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UKRAINIAN BUSINESS UNDER THE CONDITIONS OF WORD TRADE WARS: OBSERVER, PARTICIPANT OR VICTIM?

Abstract. We focused our attention on the causes of the current trade war between the United States and China. The article analyzes the influence of electoral processes in the USA on the choice between free trade and protectionism. The relationship between China's accession to the WTO, mutually beneficial cooperation with the United States, and trends in the trade balance between major trading partners have been determined. The article illustrates the main mutual claims between the United States and China, which led to the outbreak of «the largest trade war in economic history». We determined the main stages of the conduct of «military operations» and characterized the directions of the conflict escalation. The attention is focused on the losses in the trade war; the main beneficiaries from the «trade disagreements» were identified. We proposed an alternative opinion on the real consequences of the trade war for the warring parties. The article studies the impact of trade wars on world GDP and the national economies of the largest countries of the world. Attention is focused on the existence of «phantom trade» for finding the way out of sanctions and tariffs. The role of Ukrainian business in trade wars is examined in detail. We analyzed the main trade wars Ukrainian enterprises are involved in and possible results for the business. The article gives the author's vision of the impact of the trade war on the trade balance between Ukraine and the key participants in the trade war: the United States and China. We concluded which branches of the Ukrainian industry are in priority for developing trade relations with China. The article highlights the main barriers to the development of trade with the United States and the reasons for the decline in the export of Ukrainian goods. We predicted how the improvement in relations between the United States and China will affect the role of Ukrainian business in the context of world trade wars.

Keywords: trade wars, export, import, protectionism, free trade, trade balance, trade deficit, import duties, sanctions, tariffs, duties, phantom trade, preferences.

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УКРАЇНСЬКИЙ БІЗНЕС В УМОВАХ СВІТОВИХ ТОРГОВЕЛЬНИХ ВІЙН: СПОСТЕРІГАЧ, АКТИВНИЙ УЧАСНИК ЧИ ЖЕРТВА?

Анотація. Зосереджено увагу на причинах виникнення нинішньої торговельної війни між США і Китаєм. Проаналізовано вплив виборчих процесів у США на вибір між вільною торгівлею та протекціонізмом. Визначено взаємозв'язок між вступом Китаю в СОТ, взаємовигідним співробітництвом зі США і тенденціями в торговельному балансі між найбільшими торговельними партнерами. Проілюстровані основні взаємні претензії між США і Китаєм, які призвели до розв'язування «найбільшої торговельної війни в економічній історії». Визначено основні етапи ведення «бойових дій» і охарактеризовано напрямки ескалації конфлікту. Акцентовано увагу на втрати в торговельній війні, визначено основні вигодонабувачі від «торговельних розбіжностей». Запропоновано альтернативну думку з приводу реальних наслідків торговельної війни для ворогуючих сторін. Зроблено висновки щодо впливу торговельних воєн на світовий ВВП і на національні економіки найбільших країн світу. Акцентовано увагу на існуванні «фантомної торгівлі» для виходу зі санкцій і дії тарифів. Детально розглянуто роль українського бізнесу в торговельних війнах. Проаналізовано основні торговельні війни, в яких українські підприємства беруть участь, і можливі результати для бізнесу. Запропоновано авторське бачення впливу торговельної війни на торговельний баланс між Україною і ключовими учасниками — США і Китаєм. Зроблено висновки, які галузі української промисловості є пріоритетними для розвитку торговельних взаємин із Китаєм. Визначено основні бар'єри розвитку торгівлі зі США, причини зниження експорту українських товарів. Спрогнозовано, як поліпшення відносин між США і Китаєм вплине на роль українського бізнесу в умовах світових торговельних воєн.

Ключові слова: торговельні війни, експорт, імпорт, протекціонізм, вільна торгівля, торговельний баланс, торговельний дефіцит, імпортні мита, санкції, тарифи, мита, фантомний торгівля, преференції.

