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FINAL QUALIFYING PAPER
on the topic:
“Export Potential of Manufacturing Industry Enterprises”
(based on the data of LLC “Torgoviy Dvor "UTS", Kyiv)

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АНОТАЦІЯ

Якубовська П. Експортний потенціал підприємств виробничої промисловості

Випускна кваліфікаційна робота на здобуття освітнього ступеня магістра за спеціальністю 051 “Економіка”, спеціалізацією “Міжнародна економіка”. Київський національний торговельно-економічний університет, 2019.

У випускній кваліфікаційній роботі визначено сутність експортного потенціалу підприємства, обгрунтовано механізм розвитку та підвищення експортного потенціалу на підприємстві. Представлено методологічні підходи до оцінювання ефективності стратегії підвищення експортного потенціалу.

Проаналізовано фінансово-господарську діяльність ТОВ «Торговий двір «УТС», проведено аналіз зовнішнього середовища діяльності досліджуваного підприємства. Проведено оцінку експортного потенціалу підприємства з метою виявлення передумов його розвитку та підвищення.

Обгрунтовано необхідність пошуку шляхів підвищення експортного потенціалу на ТОВ “Торговий двір «УТС»”. Запропоновано стратегію підвищення експортного потенціалу. Проведено оцінку ефективності запропонованих заходів.

Ключові слова: експорт, експортний потенціал, ефективність стратегії підвищення експортного потенціалу, виробниче підприємство, конкурентоспроможність, зовнішньоекономічна діяльність.

ABSTRACT

Yakubovska P. Export potential of manufacturing industry enterprises

Qualifying work for obtaining a master's degree in specialty 051 "Economics", specialization "International Economics". Kyiv National University of Trade and Economics, 2019.

In the final qualification work the essence of the export potential of the enterprise is determined, the mechanism of development and increase of export potential at the enterprise is substantiated. The methodological approaches to assessing the effectiveness of the export potential increase strategy are presented.

The financial and economic activity of LLC "Trading yard" UTS "was analyzed, the external environment of the research enterprise was analyzed. An estimation of the export potential of the enterprise was conducted in order to identify the preconditions for its development and enhancement.

The necessity of finding ways to increase the export potential at "Trading House" UTS "LLC is substantiated. The strategy of increasing export potential is proposed. An assessment of the effectiveness of the proposed activities.

Key words: export, export potential, efficiency of the strategy of increase of export potential, manufacturing enterprise, competitiveness, foreign economic activity.

Final qualifying paper: 98 p., Illustrations - 9, Tables - 18, appendices - 1, references - 99

The object of investigation is the process of strategy of increasing export potential implementation of manufacturing enterprise.

The subject of investigation the theoretical and methodological aspects strategy of increasing export potential implementation of manufacturing enterprise.

Enterprise that is a basis for writing master diploma work is LLC "Torgoviy Dvor "UTS".

Purpose of final qualifying work is justification of the ways of the strategy of increasing of export potential implementation of manufacturing enterprise.

Task: generalize theoretical approaches to the definition of the essence and content of the concept of export potential and to determine the methods of its assessment and increase its level; to specify and define structural elements of the export potential of the enterprise, as well as to deepen scientific and methodical approaches to structuring the export potential of the enterprise; to identify trends and analyze the dynamics of export operations by a separate manufacturing enterprise, its geographical structure, export-oriented marketing policy; to identify factors that influence the export activity of a production enterprise; to define the basic indicators of the competitive export strategy, as well as the advantages and disadvantages of production and marketing strategies; to propose specific measures to develop the export strategy of the company in order to increase export potential.

Methods of investigation: analysis and synthesis, a system approach (when establishing the essence of the concept of "foreign economic activity", "export activity", "enterprise potential", "export potential", clarification of the components of the export potential, justification of the scientific and methodical tools of the components of the export potential, development of the mechanism for increasing the export potential of the enterprise), the decomposition method (when constructing the modern concept of increasing the export potential of the enterprise), methods of statistical processing of data, comparison (in assessing the main characteristics of the

export activity of the manufacturing enterprise), graphical data processing methods (in the construction of schemes, graphs, diagrams of export potential), methods of computer processing economic information.

In the introduction to the work the actuality and the practical value of the chosen topic are explained; the purpose and the urgency of its practical significance are formulated, the research object, the subject of research and its tasks are represented. Also methodological and theoretical part of the study, methods that were used in the work are described.

In the first part of work "Theoretical basis of analysis of export of the enterprise on international markets" the essence of export potential of enterprise is defined. There are described different factors that influence the export potential of enterprise. The methodological approaches to evaluation export potential of the enterprise are represented.

In the second part of the work " Strategic analysis of export potential of LLC "Torgoviy Dvor "UTS" " the financial and economic activity of "Torgoviy Dvor "UTS" are analyzed, the analysis of foreign environment of the company is provided. The diagnosis of export potential of the company is assessed.

In the third part of the work "Strategy of improvement of LLC "Torgoviy Dvor "UTS" export potential" the directions for the strategy of export potential increasing of LTD "KAND-FRUT" are justified. The export potential increasing strategy of LTD "KAND-FRUT" is provided. Evaluation of the effectiveness in future including the proposed measures in the company was provided.

Conclusions and proposals contain theoretical generalization and ascertain solutions to the given scientific problem, the essence of which is in the comprehensive study, assessment and effective management of export potential in the researched company.

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INTRODUCTION

At the current stage of Ukraine's development, the role and importance of foreign economic activity of manufacturing enterprises, especially its export component, is growing. Implementation of Ukraine's strategy aimed at finding new external markets requires from the enterprises to act in more successful way comparing to foreign competitors and it also needs a continuous implementation of ways to increase export potential. The volume of exports or excess of exports over imports has always positioned the manufacturing enterprises as those that are capable of counteracting existing competition problems due to the presence of a certain level of export potential. A necessary prerequisite for the formation, efficient use and increase of the export potential of manufacturing enterprises is the development of mechanisms and tools for their activation. These circumstances confirm the topicality of developing a mechanism for increasing the export potential of enterprises, which should be based on an effective institutional basis, combining modern functions, methods, tools and levers of influence.

Among foreign scholars and practitioners who have made some progress in investigating the problems of increasing the export potential of enterprises, should be highlighted such experts as D. Doherty, P. Ferris, N. Bendlev, F. Pfeiffer, N. John, T. Johnson, M. Lange, M. Porter, J. Reinaldo, S. Robbins, B. Seyoum, M. Sinclair and others. Methodical aspects of the implementation of production activities in the area of increasing the export potential of the enterprise and its economic substantiation have been reflected and have received significant development in the scientific works of such national figures as V. Avdeyenko, S. Boyko, A. Voronkova, O. Gonchar, L. Petrenko, N. Pirets, L. Radchenko, L. Serova, A. Cherep, M. Shvetsova and many others. All the scientists were providing researches of different aspects of export potential for different types of enterprises. However the aspect of the increasing export potential particularly in the manufacturing enterprises was not developed in a such detailed way. That was the main reason for providing this research.

The purpose of the study is to study theoretical and methodological foundations and provide practical recommendations for developing a mechanism for increasing the export potential of the manufacturing enterprises in Ukraine under current conditions.

To achieve this purpose, **the following tasks** need to be addressed:

- generalize theoretical approaches to the definition of the essence and content of the concept of export potential and to determine the methods of its assessment and increase its level;
- to specify and define factors and indicators that influence the export potential of the enterprise, as well as to deepen scientific and methodical approaches to structuring the export potential of the enterprise;
- to identify the factors of internal and external environments that influence the activity of the particular enterprise and analyze the financial domestic and foreign economic activity of the enterprise;
- to identify the level of export potential of the enterprise;
- to define the reserves for strengthening the export potential of the enterprise;
- to propose specific measures to develop the export strategy of the company in order to increase export potential and forecast the financial results of its implementation.

The object of the study is the process of managing the export potential of production enterprises.

The subject of the study is theoretical, methodological and practical aspects of the formation and implementation of the mechanism of increasing the export potential of the enterprise in modern conditions.

Research methods. The theoretical basis of the study is the synthesis of the fundamental provisions of modern theory of market economy, scientific works of foreign and domestic scientists, who studied the problems of managing the potential

of the enterprise and its component - the export potential. In order to achieve the goal of the research and solving problems in the study, modern scientific and special methods of research were used, namely: analysis and synthesis, a system approach (when establishing the essence of the concept of "foreign economic activity", "export activity", "enterprise potential", "export potential", clarification of the components of the export potential, justification of the scientific and methodical tools of the components of the export potential, development of the mechanism for increasing the export potential of the enterprise), the decomposition method (when constructing the modern concept of increasing the export potential of the enterprise), methods of statistical processing of data, comparison (in assessing the main characteristics of the export activity of the manufacturing enterprise), graphical data processing methods (in the construction of schemes, graphs, diagrams of export potential), methods of computer processing economic information.

The information base of the research is the Laws of Ukraine, Decrees of the President of Ukraine, Decrees of the Verkhovna Rada and the Cabinet of Ministers of Ukraine, materials of the State Statistics Service of Ukraine, materials of the activity of the manufacturing enterprise "Torgoviy Dvor" UTS LLC.

The level of practical value of the work is the possibility of using the results of empirical research in the formulation of recommendations for the enterprise LLC "Torgoviy Dvor" UTS.

CHAPTER 1. THEORETICAL BASIS OF ANALYSIS OF EXPORTS OF THE ENTERPRISE ON INTERNATIONAL MARKETS

1.1. Concept of the Export Potential of the Enterprise in the Conditions of Globalization of Economic Processes.

In conditions of functioning of a market-driven economy, one of the main preconditions for successful economic activity of an enterprise is the development and conquest of new markets through a well-established system of production and marketing of products.

In accordance with the theory of competitive advantages and the concept of international division of labor, a significant part of foreign markets may have better conditions for the enterprise to carry out economic activities, which will enable them to gain competitive advantages of one or another type [1, p. 147].

The steady global trend towards global trade liberalization considering the Ukraine's accession to the WTO gives domestic enterprises a unique opportunity to realize their own goods and services, as well as to carry out investment, financial and other activities in foreign markets.

As was mentioned in the "Forecast of economic and social development of Ukraine for 2018-2020", FEA (Foreign economic activity), specifically export and import of goods and services, are the prior bearings of monetary and social advancement of Ukraine [2, p.10].

The interpretation of the concept of "foreign economic activity" (FEA) can be found, first of all, in [3], where this concept is interpreted as "... the activities of economic entities of Ukraine and foreign business entities, built on the interrelationships between them, which takes place both on the territory of Ukraine and abroad".

Moving along the progressive structure of the ideas from the general to the incomplete, it is important to consider the implications of the expression "export", "export potential" (EP) and "export activity" (EA). The term "export" comes from the Latin export "I release" [4, p. 161].

According to the law [3], the term "export of goods" is interpreted as "... selling goods to foreign subjects of foreign economic activity by Ukrainian entities of foreign economic activity (including those with non-monetary payments) with or without the export of these goods through the customs border of Ukraine, including re-exports of goods", as well as "export (import) of capital - export of (outside Ukraine) capital of any form (currency, products, services, works, intellectual property rights and other non-property) their rights) in order to receive profits from production and other forms of economic activity" (Fig. 1.1).

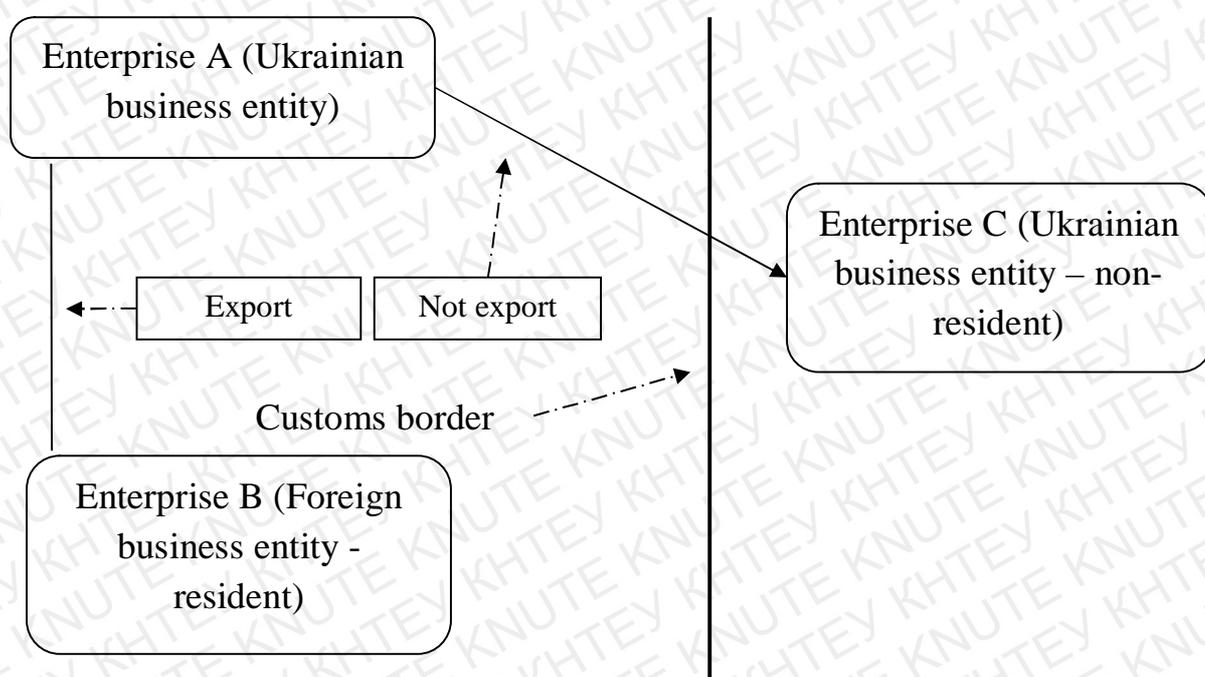


Figure 1.1. Definition of "export" in the Ukrainian Law "About Foreign Economic Activity"

Source: created by author on the basis of [5, p. 6; , p. 150]

V. Novitsky noticed that the meaning of the expression "export" in the Ukrainian Law "About Foreign Economic Activity" alludes to the fare of those sorts of exchange which, in principle, cannot have a place with the arrangement of remote monetary action - for instance, the offer of products to occupant outsiders without convergence of these merchandise of traditions the fringe of Ukraine, and additionally, in actuality, does not regard a few kinds of exchange as fares, which ought to be considered precisely this - deal and fare of products at the traditions

outskirt of Ukraine, when purchasers are regular and legitimate people of Ukraine [6, p. 150]. V. Kuryshch underpins the perspective of Novitsky V. about the need of enlistment of the exchanges with occupant outsiders in the enactment of Ukraine in the rundown of fare [5, p. 6].

Taking note of the rationality of the coherent developments of the previously mentioned researchers, it should by the by be noticed that the position in regards to the extension of the significance of the classifications "outside monetary action" and "fare" to its acknowledgment at the dimension of endorsement inside the points of confinement of the ebb and flow enactment has a simply hypothetical esteem.

In section 38 of Article 1 of the Law of Ukraine "On Foreign Economic Activity", the snapshot of export (import) is "... the moment of crossing the goods of the customs border of Ukraine or the transfer of ownership of the specified goods being exported or imported from the seller to the buyer" [3].

Considering the majority of the previous, the idea of outside exchange and exports inside the extent of this examination will be comprehended as per their official translation in the present enactment of Ukraine.

In the event that the translation of the quintessence of the ideas of "foreign economic activity", "export" is unequivocally endorsed at the dimension of the present national and universal enactment, at that point the thought of "potential in administrative acts is missing - incompletely in light of the fact that the meaning of potential rather serves the classifications of abilities and capacities, while enactment directs sends out for its real usage.

The term "potential" comes from the Latin word "potentia" - "power, strength" [7, p. 14]. In [8, p. 402] potential is "... a set of all available means, capabilities, productive forces, etc., that can be used in any industry, area, sphere. ...stock something; reserve. ...Hidden abilities, forces for any activity that may appear under certain conditions. ... »

The theoretical and applied aspects of the analysis and evaluation of the export potential of the enterprise are highlighted in many works of domestic and foreign scientists. They offer various theoretical models and approaches to the clarification of

the essence, structural characteristics and features of the formation of the export potential of the enterprise. The wide plurality of opinions in this area is caused by a complex systemic mechanism for the formation and development of the export potential of the enterprise, reflecting the current practice of export activity and the evolution of international competition mechanisms.

Exploring the actual export potential, American and Western European scientists use terms such as the company's potential capabilities, strategic assets, export opportunities, and the potential of a firm's competitive success on the world market [9, 11, 12]. The emphasis on researching the export potential of firms and corporations in Western scientific publications is determined by the fact that exports are the initial stage of internationalization of business, as well as the fact that international competition reaches its "tension" precisely in the field of foreign trade relations. Obviously, starting with export activity, the company objectively feels the urgent need for scientific substantiation of the possibilities of operating on world markets and in assessing its own export potential. However, the generally accepted definition of the export potential of the enterprise, as well as the method of its assessment, does not exist until now. Even American and Western European instructions-recommendations to exporters, developed by specialists of scientific institutions and consulting firms, differ significantly among themselves [12]

The analysis of modern scientific works allowed distinguishing such several scientific and methodological approaches to the definition of the export potential of the enterprise: comparative, resourceful, productive, systemic, structural and functional [13 p.282, 14 p.224].

A composite approach is based on the theory of competitive advantages, developed by M. Porter [15], according to which the company's competitiveness ensures its export potential within the group of companies in one industry.

