

Kyiv National University of Trade and Economics
Department of Foreign Economic Activity of Enterprise

FINAL QUALIFYING PAPER
on the topic:

«Organization of exporting activity of the enterprise»

(based on materials of Representative Office of "Agrofertrans LTD", Kyiv)

Student of the 2nd year, 5 am group
specialty 073 «Management»
specialization «Management of
Foreign Economic Activity»

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АНОТАЦІЯ

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Організація експортної діяльності підприємства

Випускна кваліфікаційна робота на здобуття освітнього ступеня магістра за спеціальністю 073 «Менеджмент», спеціалізацією «Менеджмент ЗЕД». Київський національний торговельно-економічний університет, 2019.

У випускній кваліфікаційній роботі проаналізовано фінансово-господарську діяльність Представництва "Агрофертранс ЛТД", досліджено особливості організації експортної діяльності, проаналізовано експортну діяльність підприємства та оцінено її ефективність. Обґрунтовано напрями удосконалення організації експортної діяльності Представництва "Агрофертранс ЛТД", розроблено комплекс заходів щодо удосконалення організації експортної діяльності підприємства та здійснено прогнозування фінансових результатів за умов реалізації запропонованих заходів.

Ключові слова: експорт, організація експортної діяльності підприємства, ефективність експорту, вихід на зовнішній ринок, добрива та сировина для добрив.

ABSTRACT

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Organization of exporting activity of the enterprise

Final qualifying paper for obtaining an educational master's degree in specialty 073 «Management», specialization «Management of Foreign Economic Activity». Kyiv National University of Trade and Economics, 2019.

In the final qualifying paper financial and economic activity of Representative Office of "Agrofertrans LTD" was analyzed, the peculiarities of the exporting activity organization of the company were investigated, the exporting activity of the enterprise was analyzed and its effectiveness was evaluated. Improvement directions of the exporting activity organization of Representative Office of "Agrofertrans LTD" were substantiated, improving measures set of the exporting activity organization of the enterprise was developed, financial results of the company were forecasted under the conditions of implementation of the proposed set of measures.

Keywords: export, organization of exporting activity of the enterprise, export efficiency, foreign market entry, fertilizers and fertilizer raw materials.

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SUMMARY
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Final qualifying paper: - 92 p., Illustrations - 5, Tables - 19, Appendices - 13, References - 26

Object of the research is the process of the exporting activity organization of the enterprise.

Subject of the research is theoretical and practical aspects of the exporting activity organization of the enterprise.

Enterprise that is a basis for writing final qualifying paper is Representative Office of "Agrofertrans LTD".

The purpose and tasks of the study. The purpose of the final qualifying paper is to provide practical recommendations on improving the exporting activity organization of the enterprise.

To achieve the purpose of the final qualifying paper, the following **tasks** were solved:

- financial and economic activity of Representative Office of "Agrofertrans LTD" was analyzed;
- peculiarities of the exporting activity organization of Representative Office of "Agrofertrans LTD" were investigated;
- exporting activity of Representative Office of "Agrofertrans LTD" was analyzed and its effectiveness was evaluated;
- improvement directions of the exporting activity organization of Representative Office of "Agrofertrans LTD" were substantiated;
- improving measures set of the exporting activity organization of Representative Office of "Agrofertrans LTD" was developed;
- financial results of Representative Office of "Agrofertrans LTD" were forecasted under the conditions of proposed measures set implementation.

Research methods. In final qualifying paper a wide range of generally accepted research methods based on a systematic approach was used. In the study of foreign economic activity of Representative Office of "Agrofertrans LTD", the methods of analysis and synthesis, abstraction, scientific-analytical, comparison, generalization of scientific publications and information databases were used. In the construction of tables, there were used general scientific and special methods – abstract-logical, graphical, empirical and statistical. In justifying ways to improve the exporting activity organization of the enterprise, the extrapolation method of forecasting was used.

In the introduction to the work the current situation, relevance and practical value of chosen topic are explained; the object of research, subject of research are defined. The purpose and tasks of the study are determined; main methodological instruments used in the paper are described. Main sources of information and structure of final qualifying paper are defined.

In the first part of final qualifying paper "Research of the exporting activity organization of Representative Office of "Agrofertrans LTD", financial and economic activity of the company was analyzed, peculiarities of the exporting activity organization of the enterprise were investigated, exporting activity of the company was analyzed and its effectiveness was evaluated.

Based on the analysis of the financial and economic activity of the enterprise, it is concluded that Representative Office of "Agrofertrans LTD" is increasing the volume of economic activity every year, as evidenced by an increase in net income from sales of products. The company is profitable at the operational level, and in 2017 for the first time in the previous 3 years it received a net profit. In 2018, the enterprise increased its net profit by almost 6% compared to the previous year. Analysis of the exporting activity organization of the company revealed that the enterprise's foreign trade operations are carried out by the direct method, on the FCA basic term of delivery (Incoterms 2010) using collection form of payments. Analysis of exporting activity of the enterprise revealed that the company is increasing its exporting activity every year. In addition, the indicator is constant increasing of absolute volume of export and its share in the total sales of the enterprise's products. Evaluation of the efficiency of exporting activity of Representative Office of "Agrofertrans LTD" proved that the exporting activity of the enterprise is effective.

In the second part of final qualifying paper"Improvement of the exporting activity organization of Representative Office of "Agrofertrans LTD", improvement directions of the exporting activity organization of the company were substantiated, improving measures set of the exporting activity organization of the enterprise was developed, financial results of the company were forecasted under the conditions of implementation of the proposed set of measures.

As a result of the conducted research on improvement directions of the exporting activity organization of Representative Office of "Agrofertrans LTD", was found that the company should diversify its product sales geography by expanding its presence in the African market. The choice of this continent is, in particular, due to the large amount of agricultural use of fertilizers and the significant positive rate of their growth. The result of the development of improving measures set of the exporting activity organization of the enterprise is a proposal to consider the possibility of exporting products to the North African region. Carried out express-analysis of potential sales markets for the products of the company based on a point evaluation found that Tunisia is the most attractive sales market for the company. It is explained by high sales potential, absence of restrictive import policy, liberal monetary policy, GDP per capita growth and the constant, though not rapid, growth of the economy. Information on the estimated quantitative justification of the positive impact on the exporting and economic activity of the company due to proposed measures implementation, was provided in the form of a forecast. The results of forecasting of export efficiency indicators and financial results of the company revealed efficiency and feasibility of proposed set of measures implementation to improve the exporting activity organization of Representative Office of "Agrofertrans LTD".

Conclusions and recommendations are characterized by scientific validity, have theoretical, methodological, scientific and practical value, and contain a brief summary of the achieved results of this final qualifying paper. The most important theoretical positions containing the formulation of the problem are shortly identified and the results of measures for its solution are presented. The main indicators that prove the selection of a new sales market for the company are signified. The recommendations for the further economic activity and development of the enterprise due to proposed measures implementation are drawn and the results of the whole diploma paper are summarized.

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INTRODUCTION

Relevance of the research topic. A significant feature of the world economy functioning at the beginning of the 21st century is the intensive development of international economic relations. As a result, there is a constantly increasing concentration of production and enlargement of its size, which enhances the tendency towards internationalization of economic life, contributes to the development of international specialization and cooperation of production. The process of country's integration into the system of world economic relations depends on the quality of managerial decisions-making in the field of foreign economic activity of the enterprises. Exporting activity, as one of the types of foreign economic activity, is an indisputable success factor in the process of enterprises development. Implementation of exporting operations becomes a significant precondition for markets expansion, increasing of volumes of production and quality of products, which also allows creating a favorable foundation for strengthening of competitive positions of the enterprise in the domestic market.

Foreign economic activity is an important and integral part of the economic activity of enterprises, firms and, in general, all participants in market relations. Participation of the enterprise in international trade is a source of economic advantages that allow to make more efficient use of available resources, to activate the potential of the organization, to increase the level of structural optimization of the enterprise. It is known that the main functional elements of international commodity trade are export and import operations.

Effective development of exporting activity of enterprises should be based primarily on the adaptation of enterprises to the requirements of the international market. In the context of globalization and integration processes taking place in world economy, as well as considering enterprise's efforts to strengthen its position as a competitive entity of world economic relations, the improvement of mechanism of the exporting activity organization of enterprises in general, and in the chemical sector in particular, is actualized.

Traditionally, exporting activity is considered by scientists, analysts and entrepreneurs as one of the most important areas of activity. Some of the works of Ukrainian and foreign scientists are devoted to the study of the essence of exporting

activity of the enterprise. Theoretical aspects of exporting activity of the enterprises were considered in the works of such Ukrainian and foreign scientists as O.Melnyk, V.Ermachenko, S.Lobunskaya, O.Shkurupii, Y.Kozak, O.Kuzmin, A.Fatenok-Tkachuk, A.Cherep, J. Hessels and others. However, despite the availability of fundamental scientific developments, there is still no systematic approach to the study of the theoretical aspects of exporting activity of the enterprise. The parallel use of the terms "exporting activity" and "export" is commonly used in scientific works, which confirms the uncertainty and complexity of this economic category.

Based on the analysis of the widespread interpretations of this term, its comparison with the concept of "export" states that, despite their affinity, they have a completely different economic content. As a result of the Ukrainian and foreign scientists' researches analysis, it was determined the essence of the concept of "exporting activity of the enterprise" as a long systemic process consisting of certain stages that consist of the preparation of the company for export, the adaptation of the goods to the requirements of the potential market and the actual implementation of exports, which entail certain economic consequences. Accordingly, it is justified that the exporting activity of the enterprise is a more complex concept, which considers exports and other operations of an industrial, financial, organizational nature, aimed at enabling its implementation.

The purpose and tasks of the study. The purpose of the final qualifying paper is to provide practical recommendations on improving the exporting activity organization of the enterprise.

To achieve the purpose of the final qualifying paper, the following **tasks** were solved:

- financial and economic activity of Representative Office of "Agrofertrans LTD" was analyzed;
- peculiarities of the exporting activity organization of Representative Office of "Agrofertrans LTD" were investigated;
- exporting activity of Representative Office of "Agrofertrans LTD" was analyzed and its effectiveness was evaluated;

Добавлено примечание ([O1]): Purpose of the paper development of a set of measures to improve the organization of exporting activity of the enterprise

- improvement directions of the exporting activity organization of Representative Office of "Agrofertrans LTD" were substantiated;
- improving measures set of the exporting activity organization of Representative Office of "Agrofertrans LTD" was developed;
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Object of the research is the process of the exporting activity organization of the enterprise.

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The main sources of information were data on the activity of the company (financial statements and inside information of Representative Office of "Agrofertrans LTD"), statistical internet resources, legal framework, scientific journals, reports, textbooks and manuals.

The processing of actual data was carried out using economic and statistical methods, as well as using Excel and SPSS.

The main tasks of the final qualifying paper determined its **structure**. The work consists of annotation, content, introduction, main part (two sections (parts), each containing three paragraphs, conclusions to them), conclusions and recommendations, references and appendices.

PART 1. RESEARCH OF THE EXPORTING ACTIVITY ORGANIZATION OF REPRESENTATIVE OFFICE OF "AGROFERTRANS LTD"

1.1. Analysis of financial and economic activity of Representative Office of "Agrofertrans LTD"

"Agrofertrans LTD" is a multinational company based on 6 August 2002 in United Kingdom and specialized in fertilizers and fertilizer raw material production, selling and distribution. The enterprise has a strong international team with many years of experience in field of fertilizers and raw materials. Global network of its operation and deep reach into regional and national markets enables to build strong and long-term partnership, reaching the highest level of loyalty – 98% of its sales are repeatable.

"Agrofertrans LTD" has a wide network of professionals, sourcing products to 5 continents, offering a variety of fertilizers made from nitrogen and phosphates, raw materials used to make fertilizer, and other micro nutrients. The company's main products are Ammonium Sulfate, Urea, Ammonium Nitrate, MOP, MAP, DAP, NPK, water soluble fertilizers and specialties.

The company sales its products to more than 70 countries all over the world. Main markets are countries of West and Northern Europe (France, Spain, Italy, Latvia, Lithuania), Vietnam, Indonesia, Brazil, Chile, Turkey, Bangladesh. Production capacities of the enterprise are located in Ukraine, Belarus, China and Brazil.

Since 2007 the company is a member of International Fertilizer Industry Association (IFA), since 2008 – member of Grain and Feed Trade Association (GAFTA).

"Agrofertrans LTD" is related to large enterprises operating in primary sector of economy in industry of Chemicals with more than 250 employees and turnover exceeding £50 million (or balance sheet total more than £43 million) according to European Union SME classification [5].

"Agrofertrans LTD" has 5 Representative Offices all over the world, one of which is located in Kyiv, Ukraine.

Representative Office of "Agrofertrans LTD" (RO of "Agrofertrans LTD") is a legal entity that has its own financial statement, which is then consolidated with other financial statements, forming a consolidated financial statement of Agrofertrans LTD. Consolidated financial statement is a financial statement that reflects the financial position, results of operations and cash flows of a legal entity and its subsidiaries as a single economic entity.

The main basic information about RO of "Agrofertrans LTD" is given in Appendix A.

The office of RO of "Agrofertrans LTD" in Kyiv has 47 employees, 18 of whom are employed in the export department. The company's policy is focused on long-term trade relations with its customers, which is why the employees of the export department of the enterprise now face two major problems:

- geographical diversification of exports (expansion of product sales geography);
- simultaneous building of long-term trade relations with new clients (avoidance of "one-time" export operations).

