

## A COMPARATIVE ANALYSIS OF EXPORTS OF SERVICES IN THE EU COUNTRIES AND UKRAINE

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### A Comparative Analysis of Exports of Services in the EU Countries and Ukraine

The growing role of services in the economy of modern countries requires a detailed analysis of their exports as one of the key factors in the development of national economies. Especially relevant is the study of exports of services in the context of globalization and increased competition in international markets. The EU is one of Ukraine's key trading partners, so a comparative analysis of services exports helps to determine how effectively Ukraine adapts to European standards and which sectors of the economy have the greatest potential for growth. The aim of the article is to compare the level of development of exports of services of the EU countries and Ukraine and identify the key factors contributing to its growth. The article analyzes the export of key services of both the EU countries and Ukraine using a taxonomic approach. Taxonomic indicators for the classification of countries by the level of development of exports of services have been calculated, which allowed to allocate three main groups of countries. The place of Ukraine among the EU countries is determined and the key factors influencing its position in this sphere are identified. On the basis of the results obtained, recommendations for strengthening Ukraine's position in the international market of exports of services are formulated. Further direction of development of the study is envisaged in an in-depth analysis of specific service sectors that have the greatest potential for export in Ukraine, such as IT, financial services and outsourcing, as well as a comparative analysis of the policies of countries with an average level of exports of services and the determination of which practices can be adapted for Ukraine for further integration of Ukraine into European and global services markets.

**Keywords:** export of services, taxonomic indicator, classification of countries, EU countries, Ukraine, development factors.

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**Малярець Л. М., Норік Л. О., Денісюк О. В., Скляр Т. П. Порівняльний аналіз експорту послуг країн ЄС та України**

Зростання ролі послуг в економіці сучасних країн вимагає детального аналізу їхнього експорту як одного з ключових факторів розвитку національних економік. Особливо актуальним є дослідження експорту послуг в умовах глобалізації та посилення конкурентної боротьби на міжнародних ринках. ЄС виступає одним із ключових торговельних партнерів України, тому порівняльний аналіз експорту послуг допомагає визначити, наскільки ефективно Україна адаптується до європейських стандартів та які сектори економіки мають найбільший потенціал для зростання. Мета статті полягає у порівнянні рівня розвитку експорту послуг країн ЄС та України й ідентифікації ключових факторів, що сприяють його зростанню. У статті проведено аналіз експорту ключових послуг країн ЄС та України із застосуванням таксономічного підходу. Розраховано таксономічні по-

казники для класифікації країн за рівнем розвитку експорту послуг, що дозволило виділити три основні групи країн. Визначено місце України серед країн ЄС та виявлено ключові фактори, що впливають на її позицію у цій сфері. На основі отриманих результатів сформульовано рекомендації щодо посилення позиції України на міжнародному ринку експорту послуг. Подальший напрямок розвитку дослідження передбачається у поглибленому аналізі конкретних секторів послуг, що мають найбільший потенціал для експорту в Україні, таких як ІТ, фінансові послуги й аутсорсинг, а також є порівняльний аналіз політик країн із середнім рівнем експорту послуг та визначення, які саме практики можуть бути адаптовані для України для подальшої інтеграції України у європейські та глобальні ринки послуг.

**Ключові слова:** експорт послуг, таксономічний показник, класифікація країн, країни ЄС, Україна, фактори розвитку.

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**Introduction.** Exports of services as an important component of international trade significantly affects the trade balance of any country. The development of the sector of exported services helps to reduce dependence on traditional sectors of the economy. Therefore, in today's globalized economy, countries seek to diversify their export opportunities, focusing not only on goods but also on services. That is, the sector of exported services, especially exports in the field of information technology and other high-tech industries, contributes to the introduction of innovations and increases the technological level of the country, increases competitiveness in the international market, strengthens political and economic stability, supports integration into world markets, and improves the quality of education and training. One of the largest players in the world market are the EU countries, whose exports of services are growing annually, providing a significant share of global exports in this area. According to the data [1] the volume of exports of services of EU countries grew annually by more than 10%, amounting to USD 2.700.095 million in 2022, and by more than 6% in 2023 (USD 2.878.245 million).

For Ukraine, actively integrating into the world economy and striving to join the EU, the development of exports of services can become a key factor in terms of stability and growth of the country's economy. For ten years there has been instability in the volume of domestic exports of services, with the best indicator of exports of services in 2021 which amounts to USD 16.618 million, also there was a decrease in exports of services in 2022 and 2023 by 10 % and 11 %, respectively [2].