According to a resource-based approach that is dominant in modern research, the export potential of an enterprise is defined as the ability or ability of an enterprise to produce competitive goods and services that can be realized on world markets [16, p. 127]. These opportunities are determined by the resource base of export activity,

which should be adapted to the competitive profile of the external market and the factor competitiveness model of the enterprise. The resource approach is integrated into modern concepts of the strategic potential of the enterprise, which emphasize its characteristics such as customer value, specificity, complexity of imitation and complexity of substitution that ensure the firm's competitive advantages in foreign markets.

The general disadvantage of comparative and resourceful approaches is that they do not foresee an assessment of the effectiveness of adaptation of an enterprise to changing environmental conditions.

An effective approach is based on an interpretation of the export potential of an enterprise through the prism of its target orientation - as a mechanism or means to achieve a certain goal, and more specifically, the maximum volume of goods and services that can be produced and implemented on world markets [17].

System-structural approach to the research of the export potential of the enterprise includes the investigation of procedures happening in the inner condition of the venture, mirroring its association with the outer condition [18; 16].

Building up the hypothetical model of the export potential of the enterprise, L.I. Poddubna connected the practical auxiliary methodology, whereby the fare potential is considered as a part of the financial capability of the undertaking, guaranteeing its collaboration with fare showcases based on common fulfillment of monetary and different interests of exporters and merchants. This methodological methodology enables us to decide the fare capability of the venture as a mind boggling arrangement of development of interconnected and connecting components of interior and outer activity of monetary and socio-social origin [19].

The views on the export potential of the enterprise as a systemic and structural phenomenon are found, if not direct, indirectly confirmed in modern scientific works. So in the economic encyclopedia, the concept of "export potential" is defined as the ability of a single national economic complex of the country to produce the maximum number of competitive goods on the world market, to provide as much quality

services and perform the required number of works to order foreign countries and companies [20, p. 13].

The functional role of export potential comprises in acknowledgment of the objective bearings of the outside financial movement of the undertaking. The idea of these aides might be unique. They are for the most part shaped on the rule of giving similar points of interest of items and administrations for the necessities of outside business sectors. The dimension of fulfillment of these necessities by an individual undertaking can be controlled by such pointers as export volume, quality of exported products, cost of production and sales of export products, the level of export diversification, which decide the consequence of export activity, and, in connection to its motivation, fill in as a basis for the adequacy of the fare capability of the endeavor.

Stressing the capacity of export potential such as securing the needs of foreign markets, M. Dudchenko proposes to consider the export potential of the enterprise from two methodological positions. As per the first, the export potential is considered from the perspective of the goal of fare action of the undertaking, which is to address the issues of the outside market. As per the second position, the export potential peaks to the objective of dealing with the improvement of the export activity of the enterprise which is to advance the stage condition of the framework and guarantee the steady task of the venture as a subject of worldwide financial action. This methodological structure makes the reason for deciding the export potential in the plane of communication of parts of the chain "undertaking - the outside market" [16, c.127]. The mix of these methodologies into one enabled us to translate the idea of "trade capability of the undertaking" as a foundational wonder that portrays the capacity of an endeavor to go about as a subject of worldwide monetary movement, fulfilling the necessities of outside business sectors, the nature of which is related with the export activities of the enterprise [16, p. 128].

Economic potential can be considered in relation to the individual enterprises, country's economies in general and its industries particularly, according to academician L. Abalkin. It shows how to produce country's or enterprise's ability

products, goods, services, to satisfy the needs of people and firm all in all, to develop the consumption and production [18, p.124]. Basing of this definition different research workers came up to the conclusion, that basic purpose of economic potential is a production function [18, p.154]. Though in this definition it is pointed also on providing of needs of the company, progress of not only production but also consumption, it is connected to the processes of realization of products on domestic and foreign markets. Therefore, there are reasons to check export potential within the framework of economic potential as its existing opportunities of economic system to be implemented into worldwide economy are presented.

The issues of implementation of export potential showed up on the different steps of economic progress of many countries in the world. The specific actuality they bought in countries with a transformation economy, where implementation of unique foreign economic policy appeared to the most important condition of economic and political self-determination of the country and including of it in the economic system of the world on rights for equal cooperation. Nowadays the existing motivational factor of realization of export potential appeared by strengthening processes of globalization, that involved the almost all countries of the world.

Export potential is defined variously by research articles, but in each of statement no specific signs are present. For example, the team leded by professor A. Azrilyan under export potential states the possibility of industry, all combined goods of specific country to produce the needed amount of the competitive products for the abroad market [21, p. 56] .

According to M. Seifullaeva and V. Kapitsyn the ground of export potential of region is its raw and resource material base and state of economy. It is realized to this region with scientific and technological, industrial, social and cultural development that allows reaching the proof rates of export production growth and high standard of living of population taking into account present and ex ante market conditions [21, p. 74].

V. Mikhaylovskiy considered export potential of territory as main potential resource of increase of efficiency of foreign economic activity in a region. From his

point of view, export potential of territory should be described as system of quantitative and high-quality items (units) which characterize a region from position of its fixing on world commodity markets and getting of maximal currency profit yield in a long-term prospect. In general external economic potential is determined the competitiveness of the goods and services produced in a region in the world market and possibilities of the use of technological, labour, integral, natural and other resources of territory in the structure of world co-operation connections. The level of realization of external economic potential of region is characterized the state of its export complex.

Presented on Fig. 1.2, the scheme reflects the international economic activity of the enterprise as a system complex, which includes the enterprise (production system), the external market (system of international exchange) and institutional-regulated interaction space. The established functioning of this complex is provided by the inter-system interaction between the enterprise and the external market, in which the initial results of the functioning of the first are input for the second. The activity and rationality of the interaction of the enterprise and the external market as various quality system aggregations are determined by their mutual assistance in the realization of the purposes of their functioning.

Functioning of an enterprise as a subject of international economic activity determines its access to the external market for the purpose of marketing the final results of activities (goods, services), and therefore, - providing reproductive foundations of its existence as a system. The realization of this goal is connected with the dual subject - the object function of the enterprise, which, on the one hand, is the subject of influence on the external market, and on the other - the object of influence on the part of the latter.

The first function is realized through the potential of foreign economic cooperation - the assets of the enterprise as the relevant part of its economic resources, and the second - through the potential of the development of the external market, generated by the endogenous (competition) and exogenous forces of its development. In realizing this goal, the state of the potential of foreign economic

cooperation of the enterprise is crucial: it determines the scale and outcome of the interaction of the enterprise with the external market, the interpretation of which is carried out by the criterion of export competitiveness of the enterprise.



Figure 1.2. Logical Scheme of Formation of the Export Potential of the Enterprise (system concept)

Source: created by author on basis of [22, p. 347]

The entry of the enterprise into the foreign market in the institutional-regulated competitive space is carried out subject to the availability in the economic potential of the enterprise of positively relevant assets, with properties that are adequate to the properties of the potential of the development of the external market. The categorical

content of the assets of an enterprise used to realize the goals of its foreign economic activity, expresses the scientific concept of "export potential of the enterprise".

Having a systemic essence, the export potential of the enterprise embodies the symmetrical properties of the potential of the enterprise and the external market and reflects the depth and scope of their interaction and the level of international competitiveness of the enterprise. This allows us to determine the export potential of the enterprise as an integrated set of assets of the enterprise, which are used for international economic activity and ensure the competitiveness of the enterprise in the foreign market. The export potential of the enterprise is the inherent attribute of the active producer of the external market and an essential prerequisite for ensuring its viability as a subject of foreign economic activity.

There are significant differences in the opinions of scientists in substantiating the structure and subordination of the elements of the export potential of the enterprise. Thus, some authors consider the production potential as the "base" (core) of the economic potential of any enterprise [23, p. 31], the second - managerial potential [21, p. 6], the third - the intellectual potential [24, p. 164], the fourth - the information potential [24, p. 165].

In accordance with these ideas, different structural characteristics are determined and management models of export potential development of the enterprise are offered. At the same time, depending on the presentation of the "core" of the export potential of the enterprise, conclusions are drawn regarding a particular model of international competitiveness of the enterprise - "production", "technological", "innovation", "information", "institutional", etc.

So the export potential of the enterprise is a system resource that has a factor yield, which is appropriate to determine by means of indicators of export value of assets and export earnings of the enterprise.

1.2. Factors and Indicators of the Impact on the Company's Export Potential.

The export potential of the enterprise cannot be considered separately from its export activity (EA). The content of the concept of EA is not explicitly explained in the Ukrainian legislation. It is possible to make the assumption that the essence of the ED should be deduced from the explanation in the laws of Ukraine of the essence of the concept of "export", but the lack of a clear and unambiguous, approved at the level of a normative legal act of interpreting EA led pluralism of approaches to the definition of the concept of export activity of enterprise (EAE) which does not allow to determine what the EAE is, how it differs from the EPE and what place it occupies in the system of foreign economic activity of the enterprise.

For the most part, in the scientific literature, the terms EA and EAE are also used without interpretation, with some exceptions. Thus, Cherep and Ortinsk determine the export activity of the enterprise as an agreed sequence of implementation of specific stages of the enterprise's exit to the foreign market [25, p. 234]. V. Kuryshch concludes: "... the export activity of enterprises should be regarded as the implementation of production and other types of economic activity by economically independent economic entities having the status of legal entities in accordance with the laws of Ukraine for the purpose of selling goods (works, products, services, intellectual property rights and other non-proprietary rights) to foreign business entities with the export or without export of these goods through the customs border of Ukraine "[26, p. 6].

Types of export potential can be simulated as follows (Table 1.2).

Thus, it is possible to single out a single approach to the definition of the essence of the EAE - it refers to virtually any activity of the enterprise, which helps him to cooperate with foreign counterparties, including at the stages of the search of contractor data, the acquisition and enhancement of competitive advantages of the enterprise. Accordingly, the EAE focuses on the processes of production and sales at the enterprise, but they are not limited.

Table 1.2

**Systematization of the Types of Export Potential of the Enterprise on the
Main Criteria**

Criterion (sign)	Types of export potential of the enterprise
By the level of overall market development	<ul style="list-style-type: none"> - in the markets of developed countries; - in the markets of transition economies; - in the markets of developing countries
According to the structural elements of the export potential of the enterprise	<ul style="list-style-type: none"> - characterize the internal capabilities of the enterprise: production, labor, financial, investment-innovation, production and marketing; - characterize the influence of the external economic environment on the economic activity of the enterprise: financial, tax, legal, transit, resource, information directions of influence
By the level of use	<ul style="list-style-type: none"> - low - average; - high; - not defined;
By fraction of the product nomenclature	<ul style="list-style-type: none"> - enterprise products; - assortment group; - assortment position;
By place of influence factors	<ul style="list-style-type: none"> - internal genesis; - external genesis;
Compared with the planned indicator (level of use)	<ul style="list-style-type: none"> - higher than enough; - sufficient; - low
By the type and level of diversification	<ul style="list-style-type: none"> - geographically-concentrated; - geographically diversified; - assortment-concentrated; - assortment-diversified;
By the priority of sales in the production and marketing process	<ul style="list-style-type: none"> - priority-marketing; - priority-production; - trading and sales
Depending on the dynamics of development	<ul style="list-style-type: none"> - growing; - stable; - falling

Source: created by author on the basis of [26, p. 8]

The export potential of an enterprise is determined by many components that characterize various aspects of its operation. In general, the enterprise's activity in the foreign economic sphere consists of interconnected processes, each of which is determined separately in determining the export potential. In turn, the results of the

actions of these processes are formed as a result of not only their functioning, but also their interaction and parts of the environment.

Comprehension of the components affecting the export potential of the enterprise allows us to classify the conditions of creation of the environment for the formation and realization of the export potential of the enterprise: economic, political and legal, socio-cultural, technical, natural-climatic.

There are a lot of factors that influence export potential of enterprise: internal and external, controlled and not controlled, quantity and quality factors, factors of scientific and technical, investment, personnel, logistics, marketing and other orders (table 1.3).

Table 1.3

Description of the Factors influencing the Export Potential of Enterprise

Factor of influence	Characteristic of the factor
Internal	The export potential is directly affected by the enterprise (the effect of the internal state, the development of the enterprise)
External	Impact on export potential outside
Controlled	Those directly involved in the enterprise are its own organizational structures, financial, production, economic services, logistics departments, sales, advertising, etc.
Uncontrolled	Political, social, economic, international, technological, market, competitive
Quantity	Possibility to assess the state of export potential (calculations)
Quality	Use of expert methods
Scientific and technical order	1. Innovations in the field of product creation 2. Innovations in technologies 3. Innovations in the management 4. Innovation in marketing
Investment order	The ability to save, investing in profitable projects
Personnel order	Human resources management (motivation, incentive to w
Logistics order	Ability to provide high quality and timely information and material flows at the enterprise from the manufacturer to the consumer.
Marketing order	Advertising, ability to stay in the market, produce competitive products

Source: [27]

More detailed development of the idea of factors of internal and external influence on the export potential of the enterprise acquired in the works of D. Fomenko, S. Dubkov and S.Dadalko. They suggest distinguishing two groups of factors depending on the degree of control over them [22, p. 31]: endogenous -

related to the activity of the enterprise, its foreign economic marketing strategy, management characteristics; exogenous - include characteristics of the political, geographical, natural and climatic environment of the domestic and export markets.

Consideration and estimation of exogenous factors is accompanied by considerable difficulties caused by not predictable changes in the international environment.

Estimation of the nature and dimension of impact of endogenous factors on the export activity of the enterprise is done by the basic divisions of the endeavor as per their practical reason.

The export potential of the enterprise is a mind boggling and open framework, the structure of which shapes two gatherings of advantages, which guarantee the usage of inside and outside objectives of the working and improvement of monetary frameworks [28, p. 60-61]. Inside objectives (proficiency, efficiency, productivity) are identified with the specific establishments of financial action, and in the plane of the proportion of expenses and results mirror the basic parameters of the working of generation frameworks.

The execution of interior goals in the export business of an enterprise is guaranteed by the utilization of the main gathering of advantages that is made conceivable by export-oriented production and offering of products and ventures on world markets. This gathering incorporates resources of the proposition, which, as indicated by the cutting edge hypothesis of components of creation, frame the asset base of any sort of monetary movement of the enterprise - its natural resource; labor; industrial; technological and managerial potentials.

External imperatives operation and development of export-oriented enterprises generated by super system (world market) and ensure their implementation assets of the second group are influenced by feedback through the "company - a foreign market." In this system, the external market serves as a function of streamlining the structure of the export potential of the enterprise and its adaptation to the properties of the potential of the development of the external market. This group includes the assets of demand, which distinguishes structurally in marketing, infrastructure and

information capacity of enterprises, which form the basis of resource-analytical sustainable development of its export activities.

It is necessary to point on the fact that there is a modern trend of the increasing complexity of the structured by system export potential of the enterprise, defined formula 3I (intellectualization, informatization, institutionalization) and is shown by increasing role of intangible assets.

The development of the intellectual, informative and institutional component of the export potential of the enterprise ensures not only the increase of the profitability of the current part of its assets, but also the maintenance of efficiency and operational "inclusion" in case of necessity of non-activated part of assets. Formation of a reserve or a reserve of development of export potential of the enterprise provides growth of its adaptive properties and effective reaction to changes of environment of the international business.

The export potential of the enterprise as a system resource is described by the property of factor yield, which is resolved through total pointers, for example, the fare estimation of advantages and the export value of assets and export earnings of the enterprise. The translation of the factor efficiency of the export potential of the enterprise in the territory of these markers is connected with the methodologies of outside specialists, and specifically, the specialists of the World Bank and the International Trade Center of the United Nations to break down and survey the relative upper hands of the fare area [29].

According to these approaches, the level of export complexity is determined by the productivity (return) of its assets, which reflect the level of absorption of knowledge and advanced technologies in the products and processes of the export-oriented enterprise. Thus, the results of the surveys reported in the World Bank Expert Report [15] confirm the tendency to reduce the complexity of exports of enterprises in the Ukrainian machine-building sector, due to its low technological upgrade, the "aggressive" regulatory environment and the weak infrastructure supply of Ukrainian enterprises.

Fatenok-Tkachuk A.O. [86, p. 78] highlights the factors that influence the formation of the export potential of the enterprise. Yes, these factors it splits into three groups:

- innovation and business activity of the enterprise;
- increase of economic potential of economic entities;
- support and stimulation of enterprises with high export potential at the state level.

However, the author does not provide in-depth analysis of the nature and level of influence of these factors.

Melnyk T. M. in the work [87, p. 233] argues that the components of export potential include:

- potential of internal resources (function from the technical and technological base, qualifications of personnel, methods of management, finance);
- the potential of the target foreign market; conditions for entering the market, which cover the national (trade policy of the country, system of export production support);
- external conditions (trade mode of exporting country).

The above factors influence the formation of export potential. However, Miller T.M. indicates the existence of a functional dependence of export potential on these indicators, without further formalizing it.

Petrenko L.P., investigating the structure of export potential, allowed to distinguish three main elements that most influence its formation:

- Export Competitiveness of the Product;
- export competitiveness of the manufacturer;
- Export Competitiveness of the Producer Country [88].

Dunskaya A.R. to the most significant factors of development of export potential include the following:

- organization of enterprise management;
- informational support of foreign economic activity;
- planning of export production;
- accounting and analysis of export supplies;
- personnel management [89].

All these factors are system-forming, that is, they form the export potential of the enterprise, and are interdependent, ie they are united sole purpose - to ensure the development of foreign economic activity of the enterprise.

Implementation of measures for each factor in the development of export potential will contribute to increasing the competitive position of the enterprise, effective promotion of the company's products on the target foreign market. That is, these factors affect not only the development of export potential, but ultimately they can increase the competitiveness of the enterprise as a whole.

The main elements of increasing the competitiveness of the enterprise implementing the strategy of development of export potential, include:

- implementation of the program of technical re-equipment of the enterprise through technical and technological, reconstruction and capital measures;
- change the structure of commodity products in order to increase the proportion of output of profitable products;
- decrease in the share of barter transactions and mutual settlements;
- the formation of reliable schemes for the supply of raw materials;
- development of measures to minimize the negative impact of changes in prices on the domestic and foreign markets;
- updating the state of service and repair services in accordance with the production and sale of export products.