Using the Income Statement of the enterprise (Appendix B), we have analyzed the financial results of RO of "Agrofertrans LTD" (Appendix C), over the past 5 years.

Having analyzed the data of the calculations, we can conclude that the company has significantly improved the financial results of its economic activity.

Thus, the net income from sales of products of RO of "Agrofertrans LTD" for the whole analyzed period increased by 1,56 times (by UAH 729026 thous.). At the same time, it should be noted that the cost of sales of products increased at a slower pace, it increased only by 1,46 times during the whole analyzed period. As a result, the gross profit of the enterprise increased.

The operating activity of the enterprise during the analyzed period was highly profitable and, as a result, from 2014 to 2018 the financial result of operations of RO of "Agrofertrans LTD" increased by 6,41 times (by UAH 369486 thous.).

However, due to the high level of expenses during 2014-2016, the activity of the company was unprofitable. Only in 2017 the company received a net financial result in

the form of profit in the amount of UAH 129512 thous., and in 2018 it increased by 1,06 times (by UAH 7749 thous.).

Achieved results of the analysis of asset dynamics of RO of "Agrofertrans LTD" (Appendix D) show that the company's fixed assets in 2018 increased by 1,37% (or by UAH 40751 thous.) compared to 2017 and by 1,13% (or by UAH 33712 thous.) compared to 2014. In 2018, there is a sharp decrease in the amount of incomplete capital investments and long-term receivables by 27,92% (or by UAH 73366 thous.) and by 55,10% (or by UAH 53782 thous.) compared to the previous year, respectively.

Regarding to current assets of the enterprise, in 2018 they increased by 14,80% (or by UAH 205833 thous.) compared to 2017 and by 120,87% (or by UAH 873801 thous.) compared to 2014. Also in 2018, there is a sharp decrease in the amount of money and cash equivalents by 96,68% (or by UAH 213067 thous.) and receivables accounts for advances paid by 55,34% (or by UAH 26874 thous.) compared to the previous year. At the same time, in 2018 there is an increase of the company's inventories by 47,68% (or by UAH 186588 thous.) compared to 2017 and by 116,66% (or by UAH 311163 thous.) compared to 2014.

Analysis of equity and liabilities dynamics of RO of "Agrofertrans LTD" (Appendix E) revealed that the equity of the enterprise remained almost unchanged during the whole analyzed period. The exception is uncovered loss, which in 2018 amounted to UAH 463799 thous.

Looking through the dynamics of long-term liabilities and ensuring, can be noted that in 2018 they decreased by 98,38% (or by UAH 1376442 thous.) compared to 2017 and by 96,12% (or by UAH 563164 thous.) compared to 2014. We can also conclude that in 2018, the company has fully paid off long-term bank credits and other long-term liabilities.

At the same time, the company's current liabilities and ensuring have increased significantly. Thus, in 2018 compared to 2017, the amount of current accounts payable for the long-term obligations (by 485,18% or by UAH 1099650 thous.) and other current liabilities (by 216,45% or by UAH 1611817 thous.) increased sharply. The record increase in the amount in 2018 compared to 2014 is observed under such items as current

accounts payable for advances received (by 7690,90% or by UAH 70987 thous.), current accounts payable for payments to budget (1610,56% or by UAH 5492 thous.) and current accounts payable for the long-term obligations (by 1294,65% or by UAH 1231200 thous.).

It is appropriate to analyze the liquidity indicators of RO of "Agrofertrans LTD" (table 1.1).

Table 1.1

Dynamics of liquidity indicators of RO of "Agrofertrans LTD", 2014-2018

Indicator	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	31.12. 2018	Absolute deviation			
						2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
Current liquidity ratio	1,78	1,92	1,14	1,41	0,61	0,14	-0,77	0,26	-0,79
Critical liquidity ratio	1,17	1,25	0,84	1,03	0,40	0,08	-0,41	0,18	-0,63
Absolute liquidity ratio	0,02	0,03	0,10	0,22	0,01	0,01	0,07	0,12	-0,21

Добавлено примечание (ГО2): Надо 0,003

Source: calculated by the author according to Appendix B

The table shows that in 2015 the company improved its liquidity indicators compared to the previous year, almost all indicators are within the standard values. In 2016, there is a significant decrease in all liquidity ratios of the enterprise (without taking into account the absolute liquidity ratio), in particular, due to a significant sharp increase in the amount of current liabilities.

In 2018, there is a rapid decrease in all liquidity indicators of RO of "Agrofertrans LTD" in comparison with the previous year, which is explained by a significant decrease in money and cash equivalents (in 2018 decreased more than by 30 times compared to the previous year) and a simultaneous significant increase in current liabilities (in 2018, they increased by 2,6 times compared to the previous year).

As a result, we can conclude that in 2018 the company is not able to settle its current liabilities.

The financial sustainability indicators of RO of "Agrofertrans LTD" have to be analyzed (table 1.2).

Table 1.2

Dynamics of financial sustainability indicators of RO of "Agrofertrans LTD", 2014-2018

Indicator	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	31.12. 2018	Absolute deviation			
						2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
Financial autonomy ratio	0,73	0,72	0,57	0,45	0,43	-0,01	-0,15	-0,12	-0,02
Debt coverage ratio	2,74	2,62	1,34	0,83	0,76	-0,12	-1,28	-0,51	-0,07
Long-term liabilities ratio	0,18	0,19	0,28	0,41	0,01	0,01	0,09	0,14	-0,40

Source: calculated by the author according to Appendix B

Having analyzed the data of table 1.2, we can conclude that during the whole analyzed period the financial autonomy ratio of the enterprise is reducing, which is explained by a slight decrease in the company's own capital and a simultaneous rapid increase in the amount of the enterprise's liabilities. In 2018, there is a rapid decline in the long-term liabilities ratio due to the payment of almost all long-term liabilities of the company.

It is appropriate to analyze the business activity indicators of RO of "Agrofertrans LTD" (table 1.3).

Table 1.3

Dynamics of business activity indicators of RO of "Agrofertrans LTD", 2014-2018

Indicator	Year					Absolute deviation			
	2014	2015	2016	2017	2018	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
1	2	3	4	5	6	7	8	9	10
Asset turnover period	1010,31	871,40	704,13	696,47	796,60	-138,92	-167,27	-7,65	100,13
Current assets turnover period	186,10	176,66	158,31	195,67	264,89	-9,44	-18,36	37,36	69,22
Tangible current assets turnover period	71,28	66,34	51,68	54,92	85,93	-4,95	-14,65	3,23	31,02

Continued table 1.3

1	2	3	4	5	6	7	8	9	10
Accounts receivable collection period	97,63	93,31	88,04	103,86	143,53	-4,32	-5,26	15,82	39,67
Asset turnover ratio	0,36	0,41	0,51	0,52	0,45	0,06	0,10	0,01	-0,06
Current assets turnover ratio	1,93	2,04	2,27	1,84	1,36	0,10	0,24	-0,43	-0,48
Tangible current assets turnover ratio	5,05	5,43	6,97	6,56	4,19	0,38	1,54	-0,41	-2,37
Accounts receivable turnover ratio	3,69	3,86	4,09	3,47	2,51	0,17	0,23	-0,62	-0,96

Source: calculated by the author according to Appendix B

Indicators presented in the table above demonstrate the effectiveness of using the assets of the enterprise. Turnover indicators show how many times during the analyzed period certain assets of the enterprise "turn" or "rotate". Hence, if this indicator increases, it indicates an improvement in the performance of the enterprise.

The indicators calculated in table 1.3 show that in 2018 all the turnover ratios have decreased significantly, while the turnover periods have increased, which indicates negative trends in the business activity of the enterprise.

The activity profitability indicators of RO of "Agrofertrans LTD" have to be analyzed (table 1.4). The higher the profitability ratio, the more efficient the entire management process is, since the profitability indicator is formed under the influence of all the company's activities. The calculations presented in table 1.4 show that every next year the company have been improving its profitability of product sales and cost-effectiveness ratio. However, in 2018, there is a sharp decline in these indicators, which is explained by the decrease in net income from sales of products (decreased by 1,05 times or by 4,66%) and simultaneous increase in the cost of sales of products (increased by 1,03 times or by 2,92%). In 2017, the company earned the net profit, which proves the positive coefficients of the overall profitability of the activity of the enterprise.

Table 1.4

Dynamics of activity profitability indicators of RO of "Agrofertrans LTD", 2014-2018, %

Indicator	Year					Absolute deviation			
	2014	2015	2016	2017	2018	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
Profitability of product sales	11,50	18,39	23,54	23,15	17,04	6,88	5,16	-0,39	-6,11
Cost-effectiveness ratio	13,00	22,53	30,79	30,13	20,55	9,53	8,26	-0,66	-9,58
Overall profitability of the activity	-1,40	-31,05	-13,43	6,08	6,76	-29,65	17,62	19,51	0,68

Source: calculated by the author according to Appendix B

It is appropriate to analyze the profitability indicators of RO of "Agrofertrans LTD" (table 1.5).

Table 1.5

Dynamics of profitability indicators of RO of "Agrofertrans LTD", 2014-2018, %

Indicator	Year					Absolute deviation			
	2014	2015	2016	2017	2018	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
Return on assets	-0,50	-12,83	-6,87	3,14	3,06	-12,33	5,96	10,01	-0,09
Return on current assets	-2,71	-63,27	-30,55	11,19	9,19	-60,56	32,73	41,74	-2,00
Return on equity	-0,68	-17,62	-10,62	6,17	6,91	-16,94	7,00	16,79	0,74

Source: calculated by the author according to Appendix B

All the above indicators of profitability of the company directly depend on the amount of net profit of the enterprise. In 2017, the company earned the net profit, which is why we can see logical and reasonable increasing of all profitability indicators.

In 2018, there is a slight decrease in the return on assets of the company. This is explained by the uneven increase in the net profit of the enterprise and the amount of assets of the enterprise. Thus, in 2018 assets of the enterprise increased by 9,05%, current assets – by 29,07%, while the net profit – only by 5,98%.

Based on the analysis of the financial and economic activity of the enterprise, it can be concluded that the company is increasing the volume of economic activity every year, as evidenced by an increase in net income from sales of products by 56,03% for the entire period under review. The company is profitable at the operational level, and in 2017 for the first time in the previous 3 years it received a net profit of UAH 129,512 mln. In 2018, the company increased its net profit by almost 6% compared to the previous year.

In 2018, there is a rapid decline in all liquidity ratios of RO of "Agrofertrans LTD" in comparison with the previous year. As a result, we can conclude that in 2018 the company is not able to settle its current liabilities. The profitability of the activity of the enterprise and the profitability of the enterprise in the last analyzed year decreased compared to the previous year due to the unbalanced increase in the components of the calculation. At the same time, in 2018, all turnover ratios decreased significantly, while turnover periods increased, indicating negative trends in business activity of the company.

1.2. Research of the exporting activity organization of Representative Office of "Agrofertrans LTD"

The office of RO of "Agrofertrans LTD" in Kyiv has 47 employees, 18 of whom are employed in the export department. The company's policy is focused on long-term trade relations with its customers, which is why geographical diversification of exports and simultaneous building of long-term trade relations with new customers (avoiding "one-time" export operations) is the priority.

RO of "Agrofertrans LTD" supplies fertilizers and fertilizer raw materials mainly to companies in Ukraine, Central and Eastern Europe.

As RO of "Agrofertrans LTD" is an export-oriented enterprise, it is appropriate to analyze export operations of the enterprise. Generalized scheme of export operations of the enterprise is given in Appendix F.

The first step to carry out the foreign trade operations of RO of "Agrofertrans LTD" is to make a decision on export. The decision is made by the director of the

company based on the results of market research, which provides an analysis of all the conditions that are important for the successful sale of the products. Market research at RO of "Agrofertrans LTD" is carried out in several stages:

- analysis of the external environment of RO of "Agrofertrans LTD". This analysis examines macroeconomic indicators (economic, political, technological, socio-cultural factors) and microeconomic factors such as market conditions and competitive environment. Analysis of external environment of the enterprise includes analysis of the world market, in order not to lose sight of new trends, new competitors or new market opportunities;
- analysis of strengths and weaknesses of RO of "Agrofertrans LTD". This analysis is necessary to identify opportunities and challenges, as well as global trends. In addition, the company must determine its competitive advantage, be aware of technological and resource capabilities of the company, its potential sales and profits.

At the same stage, the effectiveness of the planned foreign trade operation is being evaluated.

According to the results of the research, RO of "Agrofertrans LTD" decides which foreign markets it will enter, and also determines the desired export share in this market. Typically, analyzed enterprise concentrates its efforts on promoting goods in several foreign markets. The delimitation between countries is based on such indicators as political stability, level of infrastructure development, geographical factors.

The next step in carrying out the export operation is the conclusion of a foreign economic contract with a foreign company that will import goods of "Agrofertrans LTD".

This stage involves:

- establishment of business relations with foreign partners;
- negotiation;
- preparation of an offer / request;
- discussion of preliminary conditions of operation;
- drafting a contract;
- discussing and signing a contract.

According to the sales contract, RO of "Agrofertrans LTD" is obliged to deliver the goods to the foreign buyer, provide the necessary documents regarding these goods, as well as transfer ownership of the goods in accordance with the terms of the foreign economic contract.

