in particular on trade policy and others. The BSEC has significant production and export potential, a significant supply of resources, trade between its member countries is developing, but no significant development of integration has been achieved so far, and this depends on the coherence of trade policies, cooperation, goals and mechanisms.

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Розвиток торговельно-економічних відносин країн ОЧЕС

Надія Василівна Кривенко

Національний науковий центр «Інститут аграрної економіки»

03680, вул. Героїв оборони, 10, м. Київ, Україна

Анотація. Важливість міжнародної економічної інтеграції підкреслюється одночасним укладанням країнами регіональних торговельних угод з різними інтеграційними угрупованнями і окремими країнами, що характерно і для України, яка підписала Угоду про асоціацію з ЄС, низку угод про вільну торгівлю і входить до складу ОЧЕС, що особливо важливо з огляду на розвиток торгівлі в Азії. Метою дослідження є аналіз зовнішньоторговельних відносин країн ОЧЕС і обґрунтування пропозицій щодо їх поглиблення. У роботі використовувався метод аналізу, а також історичний, абстрактно-логічний, економіко-математичний та ін. Обґрунтовано основні перспективні напрями співробітництва ОЧЕС в результаті аналізу наукових праць щодо міжнародної економічної інтеграції з виокремленням Азійського регіону, економічних показників країн й основних документів організації, окремих нормативно-правових актів України. Визначено основних експортерів та імпортерів, з'ясовано особливості товарної структури експорту ОЧЕС, виявлено основні товари, що експортують, з виокремленням агропродовольчої продукції, проаналізовано тенденції зовнішньої торгівлі та визначено окремі показники міжнародної торгівлі. Виявлено продукти, які займають найбільшу частку у експорті країн до угруповання, що є передумовою для створення ними спільних підприємств і може сприяти підвищенню їх конкурентоспроможності. З'ясовано, що експорт угруповання зріс більше ніж світовий, і основні експортери продовжують залишатись ними. Виявлено зростання внутрішнього регіонального та загального імпорту угруповання, проаналізовано його структуру. Визначено, що торговельне сальдо більшості країн переважно було від'ємним. Практична цінність полягає у виявленні перспективних напрямів співробітництва країн ОЧЕС, що має сприяти їх економічному розвитку, а також – товарних позицій для розвитку внутрішнього та позарегіональної торгівлі, з метою підвищення задоволення попиту в та поза межами регіону, доходів виробників і частково вирішення проблеми продовольчої безпеки у світі

Ключові слова: міжнародна економічна інтеграція, зона вільної торгівлі, регіональна торговельна угода, експорт, імпорт