In addition to the main directions of increasing the efficiency of the system of management of foreign economic activity of the enterprise, great attention should be

paid to risk assessment and the formation of enterprise security, improvement of methods of developing business plans, the formation of methods of attracting foreign investment, methods of assessing the effectiveness of foreign economic activity of the enterprise.

Properly for most enterprises, the functional organization of foreign economic activity does not meet the current requirements of foreign markets, does not contribute to the adequate development of export potential of the enterprise and does not provide the expected level of competitiveness of the enterprise.

The reorganization of the system of management of foreign economic activity of the enterprise involves qualitative structural changes, first of all, in the export potential of the enterprise, because it is precisely on the basis of the existing export potential that strategies and programs for the company's exit to foreign markets are formed. Also, a separate direction of perspective research should be the formation of a unified methodology for assessing the export potential of the enterprise, which would allow to unify the process of assessing the export potential of enterprises and would create an appropriate information basis for developing an adequate strategy for the company's exit to foreign markets [29].

In the conditions of the construction and development of the information society, one of the key factors in the development of the export potential of the industrial enterprise is the use of information technology.

Growing flows of information both inside and outside the company, require its prompt processing for adequate further use. To do this, the company must be provided with an appropriate technical base and trained specialists. Improvement of certain elements of the information provision of the system of foreign economic activity of an industrial enterprise for the purpose of development of export potential can be realized in the following directions:

- technical and technological support of the information system;
- development of a comprehensive training program for personnel related to information flows;

- implementation of modern communication facilities and advanced information technologies;
- creation of a system of operational and informational support of the management of the enterprise for internal control and the adoption of reasonable management decisions regarding the export of products;
- development of a single information model of financial, tax and management accounting;
- automation of workplaces in different services of the enterprise;
- use of automated systems "Export contract" and "Export price calculation";
- integration of accounting, planning and standardization of various types of expenses in the production of export products.

Belarusian scientists D. Forenok, S. Dubkov, S. Dadalko proposed the classification of factors on the basis of the object of the marketing environment of the enterprise and distinguish several groups of factors:

- company characteristics (size, international competence, number of managers with international experience), product, industry and export market;
- psychological characteristics and benefits of management;
- choice of target market and segment [87].

In conclusion, we can see that there are a lot of factors that influence the export potential of the enterprise and by investigating each of them carefully, the enterprise will be able to increase its export potential.

1.3. Methods of Estimating the Export Potential of the Enterprise.

The main source of income in foreign trade operations is foreign trade, that is, the export and import of goods and services. In this regard, for enterprises engaged in foreign economic activity, a qualitative assessment of the export and import efficiency is a prerequisite for development.

When exporting goods, the company sells goods abroad for profit. In this case, the company bears the following costs:

- the cost of the exported goods;
- overhead costs;
- organizational costs.

Under the cost of goods refers to the enterprise's costs for the production of goods. Overhead costs include the cost of transporting the goods borne by the exporting company. These costs depend on the contract price (CIF, FOB, etc.). When exporting, as a rule, it is customary to use the price of a FOB product. Organizational expenses are expenses of the enterprise for conclusion of the contract, customs duties, etc.

Thus, export costs are equal to the sum of the cost of goods, overhead and organizational costs.

Export income of the enterprise from the export of goods - is the currency sales volume, entering the current account of the enterprise. In most cases, export earnings are expressed in hryvnia equivalents. The conversion into hryvnia may be made at the rate of the National Bank of Ukraine on the day the foreign currency earnings are received, or on the day the contract is concluded (depending on the terms of the contract), or at the rate of sale of foreign currency on the central exchanges of Ukraine.

In order for the export of the goods to be effective, it is necessary that the export income exceed export costs. However, this condition is not sufficient. Export of goods is expedient if the export profit exceeds the internal profit of the enterprise from the sale of goods within the country. Export profit equals the export income excluding export costs, and domestic income - the gross domestic product excluding the cost of goods. At the same time, the gross domestic income is the hryvnia income from the sale of goods destined for export in Ukraine [30, p.226].

In the case of export-related operations in the first stage, it is important to carry out an analysis of the fulfillment of obligations. Assessment of fulfillment of

obligations with respect to foreign partners is carried out on the basis of analytical and operative accounting, balance sheet. The main conditions for the fulfillment of these obligations are the observance of the prescribed terms, the definition of the quality and quantity of goods (sales, works, services).

According to the annual results of work in terms of countries and commodity groups, it is expedient to calculate the ratio of overdue transactions, which is calculated as the ratio of the value of all export transactions to the value of outstanding (overdue) transactions. This coefficient is calculated for the reporting year and compared with the data of previous years.

An important indicator of the work of the subject of foreign economic activity is the quality of the products manufactured for export. Therefore, the criterion for assessing the company's performance on the quality of products is the quality factor. It is calculated as the ratio of the cost of foreign-made complaints to foreign buyers about the quality - to the value of the products put up for export.

Competitiveness issues are important for each enterprise. Competitiveness is a complex economic concept, which primarily determines the possibility of selling goods at prices that are not lower than average market prices.

It depends on many subjective and objective factors, namely: quality and production cost; forms and methods of trade; prices and delivery terms; forms of settlements with buyers; the image of the producer on the world market; the presence of a trademark; advertising effectiveness; internal regulatory framework.

In the case of export-related transactions, it is expedient to carry out an analysis of the execution of the production program: structure, assortment and rhythm of output, to calculate the factor of grade of production.

Objects of special attention should be the cost of products released and costs associated with foreign trade. Analysis of costs included in the cost must be carried out on economic elements, costing articles, production factors.

All further widespread is the study of the relationship between production costs, sales volume and profit. Such an analysis enables us to calculate the critical volume of output, the sales volume, the level of constant costs, the price of the sale, the level

of minimum income, the desired amount of profit, as well as the volume of sales that yield the same profit for different production options (technology, cost structure).

Each researcher gives the general potential a certain "orientation" - for example, in the study of competitive potential, the components of the competitive potential that more influence on its resultant magnitude and dynamics of its development can be analyzed in more detail. However, if for the study of a business entity there is the application of a valuation technique that takes into account the state and dynamics of the development of all or most of the main subsystems of the enterprise, then it can be stated that the total potential of the subject is investigated, differently - to achieve the goal of a particular study.

Thus, the scientist T.M. Miller substantiates the impossibility of quantifying the export potential based on the subjective nature of the concept and the absence of a direct connection between the potential and the position of the enterprise in the market. T. Melnyk states - approaches to the assessment of the export potential of various business entities, which are given in the national scientific literature, are based on the assumption that the internal structure of the potential is determined by the composition and the ratio of its structural elements, which is the potential of internal resources, the potential of the external market and market conditions.

The potential of internal resources (PIR) is understood by a scientist as a function of the technical and technological basis (TB), qualifications of personnel (Q), methods of management (M), finance (F), that is, $PIR = (TB, K, M, F)$.

The main criterion for the expediency of exporting to a specific market (the presence of export potential), according to Melnik, are:

$$PIR = PEM, \quad (1.1)$$

where PIR - the potential of internal resources;

PEM - the potential of the external market.

In another case, according to the scientist, the export activity of the company in this market will be inappropriate. Under the potential of the external market Melnyk understands the requirements of the external market to the enterprise.

According to Melnyk, market conditions, consist of national conditions (trade policy of the country, support system of export production) and external conditions (trade regime of the country of export). Taking into account the conditions for entering the market, T. Melnyk believes that the sign of the availability of export potential of a business entity in a specific market is:

$$ExP = (PVR, PZR, OWP) \text{ under the condition that: } PIR = PEM \text{ and } CEM \leq \max, (1.2)$$

where ExP - export potential;

CEM - conditions for entering the market.

The scientist cautions on the use of this model: the study of the potential of the domestic market should be conducted only in relation to a specific market and the conditions for access to it, to determine the potential of only a single product or nomenclature group, make sure that the constituent conditions of the potential are comparable (due to the simultaneity of their evaluation), reach the polyvariability in matching the potential of the domestic and foreign markets. On the basis of this, T.M. Melnyk formulates the impossibility of using this methodology to assess the export potential of subjects of meso-macroeconomics, such as industry or country [31].

T.M. Miller proposes a discussion thesis on the impossibility of quantifying the EHR in general. Although a purely quantitative assessment of the EP is not really possible, qualitative information on the EPE can be presented in a formalized, conditional-quantitative form (scores, weighting factors, etc.). Also, the position of the company in the foreign market, in fact, is one of the main indicators of its export potential.

D. Solokha, defining the theoretical and methodological basis for assessing the level of innovation potential of the industrial region, determines the export potential as measured by the ability and capabilities of domestic enterprises (their production potential) to produce competitive products, which means, first of all, innovative. The export potential of D. Solokha is calculated as follows:

$$EP = PP * C_r^{int} * C \quad (1.3)$$

where EP - export potential;

- PP - production potential as the sum of the cost of enterprise resources;
- integral coefficient of competitiveness of production in the foreign market;
 - the coefficient of external demand;
 - the coefficient of the external supply.

The author notes that in this method, the export potential is directly associated with the innovation of products, which is identified with its competitiveness in a certain foreign market [39, p. 43]. This is not exactly an exact generalization, since even products that have no signs of innovation at all, such as steel, made in "open-hearth" (obsolete technology) furnaces, are quite competitive in certain markets. Accordingly, in the formula given by the researcher, there are external demand and external offer ratios, which in our opinion sufficiently illustrate the above remark: the actual export demand for goods and the supply of similar products by the competitors of the enterprise are also significantly affected by the export potential of the company's product.

Kutydze L. S. proposes to assess the export potential using both quantitative and qualitative indicators. The researcher makes the thesis about the necessity of estimating the export potential for expenditures (the value of the object is defined as the total costs for its creation and use) and the resultant (the value of the object is treated as the value of the net flow of positive results from its use) by methods of assessing the value of the economic system.

The process of determining the export potential is based on the principle of a "black box", with the comparison of input parameters (quantitative and qualitative indicators characterizing the state of natural, industrial, labor and managerial resources) and output (the results of the activity of the export sphere, measured by quantitative indicators) [33, p. 50].

For system research and development of measures to improve the EPE the simulation as a "black box" is not enough. For a clear understanding of the interaction and interdependence of the elements of the EPE as a system that ensures the

realization of the potential of the enterprise to foreign economic activity, it is necessary to take into account not only the result from the use of resources aimed at the implementation of the FEA, but also the mechanism of transformation of these resources into, in fact, the result of the enterprise's activities on external markets, which the method chosen by the authors of the study of EP cannot fully provide.

According to the model created by them, growth of volumes of export of products of the enterprise, first of all, is caused by an increase in the volume of its own capital, the average number of employees, fixed assets and income (revenue) from the sale of products (goods, works or services), while growth the current and long-term liabilities of the enterprise (including the volume of attracted capital) have a positive effect on the export of products only to a certain extent. S. M. Kozmenko and S. I. Kolosok offer the following formula for assessing the export potential of mechanical engineering enterprises:

$$EP = EP_e^{vm} * I_{ec} * \beta = EP_e^{vm} * FA * EC \quad (1.4)$$

where EP- export potential of the enterprise in value measure;

I - export potential of the country in value measure;

- integral assessment of export competitiveness of the enterprise;

NE - weighted average number of employees of the enterprise;

FA - weighed fixed assets of the enterprise;

EC - weighted equity capital;

- correction factor [34].

Scientists Druzhinina and Riznichenko, studying the export potential of a production enterprise, formulate the main goal of the analysis of export potential - the study of demand for manufactured products and the formation of a portfolio of orders.

Druzhinina and Riznichenko, agreeing with other scientists, the purpose of assessing the export potential is to determine the amount (quantity) of products that can be exported. To do this, they use the following formulas:

$$EP = PP * C_{com} * C_d \quad (1.5)$$

where EP - export potential;

PP - production potential;

- coefficient of competitiveness of products;

- coefficient of demand on the world market (taking into account the specific country of export);

- the supply coefficient on the world market (taking into account the specific country of export).

The productive potential of scientists is calculated as follows:

$$PP = RP + C_{pt} + P_{pi} \quad (1.6)$$

where RP - resource potential;

- coefficient of production technology;

- the potential of processing industries;

- the potential of industrial infrastructure [35, p. 248–249].

As we see, the impact of marketing on the export potential of the company is not isolated, although it can be assumed that it is partly dependent on the entrepreneurial features of the organizers of production, and, to some extent, reflected in the supply and demand ratios of the company's products and the same for each individually of the considered foreign market.

However to analyze the activity of the enterprise from the exact side, we need to check the particular export operation, find out its efficiency and find the ways of its increasing. With the help of that we will be able to find out the exact ways how to improve the foreign activity of the enterprise and increase its ability to provide actions on foreign markets.

In this analysis, the special calculations of the break-even point or the graphic representation of the "Volume - Costs - Profit" dependency are used.

The object of analysis that requires careful research is overhead. They are taught:

- by types of operations, structure, production factors;
- in absolute and relative terms;
- for the reporting period and in dynamics.

The greatest benefit for making managerial decisions is to study the level of overheads as a percentage of the volume of sales (purchased) goods and their structure (by items of expenses). Overhead costs can be combined into three groups: transportation costs, handling costs, storage costs. After studying the influence of various factors on each group of overheads, they proceed to study the effect on production factors in order to reduce the level of overhead in the long run.

The effectiveness of management decisions that influenced the dynamics and structure of foreign economic activity, the rationality of spending money, the definition of contract prices, and others can be evaluated only in terms of overall success of the enterprise and the nature of its economic efficiency.

The effectiveness of exports is defined as:

$$\frac{\text{revenue (net in convertible UAH)}}{\text{full cost of goods in UAH}} \quad (1.7).$$

This indicator is influenced by:

- exchange rate change;
- contract price (export price-gross);
- the level of overhead costs in foreign currency (expenses = revenue - gross - net revenue);
- unit cost of production, UAH;
- the level of overhead in UAH.

The indicator of efficiency is also defined by the value of foreign currency revenue for costs per 1 UAH.

The estimation of financial results is carried out by types of foreign economic activities and types of income (losses). In this study the dynamics and composition of financial results, the causes of penalties, penalties, paid in the implementation of foreign economic operations, the amount of write-offs of doubtful debt, and others [36, p. 124].

The economic efficiency (effect) of foreign economic operations is determined by economic and budgetary efficiency (effect). Economic efficiency (effect) arises from producers of export or from consumers of imported products. Budgetary efficiency (effect) arises from foreign trade organizations from foreign economic operations. These metrics are calculated for import using the following formula:

$$E_{\text{exp.}} = \frac{\sum_i P_{\text{int}}^*}{\sum_i P_{\text{ei}}^*}, \quad (1.8)$$

where $E_{\text{exp.}}$ - economic efficiency of exports (it arises from producers of export products);

i – type of product that is exported;

P_{int}^* – the price of the unit of the i -th type of the product being exported;

P_{ei}^* – the internal price of the unit of imported products of the i -th type;

$Q_{\text{exp } i}$ – the volume of import of products and i -th type;

$\sum_i P_{\text{int}}^* Q_{\text{exp } i}$ – the cost of exports in domestic prices;

$\sum_i P_{\text{ei}}^* Q_{\text{exp } i}$ – cost of export in enterprise prices.

The calculation of the economic effect of export (EF_{ex}) is carried out according to the formula (the sign "+" means that the effect is, the sign "-" - its absence):

$$\pm EF_{\text{ex.}} = \sum_i P_{\text{int}}^* Q_{\text{exp } i} - \sum_i P_{\text{ei}}^* Q_{\text{exp } i} \quad (1.9)$$

The following formulas are used to calculate the budget efficiency and the budgetary effect of exports:

$$E_{\text{B.exp}} = \frac{\sum_i V_{\text{B}}^* Q_{\text{exp } i}}{\sum_i P_{\text{int } e}^* Q_{\text{exp } i}}, \quad (1.10)$$

де - the value in the currency of the unit of output of the i-th type, which is exported;

$\sum_i V_e * \zeta$ - foreign exchange earnings from exports;

E - budget efficiency of exports (arises in foreign trade organizations).

$$\pm EF_{B.exp} = \sum_i V_e * Q_{exp i} - \sum_i P_{ini} * \zeta \quad (1.11)$$

where EF - the budget effect of exports received by government or commercial intermediary organizations.

Taking into account the previous formulas, the calculation of national economic efficiency and the effect of foreign economic export operations, will be accomplished by the following method:

$$E_{n.exp} = E_{exp} * E_{B.exp} = \frac{\sum_i V_e *}{\sum_i P_{ei} *}, \quad (1.12)$$

де E – national economic efficiency of exports.

$$EF_{n.exp} = EF_{exp} + EF_{B.exp} = \sum_i V_e * Q_{exp i} - \sum_i P_{ei} * \zeta, \quad (1.13)$$

де EI – national economic effect of exports.

The assessment of the overall (national economic) efficiency of foreign economic activity includes the establishment of parameters of economic security, the system of critical constraints and levels of its foreign economic factors. Economic security provides the most favorable conditions for economic development of the country. This requires state measures to neutralize external and internal hazards. That is why one of the important conditions for conducting spectacular foreign economic operations is to meet resource requirements. For this purpose, the ability to export resources is determined:

$$EX_i = AP_i + R_i -, \quad (1.14)$$

де — the ability to export resources;

- the general need of the economy in the i -th resource;
- the actual production of the i -th resource in the country;
- the reserve of the i -th resource in the domestic market [37, c.65].

