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INTERSTATE COOPERATION OF UKRAINE AND THE REPUBLIC OF BELARUS AT THE PRESENT STAGE: A TRADE-ECONOMIC ASPECT

Summary. The article analyzes the interstate cooperation of Ukraine and the Republic of Belarus in the trade and economic dimension at the present stage. The economic component in the Ukrainian-Belarusian cooperation is a priority; its relevance is also dictated by globalization and integration trends that are taking place in the world at large and the region in particular. It is shown how, despite the dependence on external circumstances and processes, countries develop constructive economic relations in the new geopolitical conditions, guided by the traditions of economic partnership, pragmatic and mutually beneficial interest, thus filling bilateral interstate dialogue with the new content. Given the problems of the study, attention is paid to the legal framework of Ukrainian-Belarusian economic relations, in particular, the characteristics of key treaties and interstate agreements. Addressing the problems and tendencies of trade and economic cooperation between Ukraine and Belarus provided for the analysis of export-import operations in bilateral trade, dynamics of foreign trade turnover between the states, functioning features of joint Ukrainian-Belarusian enterprises, volumes of mutual investments, etc. Their disclosure made it possible to state that Ukraine and the Republic of Belarus maintain the level of strategic partnership in the economic sphere, and are interested in deepening and expanding the bilateral dialogue.

Keywords: Ukraine, Belarus, interstate trade and economic cooperation, foreign trade turnover, export, import.

МІЖДЕРЖАВНА СПІВПРАЦЯ УКРАЇНИ І РЕСПУБЛІКИ БІЛОРУСЬ НА СУЧАСНОМУ ЕТАПІ: ТОРГОВЕЛЬНО-ЕКОНОМІЧНИЙ АСПЕКТ

Анотація. У статті проаналізовано міждержавну співпрацю України і Республіки Білорусь у торговельно-економічному вимірі на сучасному етапі. Економічна складова в українсько-білоруському співробітництві є пріоритетною, її актуальність також продиктована глобалізаційними та інтеграційними тенденціями, що відбуваються у світі загалом, і регіоні, зокрема. Показано, як країни, попри залежність від зовнішніх обставин і процесів, у нових геополітичних умовах розбудовують конструктивні економічні відносини, керуючись традиціями економічного партнерства, прагматичним і взаємовигідним інтересом, наповнюючи новим змістом двосторонній міждержавний діалог. З огляду на проблематику дослідження приділяється увага договірно-правовій базі українсько-білоруських економічних відносин, зокрема, характеристики ключових договорів, міждержавних угод. З'ясування проблем і тенденцій торговельно-економічного співробітництва між Україною і Білоруссю передбачало аналіз експортно-імпорتنих операцій у двосторонній торгівлі, динаміку зовнішньоторговельного товарообігу між державами, особливості функціонування спільних українсько-білоруських підприємств, обсяги взаємних інвестицій тощо. Їх розкриття дало змогу констатувати, що Україна і Республіка Білорусь в економічній сфері зберігають рівень стратегічного партнерства, та зацікавлені у поглибленні й розширенні двостороннього діалогу.

Ключові слова: Україна, Республіка Білорусь, міждержавна торговельно-економічна співпраця, зовнішньоторговельний товарообіг, експорт, імпорт.

Problem setting. In the context of globalization and integration relations that are taking place in the modern world, establishing and deepening international cooperation, in particular, establishing bilateral and multilateral dialogue, are important prerequisites for states joining the world integration processes.

Since independence, Ukraine has been actively engaged in external cooperation, establishing close contacts with foreign countries. Special attention is paid to good neighborly relations with the Republic of Belarus. Both countries share common history, mentality and traditions. There is a good basis between the states for the development of mutual relations in various fields. However, trade and economic bilateral relations are the most dynamic.

