

# НАПРЯМ 10. МІЖНАРОДНІ ЕКОНОМІЧНІ ВІДНОСИНИ

**Ishchuk Mykhailo**

*Senior Lecturer at the Department  
of Customs and Commodity Research,  
State Tax University*

DOI: <https://doi.org/10.36059/978-966-397-367-8-47>

## **THE IMPACT OF CUSTOMS POLICY ON TRADE DYNAMICS IN UKRAINE'S AUTOMOBILE SECTOR**

The purpose of this study is to examine the trade dynamics of Ukraine in the automobile sector with its top five trading partners using the method of mirror statistics. Understanding the intricacies of trade dynamics is crucial for evaluating economic relationships and identifying areas for improvement. In Ukraine's automobile trade, differences between imports and exports with key partners provide important clues about market trends and policy effects.

For instance, Polese et al. [1] conducted an extensive study exploring various aspects of Ukraine's shadow economy, including its structure, sectoral composition, and regional variations, shedding light on factors influencing its growth. Their research provides a foundational understanding of the economic landscape, highlighting the significance of considering shadow economy factors in economic analysis. Schneider and Buehn's work [2] sheds light on estimating the shadow economy's size using the discrepancy method applied to tax compliance data. Moreover, Schneider and Enste [3] emphasize that a burgeoning shadow economy can distort economic policy based on erroneous «official» indicators such as unemployment, labor force, income, and consumption.

However, it is evident from the bibliographic analysis that existing studies have provided limited insights into the methods used to determine the extent of the shadow economy and the impact of customs and tariff taxation on Ukraine's economy. This gap in the literature underscores the

need for further investigation and analysis. In addition to shedding light on trade dynamics, this research seeks to elucidate the impact of customs and tariff regulations on Ukraine's automobile sector. By analyzing import and export data within the context of evolving customs policies, the study aims to provide insights into the effectiveness of current regulatory frameworks and their implications for trade relations with top partners.

Examining the trade data will illuminate the significant disparities between import and export values in the Ukrainian automobile sector with its top five trading partners, underscoring the intricate interplay of market dynamics and regulatory frameworks. In 2022, according to Trade Map, Ukraine's automobile imports from Germany totaled 45.90 units, while exports stood at 23.39 units, resulting in a significant import-export difference of 22.51 units. Similarly, with the USA, the import-export difference was 19.07 units, indicating a notable disparity between imports (28.88 units) and exports (9.81 units) [4]. Japan also showed significant differences, with an import-export gap of 15.43 units in the same year. China and Poland showed import-export differences of 2.59 units and -20.68 units, respectively, in the same year, reflecting varying trade dynamics.

These disparities fluctuated over 2018–2022, influenced by economic conditions, policy changes, and evolving customs-tariff regulations. For instance, the introduction of a preferential import duty regime for vehicles from April to June 2022, with rates set at 0%, significantly influenced trade dynamics. This resulted in a notable widening of the gap between imports and exports across various trading partners.

The analysis highlights the pressing need for ongoing monitoring and evaluation of trade flows within the automobile sector. It stresses the importance of policymakers and stakeholders collaborating to implement measures that support fair and transparent trade practices, considering the implications of customs-tariff regulations. Furthermore, it recommends further investigation into the factors contributing to import-export disparities, particularly in light of policy changes and market dynamics. Understanding these dynamics enables informed decision-making to optimize trade practices and foster economic growth. This outcome offers valuable insights for policymakers, trade analysts, and stakeholders

involved in shaping trade policies and advancing international economic relations, with a specific focus on the role of customs-tariff regulations in shaping trade dynamics.

### **References:**

1. Polese A., Moisé G.M., Lysa O., Kerikmäe T., Sauka A., Seliverstova O. (2022) Presenting the results of the shadow economy survey in Ukraine while reflecting on the future(s) of informality studies. *Journal of Contemporary Central and Eastern Europe*, no. 30(1), pp. 101–123. DOI: <https://doi.org/10.1080/25739638.2022.2044585>
2. Schneider F., Buehn A. (October 31, 2013) Estimating the Size of the Shadow Economy: Methods, Problems and Open Questions. *CEifo Working Paper Series*, no. 4448. DOI: <http://dx.doi.org/10.2139/ssrn.2353281>
3. Schneider F., Enste D. (2000) Shadow economies around the world size, causes, and consequences. *IMF Working Paper*. Available at: <https://www.imf.org/external/pubs/ft/wp/2000/wp0026.pdf>
4. Trade Map. Automobiles and other motor vehicles primarily intended for the carriage of people. Available at: [https://www.trademap.org/ProductRev\\_SelProduct\\_TS.aspx?nvpm=1](https://www.trademap.org/ProductRev_SelProduct_TS.aspx?nvpm=1)