Export of goods is effective if the export income exceeds export costs. This is reflected by the base rate of export efficiency:

$$E_{ex}^b = \frac{R_e}{C_{ex} + T_e} \quad (1.15)$$

where E_{ex}^b - is the basic coefficient of efficiency of export of consumption goods;

- internal revenue from the sale of exported goods;
- cost of goods;
- transportation costs;
- organizational costs.

If $E_{ex}^b > 1$, export is effective. The higher this coefficient, the higher the efficiency of exports.

As was already noted above, to determine the export efficiency the calculation, which is only based on coefficient of export efficiency, will not be enough. It is necessary to find out whether the export of goods is a more profitable operation than the sale of this product within the country. To do this, use an alternative export efficiency factor:

$$E_{ex}^a = \frac{R_e - C_{ex} - T_{ex}}{R_d - C_e} \quad (1.16)$$

where E_{ex}^a - the alternative coefficient of export efficiency; R_d - domestic revenue (revenue from the sale of goods inside the country); other elements are similar elements of formula (1.15). If $E_{ex}^a > 1$ export is effective.

Thus, in order to determine the efficiency of exports, it is necessary to calculate the coefficient C and K . It should be remembered that all proceeds should be presented in hryvnia equivalents. In the event that both are larger than one, the export of the goods is effective. If $C < 1$ and $K > 1$, then in this case, export will be ineffective, because export costs exceed export earnings. If $C > 1$ and $K < 1$, then in this case, export will be also ineffective, because the profits from the sale of goods within the country will be higher than from its exports. In case if both of these factors are less than one unit, then the export of the goods is ineffective for the above reasons [37, p.293].

Conclusions to the Chapter 1.

The conducted researches allow to draw the following conclusions:

1. The paper reviews the evolution of the concept of "potential" and, accordingly, provides the definition of "export potential" as the level of ability of an enterprise to export competitive on the target foreign market of products using existing domestic resources at the enterprise, as well as the advantages of international agreements regulating foreign economic activity and the country's membership in international economic organizations;
2. The systematization of types of export potential, as well as the defined structure and place of export potential in the system of foreign economic activity of the enterprise was carried out. It is proved that the export potential of production allows to effectively carry out export activity which is part of foreign economic activity along with import, foreign trade, intermediary activity.
3. Summarizing the scientific researches of domestic and foreign scientists, it should be noted that the identified factors of influence on the export potential of the enterprise are system-forming, that is, they form the export potential of the enterprise, and they are interrelated, that is, they are combined with the sole purpose - to ensure the development of foreign economic activity of the enterprise. Implementation of measures for each factor of development of export potential will help to increase the

competitive position of the enterprise, effectively promote the company's products on the target foreign market. That is, these factors affect not only the development of export potential, but ultimately they can increase the competitiveness of the enterprise as a whole.

4. It is determined that the main methods for assessing the export potential of the enterprise are formalized, export and combined methods. The types of economical and mathematical models for modeling the export potential of the enterprise were established, and it was established that the increase of the efficiency of export operations determines the increase of the enterprise 's export potential.

5. It is proved that the export potential is fully dependent and is formed on the basis of production, labor, financial - investment, innovation, export - sales component. Increase of export potential of the enterprise should be carried out with the help of tools, levers of influence in the mechanisms of its realization.

CHAPTER 2. STRATEGIC ANALYSIS OF EXPORTS POTENTIAL OF LLC "Torgoviy Dvor "UTS"

2.1. Analysis of Internal and External Environment of LLC "Torgoviy Dvor "UTS"

The firm as an economic organization is an open socio-technical system, therefore, first, it depends on and interacts with the external environment, and secondly, the firm has an internal environment that can be portrayed as a combination of two main components - technology and people.

The external environment of the firm is the factors and conditions that are outside the company and exist independently of it, but affect or may affect its functioning. The basic component of environment variables is that they can't be controlled by the firm, since they don't rely upon it. Contingent upon the idea of the effect - direct or indirect - the components of the organization condition can be divided into two gatherings. The first group - the macro-environment of the firm - components of the environment that are not controlled by the organization and indirectly affect its adequacy: economic, social, political, legal, scientific, technical, cultural, demographic, natural, international factors and conditions of entrepreneurial activity in the country.

The second group of environmental factors of the firm is its micro-environment, means factors that are not controlled by the firm and directly affect its operation: suppliers, customers, competitors, intermediaries, so-called contact audiences - institutions of market, public, state infrastructure, which the firm contacts (banks, exchanges, mass media, public organizations, state bodies, etc.). It is the factors of the microenvironment that is a peculiar driver of the influence on the firm of factors of the macro environment [38, p. 342].

To analyze the external environment of the firm LLC "Torgoviy Dvor "UTS", we need to start from the first group of factors.

Economic factors that belong to the first group of external factors, we need to explain first of all, what kind of commodity will be under investigation.

For our survey we have chosen to provide our research about one of the main products that the company exports. It is liquid caustic soda. LLC "Torgoviy Dvor "UTS" exports only some of the trading products and those are: caustic soda, soda, lime chloride, calcium chloride, acid nitrogen and liquid caustic soda.

It was decided to choose exactly the current good since the export from Ukraine of this commodity is quite developed.

According to the Ukrainian Classification of Goods of Foreign Economic Activity (UKGFEA), the liquid caustic soda belongs to the 28th product group, the name of which is “Products of inorganic chemistry: inorganic or organic compounds of precious metals, rare earth metals, radioactive elements or isotopes” [39].

At the Table 2.1 it is displayed the amount of export and import of this specific trade group from Ukraine for the period of last 5 years and it is obvious that even considering the fact that the amount of export was decreasing from 2013 to 2016, still, in 2017 the indicator is growing. That is very reassuring that export of that good will be very productive and can influence the general export potential of Ukraine and the export potential of the current enterprise particularly.

Table 2.1.

**Amount of Ukrainian Export and Import of the Liquid Caustic Soda,
2013-2017 years**

Years	Export		Import	
	mln \$US	% to general amount	mln \$US	% to general amount
2013	1744,30	2,80	329,74	0,40
2014	1178,24	2,20	305,59	0,60
2015	967,42	2,50	284,22	0,80
2016	631,09	1,70	305,71	0,80
2017	780,57	1,80	378,96	0,80

Source: created by author on the basis of [40]

Moreover, to the economic factor we can put the fact that Ukraine and the EU have a free trade zone.

According to the Ministry of Economic Development and Trade, the EU is the largest trade partner of Ukraine with a share of trade in goods and services for the six months of 2017 in 40%. As a result of the 6 months of 2017, the volume of trade in goods with the EU increased by 24.9%, exports - by 26.1%, imports - by 24.0%. In 2017, 870 new products were exported from Ukraine to the EU commodity subcategories (this is an additional \$ 61.7 million in exports of goods). Among them, goods with value added. The number of companies exporting to the EU is steadily increasing [41].

Now, it is important to note the reason, why the particular country was chosen for this research. From all the countries that are current members of the EU, we have chosen Romania.

Ошибка! Ошибка связи.

Figure 2.1. Import of Sodium Hydroxide in Aqueous Solution (soda lye or liquid soda) to Romania 2008-2017, mln. Euro.

Source: created by author on the basis of [42].

The variable move by 11.21 percent contrasted with 2016, as per insights introduced by European Commission. Harsh soft drink import ascended by 233 940 Euro, contrasted and the earlier year when it diminished by 29.39 percent. Romania saw a bring of 100.25% up in scathing soft drink import in the course of recent years. In any case, it has achieved a reduction at a 0.1 percent compound normal yearly development rate amid the most recent five years with a humble generally ascend since the beginning of perceptions. It found the middle value of 1 906 711.67 Euro from 2000 to 2017 and it hit its record-breaking high of 3 875 040 Euro in 2013 and record low of 287 200 Euro in 2011 [42] (Fig. 2.1.).

Indeed, even in the inquires about that think about the import to Romania in essential sizes, the outcomes are clearly the equivalent. Contrasted and the earlier year the variable climbed marginally by 1.22%, as per information issued by European Commission. The pointer scarcely developed by 87 231 kilogram, oppositely to the earlier year when it declined by 19.75 percent. The general changes for the past 11 years achieved a fall of 2.85%. Besides, it has demonstrated a drop at

a 0.07 percent normal yearly development rate amid the 5 years with an insignificant generally speaking raise since the beginning of perceptions. It found the middle value of 6 397 280.91 kilogram from 2007 to 2017 and it achieved its record-breaking high of 10 868 054 kilogram in 2012 and record low of 408 558 kilogram in 2011 [50] (Fig. 2.2.).

Ошибка! Ошибка связи.

Figure 2.2. Import of Sodium Hydroxide in Aqueous Solution (soda lye or liquid soda) to Romania in 2008-2017, thousand tons.

Source: created by author on the basis of [43]

The research showed that there are no specific laws in export of liquid caustic soda to Romania, comparing to other countries from the EU.

Imported caustic soda is labeled with a Harmonized System (HS) code. The HS code is a piece of a mind boggling coding framework used to track and mark items that are exchanged globally. It gives an exact technique to traditions officers the world over to decide the correct type of items being transported in or sent out. In case you're intending to purchase acidic soft drink, guarantee that the HS code alludes to the right type of caustic soda that you might want to import.

The HS code for lye is 2815. Each product should have an 8-digit HS code, with the last four digits specifying the form in which the caustic soda is being imported/exported. The code 281511XX specifies solid caustic soda, while 281512 specifies liquid (sometimes referred to as aqueous) caustic soda. According to Cybex, HS codes for caustic soda are as follows [51]:

28151110 – caustic soda flakes

28151190 – caustic soda other form

28151200 – soda lye or liquid soda (aqueous caustic soda)

28152000 – caustic potash

28153000- sodium or potassium peroxides

Caustic soda is not an expensive product, but it is usually sold in bulk. The per unit price can work out to as little as few dollars per pound, but you should be prepared to buy several pounds of the product [52].

Regarding the second group of external factors, which are determined by the micro-environment of the firm, we decided to start our analysis from suppliers.

Due to established partnerships with major manufacturers, LLC "Torgoviy Dvor "UTS" is able to provide customers with any amount of goods - from single deliveries to the integrated provision of chemical production, taking all the concerns about delivering orders directly to customers' enterprises.

Among the suppliers of the company are the largest industrial enterprises of Ukraine, Russia, Moldova, Kazakhstan, Germany, Poland, Romania, Slovakia, China, engaged in the production of chemical products.

The authority of world-famous manufacturers guarantees high quality raw materials. All chemical products supplied by LLC "Torgoviy Dvor "UTS" fully comply with regulatory documents and current state standards.

Talking about the customers, that regularly work with the company, they are displayed at the Table 2.2.

Table 2.2.

**Main customers of LLC "Torgoviy Dvor "UTS" on Ukrainian market,
2017 year**

№	Name of the company	Amount of offers	Amount of contracts
1.	PJSC "Ukrhazvydobuvannya" in the presence of the branch Ukrburgas"	3	3
2.	The State service of Ukraine on the Quality of Food Safety and Consumer Protection	4	1
3.	PJSC "UKRGASVIDOBUVANNYA"	17	4
4.	Municipal Enterprise "IVANO-FRANKIVSKVODOEKOTEKHPROM"	1	1
5.	PJSC "Ukrhazvydobuvannya" in the presence of the branch "Shebelinkagasvidobuvannya"	6	3
6.	Municipal Enterprises of Thermal Network "KRIVORIZHTEPLOMEREZHa"	3	3
7.	Vinnitska Regional Clinical Hospital Named by I.M. Pyrogov	4	4
8.	PJSC "UKRNAFTA"	6	1
9.	Municipal Institution "Zaporzhia City Clinical Hospital №10"	2	2

10.	PJSC "Ukrgezvydobuvannya" in the presence of the branch "Poltavagasvidobuvannya"	3	2
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Source: created by author on the basis of [46]

From the Table 2.2. we made a conclusion, that despite the fact of presence of variety of different foreign economic operations, still, the main customers of the company are located in Ukraine. From one side, it can be challenging, since the experience in international trade operations is not so high, still, we have a lot of opportunities to increase revenues of the company and its export potential by expanding the amount of export operations in it.

On the Fig. 2.3 there were can see that Ugrgas if one of the main customers of the LLC UTS on the Ukrainian market. Vinnitska Reginal Clinic has the lowest amount of contacts with the enterprise.

Ошибка! Ошибка связи.Figure 2.3. Sum of the Contracts of LLC "Torgoviy Dvor "UTS" with the Main Customers, mln. grn., 2017 year

Source: created by author on the basis of basing on the [47]

The next option which influences the external environment of the enterprise is the main competitors. Competitors are the most important factor whose influence cannot be denied. The management of each enterprise is well aware that if it does not meet the needs of consumers as effectively as competitors do, then the enterprise cannot last for a long time. In many cases, not consumers, but competitors determine what kind of performance can be sold and what price can be invested [48, p.175].

Furthermore, we have analyzed the main competitors of the company on the domestic market that also provide export operations to different countries. At the Table 3.5. , it is shown the share that each company holds on the market (taking into consideration the investigated company).

For the chosen type of product (liquid caustic soda) in Central and Easter Europe the main competitor is company Oltchim. It is the biggest producer. However, other companies are producing caustic soda, but having inferior quality. Such companies are: Borsodchme, Anwil SA, Spolana [49].

Table 3.5.

**Market Shares of the Main Competitors of the LLC "Torgovyy Dvor "UTS",
2013-2017 year**

Name of the company	Share on the market, %				
	2013	2014	2015	2016	2017
LLC "FIRMA" KAAPRI "	10,2	10,0	10,5	11,3	11,96
LLC "Torgovyy Dvor "UTS"	7,5	5,2	6,3	6,7	7,50
LLC "Trade-industrial association Arista"	6,27	5,13	6,02	5,94	5,43
LLC "Ukrainian Paper"	2,36	2,03	1,97	2,12	2,17
LLC "YUMIX VDV"	1,86	1,12	1,45	1,56	1,63
LLC "Ukrainian National Product"	0,63	0,78	0,86	1,15	1,63
LLC "ENGINEERING CENTER" REAGENT "	0,37	0,25	0,82	1,02	1,09
LLC "TRADE HOUSE "KHIMINDUSTRIYA"	1,97	1,93	1,45	1,09	0,54

Source: created by author on the basis of results of [53]

The internal environment of the firm is a set of factors that are created and controlled by the firm. Components of the internal environment of the firm directly affect its effectiveness: main goals, subject of activity, structure, personnel, and organizational culture.

As stated in the Regulations, the goals of the LLC "Torgoviy Dvor "UTS" are the implementation of any area of economic activity which is not prohibited by the law of Ukraine (industrial, commercial and research, etc.), the execution of works and services on the territory of Ukraine and abroad in order to obtain an access. The Company carries out its industrial, commercial and research activities in order to meet the common needs of products, works and services, as well as profit in the currency of Ukraine and foreign currency and the implementation of social and economic interests of the Participants and members of the labor collective of the company on the basis of the profit received [50].

The main subjects of activity of the LLC "Torgoviy Dvor "UTS" are:

- production, wholesale, retail trade and mediation in pesticide trade, agrochemicals and mineral fertilizers;
- wholesale and retail trade and mediation in trading fuel, ores, metals and chemicals;
- export-import operations with non-food products;

- production and processing of chemical [50].

To organize the activities of the Society in its structure create the following authorities:

- the supreme governing body through which all the Members of the Company participate in the management of the Company - *the General Meeting of the Participants*;
- the executive body, which is appointed by the supreme body and manages the current activities of the Society - *the CEO of the Company*.

The supreme governing body of the LLC "Torgoviy Dvor "UTS" is the General Meeting of the Participants. They consist of the Members of the Company or their appointed representatives. A proxy for representation at the General Meeting of Participants on behalf of the Participant is certified by the notary or the executive body of the Company. Representatives of the Participants may be permanent or appointed for a certain period. Participants have the right at any time to replace their representative at the General Meeting of Participants, notifying the other Participants

The external and internal environment of the firm are closely interconnected: on the one hand, the company creates the internal environment under the influence and on the basis of the factors of the environment, on the other - the firm adapts to the external environment with the help of factors of the internal environment [38, p.362].

As a conclusion, we found out that external and internal environment of the company are rather favorable for it expand borders of its international economic activity to other countries that are currently involved in its participation.

2.2. Analysis of Financial Domestic and Foreign Economic Activity of LLC "Torgoviy Dvor "UTS"

The activities of each economic entity in modern economic conditions are the subject of attention of a large circle of market participants who are interested in the results of its functioning.

The main tool for researching the company's internal capacity is financial analysis. The meaning of its conduct is to perform functions of the logical means of evaluation and comparison of information for the creation of new information more valuable than the original one.

For financial analysis, various sources of information are used, among which the standard forms of quarterly and annual financial statements are the main ones, namely:

- the balance of the enterprise (form №1);
- statement of financial results (form №2) etc [44, p. 257].

Areas of financial analysis are determined:

- analysis of the property status of the enterprise;
- liquidity analysis of the enterprise;
- solvency analysis (financial stability);
- analysis of business activity of the enterprise;
- profitability analysis of the enterprise;
- profitability analysis of shares.

There are different methods of financial analysis.

1. Horizontal analysis

- a. comparison of indicators for adjacent reporting periods, study of the dynamics of indicators for several years;
- b. calculation of deviations from the base or previous period, determining the causes of deviations;
- c. identifying the trends of the company's development and forecast future performance.

2. Vertical (structural) analysis

- a. analysis of the balance allows us to study the structure of capital (the ratio between own and borrowed funds) and the structure of property (the share of working and non-current assets);

b. it is possible to compare indicators of this company with the indicators of other firms, regardless of their size and scale of their activities.

3. Analysis using financial ratios

a. on the basis of reporting data, calculate the coefficients of liquidity, solvency, financial stability, etc.;

b. studying them in dynamics, comparison with reference values, and also with the average indicators in the industry [52] (see Table 2.4).