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Introduction. Trade wars are a long-studied phenomenon, which is a set of actions aimed at the economic system of another entity to achieve a certain goal. The range of measures, sanctions, counter-sanctions is quite wide, but the goal is most often to provide political and economic pressure to accept the conditions of the attacking side. The events of recent years have drawn the global economy into a new trade war, a war between the largest importers and exporters. Globalization trends significantly affect the involvement of other actors in the process of waging a trade war, where they can act either as an active participant, or a passive observer, or be a direct victim of hostilities. Therefore, scientists and practitioners, governments, ministries, enterprises should pay attention to the formation of conditions for countries, industries, enterprises according to the expected strategy of involvement in a trade war. Studying the reasons for the gains and losses of Ukrainian enterprises in trade wars should become one of the priority areas of research.

Analysis of research and task setting. The issues of the trade wars influence on the national economy are considered in the works of such scientists as: Findlay R., O'Rourke K., Klieger M., Klien M., Pettis M., Yu M., Zeng K., Lau L., Bown C., Kolb M., Bekkers E., Schroeter

S., Dib, G., Subran, L., Jousserand C., Hirtzer M., Polansek T., Jackson K., Shepotylo O., Mandel B., Anderson H., Matus A., Staiger R. W., Norland E., Thoms A., Vashchilko A., Vinogradov A. O., Zaklepenko A. Yu., Safronova E. I., Volkov A. A., Kuhto A. A., Zaichenko I. M. and others.

Mazaraki A. A., Melnyk T. N., Pugachevska K. S., Bezrukova N. V., Vasilenko M. V., Gamanyuk A., Taran S., Khorunzha M., Martinenko O. are engaged in studying the problem of determining the role of Ukrainian enterprises in trade wars. However, the question of the involvement of Ukrainian enterprises in trade wars remains insufficiently studied.

The **purpose** of the article is to determine the role of Ukrainian business in modern trade wars, to highlight priority industries and markets, and creating conditions for increasing the export potential of enterprises.

Research results. World trade wars are closely related to international trade, which in turn is an integral part of international economic relations. But international trade can be used not only for exchange but also as a means of political and economic pressure. When one state evaluates the economic policy of another state as unfavorable and takes appropriate measures, a trade war begins.

A trade war is a set of economic, legal, administrative, and other actions directed against the economic system of another subject of economic activity. Depending on the side, it is carried out to capture foreign markets (offensive trade war) or preventing the trade «occupation» of the national economy (defensive trade war).

It is necessary to go through several stages to reach the phase of a trade war: 1) a contradictory situation in trade — there is a contradiction and a corresponding tension in relations between countries. There are no material losses or deterioration in trade conditions yet. This is a favorable situation for the relations settlement; 2) trade dispute — there is tension in relations associated with material losses caused by measures taken by one country that worsen the terms of trade of another (or others). Requires settlement; 3) trade conflict — a high level of tension in relations associated with material losses caused by measures taken by both parties to each other. Requires settlement; 4) trade war — the highest degree of tension in relations between countries associated with the use of intensive prohibitive trade policy measures, which can lead to large material losses of the country against which they were taken. Trade wars often develop into armed conflicts [1; 2]. Countries are extremely reluctant to exacerbate the situation and try to resolve emerging mutual claims at an earlier stage, without bringing the situation to a trade war.

Chronicle of military operations. Donald Trump's campaign slogans «Make America great again» called for a revival of national production and an increase of import duties on Chinese goods.

The negative assessment of China as an economic partner during the Trump administration reached its climax. In 2017, mutual claims began, which led to a trade war unleashed [2]. On March 2, 2018, Donald Trump wrote in his Twitter account: «When a country (USA) is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win. Example, when we are down \$100 billion with a certain country and they get cute, don't trade anymore—we win big. It's easy!» [3]. As history shows, Trump was wrong.

