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**“Foreign Economic Activity Organization of Coordinating Enterprise ”**

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## INTRODUCTION

The dynamic development of international economic relations requires the search for effective communication tools for business entities from different countries. In such conditions, coordinating enterprises are of particular importance, as their activity, on the one hand, to speed up the process of finding partners for business entities, and on the other, to acquaint consumers with the goods and services offered by manufacturers.

The foreign economic activity of coordinating enterprises can be considered as a catalyst for the development of international economic relations, causing considerable interest in the study of the theoretical foundations and practical aspects of its implementation. This indicates the high relevance of the chosen topic of final qualifying work.

**The purpose** of the final qualifying paper is to develop recommendations for foreign economic activity organization of coordinating enterprise improvement. To achieve this purpose in the work were performed the following **tasks**:

- to research the essence and features of organization of foreign economic activity of coordinating enterprise;
- to determine peculiarities of regulation of foreign economic activity of coordinating enterprise;
- to generalize methodological tools for evaluation of the effectiveness of foreign economic activity organization of coordinating enterprise;
- to make analysis of financial and foreign economic activity of UCCI;
- to determine features of the organization of foreign economic activity of UCCI;
- to calculate the efficiency of UCCI foreign economic activity organization;



- to determine priority directions for UCCI foreign economic activity organization improvement;
- to make the justification of measures for UCCI foreign economic activity organization efficiency improvement;
- to calculate the mid-term forecast indicators of UCCI activity considering proposed measures.

**The object** of the paper is the process of implementation of foreign economic activity organization of coordinating enterprise.

**The subject** of the paper is the theoretical, methodological and practical foundations for foreign economic activity organization of coordinating enterprise.

Theoretical and methodological basis of the work became general scientific methods and the fundamental principles of such disciplines as international economic relations, marketing, international marketing. The methodological basis of the work is a set of general scientific and special methods, which allows you to explore the phenomena and processes in their relationship and solve the tasks. From among the general scientific methods, the historical method, the method of analysis and synthesis, the method of generalization were used.

The information base of work was the work of domestic and foreign scientists, the data of the Ukrainian chamber of commerce and industry.

## **PART 1**

### **THEORETICAL FOUNDATIONS OF FOREIGN ECONOMIC ACTIVITY ORGANIZATION OF COORDINATING ENTERPRISE**

#### **1.1. The Essence and Features of Organization of Foreign Economic Activity of Coordinating Enterprise**

Foreign economic activity plays an important role in the development of the national economy, and its scale in recent years has tended to increase. At the same time, today, not only large enterprises are involved in foreign economic activity, but also small and medium-sized businesses, individuals engaged in entrepreneurial operations, organizations of a coordination type. At the same time, the function of the latter for the development of foreign economic activity is extremely important: developing and establishing international relations with foreign partners, they thereby contribute to the expansion and deepening of foreign economic relations of Ukrainian companies. In the first place, exploring the coordinating enterprises' foreign trade activities organization, it should be noted that the Ukrainian legislation does not include the interpretation of the criteria for assigning to this group. At the same time, in the scientific literature, coordinating enterprises are considered as economic organizations formed as a union of two or more business entities in order to coordinate their activities and to solve common tasks in the field of foreign economic activity [13]. Coordinating enterprises include chambers of commerce, industry associations, commodity, stock and currency exchanges, and the like. Coordinating enterprises can be formed on a voluntary basis or within the framework of programs of the government and other government bodies, while the purpose of their activities can be both to achieve clearly defined goals and to promote the development of individual industries and sectors of the economy.

Foreign economic activity of coordinating enterprises is a set of economic relations of an organization with foreign partners regarding the provision of services (rare – the sale of goods), the development of mechanisms for interstate supervision and regulation. At the same time, the provision of services is of the greatest importance for enterprises of a coordinating type, while the remaining areas are secondary, aimed at creating prerequisites for the effective functioning of the organization itself. Considering the fact that coordinating enterprises carry out foreign economic activity in close cooperation with government bodies, they are guided in their activities by key principles of foreign economic activity. Moreover, it is customary to distinguish between general (international) and specific (national) principles that are equally important for coordinating enterprises. The general principles are set out in the UN Declaration “New Economic Order” and are mandatory for all subjects of international economic relations. These include: the principle of sovereignty of each state, the principle of peaceful coexistence, the principle of equality, the principle of peaceful settlement of disputed problems, the principle of respect for human rights and freedoms, the principle of mutual assistance, the principle of mutual benefit, the principle of non-interference in each other’s internal affairs, the principle of conscientious fulfillment of international obligations [20].

The specific (national) are the principles of foreign trade of a particular state, enshrined in national legislation. According to the legislation of Ukraine, the basic principles of foreign economic activity are: the principle of sovereignty of the people of Ukraine, the principle of freedom of foreign economic entrepreneurship, the principle of legal equality and non-discrimination, the principle of the rule of law, the principle of protecting the interests of subjects of foreign economic activity, the principle of equivalence of exchange and the inadmissibility of dumping (figure 1.1).

The principle of the sovereignty of the people of Ukraine lies in the exclusive right of the people of Ukraine to independently and independently carry out foreign economic activity on the territory of Ukraine, guided by the laws in



force in its territory. According to this principle, the subjects of international trade and economic relations of Ukraine must strictly comply with all contracts and obligations of Ukraine in the field of international economic relations.

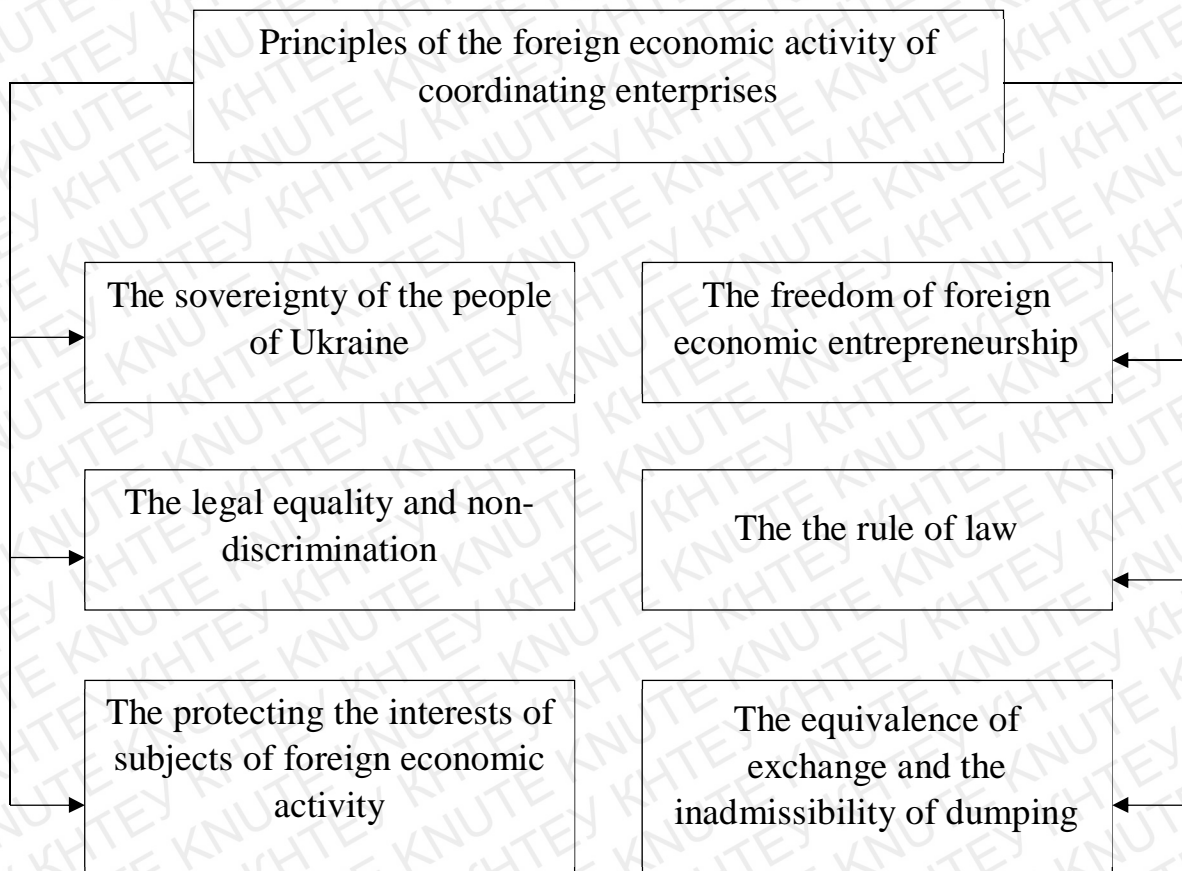


Fig. 1.1. Principles of the Foreign Economic Activity of COORDINATING enterprises

Source: developed by author on the data of [1]

Compliance with this principle for coordinating enterprises is important, since, on the one hand, it assumes the need to create conditions for them to effectively carry out foreign economic activity; on the other hand, this principle provides for the possibility of coordinating enterprises to carry out foreign economic activity in those forms that will be most favorable for their functioning.

The principle of freedom of foreign economic entrepreneurship lies in the right of subjects of foreign economic activity to voluntarily enter into foreign economic relations, to carry it out in any form that is not expressly prohibited by the current laws of Ukraine. The principle of freedom of foreign economic activity

also provides for the obligation of subjects of foreign economic activity to observe the procedure established by the laws of Ukraine in the implementation of foreign economic activity, as well as the exclusive right of ownership of subjects of foreign economic activity to all results obtained by them.

The principle of legal equality and non-discrimination consists in equality before the law of all subjects of international relations regardless of ownership, prohibition of any actions of the state, which result in restriction of rights and discrimination of subjects of foreign economic activity, as well as inadmissibility of restrictive activities by any of its subjects.

The principle of the rule of law consists in regulating foreign trade activities only by the laws of Ukraine and prohibiting the use of by-laws and acts of management of local authorities, in any way create conditions for subjects of foreign economic activity less favorable than those established by the laws of Ukraine.

Compliance with these principles is a prerequisite for effective interaction between all subjects of foreign economic activity, since only respect for the rights and observance of duties by all business entities allows for the rapid development of the world economy.

Having considered the basic principles of the implementation of foreign economic activity by coordinating enterprises, it is advisable to consider in more detail their forms, which include international trade in goods and services and international scientific cooperation. These areas are the most common forms of foreign trade activities of the coordinating enterprises.

The old and most important form of foreign economic activity has a decisive influence on the development of the world economy as a whole and on the success of the functioning of individual entities, is foreign trade, the main forms of which are exports and imports. Exports of goods - the sale of goods or the provision of services by subjects of foreign economic activity to foreign business entities [20]. An export operation is an activity aimed at selling and exporting goods abroad for transfer to the ownership of a foreign counterparty.



For the seller, it doesn't matter what the buyer will do with this product - it will be recycled, sold on the domestic market or resold to third countries. For the seller and his country in any case it will be an export operation. Its main features are the conclusion of a contract with a foreign counterparty and the crossing of the goods of the exporting country's border. The fact of export is recorded at the time when the goods cross the customs border of the state.

There are the following main types of export operations: delivery of export goods for cash, export of goods on the terms of a commercial loan, export of goods against the state loan provided by the country of a foreign buyer, export of goods during a compensation transaction, export of goods during a barter transaction, export of goods against assistance. The role of export operations for the state as a whole is determined by the fact that with the help of exports there is an opportunity to increase sales of products and increase the profitability of enterprises in the country.

Import is the purchase by subjects of foreign economic activity from foreign business entities of goods with or without delivery of these goods to the territory of Ukraine (including the purchase of goods intended for own consumption by institutions and organizations of Ukraine located outside its borders).

In international commercial practice, under the import understand only transactions that are carried out on a commercial basis, on the basis of the conclusion and execution of international trade transactions - contracts of sale. Deliveries in the form of aid, donation, etc., which are carried out on a gratuitous basis, are usually not included in the cost of imports, but are accounted for separately [20].

Imports provide for industrial and individual consumers, as well as for the country in which goods are imported, a number of additional benefits and opportunities. This is in particular: access to cheaper and better finished products, raw materials and other materials and components, filling the market with scarce goods or goods that are not produced at all in the national territory, increasing

competition and stimulation due to this optimization, increasing production in the national territory, the establishment of permanent production relations for the cooperation of production with foreign partners, the development of technology through the spread of the import of high-tech goods.

The development of international trade has received a powerful impetus under the influence of the globalization of the world economy, liberalization in the trade and political sphere, the expansion of preferential trade within regional economic associations, the deepening of international industrial and scientific and technical cooperation, the rapid growth of sales of advanced high-tech products, primarily office and telecommunications equipment, incorporates the latest achievements of NTP.

It should also be noted that today there is not a single country in the world that in one way or another would not be involved in international trade relations. The limited natural resources, lack of qualified personnel and technology, lack of funds necessitate the procurement of goods and services abroad in order to meet the needs of consumers within the country. At the same time, the export of products contributes to the reduction of fixed costs for the production of products and allows the country to receive foreign exchange earnings that can be used to finance economic development. These reasons actually determine the exclusive role of international trade for economic development and make it the main form of international trade and economic relations [16].

The form of FEA, that coordinating enterprises are active participants of, can be called international scientific cooperation. With the deployment of scientific and technological revolution, no country, whatever its scientific and technical potential is, that is able to fully meet its own needs for new equipment and technology or to create all kinds of products. It is international scientific and technical ties that is the form through which the exchange of scientific and technical achievements between different countries is carried out. The volume of this exchange is steadily increasing, and a certain role in this process is occupied

by coordinating enterprises, which create the prerequisites for effective cooperation of the subjects of scientific and technical activity.

International scientific and technical ties are realized through trade in high-tech goods and the exchange of scientific and technical knowledge and business services, or technological exchange. Trade in high-tech and knowledge-intensive goods is the trade in electronic computing equipment, communications equipment, the latest chemical and pharmaceutical products. Its production requires a high level of technical and technological equipment of the enterprises in which they are produced, and high costs for scientific research. Therefore, most of the world trade with such goods falls on the economically developed countries. This group of countries accounts for more than 90% of world exports and 70% of world imports of high-tech and scientific-capacious goods [70].

The second form of international scientific and technical ties is international technological exchange. Technology is the knowledge that allows to improve equipment, products and processes. It reduces the cost of production and leads to the introduction of new benefits. Technology transfer is carried out through commercial and non-commercial forms. Commercial forms include trade, patent agreements, license agreements, know-how, franchising, engineering, consulting, turnkey contracts, management contracts, foreign investments in the form of technologies. Non-profit forms include joint research and development, exchange of specialists, training and retraining of personnel, brain drain (migration of scientists and specialists), direct links with academic institutions, holding scientific conferences, symposia, exhibitions, fairs, training students in foreign higher educational institutions, etc.

Attracting coordinating enterprises to the system of foreign economic relations requires them to form an effective mechanism for managing foreign economic activity. It should be noted that, in general, this process for coordinating enterprises does not have significant differences from other companies: it is based on the basic functions of management and provides for planning, organizing,



motivating, controlling and regulating the activities of employees to achieve the goals of the enterprise with the lowest possible cost.

The process of foreign economic activity organization of coordinating enterprises is based on a clear understanding of their role in the development of international relations of subjects of other levels interacting with them. It is about identifying the needs of partners and the implementation of activities that contribute to their satisfaction. At the same time, it is equally important for coordinating enterprises to ensure acceptable economic results of their activities: despite the fact that the mission of such enterprises is to promote the development of foreign economic activity at the enterprise level and the state as a whole, making profit from the realization of their functions is extremely important for enterprises [43].

The foreign economic activity organization by coordinating enterprises consists in choosing the forms of international economic activity that will be most relevant and will enable the organization to achieve its goals; justification of plans for the necessary activities, including the definition of a circle of foreign partners; organizing events that involve working with partners in Ukraine, organizing information support, and the like. Important for the coordinating enterprises is the control, which allows to assess whether the planned indicators were achieved and what are the reasons for the deviation of the actual results from the planned ones. Regulation is the function that allows coordinating enterprises to make adjustments to an activity in order to improve its results. At the same time, motivation is the basis for finding qualified employees who are able to perform their functions at a high level, contributing to the achievement of the goals of the organization.

Thus, the foreign economic activity of coordinating enterprises plays an important role today in the development of the system of international relations of the state. Despite the fact that the list of forms of foreign economic activity is somewhat limited compared with the capabilities of business entities, in their international activities, coordinating enterprises are guided by generally accepted

principles defined by the international community and the government bodies of Ukraine.

The organization of foreign economic activity of enterprises of coordination type aims, on the one hand, to improve the environment for the implementation of foreign economic activity in Ukraine, and on the other, to increase the efficiency of the organization's operation, which necessitates the qualitative implementation of a set of measures in the field of management.

## **1.2. Peculiarities of Regulation of Foreign Economic Activity of Coordinating Enterprise**

Peculiarities of regulation of foreign economic activity of coordinating enterprise should be researched separately for different types of such organizations, as each of them have its own functions and goals. As the paper is written on the data of the Chamber of Commerce, the analysis in this chapter will also be held for the UCCI.