In order to obtain permission for the commencement of the foreign trade operation, RO of "Agrofertrans LTD" informs in advance the relevant customs authority, which will carry out the customs clearance of goods, of its intention to export goods by giving the customs authority a prior notification. The customs authority shall be provided with a customs declaration stating the customs regime, the volume of the consignment, its value, information on the goods and the parties to the foreign trade agreement (buyer and seller) and other necessary information. The customs authority shall determine the time and place of delivery of the goods specified in the documents for customs control and customs clearance.

After delivery of goods to the customs clearance area of the releasing customs authority, RO of "Agrofertrans LTD" submits to the customs official, who will carry out the customs clearance, a set of documents for the exported goods, including documents confirming the ownership and/or disposal right of certain goods, permits of the respective public authorities, etc. The customs authority examines the set of documents submitted by the enterprise and makes a decision in the form of permission or refusal to carry out a foreign trade operation.

All products exported by the RO of "Agrofertrans LTD" are not subject to export duties and customs controls [21, 23]. In case the relevant regulatory act establishes the need to carry out laboratory testing, the selection of samples and specimens of goods for laboratory research (analysis, examination) shall be carried out within the limits established by the standards of sampling and specimens (Order of the Ministry of Finance of Ukraine No. 1058 of 02.12.2016, in force since 01.13.2017).

Summarized list of documents that RO of "Agrofertrans LTD" submits for customs clearance of goods in export customs regime:

- foreign economic agreement (contract) on the basis of which the export operation is carried out;

- certificate of origin of goods;
- customs declaration completed in export customs regime ("EK 10" in customs declaration);
- transport and shipping documents (consignment note, invoices, packing lists, specifications, etc.);
- other necessary documents depending on the operation.

If a set of documents complies with the standards and the official of the customs authority does not have any additional questions and comments, permission for the foreign trade operation is granted and the enterprise presents goods that are subject to the foreign trade agreement for customs clearance. If necessary, customs inspection of goods is carried out. The customs inspector on the back of the permit shall indicate the date of customs clearance, the number of the customs declaration, the name and the quantity of the goods under customs clearance.

If the declared product information is completely the same as the information obtained as a result of the customs inspection, the documentary registration of the goods in export customs regime begins. The essence of the documentation is to verify the information stated in the set of documents, namely: UCGFEA code, country of origin of goods and the correct determination of the customs value of goods. If the UCGFEA code and customs value are incorrectly defined, they are adjusted. If the UCGFEA code, country of origin and customs value are correctly defined, goods are allowed to be exported outside the customs territory of Ukraine in the customs regime of export.

According to the results of the foreign trade operation, the actual efficiency of the export operation is calculated and compared with the planned one, the reasons of the deviation are determined and the obtained results are interpreted with the justification of the need for further implementation of the operation in a specific foreign market.

Regarding the established practice of export activity, it can be said that the foreign trade operations of RO of "Agrofertrans LTD" are carried out by the direct method when the manufacturer sells the products to the buyers directly. It can be explained by a number of advantages inherent in this (direct) method of trading:

- allows exporters to establish close contacts with foreign clients, to carry out strict control over trading operations;
- gives the opportunity to make more profit by reducing the cost of the intermediary's commission;
- allows to carry out deep analysis of the state and trends of market development;
- reduces the risk and dependence of financial results on the dishonesty of the intermediary.

RO of "Agrofertrans LTD" always cooperates with its clients using such the Incoterms 2010 basic term of delivery as FCA (Free Carrier (named place of delivery)). It means that the seller supplies goods which have carried out customs clearance and are released in customs regime of export by transferring the goods to the carrier (designated by the buyer) at the specified place. It should be noted that the choice of FCA delivery location affects the obligation to load and unload the product at that location. If the delivery is made on the seller's premises, the seller is responsible for the loading. If the delivery is made elsewhere, the seller is not responsible for unloading the goods.

Scheme of a typical export operation of RO of "Agrofertrans LTD" with the enterprise from Poland on the term FCA-Kyiv is shown in Appendix G.

The form of payment used by the company is clean collection. Although the collection form of payments is more profitable for the buyer, the choice of the form of payment is influenced by the balance of forces of the parties to the agreement and the current practice of international trade. The conditions under which this form of payment was selected by the exporter are the following:

- collection is used on the principles of reciprocity;
- the ability and desire of the buyer to make a payment is not in doubt;
- political, economic and legal conditions in the country of importer are stable;
- the importing country does not impose restrictions on imports and the corresponding foreign currency payments;
- the goods supplied are not made in a single copy, etc.

The simplified scheme of the collection form of payment is given in Appendix H.

Usually RO of "Agrofertrans LTD" uses automobile type of transport for exporting its products, rarely – by railway and maritime transport. The main criteria for choosing transport type are the type of cargo, distance and route of transportation, time factor, cost of transportation, safety of transportation, etc.

As a result of exports commodity structure analysis, it was found that Nitrogen Fertilizers occupy more than 60% of the export volume of RO of "Agrofertrans LTD", where leading positions are occupied by Ammonium Sulphate. Like any other product, it has its own UCGFEA code – 3102 21 00 00. It is appropriate to decrypt this code (table 1.6).

Table 1.6

Decryption of Ammonium Sulphate UCGFEA code

Section VI	Products of the chemical or allied industries
Chapter 31	Fertilizers
- 3102	Mineral or chemical fertilizers, nitrogenous
- [3102 2]	Ammonium sulphate; double salts and mixtures of ammonium sulphate and ammonium nitrate
- - 3102 21 00 00	Ammonium sulphate

Source: developed by the author according to [21]

To conclude, presented scheme of the exporting operations organization of RO of "Agrofertrans LTD" is reflected in the established practice of exporting activity of the enterprise. Thus, foreign trade operations of RO of "Agrofertrans LTD" are carried out by the direct method, on the FCA basic term of delivery (Incoterms 2010) using collection form of payments. The most commonly used type of transport during export of products is automobile, rarely – railway and maritime transport.

1.3. Analysis of the exporting activity of Representative Office of "Agrofertrans LTD" and evaluation of its effectiveness

The RO of "Agrofertrans LTD" is an export-oriented enterprise. That is why it is appropriate to calculate the ratio of internal and external volume of sales operations of the company (table 1.7).

Table 1.7

Dynamics of the net income from sales of products of RO of "Agrofertrans LTD",
2014-2018, thous. UAH

Indicator	Year				
	2014	2015	2016	2017	2018
Sales volume in Ukrainian market	541144,85	782715,66	839493,00	791599,19	655422,09
Export	759997,15	754799,34	1104678,00	1337751,81	1374745,91
Net income from sales of products	1301142,00	1537515,00	1944171,00	2129351,00	2030168,00
Absolute deviation	2015/2014	2016/2015	2017/2016	2018/2017	2018/2014
Sales volume in Ukrainian market	241570,81	56777,34	-47893,81	-136177,10	114277,24
Export	-5197,81	349878,66	233073,81	36994,10	614748,76
Net income from sales of products	236373,00	406656,00	185180,00	-99183,00	729026,00

Source: calculated by the author according to Appendix B and data of RO of "Agrofertrans LTD"

The share of the components of net income of RO of "Agrofertrans LTD" from the sale of products for the whole analyzed period is presented in figure 1.1.

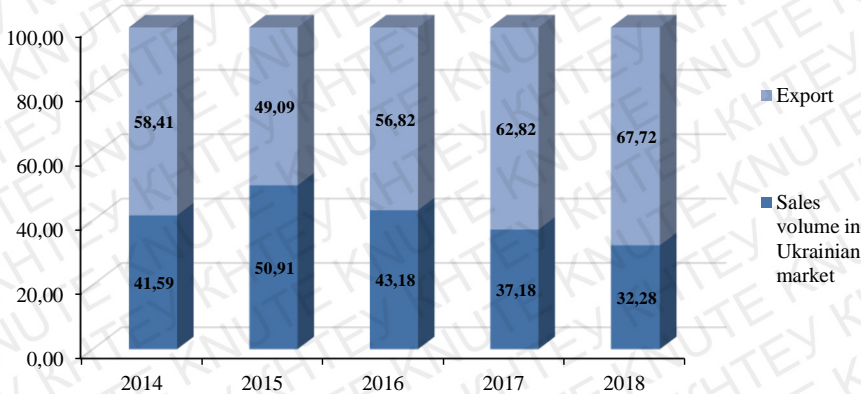


Figure 1.1 Net income structure of RO of "Agrofertrans LTD" from sales of products,
2014-2018, %

Source: developed by the author according to table 1.7

Table 1.7 and figure 1.1 show that since 2015 the company has been increasing its exporting activity, as evidenced by the increase in the absolute volume of export and its share in the total sales of the enterprise's products, which in 2018 amounted to 67,72%.

It is appropriate to analyze the dynamics of export volume of the enterprise (table 1.8).

Table 1.8

Dynamics of export volume of RO of "Agrofertrans LTD", 2014-2018, thous. UAH

Year	Volume of export	Absolute deviation		Relative deviation, %	
		basic	chain	basic	chain
2014	75997,15	–	–	–	–
2015	754799,34	-5197,81	-5197,81	-0,68	-0,68
2016	1104678,00	344680,85	349878,66	45,35	46,35
2017	1337751,81	577754,66	233073,81	76,02	21,10
2018	1374745,91	614748,76	36994,10	80,89	2,77

Source: calculated by the author according to data of RO of "Agrofertrans LTD"

According to the table, there is a slight decrease in the volume of export of the enterprise in 2015 by 0,68%. We can also see that in 2016 the volume of export of the enterprise increased by 45,35% (or by UAH 344680,85 thous.) compared to 2014 and by 46,35% (or by 349878,66 thous. UAH) compared to 2015 year. In 2018, the export volume of the enterprise increased by 2,77% (or by UAH 36994,10 thous.) compared to the previous year, and compared to the base year it increased by 80,89% (by UAH 614748,76 thous.).

Export is a very important part of economic activity of RO of "Agrofertrans LTD", which supplies fertilizers and fertilizer raw materials mainly to companies in Ukraine, Central and Eastern Europe.

The most strategically important partner countries of the enterprise are currently Latvia, Lithuania, Estonia, Hungary, Poland, Turkey and other countries (table 1.9).

Presented below figures indicate that as of 2018, Poland, Hungary and Latvia are the most important partner countries according to volume of export. However, in 2018, countries such as Turkey and Poland had the highest growth rate in export. The highest growth rate is observed in 2016 by "Other countries" – an indicator amounted to 122,26%. This is due to the fact that in 2016 the company expanded its product sales geography and started cooperation with many other European countries.

Table 1.9

Dynamics of export volume of RO of "Agrofertrans LTD" by countries,
2014-2018, thous. UAH

Country	Year					Growth rate, %			
	2014	2015	2016	2017	2018	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
Latvia	112741,16	111859,92	139343,40	151884,15	155438,04	-0,78	24,57	9,00	2,34
Lithuania	76499,34	74558,50	87921,66	98421,41	102654,73	-2,54	17,92	11,94	4,30
Estonia	68334,81	65441,50	72189,25	79241,82	78594,06	-4,23	10,31	9,77	-0,82
Hungary	161175,54	154017,33	178153,60	196244,68	198688,30	-4,44	15,67	10,15	1,25
Poland	145955,64	134558,50	179208,38	197688,20	208755,84	-7,81	33,18	10,31	5,60
Turkey	42755,72	38188,79	56297,33	78881,60	92006,55	-10,68	47,42	40,12	16,64
Other countries	152534,94	176174,80	391564,38	535389,95	538608,39	15,50	122,26	36,73	0,60
Total	759997,15	754799,34	1104678,00	1337751,81	1374745,91	-0,68	46,35	21,10	2,77

Source: calculated by the author according to data of RO of "Agrofertrans LTD"

The share of each country cooperating with RO of "Agrofertrans LTD" in the total volume of export is shown in the following table (table 1.10).

Table 1.10

Dynamics of geographical structure of export of RO of "Agrofertrans LTD", 2014-2018, %

Country	Year					Growth rate, %			
	2014	2015	2016	2017	2018	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
Latvia	14,83	14,82	12,61	11,35	11,31	-0,10	-14,88	-9,99	-0,41
Lithuania	10,07	9,88	7,96	7,36	7,47	-1,87	-19,43	-7,56	1,49
Estonia	8,99	8,67	6,53	5,92	5,72	-3,57	-24,63	-9,36	-3,49
Hungary	21,21	20,41	16,13	14,67	14,45	-3,78	-20,96	-9,04	-1,48
Poland	19,20	17,83	16,22	14,78	15,19	-7,17	-9,00	-8,91	2,76
Turkey	5,63	5,06	5,10	5,90	6,69	-10,07	0,73	15,70	13,50
Other countries	20,07	23,33	35,45	40,02	39,17	16,24	51,93	12,91	-2,13
Total	100,00	100,00	100,00	100,00	100,00	-	-	-	-

Source: calculated by the author according to data of RO of "Agrofertrans LTD"

The calculated indicators show that the growth rate of the share of almost every country (except Turkey), with which the company cooperates, decreases in the total volume of exports. The growth of this indicator is observed only in 2018 by Lithuania and Poland. It is also observed that over the last 3 years, Poland has the largest share of export of the enterprise.

The exception is the category "Other countries" – the growth rate of their share in the total volume of export of RO of "Agrofertrans LTD" was 16,24%, 51,93% and 12,91% in 2015, 2016 and 2017 respectively. However, in 2018 we can see the opposite trend.

It is not excluded that every next year the category "Other countries" will enlarge its share in the total volume of export of the enterprise. Recently, RO of "Agrofertrans LTD" has been actively expanding the sales geography of its products within Europe, searching for new importers of products and, consequently, strengthening its own position in the international arena.