If the 2016 election was essentially a referendum on free trade that was accused of destroying millions of jobs in American industry, then the elections in 2020 can be safely called a referendum on the merits of trade wars [4]. Issues that have a decisive influence on elections between two parties representing protectionist and free trade interests are a hallmark of democracies. However, as well as the influence on the process of choosing between these diametrically opposed positions of lobbyist groups [5—7].

The election of a new, 46th US president, has an impact on geopolitical and economic forecasts. In this aspect, an important question is what direction will be chosen for US trade policy. Will new priorities be determined, or will the previously selected key tasks be preserved, which are aimed at protectionism of American manufacturers in the domestic market; the return of manufacturing facilities and jobs to the United States; settlement of the trade balance with the largest US trading partners; attempts to restrain China's economic development; WTO reforming.

China's entry into the WTO in 2001 had a revolutionary impact on world trade. The United States and China have become each other's largest trading partners. Although if we analyze cooperation in the long term, we will see that the trade deficit accompanied long cooperation between the countries. According to some researchers [8], over the past almost 20 years, the United States and China have had mutually beneficial cooperation:

- many new jobs have been created in the high-tech sector of the United States economy. Between 1995 and 2001, US exports to China created 1.8 million jobs in the United States, mainly in services, agriculture, and equipment manufacturing. Over the next 15 years, according to various estimates, they supported more than 1.5 million jobs, focused on exports to China;

- import of cheap goods contributed to lower inflation in the United States. For the period 2000—2007 imports of cheap consumer goods from China totaled \$ 202 billion, resulting in a gain of \$ 101.2 thousand for every lost workplace in the manufacturing industry;

- China expanded production due to guaranteed sales markets.

Since 2017 US and China became bitter enemies in the field of trade. Moreover, in the «US National Security Strategy» (2017), China was called a «revisionist power», the goals of which are to establish a world order based on values and interests opposed to the American ones and to restructure the formats of cooperation for its own benefit [2].

China, according to the Trump administration, is an unfair competitor. Despite its leading positions in the international trade and economic system, China remains in the status of a developing country in the WTO, which gives some preferences. The Chinese government, through incentives and protectionism, creates unreasonable advantages for Chinese companies over American counterparties. There is a manipulation of the yuan exchange rate in world trade, which also gives China an advantage. Also, the American administration of Donald Trump expressed concern about the attempts of Chinese companies to gain access to advanced American technologies. As a result, in August 2018, the United States adopted a new law on control over the investment market, which clarifies the list of critical technologies that are important for the national security of the United States, and also amended the activities of the Committee on Foreign Investment in the United States.

The current war has been named by the Chinese Ministry of Commerce as «the largest trade war in economic history». The situation is aggravated by the fact that the USA and China occupy the 1st and 2nd places in terms of GDP in the world, respectively. The United States in world trade takes the 1st place in world imports, 2nd place in world exports. The disproportion arises due to the imbalance of indicators: according to USTR data, China's exports to the United States in 2018 amounted to \$ 557.9 billion, while US exports to China — \$ 179.3 billion, and the US-China trade deficit tends to be an annual increase, accounting for about 60% of the US trade deficit [2].

It is also necessary to focus on the influence of China on the US financial world: China holds an honorable first place among foreign creditors of the American state — as the largest holder of US treasury bonds in the amount of \$ 1.1 trillion. And this is only part of the iceberg, China is expanding the use of the yuan in international transactions with other countries, and is also increasing the production and import of physical gold.

