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THE CHARACTERISTIC FEATURES OF DEVELOPMENT OF THE CONSUMER MARKET OF UKRAINE IN THE POST-CRISIS PERIOD

The trends of the consumer market development in Ukraine in the post-crisis period are investigated in the present article. To characterize the operation of the consumer market, the structure of the GDP of Ukraine is analysed by the categories of final use. It is shown that final consumer expenditure, which is a potential for the internal consumer market development, only prevail in this structure in a short-term prospect. It is grounded that for clarification of the index of qualitative development of the internal consumer market the additional index of the market volume per capita should be applied. The structure of industries is analysed by the gross value added and employment, which ensure the internal consumer market development. It is revealed that approximately 90% of the population are engaged in these industries. The imbalances in the structure of commodity exports and imports and their projection on the consumer market development are distinguished. It is determined that goods of intermediate use and capital goods prevail in the structure of exports. The conclusion was made that due to a balanced economic policy of the state the import of goods of intermediate use will allow to manufacture final output, which can meet the needs of the internal consumer market as well as be exported; eventually it will stabilize the macroeconomic situation in the country.

Key words: *GDP, industries, import, export, employment, national economy, consumer market, goods of intermediate use.*

Problem statement. The research of the regularities and trends of the internal consumer market development in a market economy is an urgent task of the economic theory. It is stipulated by the fact that key interests of consumers and producers of final output become interwoven on this market. It is meant to perform multifarious functions of life support of the population; it is a mechanism of reverse stimulating effect on the entire complex of industries, and their priority development is a premise of acceleration of the economic growth rates. However, disproportions and structural deformations of the market operation mechanism result in deformation of the consumer market operation, a decline in competitiveness of the national economy and deceleration of econom-

ic development. The analysis of the market, where domestically-made commodities are sold, is important for several reasons. Firstly, an increase in the sales volume of consumer goods is evidence of an increase in the national economy efficiency as these goods are of the highest value added compared to raw materials and semi-finished goods used to manufacture them. Secondly, in the consumer market, as a rule, the demand for national sources of raw materials and producer goods is established, id est. it determines the vector of economic activity development in industries, which produce raw materials, semi-finished goods, machines and equipment.

An opportunity will turn into the reality only when the rates of a country's economy growth will be determined by capacity ex-

pansion and increase in the efficiency of the internal consumer market. The trends on this market in the Ukrainian economy under conditions of globalization are of considerable interest for researchers.

Analysis of recent researches and publications. The problems of the development and operation of the consumer market are covered in the works by the following Ukrainian scientists: V. Bazylevych, V. Bodrov, V. Lagutin, L. Ligonenko, V. Tochylin [1–3]. The publications of the following authors, namely: A. Ignatyuk, L. Volotshenko, V. Danylova, T. Ostashko [4–6] are dedicated to the consumer market research in the light of separate industry markets. The problems of the processes analysis of the consumer market regulation are investigated by O. Azaryan, V. Heiets, A. Mazaraki [7–8]. It should be noted that a consumer market like any other type of market in the post-crisis period experiences certain modification and requires a profound research.

Aim of the article. The aim of the article is to distinguish the characteristic features of the internal consumer market development based on the macroeconomic indices analysis.

Presentation of the basic research data. By its essence market is an object of microeconomic analysis but its research would not be quite effective without investigating the effect of macroeconomic indices.

The statistical data shows that the internal market of Ukraine is developing and represents the ground for providing a growth of the national economy in general. In particular, in the pre-crisis period (2000–2008) the average annual rates of its increase accounted for 10,4%. The economic postulate consists in the fact that an increase of the national market diminishes the dependence of Ukraine's economy development on the situation on the foreign market. For instance, in 2000 the specific gravity of exports in the GDP structure accounted for 62,4%, in 2005 – 52,6%, in 2013 – 49,6% respectively [9]. Within this period the share of exports in the GDP structure decreased by 12,8%. Thus, generally the internal market will exert more and more effect on the dynamics of the eco-

nomie increase and development in Ukraine in a medium- and long-term prospect.

