
Social and Economic Diagnostics of Foreign Economic Activity of the Rostov Region

M.A. Surzhikov¹, C.G. Abazieva², M.T. Belov³, S.N. Goncharova⁴

Abstract:

Social and economic diagnostics is a new scientific trend to research regional market phenomena and processes. Its emergence is traditionally connected with the synthesis of methodological economic researches and applied methods and procedures systems engineering, sociology, management, mathematical statistics and cybernetics.

The word “diagnostics” means detection, determining the state of the researched object. The analysis of the scientific reserve on the problem of regional economy diagnostics testifies about the possibility to adapt it to the research of the foreign economic activity development of the region.

Key Words: *Social and economic diagnostics, international trade, foreign trade, export, import, management.*

JEL Classification Codes: *F40, F21, F23*

¹ Surzhikov Mikhail Andreevich, D.Sc., professor, Department of Sociology and Human Resource Management, Rostov State University of Economics Rostov-on-Don, Russian Federation

² Abazieva Kamilla Grigorievna, D.Sc., professor, Department of Sociology and Human Resource Management, Rostov State University of Economics Rostov-on-Don, Russian Federation

³ Belov Mikhail Tymofeevich, Ph.D., associate professor, Department of Sociology and Human Resource Management, Rostov State University of Economics Rostov-on-Don, Russian Federation

⁴ Goncharova Svetlana Nikolaevna, Ph.D., associate professor, Department of General and Strategic Management, Rostov State University of Economics Rostov-on-Don, Russian Federation

Corresponding author: E.S. Akopova, Rostov State University of Economics, 69, Bolshaya Sadovaya str., Rostov-on-Don, 344002, Russian Federation. Tel. +7863-240-7355. E-mail: akopova-[совет@mail.ru](mailto:akopova-совет@mail.ru)

1. Introduction

Currently meso economy is an integrant structural component in the framework of the efficient economic development of the state and its successful representation in the system interregional and international labour division. A region is not only a key element of the administrative and territorial division of the country as well as of the economic zoning of the state. The key aspect for the role of the meso economy development is interregional and international competition, including the issues of the mobile resources attraction to the region, industrial location, and federal support. Export potential of the Rostov region is determined by the ability and possibility of the economic subjects to supply products and services to the foreign markets. Actual size of the export potential is the actual value and export structure of the region at the given moment.

The key factors, determining its quantitative characteristics, are competitiveness of the export-oriented industries and services as well as the conjuncture of the international sales markets. Given changeability of these factors it is reasonable to suppose that export potential, being an economic category, possesses dynamic features.

Depending on the ability of the social and economic system to increase the volumes of the exported products and services in the short-run, taking into consideration the resource constraints and infrastructure capacity as well as economic conjuncture of the world commodity markets which are sales markets in the relation to the region, export potential can change (Nechaev and Antipina, 2016). Thus, to assess export potential objectively it is necessary to do social and political diagnostics, namely:

- analyze current volume and export structure;
- determine the prospects of the region's foreign trade development taking into consideration strategies and long-run public and departmental development programs, corporations' prospective plans as well as scenarios of the development of the specialized international markets.

In this connection the most important trend of the analysis of the regional economy development is comparative research of the main parameters of the macroeconomic development of Russia's regions, dynamic of the quantitative and qualitative indicators of industries' development.

With regard to our study we define the social and economic diagnostics as a set of methods and tools used to analyze the factors of the international trade development, to assess their condition and to reveal these or that deviations from the normal development and their influence upon the regional economy functioning. Based on this understanding of the category "social and economic diagnostics" we include the following elements in the systematic analysis of the region as subject of the international trade.

- economic diagnostics of the regional international trade market formation, including identification of the subject-object structure and assessment of the interconnections among different subjects of the market; determining the tendencies of the region's foreign economic activity and forecasting their possible transformation under influence of the new factors on reproduction process development and region's productive forces;
- economic diagnostics and assessment of the influence of the social and economic proportions in the development of the regional economy; intraregional and interregional economic links; territorial organization and positioning of the region's foreign economic activity in the world economy;
- economic diagnostics of the infrastructural support of foreign trade activities in the region; analysis of the industries' location and the consumption as well as on this basis identification of the key trends to modernize the management system of the region's foreign economic activity.

The sum of the mentioned above elements allows to diagnose the degree of capitalization of the resources of the regional economy in the international division of labor; to evaluate the possibility of repositioning of foreign economic activity of the region and improve on this basis, the competitiveness of the regional and national economy (Akopova and Przhedetskaya, 2016; Dmitrishina and Uskov, 2015; Faizova *et al.*, 2015).