To complete the comparative analytical balance, we have chosen to analyze the growth of financial reporting indicators and compare the results among the periods that are under the research. To complete that it was decided to divide the result of the deviation of each factor (the ending of the current period minus the beginning of the current period) to the results of the beginning of each period for each factor. All the results were put together in the Table 2.4 and there we can see how that particular indicator was changing for each line in the Balance sheet.

In order to survive the company in the conditions of constant intensification of competition it is necessary to be able to really evaluate the financial condition of both its enterprise and its existing potential competitors.

The financial condition of the enterprise is a set of economic parameters that reflect the availability, placement and use of financial resources.

The financial status of the enterprise characterizes the availability of own working capital, the optimal ratio of stocks of inventories to the needs of production, timely carrying out of settlement operations, solvency.

To highlight the current financial position of the the LLC "Torgoviy Dvor "UTS", we need to analyze the main financial indexes.

First, for our analysis we have chosen the liquidity indexes.

Liquidity of the balance sheet – the degree of coverage of the obligations of the enterprise with its assets, the term transformation of which in money corresponds to the maturity of obligations [53].

Liquidity is one of the main criteria for assessing the financial position of a company by shareholders, banks, and suppliers. We are aware of the formulas that should be used while counting the indicators.

Table 2.4.

Dynamics of Indicators of the Balance for LLC "Torgoviy Dvor "UTS", %, 2013-2017 years.

Indicators	Value, thousand UAH					Growth rate, %				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2013	2014	2015	2016	2017
Assets side of Balance-Sheet										
II. Current Assets										
Supplies:	2098,8	1460,6	1118,0	1153,1	2986,30	0,53	-0,18	4,35	2,90	0,01
including final goods	2098,8	1460,6	1118,0	1153,1	2986,30	0,53	-0,18	4,35	2,90	0,01
Receivables for goods and services	872,9	601	1842,8	864	558,20	0,33	1,81	-0,85	-0,97	-0,43
Receivables for the budget	23,0					1,17	-1,00	-	-	-
Other receivables	32,0	29,7	778,0	869,5	595,40	0,34	31,69	0,30	2,30	-0,31
Cash and cash equivalents	160,0	303	59,0	244,6	63,30	0,67	-0,38	-0,55	1,54	-0,84
Other current assets	12,5	34,7	27,0	7,3	26,70	0,87	3,03	39,30	28,93	-0,80
Total for part II	3199,7	2429,5	3825,3	3138,5	4231,00	0,48	0,77	1,64	1,62	-0,09
Balance	3199,7	2439	3825,3	3138,5	4231,00	0,48	0,77	1,64	1,62	-0,09
Liabilities of the Balance-Sheet										
I. Equity capital										
Reserve (retained loss)	210,2	254,5	306,2	642,3	688,90	0,29	0,88	0,30	0,43	0,24
III. Current liabilities										
Current creditor liabilities for:										
goods, services	1642,9	66,9	2080,2	1564,6	2916,80	1,04	1,59	1,88	2,55	-0,28
settlements on budget	10,4	9,7	28,9	75,1	183,80	-0,71	-0,19	-1,00	-0,06	-0,40
Other current liabilities	657,2	513,9	731,3	846,5	431,50	0,34	0,49	2,44	1,05	0,73
Total for part III	2318,5		2848,1	2486,2	3532,10	0,74	1,14	1,99	1,84	-0,15
Balance						0,48	0,77	1,64	1,62	-0,09

Source: created by author on the basis of Appendix 1.

After providing the calculations, we have received the results that are displayed at the Table 2.5. It is viewed that total liquidity indicator is in the normative values, however the rate of rapid liquidity is not in a good position.

Table 2.5.

**Calculated Liquidity Indicators for the LLC "Torgoviy Dvor "UTS",
2013-2017 years**

Indicator	Date				
	31.12. 2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
Coefficient of coverage (total liquidity)	1,38	1,34	1,11	1,09	1,29
Rate of urgency (rapid) liquidity	0,47	0,94	0,24	0,47	0,25
Absolute liquidity ratio	0,07	0,02	0,01	0,08	0,00
Net working capital (ths. UAH)	881,20	977,20	846,60	697,80	863,60

Source: created by author on the basis of Appendix 1.

Quick Ratio (Rate of urgent (rapid) liquidity) is an indicator of short-term liquidity in a company that measures the company's ability to repay its short-term liabilities on a timely basis through highly liquid assets. Highly liquid assets incorporate cash and cash equivalents, current financial investments, accounts receivable, etc. This indicator is like the marker of current liquidity, since it demonstrates the dimension of dissolvability of the organization. However, the rate of rapid liquidity is preservationist and exact, since it permits to reject less liquid assets.

The optimal value of the indicator depends on the sphere of activity and features of the firm. The norm of the indicator is within the range of 0.5-1 and above. This value indicates that the company has fairly liquid working capital for timely settlement of liabilities [54].

Since, inside every one of the periods that were taken for the examination, just a single in the periods the pointer was in as far as possible, we can make an end that the organization won't have the capacity to reimburse its liabilities inside a transient period since it doesn't have enough money for that.

The absolute liquidity ratio (English equivalent of Cash Ratio) is the proportion of the most fluid piece of advantages and current (here and now) liabilities. The most

liquid part of assets incorporates cash and its counterparts. The index demonstrates the offer of current liabilities of the organization, which can be reclaimed promptly [55].

Due to the fact, that the indicator of the enterprise is lower than the normative values, we can make a conclusion that the company will not be able to repay debts on time if the payment deadline will come soon, which cannot be considered as a positive characteristic of its activity.

And the last indicator showed us that the Net working capital is in the good condition, since it is obviously higher than a 0 and it means that if the company will be forced to give away all the debt that are short-termed, it will still be able to operate on the market.

The determining characteristic of the financial condition of the entity is its solvency. Solvency is determined by the ability of the entity to quickly repay its short-term liabilities. In assessing the financial condition, it is not necessary to identify solvency with liquidity of assets. Solvency is considered in the broader sense of the quality of financial condition than liquidity, since it involves not only the ability to convert working assets into means of payment, but also the ability to provide financial stability [63, p.259]. The main indicators that will be analyzed are showed at the Table 2.6.

Table 2.6

**Calculated Solvency Indicators for the LLC "Torgoviy Dvor "UTS",
2013-2017 years**

Indicator	Date				
	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
The solvency (autonomy) ratio, Ka	0,07	0,08	0,10	0,08	0,22
Equity to Debt Ratio	13,53	11,10	8,77	10,80	3,47
Self-Financing Ratio	0,28	0,26	0,10	0,08	0,22
Current Assets to Equity ratio	4,00	3,09	1,00	1,00	1,00

Source: created by author on the basis of Appendix 1

The first indicator – the indicator of financial autonomy – is one of the most important coefficients of financial sustainability. It is equal to the ratio of company's

equity to all financial resources. The value of the indicator indicates what part of its assets the company is able to finance at the expense of its own financial resources [64].

Coefficient of security of own working capital (Self-Financing Ratio) – refers to a group of indicators of financial sustainability and is an indicator of the company's ability to finance working capital at the expense of its working capital. The coefficient is calculated as proportion of possess working cash-flow to current resources. The estimation of the pointer demonstrates the offer of possess current resources in the measure of current resources of the organization [65].

From the Table 2.5, we can see that those two indicators are currently growing and improving their positions. Despite the fact that in the beginning of the investigated period the indicators were not in good positions, they are currently in a better state. That can be explained by the fact that the enterprise is quite young and in the beginning of the researched periods it was just the start of its work in general, so probably in the future the situation will be much better.

The coefficient of financial risk describes the measure of pulled in capital per 1 UAH of value and is characterized as the proportion of pulled in funding to the measure of its own. The development of this coefficient demonstrates an expansion in reliance on the sources included, loss of budgetary autonomy [63, p.96].

The strategy of geographical concentration of export activity increases the risks of the activity of specific economic conditions on the foreign market of sales and demand and confidence in the enterprise by its few foreign counterparties, which makes the prospects of such cooperation too vague and dependent on a specific contract and a specific situation.

The coefficient of maneuverability of the equity (Current Assets to Equity ratio) demonstrates the proportion between its very own present resources and value of the organization. Accordingly, the estimation of the marker shows what bit of value can be utilized to fund current resources, and which part is gone for financing non-current resources.

Normative is considered to be 0,1 and higher. Positive implies the sufficiency of its own financial resources to finance non-current assets and part of the current ones. The negative value of the indicator indicates that equity capital and long-term borrowed funds are intended to finance non-current assets, therefore, financing of working assets requires access to loan financing sources. This leads to a reduction in financial stability [66].

From the Table 2.5., we can see that the Equity to Debt ratio was in a very bad condition in the beginning of the period. However, even considering the fact that currently it is not in the normal limits, it is still decreasing and has a very promising prospective.

Moreover the Current Assets to Equity Ratio is in a normal limit. Even though it was decreasing, which is not very good, still it doesn't cross the limits and moreover it is now stabilized. So that characterizes the financial condition of the enterprise in a good way.

Markers of productivity are vital qualities of the factor condition for the arrangement of benefits (and income) of the enterprise. Consequently, they are obligatory components of relative investigation and evaluation of the monetary state of the undertaking [30, p.223] (See Table 2.7).

Table 2.7.

The Profitability Indicators for LLC "Torgoviy Dvor "UTS", %, 2013-2017

Indicator	Years				
	2013	2014	2015	2016	2017
Return on assets ratio (Ra)	8,9	9,8	15,2	18,1	5,7
Return on equity ratio (ROE)	9,2	7,3	10,4	16,2	5,5
Rate of return on business (R ret)	0,9	1,0	1,2	1,3	0,4
Ratio of profitability of products (R prof)	1,0	0,8	1,3	1,3	0,4

Source: created by author on the basis of the calculations based on the data from Appendix 1

Normative value of profitability is when it is higher than 0. As we can see from the TABLE, for the investigated enterprise, the situation is quite good. All the indicators are higher than 0. Even though they are decreasing, still, the situation,

when export of the chosen product to Romania will take place, the situation can change.

Current Asset Turnover is an indicator of business activity that measures the efficiency of using current assets of the enterprise (cash, inventory, inventory, receivables). The coefficient shows demonstrates the proportion of revenue and the normal over the time of the measure of current resources. The estimation of the indicator alludes to the quantity of unrests that made the present resources. Indeed, an expansion in the estimation of the indicator recommends that the organization needs less assets with the end goal to keep up the current dimension of movement. This prompts the arrival of part of the monetary assets that can be utilized to escalate current activity. This prompts the arrival of part of the financial resources that can be utilized to increase current activities [78] (see Table 2.8).

Table 2.8.

Current Asset Turnover of the LLC "Torgoviy Dvor "UTS", 2013-2017 years

Indicators	Years				
	2013	2014	2015	2016	2017
Current Asset Turnover	3,01	5,21	9,87	14,23	14,43

Source: created by author on the basis of Appendix 1

Regarding foreign economic activity, it is not yet developed a lot. Even though the import of a lot of goods is well developed, only some of the products are exported, such as: caustic soda, soda, lime chloride, calcium chloride, acid nitrogen and liquid caustic soda.

Due to that fact and due to the fact that the company has quite good export potential, we have decided to implement exactly export operations. That should influence the company's financial results and increase its profitability.

As a conclusion, we found out that almost all of the financial indicators are in a good condition and characterize the company as a strong player on the domestic market and a good applicant for expanding its activity to the foreign markets as well.

2.3. Assessment of the Export Potential of LLC "Torgovyy Dvor "UTS".

The export potential is the basis for developing a strategy for the company to enter the external market. Consequently, the factors influencing the development of export potential also indirectly influence and determine the procedure for forming the strategy of the company's exit to the external market and the level of representativeness of the enterprise in the foreign market.

The export potential of the enterprise will be determined by many components that characterize various aspects of its operation. In general, the enterprise's activity in the foreign economic sphere consists of interconnected processes, each of which is considered separately in determining the export potential. In turn, the results of the actions of these processes are formed not only because of their functioning, but also their interaction and parts of the external environment.

Also, the export potential, directly to the enterprise, is defined as the readiness, ability of the enterprise to carry out foreign economic activity, in particular, the export basis for the development of the strategy of the company's exit to the foreign market [90]. Consequently, the factors that lead to the development of export potential also indirectly influence and determine the procedure for forming the strategy of the company's exit into the external market and the level of representation of the enterprise in this market.

On the one hand, the use of export potential, for the most part, leads to certain changes, that is, this potential either increases or decreases. These changes are due to the influence on the potential of both subjective and objective factors. However, on the other hand, studies have shown that there are times when, despite changes in the environment in which the export potential is formed and used, over time, it remains unchanged. Here it is said that when the export potential of the enterprise is in a state of reproduction, it remains unchanged from the point of view of the possibilities of production and realization of the enterprise's products for export [91].

The economic potential of a production enterprise is formed from various potentials, but for this type of enterprise, it consists of two structural elements: export potential and internal potential [9]. The process of forming these parts is common.

It is important to note that a significant role in the formation and assessment of the effectiveness of the use of export potential is played by high-quality, reliable and complete information support - the availability of appropriate information capacity.

Evaluating the effectiveness of using export potential is considered as a system that covers definitions and an integrated assessment of all potentials and takes into account the synergistic effect. By assessing export potential, the level of productive potential of a production enterprise is determined. The following is an optimization of market indicators by increasing the effective influence of positive factors. Identified reserves are introduced and implemented by optimizing the entire production process and increasing economic efficiency.

The internal potential of the company was evaluated first. To ensure the company's activity at the expense of participants' contributions, it established the authorized capital of the company in the amount of 2.5 million hryvnias, which indicates a rather significant and steady internal potential of the enterprise

The UTS Trade House Company has been successfully operating in the market of industrial chemistry in Ukraine since 1995. The UTS Trade House has appropriately equipped warehouses in Kyiv, Donetsk, Lutsk, Odessa, Dnipropetrovsk, Kharkiv, Lviv and Ivano-Frankivsk. This allows our customers to obtain the necessary products on the conditions of self-handling, as well as deliver it directly to consumers on time.

The company has established long-term business relations with the factories producing chemical products in Ukraine, Russia, Kazakhstan, Poland, Slovakia, Romania, China and other countries [60].

Export potential consists also of a lot of different factors, such as:

- organization of enterprise management;
- information support of foreign economic activity;
- planning of export production;
- accounting and analysis of export supplies;

- personnel management [61].

The organization of enterprise management and the personal management were shown in the previous part of the research and it highlights the fact that the company has a strong management which allows it to implement and expand the export operations further.

The UTS Trade House Company is a long-term member of the Ukrainian Chamber of Commerce and Industry, which testifies to its reliability and respectability.

The company conducts business in the sale of industrial chemistry, based on the basic principles of the Chamber: integrity, respect for business partners and fair competition.

Economic relationships within those 2 countries (Ukraine and Romania) are very strong. That takes place because of the encouraging of the European and Ukrainian cooperation. On 1 September 2017, the EU-Ukraine Association Agreement went into power. The Association Agreement, including its Deep and Comprehensive Free Trade Area (DCFTA), is the primary tool for bringing Ukraine and the EU closer together. The DCFTA offers Ukraine a structure for modernizing its exchange relations and monetary improvement by opening up business sectors and orchestrating laws, gauges and directions in different areas. This will help adjust the key areas of the Ukrainian economy with EU measures [62].

Moreover, according to the State Statistics Service of Ukraine, in 2017, the volume of trade between Ukraine and Romania amounted to 1 299.82 million dollars. (in 2016 - USD 1,097.7 million), from which exports amounted to USD 841.81 million. (in 2016 - 717.15 million dollars), import - 458.01 million dollars. (in 2016 - 380.55 million dollars). In comparison with 2016, in general, trade turnover increased by 18.4%, exports - by 17.4%, imports - by 20.3%. The trade surplus amounted to USD 383.79 million. in favor of Ukraine (in 2016 - USD 336,60 million in favor of Ukraine) [63].

Regarding the factors of planning of export production and accounting and analysis of export supplies, the company has a lot of experience in this part of activity

as well. Since that will not be the first experience of it of providing the export operations, there should be no issues with development of export of liquid caustic soda. So this indicator characterizes the enterprise as the one with high export potential.

Innovation potential describes the organization's capacity to produce and actualize new thoughts (innovations). Innovation potential is firmly connected to the scientific and technical potential. The scientific and technical potential is the capacity of the work force of the endeavor to take care of logical and specialized issues with the assistance of logical research and generation involvement with the end goal to enhance innovative procedures. The synergetic interaction of scientific, innovative and technical potentials (subject to its competent organization) is acknowledged in the scientific inventive specialized potential [64].

The company's export structure is dominated by two commodity groups, namely caustic soda and liquid caustic soda. Over the past year, there has been a significant reduction in the proportion of lime chloride, increased the specific liquid caustic soda. Such data also testify to the positive structural changes in foreign trade due to the increase of its diversification and the increase of the presence of Ukrainian chemistry in the global production network.

Continuing from the way that the principle reason for the endeavor amid the export activities is to get benefit from this movement, this benefit ought to be more noteworthy than the conceivable benefit from the offer of merchandise in the local market, and generally the expenses of sorting out and directing fare exercises are wrong and incapable.

What's more, a basic condition for the fruitful execution of fare exercises is an investigation of its viability with the end goal to set up the most ideal fare structure, the utilization of ideal showcasing apparatuses and the appropriation of sound arrangements

Consequently, the active inclusion in the global cost chains due to the export of high-tech chemical products is one of the main directions of development of the

export potential of the company. To realize this direction, it is necessary to find new market niches in accordance with modern technological trends [73].

According to the results that we can see from the Table 2.7, there was a small fall of the indicator in 2014, due to the general conditions of the Ukrainian economy, however during the last 3 years the company faces the increasing of this current indicator and in 2017 the amount of income resulted from the export operation of liquid caustic soda is equal to almost 4.8 million UAH (Table 2.9).

