Інноваційні пріоритети нерозривні з реальною інноваційною практикою. Їх реалізація потребує створення необхідних і достатніх умов для раціональної організації управління інноваційним процесом на підприємстві. Це сприятиме підвищенню конкурентоспроможності вітчизняної продукції, яка випускатиметься на інноваційній основі, і рентабельності діяльності підприємства.

Серед факторів впровадження інновацій на підприємствах слід відзначити вплив імпорту, вимоги ринку, розширення виробничих потужностей, зміну форм власності, конкурентну боротьбу, вплив споживачів продукції. Результатом цієї діяльності є зниження енергозатрат, пошук ніші на конкретному ринку, адаптація до ринкових умов господарювання, технологічні фактори.

Список використаних джерел:

1. Ілляшенко С.М. Управління інноваційним розвитком: проблеми, концепції, методи: навч. посібник. – Суми. – 2003. – 278 с.
2. Водачек С.В., Водачкова О. Стратегия управления инновациями на предприятии. – М.: Экономика, 1999. – 367с.
3. Санто Б. Инновация как средство экономического развития. Пер. с венг. / Под редакцией Б.В. Сазонова. – М.: Прогресс, 2001. – 263с.
4. Ковалев Г.Д. Инновационные коммуникации. М.: – ЮНИТИ-ДАНА, 2003. – 288 с.

Науковий керівник: к.е.н., доцент Н. М. Польова

THEORY OF INTERNATIONAL TRADE

Eneje Chigozie Francis
Bohdan Khmelnytsky National University of Cherkasy

International trade is the exchange of capital, goods, and services across international borders or territories. In most countries, such trade represents a significant share of gross domestic product (GDP) [1]. This type of trade gives rise to a world economy, in which prices, or supply and demand, affect and are affected by global events. A decrease in the cost of labor, on the other hand, would result in you having to pay less for your new shoes. Nevertheless the main motive of any kind of trade is to generalize profit, Trading globally gives consumers and countries the opportunity to be exposed to goods and services not available in their own countries. Almost every kind of product can be found on the international market: food, clothes, spare parts, oil, jewelry, wine, stocks, currencies, and water. Services are also traded: tourism, banking, consulting and transportation. A product that is sold to the global market is an export, and a product that is bought from the global market is an import. Imports and exports are accounted for in a country's current account in the balance of payments [2].

Despite the fundamental motive of international trade ‘’ to gain profit’’ nowadays we have different reason why countries engage in international trade, which are different in technology, different in resources endowment, different in demand, existence of economies of scale I production, existence of government policies. Global trade allows wealthy countries to use their resources – whether labor, technology or capital – more efficiently. Because countries are endowed with different assets and natural resources (land, labor, capital and technology), some countries may produce the same good more efficiently and therefore sell it more cheaply than other countries. If a country cannot efficiently produce an item, it can obtain the item by trading with another country that can. This is known as specialization in international trade [2]. From historical point of view international trade has elapse some theoretical stages which tries to explain how a country get profit from international trade and what a country should trade on.

According Mercantilist analysis, which reached the peak of its influence upon European thought in the 16^{th} and 17^{th} centuries, focused directly upon the welfare of the nation. It insisted that the acquisition of wealth, particularly wealth in the form of gold, was of paramount importance for national policy [3].

Mercantilism was based on the conviction that national interests are inevitably in conflict – that one nation can increase its trade only at the expense of other nations. Thus, governments were led to impose price and wage controls, foster national industries, promote exports of finished goods and imports of raw materials, while at the same time limiting the exports of raw materials and the imports of finished goods. The trade policy dictated by mercantilist philosophy was accordingly simple: encourage exports, discourage imports, and take the proceeds of the resulting export surplus in gold [3].