Integration processes between Ukraine and the EU are gaining momentum, and for the successful integration of Ukraine, it is important to identify export opportunities in the service sector. A comparative analysis of exports of services in the EU and Ukraine becomes relevant, since understanding Ukraine's place in the market for exports of services among the EU countries will allow developing effective strategies for growing the country's economy and attracting investment.

The issue of analysis of export activities, in particular the export of various types of services, is the subject of research by many contemporary scientists. So, the paper [3] identifies the importance of exports based on the analysis of data from 192 exporters in Turkey and establishes a relationship between business efficiency and export indicators. The study [4] examines the impact of some macroeconomic variables on the exports of advanced economies during 2000–2020. The authors of another paper [5] assessed the geographical structure of the efficiency of trade in goods and services within the EU and found that the Southern European EU Member States have better indicators of efficiency in trade in services and worse indicators in trade in goods, most Western European countries have average services trade efficiency and goods trade efficiency stability, North European countries have below average trade efficiency, Central European countries have better than average performance and tend to increase goods trade efficiency. This approach makes it possible to identify directions for further trade facilitation measures and sources of macroeconomic heterogeneity. The article [6] describes the models and specifics of export-import

operations in the service sector in Ukraine, attempts to depict the models of export and import of services recognized by the World Trade Organization (WTO) within the framework of the General Agreement on Trade in Services, and develops an algorithm for export-import of services, taking into account the main operations to lighten the process of trade for the national business of Ukraine.

Most scholars focus on the study of the most popular and active types of export of services, namely transport services and export services in the field of information and communication technologies (ICT) development. Attention to the export of *telecommunications, computer and information services* and their impact on export activities is given in the publications [7 – 12]. The study [7], aimed at analyzing the impact of barriers to trade in digital services on exports before the COVID-19 pandemic (2015–2016) and during the pandemic (2019–2020), showed that exports are affected by infrastructure and connectivity restrictions, e-transaction limitations, and other restrictions. The authors of [8] researched the direct and indirect channels through which ICTs influence the export of services as an important implication for export-oriented growth policies that should take into account the new interdependencies between goods and services, as well as further investment in digital infrastructure. The conclusions of the study [9] are consistent with the opinion of the authors of [8] on the basis of determining the main directions of development of export-import activities under the influence of ICT and assessing the relationship between the indicators of the digital economy and the indicators of volumes of exports and imports of the EU countries. The authors of [10] also examined the level of complementarity between total exports of goods and exports of ICT services and proved that global demand for services and broadband digital communications are important factors in the exportation of ICT services. The article [11] also identifies the decisive role of the digital services industry in the country's economic development and defines factors influencing the competitiveness of trade in digital services, including: the degree of freedom of trade, government efficiency, the number of fixed broadband subscribers per 100 people, and the openness of the industry. The study of the dynamics of foreign trade in ICT services during 2008–2022 is presented in the paper [12], where a constant trend towards an increase in the volume and share of ICT services in the export of services of Ukraine is shown and, based on the calculation of the trade balance and international trade indices for 2008–2022, a high level of specialization and competitiveness of ICT services in the economy of Ukraine is considered. Some aspects of the development of exports of *transport services* are discussed in the studies [13 – 15]. The study [13] provides an analysis of the logistics indicators of eight developed countries and their export indicators and shows that the efficiency of logistic services significantly affects export indicators. The paper [14] is devoted to the issue of assessing the convergent processes of development of foreign trade in transport services between Ukraine and the EU during 2010–2022 for two indices – the Revealed comparative advantage index and the Grubel-Lloyd index. The authors of [14] identified the reasons for the sharp decline in exports of transport services between Ukraine and the EU and proposed to assess the sigma and beta convergence of the transport sec-

tor between Ukraine and the EU. The article [15] describes the types of well-developed transportation used for export-import business in Uzbekistan and emphasizes that the simplification of cross-border trade in products and services is one of the main contributions of the transport industry to the economy.

A review of publications on the analysis of exports of services showed several key trends, namely: ICT services demonstrate high rates of implementation due to globalization and the development of digital technologies; transport services, in turn, remain crucial to international trade, providing supply chains. It is also found that most of the publications focus on certain aspects of the export of services, without taking into account the integrated approach to assessing their interaction. In particular, there are no studies comparing the strategies of export of services in different countries using innovative methods and mathematical tools.