Direct «military» actions began in 2017 with the ban on supplies to the United States of the Chinese corporation ZTE products for cooperation with the DPRK and Iran and the unauthorized transfer of American technologies to them. Since then, the conflict has been periodically escalated. Since March 2018, additional duties on steel and aluminum have been introduced in the amount of 25% and 10%, respectively. The initial increase in duties (April 2018) affected only 1.3 thousand Chinese goods with an import volume of about \$ 50 billion. The imposed duties affected a wide range of goods, including steel, automobiles, aircraft parts, satellites, industrial and medical equipment, etc. Moreover, the duty on the import of solar panels was set at 30%, washing machines from 20 to 50%. But the duties did not touch the key retail goods (or rather they were excluded from the initial list): clothes, shoes, TVs, mobile phones, etc. Already in May 2018, the United States raised additional duties on Chinese goods, which constitute an important part of the «Made in China — 2025» export program worth \$ 200 billion from 10 to 25%. The retaliatory measure was

the introduction in April 2018 by China of mirror duties in the amount of 15% to 25% on 120 American goods worth \$ 50 billion per year, affecting the supply of cars, aircraft, steel pipes, aluminum scrap, ethanol, pork, soybeans, fruits, nuts, wine, etc., i.e. of all key goods imported from America [9—11]. In July 2018, a 25% increase in import duties already affected 545 American goods with a total import of \$ 34 billion.

The conflict continued to escalate as the United States and China mutually imposed import duties until the countries signed the first part of a bilateral trade agreement in January 2020, which aims to reduce imbalances in their trade flows. China pledged to increase imports of industrial and agricultural products, energy, and services from the United States by \$ 200 billion. Both countries have also put forward bilateral commitments not to manipulate foreign exchange markets to obtain economic benefits. The Chinese side agreed to protect American intellectual property and stop forced technology transfers, which, however, are largely a replay of measures already taken (new laws on intellectual property and foreign investment, as well as new intellectual property courts). The negotiations scheduled for August 2020 did not take place due to the breakdown of the agreements by the Chinese side — in the first half of 2020, China purchased 23% of the planned volume of purchases for the year [12—14].

The trade war between the United States (US) and China has resulted in billions of dollars in losses for both sides, hitting industries including automobiles, technology, and most of all, agriculture. The consequences of the ongoing trade war between the United States and China affected a slowdown in the growth of exports and imports of each of the «belligerent parties», an increase in unemployment in the industries involved, a reduction in production in both countries, the creation of new supply chains for the purchase, production, and sale of goods, increased costs for support of national producers suffering losses [15].

The main beneficiaries of the US — China trade war are the US industries with a predominance of low-skilled labor (ferrous and non-ferrous metallurgy). But in general, American businesses, workers and consumers do not benefit from protectionism. While protectionism can protect domestic jobs in selected sectors, repeated claims that high tariffs will protect domestic jobs or even create jobs, should be treated with great caution, as spillovers can lead to job losses in other sectors [16].

It is more difficult to judge the impact of the trade war on the Chinese economy due to the relative secrecy of information and the planned replacement of the economic development model, moving from the production of simple goods to the production of high-tech products. In connection with a long series of economic changes: cleaning up «bad loans», reducing excess industrial capacity, switching from an extensive model to an intensive one, this combination of factors had a greater impact on the slowdown of the Chinese economy compared to the trade war [17]. However, the official position of China is reflected in the White Paper of the PRC (2018; 2019) on the «trade differences» on each of the accusations from the American partners. The 2019 version states that the conflict between the two states is hurting the US economy. And with a reference to Trump's campaign slogan, it is noted «The trade war did not return America to its former greatness».

As counterarguments against the expansion of China in the US markets, the following facts testify. If we take into account American investments and sales of American goods through affiliated companies, the role of the United States in the Chinese economy will turn out to be more extensive than official statistics indicates. And the Chinese presence in the US markets is limited to direct exports from China. According to some researchers, the US sells more to China than China formally buys from the US. From a comparison of the exports of the two countries with this approach, it follows that it was the United States that had a positive trade balance with China. The difference is that as of 2016, 92% of Chinese exports accounted for direct deliveries from China to the United States, and for the United States, 71% of exports accounted for sales to China through affiliated companies [8; 18].