The UCCI activity is regulated by:

- Law of Ukraine "On the Chambers of Commerce and Industry in Ukraine";
- Law of Ukraine "On international commercial arbitration;
- Resolution of the Cabinet of Ministers of Ukraine of "On the support of the activities of chambers of commerce";
- Resolution of the Cabinet of Ministers of Ukraine "On the determination of the Chamber of Commerce by the authorized body for issuing certificates of origin";
- Decree of the Cabinet of Ministers of Ukraine "On granting the Chamber of Commerce and Industry of Ukraine the authority to act as a guaranteeing organization issuing books (carnets) in Ukraine, A.T.A." (fig. 1.2).



Fig. 1.2. Legeslation Regulatin the Foreign Economic Activity of The UCCI

The source: developed by author on the data of [41]

According to the Law, the chamber of commerce and industry is a non-government non-profit self-governing organization which integrates the legal entities that have been set up and function pursuant to the Ukrainian law, also the citizens of Ukraine, registered as the entrepreneurs, and their associations.

A chamber of commerce and industry may be engaged in entrepreneurship only in the scope essential for fulfillment of the tasks defined by its charter. The profit, received by such a chamber, is not distributed among the members of a chamber of commerce and industry but it is used to perform the tasks defined by its charter.

A chamber of commerce and industry shall not be liable for any commitments that may have been assumed by any of the members thereof just as



any of the members thereof shall not be liable for any commitments that may have been assumed by a chamber of commerce and industry [2].

A chamber of commerce and industry shall not be liable for any commitments that may have been assumed by the companies and other institutions established by such a chamber just as said companies and other institutions shall not be liable for any commitments that may have been assumed by a chamber of commerce and industry.

The chambers of commerce and industry are set up in order to promote the development of national economy, its integration into the world's economic system, the establishment of modern industrial, financial and trade infrastructures, the creation of favorable conditions for free enterprise, the comprehensive development of all forms of entrepreneurship not prohibited by the Ukrainian law, also to strengthen the scientific, technological and trade ties between local and foreign businessmen.

The tasks of the chambers of commerce and industry are as follows:

- to promote the development of foreign-economic ties, to expand the export of Ukrainian goods and services, to provide practical assistance to entrepreneurs in their trade and economic activities both in domestic and foreign markets, in the use of new forms of cooperation;
- to represent the economic interests of the chamber's members both in Ukraine and elsewhere;
- to provide the interaction between business entities, to coordinate their interrelations with the state represented by the latter's bodies;
- to take part in organization of training and practical studies of the Ukrainian citizens both in Ukraine and abroad in such fields as entrepreneurship and promotion of competition, also the development and implementation of the state and interstate programs in these fields;
- to provide information and the basic data, which are not a commercial secret, on the activity of domestic and foreign companies pursuant to the national legislation, to disseminate, particularly through the news media,

the knowledge about economy, scientific and technological achievements, legislation, the trade rules and traditions in Ukraine and other countries, about the opportunities of foreign economic cooperation for the Ukrainian businessmen;

- to promote the development of information service infrastructure for business activity;
- to render services to foreign companies and institutions in the field of commercial activity;
- to establish and develop the ties with foreign businessmen, also with their associations or representative offices, to take part in the activities of international nongovernmental organizations and other joint institutions;
- to promote the development of adequate trade and other fair practices in business activity, to take part in elaboration of the rules of professional competition ethics for different spheres of entrepreneurship, economic sectors and business associations;
- to carry out other tasks specified by the charter [2].

The state bodies assist the chambers of commerce and industry in performing the tasks specified by their charter. It is prohibited for the state bodies and their officials to interfere into activity of the chambers of commerce and industry just as it is prohibited for the chambers of commerce and industry to interfere into activity of the state bodies and their officials. The pertinent state bodies exercise control and supervision over activity of the chambers of commerce and industry within their powers pursuant to the law.

The chambers of commerce and industry are set up in terms of voluntary integration of their founders. The principle of voluntary integration of business entities into a chamber of commerce and industry means the right to choice, that is, either to be or not to be a member of a chamber.

The chambers of commerce and industry are set up in the territory of the Autonomous Republic of the Crimea, regions, the cities of Kyiv and Sevastopol (regional chambers of commerce and industry). Only one chamber of commerce

and industry may be set up within the limits of these administrative-territorial units. It is the Ukrainian Chamber of Commerce and Industry which functions in the territory of Ukraine.

The chambers of commerce and industry have the right [41]:

- to conduct, by order of the state bodies, the independent examination of the draft standard and legal acts relating to economy, foreign economic ties and other issues connected with the rights and interests of business entities;
- to represent and protect the legal interests of a chamber of commerce and industry or the interests of its members on their instructions;
- to render, by order of the Ukrainian and foreign legal and physical entities, the services connected with protection of their rights and interests pursuant to the Ukrainian law and international agreements signed by Ukraine;
- to submit, on behalf of the entities whose rights have been violated, the claims to the Antimonopoly committee of Ukraine on violation of the legislation concerning the protection from unfair competition;
- to conduct, to order of the Ukrainian and foreign business entities, the independent examination, control of quality, number and completeness of goods (including export and import goods), also to determine their cost;
- to attest and issue the certificates of goods origin, the certificates for the goods produced by domestic companies with foreign capital, other documents relating to foreign economic activity;
- to declare the foreign trade cargoes in the cases specified by the law;
- to organize the international exhibitions, the national exhibitions of foreign countries and companies, to prepare and to hold the exhibitions of Ukrainian goods both in Ukraine and abroad;
- to organize seminars, conferences, business talks on economic issues with participation of the Ukrainian business entities and foreign companies both in Ukraine and abroad;



- to conclude the foreign economic and other agreements, essential for activities of the chambers, with Ukrainian and foreign business entities, also with individual citizens;
- to issue the informational, reference, advertising and methodological materials pertaining to their activities, also to publish the newspapers, magazines and other printed materials to support entrepreneurship;
- to set up, restructure and dissolve companies and institutions with the aim of fulfilling the charter tasks following the procedure specified by the law;
- to independently fix the ways of their activity, the structure, manning table and number of personnel, the amount of wages, salaries and material incentives pursuant to the Ukrainian law;
- to set up, by order of the parties in a dispute, the arbitration courts pursuant to the Ukrainian law, to establish the sectoral or territorial committees (councils) of business entities, the target-oriented groups of experts and consultants;
- to perform other functions which do not run counter to the Ukrainian law [2].

The methodological and expert documents, issued by the chambers of commerce and industries within the limits of their jurisdiction, are compulsory for the use in the entire territory of Ukraine. The rights of the chambers of commerce and industry are specified in their charters and implemented following the procedure specified by the Ukrainian law.

Members of the Ukrainian Chamber of Commerce and Industry are the chambers of commerce and industry set up pursuant to this Law, the legal entities that have been established and function pursuant to the Ukrainian law, the citizens of Ukraine, registered as the entrepreneurs, and their associations. Members of the regional chambers of commerce and industry are also members of the Ukrainian Chamber of Commerce and Industry [2].

The Ukrainian Chamber of Commerce and Industry:

- opens its offices and subsidiaries in other countries, establishes, together with foreign partners, the mixed chambers of commerce and industry, business councils and other joint institutions both in Ukraine and abroad;
- certifies the circumstances of Force Majeure (events of irresistible force), as well as trade and port customs accepted in Ukraine upon applications by business entities and natural persons;
- certifies the circumstance of Force Majeure under the terms and conditions of agreements upon applications by business entities engaged in property development (customers, developers);
- keeps the non-government register of Ukrainian business entities with their consent, that is, the entities whose financial status testifies to their reliability as the business partners both in Ukraine and abroad. The procedure of keeping the said register is fixed by the Ukrainian Chamber of Commerce and Industry [45].

The Ukrainian Chamber of Commerce and Industry has the right to receive, in accordance with the prescribed procedure, from ministries and other central executive bodies the information and materials essential for performing its tasks. Functioning at the Ukrainian Chamber of Commerce and Industry are the International commercial arbitration court and the Maritime arbitration commission whose activities are regulated by the Ukrainian law.

The Ukrainian Chamber of Commerce and Industry represents the business interests of its members at the International Chamber of Commerce and other international organizations.

At present, the Ukrainian coordinating enterprises are active participants in both export and import operations, especially when it comes to services, which makes it expedient to study the management of foreign economic activity in the complex, and not in certain areas.

In international practice, two main methods of foreign economic activity are used: direct, implies a focus on cooperation directly with the end user (for enterprises of the coordination type - subjects of foreign economic activities of

Ukraine and foreign countries), and indirectly, which implies the involvement of an intermediary in the implementation of foreign economic activities such as such usually act similar organizations in foreign countries.

Coordinating enterprises widely use both methods in their practice, while the management of foreign economic activity in both cases is carried out by a special department, and in its absence, by experts in the field of foreign economic activity.

The management process of foreign economic activity of coordinating enterprises is quite complex, so its implementation requires a number of skills, as well as an example of one or another level with all structural divisions of the enterprise - the marketing department, the legal department, and the like. Only then, if international activity is not the prerogative of only the foreign economic activity department, can we expect that it will be effective and positively influence the ability of an enterprise to achieve its goals [45].

The mechanism for the management of foreign economic activity of coordinating enterprises contains several stages, each of which is an important role in achieving their goals. The process of foreign economic activity management begins at the moment when a decision is made on the need to expand activities and the expediency of using foreign partners for this. Thus, coordination-type enterprises can receive a recommendation for the type of government or independently conclude that the range of services provided to clients (participants) should be expanded, or revenue increased due to the expansion of the number of clients, including through cooperation with counterparties from new countries. In this case, the enterprise, on the basis of the available information, makes a decision about which country's market is attractive to it. At the same time, the level of competition in new markets is compared, the requirements for the type of economic activity in which the enterprise specializes, the conditions for cooperation with similar organizations from each country are determined, and a comparative analysis of legislation is carried out. This stage is characterized by active interaction with the legal department and the marketing



department, since it is these units that can provide foreign economic activity specialists with the information they need [42].

After evaluating alternative options and selecting potential partners, the coordination-type enterprise prepares the necessary documents in order to establish contacts with a possible partner. In the case of establishing contact with partners, the enterprises proceed to the stage of negotiations, during which they determine all the main conditions of the future contract.

Foreign economic activities of coordinating enterprises are carried out on the basis of international treaties, which are actions aimed at establishing, changing and terminating legal relations in the field of foreign economic activity. An obligatory feature of international agreements is their conclusion with a foreign counterparty, is abroad, in writing. The signing of agreements precedes the direct implementation of foreign economic operations, but the result of cooperation of organizations of coordination type with counterparties as a whole depends on the effectiveness of the preparation of contracts. The implementation of foreign economic operations of coordinating enterprises is characterized by the need to comply with all the formalities introduced by the countries participating in foreign economic activity to protect their own interests in international relations. The implementation phase of international agreements is associated primarily with the need to process a large number of documents for which the accompanying operations are necessary for an international operation. In particular, despite the fact that one of the forms of foreign economic activity of enterprises of the coordination type is the organization of international exhibitions, the issue of customs clearance of goods imported into the country to participate in them is important. In addition, coordinating enterprises often themselves act as importers of goods necessary for them to carry out their economic activities, therefore, in the study of their foreign economic activity, this component cannot be rejected.

The effectiveness of foreign economic activity of coordinating enterprises is estimated by comparing the costs incurred by them with the revenue received

as a result of the operation. Specifying the calculation mechanism, we note that export efficiency (for coordination-type enterprises, services are most often the object of export) is calculated as the ratio of foreign exchange earnings from an operation in the foreign market listed in the national currency at the official rate of the NBU (in general) and expenses incurred in during this operation.

The activities of coordinating enterprises are also aimed at creating prerequisites for the revision of currency legislation, to greatly simplify the implementation of settlements Ukrainian enterprises with foreign companies.

In the process of managing foreign economic activity of coordinating enterprises, a number of issues that are important for the organization of foreign economic activity and the rest of domestic companies are resolved. Thus, coordinating enterprises usually create effective systems for monitoring foreign markets, the use of which saves time and resources for research, and therefore leads to more efficient use of them in enterprises [38];

Considering the fact that the foreign economic activity of coordinating enterprises is aimed at activating foreign economic relations, the plans of measures of such organizations can be the basis for other companies when they formulate strategic plans in the field of foreign economic activity.

The management of foreign trade activities of coordinating enterprises is aimed at improving the image of Ukrainian companies, allowing the latter to strengthen its competitive position in the international competition in the domestic and foreign markets. In addition, when preparing foreign economic operations, member enterprises are given the opportunity to find weaknesses and eliminate them when preparing for the implementation of future agreements.

Thus, the implementation of foreign economic activity of coordinating enterprises, in our opinion, will contribute to the improvement of the system of organization of international trade activities, and, accordingly, to increase their efficiency at Ukrainian enterprises.

### **1.3. Methodological Tools for Evaluating the Effectiveness of Foreign Economic Activity Organization of Coordinating Enterprise**

The main condition for conducting an external economic operation is its effectiveness. Enterprises often suffer significant losses due to insufficient feasibility studies of the effectiveness of a foreign economic operation, the absence of estimates in it of choosing the currency of the price, currency of payment and other monetary and financial conditions of the transaction. Calculation of economic efficiency is made by comparing the achieved economic result (effect) with the cost of resources to obtain this effect. Under the results understand the monetary valuation of the profits for the coordinating enterprise: cash receipts for services rendered or work performed, the value of the received goods, works, services, etc. Under the costs understand the monetary valuation of resources spent: the value of labor resources, services of outside organizations, obligatory deductions to various state funds and other expenses, without which a foreign economic operation cannot be carried out. Economic results and resource costs have a quantitative dimension. Therefore, economic efficiency can be measured by quantity, that is, to have a performance criterion.

The criterion is the main feature that distinguishes it from other classification units. The criterion of economic efficiency is not the same for different levels of foreign economic activity. Each level of assessment corresponds to its own type of economic interests and its own criterion of efficiency [13]. So, at the macroeconomic (national economic) level, the economic efficiency of foreign economic activity is understood as the degree of economy of national labor, achieved by a country through its participation in the international division of labor and foreign trade. In this case, the criterion of economic efficiency is labor savings as an additional source of growth in gross domestic product and other economic and social indicators [23, p. 189].

At the enterprise level, including those of a coordination type, the economic efficiency of foreign trade operations is understood as the degree of increase in



income from these operations. The criterion of economic efficiency is profit as the main measure of efficiency. Determination of the effectiveness of foreign economic operations results in the degree of interest of an enterprise in entering the world market, which makes it possible to substantiate individual proposals for the purchase and provision of certain goods. The data obtained can be used in the development of plans for the export and import of an enterprise, in evaluating the structure and directions of foreign trade turnover.

The whole system of indicators of the effectiveness of foreign economic activity of coordinating enterprise can be divided into four groups: absolute, relative, indicators of structure and efficiency (effect) [9, 303].

The calculation of indicators of economic efficiency is carried out according to the following principles [11]:

- the most complete accounting of all costs and benefits. The incomplete accounting of expenses and the results obtained may distort the conclusions on the evaluation of the effectiveness of a decision;
- the need for comparison with the base case. As a base case, the state of affairs before a decision can be taken. Wrong choice of base of comparison can lead to distortion of estimates;
- bringing costs and benefits to a single mapping base;
- bringing different time and costs to one point in time;
- availability and quality of information.

The specific calculation of performance indicators will depend largely on the type of foreign economic operation, its purpose, conditions and other features and the specific transaction [11, p. 312].

To determine the effective directions of the enterprise's activity in the sphere of foreign economic activity, a thorough analysis of its condition is needed. The analysis process has four stages. At the first stage, the fulfillment of obligations in certain areas of foreign economic activity is analyzed, at the second stage - the fulfillment of obligations for individual counterparty countries, at the third stage - fulfillment of obligations for individual partners, at the fourth stage -

the analysis of results is carried out. In the analysis of the implementation of obligations in certain areas of foreign economic activity it turns out:

- the amount and planned income (expenses) under the concluded contracts;
- quantity and incomes (expenses) under the executed contracts;
- the amount and income (expenses) on overdue contracts;
- reasons for the incomplete implementation of agreements and violations

of the terms of services provision. For the analysis of foreign economic activity of coordinating enterprises, a system of analytical indicators is used [11]. For a more complete description of the work of the enterprise in the foreign market, one can calculate the following indicators:

The share of contracts overdue in the reporting period ( $S_{CO}$ ):

$$CO = \frac{CO}{CE} * 100\% , \quad (1.1)$$

where CO - the number of contracts overdue during the year;

CE - the number of contracts to be executed in the reporting period;

The coefficient of fulfillment of obligations at cost ( $C_{cost}$ ).

$$C_{cost} = \frac{\sum_i^n Q_{if} * P_i}{\sum_i^n Q_{ip} * P_i} \quad (1.2)$$

where  $P_{if}$  and  $Q_{if}$  - the actual prices and quantity of goods and;

$P_{ip}$  and  $Q_{ip}$  - planned prices and quantity of goods and;

$n$  is the number of goods.