Undoubtedly, the solution of the region's diagnostics as a subject of the international trade is based on the research of the given theoretical developments.

Social and economic diagnostics of the region as a subject of the international trade allows to obtain aggregated conclusion about the level of international economic activity in the region and creates the prerequisites for connecting the regional level of governance with the national foreign trade management system.

Such a conclusion is a synthesis of various kinds of information based on: identifying the characteristics, conditions and prerequisites for the functioning and development of foreign trade activities in the region; analysis of trends and factors affecting the reproductive processes of the regional market system; the competitive environment and the study of transformational features of formation, functioning and development of foreign trade activities in the region; institutional structure and market assessment mechanism of interaction between economic entities of foreign economic relations (Sibirskaya *et al.*, 2016; Frank *et al.*, 2016; Kolchanova and Kolchanova, 2016).

The initial methodological principles of social and economic diagnostics of the region as a subject of international trade are based on a systematic approach, structural and functional, comparative analysis of the efficiency of the foreign trade activities in the region; dynamic approach to study issues, considering the peculiarities of the regional economy using different indicators characterizing the

development of the regional system both as a whole and its foreign trade (Thalassinos *et al.*, 2013; Thalassinos, 2008).

A systematic approach to the review of the region as a subject of international trade consists of the following methodological assumptions. Firstly, region's foreign economic activity is considered as a system of interacting entities - participants in international trade. Secondly, economic entities are grouped depending on the type of their activity, place and role in the regional institutional mechanism of the foreign economic activity. Thirdly, region's foreign economic activity is regulated by a certain control mechanism.

Comprehensive social and economic diagnostics of these assumptions involves identifying the set of entities involved in the international trade, analysis of key factors influencing the participation of regional economic agents in the international division of labor, the definition of the territorial boundaries of influence spheres of the markets, assessment of the infrastructure development level, information support, forms and methods of state regulation of these processes.

A dynamic approach to the study the problems means the analysis of the region's foreign trade activities in the constant evolution: both taking into account trends emerged in the past tendency and in today's economic situation, given the structural changes in the regional economy and the system of global economic processes.

Russia is a territory with the diverse climatic conditions and resource; uneven placement and development of industry, agriculture and infrastructure; differences of cultural, historical and national character. Long distances and the corresponding organizational and economic, technical level of commercial interaction partners are characteristic features for its economic relations. This fact affects the contacts of foreign countries significantly.

International trade has always played a special role in the Russian economy, including the functioning of economic entities of the regional economy. The formation of the foreign economic relations of the regional economy is greatly influenced by their specialization, producers' placing and the state of infrastructure, economic and geographical situation of the region. The nature of the specialization of regional economies is diverse and preconditioned by contrasts inherent in the national economy as a whole.

2. Results

Favorable climatic, geo-economic and geopolitical conditions, a diversified industrial and agrarian structure of the economy of Rostov region gave prerequisites and created the conditions for the active involvement of the Rostov region in the processes of international division of labor, global production chains and the system of import and export interactions. In the context of the urgent need to improve the efficiency of regional production, increase the competitiveness of its products there

is an objective need for the intensification of trade relationships companies in the region, solving these problems.

However, the Rostov region's regional economy has quite peculiar conditions and opportunities, which are largely due to its geopolitical position and diversified economy.

Rostov region is a part of the Southern Federal District. Its administrative center is the city of Rostov-on-Don - a large industrial, cultural and scientific center of Russia. Rostov region is bordered on the east by the Volgograd region, in the north - with Voronezh, in the south of the Krasnodar and Stavropol edges, the Republic of Kalmykia, in the west - with Ukraine.

The region is one of the objects located near the Russian Federation's borders. The share of the Rostov region's gross regional product of in the country's GDP was 1.7 percent in 2015. Strengthening in the internal market stimulates the flow of imports in Russia, foreign direct investment inflow of retail chains. It is possible to talk about the high dependence of the Rostov region on these processes and on the dynamics of macroeconomic indicators of the country as a whole.

Continuing integration of the Russian economy in the global market is connected with the opening of new markets for imports, the alignment of prices for basic commodities outside and inside the country, the standardization of the business processes and their orientation on the international quality standards. Such integration reduces the competitiveness of some sectors of the economy that respond to an increase of imports competition, and the dynamics of commodity prices. This is typical for enterprises of machine-building industry, light and food industries. Priorities for regional development predetermine such sectors as transport, grains and oil, trade, intellectual, and financial services.

