

SI «Institute of Regional Researches named after M.I. Dolishniy of National Academy of Sciences of Ukraine»



«Features of socio-economic development of border regions in the EU-Ukraine cross-border area»

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Structure

General characteristics of Ukrainian border regions

Border regions development trends in comparison with average Ukrainian tendencies and adjacent border regions of EU states

Influence of EU-Ukraine Association Agreement on border regions economic integration into global economy

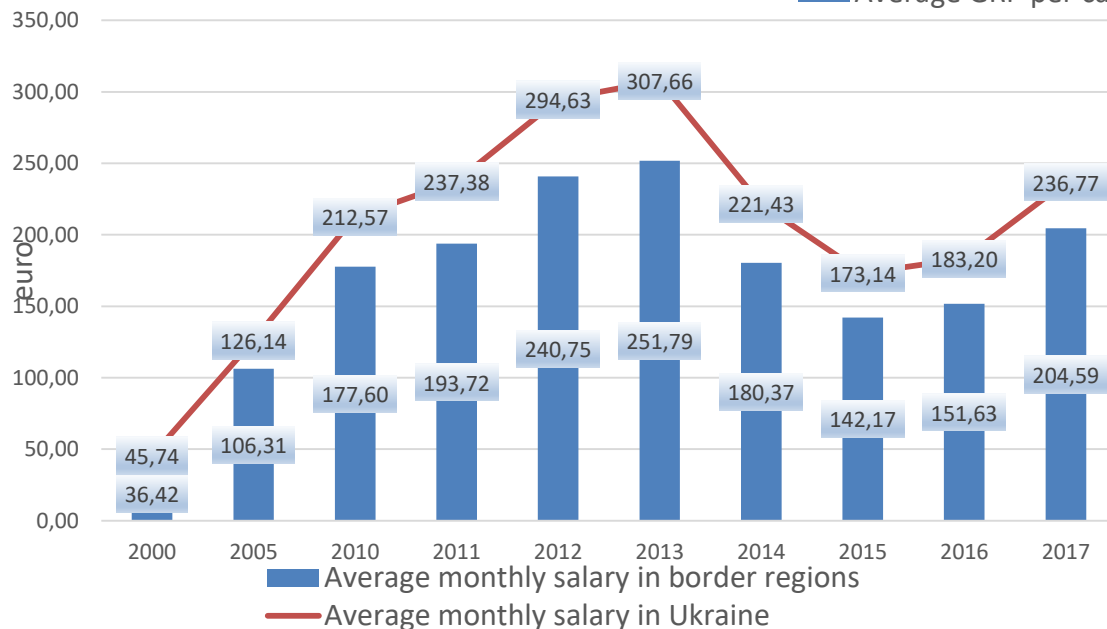
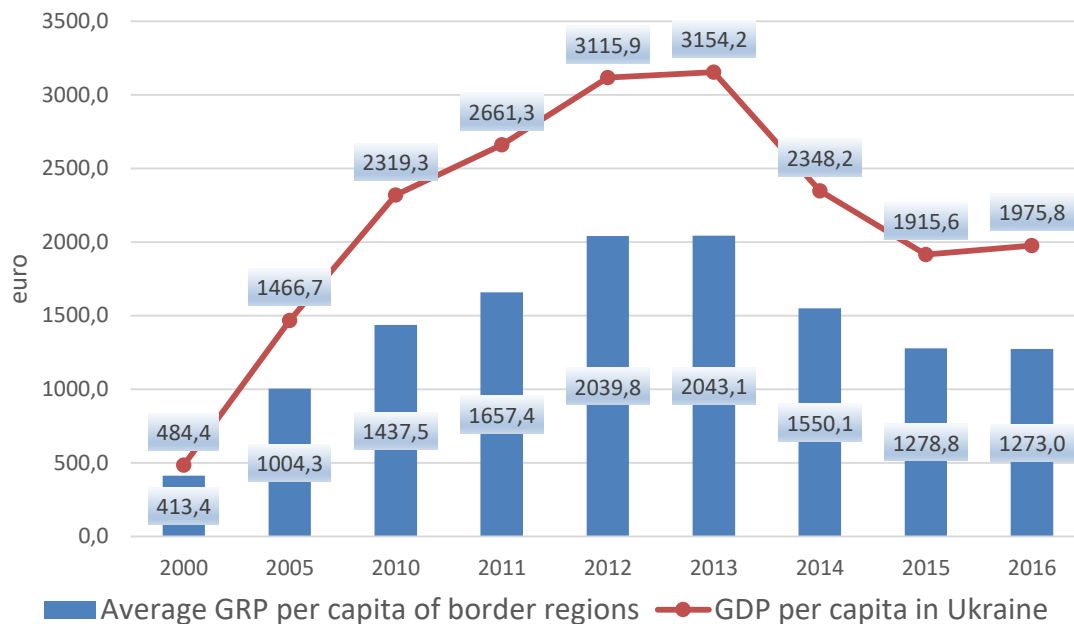
Perspectives of Ukrainian border regions integration into global value chains