Table 2.9.

**Share of Income that is resulted from the Export Operation of Liquid
Caustic Soda of LLC "Torgoviy Dvor "UTS", 2013-2017**

Indicator	Years				
	2013	2014	2015	2016	2017
Share of export, %	4%	3%	7%	7,50%	9%
Income, thousand UAH	7893,3	13810,8	26171,8	37732,1	53219,70
Sum of income resulted by export, thousand UAH	315,732	414,324	1832,03	2829,91	4789,773

Source: created by author on the basis of [72]

The effectiveness of the export activities in a general can be understood as the proportion of the aggregate of costs and salary from this movement.

When sending out merchandise, the organization offers products for abroad. For this situation, the organization bears the accompanying costs:

- the cost of the traded item;
- transportation costs;
- organizational costs (Table 2.10).

Under the expense of merchandise, we understand the costs for the generation of products by the endeavor. Transportation costs include the cost of shipping the merchandise borne by the sending out organization. These costs rely on the agreement value (CIF, FOB, and so on.). At the point when it is traded it is acknowledged to use the cost of the FOB of the products. Hierarchical costs are the costs of a venture for a decision on a contract, obligations and expenses in the carriage of products through the outsourcing of traditions, and so on.

Table 2.10.

**Dynamics of export efficiency of Liquid Caustic Soda of
LLC "Torgoviy Dvor "UTS", 2013-2017**

Indicators	Years				
	2013	2014	2015	2016	2017
Amount of the product, dmt.	42,10	32,88	109,05	164,05	230,89
Price, Euro	648,23	624,38	632,29	611,27	629,97
Currency, UAH / Euro	11,57	20,18	26,57	28,22	32,93
Price, UAH	7500	12600	16800	17250	20745
Export income, thous. UAH	315,73	414,32	1832,03	2829,91	4789,77
Transportation costs, thous. UAH	455,30	493,00	462,00	489,20	524,65
Organizational costs, thous. UAH	152	169	157	163	187
Total costs, thous. UAH	607,30	662,20	619,00	652,20	711,65
Export efficiency	0,52	0,63	2,96	4,34	6,73

Source: created by author on the basis of data from Appendix 1

Export salary of the venture from the export of merchandise – is a cash income, entering the record of the endeavor. Much of the time, the export pay ought to be displayed in UAH proportionate. The transformation into hryvnia might be made either at the rate of the National Bank of Ukraine on the day the cash continues are gotten or on the day the agreement is finished up (contingent upon the terms of the agreement), or at the rate of offer of outside money on the focal trades of Ukraine.

From the table above we can see that export efficiency had the highest value in 2017 – 6.73, and the lowest (0.53) – in 2013. Generally till 2015 export operations of liquid caustic soda were not effective and caused more loses that revenue. However still, in general there can be seen a tendency to increasing of effectiveness of export operations. The number of product exported abroad has also been increased by 2017. The organizational and transport costs are on the rise though.

Overhead costs for export also take a significant share in total expenses. It means that there is a need to reduce transportation costs by improvement of contract terms.

Thus it is obvious that, since the effectiveness of export operations of liquid caustic soda is increasing, the export potential of enterprise in this area is high.

Subsequently, trade costs are equivalent to the full cost of products, transportation costs and authoritative costs.

To analyze the export potential of the company it was decided to choose the method of D. Solokha, which was shown in the part 1 of the research.

First, we need to find out the necessary indicators and calculate the result that will show us if the export potential of LLC UTS is high.

The production potential is calculated as the sum of the cost of enterprise resources. According to the financial results of the enterprise, we can calculate this indicator. It is equal to 3790.8 thousand UAH in 2016 and to 4929.9 thousand UAH in 2017.

The integral coefficient of competitiveness of production in the foreign market () was also evaluated, as it is the part of the formula. It was found out that to calculate it we need to divide the competitiveness indicator for technical parameters and the competitiveness indicator for economic parameters [74, p.85].

Basing in the results of calculations of data from Appendix 1, it was found out that for our enterprise, the coefficient is 1.03, which means that our product which is analyzed, has competitive advantages over the same product from the same product, produced on the Romanian territory [75].

The demand of liquid caustic soda in Europe is quite high – 9152 thousand tons in 2017 [76]. The supply of liquid caustic soda in Europe is rather high, but still lower than the demand. In 2017 it was in the amount of 8562 thousand tons [77]. Due to this difference some countries of the EU are forced to import the liquid caustic soda.

Basing on the indicators, we can calculate the final index using the formula from the part 1 and we will receive the result that export potential of the enterprise LLC UTS is equal to 54277.0 thousand UAH.

The results show that the enterprise has quite high potential for proving export operations, since it has enough funds for that.

Potential of working capital characterizes a certain part of the capital of the enterprise in the form of production stocks, work in progress, semi-finished products of own production, costs of future periods.

The most famous indicator of the efficiency of the use of working capital potential is the rate of their turnover [71].

The strategy of geographical concentration of export activity increases the risks of the activity of specific economic conditions on the foreign market of sales and demand and confidence in the enterprise by its few foreign counterparties, which makes the prospects of such cooperation too vague and dependent on a specific contract and a specific situation.

Basically, from the results of the activity of the LLC UTS we can see that the company's turnover is very good and causes the fact of higher export potential of the enterprise.

So, basing on the results of the research, we have made a conclusion that the company LLC "Torgoviy Dvor "UTS" has rather good export potential, however, still it has some weak sides, such as the cost of the resources that the company has, which can be improved.

Conclusions to the Chapter 2.

After the study, you can make certain conclusions to the section.

It was found that the activity of the company is influenced by both external and internal factors. External factors are divided into 2 groups, which include

- the macro environment of the company - the elements of the environment that are not controlled by the company and have a direct impact on its effectiveness: economic, social, political, legal etc.
- the micro-environment - factors that are not controlled by the firm and directly affect its operation: suppliers, customers, competitors, intermediaries, etc.

The monetary capability of a creation endeavor is framed from different possibilities, however for this sort of big business, it comprises of two basic components: send out potential and interior potential.

From the study, it was found that the company would be most profitable to export liquid caustic soda. The partner country is to choose Romania, as Ukraine has already established economic ties with the given country and the demand in this EU member state (like the EU as a whole) exceeds the supply, therefore export of this product will be expedient.

Export of liquid caustic soda to EU will be very appropriate due to the fact that the demand of liquid caustic soda there is quite high – 9152 thousand tons and the supply is rather high as well, but still lower than the demand (8562 thousand tons). Due to this difference some countries of the EU are forced to import the liquid caustic soda, which allows the company to introduce itself to its market.

After conducting settlement actions, it was discovered that despite its youth, the company already has fairly stable financial indicators, liquidity indices and profitability.

Moreover, the existing export potential of the company was considered, which is rather high as the company carries out foreign economic activity.

CHAPTER 3. STRATEGY OF IMPROVEMENT OF LLC "Torgoviy Dvor "UTS" EXPORT POTENTIAL

3.1. Reserves of Strengthening Export Potential of LLC "Torgovyy Dvor "UTS".

The effectiveness of the company's export potential reflects the ability of the enterprise to survive and maintain it as a holistic system of technical, technological, organizational, social and other elements at the expense of internal forces and additional energy from the environment.

Competitive position of the enterprise on the relevant foreign market is the competitiveness of the enterprise.

Factors contributing to the expansion of the export potential of the enterprise:

- increasing the competitiveness of goods;
- reduced cost of goods;
- increase of the range of goods for different types of markets;
- development and implementation of the new export policy of the enterprise;
- constant search for new markets;
- attraction of foreign investments [72].

As was mentioned in the previous parts, the company is planning to expand its foreign economic activity by exporting the liquid caustic soda to Romania. This will be a new country for export operation for this company, so that can be considered as a new market, developing which, will help us to increase the export potential of the enterprise.

To implement this operation in the economic activity of the LLC UTS, we need to analyze the similar operation of the same product, but to a different country, that the company already has.

We need to find the weaknesses of the presented operation and offer some reasonable solutions of how those weaknesses can be avoided in the situation with the new market.

So to analyze the export operation with another country (Moldova), we have found out that according to the tariffs, the rate of duty to liquid caustic soda in Moldova is 5.5% [80]. With the companies in Moldova, it was stated that the contract will take place under the conditions of CPT Incoterms, which implies that the dealer pays for the carriage of the merchandise up to the named place of destination. However, the merchandise are viewed as conveyed when the products have been given over to the first or principle transporter, so the hazard exchanges to purchaser after giving merchandise over to that bearer at the place of shipment in the country of Export.

Table 3.1.

**Data for the Calculations of the Basic Efficiency Indicator of the Export
Operation of LLC "Torgovyy Dvor "UTS" to Moldova, 2017.**

Data for the calculations			
Type of the FEO	Export		
<u>Conditions of the contract</u>		Euro	UAH
Country-importer	Moldova		
Quantity of the good, dry metric ton	105		
Price (per dry metric ton)	357,20	357,20	
Incoterms	CPT Kyiv		
Currency of the price	Euro		
Currency of the payment	Euro		
Currency exchange rate (NBU)	32.93		
Currency exchange rate (IB)	32.82		
<u>Costs for the FEO</u>			
Transport costs	General	6875.38	225650
Insurance payments		2.7%	
<u>Custom payments</u>			
Rate of duty	5,5%		
VAT	20,0%		
<u>Other costs for FEO</u>		2300	75486
Costs for obtaining permits		1600	52512
Expenditures on the registration of FEA documentation		700	22974
Income tax rate	18,0%		
<u>Terms of sale of goods on the foreign market</u>			
The unit price of the goods in the foreign market	Per dry metric ton	630,00	20745.9

Source: created by author on the basis of [73]

The merchant is in charge of starting point costs including trade freedom and cargo costs for carriage to the named place of destination (either the last goal, for example, the purchaser's offices or a port of goal. This must be concurred by vender and purchaser, in any case) [74].

Basing on the researched data, the Table 3.2 was created with the results.

The currency exchange rates were checked at the day of the survey at the official websites [75].

For the further research we have used the formulas presented in the part 1 of the research. We analyzed the financial reports of the company and at the TABLE they are presented.

Table 3.2.

**Economic Substantiation of the International Economic Export Operation
of LLC "Torgovyy Dvor "UTS" to Moldova, 2017.**

Calculations of economic efficiency of the FEO		
	Euro	UAH
Revenue from sales	66 150	2 178 320
<u>Contract value of the goods</u>	37 506	1 230 947
<u>Costs for the implementation of the FEO</u>	8 075	265 034
Transport costs	6875,38	225650,00
Insurance costs	1 200	39 384
<u>The customs value of the goods</u>	45 581	1 495 981
<u>Custom payments</u>	12 125	397 931
Customs	2 507	82 279
VAT	9 618	315 652
<u>Other costs for the implementation of the FEO</u>	2 300	75 486
Costs for obtaining permits	1 600	52 512
Expenditures on the registration of FEA documentation	700	22 974
<u>Total expenses for the GEO</u>	60 006	1 969 398
<u>Profit before taxation of the GEO</u>	6 144	201 645
Income tax	1 106	36 296
<u>Net profit</u>	5 038	165 349
<u>Indicators of economic efficiency of the GEO</u>		
Cost-effectiveness of the operation (profit before tax)	9,29%	X
Cost-effectiveness of operation for net profit	7,6%	X
The basic efficiency indicator of the GEO	1,42	X

Source: created by author on the basis of calculations of the data from Appendix 1

According to the results of the research, we have found out that the cost-effectiveness of the operation is rather high. It shows that the operation that takes place between Ukrainian company LLC UTS and some Moldova company is very effective.

There are some reasons, why the provided operation is effective.

First, is that the price on the foreign market is higher than on the domestic one. Even considering the fact of the presence of 5.5% of the customs rate and the costs of the foreign economic operations, the domestic prices cannot allow such profits from the selling of the liquid caustic soda.

Moreover the amount of the goods sold plays its role as well. It is quite hard to find the company with such demand of the product, however considering the fact that in Moldova the supply is lower than the demand (as well as in Europe), such amount of the product sold can take place.

Thus, taking into account all the above reasons, it is clear why this operation is quite effective.

Factors of the first group are the result of the enterprise as such, the processes of production, marketing, financial activities, etc., initiated by the enterprise. Therefore, the factors of this group management company can have a direct impact, thus affecting the export potential of the enterprise.

Factors of the second group are the result of processes occurring in the external environment of the enterprise, are initiated not by the enterprise, but by other subjects of economic activity and, therefore, are not directly controlled by the enterprise. On the factors of this group, the management of an enterprise can either make a much weaker and more indirect influence, or is not able to influence at all, but can adapt to their actions.

It is also possible to highlight the factors of the problem-free business relationship between the enterprise, its contracting customers and contractors-contractors. By their economic essence, such factors will characterize the mutual influence of the potential of the enterprise-customer, the executor and the contractor, which does not make it possible to unambiguously attribute the forces that are

characterized by these factors, neither to the forces of the outside, nor to the forces of the internal environment of the enterprise [42].

In the previous sections of this study we carried out an analysis of the state of foreign economic activity of the domestic light industry, the export activity of individual enterprises producing other outerwear, as well as a comprehensive system of indicators for assessing the internal and external factors of the formation of the export potential of the enterprise.

The external export potential of an enterprise is determined by the aggregate effect on the export activity of the enterprise of a plurality of market and non-market forces on which the enterprise can not exercise controlled influence, or may exercise this influence on an extremely limited scale and only indirectly. According to the author's technique, the estimation of the external export potential of the enterprise is carried out with the use of an expert survey, the method of conducting and interpreting its results, including the results itself, was detailed in the previous section and in the relevant annexes.

However, the internal export potential of an enterprise is determined in the process of economic and economic activity of the enterprise, because, in fact, it is an export-oriented (export-oriented) economic potential of the enterprise. Thus, the factors determining the company's internal export potential are derived from the state of the enterprise and, in the vast majority of them, can be measured using standard indicators presented in the financial and other open reporting of enterprises.

To assess the influence of factors of the internal environment of the enterprise on its export potential of the enterprise proposed to form a system of indicators of export activity of the enterprises under investigation.

It is also worthwhile to emphasize two other indicators of the efficiency of the enterprise in this area. Thus, the profitability rate for profit before tax is about 13.95%. This indicator characterizes the profitability of the enterprise in relation to the available financial resources at its disposal, that is, this indicator is resource.

In general, profitability is an integral indicator that reflects the efficiency of an enterprise (operation) that seeks to generate revenue in the short term and which

points to the quality of management decisions that relate to the financial, operational and investment activities of the enterprise.

The economic meaning of the indicators of profitability is that they characterize the profit received from each hryvnia (own or borrowed), invested in the enterprise [76, p. 157].

The strategy of geographical concentration of export activity increases the risks of the activity of specific economic conditions on the foreign market of sales and demand and confidence in the enterprise by its few foreign counterparties, which makes the prospects of such cooperation too vague and dependent on a specific contract and a specific situation.

Basing on the results the next conclusions regarding the operating of the export potential of the enterprise can be made: the potential of the enterprise usually is considered as indicator of usage of the existing or accessible resources, which is adjusted to the forces that are limited and stimulated by the influencing conditions of providing economic activity (internal and external); to evaluate the potential on its different stages it is reasonable to use economical dependences as well as subjective logical generalities, as some elements of the export potential of the enterprise are hard to be presented in the quantitative way.

In practice, the indicator of "net" profitability of the use of financial resources is often used. It is calculated by analogy with the indicator of overall profitability, only in the numerator is the profit, reduced by taxes paid to him at the expense of the state budget. He characterizes the estimated profitability, that is, profitability, which takes into account the profit remaining at the disposal of the enterprise. In this case, the profitability indicator for net profit is 11.4% [84, p.99]. So basically from each hryvnia spent on the export operation, the company will receive 1.14 hryvnias back.

So, the results show that export operations are rather profitable and this helps to increase the export potential of the enterprise.

While evaluating the full scale condition, it is critical to maintain a strategic distance from issues, for example, an exceptional decrease in the measure of information used to settle on a choice, the trouble in distinguishing the most

persuasive factors in the inclusion of a lot of information, the distortion of the aftereffects of the examination, and the mistake in the consequences of the investigation. With the end goal to distinguish the most huge positive and negative considers that exist the Moldova market, we will lead a key examination of the outer full scale condition or the alleged PLEST investigation. PLEST-analysis uncovers which gatherings of elements and which specific elements have the most noteworthy positive and negative impacts, and what openings and impediments for the designing business are dictated by the condition of the macro environment.

There are 5 groups of macro-environment factors:

- political;
- legal;
- economic;
- social;
- technological.

Next, we will play out the PLEST investigation and give it as Table 3.3.

It ought to be noticed that the heaviness of the factor in the table mirrors the level of its significance for the mechanical endeavor. The whole of weights for each gathering of variables ought to be equivalent to one. The weighted normal gauge is resolved for each gathering of variables, as the number-crunching normal weighted (the whole of the results of the gauge by weight for all elements in the gathering).

Even though the total conclusion from PLEST analysis is positive, still we can see that there are a lot of factors that are to be improved if the destination of export operations will be changed.

Such conditions as financial stability, legal protectiveness and economical in general are much more better in Romania, which is a member of the EU.

Since the financial results are improved and the profit is growing, the company becomes more stable and stronger on the market, which helps it to become a valued player among others.

Table 3.3.