The main **aim of the article** is to compare the level of development of exports of services of the EU and Ukraine, as well as to identify the key factors to foster its growth. With this in mind, the authors propose to use an integrated approach, which includes the analysis of statistical data, comparison of indicators and determination of generalizing indicators of the development of exports of services to the EU countries and Ukraine, enabling to carry out the classification of levels of development of exports of services.

**Results.** Countries of the EU have significant export potential in a variety of service sectors, including financial services, information technology, transport, tourism, and professional services. The high level of development of infrastructure, innovation and technology, as well as a stable legal environment create favorable conditions for the growth of exports of services, economic integration within the EU facilitates cross-border trade and helps reduce barriers to the supply of services, which makes the EU market attractive to international investors and partners. The unique profiles of EU countries in terms of services exports determine their national preferences and specializations. Analysis of these profiles can provide information for the development and support of export of services in Ukraine, taking into account its own competitive advantages and potential.

Exports of services in the EU countries are quite diverse, reflecting the specialization and competitive advantages of individual member states in different sectors of the economy. This diversity contributes to the EU's overall economic growth and increases its competitiveness in the international market. According to the data from [16], in 2023, 85% of EU exports of services comprised separate categories of services: transport services (19.5% of total exports of EU services), telecommunications, computer and information services (19.2%), tourism and travel (17.2%), professional and management consulting services (9.7%), financial services (8.4%), commodity/**production** services (5.1%). These categories are pivotal and significantly enhance the European Union's international trade. With use of the same categories it is proposed to carry out a comparative analysis and study the dynamics of the levels of development of exports of key services of the EU countries and Ukraine for 2019–2023. This period was marked by significant changes in the global economy due to the influence of global events and trends such as: the COVID-19 pandemic, which caused the deepest economic recession since World War II

and at the same time accelerated the processes of digitalization; post-pandemic inflation, driven by a sharp recovery in demand, supply disruptions, and rising energy and raw material prices; geopolitical tensions – the ongoing war in Ukraine that has caused significant changes in the global economy, including the energy crisis in Europe, increased military spending, and the restructuring of trade relations. All these events have had a significant impact on the global economy and forced governments, businesses and societies to adapt to new realities. The EU maintained its leading positions in the export of financial,

transport and IT services, although the pandemic and geopolitical challenges affected some sectors such as tourism and travel. Economic recovery after the pandemic and further digitalization have become key trends in the EU's services export policy. Ukraine has also shown significant progress in the field of IT services, which has become one of the main sources of foreign exchange earnings. The war in Ukraine has had a significant impact on other service export sectors, including transport and tourism, but the IT sector has shown high resilience and adaptability (Figure 1).

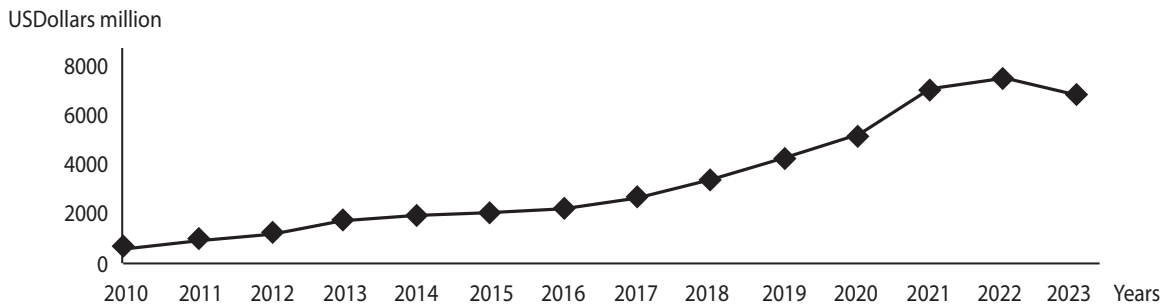


Fig. 1. Dynamics of exports of telecommunications, computer and information services in Ukraine

Source: formed by the authors on the basis of data from [16]

Given the identified changes in the export of services in the EU and Ukraine in the period of 2019–2023, it becomes obvious that there is a need for a more detailed understanding of how these changes took place and what they mean for the future economic development of the EU and Ukraine. To do this, it is advisable to carry out a comparative analysis, to identify key differences and similarities in the structure, dynamics and directions of exports of services, as well as to understand what factors contributed to or hindered growth.