Regarding the dynamics of export volumes by products, it should be noted that RO of "Agrofertrans LTD" supplies its clients with fertilizers and fertilizer raw materials, which are divided into 5 commodity groups (table 1.11).

Table 1.11

Dynamics of export volume of RO of "Agrofertrans LTD" by products,
2014-2018, thous. UAH

Product	Year					Growth rate, %			
	2014	2015	2016	2017	2018	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
1	2	3	4	5	6	7	8	9	10
Nitrogen Fertilizers	468006,20	462616,54	674516,39	869137,27	911084,36	-1,15	45,80	28,85	4,83
Urea	136343,46	138883,06	219720,47	269155,59	281212,44	1,86	58,21	22,50	4,48
Ammonium Sulphate	152987,40	145374,37	224028,71	293502,70	303997,29	-4,98	54,10	31,01	3,58
Ammonium Nitrate	80179,69	86424,53	102735,06	134711,63	135488,37	7,79	18,87	31,13	0,58
Calcium Ammonium Nitrate	59431,78	46118,26	66391,15	81736,63	98422,44	-22,40	43,96	23,11	20,41
Urea Ammonium Nitrate	39063,87	45816,32	61641,00	90030,72	91963,82	17,29	34,54	46,06	2,15
Phosphate fertilizers	126083,60	120763,49	160067,86	185680,01	198221,00	-4,22	32,55	16,00	6,75
Single Superphosphate	40031,55	41144,15	52886,41	59436,14	69337,77	2,78	28,54	12,38	16,66
Triple Superphosphate	43650,10	39175,69	50373,38	57820,73	62518,93	-10,25	28,58	14,78	8,13
Monoammonium Phosphate	34294,78	34610,79	44594,88	51804,81	59228,37	0,92	28,85	16,17	14,33
Diammonium Phosphate	8107,17	5832,86	12213,19	16618,33	7135,93	-28,05	109,39	36,07	-57,06

Continued table 1.11

1	2	3	4	5	6	7	8	9	10
Potassium fertilizers	72959,75	62648,40	104502,49	111300,92	117393,20	-14,13	66,81	6,51	5,47
Muriate of potash	34502,69	30083,79	48342,87	51654,80	56008,29	-12,81	60,69	6,85	8,43
Sulphate of potash	38457,06	32564,61	56159,62	59646,12	61384,91	-15,32	72,46	6,21	2,92
Compound fertilizers	34275,82	62275,27	84066,05	84813,50	53473,04	81,69	34,99	0,89	-36,95
16-16-16	15985,94	30562,79	38901,00	39560,26	24740,00	91,19	27,28	1,69	-37,46
10-26-26	18289,88	31712,48	45165,05	45253,24	28733,04	73,39	42,42	0,20	-36,51
Raw Materials for fertilizers	58671,78	46495,64	81525,21	86820,11	94574,31	-20,75	75,34	6,49	8,93
Sulfur	35111,86	30041,00	59210,72	54847,84	61170,89	-14,44	97,10	-7,37	11,53
Rock Phosphate	23559,92	16454,64	22314,49	31972,27	33403,42	-30,16	35,61	43,28	4,48
Total	759997,15	754799,34	1104678,00	1337751,81	1374745,91	-0,68	46,35	21,10	2,77

Source: calculated by the author according to data of RO of "Agrofertrans LTD"

During analysis of commodity structure of export of RO of "Agrofertrans LTD", the intensification of exporting activity in 2016 is clearly traced, as evidenced by the positive growth rates by all commodity groups and products. In this year we can see record growth rates for goods such as Diammonium Phosphate (+109,39% compared to the previous year) and Sulfur (+97,10% compared to the previous year). In 2018, there is a sharp decline in exports of Diammonium Phosphate (-57,06% or by UAH 9482,40 thous.) and Compound fertilizers (-36,95% or by UAH 31340,46 thous.) compared to the previous year.

It is appropriate to refer to the following table (table 1.12) to identify the share of each commodity group in the total exports of RO of "Agrofertrans LTD".

Analyzing the calculated data, we can conclude that the share of all product groups of exported products developed and changed evenly throughout the analyzed period. The largest share of exported products is occupied by the Nitrogen Fertilizers commodity group (66,27% in the commodity structure of the enterprise as of 2018). This commodity group includes such strategically important for the enterprise products as Urea and Ammonium Sulfate, share in export of which in 2018 was 20,46% and 22,11% respectively. It should be noted that with the exception of 2015, their share in the export of the enterprise has been only increasing with every next year.

Table 1.12

Dynamics of commodity structure of export of RO of "Agrofertrans LTD", 2014-2018, %

Product	Year					Growth rate, %			
	2014	2015	2016	2017	2018	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017
Nitrogen Fertilizers	61,58	61,29	61,06	64,97	66,27	-0,47	-0,38	6,40	2,01
Urea	17,94	18,40	19,89	20,12	20,46	2,56	8,10	1,16	1,67
Ammonium Sulphate	20,13	19,26	20,28	21,94	22,11	-4,32	5,30	8,19	0,79
Ammonium Nitrate	10,55	11,45	9,30	10,07	9,86	8,53	-18,78	8,28	-2,13
Calcium Ammonium Nitrate	7,82	6,11	6,01	6,11	7,16	-21,87	-1,64	1,66	17,17
Urea Ammonium Nitrate	5,14	6,07	5,58	6,73	6,68	18,09	-8,07	20,61	-0,74
Phosphate fertilizers	16,59	16,00	14,49	13,88	14,42	-3,56	-9,43	-4,21	3,88
Single Superphosphate	5,27	5,45	4,78	4,45	5,04	3,49	-12,31	-6,90	13,34
Triple Superphosphate	5,74	5,19	4,56	4,32	4,55	-9,63	-12,14	-5,21	5,22
Monoammonium Phosphate	4,51	4,59	4,04	3,87	4,31	1,62	-11,96	-4,07	11,25
Diammonium Phosphate	1,07	0,77	1,11	1,24	0,52	-27,56	43,07	12,36	-58,22
Potassium fertilizers	9,60	8,30	9,46	8,32	8,54	-13,54	13,98	-12,05	2,64
Muriate of potash	4,54	3,99	4,38	3,86	4,07	-12,21	9,80	-11,77	5,51
Sulphate of potash	5,06	4,31	5,08	4,46	4,47	-14,74	17,83	-12,30	0,15
Compound fertilizers	4,51	8,25	7,61	6,34	3,89	82,94	-7,76	-16,69	-38,65
16-16-16	2,10	4,05	3,52	2,96	1,80	92,50	-13,03	-16,02	-39,15
10-26-26	2,41	4,20	4,09	3,38	2,09	74,58	-2,69	-17,26	-38,21
Raw Materials for fertilizers	7,72	6,16	7,38	6,49	6,88	-20,21	19,81	-12,06	6,00
Sulfur	4,62	3,98	5,36	4,10	4,45	-13,85	34,67	-23,51	8,53
Rock Phosphate	3,10	2,18	2,02	2,39	2,43	-29,68	-7,34	18,32	1,66
Total	100,00	100,00	100,00	100,00	100,00	-	-	-	-

Source: calculated by the author according to data of RO of "Agrofertrans LTD"

Since 2015, the share of the Compound fertilizers commodity group has decreased (from 8,25% in 2015 to 3,89% in 2018), and their record decline is in 2018 — 38,65% compared to 2017. Other sharp changes in exports commodity structure of the enterprise are not traced.

It is appropriate to analyze the impact of factors (quantity of goods and price) on changes in value of exports of comparable goods within one commodity group of the enterprise. For this purpose, "Nitrogen fertilizers" commodity group, which includes 5 products of the company (Urea, Ammonium Sulfate, Ammonium Nitrate, Calcium Ammonium Nitrate, Urea Ammonium Nitrate) has to be analyzed for 5 years (Appendix I).

Obtained results show that in 2018 company increased its value of exports within the "Nitrogen fertilizers" commodity group by 4,83% (or by UAH 41947,09 thous.) compared to 2017. In particular, this change was due to an increase of the volume (quantity) of export by UAH 38277,44 thous. and due to an increase of the price of exported goods by UAH 3669,65 thous. As we can see, the change of the volume of exports has greater effect on the change of the value of exports. It should be added that this trend is observed throughout whole analyzed period.

The record increase in exports value within the "Nitrogen fertilizers" commodity group is observed in 2016, in particular by 45,80% (or by UAH 211899,85 thous.) compared to the previous year. This change was due to an increase in the volume of exports by UAH 211990,29 thous. and a decrease of the price of exported goods by UAH 90,44 thous.

The main condition for carrying out exporting activity of RO of "Agrofertrans LTD" is its efficiency. Evaluating of the efficiency of exporting activity determines the degree of interest of RO of "Agrofertrans LTD" in entering the foreign market, gives the opportunity to substantiate some positions on the sale of certain goods.

It is appropriate to calculate export efficiency indicators of RO of "Agrofertrans LTD". The results of the calculations are presented in table 1.13.

Table 1.13

Dynamics of export efficiency indicators of RO of "Agrofertrans LTD",
2014-2018, thous. UAH

Indicator	Year				
	2014	2015	2016	2017	2018
1	2	3	4	5	6
Net income from export sales	759997,15	754799,34	1104678,00	1337751,81	1374745,91
Production cost of export products	672562,62	616021,20	844612,28	1028004,94	1040429,36
Overhead costs on export, including:	18999,93	24153,58	30930,98	40132,55	35743,39
Cost of loading	18999,93	24153,58	30930,98	40132,55	35743,39
Economic effect of export	68434,60	114624,56	229134,74	269614,32	298573,16
Export efficiency coefficient	1,10	1,18	1,26	1,25	1,28

Continued table 1.13

1	2	3	4	5	6
Absolute deviation	2015/2014	2016/2015	2017/2016	2018/2017	2018/2014
Net income from export sales	-5197,81	349878,66	233073,81	36994,10	614748,76
Production cost of export products	-56541,42	228591,08	183392,66	12424,42	367866,74
Overhead costs on export, including:					
Cost of loading	5153,65	6777,41	9201,57	-4389,16	16743,46
Economic effect of export	46189,96	114510,17	40479,58	28958,84	230138,56
Export efficiency coefficient	0,08	0,08	-0,01	0,03	0,18

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Obtained results of calculations show that during the whole analyzed period the export efficiency coefficient of the enterprise exceeds "1", and the economic effect of export is exceeds zero, which indicates the efficient exporting activity organization of the enterprise and its profitability. At the same time, the highest export efficiency coefficient is observed in 2018 – it amounted to 1,28, and the economic effect of export is UAH 298573,16 thous.

The degree of liabilities fulfillment under export contracts with foreign partners by RO of "Agrofertrans LTD" has to be analyzed. The results of the calculations (Appendix J) indicate that in the period from 2016 to 2018, the company fulfilled all its planned liabilities for all goods within each commodity group and for all exporting countries.

In 2018, Urea has the highest coefficient of obligations fulfilment by value ($K_v = 1,0520$). Coefficient of obligations fulfilment by price (K_p) does not reach "1" only by 4 from 15 exported goods, namely: Monoammonium Phosphate ($K_p = 0,9915$), Diammonium Phosphate ($K_p = 0,9510$), Muriate of potash ($K_p = 0,9983$), Sulfur ($K_p = 0,9875$). However, this situation is compensated by the fact that the company has exceeded its planned obligations by the physical volume. Coefficient of obligations fulfilment by value (K_v) of total export is 1,0174, which means that the company over-fulfilled its planned liabilities by 1,74%.

Analyzing the previous years, we can see that the coefficient of obligations fulfilment by value (K_v) of total export is amounted to 1,0079, 1,0075, 0,9943 and 0,9995 in 2017, 2016, 2015 and 2014, respectively. This indicates that in 2015, the company did not fulfill its obligations by 0,57% and by 0,05% in 2014.

In conclusion, we can assert that RO of "Agrofertrans LTD" is increasing its exporting activity every year. In 2018, the export volume of the enterprise increased by 2,77% (or by UAH 36994,10 thous.) compared to the previous year, and compared to the base year it increased by 80,89% (by UAH 614748,76 thous.).

As of 2018, 66,27% of the company's exports is consists from the Nitrogen Fertilizers. Ammonium Sulfate holds the leading position in this commodity group, occupying 22,11% of the company's total export volume. Urea takes second place (20,46%).

The most important partner countries of RO of "Agrofertrans LTD" are Poland, Hungary, Latvia and other countries, share of which reached 15,19%, 14,45%, 11,31% and 39,17% respectively in the geographical structure of export of the enterprise. In 2016, the company expanded its product sales geography and started cooperation with many other European countries, as evidenced by the increase of share of "Other countries" in the geographical structure of the company's exports.

The analysis of the impact of factors (quantity of goods and price) on changes in value of exports of comparable goods within one commodity group ("Nitrogen fertilizers") found that, during the whole analyzed period, the change of the volume (quantity) of exports has greater effect on the change of the value of exports of an enterprise.

During the entire analyzed period the export efficiency coefficient of the enterprise exceeds "1", and the economic effect of export is exceeds zero, which indicates the efficient exporting activity organization of the enterprise and its profitability. At the same time, the highest export efficiency coefficient is observed in 2018 – it amounted to 1,28, and the economic effect of export is UAH 298573,16 thous.

The results of analysis dedicated to evaluation of degree of liabilities fulfilment under export contracts with foreign partners indicated that in the period from 2016 to 2018 RO of "Agrofertrans LTD" fulfilled all its planned liabilities for all goods within each commodity group and for all exporting countries.