General characteristics of Ukrainian border regions

Regions	Area, km ² (2017)	Population in Thousands, prs (2017)	Rural population (% of total population) (2016)	GDP per capita, euro (2016)	Average monthly wage, euro (2017)	Average pension, euro (2016)	Direct foreign investments per capita, euro (2017)
Volyn	20144	1038,457	47,8	1212,71	194,94	58,83	226,55
Lviv	21833	2529,608	39,1	1601,84	213,00	60,89	416,20
Zakarpattia	12777	1258,155	63	909,34	211,80	56,48	231,37
Ivano-Frankivsk	13900	1377,496	56,2	1315,57	202,44	59,61	584,69
Chernivtsi	33314	2383,075	33,2	1772,91	218,04	62,36	507,07
Odesa	8097	906,701	57	825,85	187,34	56,57	56,41
Border regions, total	110065	9493,492	49,4	1396,79	204,59	59,12	337,05
Ukraine, total	603628	42584,5	30,8	1975,80	236,77	64,62	814,81
% to Ukraine	18,2	22,3	-	70,7	86,4	91,5	41,4

Border regions development trends

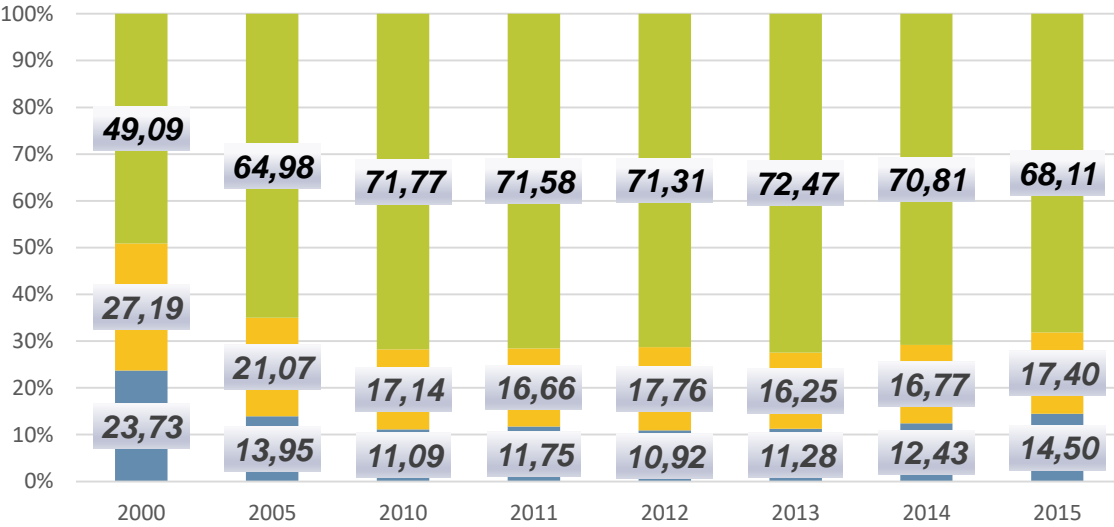
➤ *Average GRP per capita*



Average monthly salary

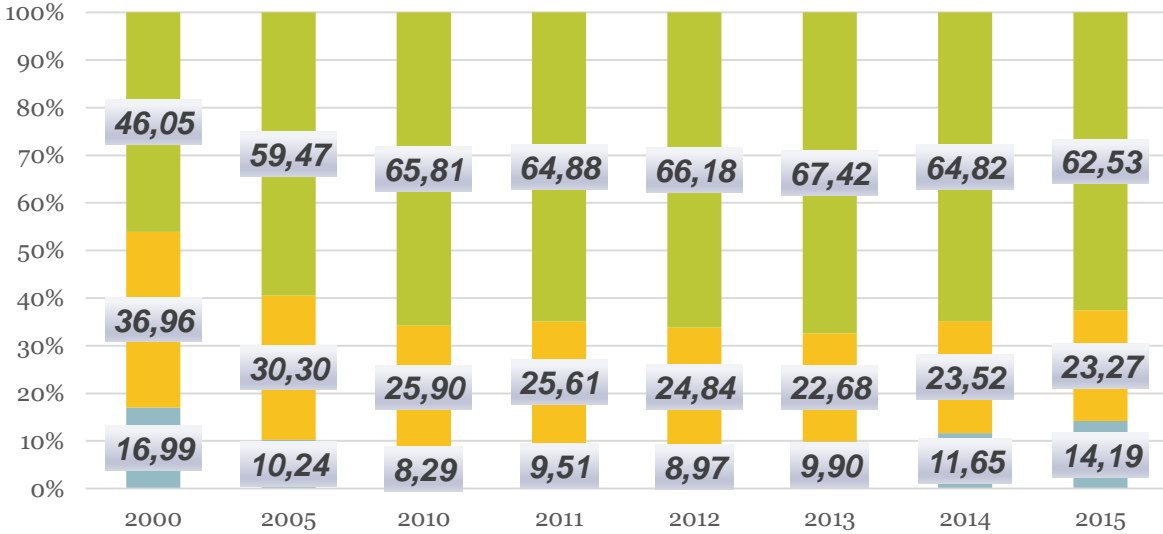
Comparing economic sectors' structure

➤ *Border regions*



■ Primary sector ■ Secondary sector ■ Tertiary sector

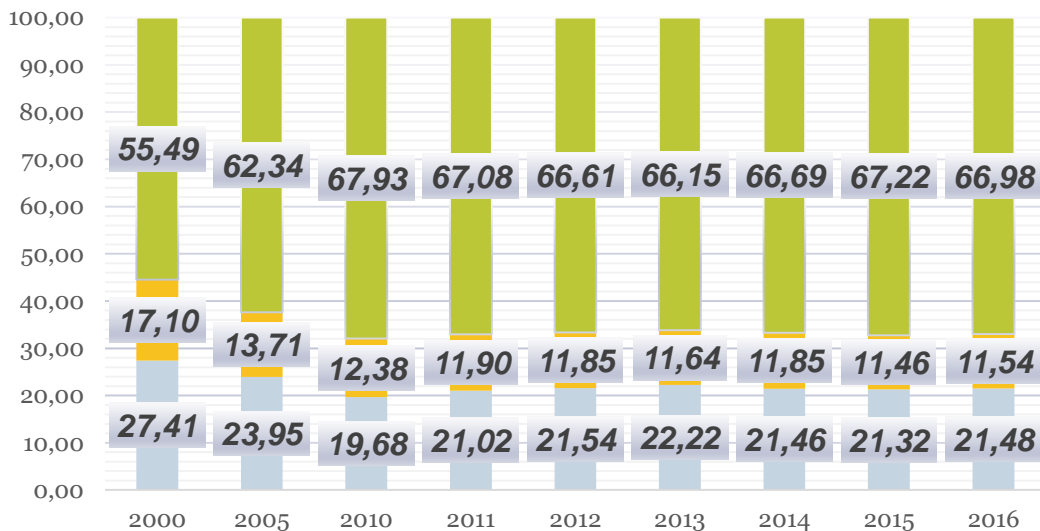
➤ *Ukraine total*



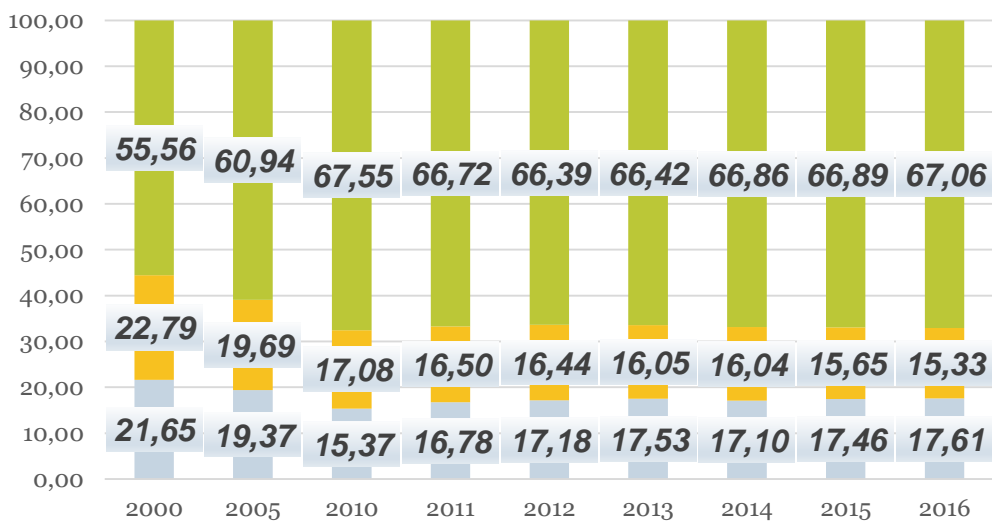
■ Primary sector ■ Secondary sector ■ Tertiary sector