It is possible to conclude that the Rostov region is one of the regions to ensure Russia's integration into the global economy. The Rostov region's foreign trade turnover of 2015 amounted to USD 6 billion 480 million dollars, including exports amounting to USD 4 billion 492 million, imports - 1 billion to USD 988 million. Foreign trade turnover decreased by 16.4%, or USD 1 billion 272 million, compared to the same period of 2014, however, the physical volume of foreign trade turnover for the same period grew by 29.6%. At the end of 2015 there was a surplus trade balance in the amount of USD 2 billion 504 million (2014 - \$ 1.3 billion). The dynamics of the main indicators of foreign trade is presented in Figure 1.

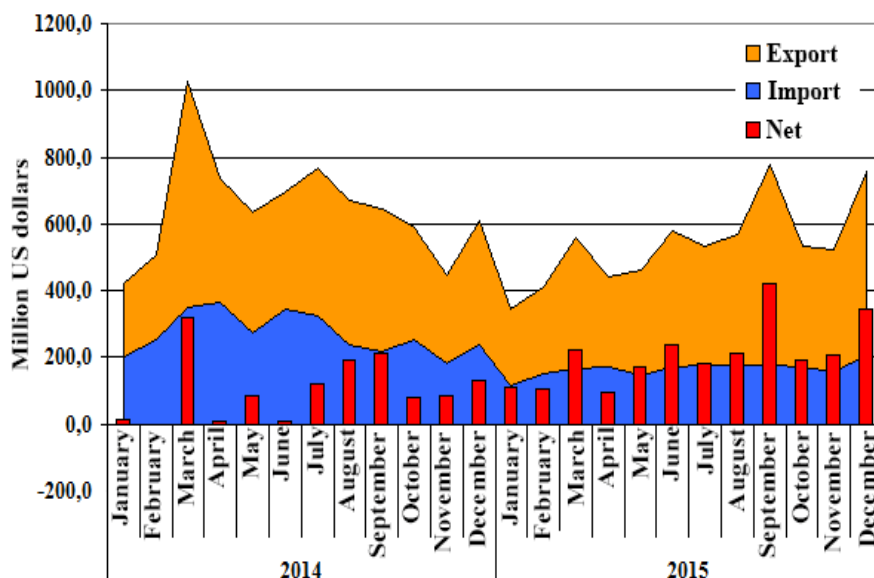


Figure 1. The main economic indicators of the foreign trade of the Rostov region

As in 2014, non-CIS countries were the main partners in foreign trade, and the share of these countries in the region's turnover increased compared to the same period in 2014 from 78% to 81.2%.

Turkey (USD 1 billion 364 million, 21%) was the main contractors of the Rostov region in 2015. The rest of the major trading partners, in descending order: the United States, 6 Ukraine (USD 959.3 million, 14.8%), Switzerland (USD 421 million, 6.5%), China (USD 388 million, 6%), Egypt - (USD 357 million, 5.5%), Saudi Arabia - (USD 240.4 million, 3.7%), Germany (USD 206 million, 3.2%), Italy (US \$ 189 million, 2.9%).

The share of the Rostov region in the Southern Federal District's foreign trade turnover has increased from 25.9% to 32.8% compared to 2014 year.

The Rostov region's exports in 2015 amounted to USD 4 billion 492 million. That practically corresponds to the volume in 2014. The physical volume of exports for the same period grew by 37.1%.

The value of exports to non-CIS countries and the CIS countries in 2015 remained virtually unchanged compared to the 2014 year and amounted to USD 3 bln 868 million and USD 624 million.

Turkey (USD billion 235 million, 27.5%), Ukraine (USD 431.2 million, 9.6%), Switzerland (USD 408.8 million, 9.1%), Egypt (USD 354 900000, 7.9%), Saudi

Arabia (USD 242.6 million, 5.4%), Bangladesh (USD 112.3 million, 2.5%) were the largest trading partners of the Rostov region in exports by the end of 2015. The main export structure:

- food products - 58.9% (USD 2 billion 646 million);
- mineral products - 21.6% (USD 968.5 million);
- ferrous and non-ferrous metals - 9.9% (USD 445 million);
- engineering products - 4.1% (USD 185 million);
- chemical products - 3.6% (USD 161.7 million).