The coefficient of fulfillment of obligations for the export of goods by physical volume ( )

$$C_{phys} = \frac{\sum_i^n Q_{if}}{\sum_i^n Q_{ip}} \quad (1.3)$$

where  $Q_{if}$  - is the actual export quantity;

$P_{ip}$  and  $Q_{ip}$  - planned prices and quantity of goods and;

$n$  is the number of goods.

The coefficient of fulfillment of obligations for the export of goods at the price ( )

$$C_{price} = \frac{\sum_i^n Q_{if} * P_i}{\sum_i^n Q_{ip} * P_i} \quad (1.4)$$

where  $P_{if}$  and  $Q_{if}$  - the actual prices and quantity of goods and;

$P_{ip}$  - the planned price of the goods;

$n$  is the number of goods;

To determine the effectiveness of the enterprise's foreign trade activities, it is important to know the currency efficiency of exports and imports.

The indicator of currency efficiency of any foreign economic operation primarily characterizes the purchasing power of the currency, its rate [11].

Export currency efficiency ( $E$ ) is calculated by the formula:

$$E = \frac{\sum_i^m P_{EC} \cdot Q_E}{\sum_i^m C_E} \quad (1.5),$$

where  $P_{EC}$  is the currency price of the export product (service);

$Q_E$  - the volume of export of the product (service)  $i$ ;

$C_E$  - the cost of production and sale of units of product (service)  $i$ ;

$m$  - the number of export goods (services).

Currency efficiency of import ( $E$ ) is calculated by the formula:

$$E = \frac{C_{if}}{P_{if}} \quad (1.6)$$

where  $C_{if}$  is the cost per unit of imported goods or services;

$P_{if}$  is the currency price of a unit of goods or services.

Export currency efficiency ( $E$ ) is calculated by the formula:

$$E = \frac{P_{if}}{C_{if}} \quad (1.7)$$

where  $P_{if}$  is the currency (foreign trade) price of a product or service;

$C_{if}$  - costs for the production and sale of a unit of a good or service.

In order to evaluate the profitability of an export (import) operation, it is necessary to compare the given indicators (coefficients) with a certain base, since they themselves do not lead to any conclusions. The base of comparison is usually the exchange rate.

If the coefficient of currency efficiency exceeds the value of the exchange rate, then foreign trade activity is considered effective. In this case, the base of comparison for the currency efficiency of exports should be the reverse exchange



rate (indirect quotations), and for the currency efficiency of imports - the usual exchange rate (direct quotation).

Indicators characterizing the degree of profitability for enterprises of foreign economic operations, it is advisable to calculate before entering into foreign trade transactions, when planning foreign trade activities, as well as to assess the effectiveness of export and import operations for the previous period [9, p. 308].

For the general characteristics of the enterprise's export activities, the following indicators: export efficiency, export profitability, and the economic effect of exports.

The export efficiency of enterprises ( $E$ ) is calculated by the formula;

$$E = \frac{NR}{R_{IC}} \quad (1.8)$$

where NR is the net revenue in foreign currency for the goods (service) sold, transferred in hryvnia at the official rate on the day the currency was received;

$$NR = (R_{IC} * CER) - C_{CE} - CP \quad (1.9)$$

where  $R_{IC}$  - foreign exchange earnings for export goods (services provided);

CER - the current market rate of foreign currency to the hryvnia;

$C_{CE}$  - additional expenses within the country related to the export of goods (services provided);

CP - customs payments.

The export efficiency indicator shows how effectively the company conducts its foreign economic activity, as well as the share of revenue in the total export volume of the enterprise. If this indicator is more than one and higher than the indicator of the efficiency of sales on the domestic market, then the sale of goods on the external market will be more profitable compared to the implementation within the country.

The profitability of exports ( $P_E$ ) is calculated by the formula:

$$P = \frac{NR}{R_{IC}} * 100\% \quad (1.10)$$

where  $R_E$  - hryvnia export earnings, which are calculated by transferring currency earnings in hryvnias at the rate of the National Bank of Ukraine on the day of receipt of currency earnings, rubles;

$PC_E$  is the cost of production of export goods.

This indicator shows the amount of foreign exchange income from the sale of export goods accounted for each hryvnia spent by the company.

The above indicators of export efficiency should be compared with those of the previous period, which will allow to establish how the efficiency of sales of goods changed in the reporting period compared with the past.

The economic effect of exports ( $EF_E$ ) is calculated by the formula

$$EF_E = NR - TE \quad (1.11)$$

where  $NR$  is the net revenue in foreign currency for the goods (service) sold, transferred in hryvnia at the official rate on the day the currency was received;

$TE$  - the total costs of the enterprise for the export of goods, UAH;

If  $EF_E$  has a positive value, then the export of selected products is economically beneficial, and therefore there is a need to look for opportunities to increase it, taking into account the achieved level of production.

Indicators of export efficiency should be used when concluding an agreement in order to select the most optimal by the criterion of maximum economic effect and provided. If this condition is met, then the export of relevant goods for the enterprise is economically beneficial. From here it is necessary to look for ways to increase the export of these goods [11].

To characterize the import activity of the enterprise, the following indicators are used: the economic effect of imports, the economic efficiency of imports.

The economic effect of imports ( $EF_I$ ) is calculated by the formula:

$$EF_I = RS - TIC \quad (1.12)$$

where  $RS$  is the revenue from sales of imported goods in the domestic market, UAH;

$TIC$  - the cost of purchasing imported products, USD;

The indicator of the economic efficiency of imports ( $E_i$ ) is calculated by the formula:

$$EI = RS/TIC \quad (1.13)$$

The indicator of the effectiveness of foreign economic activity can affect credit conditions. Export operations are usually carried out on credit terms. Therefore, it is important to know how profitable the enterprise is to sell the goods with a deferred payment. To account for credit conditions in the calculation of the effectiveness of foreign economic operations, the credit impact coefficient ( $K$ ) is used, which is the ratio of the total value of foreign exchange earnings, reduced to the year of delivery of the goods, to the nominal foreign trade price of this product.

The formulas for calculating  $K$  are complex, and in practice they use special tables in which the numerical values of this coefficient are given [40].

So, to conduct an effective foreign economic activity of enterprises of a coordination type, a number of indicators should be calculated and analyzed, namely, the efficiency of exports, imports, the effect of exports and imports, etc. It is these indicators that make it possible to identify the shortcomings and feasibility of a particular operation. Since a number of factors affect the efficiency of foreign trade operations, it is necessary to count not only export efficiency, but also foreign exchange.

Attention should be paid to or in a foreign trade operation it is assumed lending plays an important role. In the analysis of these calculations, you can have an approximate description of the state of any enterprise that carries out foreign trade activities.

At the present stage of development of the Ukrainian economy, foreign economic activity plays a significant role in the development of domestic enterprises, and therefore it is one of the key factors for increasing the economic efficiency of their operation. Foreign economic activity provides enterprises with the opportunity to minimize costs, primarily through the purchase abroad of raw materials and components at lower prices than in the domestic market. On the



other hand, the sale of manufactured products at the prices of world markets allows enterprises to receive additional income, which has a positive effect on the profitability indicators of operation.

Minimizing the costs of an enterprise through the implementation of foreign economic activity is also possible in the case of the purchase of equipment abroad, the use of which will reduce the cost of manufacturing products. Optimization of the enterprise's costs is also promoted by the use of applied computer programs in the field of enterprise management, which have no analogues in the domestic market. To the obvious areas of minimizing the costs of the enterprise, subject to the implementation of foreign economic activity is also reducing the cost of production in the face of increasing production and marketing.

The direction of maximizing the profits of the enterprise as a result of the implementation of foreign trade activities belongs, first of all, to the possibility of increasing revenues due to sales of products at foreign trade prices, which are usually higher than the domestic market price. An increase in the profits of an enterprise can also be achieved through the purchase abroad of licenses for the production of innovative products, which have no analogues in the domestic market or in the markets of the main trading countries. For a non-manufacturing enterprise, a similar result can be achieved by purchasing innovative finished products abroad for resale in the domestic market.

The opportunity to maximize the profits of the enterprise at the expense of foreign trade activities also provides spatial price differentiation: a significant number of domestic companies today receive profits by reselling consumer goods purchased in Asian markets at minimal prices in the market of Ukraine and neighboring countries.

It should be noted that it is advisable to distinguish between the concepts of the effectiveness of foreign economic activity and the efficiency of an enterprise-subject of foreign economic activity, since the profits of an enterprise are not

always related exclusively to export-import operations, as well as the company's expenses may be related to the enterprise's activities in the domestic market.

It should also be noted that the effectiveness of foreign economic activity is not always a guarantee of the efficiency of the enterprise as a whole: in case significant amounts of money needed by other areas of the company were spent on export-import operations, the positive effect of foreign economic activity can be leveled received by the enterprise in the domestic market. This indicates that the adoption of management decisions in the field of foreign trade activities should be reasonable and mutually agreed with the goals and objectives of the enterprise.

### **CONCLUSIONS TO CHAPTER 1**

Ukrainian legislation does not include the interpretation of the criteria for assigning to this group. At the same time, in the scientific literature, coordinating enterprises are considered as economic organizations formed as a union of two or more business entities in order to coordinate their activities and to solve common tasks in the field of foreign economic activity. Coordinating enterprises include chambers of commerce, industry associations, commodity, stock and currency exchanges etc.

Peculiarities of regulation of foreign economic activity of coordinating enterprise should be researched separately for different types of such organizations, as each of them have its own functions and goals. As the paper is written on the data of the Chamber of Commerce, the analysis in this chapter will also be held for the UCCI.

The UCCI activity is regulated by: Law of Ukraine "On the Chambers of Commerce and Industry in Ukraine"; Law of Ukraine "On international commercial arbitration; Resolution of the Cabinet of Ministers of Ukraine of "On the support of the activities of chambers of commerce"; Resolution of the Cabinet of Ministers of Ukraine "On the determination of the Chamber of Commerce by the authorized body for issuing certificates of origin"; Decree of the Cabinet of Ministers of Ukraine "On granting the Chamber of Commerce and Industry of

Ukraine the authority to act as a guaranteeing organization issuing books (carnets) in Ukraine, A.T.A."

The foreign economic activity of coordinating enterprises plays an important role today in the development of the system of international relations of the state. Despite the fact that the list of forms of foreign economic activity is somewhat limited compared with the capabilities of business entities, in their international activities, coordinating enterprises are guided by generally accepted principles defined by the international community and the government bodies of Ukraine.

The organization of foreign economic activity of enterprises of coordination type aims, on the one hand, to improve the environment for the implementation of foreign economic activity in Ukraine, and on the other, to increase the efficiency of the organization's operation, which necessitates the qualitative implementation of a set of measures in the field of management.



**PART 2**

**RESEARCH OF ORGANIZATION OF FOREIGN ECONOMIC  
ACTIVITY OF UKRAINIAN CHAMBER OF COMMERCE AND  
INDUSTRY**

**2.1. Analysis of Financial and Foreign Economic Activity of The UCCI**

The Chamber of Commerce and Industry of Ukraine plays an important role in the development of the international business in Ukraine. At the same time, to stay efficient in its activity it needs the adequate preconditions that can be estimated by the assets and liabilities analysis.

During 2013 to 2017, the value of UCCI's assets has grown 7.67 times – from 1080397,55 thousands UAH to 8286957,64 thousands UAH. This increase was caused by both growth of non-current and current assets (Table 2.1).

*Table 2.1*

**Assets Value Dynamics of The UCCI for 2013 – 2017, Thousand UAH**

Indicator	Data					Relative deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Intangible assets	3674,24	2775,47	282972,43	283617,10	2533206,26	0,76	101,95	1,00	8,93	689,45
Capital investment in progress	1802,81	44968,56	10806,33	23781,16	233001,08	24,94	0,24	2,20	9,80	129,24
Fixed assets	98566,65	199414,15	575245,45	774825,48	1082623,36	2,02	2,88	1,35	1,40	10,98
Long-term financial investments	7,54	3,02	10037,25	89213,28	127727,60	0,40	3328,00	8,89	1,43	16940,00
Other financial investments	437,32	738,92	48,26	0,00	0,00	1,69	0,07	0,00	-	0,00
Total non-current assets	104488,57	247900,12	879109,71	1171437,02	3976558,30	2,37	3,55	1,33	3,39	38,06
Inventories	591235,53	1062711,73	1558171,16	2687881,82	2886462,80	1,80	1,47	1,73	1,07	4,88
Receivables for products, goods, work services	342245,12	505072,18	960750,57	1349856,04	1242727,72	1,48	1,90	1,41	0,92	3,63
Accounts receivable by advances	15532,40	46662,04	49828,09	77948,52	127584,34	3,00	1,07	1,56	1,64	8,21
Accounts receivable by budget	5,28	169,65	22671,27	15004,60	3551,34	32,14	133,64	0,66	0,24	672,86
Accounts receivable from internal settlements	726,86	0,00	0,00	0,00	0,00	0,00	-	-	-	0,00
Other Current Accounts Receivable	3009,21	704,24	1921,95	203,58	3581,50	0,23	2,73	0,11	17,59	1,19
Cash and cash equivalents	23105,58	13967,85	73636,39	134943,38	45383,26	0,60	5,27	1,83	0,34	1,96
Costs of future periods	49,01	94,25	435,81	1138,54	1108,38	1,92	4,62	2,61	0,97	22,62
Total current assets	975908,99	1629381,94	2667415,24	4266976,48	4310399,34	1,67	1,64	1,60	1,01	4,42
Balance	1080397,5	1877282,06	3546524,96	5438413,50	8286957,64	1,74	1,89	1,53	1,52	7,67

Source: calculated based on balance sheet of the UCCI

The most considerable growth was in long-term financial investments are accounted for using the equity method of other enterprises (16940,00 times from 7,54 thousands UAH to 127727,60 thousands UAH), accounts receivable by budget (672,86 times from 5,28 thousands UAH to 233001,08 thousands UAH) Capital investment in progress (129,24 times from 1802,81 thousands UAH to 3551,34 thousands UAH).

Generally, during las 5 years, the assets structure changed a lot: the share of non-current assets increased from 9,67 to 47,99, while the current assets decreased to 52,01% (Table 2.2).

*Table 2.2*

**Assets Structure Dynamics of The UCCI for 2013 – 2017, Thousand UAH**

Indicator	Data					Relative deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Intangible assets	0,34	0,15	7,98	5,22	30,57	0,43	53,97	0,65	5,86	89,89
Capital investment in progress	0,17	2,40	0,30	0,44	2,81	14,36	0,13	1,44	6,43	16,85
Fixed assets	9,12	10,62	16,22	14,25	13,06	1,16	1,53	0,88	0,92	1,43
Long-term financial investments	0,00	0,00	0,28	1,64	1,54	0,23	1759,28	5,80	0,94	2208,52
Other financial investments	0,04	0,04	0,00	0,00	0,00	0,97	0,03	0,00	-	0,00
Total non-current assets	9,67	13,21	24,79	21,54	47,99	1,37	1,88	0,87	2,23	4,96
Inventories	54,72	56,61	43,94	49,42	34,83	1,03	0,78	1,12	0,70	0,64
Receivables for products, goods, work services	31,68	26,90	27,09	24,82	15,00	0,85	1,01	0,92	0,60	0,47
Accounts receivable by advances	1,44	2,49	1,40	1,43	1,54	1,73	0,57	1,02	1,07	1,07
Accounts receivable by budget	0,00	0,01	0,64	0,28	0,04	18,49	70,74	0,43	0,16	87,69
Accounts receivable from internal settlements	0,07	0,00	0,00	0,00	0,00	0,00	-	-	-	0,00
Other Current Accounts Receivable	0,28	0,04	0,05	0,00	0,04	0,13	1,44	0,07	11,55	0,16
Cash and cash equivalents	2,14	0,74	2,08	2,48	0,55	0,35	2,79	1,20	0,22	0,26
Costs of future periods	0,00	0,01	0,01	0,02	0,01	1,11	2,45	1,70	0,64	2,95
Total current assets	90,33	86,79	75,21	78,46	52,01	0,96	0,87	1,04	0,66	0,58
Balance	100,00	100,00	100,00	100,00	100,00	1,00	1,00	1,00	1,00	1,00

Source: calculated based on balance sheet of the UCCI

It should be mentioned that there were positive changes in the structure of liabilities as well, as the equity (due to retained earnings) has grown from 292383,10 thousands UAH to 6089055,18 thousands UAH (Table 2.3).