The urgency of the research problem, in our opinion, lies in the rather ambiguous nature of relations between Ukraine and Belarus. On the one hand, the bilateral relations are characterized by a cyclical aspect, there is a lack of a stable cooperation strategy, characterized by the different foreign policy vectors of the two countries, and their dependence on the of relation levels with Russia, the EU, the USA, the regional economic integration processes and so on. On the other hand, in Ukraine and the Republic of Belarus there is a lot in common, related in historical, economic and cultural dimensions, that brings the countries closer together. They demonstrate a willingness to meet the challenges on the agenda in Ukrainian-Belarusian cooperation, and look for effective mechanisms for deepening ties.

In fact, the trade and economic sphere in the cooperation between Ukraine and Belarus shows how, despite the dependence on external circumstances and processes, countries develop constructive economic relations in the new geopolitical conditions, guided by the traditions of economic partnership, pragmatic and mutually beneficial interest, filling the new dialogue with the two sides. In view of this, it is important to analyze the dynamics of trade and economic relations between Ukraine and the Republic of Belarus, to reveal the main forms of bilateral economic cooperation in today's international conditions.

At present, the bilateral cooperation between Ukraine and Belarus depends on the position of the latter regarding the war in the east of Ukraine. The impartiality that Belarus recently maintains on this issue, and the fact that Minsk has become a platform for peace talks indicates a new impetus for the development of Ukrainian-Belarusian relations in the future. The situation concerning the war in Ukraine is tense though, and it does have its impact on the bilateral relations. As Belarusian researcher D. Yurchak rightly points out, the pro-European choice of a large part of the Ukrainian elite and the growing anti-Russian sentiment could not but negatively affect cooperation with Belarus, which continues to be Russia's closest ally in the nascent multipolar world. Although the Belarusian leadership seeks to minimize the consequences in Ukraine and soberly assess the situation, it is sometimes quite difficult to do so in the new geopolitical realities (Yurchak, 2018).

Analysis of the study. The historiography of modern bilateral Ukrainian-Belarusian relations is gradually accumulating. Naturally, it is based on the works of mostly Ukrainian and Belarusian researchers. The analysis of monographs and analytical articles has served in theoretical and practical understanding of the problem under study. It should be noted that political relations between Ukraine and Belarus are mainly the subject of scientific interest of researchers, generalizing works are also present, researching multilateral bilateral relations, including economic ones. At the same time, there are fewer papers that comprehensively analyze the trade and economic aspect of Ukrainian-Belarusian relations in the 1990s and 2019. Investigations of H. Maksak (Maksak, 2016; Maksak, 2010), S. Makeyev (Makeyev, 2013), S. Slyshova (Slyshova, 2002), O. Betliy, E. Preigerman (Betliy, Preigerman, 2016), S. Vasylyshyn (Vasylyshyn, 2019; Vasylyshyn, 2016), T. Polyovyi (Polyovyi, 2015), N. Sakir-Molochko (Sakir-Molochko, 2014) and others should be noted among Ukrainian scholars. The authors fragmentarily address the tendencies and problems of Ukraine and the Republic of Belarus in the economic sphere in the current conditions. As to Belarusian researchers, we consider Denis Yurchak's work "Belarus – Ukraine: 20 years of interstate relations" (Yurchak, 2012), published in 2012 well worth

pointing out. The monograph analyses trade and economic contacts of Belarus and Ukraine in the post-Soviet period, in particular, features of bilateral trade, joint ventures activities and more. The collective monograph of the Belarusian scientist Denis Yurchak and the Ukrainian researcher Hennadiy Maksak (Maksak, Yurchak, 2014), where the authors present their own vision on the history of bilateral relations of Ukraine and Belarus in 1991–2013, a factor of 2014 in the violation of tradition, challenges and dangers of effective cooperation, etc. D. Yurchak's article, "Belarusian-Ukrainian Relations in 1991–2017" published in 2018, (Yurchak, 2018), in which the author considers trade and economic factors in interstate cooperation, is quite informative. Our attention was also attracted by works of other Belarusian researchers: A. Tikhomirov (Tikhomirov, 2010), D. Demichev (Demichev, 2000), B. Zalesskyi (Zalesskyi, 2012), E. Buryk (Buryk, 2012) and others.