In 2015, the cost volumes of exports of agricultural and food stuff for their production amounted to USD 2 billion 646 million, that is 2.7% or USD 73 million more than in 2014. Cereals (58.5% - USD 1 billion 548 million), butter and vegetable oil (16.3% - USD 432.4 million), vegetables (7, 3% - USD 192.8 million), oil seeds and fruits (3% - USD 79.9 million) remained the main exported products. Compared to 2014 cereals supply volumes remained almost unchanged, while the volume of supply vegetables increased almost two times.

Turkey, Egypt, Saudi Arabia, Ukraine, Bangladesh, Iran, Jordan, the UAE, Italy, South Africa, Oman, Sudan were the main trade partners.

In 2015, the cost volumes of mineral products exports amounted to USD 968.5 million, which is 6.2% or USD 56.6 million more than the volume in 2014. The basis of exports of mineral products - petroleum products (USD 55.8% - 540.5 million), asphalt mix (22.2% - USD 215.2 million), coal (19.2% - USD 186 million). Switzerland, Turkey, Ukraine, Georgia, Greece, USA, Malta, Gibraltar were the main trading partners.

In 2015 the cost volumes of exports of metals and products from them amounted to USD 445 million, that is 9.8% or USD 48.2 million less than in 2014. The basis of exports - ferrous metals (62.7% - USD 279.4 million), as well as products made of ferrous metals (26.7% - USD 118.9 million).

Turkey, USA, Azerbaijan, Turkmenistan, Ukraine, Japan, Tunisia and China were the main trade partners.

In 2015, the cost volumes of export of engineering products amounted to USD 185 million, which is 1.9 times or by USD 159.5 million less than the volume in 2014. At the heart of this category of goods exports machinery and mechanical appliances (39.1% - USD 72.3 million), boats (26.3% - USD 48.7 million)

Turkey, Ukraine, Lithuania, Italy, Uzbekistan, Egypt, Bulgaria were the main trade partners.

In 2015, the cost volumes of exports of chemical products amounted to USD 161.7 million, that by 59.2% or USD 60.6 million more than in 2014. The basis of exports of chemical products were plastics and articles thereof (36.8% - USD 60 million),

pharmaceuticals (26.5% - USD 43.3 million), as well as products of inorganic chemistry (13.2% - USD 21.5 million).

The Ukraine, Poland, Abkhazia, Lithuania, the USA, Germany, Thailand were the main trade partners

To ensure sustainable development and to maximize the export potential of Rostov region it is necessary to identify the key geographical areas of export development. The choice of priorities should be based on existing communication and geo-strategic interests and forecasts for the world economy. An analysis of existing geographic relations of the Rostov region is to be realized, first of all, by major product categories of exports.

In 2015, the Rostov region's imports amounted to 1 billion. USD 988 million up 38.7%, or USD1 billion 257 million lower than in 2014. The physical volume of imports for the same period fell by 4.2%.

The value of imports from the non-CIS countries amounted to USD 1 billion 394 million (decline by \$ 723 million), from the CIS countries – USD 594 million (a decrease of USD 534 million).

According to the results of 2015 Ukraine (USD 530 million - 26.7%), China (USD 364.8 million - 18.3%), Germany (USD 177 200 000 - 8.9%), Turkey (USD 129 million - 5.2%) - 6.5%), Italy (USD 103.2 million were the largest trade partners in imports of the Rostov region.

Merchandise imports of the Rostov region:

- Engineering products - 36.2% (USD 719.7 million);
- Ferrous and non-ferrous metals - 15.8% (USD 314.1 million);
- Food products - 12% (USD 238.6 million);
- Chemical products - 11.8% (USD 235 million);
- Textile products and footwear - 11.1% (USD 220.7 million);
- Mineral products - 5.8% (USD 115.3 million).

In 2015, the value of imports of machine building products amounted to USD 719.7 million that by 43.4% or USD 551.6 million less than the volume in 2014. At the core of imports of engineering products - a variety of equipment and mechanical appliances (75.8% - USD 545.2 million), electrical machinery and equipment (12.2% - USD 87.5 million), ground transportation vehicles (4.1% - USD 29.5 million).

Ukraine, China, Germany, Italy, Turkey, USA, Czech Republic were the main trading partners.

In 2015 the cost volumes of imports of metals and products from them amounted to USD 314.1 million, which is 48% or USD 289.8 million less than the volume in 2014. At the core of imports of this category of goods - non-ferrous metals (61% -

USD 191 million), ferrous metals (18.7% - USD 59 million), aluminum and articles thereof (9.4% - USD 29.5 million), and other articles of base metals (5.4% - USD 17.1 million), tools, cutlery and hand tools (3.6% - USD 11.5 million).