Table 2.3

**Equity and Liabilities Value Dynamics of The UCCI for 2013 – 2017,  
Thousand UAH**

Indicator	Data					Relative deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Registered capital	2262,00	2262,00	2262,00	2262,00	2262,00	1,00	1,00	1,00	1,00	1,00
Additional capital invested	3575,47	144171,59	593578,21	871895,44	3406428,74	40,32	4,12	1,47	3,91	952,72
Reserve capital	626,57	626,57	626,57	625,82	625,82	1,00	1,00	1,00	1,00	1,00
Retained earnings (uncovered loss)	285919,06	239704,89	432877,43	728386,62	2679738,62	0,84	1,81	1,68	3,68	9,37
Total equity	292383,10	386765,05	1029344,21	1603169,88	6089055,18	1,32	2,66	1,56	3,80	20,83
Total long-term liabilities and provisions	0,00	0,00	0,00	349358,36	819892,06	-	-	-	2,35	-
Short-term bank loans	26995,30	38986,80	175300,70	197357,00	343441,00	1,44	4,50	1,13	1,74	12,72
Payables for goods, works, services	745421,90	1444564,00	2334104,40	3284524,52	1017725,04	1,94	1,62	1,41	0,31	1,37
Current liabilities for settlements for the budget	545,14	490,85	1658,05	2050,88	565,50	0,90	3,38	1,24	0,28	1,04
Current liabilities for settlements for insurance	468,99	673,32	0,00	143,26	2442,96	1,44	0,00	-	17,05	5,21
Current liabilities for settlements for wages and salaries	1096,32	1808,09	0,00	1274,26	7170,54	1,65	0,00	-	5,63	6,54
Current liabilities for received advances	13486,80	3993,94	6117,20	9304,36	7434,44	0,30	1,53	1,52	0,80	0,55
Total current liabilities and provisions	788014,45	1490517,00	2517180,34	3494654,28	1378779,48	1,89	1,69	1,39	0,39	1,75
Balance	1080397,55	1877282,06	3546524,56	5447182,50	8287726,64	1,74	1,89	1,54	1,52	7,67

Source: calculated based on balance sheet of the UCCI

The most significant increase was in additional capital invested (952,72 times from 3575,47 thousands UAH to 3406428,74 thousands UAH), retained earnings (20,83 times from 285919,06 thousands UAH to 2679738,62 thousands UAH) and short-term bank loans (12,72 times from 26995,30 thousands UAH to 343441,00 thousands UAH). Also it should be stressed that in 2016 - 2017 UCCI had banks long-term loans that achieved 819892,06 thousands UAH.



Analysis of the structure of liabilities shown the decrease in the current liabilities and the growth of equity (from 27,06% to 73,47%).

Table 2.4

**Equity and Liabilities Structure Dynamics of The UCCI for 2013 – 2017,  
Thousand UAH**

Indicator	Data					Relative deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Registered capital	0,21	0,12	0,06	0,04	0,03	0,58	0,53	0,65	0,66	0,13
Additional capital invested	0,33	7,68	16,74	16,03	41,11	23,21	2,18	0,96	2,56	124,21
Reserve capital	0,06	0,03	0,02	0,01	0,01	0,58	0,53	0,65	0,66	0,13
Retained earnings (uncovered loss)	26,46	12,77	12,21	13,39	32,34	0,48	0,96	1,10	2,41	1,22
Total equity	27,06	20,60	29,02	29,48	73,48	0,76	1,41	1,02	-	2,72
Total long-term liabilities and provisions	0,00	0,00	0,00	6,42	9,89	-	-	-	1,54	-
Short-term bank loans	2,50	2,08	4,94	3,63	4,14	0,83	2,38	0,73	1,14	1,66
Payables for goods, works, services	69,00	76,95	65,81	60,39	12,28	1,12	0,86	0,92	0,20	0,18
Current liabilities for settlements for the budget	0,05	0,03	0,05	0,04	0,01	0,52	1,79	0,81	0,18	0,14
Current liabilities for settlements for insurance	0,04	0,04	0,00	0,00	0,03	0,83	0,00	-	11,19	0,68
Current liabilities for settlements for wages and salaries	0,10	0,10	0,00	0,02	0,09	0,95	-	-	-	0,85
Current liabilities for received advances	1,25	0,21	0,17	0,17	0,09	0,17	0,81	0,99	0,52	0,07
Total current liabilities and provisions	72,94	79,40	70,98	64,26	16,64	1,09	0,89	0,91	0,26	0,23
Balance	100,00	100,00	100,00	100,00	100,00	1,00	1,00	1,00	1,00	1,00

Source: calculated based on balance sheet of the UCCI

The increase in equity during last 5 years caused the improvement in solvency indicators. Thus, in 2013 the funding ratio was equal to 0,73, and the equity ratio - to 0,27, while in 2017 they were 0,17 and 0,83. Even if this indicators do not meet

requirements for solvency ratios , still there is an improvement in the financial state of the UCCI (Table 2.5).

*Table 2.5*

**The Dynamics of The UCCI Solvency Indicators for 2013 – 2017**

Indicator	Data					Relative deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Equity ratio	0,27	0,21	0,29	0,29	0,73	0,76	1,41	1,01	2,50	2,71
Funding ratio	0,73	0,79	0,71	0,64	0,17	1,09	0,89	0,90	0,26	0,23
Ratio of working capital	0,19	0,09	0,06	0,18	0,68	0,44	0,66	3,25	3,73	3,53
Mobility rate of equity	0,64	0,36	0,15	0,49	0,48	0,56	0,41	3,34	0,99	0,75

Source: calculated based on balance sheet of the UCCI

It should be stressed that liquidity indicators of the UCCI has also increased (the coverage ratio had the growth from 1,24 to 3,13, the quick liquidity ratio - from 0,58 to 1,03, and the absolute liquidity ratio, was equal to 0,03. In fact, just the absolute liquidity ratio was less than the recommended one during the whole period (Table 2.6).

*Table 2.6*

**The Dynamics of The UCCI Liquidity Indicators for 2013 – 2017**

Indicator	Data					Relative deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Coverage ratio	1,24	1,09	1,06	1,22	3,13	0,88	0,97	1,15	2,56	2,52
Quick liquidity ratio	0,58	0,39	0,44	0,45	1,03	0,68	1,12	1,03	2,27	1,78
Absolute liquidity ratio	0,03	0,01	0,03	0,04	0,03	0,32	3,12	1,41	0,81	1,14
Net working capital	187845,53	138770,68	149798,89	779952,68	2931280,56	0,74	1,08	5,21	3,76	15,60

Source: calculated based on balance sheet of the UCCI

The Chamber of Commerce and Industry of Ukraine participates actively in foreign economic activity. Company provides exhibition services not just in Ukraine but also abroad: in Hungary, Belarus, and Kazakhstan (Table 2.7.).

Table 2.7

**Dynamics of the Structure of Net Income of the Chamber of Commerce and Industry of Ukraine in 2013 - 2017**

Indicator	Data					Relative deviation				
	2013	2014	2015	2016	2017	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Value										
Income from providing services in Ukraine	21429,80	22893,00	12490,30	21698,80	24701,20	1,07	0,55	1,74	1,14	1,15
Income from providing services abroad	160178,67	167564,57	26480,99	23535,30	29766,72	1,05	0,16	0,89	1,26	0,19
Total	181608,47	190457,57	38971,29	45234,10	54467,92	1,05	0,20	1,16	1,20	0,30
Structure										
Income from providing services in Ukraine	11,80	12,02	32,05	47,97	45,35	1,02	2,67	1,50	0,95	3,84
Income from providing services abroad	88,20	87,98	67,95	52,03	54,65	1,00	0,77	0,77	1,05	0,62

Source: data of the UCCI

The Chamber of Commerce and Industry of Ukraine is actively organizing international exhibitions on business development in Ukraine. It should be stressed that during las years there was a tendency to increase of the number of foreign participants (table 2.8).

As can be seen from the table, during the study period there was an increase in the exhibition activity of the Chamber of Commerce and Industry of Ukraine: the number of exhibitions increased over the past 5 years as well as the number of exhibitors and visitors, although a slight decline was observed in 2015 – 2016. It should be noted that during the study period there was an increase in the average number of exhibitors at the Chamber of Commerce and Industry of Ukraine from 11 to 151, although a high level of this indicator (174) was observed in 2016. The average number of visitors increased significantly from 26367 to 35792 people.



Table 2.8

**Indicators of Services Provision by The Chamber of Commerce and  
Industry of Ukraine in 2013 – 2017**

Indicator	2013	2014	2015	2016	2017	Absolut deviation				
						2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Number of exhibitions	16	23	17	16	19	7	-6	-1	3	3
Number of participants	1778	2577	2716	2781	2865	799	139	65	84	1087
Foreign participants	2	2	2	3	3	0	0	1	0	1
Number of visitors, persons	421876	611720	644752	660227	680033	189844	33032	15475	19806	258157
Number of foreign participants, persons	1456	2111	2225	2278	2347	655	114	53	69	891
Number of paid participants, persons	1000	1450	1528	1565	1612	450	78	37	47	612

Source: data of the UCCI

The growth trend in the number of foreign participants was similar - if in 2013 there were an average of 91 foreign visitors in one exhibition, in 2017 it was 124. Positive, in our opinion, is the trend towards an increase in the number of paid participants in UCCI exhibitions, although it is necessary note that their percentage, even despite the positive trend, remains very small (Table 2.9).

Table 2.9

**Indicators of the Intensity of the Exhibition Activity of The UCCI in  
2013-2017**

Indicator	2013	2014	2015	2016	2017	Absolut deviation				
						2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Average number of participants per one exhibition	111	112	160	174	151	1	48	14	-23	40
Average number of visitors per exhibition, persons	26367	26597	37927	41264	35791	229	11330	3338	-5473	9424
Average number of foreign participants per exhibition, persons	91	92	131	142	124	1	39	11	-19	33
Average number of paid participants per exhibition, persons	63	63	90	98	85	1	27	8	-13	22

Source: data of the UCCI

Thus, the financial state of the UCCI is quite stable, and there is a significant change in the structure of income due to the increasing importance of the foreign economic activity.

Based on the fact that the UCCI is a non-profit organization and does not necessarily submit a report on the financial results, it is rather difficult to estimate the dynamics of income and expenses of the organization. Nevertheless, the dynamics of property status can act as an indicator of a rather efficient development of an enterprise.

In our opinion, the UCCI is one of the key organizations promoting the development of international business in Ukraine. Its special status allows it to achieve high results in coordinating the cooperation of domestic companies with foreign partners, ensuring the achievement of the goals of the Ukrainian business. Considering that the membership of enterprises in the Chamber of Commerce and Industry is not free, and services are also provided on a fee basis, the financial results of the company are very high. In addition, the involvement of the Chamber of Commerce and Industry in the state decision-making processes and interstate working groups allows the enterprise to increase the volume of activities every year.

The organization of exhibitions abroad is now a key area of foreign economic activity of the Chamber of Commerce and Industry of Ukraine. At the same time, the company assumes the full range of services related to the holding of such events, which allows customers to receive the highest level of service at the lowest cost. This allows the UCCI to compete in foreign markets and receive additional revenues that are directed to the development and improvement of the quality of work.

In our opinion, in the future, the activities of the Ukrainian Chamber of Commerce and Industry, including international operations, will actively grow, which will enable this enterprise to become the leader of the regional exhibition market. In addition, it is also possible that the Ukrainian Chamber of Commerce and Industry cooperates with the Chambers of Commerce, which will allow expanding the geography of business and creating new sources of income.

## **2.2. Features of the Organization of Foreign Economic Activity of The UCCI**

The Ukrainian Chamber of Commerce and Industry is multifunctional enterprise, acting in different spheres, so the organizational structure of this entity is developed according to needs and task of the UCCI (fig. 2.1).

Among the main services provided by the Ukrainian Chamber of Commerce to its members are conducting examinations, quality control and quantity of goods, determining their cost, issuing certificates of origin, declaring foreign trade operations, bar coding, legal support, analytics and language translations, advertising and publishing services. The list of activities that are carried out by the Ukrainian Chamber of Commerce in the framework of the statutory activities and in accordance with the estimates of the use of membership fees is presented in figure 2.2.

The main task of the Ukrainian Chamber of Commerce: promoting business development, scientific, technical and trade relations between domestic and foreign business entities and the beginning of new contacts.

The Chamber assists entrepreneurs in conducting trade and economic operations in the domestic and foreign markets, promotes the development of exports of Ukrainian goods and services, for which they provide their members with a wide range of professional services, including advisory services on foreign trade and market assessment, conduct an independent examination of goods assess movable and immovable property, intangible assets that provide services for bar coding of goods, patent and licensing services, etc.

The chambers provide business and legal information to Ukrainian and foreign entrepreneurs, organize seminars, conferences and exhibitions in Ukraine and abroad, provide business negotiations on economic issues. Today, the Ukrainian Chamber of Commerce is a universal institution whose activity is aimed at developing entrepreneurship and, in particular, increasing the efficiency of international economic activity.



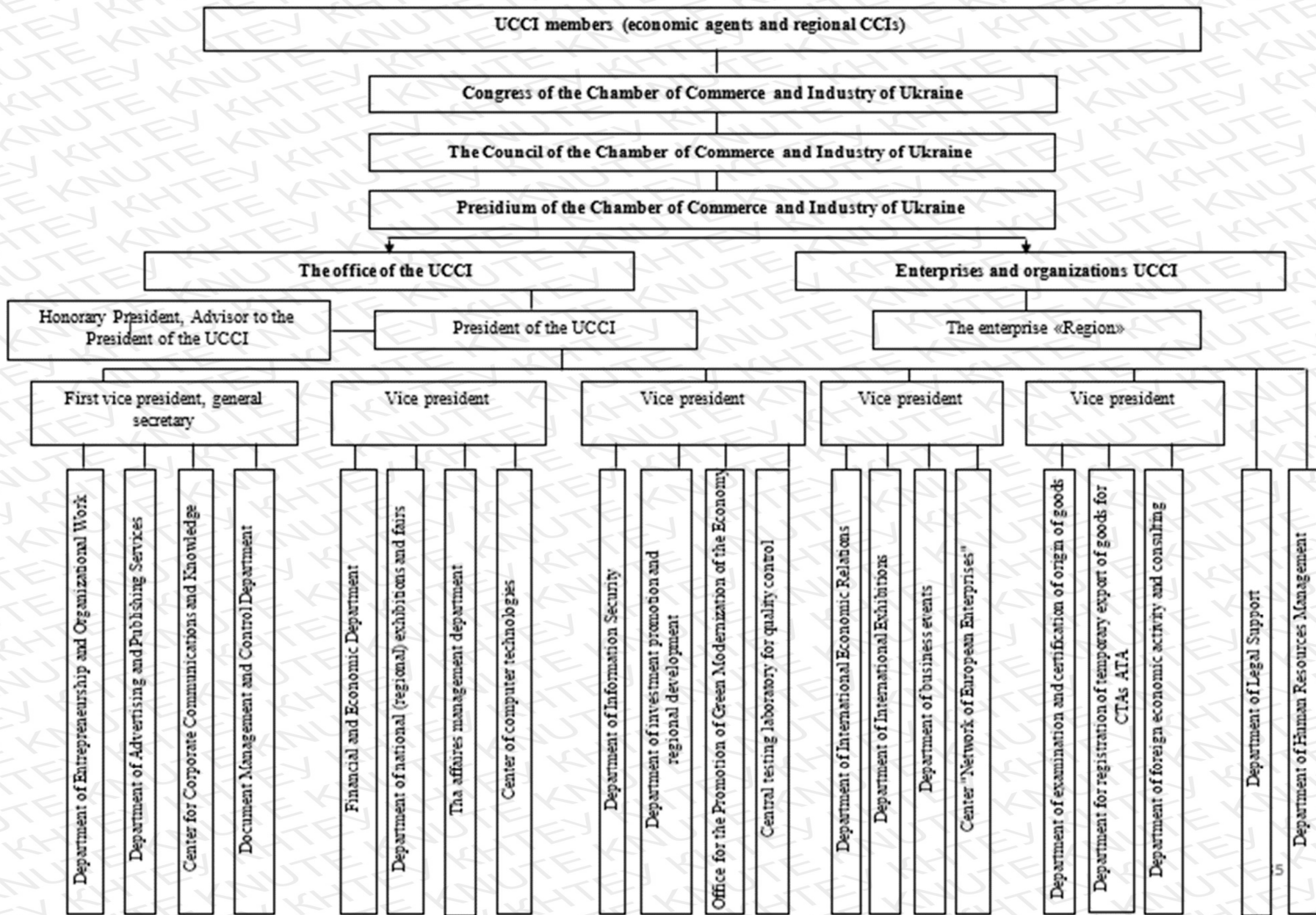
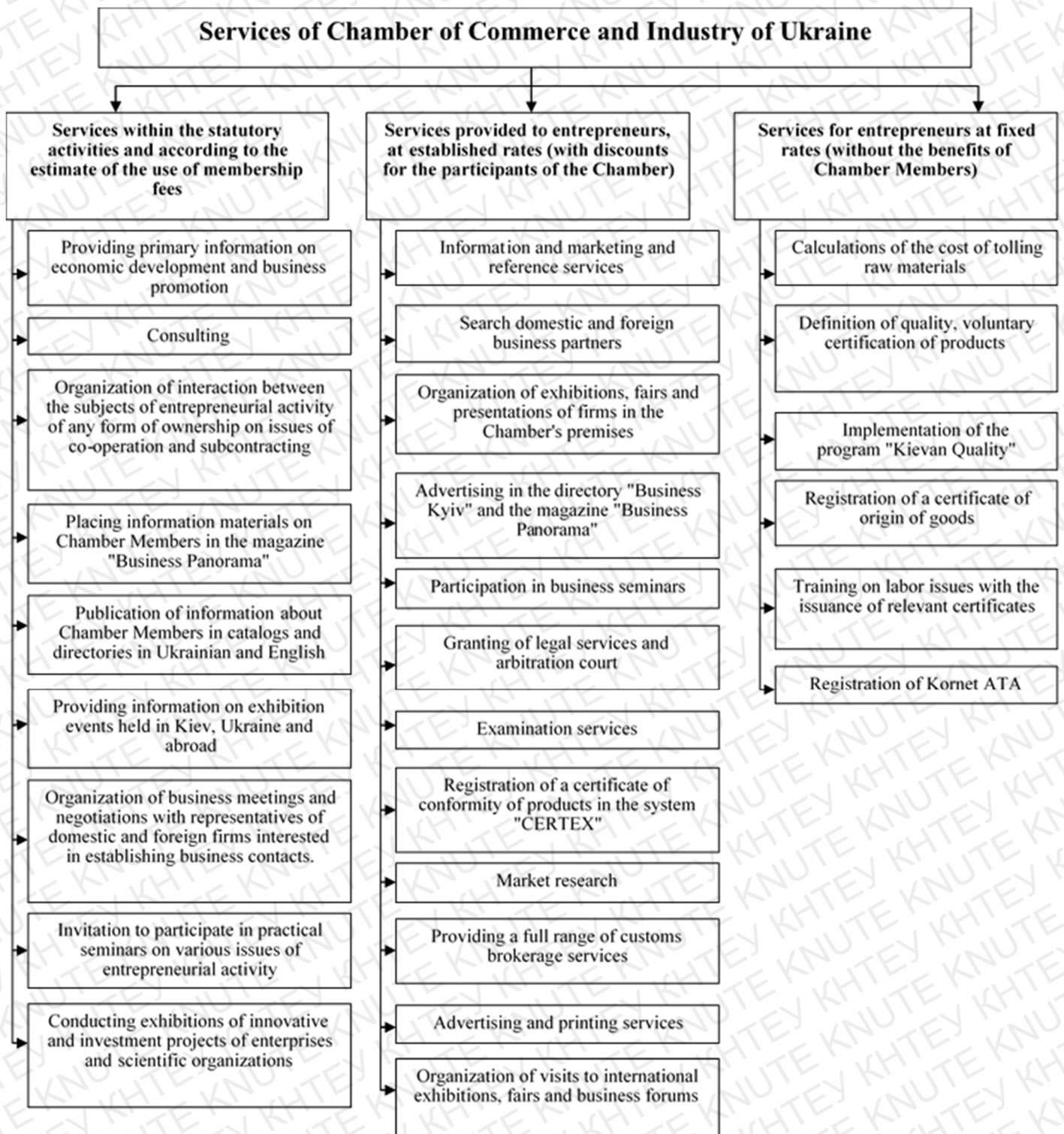