PLEST analysis of Moldova, 2017

Groups of factors	Factors	Values	Estimated values (Ai) (-5...+5)	Weighting coefficient (pi) (0...1)	Weighted estimate $\sum Ai * pi$
P	Stability of political power	Moldova is a country with not very stable political system	-1	0,25	+0.75
	The level of corruption	The level of corruption in Moldova is on a rather high level	-2	0,25	
	Foreign policy	Today Moldova is a democratic country that is doing its best to be rather developed and competitive on foreign market. The main directions of Moldova foreign policy are the further development to reach the EU.	+3	0,5	
L	Employment law	Relations between Moldova employers and employees are extensively regulated under Moldova labor and employment law.	+1	0,2	+0.2
	Normative-legal acts	The country's legal framework is not so strong.	+1	0,4	
	Strong judicial system	The Moldova judiciary cannot be characterized by a high degree of professionalism and independence from political interference.	-1	0,4	
E	GDP growth rate	+1.7%	+4	0,1	+0.2
	Inflation rate	+1,7%	-2	0,1	
	Government economic policy	Government policy is not very fair and cannot be considered as reliable	-2	0,2	
	Level of taxation	The level of taxation is rather loyal	+3	0,1	
	Investment attractiveness	Moldova is not very attractive for the foreign investments.	-1	0,2	
	Development of economic infrastructure	Moldova's infrastructure is rather developed since a lot of road to EU go through Moldova	+3	0,1	
S	Rate of population growth	-0.1%	-1	0,1	-0.1
	Lifespan	71.5 years	+2	0,1	
	Population density	123 people per sq. km	+2	0,1	
	Unemployment rate	9.33%	-2	0,2	
	Social guarantees	Moldova doesn't really has such strong social guarantees	-1	0,3	
T	Innovation potential	Not so rapid development of country's innovation activity	+1	0,3	+2.7
	International cooperation in science and technology	Encouraging international cooperation.	+4	0,3	
	Tax programs	Tax schemes and strategies for attracting investments from both the private and public sectors for the country's scientific and technological development.	+4	0,3	

Source: created by author on the basis of [53]

As we can see from Appendix 1, the income of the company in 2017 was 53219.7 thousand hryvnias. The company has 2356.5 thousand hryvnias for the other costs. The total profit, according the financial results provided, is 225.7 thousand hryvnias. This profit excluded the cost of the products produced and the funds spent for the export operation. Let's suppose that 225.7 from all the other costs the company has spent for the export operation. In this case, we will receive a result of 251.4 thousand hryvnias of the income from the operation.

So the total profit will be now 465.9 thousand hryvnias, which is definitely higher than the current financial result.

Such changes will cause also the improvements of other financial indicators, which helped us to analyze the activity of the enterprise in the part 2 of the research.

All those actions would have helped the company to increase its export potential and encourage more and more companied to cooperate with it.

Thus, as a conclusion, we can see that the operation activity of the enterprise is rather effective and can help the company to increase its export potential for sure. Moreover it helps the firm to increase its financial results and become a stronger player on the market.

3.2. Development of a Project for Strengthening the Export Potential of LLC "Torgoviy Dvor" UTS "

As noted in the previous part, the export activity of OOO Torgoviy Dvor UTS is quite effective. Nevertheless, there are still some deficiencies in its activities, the correction of which can further increase the efficiency of international economic operations.

In order to improve the efficiency of import operations, the following recommendations were provided:

- 1) change the basic terms of delivery from CPT Kyiv to FCA Kyiv;
- 2) change the place of delivery;
- 3) reduction of insurance costs;
- 4) to reduce expenses for registration of other documents;

- 5) increasing of the purchase price by means of the conclusion of a simple discount
- 6) increasing the amount of exported products.

The meaning of basing terms of delivery CPT was explained in the previous part. We offer them to be changed, as we believe that this will help the company to save some money, to make the operation cheaper and at the same time more profitable.

FCA - Free Carrier (Kiev implies that the dealer conveys the merchandise, cleared for export, at a named place (potentially including the vender's very own premises). The products can be conveyed to a transporter designated by the purchaser, or to another gathering assigned by the purchaser.

In numerous regards this Incoterm has supplanted FOB in present day usage, in spite of the fact that the basic time when the hazard passes moves from stacking on board the vessel to the named place. It ought to likewise be noticed that the picked place of conveyance influences the commitments of stacking and emptying the merchandise at that put.

On the off chance that conveyance happens at the dealer's premises, or at whatever other area that is under the vender's control, the merchant is in charge of stacking the merchandise on to the purchaser's transporter. Nonetheless, if conveyance happens at some other place, the vender is esteemed to have conveyed the merchandise once their vehicle has touched base at the named place; the purchaser is in charge of both emptying the products and stacking them onto their very own bearer [85].

In this case most of the costs will be under the buyer's responsibility and the LLC UTS will be able to decrease its costs.

The second point is quite logical, since we are not only changing the place of delivery, but the country, where the product will be exported. From Kyiv to Moldova, basing on the previous basic delivery terms, the distance was around 471 km [86].

As for the new conditions, the company will be delivering the product to Romania to the border at Botoshany (village in Romania), the distance to which is at

583 km [87]. That will help to reduce the transport costs from 225650 to 155200 thousand UAH, which will definitely impact the results of efficiency of export operation.

Transport insurance of cargoes (cargo insurance) - is protection against various losses associated with the transportation of cargo, which is the subject of sale and purchase under a foreign trade agreement. For damage caused by death, damage and other adverse effects on the insured property, it is compensated in the form of a certain amount called insurance indemnity. Insurance of cargoes gives protection assurance during the time spent transportation (moving) of freight starting with one point then onto the next, when in doubt, at all phases of the plan of the vehicle procedure. Protection of cargoes identifies with property insurance.

Features of cargo insurance (unlike insurance of other types of property):

- 1) the insured amount may exceed the cost of the goods in place of one hundred purchases on the amount of expected profit and transportation costs;
- 2) technology and composition of insurance protection should take into account the technology of the delivery of cargo:
 - a. the transfer of the goods from the control of the owner under the control of the carrier;
 - b. carriers and modes of transport can be several, therefore it is necessary that at all stages there was insurance protection;
 - c. Transportation may be carried out in different countries, therefore, it is necessary to take into account the features of international law.

Cargo transportation is periodic on a long-term basis, which requires simplification of the insurance procedure. It is necessary to take into account the specifics of cargo transportation [81].

Liquid sodium hydroxide belongs to goods of Class 8 of hazard, the transportation of which is carried out by rail in tanks, the filling capacity of which corresponds to the requirements of the Rules for the carriage of dangerous goods, approved by the order of the Ministry of Transport and Communications of Ukraine dated November 25, 2008 No. 1430 [82].

Because of that reality we change the terms of the conveyance, the insurance expenses will be lessened too, as the LLC UTS will take care of the protection costs just to the minute till the other organization will get the great at the Romanian border. After that all the duty will be under the purchaser and all the protection expenses will be under its activities.

Regarding the point of the costs for the documentation organization, we have advised them to be reduced as well. That can be implemented in such way that the company will not be involving freelance translators and agencies to organize all the documents however it will be hiring new employees that will be able to provide the documents for the export operations at the office and on the permanent basis.

After this implementations, the costs of organization of the documentation will be reduced from 45 Euro per operation to 30 Euro per operation.

Basing on the research it was found out that the EU currently imports a lot of liquid caustic soda and has quite high demand for this product.

At least two caustic soda vessels were concluded from Northwest Europe to Southern Europe in January, and prices remained in the range of \$670-690 per dmt. Several vessels were concluded from Northwest Europe to Spain, as the Spanish market turns out to be more reliant upon imports following mercury-cell limit terminations. Due to the high price level across Europe relative to other regions and the lack of interest for material in the Med, two shipments were concluded from the US Gulf Coast to the Nordic. Similarly, lots of buyers in Northwest Europe are looking for opportunities to import spot volumes of caustic soda. In the Med/Black Sea, suppliers reported much lower demand for vessels following numerous that had arrived during December and early January. Some parcels had to be diverted and others that were out for tender found no suitable buyers. Most notable amongst the diversions was a shipment from South Ukraine which was diverted to Barcelona. Little activity was seen from Kem One to the east Med and instead more volume was sent to Spain and the UK. Spot volumes were reported in the \$670-695 per dmt range in January. Some very cheap material was reported available from the Middle-East during the month at \$700 per dmt CIF including duties but a lack of tank space meant

that this had not yet found a buyer at the time of writing. Caustic soda exports from Western Europe, which totalled 31,216 dmt in November, were down 9.5% compared to the October level of 34,486 dmt. The monthly average for 2017 is 31,900 dmt, almost 9% below the monthly average of 35,000 dmt in 2016, and 20% below that one of 40,000 dmt per month in 2015 (Table 3.4).

Table 3.4.

Data for Calculations of the Basic Efficiency Indicator of the Export Operation of LLC "Torgovyy Dvor "UTS" to Romania as predicted for 2021.

Data for the calculations			
<u>Type of the FEO</u>	Export	Euro	UAH
Country-importer	Romania	-	-
Quantity of the good, dry metric ton	215	-	-
Price (per dry metric ton)	357,20	357,20	-
Incoterms	FCA Kyiv	-	-
Currency of the price	Euro	-	-
Currency of the payment	Euro	-	-
Currency exchange rate (NBU)	31,64000	-	-
Currency exchange rate (IB)	31,6187	-	-
<u>Costs for the FEO</u>	-	-	-
Transport costs	General	4908.9	155200
Insurance payments	-	2.0%	-
<u>Custom payments</u>	-	-	-
Rate of duty	5,5%	-	-
VAT	20,0%	-	-
<u>Other costs for FEO</u>	-	1800	56913.66
Costs for obtaining permits	-	1300	41104.31
Expenditures on the registration of FEA documentation	-	500	15809.35
Income tax rate	18,0%	-	-
<u>Terms of sale of goods on the foreign market</u>	Per dry metric ton	710	22464.4

Source: created by author on the basis of calculations of data from Appendix 1

Considering the pricing policy all over the Europe, we advise out enterprise to increase its priced from 630 Euro per dry metric ton to 683 Euro per dry metric ton. Such prices from one side will be rather competitive on the European market since they are a little bit lower, however the quality of the product is on the necessary level and from the other side, they are much higher than on the local market and will be able to provide the company with higher profit that selling this product on the local market and on the Moldavian market, as we checked initially.

Moreover, considering the fact of such a high demand of this product, we advise the company to increase sales volumes from 1.2 dry metric tons, as it was for the Moldavian market, to 9 dry metric tons for the Romanian market.

Considering all the advices, we can create a new Table 3.3, which will show us the new data for calculations.

The improve the export strategy changes in the organizations structure should take place and they are aimed at accumulating the largest possible amount of financial and other resources for the enterprise in order to ensure further expanded reproduction of the export activity of the enterprise, including in the form of presenting the export activity on the foreign markets outside the tolling contracts.

To implement the new export strategy, the company should also take care of implementing a set of organizational measures at and outside the enterprise, which will contribute to the increase of the EPE in the framework of the export strategy. This set of measures may include, but is not limited to, the steps outlined below.

1. Creation of a monetary fund for the development of foreign economic activity of the enterprise.

The purpose of this action is accumulation of temporarily free funds to direct them to financing measures aimed at increasing the competitiveness of the enterprise and its products in the domestic and foreign markets.

Functions of the enterprise development fund:

- accumulation of free own, borrowed and borrowed funds of the enterprise for the needs of sales development on the domestic and external (priority) markets;
- financing activities aimed at the development of the company's sales markets: the purchase of more modern equipment, tools and equipment, the hiring of skilled labor (in particular, sales managers), conducting research on foreign markets for their perspective, the development and promotion of export brands of products, presentation own products at international auctions, fairs, exhibitions,

development of own logistics and sales network of enterprises abroad (warehouses, branded shops, service points dressing and repairing clothes, etc.) and others.

Sources of financing of the enterprise development fund:

- undistributed net profit from principal and other operating company, from other ordinary activities and emergency events;
- funds from the issue of shares, bonds, other securities of the enterprise in the financial market;
- foreign investment;
- voluntary contributions of the company's employees to its development.

2. Creation of an export and sales department

The purpose of this step is in organizational support for the export process (other than law department)

Functions of the export sales department at the enterprise:

- research of foreign markets on the expediency and expected profitability of export of products;
- isolation of target groups of consumers in foreign markets;
- establishment of business ties with foreign counterparties (wholesale retailers-importers, investors, retail sales networks, foreign donor companies, lessors of retail and warehouse premises, offices, state bodies on tenders for public procurement, etc.);
- development and support of brands, trademarks for the sale of products in foreign markets.

The sales and marketing department should include marketing specialists, including Internet marketing, business negotiation, search and information processing (market research, customer search and negotiation, collection, processing and analysis of market conditions, creation and development, support of individual brands for each market and target group of consumers on it).

3. Creation of international legal support department

The purpose of this step is in Legal support for exporting.

Functions of the international legal support department at the enterprise:

- analysis of the current normative legal acts of the WTO, as well as local laws of promising markets for finding ways to obtain additional subsidies, investments or income;
- verification of contracts concluded by the enterprise on the subject of "pitfalls", which may harm the interests of the enterprise;
- other legal support for concluding the Treaties (including sale and purchase agreements, lease contracts, contracts, etc.) with foreign counterparties;
- implementation of pre-trial settlement of disputes with the lawyers of the counterparty;
- in the event that the conflict could not be settled beforehand - advocating the interests of the enterprise in court.

The department of international legal support should include:

- highly qualified lawyers specializing in legislation of the WTO and EU countries, which determines the procedure for entering into business agreements, the procedure for paying customs duties, tariffs, taxes and other obligatory payments;
- should also be qualified in the regulations governing hiring, leasing, purchasing real estate, public procurement, logistics, etc.

4. Creation of the Quality Committee

The purpose of this step is in Checking the quality of production in the process of its production at the production capacity of contractors.

Functions of the Commission on Quality at the enterprise:

- verification of the quality of production of the enterprise in the process of production at the contractor;
- consultations of the personnel of the contractor on production issues;

- estimation of the probable and possible losses caused by improper performance of the contractor-company under the terms of the Contract;
- estimation of the cost and terms of the enterprise-contractor's correction of defects made in the process of making the order;
- development of recommendations for authorized persons of the enterprise-customer regarding the expediency of signing a bilateral Act of performed work.

The Quality Committee should include highly qualified specialists, preferably from 25 to 45 years old (to provide sufficient physical endurance for frequent business trips), tend to make independent decisions, are attentive to details, and are psychologically stable [90, p. 296-301].

As a conclusion, the company can increase the effectiveness of its export operations, and the export potential accordingly, by changing some conditions of the export operation. In this way, the cooperation with this particular company will be more attractive for foreign partners since the prices for the product will be cheaper than for the same product but on the domestic market.

3.3. Forecast of Foreign Economic Activity of LLC "Torgovyy Dvor "UTS" taking into account Proposed Measures.

As was highlighted in the previous parts, some of the conditions of the export operations from LLC UTS should be changed in order to increase the effectiveness of the export and the potential of the enterprise.

First of all, we need to investigate the forecasts regarding the trading conditions of the liquid caustic soda on the European market.

Caustic Soda contract prices in Northwest Europe increased very significantly for the second quarter in a row with delivered prices having increased by ^690 per dmt since September across much of the continent. The impact of the mercury phase-out in terms of production issues has been limited so far and the only major issue impacting the market currently is the delay at Fortischem which is creating tightness

in Central Europe. Despite this, the market remains tight despite healthy operating rates and limited production issues. As was forecasted in 2017, with large price increases for Q1 combined with weakening fob prices from the US Gulf Coast and Middle-East, imports to Northwest Europe during the quarter are highly likely. Two vessels have already been concluded from the US to the Nordic and many buyers and distributors are looking at similar options across Northwest Europe. Imports will certainly help dampen the upward pressure on prices but with much of the European market remaining in a very tight position, more than a few spot shipments will be necessary to bring the market to a significantly longer position [70].

So, taking into consideration all the advices from the previous part, there was a new Table 3.6 created with a new data for calculations and, basing on the results received, the new one was composed as well (Table 3.5).

Table 3.5.

Economic Substantiation of the International Economic Export Operation of LLC "Torgovyy Dvor "UTS" with Romania as forecasted for 2021

Calculations of the economic efficiency of the FEO		
Currency	Euro	UAH
Revenue from sales	152 650	4 829 846
<u>Contract value of the goods</u>	76 798	2 428 253
<u>Costs for the implementation of the FEO</u>	6 444	203 765
Transport costs	4908,49	155200,00
Insurance costs	1 536	48 565
<u>The customs value of the goods</u>	83 242	2 632 018
<u>Custom payments</u>	22 142	700 117
Customs	4 578	144 761
VAT	17 564	555 356
<u>Other costs for the implementation of the FEO</u>	1 800	56 914
Costs for obtaining permits	1 300	41 104
Expenditures on the registration of FEA documentation	500	15 809
<u>Total expenses for the FEO</u>	107 185	3 389 048
<u>Profit before taxation of the FEO</u>	45 465	1 437 546
Income tax	8 184	258 758
<u>Net profit</u>	37 281	1 178 788
<u>Indicators of economic efficiency of the FEO</u>		
Cost-effectiveness of the operation (profit before tax)	29,78%	X
<u>Cost-effectiveness of operation for net profit</u>	24,4%	X
<u>The basic efficiency indicator of the FEO</u>	1,83	X

Source: created by author on the basis of calculations of data from Appendix 1

From the results, we can see that the advices that were proposed for the company in the previous parts influence the activity of the enterprise directly.

As we can see, the efficiency indicator of the foreign economic operation has increased, which means that the export operation will be more effective and will bring more profit for the company.

Moreover the cost-effectiveness of operation will be increased as well, so now from each hryvnia of the spending, the company will receive 2.5 hryvnias of income.

Also, since it was advised for the company to hire employees, who will be dealing with the documents for the foreign operations that will cause the necessity of organizing the special department for the organization of the foreign economic activity of the company.