Comparing employment structures

➤ *Border regions*



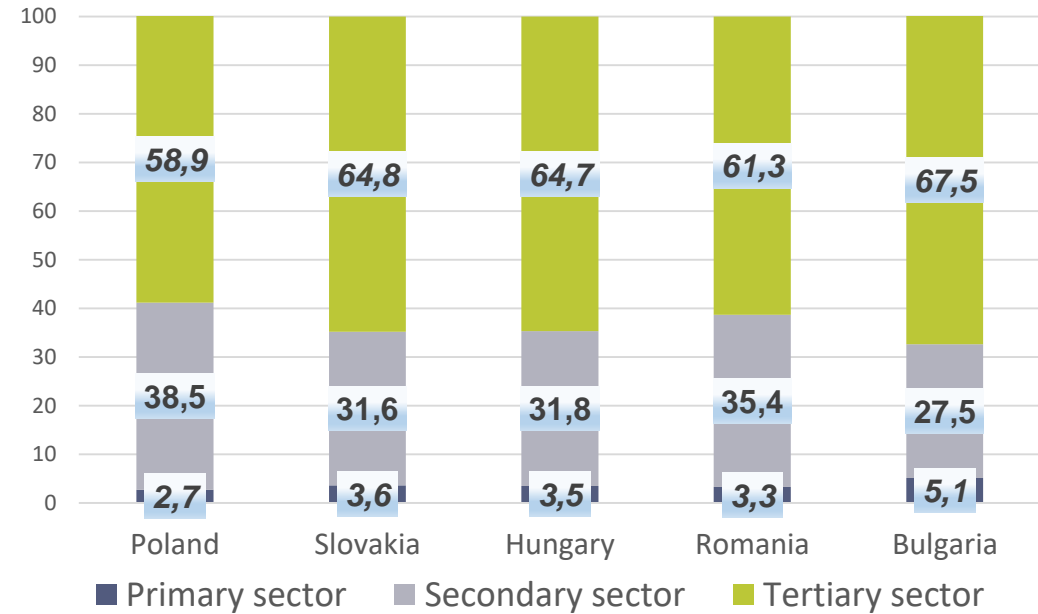
➤ *Ukraine total*



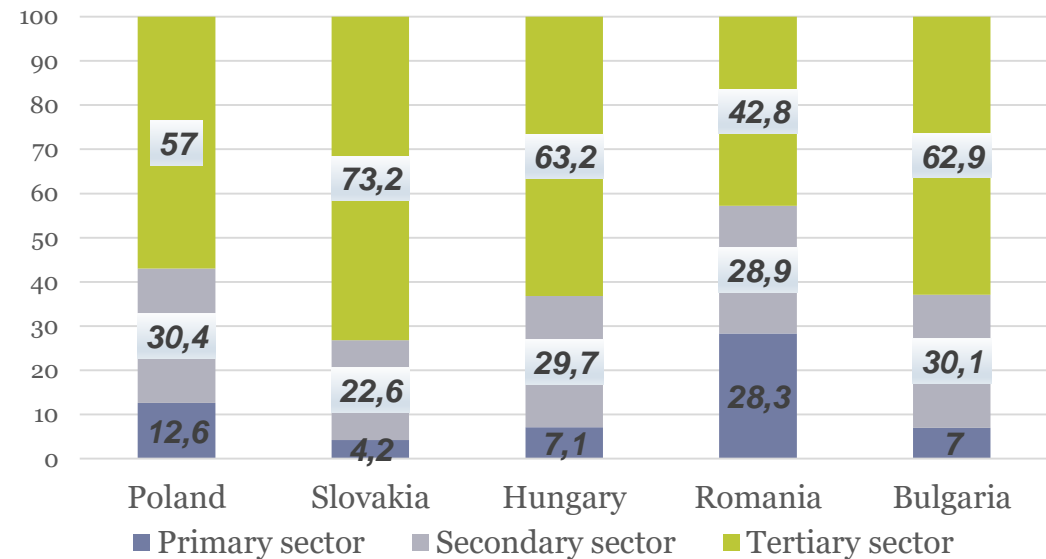
■ Primary sector ■ Secondary sector ■ Tertiary sector

The EU countries (2016)

➤ Economic sectors' structure



➤ Employment structure



The EU-Ukraine Association Agreement as key external factor that influences the border regions' economic development

Border regions' low trade openness

Economic relations' development between adjacent border regions of the EU-Ukraine cross-border area

Low investment activity of investors from neighboring EU countries in Ukrainian border regions