Figure 2.1. Organization chart of the UCCI

Source: [41]



**Figure 2.2. Services of Chamber of Commerce and Industry of Ukraine**

Source: [41]

Members of the Chamber have the right to:

- participate with a decisive vote in the work of general meeting (conference) of the regional chamber;
- choose delegates for the congress of the UCCI;



- choose and be chosen to the governing bodies of the regional chamber and the Ukrainian Chamber of Commerce and Industry;
- submit for consideration of the general meeting (conference), Council (Presidium), regional chamber, and also congress, Council and Presidium of the Ukrainian Chamber of Commerce and Industry propositions on issues, which are included in the sphere of activity, accordingly, of the regional chamber and the UCCI;
- receive from the regional chamber and the UCCI assistance in solution of issues, which concern their activity;
- use services of the regional chamber and the UCCI in a matter of priority and on preferential terms, which are defined by the governing bodies;
- receive for free the UCCI magazine «Business Herald» and printed publications of regional chambers [41].

Members of the Chamber are obliged to:

- actively assist in the implementation of statute tasks and functions of the Chamber;
- timely pay entrance and membership fees;
- carry out their activities by principles of respect to the partner, integrity, not allow for instances of unfair competition.

Termination of membership at the Chamber is completed on the basis of a written statement issued to the regional CCI. A Chamber member, who has not paid the membership fees throughout the year, could be excluded from the list of members of the Chamber.

In case of non-fulfillment of obligations by the Chamber member, foreseen by its Statute, the decision on exclusion from the list of Chamber members is made by the Presidium of the UCCI or the governing bodies of regional CCIs with further notification of the UCCI [41].

The main tasks of the Chamber of Commerce and Industry of Ukraine are: to promote the development of foreign economic relations, export of goods and



services, to provide practical assistance to entrepreneurs in conducting trade and economic operations in the domestic and foreign markets, to master new forms of cooperation; organization of interaction between business entities, coordination of their interaction with the state and among themselves; provision of reference and information services, basic information, not a commercial secret, on the activities of domestic and foreign enterprises.

One of the key functions of the Chamber of Commerce and Industry of Ukraine, as noted, is to promote the development of international economic relations, establish contacts between domestic and foreign entrepreneurs, with the aim of which meetings, negotiations, seminars, conferences preceding the exhibition events under the auspices of the CCI of Ukraine are held. In addition, the Chamber of Commerce and Industry of Ukraine organizes visits by Ukrainian entrepreneurs to international exhibitions abroad.

Thus, it can be argued that the exhibition activity of the Chamber of Commerce and Industry of Ukraine is actively developing, creating prerequisites for the development of a competitive environment, the introduction of innovations, and an increase in the level of business activity aimed at gaining competitive advantages. Accordingly, the activity of the Chamber of Commerce and Industry of Ukraine is an important market mechanism for the development of the national economy and international economic relations. The exhibition activity of the Chamber of Commerce and Industry of Ukraine forms a set of socio-economic effects in the economy, expressed in increasing production, expanding the tax base, importing foreign currency, and creating employment.

At the macroeconomic level, the exhibition activity of the Chamber of Commerce and Industry of Ukraine promotes the development of international trade (both imports and exports) stimulates the innovation process (including technology transfer) creates cooperative ties (in particular, interregional and international); provides investment attraction; stimulates the development of the consumer market; contributes to the reduction of the sales chain by establishing

direct contacts between producers and consumers, producers and retailers, etc. (which leads to a decrease in prices).

Considering the foreign economic activity of the Chamber of Commerce and Industry of Ukraine, it should be noticed that currently international exhibitions organized by the UCCI are held in Belarus, Moldova and Kazakhstan (Table 2.10).

*Table 2.10*

**The Value and Geographical Structure of the Export of Services for the Organization of Exhibitions of the Chamber of Commerce and Industry of Ukraine in 2013 – 2017**

Country	2013	2014	2015	2016	2017	Absolute deviation				
						2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Value, thousand UAH										
Belarus	11357,8	11217,6	6370,1	11283,3	11856,5	0,99	0,57	1,77	1,05	1,04
Kazakhstan	6439,6	7486	6120,2	8918,2	10486,8	1,16	0,82	1,46	1,18	1,63
Moldova	3632,4	4189,4	0	1497,2	2357,8	1,15	0,00	-	1,57	0,65
Total	21429,9	22893	12490,3	21698,8	24701,1	1,07	0,55	1,74	1,14	1,15
Structure, %										
Belarus	53,00	49,00	51,00	52,00	48,00	0,92	1,04	1,02	0,92	0,91
Kazakhstan	30,05	32,70	49,00	41,10	42,45	1,09	1,50	0,84	1,03	1,41
Moldova	16,95	18,30	0,00	6,90	9,55	1,08	0,00	-	1,38	0,56

Source: data of the UCCI

Among the services provided internationally, the largest is the revenue got from the exhibition activity abroad (1916,8 thousand UAH). The share of services of assistance to Ukrainian companies in participation in exhibitions abroad was also important (37%) (Table 2.11).

Table 2.11

**The Value and Type Structure of the Export of Services for the  
Organization of Exhibitions of the Chamber of Commerce and Industry of  
Ukraine in 2013 – 2017**

Country	2013	2014	2015	2016	2017	Absolute deviation				
						2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Value, thousand UAH										
Other services	10200,6	10622,3	5658,1	9929,4	10917,9	1,04	0,53	1,75	1,10	1,07
Custom clearance	8593,4	9637,9	5027,3	8592,7	9213,5	1,12	0,52	1,71	1,07	1,07
Technical support	0,0	0,0	0,0	499,1	1012,7	-	-	-	2,03	-
Organization of expo participation abroad	728,6	950,1	545,8	1126,2	1916,8	1,30	0,57	2,06	1,70	2,63
Expo organization abroad	1907,3	1682,6	1259,0	1551,5	1640,2	0,88	0,75	1,23	1,06	0,86
Total	21429,8	22893,0	12490,3	21698,8	24701,2	1,07	0,55	1,74	1,14	1,15
Structure, %										
Other services	47,60	46,40	45,30	45,76	44,20	0,97	0,98	1,01	0,97	0,93
Custom clearance	40,10	42,10	40,25	39,60	37,30	1,05	0,96	0,98	0,94	0,93
Technical support	0,00	0,00	0,00	2,30	4,10	-	-	-	1,78	-
Organization of expo participation abroad	3,40	4,15	4,37	5,19	7,76	1,22	1,05	1,19	1,50	2,28
Expo organization abroad	8,90	7,35	10,08	7,15	6,64	0,83	1,37	0,71	0,93	0,75

Source: data of the UCCI

Recognizing its responsibility for the development of the UCCI, the conformity of the management system to international standards, continuous improvement of its effectiveness, the UCCI management identified the main directions of its quality policy:



- forms a favorable business climate for development of entrepreneurial activity and investment promotion;
- creates favorable conditions for dialogue between business and government;
- forms the agenda of business for the government;
- continuously improves processes of services provision and expands the spectrum of services according to client expectations;
- creates a system of partner relations according to principles of mutually beneficial cooperation, trust and coordination of strategic development goals;
- supports and effectively develops the international trade system, actively cooperates with chambers of commerce and industry around the world with the goal to promote national export;
- receives public recognition by way of creation of a positive image, high level of service, professionalism;
- pays particular attention to development of potential of its staff, raising the level of competence and their involvement in ongoing activities on raising quality of services;

The CCI system in Ukraine – a stable, extensive network and resource base on the level of best world practices of management and professional staff at international level;

The management of the Ukrainian Chamber of Commerce and Industry ensures conformity of the organization activity to requirements of the standard ISO 9001:2008, norms of national and international legislature, carrying out audits of business processes and their continuing updating, definition of organization development goals, risk identification and measures to minimize them, which in conjunction guarantees continuous improvement of the management system and support of its integrity and sustainability.

## **2.3. Efficiency Assessment of The UCCI Foreign Economic Activity Organization**

Exhibitions held by the Ukrainian Chamber of Commerce and Industry is one of the most effective tools for marketing products. The costs of an enterprise for the sale of products through the exhibitions of the Ukrainian Chamber of Commerce and Industry (per visitor) are usually 3 times lower than in terms of direct sales, causing a significant interest of visitors to these events. Exhibitions of the organization provide information on the participating companies to a wide audience, and along with significant coverage, the exhibitor will benefit from personal communications with potential customers.

The purpose of international exhibitions held by the Ukrainian Chamber of Commerce and Industry is to promote the expansion of the sales market, and the main categories of contracts that are signed are agreements on the exposed samples (models, drawings, catalogs) with the subsequent delivery of goods and agreements on the exposed samples (selling the most exhibitors) with their delivery after the end of the exhibition.

Organizing international expeditions, the Ukrainian Chamber of Commerce and Industry actively cooperated with The European Enterprise Network (EEN) is the the world's largest support network for small and medium sized businesses (SMEs) with international ambitions. It has 3,000 experts across 600 member organizations in more than 60 countries. Member organizations include chambers of commerce and industry, technology centers, and research institutes. The Network helps ambitious SMEs innovate and grow internationally. It provides international business expertise with local knowledge across a range of targeted services: partnership, advisory, innovation support.

The Ukrainian Chamber of Commerce and Industry, as a participant of the consortium «EEN-Ukraine», is offering to use the potential of the European Enterprise Network with the goal to expand investment and trade opportunities

for Ukrainian enterprises and provides the following services jointly with regional chambers:

- search for partners-investors in countries-participants of EEN;
- search for innovational technologies in countries-participants of EEN;
- search for partners in countries-participants of EEN for creation of joint enterprises;
- search for partners in countries-participants of EEN for import and export of goods.

EEN Priorities are SME internationalization – search for partners in 65 countries; innovations commercialization – technologies transfer, search for investor/partner abroad for introduction of new technological products or services into the market, protection of intellectual property rights.

The Enterprise Europe Network was launched in February 2008 by the European Commission. It is co-financed under COSME (Competitiveness of Small and Medium-sized Enterprises) — an EU funding programme designed to encourage the competitiveness of European enterprises. The programme runs from 2014-2020 with a planned budget of EUR 2.3 bn.

It should be noted that the role of exhibitions differs somewhat depending on their scale and level of specialization. Exhibitions of the Ukrainian Chamber of Commerce and Industry held in Ukraine give an idea of the development of the national economy and the economic situation in the country. Exhibitions, participation is organized by the Chamber of Commerce and Industry, on the contrary, give domestic enterprises to improve relations with foreign partners.

To assess the effectiveness of the exhibition events of the Ukrainian Chamber of Commerce and Industry, it is necessary to compare the income received by the organization with the costs incurred to receive them. The main items of expenditure incurred by the company in this case include the remuneration of staff, the cost of material and technical support for exhibitions, advertising costs. The data received from the Ukrainian Chamber of Commerce and Industry show that in recent years there has been an increase in all elements



of the costs of organizing exhibitions in Ukraine. At the same time, expenses in 2015 grew faster than revenues, which led to a decrease in the efficiency ratio from 1,25 to 1,20, whereas in 2015 - 2016 the level of efficiency increased, which was due to cost optimization. In 2017, the efficiency ratio increased to the level of 2014 and amounted to 1,25 (Table 2.12).

Table 2.12

**Dynamics of Efficiency Indicators of Providing International Services of Ukrainian Chamber of Commerce in 2013 – 2017, thn UAH**

Indicator	Year					Relative deviation				
	2013	2014	2015	2016	2017	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Income from providing services abroad	21429,8	22893,0	12490,3	21698,8	24701,2	1,07	0,55	1,74	1,14	1,15
Cost of providing services, including	17286,7	18326,6	10418,1	17651,4	19817,0	1,06	0,57	1,69	1,12	1,15
- transportation of staff	1036,6	1188,5	698,9	1098,9	1210,3	1,15	0,59	1,57	1,10	1,17
- salary for staff	8707,6	9866,3	5560,0	9174,8	10085,1	1,13	0,56	1,65	1,10	1,16
- daily allowance	1084,3	1183,9	644,0	1103,1	1235,3	1,09	0,54	1,71	1,12	1,14
- food costs	673,8	728,8	401,6	685,5	767,6	1,08	0,55	1,71	1,12	1,14
- accommodation	3296,5	3475,6	2016,0	3205,9	3637,3	1,05	0,58	1,59	1,13	1,10
- Costs of material and technical support of projects	622,0	672,7	370,7	632,7	708,6	1,08	0,55	1,71	1,12	1,14
- Other expenses	1865,9	1210,9	729,0	1750,6	2172,9	0,65	0,60	2,40	1,24	1,16
The effect of providing services	4143,1	4566,4	2072,1	4047,4	4884,2	1,10	0,45	1,95	1,21	1,18
Service delivery efficiency	1,24	1,25	1,20	1,23	1,25	1,01	0,96	1,03	1,02	1,01

Source: data of the UCCI

Assessing the effectiveness of the provision of international services of the Chamber of Commerce and Industry of Ukraine, it is advisable to calculate both for the enterprise as a whole and in the context of the counterparty countries, since the calculations can be used to optimize the geographical structure of foreign economic activity. This is due to the fact that the expenses of the enterprise in

different countries will be unequal, which is associated with different daily rates, unequal expenses for food, accommodation, transportation of workers. To assess the effectiveness of the provision of services, it is advisable to calculate the effect of the operation and its efficiency ratio. The effect of a transaction is the difference between the income received from the transaction and the expenses incurred to generate these incomes. The efficiency ratio is calculated as the quotient of dividing the revenue from the provision of services into expenses incurred by the enterprise.