The export of services is a multifaceted phenomenon that includes many different categories, each of which can have a significant impact on the development of total exports, and their interaction creates a complex system that is difficult to assess using simple single-factor analysis methods. For a comprehensive understanding of the impact of different export categories on the development of exports of services in the EU and Ukraine, it is necessary to apply multidimensional analysis. This approach will allow you to simultaneously take into account and analyze several variables, which further allows to build a more complete and accurate picture of the phenomenon under study. Despite the existence of many approaches to the use of methods of multidimensional data analysis, the authors consider the taxonomic approach as the most convenient and expedient for comparative analysis of exports of services of the EU countries and Ukraine. The use of the taxonomic approach will allow not only to compare the EU countries and Ukraine, but also to classify them according to key categories of exports of services and create a structured map of the relationships between them. This will ensure the systematic processing of multidimensional data, clear interpretation of results, flexibility and high reliability, which makes this approach an indispensable tool for obtaining reasonable conclusions and making effective managerial decisions.

It should also be noted that a comparative analysis based on various characteristics allows us to draw general conclu-

sions about the development of exports of services. However, for a more accurate and objective assessment, it is necessary to move on to the quantitative measurement of this development. This can be done by calculating a taxonomic indicator that integrates various aspects of economic activity and enables you to build a generalizing index for the development of exports of services. The taxonomic approach that includes the calculation of taxonomic indicators and the subsequent classification of the countries studied, provides an opportunity to systematize the data and gain a deeper understanding of the export profile of each country. The taxonomic indicator allows you to integrate different indicators of exports of services into one summarizing index, which not only simplifies comparisons between countries, but also allows you to more accurately identify their strengths and weaknesses. Thus, the use of the taxonomic approach at the level of calculating the taxonomic indicator becomes an important step in creating an objective and integrated index, allowing for a more effective assessment and comparison of the development of exports of services between the EU countries and Ukraine. This, in turn, will serve as the basis for the development of targeted development strategies that take into account the specifics of each country.

The article [17] presents an algorithm for calculating the taxonomic indicator, according to which calculations are made and ratings of regions of Ukraine by the level of components of innovative development are established. Using this algorithm and adapting it in the context of the analysis of exports of services, it is possible to determine the main stages of calculating the taxonomic indicator: data collection – determination of indicators of key categories of exports of services of the studied countries; standardization – bringing different indicators to a single scale; calculation of distances between the studied countries using the Euclidean metric; aggregation – as the calculation of a taxonomic indicator. According to the presented stages of calculating the taxonomic indicator, the taxonomic

indicators of the development of exports of services are calculated and the ratings of the EU countries and Ukraine during 2019–2023 are established.

The initial processing of statistical data (values of export indicators of key categories of services – transport services, telecommunications, computer and information services, tourism and travel, professional and managerial consulting services, financial services, commodity/production services) with the help of MS Excel tools showed their significant variability in the studied period by the values of average and standard deviations.

The determined positive values of the excess of indicators indicate a peak normal distribution of the initial data. In order to define the relationships between the categories of exports of services, correlation coefficients were calculated and

their changes for 2019–2023 were analyzed. There is a positive correlation between the key categories of exports of services, but the most closely related are the exports of commodity services and transport services (correlation coefficient from 0.80 to 0.86) and professional and managerial consulting services (correlation coefficient from 0.83 to 0.87), as well as the export of transport services and the export of professional and managerial consulting services (correlation coefficient from 0.74 to 0.83).

Based on the indicators of exports of key categories of services, generalized taxonomic indicators of the level of development of exports of services of each country are calculated. Table 1 shows the values of taxonomic indicators of the development of exports of services ( $I_{2019} - I_{2023}$ ) and the positions of the studied countries in the rankings for 2019–2023.