Therefore, the statistics and arguments of the «trade war» party with China in the US also have an ambiguous interpretation, own supporters, and followers. The negative impact of the trade

war was used as one of the irreconcilable arguments against the policies of Donald Trump during the election race that ended in his defeat.

Moreover, some of the negative effects of the trade war will also be offset by Chinese enterprises, which could partially offset the impact of tariffs by reducing their own profits. Finally, if the value of the Chinese currency falls (and it has already fallen) and causes other currencies to fall, it could also hurt the profits of US corporations. Thus, according to our estimates, about half of the cost of tariffs will somehow be borne by the US corporation at the expense of a lower rate of return [19].

We would like to quote D. Trump's advisor P. Navarro on the trade war with China: «It is more correct to talk about a trade dispute — simple and honest. We lost the trade war long ago».

The effect of trade wars on national economies. Scientists have attempted to simulate the consequences of various scenarios of a full-scale trade war [10; 20—25]. The economic impact of trade wars is difficult to predict and quantify, but the general trends in these forecasts are broadly consistent. In addition to the direct organizers, most countries suffer losses from the US trade war with China. According to the WTO, 2019 reflected a negative trend in the indicators of both GDP, and export and import operations. The trade war has become one of the reasons for the slowdown in world GDP growth. South Korea, Japan, EU, Russia, Turkey noted significant damage.

Karen Jackson and Oleksandr Shepotylo raise the rhetorical question, who benefits from trade wars, and is it possible to win? [20] The strategy of waging trade wars involves attracting supporters through concessions. In this case, both the United States and China made several concessions to some countries and tightened the terms of trade for others.

Most of the countries that have been able to increase their exports to the United States are still on the losing side due to the declining demand for their goods from China. The initial increase in import duties on steel and aluminum for a wide range of countries affected about \$ 50 billion of US imports, but after Australia, South Korea, Argentina, Brazil, Canada, Mexico, and the EU were exempted from them, the volume of taxable imports fell to \$ 18 billion. EU steel export to the US is projected to grow by 11% (\$ 800 million). The lowest average import duty rates apply in Chile, New Zealand, Costa Rica, Iceland, and the countries of the Association of Southeast Asian Nations (ASEAN) [10; 26].

Therefore, it can be concluded that faced with escalating trade tensions between the United States and China, small and flexible exporters have maximized the benefits of the trade war. Against the backdrop of a trade war, manufacturers, including those from the United States and China, are being transferred to other countries to avoid an increase in import duties. In particular, the trade war opened up new markets for the production of American companies, including the United States, Vietnam, Thailand, Cambodia, and Mexico. Taiwan, the Netherlands, and France, which are relatively small trading partners, are seeing much more significant growth in market share.

An analysis of the US trade balance shows that the export market in the US is characterized by the strengthening of the following players role — Vietnam, France, the Netherlands, and Taiwan, while in China the niche is occupied by Malaysia, Singapore, Russia, and Saudi Arabia. The same is happening in China — most of the smaller partners (France, Great Britain) have taken the vacant seat. [12; 26; 27]. In the context of the winners in trade wars, it is necessary to mention such participants who are referred to as phantom trading. Phantom trading (companies that send their goods to a third market before exporting to their final destination) disclose mechanisms to circumvent tariffs and artificially inflate trade indicators. A recent study [28] identified tariff circumvention mechanisms that we call «phantom trading». This indicates that Chinese exporters were redirecting goods through third countries/regions to evade US anti-dumping duties between 2002 and 2006. This rerouting avoids tariffs and artificially inflates trade figures (since the same product is sent to the secondary market before reaching the end partner). For example, Vietnam's exports to the US are up 40% this year because Chinese businesses moved their supplies to Vietnam to get around US tariffs. Consequently, in early 2019, the US Treasury Department added Vietnam

to its list to track exchange rate manipulation, and retribution for phantom trade soon followed — the US raised tariffs by 400% on steel imports from Vietnam. [12; 28].