Grounding on the above-mentioned empiric researches, it is important to appeal to deep economic knowledge of the concept of internal market and its constituents. It should be marked that the absolute result of the market operation characterizes the index of its volume. For the internal market of the national economy this index can be measured as a sum of commodities and services, which households and enterprises are able and ready to purchase for final use at a certain price level. According to V. Tochylin, such an approach allows to examine the internal market through the size of the aggregate demand for goods and services, which is a market value of the final output aggregate manufactured by the industries of material production and the service sector in the state's territory within a specified period of time [10, p. 132]. At an international level the volume of the internal market when calculating the global index of competitiveness is measured based not only on profits of participating residents but also on borrowed assets of non-residents. According to this, the index of the internal market volume is calculated by the following formula [11, p. 518]:

$$\text{GDP} + \text{import of goods and services} - \text{export of goods and services} \quad (1)$$

Based on the international statistical data on the criterion of the internal market size, Ukraine was on the 36th place out of 148 countries of the world in 2013; in 2008 by this index Ukraine took the 27th place respectively (table. 1).

Table 1

The places of the countries in the international rating by their market sizes

Country	Internal market		Foreign market	
	2008	2013	2008	2013
USA	1	1	2	2
China	2	2	1	1
India	3	3	4	4
Japan	4	4	5	8
Germany	5	5	3	3
Great Britain	6	6	6	10
France	7	9	9	11

Table 1

Country	Internal market		Foreign market	
	2008	2013	2008	2013
Italy	8	10	10	15
Russia	10	8	7	7
Brazil	9	7	22	26
Mexico	12	11	17	14
Turkey	16	16	27	27
Poland	22	20	23	22
Argentina	20	21	34	39
Ukraine	27	36	32	37
Hungary	43	56	35	34
Romania	39	43	52	47
Kazakhstan	54	55	49	44

Source: made and measured by the author based on [11, p. 518].

It should be underlined that the production of raw materials and semi-finished goods in the internal market does not always meet the needs of the internal consumer market thus restraining its development. Highly developed countries, where there is a considerable share of exports in the GDP structure, mostly sell hi-tech products of a high value added in the foreign market, but it can also restrain the development of the internal consumer market due to deceleration of the profits increase rates; for instance, it can be observed in Germany in the post-crisis period. In particular, the trade surplus of the most developed economy of the European Union – Germany – accounted for € 200 bln in 2013 [12]. This fact proves that the profits of German companies from exports of commodities are invested abroad rather than spent inside the country for the

development of the internal consumer market. But, according to the experts, it will help to stabilize the economy of the Euro-zone on the whole.

The above-mentioned analysis shows that there is no unique solution of the issue of the internal consumer market development due to the export of raw material or hi-tech products. The most probable thing is that currently on the agenda there is the issue of the state's economic policy as to stimulation or restraining of the internal consumer market development.

The GDP structure by the categories of final use is an important characteristic feature of the consumer market operation (table 2).

The analysis of the data of table 2 proves that a considerable share in the GDP structure by the categories of final use is consumer expenditure. In particular, in 2001 their share accounted for 76,6%; in 2012 this share increased up to 91,6%, which is characteristic of the country as of that spending more than saving. The share of households' expenditures increased from 55% to 72,7% within this period. As far as the development of the consumer market is concerned, it is a positive moment, as consuming goods and services the population extends the market capacity. The negative fact is that the share of gross savings decreased. Thus, in 2012 compared to 2001 it reduced by 10,9%; their total share in the GDP structure is lower than the theoretically grounded minimum level (25%), which is necessary for the process of reproduction. In a long-term prospect it will negatively affect the development of the internal consumer market. On the whole, a low

Table 2

The GDP structure of Ukraine by the categories of final use, % GDP

Years	GDP	Final consumer expenditure	including:		Gross accrual, %	Balance of exports and imports	Export of goods and services	Import of goods and services	Gross savings
			Households	State administration					
2001	100	76,6	55,0	19,6	21,8	1,6	55,4	53,8	25,6
2012	100	91,6	72,7	18,4	19,2	-10,8	46,6	57,4	14,7

Source: made by the author based on [9].

level of savings does not promote investment processes in the national economy and considerable resources of households are spent on the current consumption.