The Ukraine, China, Turkey, Belgium, Germany, Italy were the main trade partners of the region.

In 2015 the value of imports of foodstuffs and agricultural raw materials for their production amounted to USD 238.6 million, which is 17.3% or USD 50.7 million less than in 2014. The bases of this product category were as follows: tobacco and tobacco products (36.1% - USD 86.1 million), oil seeds and fruits (26.5% - USD 63.2 million), cereals (13.3% - USD 31.6 million), fruits (5.1% - USD 12.2 million), vegetables (3.4% - USD 8.2 million)...

Brazil, Ukraine, France, USA, Argentina, Turkey, Zimbabwe, Romania were the main trading partners.

Under the influence of economic and geopolitical situation the geographical focus of the food import segment of the Rostov region marked new trends:

- the emergence of new trading partners - the import of cucumbers from Azerbaijan, tomatoes from Abkhazia, potatoes and onions from Egypt;
- increasing the volume of imports from certain countries, including Azerbaijan tomatoes, citrus fruits - from Egypt and Georgia, cabbage and cucumbers from Iran.

In 2015 the value of imports of chemical products amounted to USD 235 million, that is 36.7% or USD 136.3 million less than in 2014. Chemical products are still the basis of exports - plastics and articles thereof (41.6% - USD 97.8 million), tanning or dyeing extracts (19.1% - USD 44.8 million) rubber and products from them (9.3% - USD 22 million), soap, detergents (7.6% - USD 17.9 million), other chemical products (7.3% - USD 17.2 million). Major trading partners (in descending value): Germany, Turkey, China, Italy, Ukraine, Spain, Turkmenistan.

In 2015 the cost volumes of imports of textiles, textile products and footwear amounted to USD 220.7 million, which is 28.6% or USD 88.4 million less than the 2014. At the core of imports of this category of goods, knitted garments (30.9% - USD 68.1 million), garments other than knitted (17.2% - USD 38 million), chemical threads (9.8% - USD 21.6 million), cotton wool, felt (9.2% - USD 20.3 million), chemical fibers (9.1% - USD 20.1 million), cotton (8% - USD 17.7 million), knitted fabrics (5.8% - USD 12.9 million).

China, the United States, Uzbekistan, Turkey, Ukraine, Vietnam were the main trading partners.

In general, assessing the dynamics of imports of the Rostov region by major product categories, we should talk about some structural changes conditioned both

macroeconomic and structural changes in the Rostov region's economies, the whole Russia and in the countries - major trade partners.

3. Discussion

In the context of convergence of globalization processes and regionalization, changing conditions of functioning and development of the world economy, the social and economic diagnostics, analysis of social and economic trends and the development of objective forecasts and scenarios for regional economic development are impossible without taking into account the trends and scenarios of the transformation of the world economy. In addition, it is also necessary to assess the dynamics of the national economy and key economies of macro-regions while developing of long-term regional development programs.

In accordance with the results of the social and economic diagnostics the achieved level of foreign trade infrastructure development does not fully meet the requirements that exist in the world. It is primarily referred to the processes of standardization, licensing, patenting, certification of products, information technology and others. The insurance system of export-import operations is not developed well enough, the requirements for product quality not fully implemented; conditions for leasing transactions are not developed.

However, the development of international trade has direct and indirect impact on the profile of the industry and on regional economy's structure. Thus, the direct impact of international trade is realized primarily through the mass of commodities import flows. The indirect effect is manifested in the multiplicative change in volume production of many industries. Industry structural changes are associated with the placement of the productive forces and influence upon the creation of new productive capacity and infrastructure development in the region. The magnitude of such effects depends on the development of export productions or possibility to use imported products in the regional economy. In addition, the indirect effect of foreign economic relations on the region's economy is made through other regional economies (in the framework of the inter-regional economic relations), when the latter have direct foreign trade relations with foreign partners. In this case, the region's economy although indirectly, is involved in foreign economic activities. Regional structures of foreign trade management have developed a set of measures aimed at increasing the number of contracts and increase their efficiency. The programs of foreign trade activities of the region are being developed. These programs are supported by the appropriate information base; insurance and mortgage funds, and others are established. The management process of the foreign economic activity of the region is carried out within the framework of legal regulations, based on the concept of strategic development of the region's foreign trade activities, by participating in the federal and national programs for export promotion, in the format of concluding cooperation agreements with foreign partners.