*Table 2.13*

**Dynamics of Efficiency Indicators of Providing International Services to Belarus in 2013 – 2017, Thousands UAH**

Indicator	Year					Relative deviation				
	2013	2014	2015	2016	2017	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Income from providing services abroad	11357,8	11217,6	6370,0	11283,4	11856,6	0,99	0,57	1,77	1,05	1,04
Cost of providing services, including	9165,4	9047,9	5413,8	9236,9	9544,3	0,99	0,60	1,71	1,03	1,04
- transportation of staff	549,6	586,7	363,2	575,0	582,9	1,07	0,62	1,58	1,01	1,06
- salary for staff	4616,8	4871,0	2889,3	4801,1	4857,2	1,06	0,59	1,66	1,01	1,05
- daily allowance	574,9	584,5	334,6	577,2	594,9	1,02	0,57	1,73	1,03	1,03
- food costs	357,2	359,8	208,7	358,7	369,7	1,01	0,58	1,72	1,03	1,03
- accommodation	1747,8	1715,9	1046,6	1677,6	1751,8	0,98	0,61	1,60	1,04	1,00
- Costs of material and technical support of projects	329,8	332,1	192,6	331,1	341,3	1,01	0,58	1,72	1,03	1,03
- Other expenses	989,3	597,8	378,8	916,1	1046,5	0,60	0,63	2,42	1,14	1,06
The effect of providing services	2192,4	2169,6	956,3	2046,4	2312,3	0,99	0,44	2,14	1,13	1,05
Service delivery efficiency	1,24	1,24	1,18	1,22	1,24	1,00	0,95	1,03	1,02	1,00

Source: data of the UCCI

The data in the table indicate that over the past 5 years, income from the provision of services for organizing exhibitions in Belarus has increased from 11.36 million UAH. to UAH 11.86 million, which, given the hryvnia exchange rate decline, indicates a decrease in activity in this market. At the same time, the costs of the company increased from 9.16 million UAH. to 9.54 million UAH., which indicates that the company took into account in the pricing process changes in market conditions. In 2015 - 2016, however, there was a significant decrease in efficiency, which was due to the unavailability of the Ukrainian Chamber of Commerce and Industry to the unstable dynamics of the exchange rate and led to a significantly greater increase in costs compared with the increase in profitability. In general, today the level of efficiency of holding exhibitions in Bellarus is 1.24, which is equal to the indicator of 2013.

While the efficiency of holding exhibitions in Belarus has not increased over the last 5 years, the results of exhibitions in Kazakhstan have improved significantly, and the effect of providing services with less income was close to the effect obtained in the Belorussia market. Thus, over the past 5 years, income from the provision of services abroad increased from 6.44 to 10.49 million UAH. (63%), while costs increased by only 59%. This is what led to an increase in the level of efficiency from 1.23 in 2013 to 1.26 in 2017 (Table 2.14).

At our opinion, such results can be explained by the fact that today the competition in the Belarusian market is quite intense, besides there are Russian companies, whose level of services in many aspects relating to marketing and technological support for exhibitions is much higher. In addition, the demand for services of Ukrainian companies in the Belarusian market is falling due to the current situation. All this causes a decrease in the level of efficiency. The Kazakhstan market, by contrast, is promising for Ukraine due to the growing demand for domestic goods and services.

In general, we can talk about the prospects of the Kazakh direction for Ukraine as a whole, and for the Ukrainian Chamber of Commerce and Industry as



a service-providing organization. In our opinion, over the next periods, demand in this market will continue to grow.

Table 2.14

**Dynamics of Efficiency Indicators of Providing International Services to Kazakhstan in 2013 – 2017, Thousands UAH**

Indicator	Year					Relative deviation				
	2013	2014	2015	2016	2017	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Income from providing services abroad	6439,6	7486,0	6120,2	8918,2	10486,8	1,16	0,82	1,46	1,18	1,63
Cost of providing services, including	5248,6	5961,5	5004,4	7200,8	8356,0	1,14	0,84	1,44	1,16	1,59
- transportation of staff	314,7	386,6	335,7	448,3	510,3	1,23	0,87	1,34	1,14	1,62
- salary for staff	2643,8	3209,4	2670,8	3742,8	4252,5	1,21	0,83	1,40	1,14	1,61
- daily allowance	329,2	385,1	309,3	450,0	520,8	1,17	0,80	1,45	1,16	1,58
- food costs	204,6	237,1	192,9	279,6	323,7	1,16	0,81	1,45	1,16	1,58
- accommodation	1000,9	1130,6	967,4	1307,8	1533,7	1,13	0,86	1,35	1,17	1,53
- Costs of material and technical support of projects	188,9	218,8	178,1	258,1	298,8	1,16	0,81	1,45	1,16	1,58
- Other expenses	566,5	393,9	350,2	714,2	916,2	0,70	0,89	2,04	1,28	1,62
The effect of providing services	1191,0	1524,5	1115,9	1717,4	2130,8	1,28	0,73	1,54	1,24	1,79
Service delivery efficiency	1,23	1,26	1,22	1,24	1,26	1,02	0,97	1,02	1,02	1,02

Source: data of the UCCI

With the exception of 2015, the Chamber of Commerce and Industry of Ukraine also provided services for organizing exhibitions for Moldovan enterprises. Compared with other markets, the situation in this direction has deteriorated significantly: revenues have declined significantly (from 3.63 million UAH to 2.36 million UAH). At the same time, the level of efficiency also decreased from 1.26 to 1.23, with no prerequisites for improving the situation.

At our opinion, the Ukrainian Chamber of Commerce and Industry needs to consider possible sources of diversification of activities, which would allow to compensate for the deterioration of results in the Moldovan market (Table 2.15).

Table 2.15

**Dynamics of Efficiency Indicators of Providing International Services to Moldova in 2013 – 2017, Thousands UAH**

Indicator	Year				Relative deviation			
	2013	2014	2016	2017	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Income from providing services abroad	3632,4	4189,4	1497,2	2357,9	557,0	-2692,2	860,7	-1274,5
Cost of providing services, including	2872,7	3317,2	1213,6	1916,7	444,5	-2103,6	703,1	-956,0
- transportation of staff	172,3	215,1	75,6	117,1	42,8	-139,6	41,5	-55,2
- salary for staff	1447,0	1785,8	630,8	975,5	338,8	-1155,0	344,6	-471,6
- daily allowance	180,2	214,3	75,8	119,5	34,1	-138,5	43,6	-60,7
- food costs	112,0	131,9	47,1	74,2	19,9	-84,8	27,1	-37,7
- accommodation	547,8	629,1	220,4	351,8	81,3	-408,7	131,4	-196,0
- Costs of material and technical support of projects	103,4	121,8	43,5	68,5	18,4	-78,3	25,0	-34,8
- Other expenses	310,1	219,2	120,4	210,2	-90,9	-98,8	89,8	-99,9
The effect of providing services	759,7	872,3	283,6	441,1	112,5	-588,7	157,6	-318,6
Service delivery efficiency	1,26	1,26	1,23	1,23	0,00	-0,03	0,00	-0,03

Source: data of the UCCI

In general, despite the deterioration of the situation in Moldova, it can be stated that the foreign economic activity of the Ukrainian Chamber of Commerce and Industry is quite effective. The organization of exhibitions, which is the main international direction, has been actively developing in recent years, although, in our opinion, it makes sense for an enterprise to actively explore the experience of developed countries and develop in the direction of providing services to the EU. This will, on the one hand, significantly improve the quality of services, and on the other - will lead to an increase in income.

Thus, the exhibition activity of the Ukrainian Chamber of Commerce and Industry is quite effective by economic criteria. In addition, exhibitions organized by the Chamber of Commerce and Industry in a modern business environment facilitate direct communication between the client and the exhibitor, the exhibitor with potential partners, allow you to evaluate real products, provide an opportunity to analyze the market, evaluate the competitiveness of various products, choose the best, create conditions for analyzing competitors and identifying own strengths and weaknesses, reduce the cost of financial resources and time to search for new contractors that provide information. Information exchange between market participants, provide information on new technologies that are used in the industry, contribute to the formation of a positive image of participating companies and give an idea of changes in the position of enterprises in the market.

Participation in exhibitions of the Ukrainian Chamber of Commerce and Industry allows participating enterprises to form an image as a reliable partner. Considering this, for a significant part of enterprises the fact of participation in the exhibition is important, since they have the opportunity to remind other market participants about themselves. The exhibition allows to improve the commitment of existing customers and provides an opportunity to attract the interest of new consumers.

In our opinion, the role of the Ukrainian Chamber of Commerce and Industry in the development of exhibition activities in Ukraine is extremely high, since the international relations of this organization make it possible to attract numerous international partners to participate in exhibitions, which positively affects the image of Ukraine as a subject of international exhibition activities, and besides this gives enterprises members of the chamber to establish international relations, thereby increasing the efficiency of their own economic activities.

Today, the activities of the Ukrainian Chamber of Commerce and Industry, although internationally commercial, are aimed primarily at creating prerequisites for the development of domestic business. At our opinion, under the condition of increasing the effectiveness activities can be expected that the performance of the functions of the organization will be even better and one that is in the interests of the country and business.



## CONCLUSIONS TO CHAPTER 2

The Chamber of Commerce and Industry of Ukraine in accordance with the Law of Ukraine “On Chambers of Commerce and Industry in Ukraine” is a non-governmental non-profit self-governing organization that voluntarily unites legal entities and citizens of Ukraine registered as entrepreneurs and their associations. During 2013 to 2017, the value of UCCI’s assets has grown 7.67 times – from 1080397,55 thousands UAH to 8286957,64 thousands UAH. This increase was caused by both growth of non-current and current assets.

The increase in equity during last 5 years caused the improvement in solvency indicators. Thus, in 2013 the funding ratio was equal to 0,73, and the equity ratio - to 0,27, while in 2017 they were 0,17 and 0,83. Even if this indicators do not meet requirements for solvency ratios, still there is an improvement in the financial state of the UCCI.

The chambers provide business and legal information to Ukrainian and foreign entrepreneurs, organize seminars, conferences and exhibitions in Ukraine and abroad, provide business negotiations on economic issues. Today, the Ukrainian Chamber of Commerce is a universal institution whose activity is aimed at developing entrepreneurship and, in particular, increasing the efficiency of international economic activity.

Considering the foreign economic activity of the Chamber of Commerce and Industry of Ukraine, it should be noticed that currently international exhibitions organized by the UCCI are held in Belarus, Moldova and Kazakhstan. Among the services provided internationally, the largest is the revenue got from the exhibition activity abroad (1916,8 thousand UAH). The share of services of assistance to Ukrainian companies in participation in exhibitions abroad was also important (37%). In 2015 - 2016 the level of efficiency increased, which was due to cost optimization. In 2017, the efficiency ratio increased to the level of 2014 and amounted to 1,25.

## **PART 3**

### **IMPROVEMENT OF UKRAINIAN CHAMBER OF COMMERCE AND INDUSTRY FOREIGN ECONOMIC ACTIVITY ORGANIZATION**

#### **3.1. Priority Directions for The UCCI Foreign Economic Activity Organization Improvement**

To assess the promising areas of development of the international exhibition activity of the Ukrainian Chamber of Commerce and Industry, it is advisable to conduct a SWOT analysis and identify the strengths and weaknesses of the organization, as well as threats and opportunities of the external environment.

The analysis carried out in the second chapter allowed us to state that the strengths of the organization in the field of exhibition activity include the availability of qualified personnel, long experience in the exhibition services market, and the reputation of a reliable partner with an extensive network of partners abroad. At the same time, a significant turnover of staff related to the low level of wages, insufficient funding and low advertising activity are among the weaknesses of the company.

It should be noted that, given the significant dependence of the demand for exhibition services on the macroeconomic situation in the country, the influence of environmental factors on the CCI exhibition activities is no less noticeable.

The exhibition activity of the Ukrainian Chamber of Commerce and Industry is of great importance as an important factor in the development of the domestic market and exports, the innovation process, industrial cooperation, and the attraction of investments and technologies. Exhibition events organized by the Chamber of Commerce and Industry are, above all, places of personal meeting of producers and suppliers with their customers, consumers, and business partners. In addition, the exhibitions organized by the Chamber of Commerce and Industry

evoke particular confidence in the representatives of international business, since they provide the opportunity for dialogue under the auspices of the organization and are trusted throughout the world. The exhibition activity of the CCI is of particular importance in an age of high speeds and a lack of communication, when the variety and complexity of goods increases, and their life cycle shortens.

Today CCI exhibitions are regarded as an effective tool for marketing and sales, establishing contacts with new customers and maintaining existing ones, studying the market and bringing new products and services to the market, creating a positive image of the company and its brands.

Exhibition activity is one of the most dynamic areas of the Ukrainian Chamber of Commerce and Industry, playing an important role in strengthening international relations, domestic and foreign trade, promoting new technologies and new products, encouraging positive structural changes in the economy, promoting scientific, technological and technological renewal of domestic production. .

So, an important problem of the Ukrainian Chamber of Commerce and Industry, which does not allow to increase the efficiency of international exhibition activity, is the opacity of the exhibition market. The lack of reliable data on exhibition activities leads to unfair competition, to the impossibility of a weighted choice of exhibitions by their participants and visitors, to the impossibility of market research. Some unscrupulous organizers report dozens or even hundreds of thousands of visitors, while a simple calculation shows that all these people simply could not enter the exhibition hall. This complicates the work of the CCI and reduces the credibility of the organization with Ukraine.

The next problem of reinforcement is that the exhibition market in Ukraine is extremely diffuse - a huge number of small exhibitions are held (for comparison, there are 120 organizers in Ukraine, about 550 exhibitions covering 280 thousand square meters; at the same time, in Poland there are 26 organizers,



233 exhibitions with an area of 650 thousand square meters). Such a degree of dispersion of the market, as in Ukraine, cannot be considered a positive phenomenon. It would seem that we should rejoice at the high level of competition, but in fact fair competition does not work.

A huge number of very small exhibitions organized by non-professionals (enterprises for which this activity is secondary or even episodic, or even random), exhibitions that are held with a low level of service, in unsuitable premises, exhibitions similar to the market, cause only negative consequences: low efficiency, dissatisfaction of participants and visitors, the fall of the image of exhibition activities in general.

Spraying the market also means a slow rate of accumulation of investment potential, know-how and experience in the exhibition industry. Market consolidation processes are going on their own, very slowly. Thus, the Kiev Chamber of Commerce could influence the formation of the market for exhibition services by initiating the establishment of industry standards, publishing summary exhibition plans, encouraging an audit of statistical data, determining the categorization of exhibitions and the like.

Another problem for the Ukrainian Chamber of Commerce and Industry is the arrival of foreign exhibition organizers in Ukraine. The Ukrainian market of exhibition services is becoming more attractive for foreigners who come to Ukraine for a few years to "skim the cream off."

Unfortunately, public authorities and administrations often officially support exhibitions of foreign organizers, even when there are fatigued exhibitions of domestic organizers of the same subject matter. This leads to unfair competition when foreign organizers start dozens of new exhibitions for the whistling of support, destroying the key domestic exhibitions and damaging the exhibition industry as a whole. The summarized results of the analysis are presented in the SWOT matrix in Table. 3.1.

Table 3.1

**SWOT-Analysis of the Foreign Economic Activity of The Ukrainian  
Chamber of Commerce and Industry**

<p style="text-align: center;"><b>Strengths</b></p> <p>Skilled staff Reputation of a reliable partner Extensive network of partner organizations Acceptable cost of providing services Wide assortment of additional services High efficiency of exhibition activity Material and technical support</p>	<p style="text-align: center;"><b>Weaknesses</b></p> <p>High turnover of frames Insufficient financing of exhibition activity Limited use of promotional tools Limited Countries in Exposure to Domestic Producers</p>
<p style="text-align: center;"><b>Opportunities</b></p> <p>Increasing the role of exhibition activity as a marketing tool Possibilities of cooperation with CCI of other countries Demand for organization services from domestic business and foreign enterprises</p>	<p style="text-align: center;"><b>Threats</b></p> <p>Opacity and non-regulation of the domestic market of exhibition services Lack of reliable market data Unfair competition Dissemination of the exhibition services market</p>

Source: developed by author

Thus, one of the important areas for improving the international exhibition activity of the Ukrainian Chamber of Commerce and Industry is diversification of the organization's geography. It is primarily about increasing the number of countries in which expositions of domestic enterprises are organized, as well as expanding the range of exhibitions that CCI participants can attend on preferential terms. Today, the activity of the Ukrainian Chamber of Commerce and Industry is focused mainly on Asian and European countries, while the American direction is also quite promising for domestic business.

The problem of reliable statistics, which is extremely acute for the Ukrainian Chamber of Commerce and Industry, can be solved in two ways. Firstly, the introduction of state statistical reporting for enterprises and organizations that have the relevant type of activity would make it possible to have at least unverified, but more or less reliable information. Secondly, it is

necessary to introduce an audit of statistics on exhibitions, which exists in all leading countries of the world, and this movement should be the system of chambers of commerce as the leading organizations in the field of exhibition business. The main principles of the audit are the unity of standards, the possibility of comparison and independence. This means that audits should always be subject to the same data that is collected and verified in each case using the same methodology. Therefore, an audit should be carried out mainly by a professional audit firm, which is fully responsible for both the veracity of the audit and non-disclosure of the commercial secret of the audited.