CONCLUSION TO PART 1

Based on the analysis of the financial and economic activity of the enterprise, it can be concluded that RO of "Agrofertrans LTD" is increasing the volume of economic activity every year, as evidenced by an increase in net income from sales of products by 56,03% for the entire period under review. The company is profitable at the operational level, and in 2017 for the first time in the previous 3 years it received a net profit of UAH 129,512 mln. In 2018, the company increased its net profit by almost 6% compared to the previous year.

In 2018, there is a rapid decline in all liquidity ratios of RO of "Agrofertrans LTD" in comparison with the previous year. As a result, we can conclude that in 2018 the company is not able to settle its current liabilities. The profitability of the activity of the enterprise and the profitability of the enterprise in the last analyzed year decreased compared to the previous year due to the unbalanced increase in the components of the calculation. At the same time, in 2018, all turnover ratios decreased significantly, while turnover periods increased, indicating negative trends in business activity of the company.

Analysis of the exporting activity organization of RO of "Agrofertrans LTD" revealed that the enterprise's foreign trade operations are carried out by the direct method, on the FCA basic term of delivery (Incoterms 2010) using collection form of payments. The most commonly used type of transport during export of products is automobile, rarely –railway and maritime transport. All products exported by the enterprise are not subject to export duties and customs controls.

Export is a very important part of economic activity of RO of "Agrofertrans LTD", which is increasing its exporting activity every year. In 2018, the export volume of the enterprise increased by 2,77% compared to the previous year, and compared to the base year it increased by 80,89%. In addition, the indicator is constant increasing of absolute volume of export and its share in the total sales of the enterprise's products, which in 2018 amounted to 67,72%.

Throughout the analyzed period, more than 60% of the enterprise's export value is occupied by Nitrogen Fertilizers, making them the most strategically important commodity group. Ammonium Sulfate and Urea take the leading positions in this commodity group.

RO of "Agrofertrans LTD" supplies fertilizers and fertilizer raw materials mainly to companies in Ukraine, Central and Eastern Europe. The most important partner countries of the company are Poland, Hungary, Latvia and other countries, share of which reached 15,19%, 14,45%, 11,31% and 39,17% respectively in the geographical structure of export of the enterprise. In 2016, the company expanded its product sales geography and started cooperation with many other European countries, as evidenced by the increase of share of "Other countries" in the geographical structure of the company's exports.

Evaluation of the efficiency of exporting activity of RO of "Agrofertrans LTD" proved that the exporting activity of the enterprise is effective. At the same time, the highest export efficiency coefficient is observed in 2018 – it amounted to 1,28.

Evaluation of degree of liabilities fulfillment under export contracts with foreign partners indicated that in the period from 2016 to 2018, the company fulfilled all its planned liabilities for all goods within each commodity group and for all exporting countries. Coefficient of obligations fulfilment by value of total export reached 1,0174, which means that the company over-fulfilled its planned liabilities by 1,74%.

PART 2. IMPROVEMENT OF THE EXPORTING ACTIVITY ORGANIZATION OF REPRESENTATIVE OFFICE OF "AGROFERTRANS LTD"

2.1. Rationale of improvement directions of the exporting activity organization of Representative Office of "Agrofertrans LTD"

The modern development and current economic activity of commercial enterprise takes place in a dynamic external environment. Today RO of "Agrofertrans LTD" is forced to act in the conditions of instability and crisis in the economy, increasing competition, uncertainty and risk, and therefore it is important not only to respond to emerging problems and adapt to changing conditions of external environment, but also to anticipate opportunities and threats that may arise in the future and to take preventative measures in the process of achieving the set goals.

It determines the importance of applying the latest achievements of strategic management and necessity of taking the right choice of development strategy of the enterprise, aimed at ensuring high efficiency of the end results of exporting activity and its stable competitive positions in the market. One of these strategies is geographical diversification of exporting activity of the enterprise, which is favored by a large number of trading business structures, since it allows to achieve higher level of production capacity utilization, increase competitiveness, improve financial and economic results and status of the enterprise, reduce risks, etc.

Добавлено примечание ([O3]): більш повно завантажити виробничі потужнос

At the present stage of development of exporting activity of RO of "Agrofertrans LTD" it is quite important to investigate all issues related to the effective exporting activity organization of the enterprise. In order to successfully accomplish all the tasks set for the intensification of cooperation in the foreign market, first of all, it is necessary, to analyze the structure of the enterprise and, within its capabilities, to build such a mechanism of exporting activity organization, that could meet both the enterprise and the requirements of the foreign market.

The efficiency of the exporting activity organization of RO of "Agrofertrans LTD" is based on the main principles shown in figure 2.1.

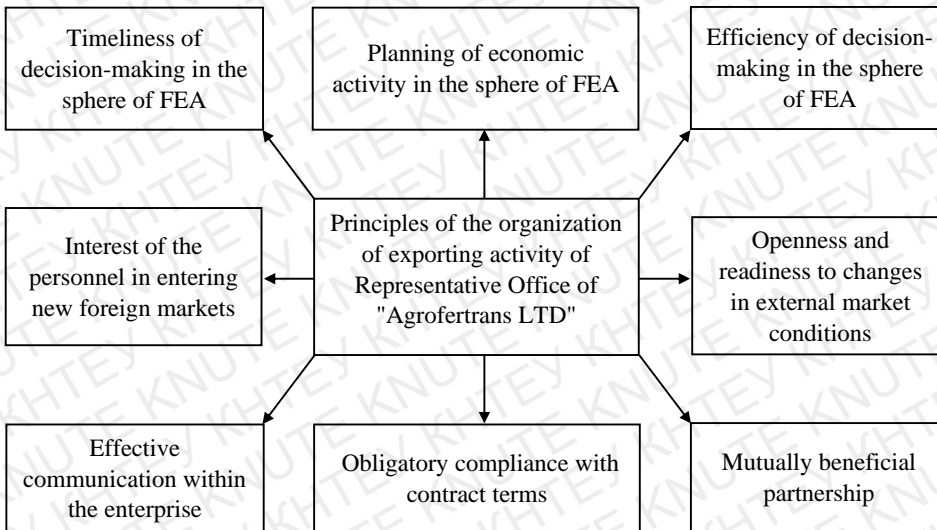


Figure 2.1 Basic principles of the organization of exporting activity of RO of "Agrofertrans LTD"

Source: developed by the author according to data of RO of "Agrofertrans LTD"

Currently, RO of "Agrofertrans LTD" has the following goals:

- to conquer new sales markets for its products;
- to increase the net profit of the enterprise;
- to enhance and maintain the high level of competitiveness of the enterprise.

Since 2015 RO of "Agrofertrans LTD" has focused on intensification of cooperation with European countries. It is evidenced by the constant increase in the growth rate of "Other countries" in the volume of exports by countries (table 1.9), the constant increase in the share of "Other countries" in the geographical structure of exports (table 1.10), as well as, as a consequence, the increase of the total volume exports (table 1.8) and net profit of the enterprise (Appendix C). Thus, based on the

previous experience of the company, we can conclude that geographical diversification of exports is effective.

However, in our opinion, it is appropriate to consider expanding of presence of the enterprise in the African market. The choice of this continent is, in particular, due to the large amount of fertilizers use in the agricultural sphere (figure 2.2) and the significant positive rate of their growth, especially in 2018. Also, RO of "Agrofertrans LTD" is cooperating with Egypt on a regular basis, already knowing some of the subtleties and nuances of exporting to this region. In addition, the company has considerable experience in entering new markets, which can be considered as an advantage.

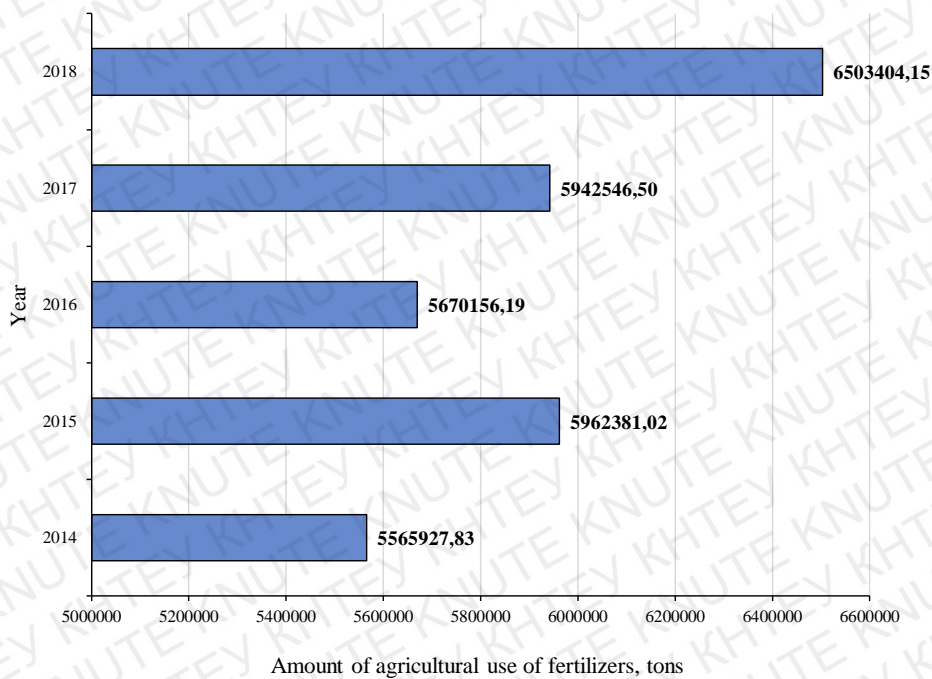


Figure 2.2 Amount of agricultural use of fertilizers in Africa, 2014-2018, tons

Source: developed by the author according to [4]

As the figure 2.2 and previous experience show, in modern agrarian production, in particular in the African continent, in recent years there is a strong tendency of increasing demand of various types of mineral fertilizers use.

It is caused by several reasons. First of all, mineral fertilizers remain an important factor in intensifying production, maintaining nutrient balance and soil fertility, and increasing crop yields to increase the overall profitability of doing agrarian business.

Secondly, mineral fertilizers are one of the most affordable types of resources for significantly increasing of agricultural potential returns productivity in a relatively short time limit.

The result of effective implementation of the proposed method of geographical diversification of exporting activity of RO of "Agrofertrans LTD" is the achievement of the following goals:

- improvement of the financial and economic condition of the enterprise and, as a consequence, increase of the net profit of the enterprise, stabilization of cash flows;
- conquering new sales markets for its products;
- ensuring and maintaining a high level of competitiveness of the enterprise;
- increasing demand for products;
- achieving higher level of production capacity utilization;
- resources saving due to the scale of production;
- achieving maximum efficiency of using the organizational and managerial potential of the enterprise.

In conclusion, the analysis revealed that the company should expand its presence in the African market. Provided effective management, geographical diversification of exports will allow RO of "Agrofertrans LTD" to achieve the set goals, including the conquest of new sales markets, increase of net profit of the enterprise, achievement of sustainable competitive advantages and additional economic benefits in the complex conditions of market conjuncture.

Добавлено примечание (Г04): більш повно завантажити виробничі потужнос

2.2. Development of improving measures set of the exporting activity organization of Representative Office of "Agrofertrans LTD"

One of the urgent problems of the enterprise is geographical diversification of exports. As already mentioned, RO of "Agrofertrans LTD" supplies fertilizers and fertilizer raw materials mainly to companies in Ukraine, Central and Eastern Europe. In 2016, the company started cooperation with many European countries, as evidenced by the increase of share of "Other countries" in the geographical structure of the company's exports.

RO of "Agrofertrans LTD" is encouraged to consider exporting to North Africa as the part of expanding its product sales geography and presence in the African market (the company is cooperating with Egypt on a regular basis). The table provides express-analysis based on a point evaluation of three countries of the region that can be considered as potential sales markets - Morocco, Algeria and Tunisia (table 2.1).

Table 2.1

Express-analysis of potential sales markets for the products of
RO of "Agrofertrans LTD" based on a point evaluation

Market characteristics section	Factor	Factor assessment, b_j	Weighting factor, a_j	Morocco	Algeria	Tunisia
1	2	3	4	5	6	7
1. Trade and political situation	Absence of Commonwealth Agreement, trade contacts are minimal	0	0,15			
	Commonwealth agreement exists, trade contacts are weak	1		+	+	
	Good trade contacts	2				+
	Stable trade relations	3				
2. Trade barriers (restrictions)	Embargo	0	0,15			
	Absence of restrictions	1			+	
	Preferential treatment	2		+	+	+
3. Competition	Strong	0	0,20			
	Average	1				+
	Weak	2				
4. Quality requirements	High	0	0,10			
	Moderate	1		+	+	+
	Below the world standards	2				

Continued table 2.1

1	2	3	4	5	6	7
5.Conditions of sale	Market monopolization	0	0,20	+		
	Oligopoly of the market	1			+	+
	Competitive environment	2				
6.Relations with potential buyers	Absence of trade in the past	0	0,10	+	+	+
	Minor trade	1				
	Episodic agreements	2				
	Stable business relationships	3				
7.Effectiveness of communication activities	Low	0	0,05			
	Moderate	1			+	
	High	2		+		+
8.Access to information	Absent	0	0,05			
	Fragmentary (unreliable)	1			+	
	Enough (reliable)	2				+
Total points			1	0,75	0,70	1,3

Source: developed by the author

Results of express-analysis of potential sales markets for the products of RO of "Agrofertrans LTD" are presented below (table2.2).