International relations The Russian Federation's subjects contribute to the development of the regions themselves and build confidence in relations of the Russian Federation with foreign countries, facilitating its integration into the world economy.

The main areas of international and interregional activities of the Rostov Region are:

- the strengthening of economic and humanitarian ties within the framework of near border cooperation and the expansion of partnerships with the CIS countries;
- cooperation with foreign countries;
- the expansion of ties with foreign diplomatic representatives carrying out their activities on the territory of the Russian Federation, working with the Russian foreign institutions, international financial and social organizations;
- foreign economic activity (hereinafter - FEA) and work to attract foreign investments to the region;
- the Don producers' products promotion in other commodity markets of the Russian Federation;
- the strengthening and expansion of economic ties with the Russian Federation subjects' organizations;
- spread of progressive experience in the innovative development sphere of the Rostov Region;
- the strengthening of good relations and the formation of a common humanitarian space through the development of relations of the Rostov region with the Russian Federation's subjects in the fields of tourism, culture, education, health, sports, international relations and social protection.

The Rostov region's objective of the international cooperation is the implementation of social and economic potential of the Rostov region in the international division of labor, modernization and innovative development of regional economy, aimed at strengthening the economic position of the Rostov region in the world through economic and humanitarian cooperation with foreign countries.

To achieve this goal the following tasks are expected to be implemented:

1. Formation and update the priorities of international cooperation, taking into account the strengths and weaknesses of the Rostov region, the threats and opportunities on the external markets due to internal and external changes.
2. Deepening international cooperation with the Rostov region's current economic partners aimed at increasing bilateral trade, innovation, investment and humanitarian cooperation.
3. Increase the international cooperation with new economic partners and entering new promising markets, providing diversification of international relations and sustainable, innovative oriented social and economic development of the region.
4. Development of mechanisms, tools and infrastructure for international cooperation to ensure the mutually beneficial exchange of innovative and sustainable social and economic development of the Rostov region.

Given the openness and integrity of the Rostov region economy is fair to assume that the dynamics of its international cooperation and trade the following key long-term global trends will determine:

- the restoration of balance in the economies and maintain a relatively high rate of technological progress and productivity growth;
- reducing the imbalances in international trade and payments, faster dynamics of consumption in the countries with high savings, reduction of excess labor force in developing countries;
- the spread of modern technologies and consumption patterns in the developing countries and the transformation of a group of leading developing countries into global economic growth leaders;
- the development of global communications and the expansion of the relatively young markets in Asia, Africa and Latin America;
- transformation of the global monetary system and bringing it into line with the changing ratio of the levels and the dynamics of economic development of individual countries and regions, the emergence of new world reserve currency.

The aim of interregional cooperation is a sustainable social and economic development of the Rostov region by means of integration ties in the region with other subjects of the Russian Federation in the trade, production and technology, innovation and other areas.

To achieve this goal the following tasks are expected to be implemented:

1. Formation and updating of priority inter-regional cooperation, taking into account the Russian Federation's state policy priorities in various fields (politics, economy, science, education, transport, etc.), the interests of the public and business in the region, specialization and the Rostov region's competitive advantages in the system of inter-regional labor division.
2. The deepening of inter-regional cooperation with the existing economic partners of the Rostov region, aimed at increasing bilateral trade, technological, innovation and investment cooperation.
3. Expansion of inter-regional cooperation with new economic partners, and the entering of the producers of the Rostov region the new Russian regional promising markets as well as creating an attractive environment for investment in the Rostov region from other RF's regions, providing diversification of interregional relations and sustainable, advancing innovation-oriented social and economic development of the region.
4. The development of inter-regional cooperation institutions and infrastructure, aimed at the integration and sustainable, anticipatory, innovative social and economic development of the Rostov region.

Development of interregional cooperation of the Rostov region is promising in the following areas:

- the exchange of experiences and best practices in the field of innovation and investment development (attracting investment to the region, control areas of

advanced development, the development and implementation of cluster policy, joint infrastructure projects and others);

- the development of cooperation and import substitution, especially with a view to enhancing economic security and increasing the localization rate in the region to make full use of the existing practices and accumulated competencies in high-tech sectors as well as use of the potential consumer market of the Rostov Region;
- promote and support the interests of regional business in the Russian Federation markets with high resource and consumer potential as well as in other markets.