Methods of audit of exhibition statistics, which are used in most European countries, despite some differences (regarding minor details), are generally consistent with each other. It is these techniques that are used by Ukrainian firms that are conducting an audit today. Kiev Chamber of Commerce it was advisable to initiate the creation of an audit system at the state level in Ukraine, for example, as follows: to include in the master plan of exhibitions only those exhibitions that last year passed an audit to recommend to ministries and departments to support only those exhibitions that were audited.

Despite the fact that the Chamber of Commerce and Industry cannot directly influence the state policy in the field of exhibition business, it is expedient to hold measures to improve the skills of domestic exhibition companies under the auspices of the Chamber of Commerce and Industry. With a transparent policy of the state and support of the Chamber of Commerce and Industry, domestic enterprises organizing exhibitions win the competition - they know the market better, they have experience and qualifications. The way out is to conduct such a state policy, when state support (official recognition) can be provided only to exhibitions of domestic organizers.

One of the main reasons for the unsatisfactory use of exhibitions of the Ukrainian Chamber of Commerce and Industry as a tool for economic development is that entrepreneurs are not familiar enough with the capabilities of this important tool. In Ukraine, as already mentioned, there is no longstanding



tradition of exhibition activity (in the modern sense), unlike other developed countries of the world. The problem of entrepreneurs' education should, first of all, be solved by the exhibition companies themselves, and in particular by the CCI. The program of state information support of the largest industry and regional exhibitions could solve this problem without extra cost. "The main directions of the state information policy" include a section on exhibition and fair activity, but this work has not begun.

The participation of foreign companies in exhibitions in Ukraine today is very small. And it is insulting, because foreign participants and visitors of exhibitions are a source of foreign currency (by the way, this is payment for services — that is, without exporting goods from Ukraine), an important factor in the development of business tourism, a tool to influence Ukraine's image in the world. Expanding international participation is a challenge that is complex and large for the exhibition industry itself, however, given the possibilities of the Ukrainian Chamber of Commerce and Industry to cooperate with Chambers in other countries of the world. In our opinion, in order to increase the number of foreign participants in domestic exhibitions, it is necessary to unite the efforts of the CCI, non-state enterprises and the government. In addition, the trade missions of Ukraine abroad, representative offices of Ukrainian airline and travel companies, etc, could be of great assistance.

When implementing certain areas of improvement of the activity of the Ukrainian Chamber of Commerce and Industry, one can hope that in the coming years, exhibitions in Ukraine will become even more efficient, vibrant, informationally saturated, the market will become more transparent, and entrepreneurs will become more knowledgeable. It is necessary to recognize the exhibition activity in Ukraine as a priority industry and actively direct work to increase the efficiency of the exhibition business as an important lever for increasing export potential, promoting domestic products to international markets, attracting advanced foreign companies to participate in the development of the economy and improving the efficiency of the Ukrainian economy. Directions for

improving the international exhibition activity of the Ukrainian Chamber of Commerce and Industry are presented in Fig. 3.1.



Figure 3.1. Areas of Improvement of the International Exhibition Activity of The Ukrainian Chamber of Commerce and Industry

Source: developed by author

In our opinion, the actions of the Ukrainian Chamber of Commerce and Industry should today be aimed at improving the qualifications of staff and improving the selection process of candidates to reduce costs due to high staff turnover, enhance marketing, find new forms of interaction with customers. Entering new markets, expanding the circle of partners, improving the quality of services will help strengthen the company's position in the market and increase the efficiency of its international operations.

The Internet is increasingly penetrating into many areas of human activity, including the exhibition business. The use of the Internet in the exhibition business will allow to carry out some important tasks for exhibition organizers, namely:

1) search for relevant information, especially about markets, potential partners and customers;

2) obtaining a certain education, and it is going to a rich collection of addresses of exhibition companies from around the world. Regularly visiting the websites of leading companies, you can learn new technologies of exhibition business, learn and at the same time monitor the modern world level of exhibitions, view useful new products and know-how, understand what the world's standard for exhibition services in the world today is to raise this level;

3) the advertising campaign on the Internet as individual exhibitions, and the exhibition company as a whole. To do this, use the company's website, websites of individual exhibitions, banner exchange programs with partners, various promotional activities;

4) conducting public relations;

5) conducting marketing research;

6) cooperation with the owners of various foreign information resources that have information about the company's exhibitions in their directories. Having there their information there, they thereby advertise the company, providing potential participants from other countries with information about what is happening in Ukraine, in particular, in its exhibition industry;

7) access to some target groups, can be done only with the help of the Internet and the like.

For the further positive impact of the Ukrainian Chamber of Commerce and Industry on the development of international economic relations, it is necessary to search for opportunities for cooperation with foreign companies that provide exhibition space and equipment for rent, as well as forging communication with potential customers.



### **3.2. Justification of measures for UCCI foreign economic activity organization efficiency improvement**

In order to increase the efficiency of the foreign economic activity of the UCCI, it is also important to pay attention on the marketing. Marketing activity is an integral part of each of the company engaged in exhibitions organization. Increasing competition, increasing international division of labour, new customer demands encourage enterprises to use not only the individual tools of marketing, but also a full complex of marketing activities.

Previously, many services providers paid attention mainly on finance, production, marketing etc. But in modern market conditions, and especially the current unstable situation, enterprises have to be more flexible and dynamic. So urgent is the problem of effective management of the enterprise, which would be focused exclusively on the needs of the consumer and the market in general. The basic concept of management in the conditions of market becomes particularly marketing.

Today many Ukrainian enterprises face problems of implementation and further promotion of their services. These difficulties are connected with a low level of awareness of consumers about the products, conditions, competitive advantages and characteristics. These problems concern still and activity of UCCI, that is related to the following reasons:

- lack of uniform methodological approach to the marketing concept of the exhibitions organized;
- orientation of the company management on outdated marketing concepts;
- absence of clear strategic goals and plans of the company;
- insufficient activity of the company in the field of advertising and sales promotion;
- absence of efficient feedback system.

Although this company is considered large in scale of exhibition services provision, but it has to deal with the problems of inadequate market research, customers and competitors, which leads to inefficient planning of its activities. As criteria for decision-making of marketing activities can be used: value of the turnover; market share; distribution expenses; degree of branching of distribution networks, which are characterized by the level of preservation of the product in the process of its sales from manufacturer to the end user; the image of sales channels, i.e., organizations that provide distribution and marketing of goods; the level of cooperation between the subjects in the distribution system, reduce conflicts and commercial risk; flexibility and survivability of network marketing.

But based on a preliminary analysis, we can conclude that marketing is not the only way of promoting the services, but also the philosophy of interaction and coordination of entrepreneurial, management concept, a means of providing advantages in the competitive environment and the method of finding the solution. That is, for the successful functioning of the system of international marketing and business of the UCCI in general, interaction of all divisions of the enterprise in the sphere of marketing activity is needed. But the main problem for the development of international marketing is the lack of information about the market, the consumer and the environment UCCI acts.

Considering the problems of market research is necessary to identify the factors determining the state of the market and see their relationship. Availability of resources is the main factor, which determines demand. The other less important side, defining the demand, is characterized by cash income and its distribution. The main factors affecting the demand are the following: the income; prices; expenses on the services.

The most common method of research, that can be used by the UCCI is a questionnaire-based survey. The UCCI should form a representative sample of clients, among which the surveys will be conducted. After the respondents' assessment of the level of achievement in each given in the questionnaire

criterion, process of the identification of strengths and weaknesses of the enterprise activity should be performed.

Currently, in our opinion, it's necessary to make adequate marketing plans to ensure the effectiveness of the UCCI activity. The purpose of a marketing plan is to decide how the UCCI will sell services to consumers. Rather than assuming service is perfect for everyone, the plan focuses on key people who are most likely to buy it. For some small companies or professionals, the marketing plan might be completely referral based, which means the strategy is to provide the best possible results so existing customers tell everyone they know about you.

While this is one type of strategy often utilized, it rarely is enough to sustain a new business over years of growth and development and ultimately, it doesn't help a large business that may still need to capture a bigger market to be profitable. High level managers of the UCCI should ask two key questions when starting to develop a marketing plan: what problem does it solve for customers? What makes our exhibitions different than everyone else on the market?

Marketing plans and strategies should be developed for the UCCI because they make sales easier for any business. When the company target the ideal customer in a smarter way, it can reduce the costs of marketing and increase chances of converting leads into sales. Asking what problem it solves and why customers should choose UCCI's helps it will be possible to identify the specific issues of someone ready to buy.

In modern conditions the successful functioning and dynamic development can only be achieved by companies, the management and specialists of which have full and reliable information on all directions of business activities. This task can be solved by creating the pull of the marketing information using:

- internal reporting of the enterprise, including data on the exhibition services income, sales, purchases, costs, inventories, and even include the data about the movement of current assets, receivables and payables;
- external current information about the events in the business environment;



- marketing studies in order to ensure the collection of information relevant from the point of view of the enterprise's particular problems;
- the results of the analysis of the marketing information, containing concrete proposals for the adoption of appropriate management decisions.

Improvement of the process of marketing management of the UCCI should be made based on the systematic approach. A systematic approach is, first of all, understanding that the whole object that is seen, is a system composed of parts, each of which has its own interests. Therefore, the achievement of the common goals is possible only then, when considered the management of marketing activities as a single system, but which, in its turn, consists of several elements, which interact with each other.

Thus the process of international marketing should involve all divisions of the UCCI. Subject to effective marketing management at the enterprise can achieve the following goals:

- timely identification of existing needs of the market;
- selection of the most attractive segments of the market, development of a strategy for them;
- development of the necessary marketing programs, including the whole set of marketing tools
- maintenance of a balance between demand and supply.

All of the above goals are very important for the UCCI, for its effective work, and hence profit. On the other hand, it should be noted that the right action in the field of marketing of the enterprise has a positive effect on consumers. Because with the right, correct and professional marketing consumer pleased to be a customer of this company.

Therefore, for efficient marketing management in the sphere of the foreign economic activity, management of the UCCI should adhere to certain requirements. Given the model of marketing management considers this process from the point of view of system approach that allows the company to control the entire input information from the market and forecast business results.

Proceeding from the above, we can draw conclusions about the direction of improvement of the foreign economic activity of the UCCI based on the marketing management approach (table 3.1).

*Table 3.1*

**Directions of Improvement of The UCCI Foreign Economic Activity  
Based on the Marketing Management Approach**

<b>Directions of improvement</b>	<b>Expected result</b>
Increase the awareness of consumers about the services UCCI proposes internationally	Increasing demand for services, the growth of the income and of the profit
Use of innovative marketing methods, including vreation of the expo e-portal	Attraction of new consumers, including companies working in the IT-sector
Increase of activity of the company in the field of advertising.	Increasing consumer awareness and increasing demand.
Establishment of a feedback system	Improving the image of the company, increasing in deman and profit.
Development of the initiative for the market information research, analysis and systematization	Impovement of the quality of the marketing decidions taken

Source: developed by author

In our oppinion the marketing management approach can influence posotovely the results of the foreign economic activity of the UCCI and influence a lot a success and image of the company and its profitability, productivity and competitiveness.

The main problem of the UCCI's marketing is insufficient awareness of consumers about the services company proposes internationally. In our time systems and methods of external communications are very developed and the most popular among them are the Internet, advertising on TV, radio, newspapers, magazines, big boards, and much more.

The modern concept of marketing considers the consumers' wants and needs as the guiding spirit and focuses on the delivery of such goods and services that can satisfy those needs most effectively. Thus, marketing starts with identifying consumer needs, then plan the production of goods and services accordingly to provide him the maximum satisfaction. In other words, the services are planned according to the needs of the customers rather than according to the availability of materials and machinery. Not only that, all activities (manufacturing, research and development, quality control, distribution, selling etc.) are directed to satisfy the consumers. Thus, the main implications of the modern concepts are:

- the focus of this concept is on customer orientation. The marketing activity starts with an assessment of the customers needs and plan the services provision that satisfy these needs most effectively. This also applies to all other marketing activities like pricing, packaging, distribution and sales promotion.
- all marketing activities like pricing, distribution and sales promotion are combined into one as coordinated marketing efforts. This is called integrating marketing. It implies: developing a product that can satisfy the needs of the consumers; taking promotional measures so that consumers come to know about the services, its features, quality, availability etc, pricing the product keeping in mind the target consumers' purchasing power and willingness to pay, grading the product to make it more attractive and undertaking sales promotion measures to motivate consumers to buy the service and taking various other measures (e.g., after sales service) to satisfy the consumers' needs.

Developing the marketing management for the international activity of the UCCI, it is important to ensure that all the marketing functions meet the requirements of the company. For of all, as it was mentioned beyond, the marketing research should be conducted.

Marketing research involves collection and analysis of facts relevant to various aspects of marketing. It is a process of collecting and analysing



information regarding customer needs and buying habits, the nature of competition in the market, prevailing prices, distribution network, effectiveness of advertising media, etc. Marketing research gathers, records and analyses facts for arriving at rational decisions and developing suitable marketing strategies.

The UCCI marketing should start much before the actual services provision. The marketers should gather information regarding what are the needs of the consumers and then decide upon how to make exhibitions the most attractive abroad. So, the task of marketing begins with planning and designing. It can also be done while modifying and improving an already existing approaches.

Buying and assembling activities as a part of marketing refer to buying and collection of required goods for resale it can be equipment needed to exhibitions participants or services providers that can perform some functions instead of UCCI employers.

Standardisation refers to development of standards for services with respect to international requirements. If the exhibition meets all the requirements, it will be easier to find new customers who want to take part in it. Standardisation helps in promoting the sale of the product by increasing consumers' confidence in the product quality.

One more important step for the UCCI is the branding that means giving an attractive name, symbol or identity mark to the exhibition to make it different from others so that it is known by that name or symbol or mark.

The attention should be also paid the the pricing. This process involves decisions regarding fixation of participation prices, keeping in view the charges of the UCCI, the capacity of customers to pay, and the prices of the competitive expos. It is an important decision as it influences the sales and so also the profits. So pricing has to be done very carefully.

Promotional activities of the UCCI should include advertising, personal selling, sales promotion and publicity. All promotional activities involve communication with the existing and prospective customers whereby they are

made aware of the service, its distinctive features, price, availability etc. The objective of promotional activities is to motivate the customers to participate in exhibition and buy also additional services proposed.

One more important element of the marketing management strategy for the UCCI is the selling. To initiate and complete the process of selling, the seller has to inform the prospective buyer about availability of exhibition facilities, the prices and the needs of the customers that may be effectively satisfied by participation in the exhibition.

The important element of the marketing management of the UCCI is the post-event advertising helping to make the reminder about the actual clients and also attract new potential clients. For the post-event advertising the TV-shows and the Internet can be used.

Despite the rapid development of the Internet and search for new, innovative and economic solutions for services promotion, television still remains one of the most effective media from the point of view of the advertisers because of its accessibility and, most importantly, popularity. However, today, given all the existing differences of advertising, it is important to carry out exact calculation of the TV-marketing, as it remains one of the most expensive means of advertising communication. Researchers have identified the following causes of high efficiency of the TV advertising: existence of specific goals and objectives of an advertising campaign; comparability of the purposes and tasks of the advertising campaign with the objectives of the marketing activities and corporate strategy; registration of information on the target consumer and sources of information (access channels to the consumer); systematization and consistency in carrying out advertising campaigns.

The second option for the UCCI is the Internet advertising - advertising placed in the Internet, primarily on a well-established and popular web sites. Internet advertising allows to solve almost all the problems, facing commercial web site, whether online store, service or distributors.

Thus, in our opinion, the implementation of the marketing management into the activity of the UCCI is very important. Such approach could help to find new clients abroad and create new opportunities for the cooperation with existing partners.

### **3.3. Calculation of Mid-Term Forecast Indicators of The UCCI Activity Considering Proposed Measures**

The main goal of further improving the activity of the Ukrainian Chamber of Commerce is to create effective mechanisms for the chambers to support national producers and exporters by expanding their capabilities and improving existing and introducing new services, increasing the role of the chambers system in the reforms provided for by the State program to revitalize the economy.