The purpose of the article is to substantiate trends and analyze the main components of Ukrainian-Belarusian trade and economic cooperation at the present stage.

Main material presentation. With the independence, the two countries faced almost identical challenges and had similar starting positions and were particularly interested in developing close and mutually beneficial cooperation (Yurchak, 2018). This is due to the geographical proximity of the two states, the presence of a common border, mutual interest in the production of goods, the absence of conflict in relations, and long economic traditions.

The history of interstate cooperation between Ukraine and the Republic of Belarus at the present stage states the priority of the trade and economic component in bilateral cooperation. Political differences that occurred in some places had no major impact on the nature of economic relations. This made it possible to increase bilateral trade turnover and to achieve successful results in trade and economic cooperation.

The emphasis on the development of economic cooperation between Ukraine and Belarus is linked to the differences in the foreign policy priorities of the two countries, which has defined the specific character of bilateral relations, in particular, the permanent dominance of the economic component in cooperation (Maksak, Yurchak, 2014: 6; 44).

It should be noted that the contractual legal base of Ukrainian-Belarusian relations now comprises of more than 200 international documents, of which more than half regulates the trade and economic sphere (Contractual legal, 2019). Among the fundamental ones we should mention the Agreement between the Government of Ukraine and the Government of the Republic of Belarus on trade and economic cooperation, signed in 1992, which provided for further strengthening and development of trade and economic relations between Ukraine and the Republic of Belarus, which are based on the principles of equality, mutual benefit and are exercised by concluding agreements between central and territorial bodies of public administration, directly between economic entities, regardless of ownership and organizational subordination with compliance to current legislation in both countries. Moreover, the contracting entities are responsible for fulfilling their obligations. Thus, in accordance with this agreement, every year a Protocol was agreed on the volume and procedure for regulating mutual supplies of the most important types of products between Ukraine and the Republic of Belarus (Makeyev, 2013).

The basic document on which bilateral cooperation between the two countries is generally based is the Treaty of Friendship, Neighborhood and Cooperation between Ukraine and Belarus of 17 July 1995 (ratified 16.05.97), which states: "... further development and strengthening of these relations meet the fundamental interests of the peoples of both countries and serve the cause of peace, security and progress, and are determined to continue building independent, democratic, states governed by the rule

of law ... seeking to re-establish their relations and strengthen the legal framework between both states according to the realities of international life...” (Treaty, 1997).

It should be noted that since April 12, 1996 the Intergovernmental Ukrainian-Belarusian Joint Commission on Trade and Economic Cooperation has been functioning. The Commission is one of the most active bilateral commissions existing in Ukraine, which coordinates issues of trade and economic cooperation, industrial and productive cooperation, promotion of mutual trade, cooperation in the agro-industrial and petrochemical sectors, in energy sphere, nuclear energy and electric energy in particular, energy efficiency and energy saving, interregional and border cooperation (Intergovernmental, 2017). The establishment and activities of the Commission, which holds regular sessions in Ukraine and Belarus, have a positive impact on the dynamics of bilateral trade and economic relations, as the institution monitors the state of economic cooperation and outlines its prospects.

On December 11, 1998, the Agreement between Ukraine and the Republic of Belarus “On Economic Cooperation for 1999–2008” (ratified on June 30, 1999) was signed, “... on the need for further strengthening and development of equal and mutually beneficial trade and economic relations, effective use of the economic, scientific and technical potential of the two states and enhancing the well-being of their peoples...” (Treaty, 1999). The Parties have agreed on the implementation of the Interstate Program of Long-term Economic Cooperation between Ukraine and the Republic of Belarus for 1999–2008, which has become an integral part of this Treaty.

Since the mid-2000s, the dynamics of signing bilateral agreements has been somewhat diminished, due to the fact that in previous years a rather broad legal framework was created that enabled the regulation of relations in various fields of cooperation (Yurchak, 2018). Since 2013, both states have been switching to roadmaps for a year or several years that address specific issues of bilateral cooperation, including coordinating economic cooperation and others. In addition, the results of the Intergovernmental Ukrainian-Belarusian Joint Commission on Trade and Economic Cooperation have resulted in protocols containing certain directions for deepening bilateral cooperation.