The aim of export support in the Rostov region is the economic development of the Rostov region by increasing competitiveness and export potential growth, increase the volume of exports and the share of export of products with high added value.

To achieve this goal the following tasks are expected to be implemented:

1. Definition of the priorities of export potential development of the Rostov region.
2. The development of the export potential of Rostov region on the basis of geographic, trade and other priorities.
3. Formation and development of the Rostov region export potential management system as well as the improvement of mechanisms, tools and institutions of the export business of the Rostov region.

Measures to develop the international, inter-regional cooperation and to support the Rostov region export activity are presented below in Figure 2.

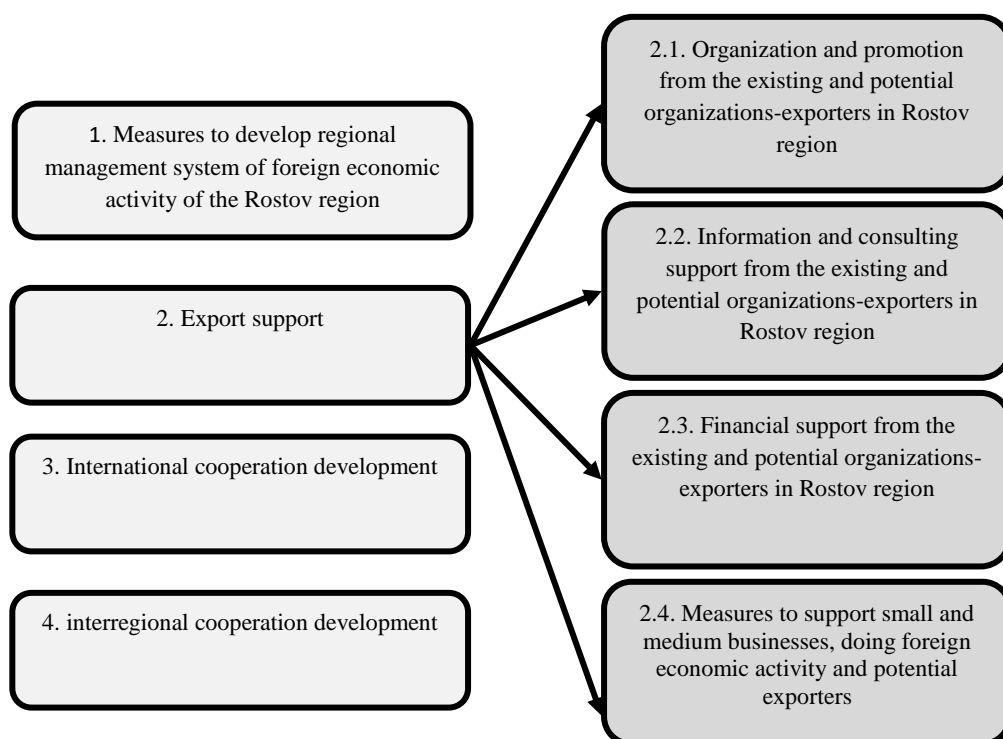


Figure 2. Structure of the set of measures to develop international, interregional cooperation and promotion of Rostov region's export activity

To develop measures to increase competitiveness of the organizations, operating in the Rostov region, on the global market in the terms of Russian Federation's membership in the WTO as well to increase export potential and to promote import substitution in the Rostov region Interdepartmental working group on increase of international competitiveness of the Rostov region's economy was set up by the Rostov Region government's decree № 21 issued on 16.01.2015. The Rostov Region government works actively to implement the Road Map of "Support of the Rostov region's businesses producing import substitution goods". According to the Rostov region Governor's decree № 80, issued on 30.11.2015 the Experts Council on import substitution under the Rostov region's Governor was established.

The regional Ministry of Economic Development works hard to create conditions for businesses and organizations of the region. In the framework of the subprogram "Development of international, interregional cooperation and promotion of export activity" of the state program "Economic development and innovative economy" financial support for finished goods producers of the Rostov region, information and consulting, and organizational measures are planned.

To support the enterprises the regional Ministry of Economic Development in conjunction with the Regional information-analytical center have developed the concept of "export elevator" that allows to get a full range of services from diagnostics and assessment of the export potential to develop an strategy to enter the international markets, from promotion facilitation to assistance in attracting financial resources.

The promising area the Ministry of Economic Development is working at is the interaction with the Russian Agency for the Insurance of Export Credit and Investment (hereinafter - EXIAR). In March 2015 the Agreement on Cooperation between the Government of the Rostov region and EXIAR aimed at creating favorable conditions for development of foreign economic activity for business of the Rostov region, the implementation of joint projects.

