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## FINANCIAL PECULIARITIES OF FUNCTIONING OF REGIONAL INDUSTRIAL SYSTEMS OF THE FOREST INDUSTRY SECTOR

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**Annotation.** *The stable and deterrent factors of the development of forestry production systems are outlined. The main financial and economic indicators of forest management in the leading regions of Ukraine are investigated. The information sources of the functioning of the forest sector and regional production systems are analysed. A comparison of financial results of forestry enterprises with other industries has been carried out.*

**Keywords:** *forest industry, financial indicators, regional economy, information, production system.*

To date, all forestry sector production systems in Ukraine are in a crisis situation, therefore, the priority development in modern conditions is the creation of free economic zones in regions where significant forest resources are concentrated. Therefore, stimulating factors for the sustainable development of forestry production systems are the technical re-equipment of enterprises, improvement of the market of goods, and the introduction of scientific and technological progress. Constraining factors: uncontrolled exports, unfair competition from exporters, instability of railway transportation.

The purpose of the scientific research is to determine the factors of development of the forest industry, to analyze the financial indicators of the activity of production systems, to isolate information sources of the forest sector of the Ukrainian industry.

The leading areas of the forestry sector of Ukraine are the Polissya region, namely: Zhytomyr, Rivne, Kyiv, Volyn. The Lviv, Ivano-Frankivsk and

Sumy regions have quite high financial indicators. The leading regions that care for the reforestation are Zhytomyr and Rivne regions, whose recreation areas are 2-3 times higher than other regions of the country.

The basic problems of effective functioning of the forest industry are low quality and closed information, as well as the lack of a system for its objective analysis. High corruption in the industry is due to the following factors: removal of export restrictions, outdated legislation and regulations, complexity of controls, lack of clear criteria for assessing the quality of wood, as well as monitoring the implementation of these operations.

When comparing financial results of forestry enterprises and other industries in January-September 2017, it was found that forestry activities are quite profitable (90.1%).

Only 10% of enterprises received a loss for the reporting period. The share of forestry in the country's economy, however, is rather low.

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