The role of Ukrainian business in trade wars. There are several trade wars in which Ukraine is currently taking part, either directly or indirectly.

First, the trade war, which is directly waged by Ukraine against Russia. If in the standard classification [1] a trade war can cause an invasion, in this case, the opposite happened — the invasion of Russia on the territory of Ukraine caused a trade war. In this case, Ukraine is an active participant and involves other countries to strengthen own positions. The paper [29] analyzes the ways of attracting the international community as allies in trade wars. The most common instrument of pressure on countries that violate the fundamental principles of the current international order are sanctions. Moreover, the country that imposes the sanctions is not a direct participant in the trade war. Sanctions serve one of three functions: 1) providing the country which is the object of sanctions, with a clear signal regarding the rejection of its behavior by international partners; 2) achieving a deterrent effect to complicate the authorities of the country which is the object of sanctions, the possibility of achieving its goals; 3) forcing the country which is the object of sanctions, to certain actions (or the termination of unacceptable actions).

It should be noted that the results of the trade war allowed reducing the level of trade turnover between countries. Since 2014, part of the trade turnover with Russia has significantly decreased, and for the first time, the Russian Federation is in the 2nd place in the rating of Ukraine's trading partner countries (Poland is in 1st place). In the pre-war period, in 2013, the part of the Russian Federation in the structure of Ukraine's exports was 40.1%, and in 2019 only 10.0%. A similar picture is observed in the structure of imports — from 26.3% to 10.3%, respectively, in 2013 and 2019. The results of the trade war between Ukraine and Russia, as well as the imposition of sanctions by various countries against Russia, is a game with zero, and in some cases even with a negative amount [29]. Both for Ukraine and the international community, it has no positive meaning. At the same time, undoubtedly, this war also has its beneficiaries and its phantom traders. Neighboring Belarus acts as a phantom trader, which, due not so much to a trade war as to mutual sanctions between Russia and other countries, was able to significantly increase trade and become one of the main beneficiaries of this trade war [30].

Second, the trade war between the United States and China. Unlike the countries discussed, which significantly increased the indicators of trade turnover, Ukraine occupies a rather modest position. In terms of a slowdown in global economic growth, Ukraine, like most countries, performs the role of a victim. However, the influence of a difficult political and economic situation, along with a hybrid war and a trade war, does not make it possible to assess the real damage from each of these factors. Global trends persist, slowing GDP growth and dropping indicators in connection with the COVID 19 epidemic and introduction of a widespread lockdown. According to IMF forecasts, the total exports of developed economies may fall by 12.8% in 2020, while those of transition economies and developing countries — by 9.6%. Ukrainian exports can lose at least 8.1% only due to the agricultural sector and metallurgy. These are the two largest sectors of our export, but they are not the only ones — the fall in other sectors will make this indicator even higher. Of the top 12 countries to which Ukraine exported goods in 2019, according to our forecasts, total exports will decrease to Poland, Russia, Italy, and Hungary, least of all to China [31].

Due to the emerging trade tensions between the United States and China, Ukraine remains one of the few countries for which the trade conflict has done more good than harm. According to official statistics, China is in first place in terms of imports from Ukraine in 2019. The United States is not in the top countries, but it is also an active participant in imports from Ukraine. Let us consider separately the impact of the trade war on relations between Ukraine and China and Ukraine with the United States.

