

THEORETICAL FUNDAMENTALS OF CREATION AND FUNCTIONING OF SPECIAL (FREE) ECONOMIC ZONES AS FORMS OF TERRITORIAL-SECTORAL ORGANIZATION OF ECONOMY

The article deals with theoretical issues concerning the processes of creation and functioning of special (free) economic zones as a form of territorial-branch organization of economy of regions.

It is found that today there are a large number of special (free) economic zones in the world, more than a hundred countries, which have different forms of spatial organization of entrepreneurial activity. World experience shows that in modern conditions the concept of special (free) economic zones characterizes primarily economic formation with simplified and preferential conditions of its functioning. As well as the meaning, understanding and interpretation of the term specified in the legislative documents crane, which have special (free) economic zones in their territories and Ukraine is no exception.

Parameters of functioning of domestic special (free) economic zones (territory of location, duration and beginning of work, priority types of economic activity, expected results of activity (amount of attracted investments and number of jobs), which today 11 in the territory of Ukraine, are investigated.

The article explains the main goals and objectives of special (free) economic zones, the conditions of their creation and the consequences of their functioning. The classification of the aforementioned entities by such classification features as the location of special economic zones (SEZ) with respect to state borders, the nature of the zoning object, the nature of the organization, the nature of interaction with the economy of the host state, coverage of the designated territory of one or more adjacent states, the importance of the deciding SEZ problems, sectoral and functional orientation.

The advantages and disadvantages of SEZ are highlighted and outlined on the basis of studying foreign and domestic experience of their activity. The main shortcomings of the SEZ operation are as follows: narrowing of the tax base and tax evasion, loss of budgets due to excess of tax privileges provided above tax revenues, activation of criminal proceeds legalization, mass crime of economic entities by economic entities, economy, etc. Among the advantages are the following: creating new jobs and saving existing ones; increase in output (works, services), primarily export-oriented; attracting investments from other regions and countries; establishment of international and interregional integration of subjects engaged in special (free) economic zones; structural restructuring of the national and regional economies, etc.

Keywords: *special (free) economic zones, territorial-branch organization of economy of a region, purpose and tasks of special economic zones, advantages and disadvantages of special economic zones.*

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