The main dominants of economic relations between Ukraine and the Republic of Belarus, as Ukrainian researcher S. Slyshova notes, are: trade in goods and services; cooperation in the field of the use of branched transport infrastructure (road and railways, merchant fleet and ports of Ukraine); cooperation in the military and technical sphere; implementation of scientific and practical measures to overcome the consequences of the Chernobyl accident; cross-border cooperation; industrial cooperation; creation of joint Ukrainian-Belarusian enterprises (Slyshova, 2002: 13).

The problematic issues at the stage of formation of interstate economic relations of Ukraine and Belarus were: the debt of Ukrainian economic entities to the Belarusian ones (in 1992 Belarusian enterprises transferred to Ukraine funds for the products that have never been shipped to them, although Ukraine at the state level never acknowledged the fact of existence of state debt to the Republic of Belarus), as well as the distribution of property of the former Soviet Union. In addition, in the early 1990s, there were crisis trends in the economies of the two countries, resulting in trade and economic transactions volume decrease between the two countries.

Only in the second half of the 1990’s bilateral contacts at the interstate level intensified, and trade and economic cooperation began to unfold. The intensification of Ukrainian-Belarusian cooperation during 1995–1997 was mainly due to a number of objective political and economic factors. However, the dynamics of bilateral economic transactions were at that time influenced by temporary factors, which were related both to the economic policies of the two countries and to the desire of the leadership of the Republic of Belarus to reduce the dependence of its economy on the supply of Russian raw materials and semi-finished products (Vasylyshyn, 2019: 214). In fact, mutual

interest in deepening bilateral relations contributed to the largest trade turnover in 1997, amounting to 1392.9 million USD (Makeyev, 2013). In 1998 however, it decreased by 266 million USD, further decreasing in 1999 by 38% to only \$ 696 million USD (Demichev, 2000: 76). Among other reasons, the decrease in foreign trade in Ukraine and Belarus was influenced by the adoption in 1999 by the leadership of both countries acts that changed the VAT collection scheme for imports (not based on the fact of sale of the goods, but at the time of their customs clearance), which in the conditions of limited working capital of exporters of Ukraine and Belarus, is quite problematic (Demichev, 2000: 77).

In 2000–2001, there was a decrease in the volume of export-import operations between the two countries, which was related, to a large extent, to problems in the Belarusian financial sphere, as well as a decrease in the export of Belarusian oil to Ukraine in 2001.

A characteristic feature of trade between Ukraine and the Republic of Belarus in 2002–2008 was a steady increase in trade. In 2008 it came close to 5 billion USD. Although, as noted by Belarusian researcher A. Tikhomirov, trade was unbalanced, there was an alternation of positive and negative balance (Tikhomirov, 2010: 44).

Thus, since 2002, there has been a marked increase in trade between Ukraine and the Republic of Belarus, with the exception of 2009, when the global economic crisis occurred, which had a negative impact on bilateral trade.

In 2010, Ukraine was one of the main trading partners of the Republic of Belarus and, in terms of trade, it ranked second among all trading partner countries. At that time, the trade turnover amounted to 4439.9 million USD. The share of Belarusian exports amounted to 2562.3 million USD, its imports – to 18776 million USD with a positive balance of 684.7 million USD (Maksak, 2010). During 2011–2012, trade turnover between the countries increased, in particular, reaching the highest level of 7.9 billion USD in 2012 (Ukraine and Belarus, 2017). Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Ukraine Valentin Velichko in an interview in January 2013, revealing the state of development of Ukrainian-Belarusian trade and economic relations in the 21st century, said: “The economic potentials of Ukraine and Belarus largely complement each other, and therefore, the main feature of the Belarusian-Ukrainian economic cooperation has for a long time been the dynamic development of bilateral trade. Over the last decade, trade between the two countries has increased almost tenfold and in 2012 approached a new record figure of 8 billion USD. This achievement is a confirmation that bilateral cooperation has long gone from a “pure” trade to a qualitatively new level of strategic partnership...” (Interview, 2013).

