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INNOVATION AND INVESTMENT COOPERATION BETWEEN UKRAINE AND POLAND

The economic development of countries requires active innovative activity, which requires significant amounts of investment. As the analysis of world development shows, international investments play an active role in this process. By deepening international relations, a significant number of opportunities appear for individual states involved in cooperation, including new product sales markets, economies of scale of production, and attracting qualified personnel from other countries, sometimes with different levels of training and excellent thinking. Ukraine is no exception in this case. Objective necessity pushes the state to develop relations with other countries, in particular, with one of the most powerful groups - the European Union. This issue is especially relevant today when Ukraine is under the legal regime of martial law and needs significant amounts of investments.

Poland is the second largest trade partner and export market of Ukraine in the world. The total volume of bilateral trade in goods and services with Poland for 2021 amounted to almost 11 billion dollars of the USA (10,93 billion dollars), which exceeds the indicators of 2020 by 3 billion dollars USA. In 2021, the volume of bilateral trade in goods between Ukraine and Poland amounted to 10,2 billion dollars USA (in 2020 – 7,36 billion USD), second only to China in terms of volume. Ukrainian exports to Poland amounted to 5,23 billion dollars (in 2020 – 3,27 billion dollars) and demonstrated growth at the level of +59,7% (Polish imports amounted to 4,96 billion dollars and grew by +19,8%). The share of Ukrainian exports of goods to Poland from the total volume of Ukrainian exports was 7,7% or 19,5% of the volume of Ukrainian exports to EU countries. It should be noted that Poland is among the TOP-5 largest importers of Ukrainian agricultural products in the world, sharing fifth place with Turkey and second only to China, India, the Netherlands, and Egypt (since 2017, Poland is also the world's largest supplier of agricultural products to Ukraine - 883 million USD in 2021) [1]. Thus, economic indicators show active economic relations between the two countries - Ukraine and Poland.

According to the results of 2021, the main commodity items in the structure of Ukrainian exports to Poland are ferrous metals and their products, agricultural products, mineral products, electric machines, wood and wood products, furniture, etc. The structure of Polish imports is dominated by agricultural products, electrical machines, chemical products, plastic products, vehicles, ferrous metals and their products, and others. Polish exports are slightly different from Ukrainian ones in that they are more diversified. It exceeds the structure of Ukrainian exports in terms of the number of goods with a higher added value. If we analyse the structure of services exported to Poland for 2021, the main positions were services for the processing of material resources, transport services, business services, computer and information services, and cultural and recreational services. The largest groups of Polish services imported into Ukraine were transport services, business services, services, tourist services, computer and information services, royalties, and other intellectual property services. Therefore, Ukrainian businesses should pay more attention to the activation of raw material processing processes with a higher added value. This will not only increase the company's revenue but will also stimulate innovative development and increase the level of competitiveness in the international market. At the same time, it requires significant investment resources.

The accumulated volume of Polish investments in the economy of Ukraine as of 31 December 2021 is USD 1140 billion dollars USA (of which 767 million are equity shares, and 372 million US dollars are debt instruments), as shown in fig. 1. The largest volume of direct Polish investments (share in capital) went to Ukrainian industry - 42%. The main spheres of attraction of FDI from Poland were the sphere of processing; financial and insurance activities; wholesale and retail trade; motor vehicle repair; Agriculture. Polish

investments are present in all regions of Ukraine, most in Ternopil (30% of total FDI) and Lviv (20%) regions, as well as in Vinnytsia (10%), Kyiv (6%), Volyn (5%), Sumy (5%) and Ivano-Frankivsk (3%) regions.

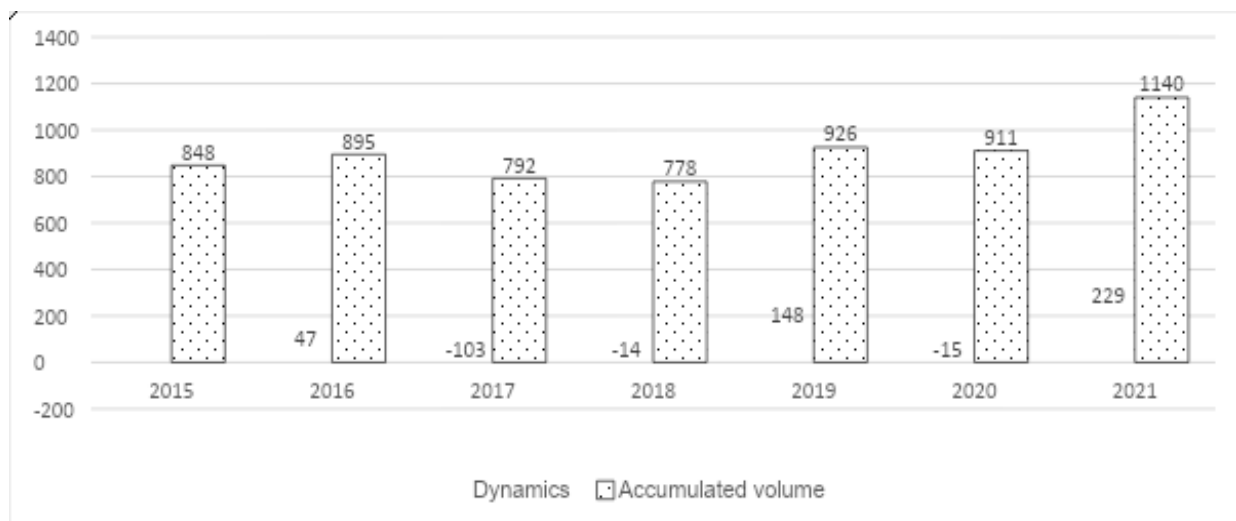


Figure 1 – Dynamics of investment inflows from Poland to the economy of Ukraine, million dollars USA (based on data [1])

According to the annual study Ukraine Deal Review 2021 by UVCA and partners, which also includes data for 3 months of 2022, the Ukrainian investment ecosystem continued to accelerate growth and strengthen ties with Europe and the world [2]. In May 2022, in parallel with the World Economic Forum, a round table was held in Davos to discuss the "Ukraine Reconstruction and Recovery Plan" with major international institutional and venture investors and representatives of the Ministry of Digital Transformation. The topic of Ukraine was also discussed at the Polish House in Davos. The discussion showed how Polish companies assess the situation and what they see as the future [2]. In 2022, Poland also actively cooperates with Ukraine and provides support and assistance to Ukrainians. More than 3.5 million Ukrainians moved to Poland, where they received home shelter. Thanks to Poland's initiatives and direct assistance, Ukraine kept significant financial and humanitarian aid. Only during the international donor conference organized by Poland and Sweden, \$6,5 billion was collected for Ukraine [3].

At the same time, we consider an equally important aspect of establishing close cooperation between Ukrainian and Polish educational institutions regarding the training of seekers of higher education, work on joint scientific and educational projects, etc. As the experience of the past years shows, active cooperation in this direction will contribute to increasing the level of training of future specialists, exchange of experience and development of new technologies. In particular, the active participation of students, post-graduate students, and scientists in Erasmus+ exchange programs allows them to familiarize themselves with teaching methods in other countries, learn new disciplines, expand the possibilities of preparing educational and methodological support for the educational process, conduct joint research, familiarize themselves with the cultural customs and traditions of other countries, etc. Such cooperation will contribute to increasing the level of personnel support, training future specialists on the basis of sustainable development, and forming a powerful competitive economy.

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