Trade openness

➤ *Share of exports of goods and services in GRP, %*

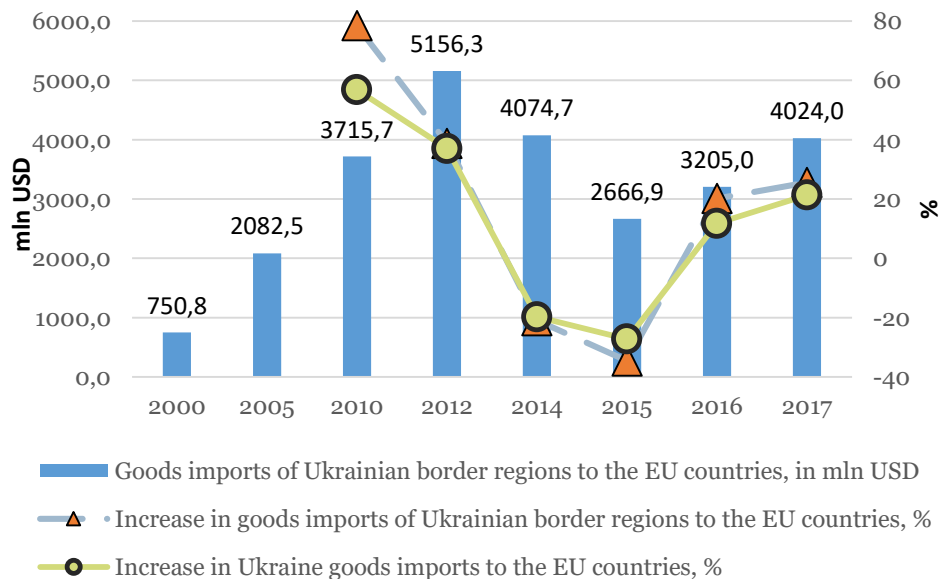
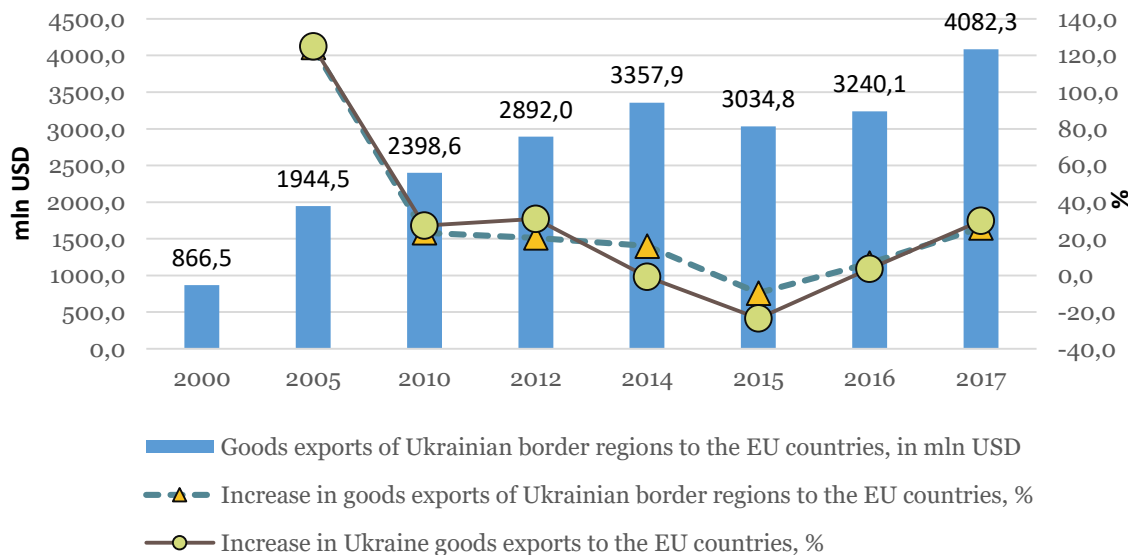
Regions	2000	2005	2010	2011	2012	2013	2014	2015	2016
Volyn	37,6	22,79	27,12	30,71	26,33	26,6	36,64	47,12	46,72
Lviv	32,5	21,19	21,34	21,5	21,3	21,29	27,98	36,36	36,39
Zakarpattia	57,54	44,67	62,53	64,68	54,16	59,48	78,05	96,83	106,52
Ivano-Frankivsk	36,04	44,02	22,67	30,61	21,78	13,01	17,47	19,93	29,82
Chervivtsi	24,9	12,55	8,9	9,76	8,16	8,27	11,41	15,2	15,19
Odesa	70,54	45,66	41,94	35,02	37,02	32,16	44,43	57,06	49,03
Border regions average	47,94	34,39	40,5	23,47	23,69	26,73	37,14	45,79	45,52
Ukraine total	57,77	46,86	46,86	50,37	46,89	42,64	49	52,58	49,36

➤ *Share of imports of goods and services in GRP, %*

Regions	2000	2005	2010	2011	2012	2013	2014	2015	2016
Volyn	111,3	53,5	35	48,9	41,7	43,9	38,6	44,04	80,63
Lviv	33,8	28,9	40	50,2	44,7	35	41,7	34,56	22,97
Zakarpattia	47,8	54,6	72	90,2	76,5	78,8	87,1	77,89	81,44
Ivano-Frankivsk	23,4	30,9	26,1	33,8	25,7	14,8	15,9	14,66	20,38
Chervivtsi	24,9	12,6	8,9	9,8	8,2	8,3	11,4	9,47	11,00
Odesa	36	42	54,8	43,3	56,2	42,5	9,5	24	28,98
Border regions average	41,1	37,9	44,1	46,9	46,2	37,8	38,3	31,82	40,01
Ukraine total	59,50	45,40	48,50	54,30	50,10	44,40	55,50	47,28	47,72