The level of engagement of an enterprise in an operation in the foreign market determines the organization of management of international marketing activities. So the export department will be required if the sales volume abroad is increasing, the company organizes an export department headed by a sales manager; with the further growth of trade, the export department expands and includes various marketing services that are actively working in the foreign market; if the enterprise organizes a joint venture abroad or conducts direct investments, the export department ceases to comply with the requirements of management of international transactions [92, p.612]

Since the company will be growing due to the successful export operations, it will be necessary to expand its activity. That will cause not only creating the export department, but the marketing department as well.

The Marketing Department plays a vital role in promoting the business and mission of an organization. It serves as the face of your company, coordinating and producing all materials representing the business. It is the Marketing Department's job to reach out to prospects, customers, investors and/or the community, while creating an overarching image that represents your company in a positive light.

Depending on the company, the duties of the Marketing Department may include one or more of the following:

1) Defining and managing the brand. This involves defining who you are, what you stand for, what you say about yourself, what you do and how your company acts. This, in turn, defines the experience you want your customers and partners to have when they interact with you.

2) Conducting campaign management for marketing initiatives. Marketing proactively identifies the products and services to focus on over the course of your sales cycle, and then produces materials and communications that get the word out.

3) Producing marketing and promotional materials. Marketing department should create the materials that describe and promote your core products and/or services. They should be kept up-to-date as those products and services evolve.

4) Creating content providing search engine optimization for the website. The website is often the first (and possibly the only) place people go for information about you. Marketing department will be responsible for keeping Web content current, while also working to ensure your site comes up quickly when someone searches for your type of business.

5) Monitoring and managing social media. Marketing should contribute to, manage and maintain your social media pages. It should also manage accounts and carefully watch what's being posted about you online.

6) Producing internal communications. Your employees need to understand your company, its values, its goals and its priorities. Marketing is often responsible for employee communications through a newsletter and/or intranet.

7) Serving as media liaison. When your company is cited in the media, a member of the marketing department often acts as spokesperson for your company, or guides executives in how to respond to media queries.

8) Conducting customer and market research. Research helps you define target markets and opportunities and helps you understand how your products and services are perceived.

9) Overseeing outside vendors and agencies. Marketing is typically responsible for selecting and managing the agencies and vendors who produce marketing materials and or/provide marketing support. These may include ad agencies, print vendors, PR agencies or specialists, Web providers, etc [92].

Thus, the company is planning to expand its foreign economic activity; some actions are expected to take place (Table 3.5).

Conducting the mentioned measures and introducing an export strategy will allow companies to successfully enter and gain a competitive position in the foreign market remaining within the framework of the main export strategy, however, applying some interesting business ideas, for example, the supply of products (clothing, special forms) for civil aviation needs will ensure the application of tariff for the import of products 0% under the terms "airweight". Also, the set of these measures clearly outlines the prospects for the development of export business, in particular, the establishment of foreign departments, production and distribution networks, subsidiaries directly in the market.

As a conclusion, we need to point on the fact that because of the taking into consideration all the advices that were offered to the company, it will definitely be able to increase its export potential, increase its market share and open some new departments that will be highly necessary while working for the expanding of the economic activity.

Organizational measures in the company as a consequence of the implementation of export strategy:

1. Cooperation with the Chamber of Commerce and Industry (search of counterparties, product certification)

The Ukrainian Chamber of Commerce and Industry and its regional offices provide a wide range of services, including but not limited to:

- assistance in finding business partners in the EU markets;
- issuance of certificates of passing on export products;
- bar code coding services;

- services on quantity and quality examination of products;
- organization of exhibitions of products;
- reference and information services;
- advertising services.

Type of work (at the enterprise):

- implementation of the order of services provided by the regional departments of the Chamber of Commerce and Industry of Ukraine (CCI);
- preparation and submission to the CCI of the documents necessary for the provision of services, the documents necessary for the provision of services, the documents confirming the fact of export: the contract, the invoice, the certificate on the procedure for the manufacture of the goods (a package of documents containing information about the company, goods, which it produces, documents certifying quantity, quality of goods, permits for export, etc.).

Performers (at the enterprise):

- department of legal (international legal) support of the enterprise (verification of documents submitted to CCI);
- central accounting of the enterprise (collection and verification of the correctness of the statements submitted to the CCI);
- department of supply of the enterprise (purchase of the partners found through the CCI);
- sales department of the enterprise (export sales) of the enterprise (submission to the CCI of proposals on desirable characteristics of potential partners and clients for the enterprise, consideration of candidates);
- marketing and sales departments of the enterprise (organization through CCI exhibitions of products);
- the department of standardization and certification (provision of the certification process of the enterprise).

2. Participation in international exhibition events

Purpose:

- providing contacts with potential partners and clients, concluding "gentleman's arrangements" (previous agreements) and agreements with them.

Type of work (at the enterprise):

- organization of their own international exhibitions or organization of participation in outsiders;
- selection of products to be presented in the framework of each exhibition event in which the company participates;
- organization of meetings, meetings, seminars, negotiations with representatives of potential partners.

Performers (at the enterprise):

- the sales department (the export product) and the marketing department (organizing or participating in events, selecting product samples, negotiating with potential partners);
- the central accounting (costing, conducting, reflecting the costs of conducting or participating in events);
- department of legal (international legal) support (drafting and verification of contracts);

3. Search for contractors through relevant agencies, services, websites.

Purpose.

Providing contacts with potential partners and clients, concluding "gentleman's arrangements" (previous agreements) and agreements with them, as well as placing information about the company and products for potential partners and clients.

Type of work (at the enterprise):

- search services, agencies, sites that provide the opportunity to quickly and inexpensively find partners and customers;

- search partners and customers using these tools;
- placement of advertising on tangible media, on radio, on television and on the Internet;
- selection of partners that are most in line with the interests of the enterprise and establishing business relations with them;

Performers (at the enterprise):

- sales department (export product) (independent search, as well as ordering the search for partners and clients to outside organizations; selection of potential partners, concluding agreements with them);
- marketing department (the formation of brands, brands, advertisements for advertising needs, definition of advertising policies of the enterprise);
- central accounting (calculation, conduction, cost reflection for the specified work).

4. Legal protection of the interests of the company in the markets of WTO member countries and the EU in pre-trial and judicial proceedings

Purpose.

To protect the interests of the company in domestic, foreign and international jurisdictional bodies, as well as in pre-trial procedures - using, where appropriate, WTO legal mechanisms and procedures.

Type of work (at the enterprise):

- drafting, editing, checking of agreements entered into by the enterprise;
- protection of the interests of the enterprise in the pre-trial procedure (negotiations with representatives of the counterparty);
- protection of the interests of the enterprise in court (filing lawsuits, conducting business, protecting the interests of the company at court hearings)

Performers (at the enterprise):

- the department of legal support (participation in drawing up, editing, analysis, signing of agreements entered into by the enterprise; drawing up / submission to the representatives of the counterparty and / or state (foreign) control and audit bodies and / or the jurisdictional bodies documents certifying the absence of violations the terms of transactions or legislation of the enterprise;

- negotiations with the lawyers of the counterparty in resolving disputes and satisfying pre-trial claims, protecting the interests of the company in court.

5. Participation of the enterprise in tenders of state purchases abroad

Purpose.

Ensuring the participation of domestic companies in EU public procurement tenders, which will be practically implemented with the opening of the EU-Ukraine Free Trade Area

Type of work (at the enterprise):

- bringing the quality-performance characteristics and the price of the products to standards that would ensure the possibility of participation in tenders of public procurements of the EU;

- search of profitable tenders for public procurement of enterprises abroad;

- legal support of participation in tenders of public procurements of the EU (see Table 3.6).

Table 3.6.

Forecast of the Export Efficiency of Liquid Caustic Soda

Indicators	Year			
	2018	2019	2020	2021
Amount of the product, dmt.	316	350	423	480
Price, Euro	640	682	690	710
Currency, UAH / Euro	31,64	31,9	31,91	31,93
Price, UAH	20249,6	21755,8	22017,9	22670,3
Export income, thous. UAH	6398,87	7614,53	9313,57	10881,74
Transportation costs, thous. UAH	540	551,2	575	580
Organizational costs, thous. UAH	190	191,3	195	197,2

Total costs, thous. UAH	730	742,5	770	777,2
Export efficiency	5.2	6.1	6.2	7.1

Source: created by the author

Performers (at the enterprise):

- department of legal (international legal) support (analysis of local legislation on public procurement in order to ensure economically positive result from participation in the tender; participation in the drafting, validation, analysis, signing of agreements ect);
- sales department of the enterprise;
- planning and economic department;
- central accounting (calculation, conduction, cost reflection for the specified work) [90, p.422].

Considering all the advices and calculations, we can provide some forecast regarding the economic results of the export operations till 2021 (Table 3.6)

Since the export income will be increasing, the total income of the company will be increasing approximately.

Moreover taking into account proposed measures in Part 3.1 and 3.2 of this scientific work, we can make a forecast of how it will influence the financial results of LLC UTS (see Table 3.7).

Table 3.7

The Forecasted Financial Results of LLC "Torgovyy Dvor "UTS" in 2018-2021

Indicators	Years			
	2018	2019	2020	2021
Net operating income	71098,6	84605,89	103484,1	120908,3
Other operating income	45,3	47,2	50,1	52,3
Other income	0	0	0	0
Income	71143,9	84653,09	103534,2	120960,6
Cost of goods sold	-62300	-63100	-64000	-67250
Other operatins expanses	-2780,00	-2892,00	-2936,20	-2993,00
Other costs	-100	-100	-100	-100

Costs	-65180	-66092	-67036,2	-70343
Financial result before taxation	596,3896	1856,109	3649,803	5061,757
Tax on income	-119,278	-371,222	-729,961	-1012,35
Net profit (loss)	477,1116	1484,887	2919,842	4049,405

Source: created by the author

As a result of providing export operations to Romania, it is forecasted to increase the profitability of the export operation and the increasing of net profit from 477 thousand UAH to 4.05 million UAH.

Conclusions to the Chapter 3.

The conducted researches in this section allow drawing the following conclusions.

Based on the analysis of existing approaches, the basic parameters of the competitive export strategy of domestic production enterprises - exporters are defined, which include: economic level of application of the strategy, object of application, territorial factors, type of competitive advantage belonging to the enterprise.

The effectiveness of the export operation to Moldova and Romania as an alternative partner country for the development of export potential is substantiated. The efficiency of the export operation was calculated and it was found that with increasing export volumes and changing the basic terms of supply from CPT to FCA, the efficiency of export operations will increase and will increase the export potential, respectively. Moreover the company should consider implementing the stages of exporting strategy to increase its export potential.

It was proposed to use consider next steps as a part of 1st stage:

1. Creation of a monetary fund for the development of foreign economic activity of the enterprise.
2. Creation of an export and sales department

3. Creation of international legal support department
4. Creation of the Quality Committee

As for the second stage, the most successful and effective stages will be:

1. Cooperation with the Chamber of Commerce and Industry
2. Participation in international exhibition events
3. Search for contractors through relevant agencies, services, websites.
4. Legal protection of the interests of the company in the markets of WTO member countries and the EU in pre-trial and judicial proceedings
5. Participation of the enterprise in tenders of state purchases abroad

It was investigated that those steps will help the company to implement the most successful export strategy and operate not only on the domestic, but on the external market as well.

The chapter describes the stages of forming the export strategy of the enterprise, through the implementation of appropriate organizational measures.

Forecast the degree of enterprise development and the establishment of appropriate departments in it, prompted by the proposed actions.

CONCLUSIONS

According to the results of the study, the following conclusions can be drawn:

The paper audits the development of the idea of "potential" and, appropriately, gives the meaning of "export potential" as the dimension of capacity of an endeavor to trade aggressive on the objective outside market of items utilizing existing local assets at the undertaking, and in addition the benefits of worldwide assentions controlling remote financial action and the nation's participation in global monetary associations.

The systematization of sorts of export potential, and in addition the characterized structure and place of export potential in the arrangement of outside financial movement of the undertaking was done. It is demonstrated that the export capability of creation permits to successfully complete export movement which is a piece of remote monetary action alongside import, outside exchange, middle person action.

It is resolved that the fundamental strategies for surveying the export capability of the undertaking are formalized, export and joined techniques. The kinds of conservative and scientific models for demonstrating the export capability of the endeavor were set up, and it was set up that the expansion of the productivity of export activities decides the increment of the undertaking 's trade potential.

It is demonstrated that the export potential is completely reliant and is framed based on creation, work, budgetary - venture, advancement, export - deals part. Increment of export capability of the undertaking ought to be done with the assistance of instruments, switches of impact in the components of its acknowledgment.

It was discovered that the movement of the organization is impacted by both outside and interior variables. Outside variables are isolated into 2 gatherings, which incorporate:

- the macro environment of the company - the components of the condition that are not controlled by the organization and directly affect its adequacy: monetary, social, political, legitimate and so on;
- the micro-environment - factors that are not controlled by the firm and specifically influence its activity: providers, clients, contenders, middle people, and so on.

From the examination, it was discovered that the organization would be most beneficial to export liquid caustic soda. The accomplice nation is to pick Romania, as Ukraine has effectively settled monetary ties with the given nation and the interest in this EU part state (like the EU all in all) surpasses the supply, hence export of this item will be convenient.

Subsequent to directing settlement activities, it was found that regardless of its childhood, the organization as of now has genuinely stable money related markers, liquidity records and productivity.

Besides, the current export capability of the organization was considered, which is fairly high as the organization completes outside monetary action.

In view of the examination of existing methodologies, the fundamental parameters of the focused export technique of residential generation endeavors - exporters are characterized, which include: financial dimension of use of the system, protest of utilization, regional elements, kind of upper hand having a place with the undertaking.

The adequacy of the export task to Moldova and Romania as an elective accomplice nation for the improvement of export potential is substantiated. The effectiveness of the export task was computed and it was discovered that with expanding export volumes and changing the essential terms of supply from CPT to FCA, the productivity of export activities will increment and will build the export potential, individually.

The part depicts the phases of framing the export technique of the undertaking, through the execution of proper hierarchical measures. Conjecture the level of big

business improvement and the foundation of fitting divisions in it, provoked by the proposed activities.

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APPENDICES

APPENDIX A

Balance of the LLC "Torgoviy Dvor "UTS", Form №1, 2013-2017

	2013		2014		2015		2016		2017	
	1	2	3	4	5	6	7	8	9	10
Assets side of Balance-Sheet	Beginning	Ending								
I. Non-current Assets										
Original Cost	9,50	9,50	9,50	9,50	9,50	9,50	9,50	9,50	9,50	9,50
Depreciation	-9,50	-9,50	-9,50	-9,50	-9,50	-9,50	-9,50	-9,50	-9,50	-9,50
II. Current Assets										
Supplies:	1371,0	2098,8	1371	1460,6	1371,0	1118,0	1371	1153,1	1153,10	2986,30
including final goods	1371,0	2098,8	1371	1460,6	1371,0	1118,0	1371	1153,1	1153,10	2986,30
Receivables for goods and services	655,9	872,9	655,9	601	655,9	1842,8	655,9	864	864,00	558,20
Receivables for the budget	10,6	23,0	10,6		10,6		10,6			
Other receivables	23,8	32,0	23,8	29,7	23,8	778,0	23,8	869,5	869,50	595,40
Cash and cash equivalents	95,7	160,0	95,7	303	95,7	59,0	95,7	244,6	244,60	63,30
Costs of the future terms		0,5		0,5		0,5				1,10
Other current assets	6,7	12,5	6,7	34,7	6,7	27,0	6,7	7,3	7,30	26,70
Total for part II	2163,7	3199,7	2163,7	2429,5	2163,7	3825,3	2163,7	3138,5	3138,50	4231,00
III. Non-current assets that are held for the sells										
Balance	2163,7	3199,7	2163,7	2439	2163,7	3825,3	2163,7	3138,5	3138,50	4231,00

	1	2	3	4	5	6	
Liabilities of the Balance-Sheet	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning
I. Equity capital							
Registered capital	10,0	10,0	10	10	10,0	10,0	
Added capital							
Reserved capital							
Reserve (retained loss)	162,8	210,2	162,8	254,5	162,8	306,2	
Unpaid capital							
Total for part I	172,8	220,2	172,8	264,5	172,8	316,2	
II. Long-term liabilities	661,0	661,0	661	661	661,0	661,0	
III. Current liabilities							
Short-term credits of the banks							
Current creditor liabilities for:							
long-term liabilities			804,2	926			
goods, services	804,2	1642,9	35,7	66,9	804,2	2080,2	
settlements on budget	35,7	10,4	35,7	9,7	35,7	28,9	
including profits tax	35,7	10,4			35,7	11,3	
settlements on the insurance							
settlements on the salaries		8,0		6,7		7,7	
Incomes of the future terms							
Other current liabilities	490,0	657,2	490	513,9	490,0	731,3	
Total for part III	1329,9	2318,5	1329,9		1329,9	2848,1	
IV. Liabilities , related to non-current assets, that are held for selling and disposal group				2439			
Balance	2163,7	3199,7	2163,7		2163,7	3825,3	

APPENDIX B**Financial results of the LLC "Torgoviy Dvor "UTS", Form №2, 2013-2017**

	2013	2014	2015	2016	2017
Net operating income	7892,3	13809,8	26168,0	37727,6	53185,30
Other operating income	1,0	1	3,8	4,5	34,40
Other income					
Income	7893,3	13810,8	26171,8	37732,1	53219,70
Cost of goods sold	-7468,2	-13105	-24985,4	-35695	-50567,50
Other operating expenses	-367,3	-593,6	-1011,5	-1452,2	-2256,50
Other costs	()	()	()	()	-100,00
Costs	-7835,5	-13699	-25996,9	-37147	-52924,00
Financial result before taxation	57,8	111,8	174,9	584,7	295,70
Tax on income	-10,4	-20,1	-31,5	-105,2	-87,00
Net profit (loss)	47,4	91,7	143,4	479,5	208,70