A strong reaction against mercantilist attitudes began to take shape toward the middle of the 18^{th} century. In France, the economists known as Physiocrats demanded liberty of production and trade. In England, two economist Adam Smith who demonstrated in his book *The Wealth of Nations* (1776) the advantages of removing trade restrictions, he introduce theory of absolute advantage which explains the ability of a party (an individual, or firm, or country) to produce a greater quantity of a good, product, or service than competitors, using the same amount of resources. Adam Smith first described the principle of absolute advantage in the context of international trade, using labor as the only input. Since absolute advantage is determined by a simple comparison of labor productiveness, it is possible for a party to have no absolute advantage in anything; in that case, according to the theory of absolute advantage, no trade will occur with the other party [1]. And David Ricardo clearly showed on his principle of political economy 1817 that absolute advantage are not a necessary condition for two country to gain from trade from each other, instead trade will benefit both nation provided their relative cost, that is the ration of their real cost in terms of labor input are different for two or more countries. In short, Ricardo approach demonstrate the principle of comparative advantage which means, Ricardo stated a theorem that, other things being equal, a country tends to specialise in and export those commodities in the production of which it has maximum comparative cost advantage or minimum comparative disadvantage. Similarly, the country’s imports will be of goods having relatively less comparative cost advantage or greater disadvantage [4]. After Adam Smith and David Ricardo, the basic tenets of mercantilism were no longer considered defensible. This did not, however, mean that nations abandoned all mercantilist policies. Restrictive economic policies were now justified by the claim that, up to a certain point, the government should keep foreign merchandise off the domestic market in order to shelter national production from outside competition. To this end, customs levies were introduced in increasing number, replacing outright bans on imports, which became less and less frequent [3].

In the middle of the 19^{th} century, a protective customs policy effectively sheltered many national economies from outside competition.

The concept of protectionalism was to restrict imports from other countries through methods such as tariffs on imported goods, import quotas, and a variety of other government regulations. Proponents claim that protectionist policies shield the producers, businesses, and workers of the import-competing sector in the country from foreign competitors. However, they also reduce trade and adversely affect consumers in general (by raising the cost of imported goods), and harm the producers and workers in export sectors, both in the country implementing protectionist policies, and in the countries protected against [3]

There is a universal consensus among economists that protectionism has a negative effect on economic growth and economic welfare, while free trade, deregulation, and the reduction of trade barriers has a positive effect on economic growth. However, trade liberalization can sometimes result in large and unequally distributed losses and gains, and can, in the short run, cause significant economic dislocation of workers in import-competing sectors [1].

But the protectionism of the last quarter of the 19th century was mild by comparison with the mercantilist policies that had been common in the 17th century and were to be revived between the two world wars. Extensive economic liberty prevailed by 1913. Quantitative restrictions were unheard of, and customs duties were low and stable. Currencies were freely convertible into gold, which in effect was a common international money. Balance-of-payments problems were few. People who wished to settle and work in a country could go where they wished with few restrictions; they could open businesses, enter trade, or export capital freely. Equal opportunity to compete was the general rule, the sole exception being the existence of limited customs preferences between certain countries, most usually between a home country and its colonies. Trade was freer throughout the Western world in 1913 than it was in Europe in 1970 [3].

References:

1. International trade. Retrieved from https://en.wikipedia.org/wiki/International_trade
2. What-is-international-trade. Retrieved from https://www.investopedia.com/.../what-is-international-trade/
3. International trade. Retrieved from https://www.britannica.com/topic/international-trade
4. International-trade/theory. Retrieved from https www.yourarticlelibrary.com/international-trade/theory...com...

Scientific supervisor: Ph.D., assistant professor Nataliia Andrusiak

ECONOMY OF THE GAMBIA

Jatta Haddy

Bohdan Khmelnytsky National University of Cherkasy

The Gambia is the 185th largest export economy in the world. In 2015, the Gambia exported $118M and imported $912M, resulting in a negative trade balance of $794M. In 2015 the GDP of the Gambia was $938M and its GDP per capita was $1.68k.

The top exports of the Gambia are Rough Wood ($50.4M), Coconuts, Brazil Nuts, and Cashews ($40.1M), Ground Nut Oil ($6.27M), Tropical Fruits ($3.73M) and Scrap Iron ($3.58M), using the 1992 revision of the HS (Harmonized System) classification. Its top imports are Light Pure Woven Cotton ($141M), Raw Sugar ($52.2M), Rice ($38.7M), Malt Extract ($30.4M) and Cement ($27.1M).

The top export destinations of the Gambia are China ($49.5M), India ($31.5M), Vietnam ($13.9M), France ($6.57M) and the United Kingdom ($5.15M). The top import origins are China ($332M), Senegal ($89.6M), Brazil ($79M), India ($55.5M) and the Netherlands ($45.2M). The Gambia borders Senegal by land and Cape Verde by sea [1].

The government has invested in the agriculture sector because three-quarters of the population depends on the sector for its livelihood and agriculture provides for about one-third of GDP, making The Gambia largely reliant on sufficient rainfall. The agricultural sector has untapped potential - less than half of arable land is cultivated and agricultural productivity is low. Small-scale manufacturing activity features the processing of cashews, groundnuts,