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## **PROCESSES CHARACTERISTIC OF UKRAINE'S ECONOMY**

This article is devoted to the description of the economic situation in Ukraine. Two interrelated processes are characteristic of Ukraine's economy today, namely its transformation from the planned and centralized to the market-controlled. These processes are rather complicated, but there are all prerequisites for their effective accomplishment. Present-day independent Ukraine has a considerable potential to develop its economy and this is explained not only because of the favourable natural conditions, but also by the convenient geographical position in terms of international trade exchanges.

Ukraine is rich in natural resources. Some 4.2 billion of hydrogenous (brown) coal are to be found in the Dnieper Basin. Ukraine's iron and manganese ores are considered the richest in the world – primarily in the Kryvyi Rih Basin (up to 62%) and the Nikopol Basin.

Ukraine provides one-tenth of the planet's cast iron, one-eleventh of steel, and one-twelfth of sit coal.

Ukraine's enterprises conduct business transactions with partners in 137 countries, and the foreign trade turnover reaches \$ 27 billion (export – \$ 12.9 billion; import – \$ 14.1 billion). Major export items are metals, ores, coal, electricity, fertilizer, soda, cement, glass, construction materials, equipment, sugar, vegetable oil. Major import items are oil, gas, timber, nonferrous metals, cars, machines, knitted wear and garments, foodstuffs, medications.

Reforms, started in the national economy after the proclamation of independence, aimed at the establishment of an open market type structure, e. g. incorporating and privatizing enterprises, demonopolizing and restructuring the economy, liberalizing prices and foreign trade activities, denationalizing domestic trade and implementing banking reforms, restructuring the agrarian sector, switching from planned to market economic regulators. Reforms in the sphere of property are continued, aiding the development of the nongovernmental sector.

Today's industries are unable to satisfy the consumers' wants, because they are not integrated into the world process of economic, technological and scientific

progress. Characteristically, the national industries show low standard in processing raw materials; outdated and worn-out production equipment; unwillingness to accept progressive techniques and approaches, and lack of innovating initiative.

These and other problems are to be solved in the course of new economic reforms aimed at creating an open, effective market type economy.

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