Table2.2

Results of express-analysis of potential sales markets for the products of RO of "Agrofertrans LTD" based on a point evaluation

Market characteristics section	Morocco	Algeria	Tunisia
1. Trade and political situation	0,15	0,15	0,3
2. Trade barriers (restrictions)	0,3	0,15	0,3
3. Competition	0	0	0,2
4. Quality requirements	0,1	0,1	0,1
5. Conditions of sale	0	0,2	0,2
6. Relations with potential buyers	0	0	0
7. Effectiveness of communication activities	0,1	0,05	0,1
8. Access to information	0,1	0,05	0,1
Total points	0,75	0,70	1,3

Source: calculated by the author according to table 2.1

Since the most attractive is the market with number "1", for which the condition $R_i = \max \{R_i\}$ is fulfilled, it can be concluded that the leader of the express-analysis of potential sales markets for the products of RO of "Agrofertrans LTD" is Tunisia.

It can be explained by a closer geographical location with Egypt (compared to other potential sales markets considered), which is already a partner country of the enterprise, and by high sales potential, absence of restrictive import policy, liberal monetary policy, GDP per capita growth (4402 USD for 2018) and the constant, though not rapid, growth of the economy [6].

Tunisia is one of the most important trade partners of Ukraine on the African continent. The main items of Ukrainian exports to Tunisia are traditionally grain, ferrous metals, lead, fertilizers and inorganic chemistry products. According to the results of 2018, Tunisia became the second importer of Ukrainian products in Africa after Egypt, which indicates the growing interest of the Tunisian side in intensifying trade and economic cooperation with Ukraine [26].

Agricultural sector of Tunisia. Agriculture plays a significant role for the country's economic and social growth. Even though Tunisia is on its way to become a modern service economy, the agricultural sector is still of vital importance, contributing 12,6% of GDP and employing almost one quarter of the country's labor force. Agricultural produce represents about 6% of the country's export earnings in 2018. The main cereal crops are wheat and barley. Tunisian farmers grow olives, dates and fresh fruits for both export and domestic consumption.

Climatic conditions. Tunisia's climate is hot-summer Mediterranean climate in the north, where winters are mild with moderate rainfall and summers are hot and dry. The terrain in the north is mountainous, which, moving south, gives way to a hot, dry central plain. The south of the country is desert, the climate naturally becomes hotter, drier and sunnier. The southern part has therefore a hot desert climate with extremely hot summers, warm winters and very low annual rainfall amount.

According to geographical location and climatic conditions of Tunisia, which determine the area suitable for agricultural activities, the territory of the country can be divided into 5 regions by fertilizers total sales (AppendixK). It has been discovered that Region I is the most attractive for fertilizers exporting.

Taking into account strategically important agricultural sector of the economy of Tunisia and its geographical location, entities of agricultural complex are in dire need of

fertilizers, which are necessary for growing products in the existing climatic conditions. For this reason, Tunisia's total fertilizers consumption is increasing every year, making Tunisia a high-potential sales market for fertilizers exporting countries. Amount of agricultural use of fertilizers by Tunisia is presented below (figure 2.3).

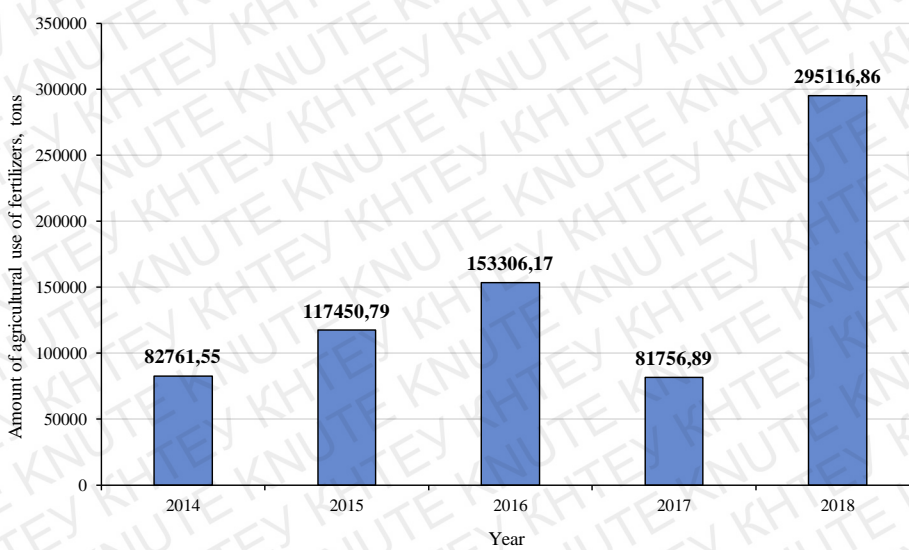


Figure 2.3 Amount of agricultural use of fertilizers by Tunisia, 2014-2018, tons

Source: developed by the author according to [4]

The figure shows that in 2018 there is a rapid increase in the amount of agricultural use of fertilizers by Tunisia. Compared to the previous year, this indicator increased by more than 3,6 times (by 260,97% or by 213359,97 tons), making Tunisia a perspective sales market for RO of "Agrofertrans LTD".

Tunisia is a founding member of the World Trade Organization (WTO) and submitted a "Category A" notification in September 2014 for the Trade Facilitation Agreement [17].

While maintaining restrictions on designated strategic sectors by requiring prior authorization, the Tunisian government has pursued a program of liberalizing imports. Approximately 97% of imports do not require prior authorization [20].

Tunisia has non-tariff barriers such as import licenses or quotas on certain products. These particularly apply to consumer goods that compete against locally produced equivalents manufactured by developing industries or to goods for which domestic production is deemed sufficient. Fertilizers are not subject to non-tariff barriers (import licenses or quotas) [10].

Inconsistent procedures within Tunisian Customs can also be a major obstacle for importers. Importers have experienced extended delays in customs clearance due to legally required, but not uniformly invoked, technical and quality control investigations on various items. Government use of non-tariff barriers has sometimes led to the delay or rejection of goods shipped to Tunisia.

In this regard, we have analyzed Doing Business 2019 annual report, in which economies are ranked on their ease of doing business index from 1–190. Consequently, we can conclude that Tunisia takes 80th place in this ranking with a total score of 66,11 (+1,51 compared to last year) [1].

A nation's ranking on the index is based on the average of 10 subindices, one of which is "Trading across borders" (101st place with a score of 70,50). It reflects number of documents, cost, and time necessary to export and import. Based on this, we can assert that documentary compliance may take up to 27 hours with the cost in amount of 144 USD; border compliance may take up to 80 hours with the cost in amount of 596 USD. Also, Tunisia ranks 80th place for "Enforcing contracts" with a score of 59,33.

Trade agreements with European Union. Approximately 70% of Tunisia's trade is with the European Union, and Tunisia's most significant free-trade agreement is its "Association Agreement" in industrial goods with the EU, formally ratified in 1996. The free-trade zone with the EU was effectively implemented in 2008 after a gradual lowering of tariffs to zero over a 12-year period. In late 2011, the EU announced it

would pursue a "deep and comprehensive free-trade agreement" with Tunisia. As of June 2019, negotiations are still ongoing [19].

Customs Regulations. The Tunisian Customs website provides online tariff data. This information is also available to various categories of professionals, including freight companies, who are linked to a specialized Intranet known as Tunisia Trade Net.

Customs Classification. Tunisia applies the Harmonized Customs System [7].

Import Tariffs. Goods are subject to an additional customs formality fee, currently amounting to 3% of the customs value of imported goods. Certain imports are also subject to a value-added tax (VAT). Tunisia's basic VAT rates are 19%, 13%, 7% and 0%, with the majority of goods covered by the 19% rate as at 2019. Tunisia calculates VAT on the base of customs value of the goods plus any import duties, surcharges, and consumption taxes. Imported fertilizers are not subject to VAT payment [20].

Standards for trade. Tunisia is currently embracing ISO 9001 standards. The National Institute of Standardization and Industrial Property (INNORPI) is responsible for establishing national standards and has instituted ISO 14000 certification procedures [18].

RO of "Agrofertrans LTD" offers high-quality products that meet the world standards through high qualification of personnel and introduction of advanced technologies. The high level of quality of products of the enterprise is confirmed by various international certificates. The company constantly confirms its compliance with the requirements of international standards for product quality assurance, production process safety, environmental management, occupational safety and health of employees according to ISO 9001, ISO 14001, OHSAS 18001.

Testing, inspection, and certification. The Tunisian Accreditation Council (TUNAC) is the national accreditation agency. TUNAC evaluates and accredits conformity assessment bodies (i.e., laboratories and inspection and certification bodies) in accordance with relevant national and international standards [2].

TUNAC has mutual recognition agreements with the International Laboratory Accreditation Cooperation and the European Cooperation for Accreditation (EA) for the accreditation of laboratories for analysis, testing, and calibration. TUNAC is also a signatory of the mutual recognition agreements with the International Accreditation

Forum and the EA for the accreditation of certification bodies for quality and environmental management systems. International testing laboratories and agencies are allowed to operate in the market.

Unit of measurement. The use of the metric system is compulsory; the Anglo-Saxon units are not well-known.

Labeling and Marking Requirements. Standard labeling and marking requirements are outlined in the 1992 Consumer Protection (Law 1992-117). Languages permitted on packaging and labeling are Arabic, French or English.

In Tunisia, the packaging of imported products must necessarily contain a label with the following information:

- name and contact of the importing company;
- name and contact of the exporting company;
- date of validity and expiration of the product;
- composition of the product [18].

Prohibited & Restricted Imports. Imports of explosives and military- and security-related equipment are tightly controlled and only allowed under license. Narcotics and pornographic items are strictly forbidden. Fertilizers are not subject to import prohibitions and restrictions [7].

All customs payments levied on imports to Tunisia from Ukraine are systematized in the table below (table 2.3).

Table 2.3

Customs payments for fertilizers imported to Tunisia from Ukraine

Payment	Value/Amount
Basic:	
Customs duty	0%
Value-added tax (VAT)	Imported fertilizers are not subject to VAT payment
Excise tax	Imported fertilizers are not subject to excise tax
Additional customs formality fee	3% of customs value of imported goods
Additional:	
Documentary compliance	144 USD
Border compliance	596 USD

Source: [1, 10]

To conclude, in order to diversify product sales geography and to expand presence on the African market, RO of "Agrofertrans LTD" is encouraged to consider the possibility of exporting products to the North African region. Carried out express-analysis of potential sales markets for the products of the company based on a point evaluation found that Tunisia is the most attractive sales market for the company. Due to country's geographical location, climate conditions and strategically important agricultural sector, total fertilizers consumption is increasing every year, making Tunisia a high-potential sales market for fertilizers exporting countries and enterprises, including RO of "Agrofertrans LTD".

2.3. Financial results forecast of Representative Office of "Agrofertrans LTD" due to the proposed measures implementation

To assess the feasibility of the developed recommendations implementation into the activity RO of "Agrofertrans LTD", it is appropriate to carry out a forecast estimate of the exporting activity indicators, as well as economic activity in general.

Forecasting is extremely important for enterprises changing their business strategy. The role of forecasting can not be ignored in assessing financial requirements for further innovation. Forecasting provides information that helps to achieve effective control. Managers become aware of their weaknesses during forecasting and through implementing better effective control they are able to overcome these weaknesses.

Firstly, we forecasted the export efficiency indicators without implementation of proposed set of measures to improve the exporting activity organization of the enterprise (table 2.4). For this purpose, extrapolation method, which allows to transfer the averaged trends of the previous periods to the future, was used.

We calculated average growth rates of net income from export sales (1,1738), as well as production cost of export products (1,1291) and overhead costs on export (1,1850) for 5 years (2018/2014). With the use of the indices obtained, the forecast

indicators for the years 2020-2022 were calculated. As the baseline year, we used the planned indicators for 2019 obtained at the enterprise.

Table 2.4

Forecast of dynamics of export efficiency indicators of RO of "Agrofertrans LTD" under unchanged strategy, 2020-2022, thous. UAH

Indicator	2018	Planned indicators for 2019	Forecast		
			2020	2021	2022
Net income from export sales	1374745,91	1485748,98	1743972,15	2047074,51	2402856,06
Production cost of export products	1040429,36	1074451,40	1213163,08	1369782,43	1546621,34
Overhead costs on export, including:	35743,39	37924,92	44941,03	53255,12	63107,32
Cost of loading	35743,39	37924,92	44941,03	53255,12	63107,32
Economic effect of export	298573,16	373372,66	485868,04	624036,96	793127,40
Export efficiency coefficient	1,28	1,34	1,39	1,44	1,49
Absolute deviation	2019/2018	2020/2019	2021/2020	2022/2021	2022/2019
Net income from export sales	111003,07	258223,17	303102,36	355781,55	917107,08
Production cost of export products	34022,04	138711,68	156619,35	176838,91	472169,94
Overhead costs on export, including:	2181,53	7016,11	8314,09	9852,20	25182,40
Cost of loading	2181,53	7016,11	8314,09	9852,20	25182,40
Economic effect of export	74799,50	112495,38	138168,92	169090,44	419754,74
Export efficiency coefficient	0,06	0,05	0,05	0,05	0,15

Source: calculated by the author according to data of RO of "Agrofertrans LTD"

It should be stressed that RO of "Agrofertrans LTD" successfully organizes its exporting activity. It is proved by the positive economic effect of export and the export efficiency coefficient that exceeds "1" over the whole analyzed period till 2018 (table 1.13). Consequently, it was determined that even if the strategy of the enterprise is unchanged in the next 3 years, the company can expect an increase in the efficiency of exports. As a result, in 2022 in comparison with 2019, export efficiency coefficient will increase by 15,71% and economic effect of export will increase by 112,42% (or by UAH 419754,74 thous.).