At the same time, the Ukrainian-Belarusian trade cooperation is characterized by periods of rise and decrease in export-import transactions. In 2013, as can be seen from Table 1, the turnover again approached the volumes of 2011, after which there was a tendency of its significant decrease (5.8 billion USD in 2014; 3.5 billion USD in 2015; 3.8 billion USD in 2016). The latter was caused by a general economic downturn in both countries, which was significantly influenced by the situation in Ukraine, the imposition of anti-Russian sanctions by the West and the Kremlin’s response to the actions of both the EU and the USA (Yurchak, 2018).

Table 1

Foreign trade of goods and services between Ukraine and the Republic of Belarus (USD million)

	2013	2014	2015	2016	2017	2018	1st Q 2019
Exports	2104,64	1714,5	947,51	985,2	1253,7	1418,2	372,3
Imports	3704,76	4153,92	2527,91	2852,8	3300	3903,2	785,5

Foreign trade turnover	5809,41	5868,42	3475,42	3838,0	4553,7	5321,4	1157,8
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(Trade and Economic, 2019)

Table 1 shows that since 2016, trade between Ukraine and the Republic of Belarus has increased by 16–20%, amounting to 3.8 billion USD in that year, 4.6 billion USD in 2017, and 5.3 billion USD in 2018 (Trade and Economic, 2019). This positive trend is indicative of the search by the states for an effective mechanism for deepening bilateral relations, and maintaining stable and mutually beneficial trade and economic relations.

Therefore, according to the results of 3 quarters in 2015, for Ukraine Belarus was the second partner among the CIS countries in terms of turnover (after Russia) and sixth among the world countries (after Russia, China, Germany, Poland and Turkey) (Maksak, 2016). According to the State Statistics Committee of Ukraine, among the trading partners of our country, the Republic of Belarus, in the first quarter of 2019, ranked second among the CIS countries and fourth in the world (after China, the Russian Federation, Germany) (Trade and Economic, 2019). According to the Roadmap, developed by Belarus on behalf of two presidents, the volume of trade is planned to be at least 8 billion USD in 2019. Thus, the foreign economic relations of the Republic of Belarus and Ukraine continue to maintain the level of strategic partnership, and the countries are important trading partners (Trade and Economic, 2019).

The tendency characteristic for 2013–2016, as we can see from Table 1, was the fall of Ukrainian exports. Only in 2017–2018 was it possible to achieve growth of Ukrainian exports to the Belarusian market. At the same time, Belarus was one of the main importing countries in Ukraine. Thus, in January – April 2016 Belarus ranked the fourth, with its total imports volume share of 6.8% (791.7 million USD) (Main Trading, 2016). Therefore, the results of bilateral cooperation are ambiguous: on the one hand, Ukraine had a negative balance in trade with the Republic of Belarus. This is explained, in particular, by the fact that Belarus is the main supplier of fuel and lubricants to Ukraine. On the other hand, as noted by the Ambassador of Ukraine to the Republic of Belarus, Ihor Kyzym, a positive trend was the increase of exports from Ukraine to Belarus in the fields of food industry, transport, electronics, and the diplomat noted considerable potential for the export of Ukrainian metal products (Ihor Kyzym, 2019).

By volume of investments Belarus was ahead of Ukraine, in particular, as of January 1, 2016, the volume of Ukrainian investments in the economy of the Republic of Belarus amounted to 4.04 million USD, while the Belarusian entities in Ukraine accumulated investments of 31.47 million USD (Maksak, 2016). As of April 1, 2019, the situation has not changed: Belarus has invested 36.6 million USD in Ukrainian economy (as of January 1, 2019, 33.8 million USD was invested). As of April 1, 2019, the volume of Ukrainian investments in the economy of Belarus amounted to 2.7 million USD (2.7 million USD invested as of January 1, 2019) (Trade and Economic, 2019).