For clarification of the index of a qualitative development of the internal market, it is necessary to apply the additional index, which shows the volume of the internal market per capita. This index represents nominal incomes of the population aimed at purchasing of goods and services. According to the expert judgment, by this index Ukraine takes the 39 place in the rating out of 40 countries of Europe. This needs a further deeper research.

The internal consumer market is mainly supplied by the industries of the agro-industrial complex, light and food industries, construction, motor industry as well as by the service sector branches (social, infrastructural, servicing). Their share in the GDP structure is proved by the data given in table 3.

The analysis of the data in table 3 shows that the processing industry (14,1%), agriculture, forestry and fishery (9%), construction (3,2%) take the largest share in this structure. The total share of these branches in the gross value added (GVA) structure accounts for 26,3%. The distinguished industries belong to the real sector of economy and are the basis of the internal consumer market development, as they manufacture actual product.

The infrastructure industries (activities of transport and communication, financial and insurance, real estate operations, activities of hotels and restaurants, wholesale and retail trade), which provide the consumer market operation make up 43,2% in the GVA structure. Social branches, which render services, account for 13,6%.

It should be noted that in these industries not only a considerable share of the GVA is made but also 90% of the population are employed. People employed in these industries manufacture products and receive profits, which are spent on the consumer market later; it confirms the theoretical macroeconomic model of the resources and profits turnover. Therefore, the development of these industries is expedient not only in terms of economy but also in social terms as employment is an indicator of the national economy development. The higher is the employment, the more goods are manufactured in the country.

The general issue of the consumer market development in the Ukrainian economy consists in imbalances between exports and imports of goods. In particular, goods of intermediate use and capital goods prevail in the structure of exports. The smallest share in the general structure of the export of goods by categories is consumer goods. According to the data of the NBU's Department of

Table 3

Share of activity categories in the gross value added structure and employment in 2012, %

Industry	Share in the GVA, %*	Employment, %**
Agriculture, forestry and fishery	9.0	6.1
Processing industry	14.1	16.4
Supply of electric power, gas, steam and air conditioned	3.6	3.3
Construction	3.2	3.4
Wholesale and retail trade; repair of vehicles and motorcycles	16.7	3.4
Transport and communication activities	8.2	8.3
Financial and insurance activities	5.0	2.6
Real estate operations	6.9	7.7
Professional, scientific and technical activity	3.4	
Hotels and restaurants' activities	1.3	11.3
State administration and defence; compulsory social insurance	5.1	8.9
Education	6.0	13.6
Health care and social aid	4.2	10.5
Provision of other types of services	1.0	3.7

Source: made by the author based on [13, p. 60–62].

External Account, the export of consumer goods decreased by 2,1% as a whole, but the share in the structure of capital goods export increased by 15,8% [9] due to the demand for products of the domestic machine-building, which is positive for the national industry development.

The decline in the share of the consumer goods export cannot be considered in full as a negative phenomenon in terms of theory as manufactured goods can be used on the internal consumer market. But the objection to it is that the internal market was commoditized due to the import of consumer goods. The rate of increase in the consumer goods import was the highest and accounted for 20,9% in 2012. The share of consumer goods in the total volume of imports increased up to 23,4% compared to 19,9% in 2011. The import of capital goods rose by 9,4% totally within this year. The import of goods of intermediate use reduced by 4,6% and the volume of these goods in the total import reduced to 60,9% in 2012 compared to 65,4% in 2011 [9].