Table 1

Taxonomic indicators of the development of exports of services of the EU countries and Ukraine for 2019–2023

Country	2019		2020		2021		2022		2023	
	$I_{2019}$	ranking position	$I_{2020}$	ranking position	$I_{2021}$	ranking position	$I_{2022}$	ranking position	$I_{2023}$	ranking position
Austria	0.31	10	0.32	10	0.29	12	0.30	12	0.30	11
Belgium	0.37	6	0.38	6	0.36	7	0.35	8	0.35	8
Bulgaria	0.22	25	0.23	24	0.22	24	0.22	24	0.22	24
Croatia	0.23	21	0.24	21	0.24	20	0.23	20	0.24	20
Cyprus	0.24	20	0.24	19	0.24	19	0.24	19	0.24	19
Czech Republic	0.26	16	0.26	14	0.25	16	0.25	16	0.26	16
Denmark	0.30	11	0.31	11	0.30	10	0.30	10	0.31	10
Estonia	0.22	27	0.22	27	0.22	27	0.22	27	0.22	27
Finland	0.25	17	0.25	18	0.24	18	0.24	17	0.24	18
France	0.54	2	0.54	2	0.53	2	0.54	2	0.54	2
Germany	0.61	1	0.62	1	0.59	1	0.57	1	0.58	1
Greece	0.27	13	0.26	16	0.27	13	0.26	13	0.27	13
Hungary	0.25	18	0.25	17	0.25	17	0.24	18	0.25	17
Ireland	0.41	4	0.43	4	0.43	4	0.46	4	0.45	4
Italy	0.36	7	0.36	7	0.35	8	0.35	7	0.37	6
Latvia	0.22	28	0.22	28	0.21	28	0.21	28	0.21	28
Lithuania	0.23	23	0.23	22	0.22	22	0.23	21	0.23	21
Luxembourg	0.34	8	0.38	5	0.38	5	0.37	6	0.36	7
Malta	0.22	24	0.23	25	0.22	25	0.22	25	0.22	22
Netherlands	0.46	3	0.48	3	0.47	3	0.46	3	0.48	3
Poland	0.32	9	0.34	9	0.32	9	0.32	9	0.34	9
Portugal	0.26	14	0.26	13	0.26	14	0.26	14	0.27	14
Romania	0.26	15	0.26	15	0.25	15	0.25	15	0.26	15
Slovakia	0.23	22	0.23	23	0.22	23	0.22	23	0.22	25
Slovenia	0.22	26	0.22	26	0.22	26	0.22	26	0.22	26
Spain	0.38	5	0.36	8	0.36	6	0.37	5	0.39	5
Sweden	0.29	12	0.29	12	0.30	11	0.30	11	0.30	12
Ukraine	0.24	19	0.24	20	0.23	21	0.22	22	0.22	23

Source: authors' own calculations

The defined positions of the studied countries in terms of the level of development of exports of services showed that all countries for the period 2019–2023 occupied fairly stable positions in the ranking. The highest positions in the ranking from 1st to 4th were consistently occupied by Germany, France, the Netherlands, and Ireland. In fact, these four countries are part

of the developed economies of the EU and occupy key positions in the global services market. Their highly developed infrastructures facilitate efficient trade and serving international markets. Important components of the export of services from these countries are IT technologies and transport services (Fig. 2).