The calculations of table 2.5 indicate that under stable conditions of external environment and effective management of the foreign economic activity, the enterprise will improve its export efficiency indicators. Due to the proposed measures implementation, there is a significant improvement in exporting performance. Estimating possible changes in export efficiency indicators in case of our recommendations implementation, it is assumed that, in 2022 in comparison with 2019,

export efficiency coefficient will increase by 17,69%. At the same time, economic effect of export will increase by 127,15% (or by UAH 474754,57 thous.).

Table 2.5

Forecast of dynamics of export efficiency indicators of RO of "Agrofertrans LTD" due to proposed measures implementation, 2020-2022, thous. UAH

Indicator	2018	Planned indicators for 2019	Forecast		
			2020	2021	2022
Net income from export sales	1374745,91	1485748,98	1767972,81	2092074,95	2502856,14
Production cost of export products	1040429,36	1074451,40	1225163,03	1389782,08	1586621,86
Overhead costs on export, including:	35743,39	37924,92	46141,70	55505,93	68107,05
Cost of loading	35743,39	37924,92	46141,70	55505,93	68107,05
Economic effect of export	298573,16	373372,66	496668,08	646786,94	848127,23
Export efficiency coefficient	1,28	1,34	1,39	1,45	1,51
Absolute deviation	2019/2018	2020/2019	2021/2020	2022/2021	2022/2019
Net income from export sales	111003,07	282223,83	324102,14	410781,19	1017107,16
Production cost of export products	34022,04	150711,63	164619,05	196839,78	512170,46
Overhead costs on export, including:	2181,53	8216,78	9364,23	12601,12	30182,13
Cost of loading	2181,53	8216,78	9364,23	12601,12	30182,13
Economic effect of export	74799,50	123295,42	150118,86	201340,29	474754,57
Export efficiency coefficient	0,06	0,05	0,06	0,06	0,17

Source: calculated by the author according to data of RO of "Agrofertrans LTD"

At the next stage, we performed the forecast of the financial results of RO of "Agrofertrans LTD". As in the case of export efficiency indicators forecasting, the extrapolation method was used.

Financial results' forecast of RO of "Agrofertrans LTD" without implementation of proposed set of measures to improve the exporting activity organization revealed that the company will still remain profitable and can expect an increase in the net profit (Appendix L).

The tendency to increase the net income from sales of products and the net profit of the company under unchanged strategy is observed throughout the forecasted period. It is assumed that, in 2022 in comparison with 2019, net income (revenue) from sales of products will increase by 41,89% (or by UAH 909963,51 thous.). At the same time, net profit of the company will increase by 178,14% (or by UAH 292947,71 thous.).

The calculations of Appendix M indicate that due to the proposed measures implementation, there is a significant improvement in financial results of RO of

"Agrofertrans LTD". Due to entering the Tunisian market, in 2022 it is expected an increase of net income (revenue) from sales of products by 46,49% (or by UAH 1009963,51 thous.) compared to 2019. At the same time, net profit of the company will increase by 193,95% (or by UAH 318947,71 thous.).

These results are calculated under the assumption that every next year the company will increase its volume of exports to Tunisia. Export efficiency indicators for the forecast period in case of exporting to Tunisia are presented in the table below (table 2.6).

Table 2.6

Dynamics of export efficiency indicators of RO of "Agrofertrans LTD"
in case of exporting to Tunisia, 2020-2022, thous. UAH

Indicator	Forecast			Absolute deviation		
	2020	2021	2022	2021/ 2020	2022/ 2021	2022/ 2020
Net income from export sales	24000,00	45000,00	100000,00	21000,00	55000,00	76000,00
Production cost of export products	12000,00	20000,00	40000,00	8000,00	20000,00	28000,00
Overhead costs on export, including:	1200,00	2250,00	5000,00	1050,00	2750,00	3800,00
Cost of loading	1200,00	2250,00	5000,00	1050,00	2750,00	3800,00
Economic effect of export	10800,00	22750,00	55000,00	11950,00	32250,00	44200,00
Export efficiency coefficient	1,82	2,02	2,22	0,20	0,20	0,40

Source: calculated by the author according to data of RO of "Agrofertrans LTD"

The table shows that along with the increase in export efficiency coefficient, which in 2022 will increase by 0,40 compared to 2020, the economic effect of export also increases. Thus, in 2022 it is expected to grow by UAH 44200.00 thous. Compared to 2020. According to calculations presented above, we can confirm the efficiency of exporting to Tunisia as a perspective sales market for RO of "Agrofertrans LTD".

For illustrative purposes, we can refer to figure 2.4, which reflects the positive impact of proposed improving measures set on the exporting activity of RO of "Agrofertrans LTD".

Analyzing the figure data, we see a significant improvement in all the export efficiency indicators of RO of "Agrofertrans LTD" due to proposed measures implementation.

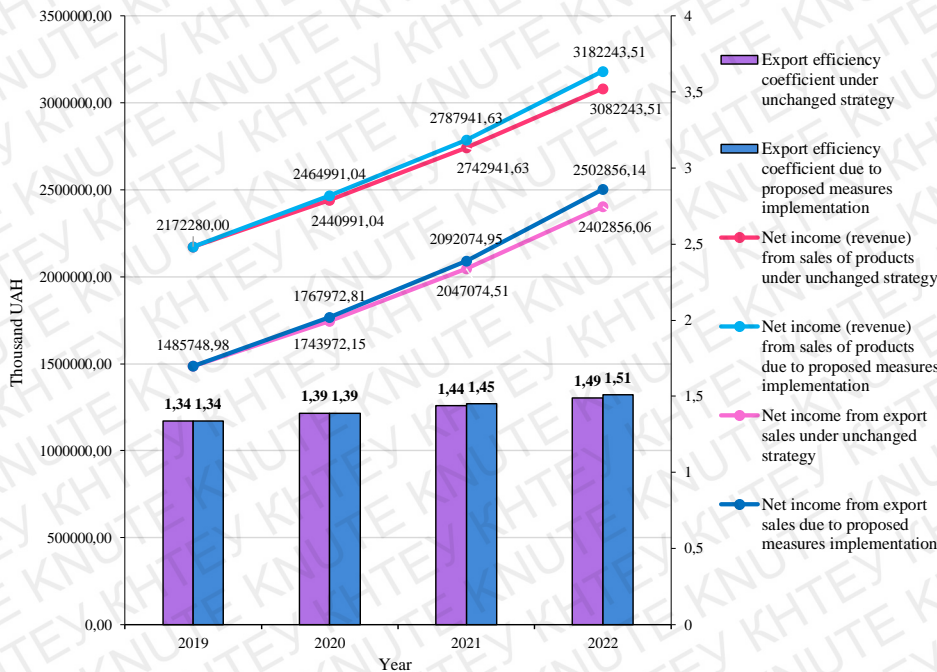


Figure 2.4 Dynamics of export efficiency indicators of RO of "Agrofertrans LTD" with and without proposed improving measures set implementation, 2019-2022

Source: developed by the author according to data of RO of "Agrofertrans LTD"

The forecasting process usually ends with a final document, which contains a detailed description and explanation of the developed forecast and the corresponding development trends.

To conclude, information on the estimated quantitative justification of the positive impact on the exporting and economic activity of RO of "Agrofertrans LTD" due to proposed measures implementation, was provided in the form of a forecast. The results of forecasting of export efficiency indicators and financial results of the

company revealed efficiency and feasibility of proposed set of measures implementation to improve the exporting activity organization of RO of "Agrofertrans LTD".

CONCLUSION TO PART 2

The analysis revealed that RO of "Agrofertrans LTD" should expand its presence in the African market. The choice of this continent is, in particular, due to the large amount of agricultural use of fertilizers and the significant positive rate of their growth. Also, the company is cooperating with Egypt on a regular basis, already knowing some of the subtleties and nuances of exporting to this region. Provided effective management, geographical diversification of exports will allow RO of "Agrofertrans LTD" to achieve the set goals, including the conquest of new sales markets, increase of net profit of the enterprise, achievement of sustainable competitive advantages and additional economic benefits in the complex conditions of market conjuncture.

In order to diversify product sales geography and to expand presence on the African market, RO of "Agrofertrans LTD" is encouraged to consider the possibility of exporting products to the North African region. Carried out express-analysis of potential sales markets for the products of the company based on a point evaluation found that Tunisia is the most attractive sales market for the company. It can be explained by high sales potential, absence of restrictive import policy, liberal monetary policy, GDP per capita growth and the constant, though not rapid, growth of the economy. Due to country's geographical location, climate conditions and strategically important agricultural sector, total fertilizers consumption is increasing every year, making Tunisia a high-potential sales market for fertilizers exporting countries and enterprises, including RO of "Agrofertrans LTD".

Information on the estimated quantitative justification of the positive impact on the exporting and economic activity of RO of "Agrofertrans LTD" due to proposed measures implementation, was provided in the form of a forecast. The results of forecasting of export efficiency indicators and financial results of the company revealed efficiency and feasibility of proposed set of measures implementation to improve the exporting activity organization of RO of "Agrofertrans LTD".

CONCLUSIONS AND RECOMMENDATIONS

The results of the study provide the basis for the following conclusions, which are characterized by scientific validity and have theoretical, methodological, scientific and practical value:

1. "Agrofertrans LTD" is a multinational company based on 6 August 2002 in United Kingdom and specialized in fertilizers and fertilizer raw material production, selling and distribution. Global network of its operation and deep reach into regional and national markets enables to build strong and long-term partnership, reaching the highest level of loyalty – 98% of its sales are repeatable. The company sales its products to more than 70 countries all over the world. Production capacities of the enterprise are located in Ukraine, Belarus, China and Brazil. "Agrofertrans LTD" has 5 Representative Offices all over the world, one of which is located in Kyiv, Ukraine.

2. Based on the analysis of the financial and economic activity of the enterprise, it is concluded that RO of "Agrofertrans LTD" is increasing the volume of economic activity every year, as evidenced by an increase in net income from sales of products by 56,03% for the entire period under review. The company is profitable at the operational level, and in 2017 for the first time in the previous 3 years it received a net profit. In 2018, the company increased its net profit by almost 6% compared to the previous year. Also, in 2018, there is a rapid decline in all liquidity ratios of RO of "Agrofertrans LTD" in comparison with the previous year. As a result, we can conclude that in 2018 the company is not able to settle its current liabilities. The profitability of the activity of the enterprise and the profitability of the enterprise in the last analyzed year decreased compared to the previous year due to the unbalanced increase in the components of the calculation. At the same time, in 2018, all turnover ratios decreased significantly, while turnover periods increased, indicating negative trends in business activity of the company.

3. Analysis of the exporting activity organization of RO of "Agrofertrans LTD" revealed that the enterprise's foreign trade operations are carried out by the direct method, on the FCA basic term of delivery (Incoterms 2010) using collection form of

payments. The most commonly used type of transport during export of products is automobile, rarely –railway and maritime transport. All products exported by the enterprise are not subject to export duties and customs controls.

4. Analysis of the exporting activity of RO of "Agrofertrans LTD" revealed that the company is increasing its exporting activity every year. In addition, the indicator is constant increasing of absolute volume of export and its share in the total sales of the enterprise's products.

Throughout the analyzed period, more than 60% of the enterprise's export value is occupied by Nitrogen Fertilizers, making them the most strategically important commodity group. Ammonium Sulfate and Urea take the leading positions in this commodity group.

RO of "Agrofertrans LTD" supplies fertilizers and fertilizer raw materials mainly to companies in Ukraine, Central and Eastern Europe. The most important partner countries of RO of "Agrofertrans LTD" are Poland, Hungary, Latvia and other countries. In 2016, the company expanded its product sales geography and started cooperation with many other European countries, as evidenced by the increase of share of "Other countries" in the geographical structure of the company's exports.

Evaluation of the efficiency of exporting activity of RO of "Agrofertrans LTD" proved that the exporting activity of the enterprise is effective. At the same time, the highest export efficiency coefficient is observed in 2018.

Evaluation of degree of liabilities fulfillment under export contracts with foreign partners indicated that in the period from 2016 to 2018, the company fulfilled all its planned liabilities for all goods within each commodity group and for all exporting countries.

5. As a result of the conducted research on improvement directions of the exporting activity organization of RO of "Agrofertrans LTD" was found that the company should diversify its product sales geography by expanding its presence in the African market. The choice of this continent is, in particular, due to the large amount of agricultural use of fertilizers and the significant positive rate of their growth. Also, the company is cooperating with Egypt on a regular basis, already knowing some of the subtleties and

nuances of exporting to this region. Provided effective management, geographical diversification of exports will allow RO of "Agrofertrans LTD" to achieve the set goals, including the conquest of new sales markets, increase of net profit of the enterprise, achievement of sustainable competitive advantages and additional economic benefits in the complex conditions of market conjuncture.

6. The result of the development of improving measures set of the exporting activity organization of RO of "Agrofertrans LTD" is a proposal to consider the possibility of exporting products to the North African region. Carried out express-analysis of potential sales markets for the products of the company based on a point evaluation found that Tunisia is the most attractive sales market for the company. It is explained by high sales potential, absence of restrictive import policy, liberal monetary policy, GDP per capita growth and the constant, though not rapid, growth of the economy. Due to country's geographical location, climate conditions and strategically important agricultural sector, total fertilizers consumption is increasing every year, making Tunisia a high-potential sales market for fertilizers exporting countries and enterprises, including RO of "Agrofertrans LTD".