These statistical data is evidence that the internal consumer market is supplied by imported consumer goods. Most experts emphasize on the fact that intermediate use affects adversely the development of the

internal consumer market. We agree with the experts, who consider the import of intermediate goods to the country, a positive moment in the final output formation. The dual approach to the import of goods of intermediate use is related to a further process of final goods manufacturing and selling as the goods made on commission can be consumed on the internal consumer market or exported to foreign markets; it is a positive fact both in a short-term and a long-term prospect for the development of Ukraine's national market (fig. 1).

Figure 1 shows that the import of goods of intermediate use to the national economy will allow to provide satisfaction of the needs of the internal consumer market in a short-term prospect; on condition of a deliberate economic policy and innovative processes implementation it will provide for Ukraine's access to foreign markets with goods of final use in a long-term prospect. It will strengthen the competitive advantages of the national economy in the international division of labour.

It is important to mark that our theoretical study of the development of the internal consumer market is proved by world practice. For instance, the analysis of the

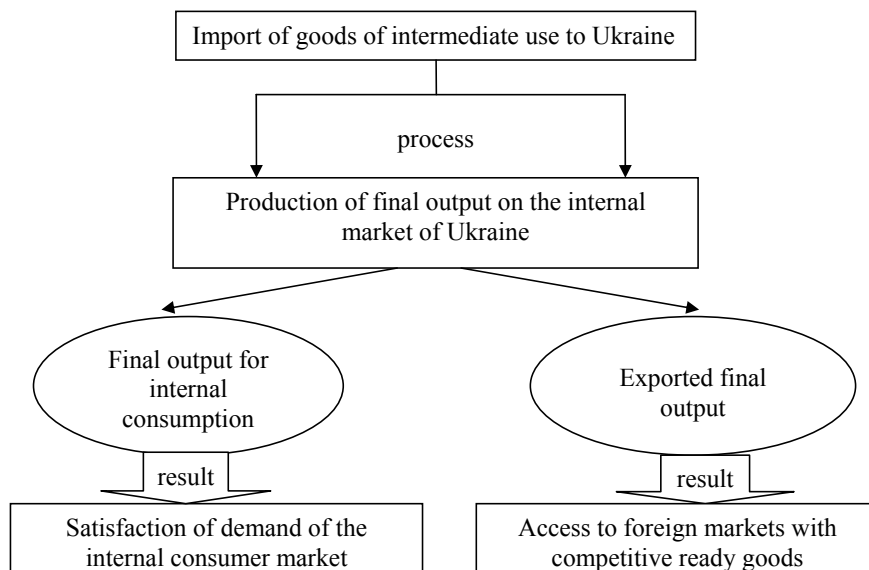


Fig. 1. The role of the import of goods of intermediate use in the development of the internal market of Ukraine

statistical data on China shows that there is a considerable share of goods of intermediate use in its structure of imports, namely – 67%. It means the share of intermediate use makes up nearly 65% that is approximately the size of the share of Ukraine. According to the researches by the Ukrainian scientist V. Yurchyshyn of the «rising» countries of India and China, a rapid increase in supplies (the export of the countries of Asia) of industrial and intermediate goods to China (the import of China) shows strengthening of the status of China as a centre of manufacturing final goods, including technological ones, for deliveries to developed markets. On the one hand, it is evidence of integration and deepening of the international division of labour, and, on the other hand, it shows increased dependence of the South-East Asian countries (Hong Kong, India, Japan, Korea, Taiwan, Vietnam) on the efficiency and effectiveness of Chinese companies' activities in their world expansion [14, p. 35]. According to the researches, China is developing the production volumes inside the country due to its deliberate economic policy and takes the leading positions in the world market. The share of China in the world export of goods accounted for almost 11,2% in 2012. China is on the first place in the world by exports of goods. However, before the economic reforms started (1970-es), this share accounted for 0,9% in the world imports of goods, id est. it is 10 times as large.