In this context, the components of the set of measures to improve the system of chambers of commerce in Ukraine:

- creation of a mechanism for the participation of the Ukrainian Chamber of Commerce and Industry in the preparation and development of draft laws and other regulatory acts on issues related to the development of the economy, entrepreneurship and foreign trade, taxation, customs control, etc .;
- increasing the effectiveness of the activity of industry committees of entrepreneurs, business councils, other advisory bodies at the Chamber of Commerce and Industry of Ukraine in order to protect the legitimate interests of business and prepare proposals for consideration by state authorities and management to improve regulatory policy;
- attracting representatives of the Chamber of Commerce and Industry of Ukraine to participate in meetings of committees of the Verkhovna Rada of Ukraine when considering draft laws regulating entrepreneurial activity;
- deepening cooperation of the Chamber of Commerce and Industry of Ukraine with the Ministry of Foreign Affairs, the Ministry of Economic Development, the Ministry of Industrial Policy, the Ministry of Agrarian Policy,



the Ministry of Revenue and Duties to more quickly solve the problems related to the development of entrepreneurship, international and interregional economic cooperation. The participation of representatives of these ministries in the meetings of the sectoral committees of the Chamber of Commerce and Industry of Ukraine when considering issues relating to their competence;

- the inclusion of representatives of the Chamber of Commerce and Industry of Ukraine into the Council of Regions, the Committee for Economic Reforms, the Coordination Council for the Development of Civil Society under the President of Ukraine, the collegiums of central executive bodies, and representatives of regional Chambers of Commerce and Industry - in the college of relevant local administrations;

- expanding cooperation with the Ukrainian Union of Industrialists and Entrepreneurs, the Union of Entrepreneurs of Small, Medium and Privatized Enterprises of Ukraine, the association of employers, industry associations, public organizations and industry associations;

- holding the Chamber of Commerce and Industry of Ukraine with the support of the relevant Committee of the Verkhovna Rada of Ukraine and jointly with other business support organizations of the “Parliament of Enterprises of Ukraine” by organizing on an ongoing basis biennial meetings of the All-Ukrainian conference of enterprises in the Verkhovna Rada of Ukraine where they would participate Representatives of the authorities and management for the introduction of an open dialogue "power - business" and addressing issues related to improving the efficiency of the national economy, competitiveness of domestic products and services, their promotion to foreign markets, etc .;

- founding the Chamber of Commerce and Industry of Ukraine of the Coordinating Council on Regulatory Policy and the Center for the Development of Public-Private Partnerships with the participation of leading representatives of business circles of foreign countries and Ukraine;

- systematic work together with state authorities, public organizations on the formation of a positive image of Ukraine abroad, an attractive investment climate in Ukraine;

- interaction with the embassies of Ukraine abroad, expanding the network of foreign representative offices of the Ukrainian Chamber of Commerce and Industry, primarily in the countries - leading trading partners, in order to promote the products of Ukrainian producers to foreign markets, search for business partners;

- formation of a database of domestic exporters (indicating the range and range of goods / services) for use in the work of embassies and representative offices of the Ukrainian Chamber of Commerce and Industry abroad

- providing, together with the embassies of Ukraine abroad, timely informing Ukrainian business entities about tenders for the execution of works, services, equipment supply, carried out in foreign countries;

- involvement of the Ukrainian Chamber of Commerce and Industry in the implementation of a preliminary analysis of conflict situations in the “business-power” direction (if any) and the preparation of proposals for their solution;

- facilitating the transfer of the Chamber of Commerce and Industry of Ukraine to certain functions of state bodies inherent in the chambers of commerce and industry on the basis of international experience, in order to relieve the state of unnecessary burden and save budget funds for their maintenance

- holding in the interests of domestic business on a regular basis conferences of national scale on the problems of foreign economic activity, meetings with employees of the Ukrainian embassy abroad and embassies of foreign countries in Ukraine;

- distribution and promotion of adaptation in Ukraine of the methodological recommendations of the International Chamber of Commerce, the Association of Chambers of Commerce and Industry of Europe (Euro-Palat)

- inclusion of the Chamber of Commerce and Industry of Ukraine in the list of organizations entitled to provide visa support to representatives of foreign business circles to travel to Ukraine,

- increasing the efficiency of using in the interests of domestic business of agreements of the Chamber of Commerce and Industry of Ukraine and regional chambers on cooperation with partners of countries that are strategic partners of Ukraine, as well as membership of the Chamber of Commerce and Industry in international organizations: the International Chamber of Commerce, the Association of European Chambers of Commerce and Industry, the Central European Initiative of Chambers of Commerce and Industry the BSEC Council and the like;

- introduction of new services to business entities with the aim of facilitating the export of their products, promptly informing about the conjuncture on international markets;

- expansion of the network of centers for raising the skills of entrepreneurs by providing advice in the “hot line” mode; assisting in the establishment of business activities, the establishment of a system of training and retraining of personnel for industry at the International Academy of Finance and Investments of the Ukrainian Chamber of Commerce and Industry.

Our calculations show that if the recommendations provided by us are not implemented, there will still be an increase in revenues from the provision of exhibitions abroad, although it will be insignificant: by 2021, income will be 28.47 million. UAH, which is only 3.77 million UAH. more than the 2017 figure

At the same time, the international exhibition activity of the Ukrainian Chamber of Commerce and Industry will remain quite effective, and the efficiency throughout all the period will be 1.25 (table 3.2).

Despite the fact that such an indicator is satisfactory, it is nevertheless advisable to implement measures that will increase revenues from foreign economic activity, as well as increase its effectiveness.



In our opinion, the most important for an enterprise is the implementation of a marketing management system, since informing consumers about the opportunities that cooperation with the Ukrainian Chamber of Commerce and Industry gives them is extremely important and can be a catalyst for the development of foreign trade activities of the Chamber of Commerce and Industry. In addition, it is also necessary to consider the possibilities of cooperation with foreign chambers of commerce to strengthen its position in the markets of EU countries.

Table 3.2

**Predictive Performance Indicators of The UCCI  
in 2019-2021 Without Implementation of the Measured Offered,  
Thousand UAH**

Indicator	Year					Relative deviation				
	Fact	Previous data	Forecast			2018/ 2017	2019/ 2018	2020/ 2019	2021/ 2020	2021/ 2017
	2017	2018	2019	2020	2021					
Income from providing services abroad	24701,2	25594,3	26519,7	27478,5	28472	893,1	925,4	958,8	993,5	3770,8
Cost of providing services, including	19817,0	20506,8	21221	21960,5	22726,4	689,8	714,2	739,6	765,9	2909,4
- transportation of staff	1210,3	1258,1	1307,8	1359,4	1413,1	47,8	49,7	51,6	53,7	202,8
- salary for staff	10085,1	10462,3	10853,5	11259,4	11680,5	377,2	391,3	405,9	421,1	1595,4
- daily allowance	1235,3	1276,2	1318,5	1362,2	1407,3	40,9	42,3	43,7	45,1	172
- food costs	767,6	793,0	819,3	846,4	874,5	25,4	26,3	27,1	28	106,9
- accommodation	3637,3	3727,9	3820,7	3915,8	4013,3	90,6	92,8	95,1	97,5	376
- Costs of material and technical support of projects	708,6	732,1	756,3	781,4	807,3	23,5	24,2	25,1	25,9	98,7
- Other expenses	2172,9	2257,2	2344,9	2435,9	2530,4	84,3	87,6	91	94,5	357,5
The effect of providing services	4884,2	5087,5	5298,7	5518	5745,6	203,3	211,2	219,3	227,6	861,4
Service delivery efficiency	1,25	1,25	1,25	1,25	1,25	0,00	0,00	0,00	0,00	0,00

Source: calculated by author based on the data of the UCCI

Subject to the implementation of the recommendations provided by us, it can be expected that until 2021, the income of the Ukrainian Chamber of Commerce and Industry from providing services abroad will amount to 33.8 million UAH, and the efficiency ratio will increase to 1.32, since entering European markets will allow the company to put higher prices for your services (table 3.3).

Table 3.3.

**Predictive Performance Indicators of The UCCI  
in 2019-2021 After Implementation of the Measured Offered,  
Thousand UAH**

Indicator	Year					Relative deviation				
	Fact	Previous data	Forecast			2018/ 2017	2019/ 2018	2020/ 2019	2021/ 2020	2021/ 2017
			2019	2020	2021					
Income from providing services abroad	24701,2	25594,3	30866,3	32302,1	33804,6	893,1	5272,0	1435,8	1502,6	9103,4
Cost of providing services, including	19817,0	20506,8	23877,4	24821,2	25574,1	689,8	3370,6	943,8	752,9	5757,1
- transportation of staff	1210,3	1258,1	1435,4	1498,7	1551,0	47,8	177,3	63,3	52,3	340,7
- salary for staff	10085,1	10462,3	12399,1	12920,2	13343,8	377,2	1936,8	521,1	423,6	3258,7
- daily allowance	1235,3	1276,2	1476,7	1532,5	1576,2	40,9	200,5	55,8	43,7	340,9
- food costs	767,6	793,0	899,2	933,2	959,8	25,4	106,2	33,9	26,7	192,2
- accommodation	3637,3	3727,9	4193,6	4317,2	4405,1	90,6	465,7	123,6	87,9	767,8
- Costs of material and technical support of projects	708,6	732,1	847,1	879,1	904,2	23,5	115,0	32,0	25,1	195,6
- Other expenses	2172,9	2257,2	2626,3	2740,4	2834,0	84,3	369,1	114,1	93,7	661,1
The effect of providing services	4884,2	5087,5	6988,9	7480,9	8230,5	203,3	1901,4	492,0	749,7	3346,3
Service delivery efficiency	1,25	1,25	1,29	1,30	1,32	0,00	0,04	0,01	0,02	0,07

Source: calculated by author based on the data of the UCCI

In general, in our opinion, the implementation of the measures recommended by us will allow the Ukrainian Chamber of Commerce and Industry to significantly strengthen positions in the field of organizing exhibitions, which will entail an increase in income not only in Ukraine but also abroad.

In our opinion, the implementation of the proposed measures will positively affect the activities of the Ukrainian Chamber of Commerce and Industry, since it aims not only to increase revenues, but also to improve the quality of services provided, as well as to improve the process of communication with consumers. In the complex, the proposed measures will allow the Ukrainian Chamber of Commerce and Industry to create a system of service provision that will meet foreign standards, which is a great positive result, including for the country as a whole.

Nowadays, only big cities have modern exhibition centers, the situation in other regions remains inadequate to the current requirements of the national economy, which will not allow the Chamber of Commerce and Industry to effectively carry out exhibition activities in the regions, limit their development, and lead to a deterioration in the image of the exhibition business in Ukraine. The second problem of the Ukrainian Chamber of Commerce and Industry, which will not improve the efficiency of the enterprise, is the opacity of the exhibition market. The lack of reliable data on exhibition activities leads to unfair competition, to the impossibility of a weighted choice of exhibitions by their participants and visitors, to the impossibility of market research. Some unscrupulous organizers report dozens or even hundreds of thousands of visitors, while a simple calculation shows that all these people simply could not enter the exhibition hall. This complicates the work of the Ukrainian Chamber of Commerce and Industry and reduces the credibility of the organization with Ukraine.

The development of the Ukrainian Chamber of Commerce and Industry as a participant in foreign economic relations will also lead to the development of the positive image of Ukraine, since the Chamber of Commerce and Industry is a significant representative of the country in the international arena. In addition, it should be noted that in Ukraine there is also a problem of the poor quality of



services provided in the field of exhibition activities, and the Chamber of Commerce and Industry, having gained work experience in Europe, can become a mentor for Ukrainian enterprises working in this direction.

### **CONCLUSIONS TO CHAPTER 3**

In our opinion, the actions of the Ukrainian Chamber of Commerce and Industry should today be aimed at improving the qualifications of staff and improving the selection process of candidates to reduce costs due to high staff turnover, enhance marketing, find new forms of interaction with customers. Entering new markets, expanding the circle of partners, improving the quality of services will help strengthen the company's position in the market and increase the efficiency of its international operations.

The development of the Ukrainian Chamber of Commerce and Industry as a participant in foreign economic relations will also lead to the development of the positive image of Ukraine, since the Chamber of Commerce and Industry is a significant representative of the country in the international arena. In addition, it should be noted that in Ukraine there is also a problem of the poor quality of services provided in the field of exhibition activities, and the Chamber of Commerce and Industry, having gained work experience in Europe, can become a mentor for Ukrainian enterprises working in this direction.

So, the further exhibition activity of Ukraine should be aimed at: improving the technical conditions of the exhibitions; improving the infrastructure of the exhibition business; improving the quality of exhibition services; expansion of participation in international exhibitions and fairs; further support of national organizers of exhibitions in comparison with foreign ones on holding exhibitions on topics and periods; elimination of dubbing of topics and dates of exhibitions and other areas; simplification of customs conditions for crossing the border.

With the implementation of proposed measures, it can be expected that until 2021, the income of the Ukrainian Chamber of Commerce and Industry from providing services abroad will amount to 33.8 million UAH, and the efficiency ratio will increase to 1.32, since entering European markets will allow the company to put higher prices for your services.

## CONCLUSIONS

Ukrainian legislation does not include the interpretation of the criteria for assigning to this group. At the same time, in the scientific literature, coordinating enterprises are considered as economic organizations formed as a union of two or more business entities in order to coordinate their activities and to solve common tasks in the field of foreign economic activity. Coordinating enterprises include chambers of commerce, industry associations, commodity, stock and currency exchanges etc.

Peculiarities of regulation of foreign economic activity of coordinating enterprise should be researched separately for different types of such organizations, as each of them have its own functions and goals. As the paper is written on the data of the Chamber of Commerce, the analysis in this chapter will also be held for the UCCI.

The UCCI activity is regulated by: Law of Ukraine "On the Chambers of Commerce and Industry in Ukraine"; Law of Ukraine "On international commercial arbitration; Resolution of the Cabinet of Ministers of Ukraine of "On the support of the activities of chambers of commerce"; Resolution of the Cabinet of Ministers of Ukraine "On the determination of the Chamber of Commerce by the authorized body for issuing certificates of origin"; Decree of the Cabinet of Ministers of Ukraine "On granting the Chamber of Commerce and Industry of Ukraine the authority to act as a guaranteeing organization issuing books (carnets) in Ukraine, A.T.A."

The foreign economic activity of coordinating enterprises plays an important role today in the development of the system of international relations of the state. Despite the fact that the list of forms of foreign economic activity is somewhat limited compared with the capabilities of business entities, in their international activities, coordinating enterprises are guided by generally accepted

principles defined by the international community and the government bodies of Ukraine.

The organization of foreign economic activity of enterprises of coordination type aims, on the one hand, to improve the environment for the implementation of foreign economic activity in Ukraine, and on the other, to increase the efficiency of the organization's operation, which necessitates the qualitative implementation of a set of measures in the field of management.

The Chamber of Commerce and Industry of Ukraine in accordance with the Law of Ukraine "On Chambers of Commerce and Industry in Ukraine" is a non-governmental non-profit self-governing organization that voluntarily unites legal entities and citizens of Ukraine registered as entrepreneurs and their associations. During 2013 to 2017, the value of UCCI's assets has grown 7.67 times – from 1080397,55 thousands UAH to 8286957,64 thousands UAH. This increase was caused by both growth of non-current and current assets.

The increase in equity during last 5 years caused the improvement in solvency indicators. Thus, in 2013 the funding ratio was equal to 0,73, and the equity ratio - to 0,27, while in 2017 they were 0,17 and 0,83. Even if this indicators do not meet requirements for solvency ratios, still there is an improvement in the financial state of the UCCI.

The chambers provide business and legal information to Ukrainian and foreign entrepreneurs, organize seminars, conferences and exhibitions in Ukraine and abroad, provide business negotiations on economic issues. Today, the Ukrainian Chamber of Commerce is a universal institution whose activity is aimed at developing entrepreneurship and, in particular, increasing the efficiency of international economic activity.

Considering the foreign economic activity of the Chamber of Commerce and Industry of Ukraine, it should be noticed that currently international exhibitions organized by the UCCI are held in Belarus, Moldova and Kazakhstan. Among the services provided internationally, the largest is the revenue got from



the exhibition activity abroad (1916,8 thousand UAH). The share of services of assistance to Ukrainian companies in participation in exhibitions abroad was also important (37%). In 2015 - 2016 the level of efficiency increased, which was due to cost optimization. In 2017, the efficiency ratio increased to the level of 2014 and amounted to 1,25.

In our opinion, the actions of the Ukrainian Chamber of Commerce and Industry should today be aimed at improving the qualifications of staff and improving the selection process of candidates to reduce costs due to high staff turnover, enhance marketing, find new forms of interaction with customers. Entering new markets, expanding the circle of partners, improving the quality of services will help strengthen the company's position in the market and increase the efficiency of its international operations.

So, the further exhibition activity of Ukraine should be aimed at: improving the technical conditions of the exhibitions; improving the infrastructure of the exhibition business; improving the quality of exhibition services; expansion of participation in international exhibitions and fairs; further support of national organizers of exhibitions in comparison with foreign ones on holding exhibitions on topics and periods; elimination of dubbing of topics and dates of exhibitions and other areas; simplification of customs conditions for crossing the border.

With the implementation of the proposals, the level of efficiency of international operations of the enterprise in 2019 - 2021 will be 1,28-1,31, while the effect of the provision of services will be in 2021 equal to 7081,6 thousand UAH., which is 1336 thousand. UAH more than the effect obtained in the calculations by the index method.

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