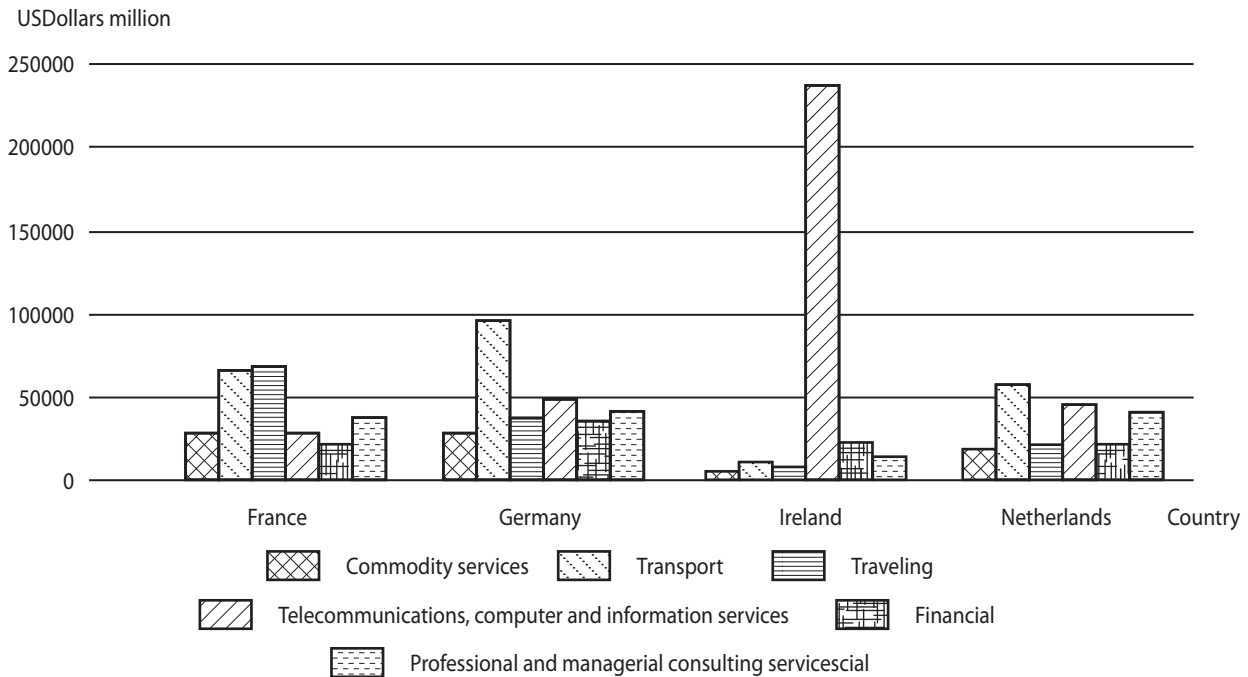


Fig. 2. Export of key services of the leading EU countries in 2023

Source: formed by the authors on the basis of data from [16]

Each of these four countries places great emphasis on the development of digital technologies, which helps them promote IT, communication and other digital services in international markets. One of the most important segments of Irish service exports is IT services (software development, cloud computing, data processing and cybersecurity). Tech and innovation companies use Ireland as a platform to export their services to the EU and the world, global giants such as Google, Apple, Facebook, Microsoft and others have their European or world headquarters in Ireland. This results from the country's favorable tax policies and stable regulatory environment, which allows Ireland to export a significant amount of digital and information services. France is the most visited country in the world, and tourism is one of the most important sectors of exported services, including hospitality, transportation, catering, and other related services. Germany is a major player in the field of international logistics, especially because of its extensive rail, road and aviation networks. An important role is played by DHL logistics company, a leader in providing global logistics solutions. The Netherlands is an important player in international trade in services due to its strategic position, openness of the economy, and technological innovations. The Netherlands today is the "gateway to Europe" owing to the port of Rotterdam, one of the largest seaports in the world. Schiphol, as one of the largest aviation hubs in the world, provides logistics services, including air transportation, which are pivotal for exports.

Slight fluctuations and weakening of the position in the ranking occurred for Austria (from the 10th position in 2019–2020 to the 12th, 11th positions in 2021–2023) and Belgium (from the 6th position in 2019–2020 to the 7th, 8th positions in 2021–2023). The COVID-19 pandemic has dealt a significant blow to Austria's tourism sector, which is an important part of the country's economy. Austria, which is known for its winter resorts and cultural tourism, has faced a sharp decline in tourist traffic due to travel restrictions. This has led to a significant reduction in revenues from the export of tourism services. Even after the restrictions were lifted, the recovery of tourism was slow due to new waves of COVID-19, as well as the energy crisis and inflation, which reduced the purchasing power of tourists. Belgium, as an important financial center, suffered losses due to increased competition on the part of other European countries such as Luxembourg and Italy. Brussels, home to numerous international organizations, including the EU and NATO, has faced some cuts in diplomatic and other related services due to the COVID-19 pandemic, which has affected the decline in exports of tourism services.

Fluctuations in Spain's position in the field of exports of services in 2021–2023 also took place under the influence of the pandemic. Tourism is one of the main sectors of the Spanish economy and in 2020 tourism declined sharply due to lockdowns and travel restrictions. Although a gradual recovery began in 2021, the situation remained volatile, and new waves of the pandemic triggered repeated restrictions. Although Spain

is traditionally strong in tourism and other services related to the physical presence of customers, digital services (e.g. IT, financial technologies) are developing more slowly compared to other European countries such as Ireland or the Netherlands.