Institution to support export-oriented small and medium-sized enterprises - "Export Support Center" - was created and is successfully functioning in the Rostov region, which provides information and analysis, consulting, organizational and other support of foreign trade activities of the small and medium-sized businesses, promote their entry into foreign markets.

The Government of the Rostov Region concluded an agreement on cooperation in the field of foreign trade with the Ministry of Economic Development of the Russian Federation to promote actively the Rostov exporting companies as well as attract foreign investors to implement the specific investment projects in the region. Agreements and programs to implement them cover a wide range of issues, including the strengthening of inter-regional trade cooperation, increase of trade turnover of the Rostov region with other regions, attracting investors in the Rostov region of the Russian Federation of other subjects.

4. Conclusion

The research allows making a number of key findings, which reflect the basic essential aspects of the achieved scientific results. The issues of foreign economic activity management of the Rostov region and the specifics of its assessment necessitated considerable study of theoretical aspects, involving the concept of social and economic diagnostics of the region as a subject of international trade, its content components and the key factors, influencing its development. In this paper, it was also revealed that a significant amount of theoretical studies and practical implementation tools of social and economic diagnostics of the region affect both foreign trade and international and interregional cooperation. Deep and multi-aspect study of the foreign economic activity of the Rostov region made it necessary to systematize the proposals and a set of measures aimed at the development of international, inter-regional cooperation and support for export activities of the region was developed.

In general, besides the dynamics and characteristics of regional economic conditions the, a large set of factors namely of macroeconomic opportunistic nature, in particular the dynamics of the world economy and some regional elements, which are important in terms of foreign trade as well as a number of factors of a political nature affect development of foreign trade relations of the Rostov region.

Thus, significant natural resources, demographic, scientific, industrial, transport and logistics potential, provided effective incentives and support for industrial and scientific activities of businesses can significantly improve the competitive position of the Rostov region at the international and inter-regional level as well as improve qualitatively and quantitatively the position of Don region in the system of inter-regional and international cooperation.

References

- Abazieva, K., *et al.* 2016. Rostov Region: strategic economic plans given the current development of the Russian Federation under sanctions. *Central Asia and the Caucasus*. Vol. 17, Issue 2, pp. 121-132.
- Akopova, S.E., Przhedetskaya, V.N. 2016. Imperative of State in the Process of Establishment of Innovational Economy in the Globalizing World. *European Research Studies Journal*, 19(2), 79-85.
- Dmitrishina, E.V. and Uskov, A.D. 2015. The Issues of Covering Science and Technical Policy of Modern Russia in the Strategic Planning Documents. *European Research Studies Journal*, 18 (4), 57 -74.
- Faizova, G., Kozhevnikova, N., Kashipova, G., Zinurova G. and Egorova, E. 2015. Factors of Functioning and Development of Tourist Clusters at Regional Level. *European Research Studies Journal*, 18(3), 91-102.
- Frank, V.E., Mashevskaya, V. O., Ermolina, V.L. 2016. Innovational Mechanism of Implementation of Cluster Initiatives in Business. *European Research Studies Journal*, 19(1), 179-188.
- Kolchanova, A. and Kolchanova, P. 2016. Solving Enterprise Management Problem with Cluster Technologies and ERP – Systems (in the Context of Capital CSE System). *European Research Studies Journal*, 19(2), 299-306.
- Nechaev, A., Antipina, O. 2016. Analysis of the Impact of Taxation of Business Entities on the Innovative Development of the Country. *European Research Studies Journal*, 19(1), 71-83.
- Sibirskaya, E., Yamykh, E., Eldyaeva, N., Dubrova, T. and Oveshnikova, L. 2016. Strategy of Systemic Development of Entrepreneurial Infrastructure of Regional Economy. *European Research Studies Journal*, 19(2), 239-262.
- Surzhikov, M. 2011. Social and economic diagnostics of the region as a subject of international trade. *Bulletin of the Tomsk State University*, Issue 346.
- Thalassinos, I.E., Venediktova, B., Staneva-Petkova, D. 2013. Way of Banking Development Abroad: Branches or Subsidiaries. *International Journal of Economics and Business Administration*, 1(3), 69-78.
- Thalassinos, I.E. 2008. Trends and Developments in the European Financial Sector. *European Financial and Accounting Journal*, 3(3), 44-61.