The significant difference in investment volumes is mainly due to the effect of international sanctions on some enterprises, the actual absence of private property in Belarus, which significantly narrows the space for investment and reduces the investment attractiveness of the country (Poliiovyi, 2015: 164). At the same time, the dynamics of growth of Belarusian investment in Ukrainian economy is positive, which testifies to the attractiveness of Ukrainian market, and contributes to the deepening of bilateral economic cooperation.

It should be noted that the commodity structure in bilateral trade varies from year to year depending on the level of development of import substitution and displacement of

competitors, protectionist measures, temporary or permanent reorientation to the markets of Russia and other countries (Tikhomirov, 2010: 6). In the 1990's the basis of Belarusian exports to Ukraine was tractors, trucks, oil products, refrigerators, bicycles, motorcycles, fertilizers, chemical fibers, polyethylene, textiles, knitwear, shoes, furniture, pile cloth, artificial fur, etc. Traditional articles of import of the Republic of Belarus from Ukraine were ferrous metals and products from them, finished food products, including sugar, tobacco and its industrial substitutes, plastic, rubber, rubber products, products of plant origin, including grain, and other goods (Demichev, 2000: 76). It should be noted however, that in the second half of the 1990's the most rapid was the increase in exports of Belarusian refined oil goods to Ukraine, which sales doubled in kind in 1996-1998 and accounted for 65% of the total price of Belarusian exports to Ukraine at the end of 1998 (Makeyev, 2013). Subsequently, in 2013, Minsk sold about 3 billion USD worth of petroleum products to Ukraine, accounting for almost 70% of total exports to our country (Maksak, 2016). Note that this trend was observed in the following years.

In the 2000s, the main groups of goods exported from Belarus were oil, fertilizers, machinery, equipment, vehicles, textiles, and chemical products. Agricultural products, precious metals and their products, machinery, equipment, mechanisms, chemical products, mineral products prevailed among imported goods. Since 2005 Belarus has been importing Ukrainian electricity. In addition, a distinctive feature is that the nomenclature of goods involved in trade between countries has increased significantly by 2013, which allows us to note the expansion of presence in each other's markets (Maksak and Yurchak, 2014: 28).

It should be noted that so-called "trade wars" periodically occur between Ukraine and the Republic of Belarus, the most recent taking place in 2013 and 2018. (Lavnekovich, 2018). However, the parties are constantly seeking ways out of them, as they continue to be important foreign trade partners with a fairly high level of export-import operations.

One of the important forms of Ukrainian-Belarusian economic cooperation is the development of industrial cooperation and the creation of joint ventures. At present, there are about 300 joint ventures with Ukrainian capital in Belarus. There are approximately 100 Belarusian-owned enterprises operating in Ukraine (How Ukraine, 2018).

It should be noted that the following Belarusian enterprises-flagships of industrial production are present in Ukraine: Minsk Automobile Plant, BelAZ, Minsk Tractor Plant, Belenergo, Gomsilmash, Lida Agricultural Machinery Plant. Among the large Ukrainian enterprises in Belarus are the interests of Naftogaz of Ukraine, Leninska Kuznya (Lenin's Forge) Plant, Poltava Turbo-Mechanical Plant, Interpipe Corporation, Donetsk Metallurgical Plant, Kryukovsky Railway Works, Metinvest Holding (Maksak, Yurchak, 2014: 6).

Currently Belarusian tractors are assembled at two Ukrainian factories: Leninska Kuznya in Kyiv and TekhnotorgDon in Mykolaiv. Joint production of elevators, wagons and electrodes is being carried out. In addition, Bobruiskisilmash and Lidagroprommash (Valion, 2014: 189) agricultural machinery plants are operating in Dnipro, and the production of agricultural machinery and aggregates from Belarussian components has been organized. Therefore, starting from 2004, every fourth tractor sold in Ukraine has been locally assembled (Maksak, Yurchak, 2014: 29).