Indicators of the development of exports of services for Ukraine revealed that it is at a less developed stage compared to the leaders of the EU. The main reasons for this may include limited access to new markets, inadequate infrastructure, lack of high growth rates in certain service sectors, and political instability. Despite the lag, Ukraine has certain competitive advantages, such as high potential in the IT sector and outsourcing services, which can be the basis for further development and integration into international markets. In general, the results of the calculation of taxonomic indicators for the development of exports of services provide an important understanding of the current state of Ukraine in the context of the international market and indicate the need for comprehensive measures to improve its position in this important sector of the economy.

The defined indicators of the development of exports of services for the EU countries and Ukraine allow to assess the level of development and competitiveness in this sphere. After calculating the indicators characterizing the development of exports of services in both the EU countries and Ukraine, the next logical step is to classify these countries, which will identify groups of countries with similar characteristics in the field of exports of services and determine Ukraine's place among them. For this purpose, the main statistical characteristics were used: the average value of the generalizing indicator of the development of exports of services ( $\bar{I}$ ) and the standard square deviation ( $\sigma_j$ ). The following ranges of levels of development of exports of services have been allocated: high –  $[\bar{I} + \sigma_j; 1] = [0,41; 1]$ ; medium –  $[\bar{I}; \bar{I} + \sigma_j] = [0,30; 0,41]$ ; moderate –  $[\bar{I} - \sigma_j; \bar{I}] = [0,20; 0,30]$ ; low –  $[0; \bar{I} - \sigma_j] = [0; 0,20]$ . Based on the calculated ranges of levels of development of exports of services according to the data of 2019–2023, three groups of countries have been identified (Table 2), none of the studied countries fell into the low-level group.

Table 2

Levels of development of exports of services in the EU countries and Ukraine for 2019–2023

Levels of development of exports of services	Countries
High	Germany, France, Netherlands, Ireland
Medium	Spain, Luxembourg, Belgium, Italy, Poland, Denmark, Austria, Sweden
Moderate	Greece, Portugal, Romania, Czech Republic, Hungary, Finland, Cyprus, Croatia, Ukraine, Lithuania, Slovakia, Bulgaria, Malta, Slovenia, Estonia, Latvia

Source: authors' development

Table 2 shows that 57% (16 countries) of the studied countries constitute a group with a moderate level of development of exports of services, almost 29% (8 countries) – with an average level and only 14% – with a high level. Such results make it possible to identify structural similarities and differences between countries, which in turn can help identify promising areas for the development of exports of services in Ukraine.

Ukraine is in the group of countries with a moderate level of development of exports of services along with such countries as Greece, Portugal, Romania, the Czech Republic, and others. Many countries in this group, including Ukraine, have economies dependent on traditional industries (agriculture, production of goods), while the service sector is gradually developing. Similar to the economies of other countries, such as Romania or Bulgaria, the export of goods dominates the export of services. Ukraine and some other countries in this group (Cyprus, Czech Republic) are actively developing the IT services sector, but this segment has not yet reached the level of developed economies such as Germany or the Netherlands. IT services that have a high added value allowed Ukraine to fall into the group with a moderate level of exports. Some countries in this group (Greece, Portugal, Croatia, Cyprus) have well-developed tourism sectors, but this segment is not high-tech or knowledge-intensive, which limits them in the growth of the volume and quality of exports of services. Ukraine also has potential in the tourism sector that has not yet been fully realized. In Ukraine, as in other countries of the same group (Bulgaria, Estonia, Slovenia), regulatory stability is only emerging, which

may hinder the development of high-income service sectors, such as the financial services sector and the consulting services sector. To improve its position, Ukraine needs to invest more in innovative and high-tech service sectors, as well as improve infrastructure, legal regulation and business climate to attract international investors. The moderate level of Ukraine's exports of services indicates significant potential for growth, but the realization of this potential depends on the implementation of effective reforms, investments and economic stability.

Thus, it is determined that Ukraine belongs to the group of countries whose economy is still focused on more traditional sectors, and the potential in the field of exports of services, in particular IT, tourism and outsourcing, remains not fully evolved. Taking into account the existing opportunities, Ukraine faces the task of growing competitiveness and increasing the share of exports of services in the international market.

To improve Ukraine's position in the world market for exports of services, Ukraine can align with the countries with an average level of development of exports of services, such as Spain, Poland, Denmark, Sweden, etc. These countries have made notable strides in exported services through strategic reforms, investments in technology, and infrastructure development. Despite the different economic profiles and scales of their economies, the countries with an average level of development of exported services share several common characteristics in the context of exported services. First, these countries export a wide range of services, including financial services, information technology, transportation, tourism, consulting, and other business services. For example, Luxembourg is a fi-

financial center with a developed system of banking, investment and insurance services, Spain has a developed tourism industry, Poland is a significant market for IT services, Denmark and Sweden are actively exporting IT services and technologies.

