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FORMATION OF THE UNION MARKET OF PRODUCTS OF THE EU: EVOLUTION AND LIBERALIZATION

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DOI: <https://doi.org/10.30525/978-9934-588-39-6-50>

The common market of the countries of Europe was established by the Treaty of Rome, according to which, the opportunities for free trade of goods within the European Community should be formed. Such step has made it possible to create a strong foundation for the formation of a common economy, however, as in any movement towards integration, the formation of a single market of goods was accompanied by certain problems. That is why, although today it is believed that the EU common goods market has already been formed, there remain outstanding issues that require the development of additional regulatory documents and an agreed policy among EU governments.

Initially, the free movement of goods was an element of the customs union, later emphasis was placed on removing all barriers to the freedom of

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movement of goods. Among the main barriers should be: physical barriers, technical barriers, fiscal barriers, multicurrency, control of the market.

Physical barriers are the barriers associated with border control and customs control of the movement of goods and the movement of individuals. Their removal meant the elimination of border customs posts at the internal borders between countries and the movement of border posts to the EU's external borders. According to experts, to the formation of the common market of goods in the Community, annually lost close to 9-11 billion ECU. Solving the problem of physical barriers in the mutual economic relations of the countries allowed to annually save the mentioned amount and reduced the time of delivery of goods. In addition, there were significant administrative barriers – companies were forced to fill out 10 types of forms of foreign trade documents in all EU countries [1, p. 88-82].

Customs formalities were abolished in the period 1985-1992, including the simplification of transit procedures, and the introduction of joint border posts at the external borders. In 1988, a common administrative document was introduced that simplified administrative formalities. In general, since January 1993, physical barriers have been removed, which facilitated the conduct of trade operations in Europe, reduced the time for delivery and the cost of trade in goods [2, p. 56-58].

An important issue was the solution to the problem of harmonizing national tax systems. In the EU, the existence of different tax rates on the profit of enterprises and individuals, VAT rates, excise duty creates barriers to the mobility of four factors (goods, services, capital, labor) and the efficiency of the functioning of the domestic market. In April 1967, two directives were adopted that formed the framework for the introduction of a common multi-stage value added tax, which gave member states the right to determine the rates and basis for calculating VAT. But the countries were not able to agree on the introduction of a common VAT rate. The Sixth VAT Directive (1977) defined the general tax base and detailed terms of the common tax base, as well as transitional conditions. In January 2007, the Sixth VAT Directive replaced the VAT Directive, which united all legislative acts into a common framework. The right to determine the VAT rate has been retained for member countries [2, p. 59-61; 3, p. 101-103].

The fixed minimum rate (running since 1997) is 15%. Therefore, VAT is calculated on the basis of the country of origin. The strategic goal of the transition system is to develop a general system of VAT, in which the tax is levied by the seller of the goods on the principle of the country of origin. But the transition to a single system does not mean the introduction of a uniform VAT rate, which varies considerably from one state to another [4, p. 45; 5, p. 68-69].

Potential creation of a single tax system should have the following consequences: for companies and individuals – tax cuts; solving the problem of double taxation of companies operating in several partner countries; solving this problem with physical and financial resources involved in cross-border operations and transactions.

But with all the benefits of such a system, it has disadvantages: inadequate economic priorities of individual countries, which can not but affect the differentiation of tax rates; the national tax sovereignty of each state requires the control of national tax systems, which reduces the possibility of supranational regulation and decision-making.

After the abolition of customs formalities and border control, technical barriers remain the main obstacles that remain in the way of achieving the ultimate freedom of movement of goods. They have a great diversity in individual countries and are constantly evolving.

Technical barriers include numerous and nationally regulated industry and industrial standards, sanitary and veterinary and phytosanitary standards, technical safety requirements, health standards, etc. They are subject to harmonization, which began in mid-1968, since the completion of the Customs Union. In the end, it was decided to use two directions [6, p. 73-76]:

- harmonization of national technical standards in accordance with international standards;
- introduction of the principle of mutual recognition.

Since 2007, the new approach to product technical harmonization covers more than 20 industries (electrical goods, radio and telecommunication equipment, toys, medical equipment, construction materials, high-speed rail systems). The aggregate turnover of the new approach exceeds 1,500 billion euro annually.

Since 2010, a new legislative strengthening for the free movement of goods has entered into force, which defined the tools for the introduction of the European-wide marking and sanction in case of violation of norms and rules. However, there were still problems, among which it should be noted [7, p. 92-96; 8, p. 86]:

- Lack of certainty about the importance of this principle.
- Legal uncertainty about the scale of regulation of this principle.
- Risk for entrepreneurs in another EU member state, that is, exporters do not have clear, comprehensive information on market access, including the possibility of mutual recognition.
 - Lack of dialogue between the national authorities of different countries on the issue of technical regulation of products.
 - Taxes and other measures equivalent to quantitative restrictions and customs duties.

Thus, the EU court has determined the principle that any product that is legally produced and sold in a country that is an EU partner should have free access to the EU market.

Importance in implementing the principle of free movement of goods is the introduction of a control system for the single market, which led to a decrease of 2.1% of the total number of violations of the functioning of the single market [1, p. 71].

Before the introduction of the single currency of the euro in non-cash payments (January 1, 1999) and cash turnover (as of January 1, 2002), the multicurrency was kept in the EU countries. The presence of many national currencies was seen as a factor in the main costs of companies in mutual trade, influenced the uncertainty in long-term business planning.

The introduction of a single currency of the euro contributed to the growth of mutual trade by an average of 5-10%.

One of the problems on the way to the free movement of goods is connected with the constant improvement of the technical level and quality of industrial goods, with changes in consumer tastes, technological innovations, which requires constant changes and additions to legislation and technical norms and standards. Also, the development of e-commerce influences the formation of the EU's common digital market. It is supposed that its absence causes the annual expenses of European consumers to 500 billion euros, equivalent to 4% of GDP [3, p. 96].

Thus, the existence of uniform standards in all Member States means the same procedure for harmonization of goods in one country, which is recognized in other EU countries. Manufacturers only need to ensure that all varieties of the product are in line with the analogues contained in the EU Directive. Components that do not comply with the law can not be sold within the EU, including the country of origin. Harmonization acts as a guarantee of the quality and safety of products for consumers. The creation of the internal market and economic and currency Union, the enlargement of the European Union have stimulated the integration process. But in recent years the pace of European integration slowed down. The EU's share in world trade is reduced in comparison with other leading global trading counterparties.

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DEVELOPMENT OF A COMPETITIVE ENVIRONMENT IN THE NATIONAL ECONOMY

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DOI: <https://doi.org/10.30525/978-9934-588-39-6-51>

An indispensable condition for the effective functioning of the national economy is the development of a competitive environment – as a result and a combination of conditions of interaction of all market agents. The competitive environment is a set of socio-economic, organizational, legal, institutional and other conditions and factors that influence the development and level of competition for the most favorable conditions of activity in the relevant market. A competitive environment is a complex and multidimensional system of relationships that has such characteristics as integrity, interaction and interdependence and hierarchical structure. The peculiarity of the competitive environment is that it contains information not only on the level of competition, but also the degree of completeness of the market and market conjuncture. This is the difference between the competition and the competitive environment. The competitive environment for economic agents serves as an externally conditioned commodity market. The competitive environment is the result of the action of the entire population of economic entities, including the state [1, p. 23].

The development of a competitive environment occurs through direct and indirect state intervention in economic and market processes through the implementation of pro-competitive intra-sectoral regulation and direct state

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