Trade with EU countries

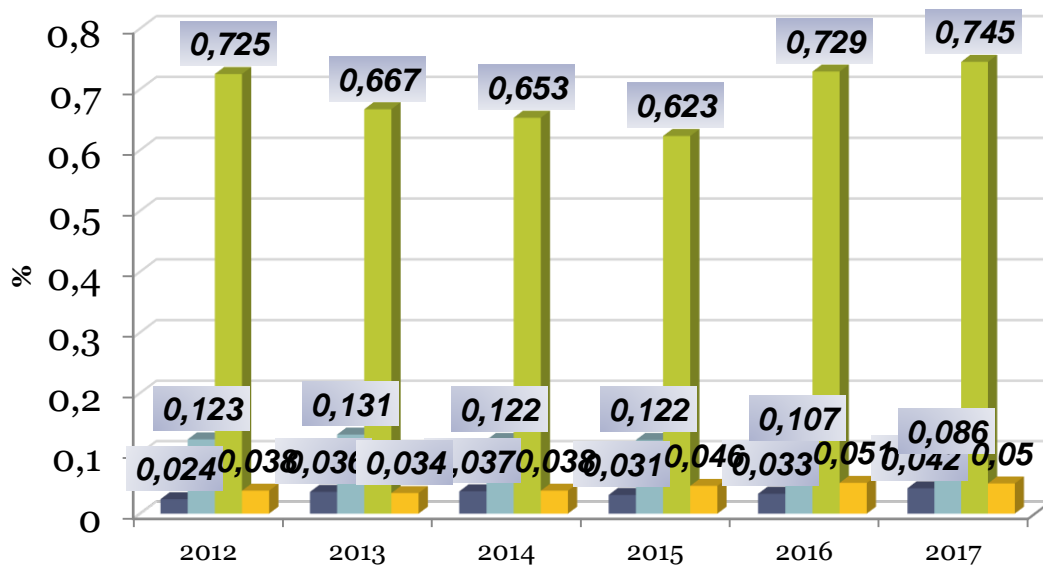
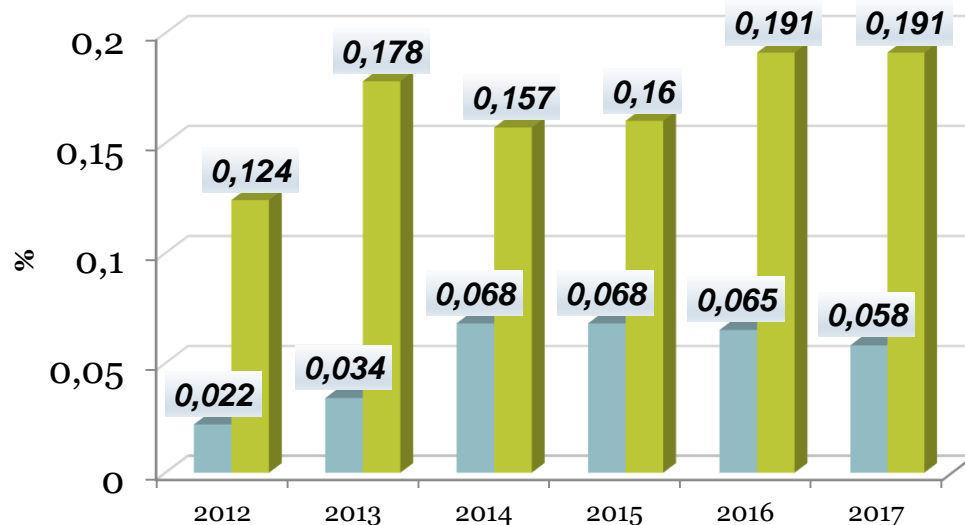
➤ Goods exports



