

GEOGRAPHICAL ASPECTS OF THE BRANCH STRUCTURE TRANSFORMATION OF UKRAINE'S INDUSTRY IN THE CONDITIONS OF WAR AND TERRITORIAL LOSSES 2014-2016

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The structure of the economy as a whole and the branch structure of industry in particular are determine the progress, efficiency and stability of the country's economic development. Changes of structural proportions of the economy can provide both economic growth of the state and the welfare of its population or the decline of many branches of the economy and the impoverishment of inhabitants of the country. The need to study the geographical features of the branches structure transformations of the industry of Ukraine is associated with the need to improve social and economic development in the difficult geopolitical conditions of recent years.

The most significant structural shifts of the industry of Ukraine were occurred during 1990-2000, over a severe economic crisis and a significant drop in the income level of the population. At this stage, the share of machine building and metalworking into industrial complex was decreased by 17.1%, light industry – by 9.2%, food and flour-grinding – by 4.3%, that is, the share of those industries that are work on the final consumer and have a sufficiently high level of science and technology.

During 2000-2012 the structural changes of industry were slowed down, the most active transformations occurred due to the growth the share of production and distribution of electricity, gas, steam and air conditioning supply – by 10.8%, and the reduction the percentage of metallurgy and production of finished metal products by 7%. At the same time the manufacture of coke and refined petroleum products (0.8%) were continued to increase, which increased of their percentage into the total structure of Ukraine's exports. In turn, the percentage of light industry was declined from 1.7% to 0.7% that is more than doubled. The value added created in mechanical engineering was also decreased from 11.3 to 10.2%.

According to the results of 2013 in the structure of industry by volume of industrial products sold of the half of Ukraine's regions was dominated the food processing industry. Moreover, in Vinnitsa, Kirovograd and Chernihiv regions percentage food processing industry reached 50-60%. In six regions (Chernivtsi, Kyiv, Ivano-Frankivs'k and Rivne regions, cities of Kyiv and Sevastopol'), because of the weakness of other branches of industries, were dominated the electricity, gas, steam and air-conditioning supply. In Dnipropetrovs'k, Donetsk, Luhans'k and Zaporizhzhia regions were dominated the manufacturing of basic metals, in the Transcarpathian region the largest percentage into the cost of total volume of industrial products sold had mechanical engineering (45%), in Poltava – the chemical industry (26.8%), and in Sumy region – the highest share (25.7%) had the mining and quarrying. The share of the largest industrial regions in the total value of industrial

production of Ukraine was declined (Donets'k region – from 21.43% to 16.37%, Luhans'k region – from 6.64% to 5.39%, Zaporizhzhia region – from 7.36% to 5.82%, etc.), but percentage of non-industrial regions in total volume of industrial products sold of the country was increased.

Today, by the volume of industrial products (goods, services) sold, the industry of Ukraine is based on four large branches: 1) the electricity, gas, steam and air-conditioning supply (26.9% of the total value of industrial products sold at the end of 2016), 2) manufacture of food products, beverages and tobacco products (21.4%), 3) manufacture of basic metals and fabricated metal products (14.8%), 4) manufacture of chemicals, chemical products and refined petroleum products (12.2%), accounting more than 75% of the cost of industrial products sold. For the period 2014-2016 the industrial complex of Ukraine there have been significant structural changes, and the percentage of some branches in it were changed, which affected the structure of the Ukraine's volume of industrial products sold by the main types of activity.

After the loss of Crimea and a large part of the Donets'k and Luhans'k regions, the capital of Ukraine – Kyiv came first in terms of the volume of industrial products sold in Ukraine with the percentage 18.14% of all. Dnipropetrovs'k (16.09%) and Donets'k regions (9.88%) followed Kyiv. However, it should be noted that in Kyiv, in the structure of industry is dominated the electricity, gas, steam and air-conditioning supply (more than 60%), which into to industry can be attributed very conditionally.

Geographically, Ukraine's industrial production has large disproportions, in part due to the traditional specialization of regions and the capabilities of individual branches. The first three regions with the largest share in the total cost of industrial products sold, as mentioned above, are the Dnepropetrovsk and Donetsk regions and the city of Kyiv. Regions with a developed mining industry, primarily the Kharkiv (7.16%) and Poltava region (6.72%), together with the Zaporizhzhia region (7.12%), where metallurgy is dominant, constitute the second industrial "echelon". All other regions have a specific weight from 0.44% (Chernivtsi region) to 4.81% (Kyiv region) – mainly within 1-3%.

Summarizing we can be said that the war and the territorial loss of 2014-2016 further deteriorated the branch structure of Ukraine industry, as evidenced by the dominant growth of the sector of low- and medium- level technologies and diversion of the domestic demand for imported products. If in 2010 the percentage of high-tech products was amounted to 19.5% of the total volume of products of the processing industry, in 2016 it has been only 17.3% (low-tech – 34.9% and 42.9%, medium-tech – 45.6% and 39.8% respectively). The dominance of low-tech branches characteristic for an industrial society has been increased, and these branches are do not needed of highly qualified specialists.