Today, Ukraine is cooperating with Belarus to create a large production cooperative in order to enter new markets of the European Union. On this occasion, Hennadiy Zubko, Deputy Prime Minister – Minister of Regional Development, Construction and Housing and Communal Services of Ukraine, said at the First Forum of the Regions of Ukraine and Belarus in Gomel on October 25–26, 2018: "Today the quality of Belarusian and Ukrainian goods allows you to see and explore completely different

markets – the markets of the European Union” (Production cooperation, 2018). He stated that the most promising areas for the creation of industrial cooperation are engineering, energy and agro-industrial complex (Production cooperative, 2018).

Joint Belarusian-Ukrainian cooperation was emphasized by Belarusian President Alexander Lukashenko, who believes that mechanical engineering is among the promising spheres of cooperation between the countries. He suggested at the First Forum of the Regions of Ukraine and Belarus that “Belarus is ready to share with Ukraine its experience in infrastructure modernization: in the improvement of communal services, renovation of the passenger and special machinery fleet, road construction, in all those areas in which Ukraine has a need” (How Ukraine, 2018). According to him, the Belarusian side is ready for close cooperation with Ukrainian mining and metallurgical complex. In 2017 alone, more than 2,000 tractors, 90 harvesters and 500 elevators were manufactured at joint assembly plants in Ukraine. Meanwhile Belarus buys metal in Ukraine and a wide range of components for its machine-building complex. “Without the participation of the regions of our countries, cooperation projects would be devoid of practical content. However, we can work not only in the markets of our countries. Probably this approach would be too simple for our economies located in the heart of Europe, at the crossroads of major trade routes and involved in major regional integration projects. The focus should be on creating joint ventures that produce products for third-country markets,” said A. Lukashenko (How Ukraine, 2018).

Note that the Second Forum of the Regions of Ukraine and Belarus is scheduled to be held this October. This format of cooperation is new, which is important because with the successful implementation of the decentralization policy, more and more regions of Ukraine can enter into direct cooperation with the regions of Belarus (Ihor Kyzym, 2019).

The Ukrainian-Belarusian economic cooperation is multidimensional and covers various forms of bilateral cooperation. In this context, interregional and cross-border cooperation between regions, areas, cities and individuals is important and promising. The presence of a common border promotes closer communication between the two states at these levels, and has a positive effect on mutual interstate dialogue.

Creation of various cooperation projects within the framework of the established cross-border Euroregions has become a new form of regional cooperation for Belarus. In 1998 the Brest region joined the “Bug” Euroregion project, in which the Lublin Voivodeship of Poland and the Volyn Region of Ukraine already participated. Subsequently, in 2003 the leaders of the Gomel, Bryansk and Chernihiv regions announced the creation of a new Euroregion “Dnipro” (Maksak, Yurchak, 2014: 29).

In the context of regional cooperation, mutually beneficial economic projects are implemented, and active border trade is promoted, which contributes to the socio-economic development of border areas. Although there are a number of problems that make it impossible to fully exploit the potential of the subjects of cross-border relations, the creation and functioning of Euroregions has led to a significant intensification of cross-border links between its participants: regions as a whole as well as various institutions and organizations of these regions (Sakir-Molochko, 2014: 277).

Conclusions. It is obvious that the current format of Ukrainian-Belarusian relations takes place in the context of the challenges and prospects facing both countries. It mainly focuses on “topical issues of bilateral cooperation”, among which trade and economic cooperation is important. Ukraine and Belarus in the economic sphere reached the level of strategic partnership; the highest turnover between them amounted approximately to 8 billion USD in 2012. Currently, mutually beneficial Ukrainian-Belarusian economic projects are being implemented, joint ventures are successfully functioning, investment in bilateral cooperation is increasing, cross-border cooperation is carried out, which suggests that there is considerable potential for trade and

economic cooperation between states for decades to come. Therefore, both states are interested in deepening and expanding the Ukrainian-Belarusian dialogue.

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