➤ Goods imports

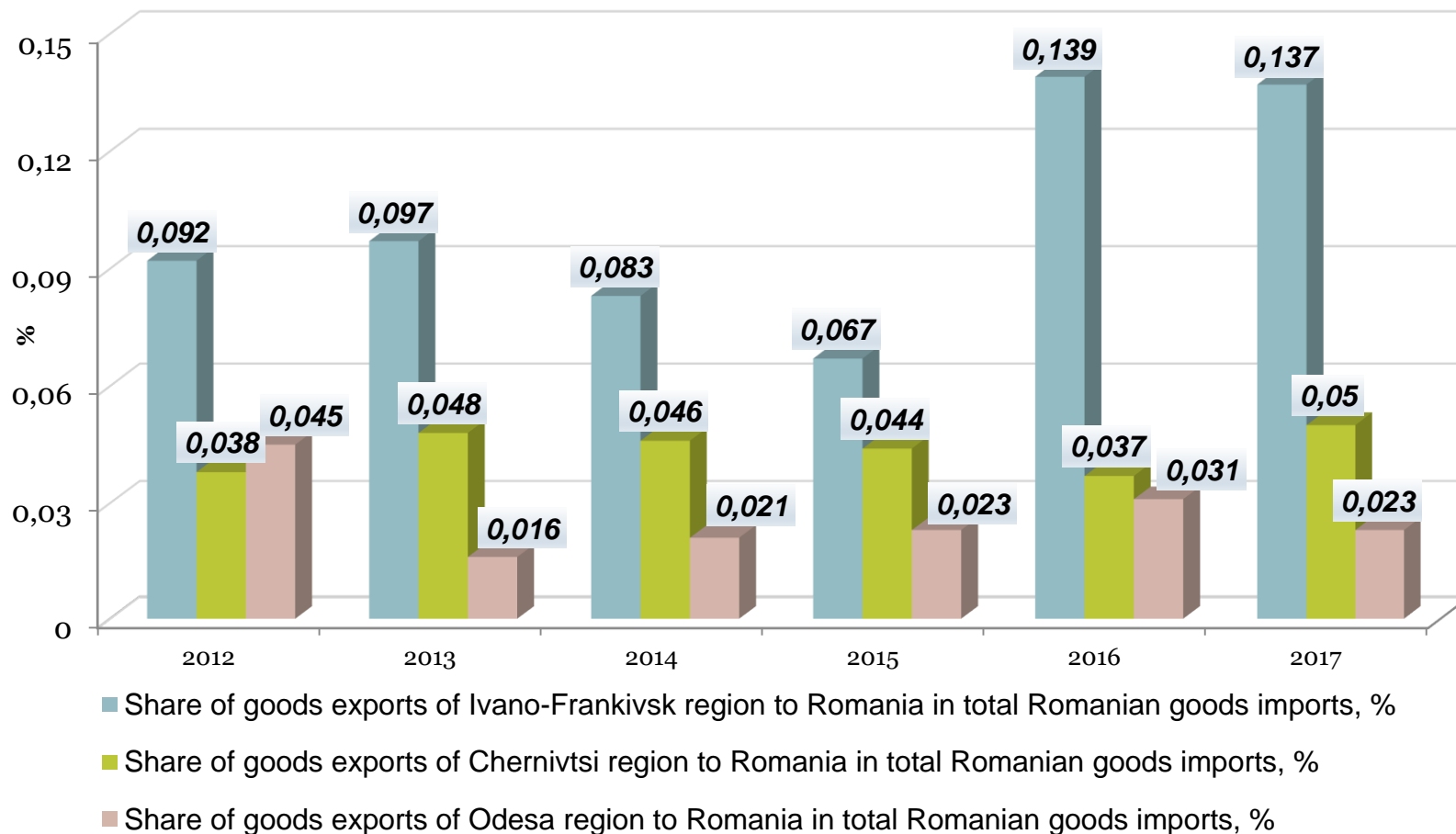
Integration of adjacent border regions of the EU-Ukraine cross-border

- Share of goods exports of Volyn region to Poland in total Polish goods imports, %
- Share of goods exports of Lviv region to Poland in total Polish goods imports, %



- Share of goods exports of Zakarpattia region to Poland in total Polish goods imports, %
- Share of goods exports of Zakarpattia region to Slovakia in total Slovakian goods imports, %
- Share of goods exports of Zakarpattia region to Hungary in total Hungarian goods imports, %
- Share of goods exports of Zakarpattia region to Romania in total Romanian goods imports, %

Integration of adjacent border regions of the EU-Ukraine cross-border area



Obstacles to socio-economic development of Ukrainian border regions*

- Lack of access to affordable credit resources;
- Poor logistic performance;
- Low labour productivity (low unit labour costs and low wages);
- Shortage of appropriately qualified workers;
- Considerable size of shadow economy;
- High level of corruption, etc.

***Socio-economic development of the border areas under the conditions of the EU-Ukraine Association Agreement : results of expert surveys, 2017**

Perspective directions of border regions' development

- **Formation of positive investment image of border regions;**
- **Domestic products promotion in the EU markets;**
- **Deepening integration into global value chains;**
- **Establishment of new spatial organisational forms of economic activities (cross-border clusters, etc);**
- **Development of cross-border transport and industrial infrastructure;**
- **Streamlining border traffic of goods and people;**
- **Effective use of all forms and instruments of cross-border cooperation, etc.**

THANK YOU!