Trade with China. According to statistics, as a result of the US — China trade war, Ukraine has strengthened its position in bilateral trade between Ukraine and China. Considering that metallurgical and agricultural products are the priority directions of Ukraine's exports, Ukrainian enterprises have moved from the role of observers to the category of active participants in the

distribution of the competitive market. Over the past years, China's demand for agricultural and food products, ores, and turbines has shown steady growth. The analysis shows the existence of unused potential in the Ukrainian export to China. And already in 11 months of 2019, exports to China grew by 70%, and the Ukrainian agro-industrial complex gained \$ 1.8 billion from exports to China, which amounted to more than half of the value of all Ukrainian exports to this country. According to [32], trade is gaining significant momentum, and already in 2020, from January 1, China reviewed tariffs on 859 types of goods for all trading partners. In total, import duties have been reduced by 2 times and relate, in particular, to certain types of finished products from flour, pharmaceuticals, fertilizers, plastic products, wood and wood products, boilers, engines, pumps, mechanical equipment, and their parts; electrical machines, equipment, and their parts; instruments and apparatus for optical, control, measuring and medical.

Already in 2018, China ranked 6th in the ranking of markets for Ukrainian exports. Obviously, for China, Ukraine is not an important trade partner — in 2017, Ukraine ranked 51st among the countries in the world in terms of exports from China and 61st in terms of imports to China, so Ukraine's interest in China is not mutual. And for Ukraine, given a favorable market environment, there is a direction for recapturing new niches in the Chinese market. As can be seen from the dynamics of trade turnover, the volume of exports to China has increased, despite the unfavorable conjuncture of world markets [33—36].

Trade with the USA. Unfortunately, Ukraine was unable to increase the volume of exports to both warring countries, if in relations with China Ukraine turned out to be the beneficiary, then the export to the United States did not benefit from the conflict.

The history of trade relations between the United States and Ukraine has a very volatile tendency. We should mention that, on the one hand, Ukrainian goods fall into the US Generalized System of Preference (GSP / GSP), designed to promote economic growth in developing countries by providing goods on more than 5000 tariff lines of the US harmonized tariff with a preferential duty-free regime. import into the United States from countries designated by the American government — beneficiaries of SHGs (121 countries and territories, including Ukraine). On the other hand, Ukrainian goods periodically fall into the category of dumping goods, most often the supply of pipes and wire suffers, and anti-dumping duties are imposed on them. Since April 2018, due to accusations of Ukraine in the ineffective protection of intellectual property by the United States, Ukraine's preferences under the GSP have been suspended on 138 tariff lines. The situation improved only from October 30, 2019, when preferences were partially restored, continuing to block nine tariff lines [35; 36]. Therefore, the reasons for the lack of sales growth due to the redistribution of markets and logistics flows in connection with the US — China trade war, as well as a decrease in exports for 11 months of 2019 by 12% to \$ 0.9 billion, mainly due to metallurgical products, there can be many [33].

Thus, Ukraine takes an active position in the trade wars of our time, in one of which it is an organizer defending its territories and rights with all possible opportunities in the current situation, and in the role of an active observer, contributing to an increase in trade with other countries through redistribution markets and changed competitive positions [37]. The changed tonality of the US — China trade war, expressed in the signing of the first phase of the agreement, is unlikely to improve the situation in Ukrainian exports for both metallurgists and agrarians since almost the entire list of exported Ukrainian products is now the responsibility of China to buy from the United States. But the statistics of trade turnover shows that the fears are still in vain. The export of goods from Ukraine so far has positive statistics, but only time will tell how much this trend will continue and how the new US president will affect the changes in foreign policy priorities.

Conclusions. Thus, the definition of the role of Ukrainian business in modern trade wars is influenced by identifying, first of all, the reasons for the emergence of a trade war, methods of war, other countries involved in the process, their strategic positioning relative to the belligerent parties and the prospects for conflict escalating. At the same time, it should be noted that there are both overt and hidden losses and gains in a trade war, determined by the ultimate beneficiaries of «trade disputes». The role of Ukrainian enterprises as participants, observers or victims depends both on

the balance of trade with the key participants in the trade war and the global environment. Minimizing trade differences and ending the US — China trade war with an unfavorable forecast of the impact of Covid-19 on world trade as a whole will make adjustments to the position of Ukrainian business, which requires further research on this issue.

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