

Abstract of the Article
**"The Paradigm of Creating a Free Trade Zone Between Ukraine
and European Union"**
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It is proved that the European Union (EU) is an important trade partner of Ukraine (25.76 % of total exports and 32.94 % of total imports in the first half of 2010). A Free Trade Area (FTA) with the EU will simplify the process of European integration and strengthen foreign economic relations between Ukraine and EU countries.

The definition of FTA as an international agreement under which customs tariffs between member countries are eliminated is given. Two paradigms of trade agreements are singled out: the first one is based on the commercial law of the World Trade Organization (WTO), the second one – on the Treaty about the European Community's establishment. Negotiations with Ukraine are conducted on the basis of the first paradigm, as the country is not ready to fully liberalize its markets for goods from the EU. The prospective agreement was called "WTO+" or "FTA+". Traditionally it includes the abolition of import and export duties, but the main attention is focused on simplifying customs procedures. Markets will open in an asymmetric way.

It was examined that in terms of integration into the European market the Ukrainian government and business should take measures in order to adapt Ukraine's legislation to the EU legal system and improve the efficiency of the internal market. Under such conditions the FTA between Ukraine and EU would boost economic development of the country.