Second, although these countries differ in terms of GDP per capita (Fig. 3), they all have a medium or high *level of economic development*, which contributes to a developed infrastructure and high quality of the services they are exporting.

Table 3

## Key factors in the development of exports of services

Factors	Implementation of factors for the development of exports of services	
	countries with a middle level of development	countries with a moderate level of development
Economic development and structure of services	A more diversified economy and developed infrastructure allow to offer a wide range of services. Countries have strong positions in sectors such as financial services, transportation, tourism, and high-tech innovation.	The economy is in a state of transformation and services have a smaller contribution to GDP. Export of services specializes in such areas as tourism, IT outsourcing and basic transport services, but a smaller share in the segments of high technology and finance.
Investing in innovation and technology	Investing significant resources in research and development, which increases the competitiveness of services in the international market.	Investment in innovation is less significant, which affects the quality and quantity of services that countries can offer.
Infrastructure development	Integrated transport networks, financial institutions and digital technologies are driving rapid export growth.	Transport infrastructure or digital accessibility is less developed.
Financial and regulatory conditions	Developed financial markets and a regulatory system that supports international trade in services.	Financial markets are smaller and less integrated into the global financial system.
Political stability and business climate	A stable political and business climate and a stable regulatory policy contribute to attracting investment and developing exports of services.	Periods of political instability that affect the business climate and international image and limit foreign investment and restrain the development of service sector.

Source: authors' development

Countries with higher GDPs have more developed economies that are able to support the development of not only commodity exporting sectors, but also exports of services such as financial, insurance, consulting, and high-tech services. A higher level of GDP allows these countries to invest in infrastructure development, research and innovation, which makes them efficient in the international services market. Therefore, the next common feature of countries with an average level of development of exports of services is a developed infrastructure and significant investment in innovation. Thus, Denmark, Austria, Belgium and Spain have a developed infrastructure for the provision of services and are leaders in the implementation of innovation and technological development, and Sweden is one of the leaders in the field of financial and medical technologies. Another feature of these countries is the powerful financial system and its regulation. For instance, Luxembourg is one of the largest financial centers in the world with a developed system of banking, investment, and insurance services. High GDP also provides an opportunity for governments to maintain macroeconomic stability, that is, no less important than economic conditions are political conditions, the stability of which affects the development of exports of services. Thus, the analysis of the economies and profiles of the EU countries with an average and moderate level of development of exports of services allowed to identify the key factors that affect the development of exported services (Table 3).

The identified features can be useful for the formation of policies aimed at supporting and developing the service sector, which will ultimately contribute to economic growth

and Ukraine's integration into the European community. Ukraine can significantly improve its position in the international services market, focusing on the experience of countries with an average level of development. The introduction of such strategic approaches will increase the competitiveness of Ukrainian services and provide gradual rise to the level of these countries.

To improve Ukraine's position in the global services market, it is necessary to rebuild the economy and implement a number of key measures aimed at developing infrastructure, stimulating innovation and investment in strategic sectors.

**Conclusion.** In the course of the analysis of exports of services of the EU countries and Ukraine, general trends and differences in the development of this sector in different countries have been identified. The use of the taxonomic indicator made it possible to classify countries according to the level of development of exports of services and to allocate the main groups. Ukraine is in the group of countries with a moderate level of development of exported services, along with such countries as Greece, Portugal, the Czech Republic, Hungary, etc.

Among the main factors influencing the development of exports of services in Ukraine are: underdeveloped infrastructure for the provision of high-tech and financial services; lack of investment in innovative projects and technologies; lack of a stable business climate, which restrains foreign investment; limited access to global markets due to the imperfection of transport and digital infrastructure. To improve Ukraine's position in the international services market, it is necessary to take



measures to develop infrastructure, stimulate innovation and create a favorable environment for attracting foreign investors.

Further direction of development of this study is envisaged in the analysis of specific service sectors that have the greatest potential for export in Ukraine, such as IT, financial services and outsourcing. In addition, it is necessary to determine which practices of countries with an average level of exports of services can be adapted for Ukraine.

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