The above-mentioned allows to conclude that the development of national production even in the direction of an export-oriented economy based on own resources as well as on imported intermediate goods leads to the expansion of the internal market both in a short-term and in a long-term prospect. Due to an increase in the GDP volume, the incomes of the population go up. Consequently, the purchasing power and internal demand grow, which is a direct result of the development of the internal consumer market.

Conclusions. The analysis of macroeconomic indices proves that the development of the internal consumer market requires a deliberate economic policy of the state, both

in a short-term and in a long-term prospect. The internal consumer market is mainly supplied by the industries of the agro-industrial complex, light and food industries as well as by the service sector branches. Not only do these industries manufacture the actual product and render services but also provide employment of the population. A high employment rate of the population is a potential for the internal consumer market development.

Disproportions in the structure of exports and imports of goods in the Ukrainian economy have a direct effect on the consumer market. Consumer goods in the total structure of the goods export by categories make up the smallest share. There is a considerable share of imported consumer goods on the internal consumer market; the rates of its increase are higher in the total structure of imports. The import of goods of intermediate use to Ukraine will allow to increase the production of final goods on the national market. These products can meet both the needs of the internal consumer market and access to foreign markets with competitive ready output. The result of such an approach will consist in the internal consumer market development, both due to the endogenous and exogenous factors.

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Статтю присвячено дослідженню тенденції розвитку споживчого ринку в Україні в посткризовий період. Для характеристики роботи на споживчому ринку структура ВВП України аналізується за категоріями кінцевого використання. Показано, що кінцеві споживчі витрати, які є потенціалом для розвитку внутрішнього споживчого ринку, тільки переважають в цій структурі в короткостроковій перспективі. Обґрунтовано, що для пояснення індексу якісного розвитку внутрішнього споживчого ринку слід використовувати додатковий індекс обсягу ринку на душу населення. Структура промисловості аналізується доданою валовою вартістю та зайнятістю, які забезпечують розвиток внутрішнього споживчого ринку. Виявлено, що приблизно 90% населення задіяно у цих галузях. Розрізняють дисбаланс у структурі товарного експорту та імпорту і їхні проєкції на розвиток споживчого ринку. Встановлено, що товари проміжного використання і капітальні товари переважають у структурі експорту. Зроблено висновок, що у зв'язку із збалансованістю економічної політики держави імпорту товарів проміжного використання дозволить випускати кінцеву продукцію, яка може задовольнити потреби внутрішнього споживчого ринку, а також на експорт; в кінцевому рахунку це призведе до стабілізації макроекономічної ситуації в країні.

Ключові слова: ВВП, промисловість, імпорт, експорт, зайнятість, національна економіка, споживчий ринок, товари проміжного використання.

В статье исследованы тенденции развития потребительского рынка в Украине в посткризисный период. Для характеристики работы на потребительском рынке, структура ВВП Украины анализируется по категориям конечного использования. Показано, что конечные потребительские расходы, которые являются потенциалом для развития внутреннего потребительского рынка, только преобладают в этой структуре в краткосрочной перспективе. Обосновано, что для объяснения индекса качественного развития внутреннего потребительского рынка следует использовать дополнительный индекс объема рынка на душу населения. Структура про-

мышленности анализируется добавленной валовой стоимостью и занятостью, обеспечивающих развитие внутреннего потребительского рынка. Выявлено, что примерно 90% населения задействовано в этих отраслях. Различают дисбаланс в структуре товарного экспорта и импорта и их проекции на развитие потребительского рынка. Установлено, что товары промежуточного использования и капитальные товары преобладают в структуре экспорта. Сделан вывод, что в связи со сбалансированностью экономической политики государства импорт товаров промежуточного использования позволит выпускать конечную продукцию, которая может удовлетворить потребности внутреннего потребительского рынка, а также на экспорт; в конечном счете это приведет к стабилизации макроэкономической ситуации в стране.

Ключевые слова: ВВП, промышленность, импорт, экспорт, занятость, национальная экономика, потребительский рынок, товары промежуточного использования.

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