7. Information on the estimated quantitative justification of the positive impact on the exporting and economic activity of RO of "Agrofertrans LTD" due to proposed measures implementation, was provided in the form of a forecast. The results of forecasting of export efficiency indicators and financial results of the company revealed efficiency and feasibility of proposed set of measures implementation to improve the exporting activity organization of RO of "Agrofertrans LTD".

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SUPPORTING DATA
TO THE FINAL QUALIFYING PAPER
on the topic:

«Organization of exporting activity of the enterprise»

(based on materials of Representative Office of "Agrofertrans LTD", Kyiv)

Student of the 2nd year, 5 am group
specialty 073 «Management»
specialization «Management of
Foreign Economic Activity»

(student's signature)

Saukh Oksana

Scientific adviser
of the final qualifying paper:
Candidate of Sciences (Economics),
Associate Professor

*(signature of a
scientific adviser)*

Diachenko O.V.

Kyiv 2019

Basic information about Representative Office of "Agrofertrans LTD"

Enterprise	Representative Office of "Agrofertrans LTD"
Date and subject of registration	22 November 2002 by The Ministry of Economy and European Integration of Ukraine (until 2005, now - Ministry of Economic Development, Trade and Agriculture of Ukraine)
Legal form (Form of incorporation)	Representative Office
Type of ownership	Private property
Address	44-B Yevhena Konovaltsia Street, Kyiv 01133, Ukraine
Registration Number (by USREOU)	26295487
Code by COATSU	8038200000 (Pechersk district)
Types of economic activity (by CEA-2010)	20.15– Manufacture of fertilizers and nitrogen compounds 20.20 – Manufacture of pesticides and other agrochemical products 46.75– Wholesale of chemical products
Director	Skrypka Oleksandr
Telephone	+ 38 044 207 41 91
Web-site	http://agrofertrans.com/
E-mail	aft@agrofertrans.com

Source: developed by the author according to data of Representative Office of "Agrofertrans LTD" and [8]

Appendix B

			CODES
		Date (YYYY MM DD)	2015 01 01
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	26295487
Location		by COATSU	8038200000
Legal form	Representative Office	by CLFEA	620
Economic activity	Manufacture of fertilizers and nitrogen compounds	by CEA	20.15
Address, telephone	44-B Yevhena Konovaltsia Street, Kyiv 01133, (044) 207 41 91		
Unit	thous. UAH without decimal place		

**BALANCE SHEET
as at December 31, 2014**

Assets	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Fixed assets			
Intangible assets:	1000	217506	199358
initial value	1001	386213	388968
accumulated depreciation	1002	168707	189610
Incomplete capital investments	1005	90119	127810
Fixed assets:	1010	2567428	2560554
initial value	1011	3091513	3154816
accumulated depreciation	1012	524085	594262
Investment property:	1015	0	0
initial value	1016	0	0
accumulated depreciation	1017	0	0
Long-term biological assets:	1020	0	0
initial value	1021	0	0
accumulated depreciation	1022	0	0
Long-term financial investments:			
that records under using the equity of other entities method	1030	0	0
other financial investments	1035	12	12
Long-term receivables	1040	97646	97440
Deferred tax assets	1045	0	0
Goodwill	1050	0	0
Deferred acquisition costs	1060	0	0
Balance of funds in centralized insurance reserve funds	1065	0	0
Other fixed assets	1090	0	0
Total for Section I	1095	2972711	2985174

Continued appendix B

1	2	3	4
II. Current assets			
Inventories	1100	248539	266731
Raw materials	1101	205109	236897
Work in progress	1102	0	0
Finished products	1103	43084	28749
Commodities	1104	346	1085
Current biological assets	1110	0	0
Reinsurance deposits	1115	0	0
Promissory notes received	1120	0	0
Accounts receivable for products, goods, works, services	1125	316716	388979
Receivables accounts:			
for advances paid	1130	0	0
with a budget	1135	48889	60088
including income tax	1136		19296
from accrued income	1140	0	0
from internal payments	1145	0	0
Other current receivables	1155	0	0
Current financial investments	1160	0	0
Money and cash equivalents	1165	8168	7124
Cash in hand	1166	6	0
Cash in bank	1167	8162	0
Prepaid expenses	1170	0	0
Other current assets	1190	0	0
Total for Section II	1195	622312	722922
III. Non-current assets held for sale and disposal groups	1200	0	0
Balance	1300	3595023	3708096

Equity and liabilities	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Equity			
Registered capital	1400	244404	244404
Contributions to unregistered share capital	1401	0	0
Capital in revaluation	1405	0	0
Additional capital	1410	2202842	2202842
Emission income	1411	0	0
Accumulated exchange differences	1412	0	0
Reserve capital	1415	2896	2896
Retained earnings (uncovered loss)	1420	183134	265587
Unpaid capital	1425	(0)	(0)
Withdrawn capital	1430	(0)	(0)
Other reserves	1435	0	0
Total for Section I	1495	2633276	2715729

Continued appendix B

1	2	3	4
II. Long-term liabilities and ensuring			
Deferred tax liabilities	1500	20115	22729
Pension benefit obligation	1505	0	0
Long-term bank credits	1510	593622	563033
Other long-term liabilities	1515	382	131
Long-term ensuring	1520	0	0
Total for Section II	1595	614119	585893
III. Current liabilities and ensuring			
Short-term bank credits	1600	0	0
Promissory notes issued	1605	0	0
Current accounts payable: for the long term obligations	1610	56399	95099
for goods and services	1615	197371	231050
for payments to budget	1620	0	341
including income tax	1621	0	0
for insurance payments	1625	1723	1158
for payments of wages	1630	1219	1343
for advances received	1635	10333	923
for payments with participants from internal payments	1640	0	0
for insurance activity	1645	0	0
Current ensuring	1660	13949	16274
Deferred income	1665	66243	60286
Deferred commission income from reinsurers	1670	0	0
Other current liabilities	1690	391	0
Total for Section III	1695	347628	406474
IV. Liabilities related to non-current assets held for sale and disposal groups	1700	0	0
V. Net asset value of non-state pension funds	1800	0	0
Balance	1900	3595023	3708096

Continued appendix B

			CODES
		Date (YYYY MM DD)	2015 01 01
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	26295487

INCOME STATEMENT
for the year ended December 31, 2014

I. FINANCIAL RESULTS

Item	Code	For the reporting period	For the same period of the previous year
Net income (revenue) from sales of products (goods and services)	2000	1301142	1281702
Cost of sales of products (goods and services)	2050	(1151451)	(1067846)
Gross: profit	2090	149691	213856
Gross: loss	2095	(0)	(0)
Other operating income	2120	51176	136875
Administrative expenses	2130	(41027)	(36470)
Selling expenses	2150	(26984)	(22876)
Other operating expenses	2180	(64574)	(130068)
Financial results of operations: profit	2190	68282	161317
Financial results of operations: loss	2195	(0)	(0)
Income from equity	2200	2351	2351
Other financial income	2220	0	213
Other income	2240	18746	24587
Financial expenses	2250	(57140)	(71170)
Losses from equity	2255	(0)	(0)
Other expenses	2270	(50447)	(35580)
Financial results before tax: profit	2290	0	81718
Financial results before tax: loss	2295	(18208)	(0)
Income tax expenses (income)	2300	0	0
Profit (loss) from discontinued operations after tax	2305	0	0
Net financial result: profit	2350	0	81718
Net financial result: loss	2355	(18208)	(0)

Continued appendix B

		Date (YYYY MM DD)	2016 01 01
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	26295487
Location		by COATSU	8038200000
Legal form	Representative Office	by CLFEA	620
Economic activity	Manufacture of fertilizers and nitrogen compounds	by CEA	20.15
Address, telephone	44-B Yevhena Konovaltsia Street, Kyiv 01133, (044) 207 41 91		
Unit	thous. UAH without decimal place		

BALANCE SHEET
as at December 31, 2015

Assets	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Fixed assets			
Intangible assets:	1000	199358	178893
initial value	1001	388968	390230
accumulated depreciation	1002	189610	211337
Incomplete capital investments	1005	127810	146245
Fixed assets:	1010	2560554	2526459
initial value	1011	3154816	3193674
accumulated depreciation	1012	594262	667215
Investment property:	1015	0	0
initial value	1016	0	0
accumulated depreciation	1017	0	0
Long-term biological assets:	1020	0	0
initial value	1021	0	0
accumulated depreciation	1022	0	0
Long-term financial investments:			
that records under using the equity of other entities method	1030	0	0
other financial investments	1035	12	12
Long-term receivables	1040	97440	97448
Deferred tax assets	1045	0	0
Goodwill	1050	0	0
Deferred acquisition costs	1060	0	0
Balance of funds in centralized insurance reserve funds	1065	0	0
Other fixed assets	1090	0	0
Total for Section I	1095	2985174	2949057

Continued appendix B

1	2	3	4
II. Current assets			
Inventories	1100	266731	299903
Raw materials	1101	236897	249424
Work in progress	1102	0	0
Finished products	1103	28749	49683
Commodities	1104	1085	796
Current biological assets	1110	0	0
Reinsurance deposits	1115	0	0
Promissory notes received	1120	0	0
Accounts receivable for products, goods, works, services	1125	388979	408016
Receivables accounts:			
for advances paid	1130	0	0
with a budget	1135	60088	65480
including income tax	1136	19296	19296
from accrued income	1140	0	0
from internal payments	1145	0	0
Other current receivables	1155	0	0
Current financial investments	1160	0	0
Money and cash equivalents	1165	7124	12695
Cash in hand	1166	0	0
Cash in bank	1167	0	0
Prepaid expenses	1170	0	0
Other current assets	1190	0	0
Total for Section II	1195	722922	786094
III. Non-current assets held for sale and disposal groups	1200	0	0
Balance	1300	3708096	3735151

Equity and liabilities	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Equity			
Registered capital	1400	244404	244404
Contributions to unregistered share capital	1401	0	0
Capital in revaluation	1405	0	0
Additional capital	1410	2202842	2208701
Emission income	1411	0	0
Accumulated exchange differences	1412	0	0
Reserve capital	1415	2896	2896
Retained earnings (uncovered loss)	1420	265587	247377
Unpaid capital	1425	(0)	(0)
Withdrawn capital	1430	(0)	(0)
Other reserves	1435	0	0
Total for Section I	1495	2715729	2703378

Continued appendix B

1	2	3	4
II. Long-term liabilities and ensuring			
Deferred tax liabilities	1500	22729	22729
Pension benefit obligation	1505	0	0
Long-term bank credits	1510	563033	598702
Other long-term liabilities	1515	131	64
Long-term ensuring	1520	0	0
Total for Section II	1595	585893	621495
III. Current liabilities and ensuring			
Short-term bank credits	1600	0	0
Promissory notes issued	1605	0	0
Current accounts payable: for the long term obligations	1610	95099	108945
for goods and services	1615	231050	219609
for payments to budget	1620	341	149
including income tax	1621	0	0
for insurance payments	1625	1158	1841
for payments of wages	1630	1343	2172
for advances received	1635	923	1626
for payments with participants	1640	0	0
from internal payments	1645	0	0
for insurance activity	1650	0	0
Current ensuring	1660	16274	20852
Deferred income	1665	60286	55032
Deferred commission income from reinsurers	1670	0	0
Other current liabilities	1690	0	52
Total for Section III	1695	406474	410278
IV. Liabilities related to non-current assets held for sale and disposal groups	1700	0	0
V. Net asset value of non-state pension funds	1800	0	0
Balance	1900	3708096	3735151

Continued appendix B

		Date (YYYY MM DD)	2015 01 01
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	26295487

INCOME STATEMENT
for the year ended December 31, 2015

I. FINANCIAL RESULTS

Item	Code	For the reporting period	For the same period of the previous year
Net income (revenue) from sales of products (goods and services)	2000	1537515	1301142
Cost of sales of products (goods and services)	2050	(1254826)	(1151451)
Gross: profit	2090	282689	149691
Gross: loss	2095	(0)	(0)
Other operating income	2120	186330	51176
Administrative expenses	2130	(52476)	(41027)
Selling expenses	2150	(26597)	(26984)
Other operating expenses	2180	(314651)	(64574)
Financial results of operations: profit	2190	75295	68282
Financial results of operations: loss	2195	(0)	(0)
Income from equity	2200	2351	2351
Other financial income	2220	603	0
Other income	2240	88790	18746
Financial expenses	2250	(98685)	(57140)
Losses from equity	2255	(0)	(0)
Other expenses	2270	(545743)	(50447)
Financial results before tax: profit	2290	0	0
Financial results before tax: loss	2295	(477389)	(18208)
Income tax expenses (income)	2300	0	0
Profit (loss) from discontinued operations after tax	2305	0	0
Net financial result: profit	2350	0	0
Net financial result: loss	2355	(477389)	(18208)

Continued appendix B

		Date (YYYY MM DD)	2017 01 01
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	26295487
Location		by COATSU	8038200000
Legal form	Representative Office	by CLFEA	620
Economic activity	Manufacture of fertilizers and nitrogen compounds	by CEA	20.15
Address, telephone	44-B Yevhena Konovaltsia Street, Kyiv 01133, (044) 207 41 91		
Unit	thous. UAH without decimal place		

**BALANCE SHEET
as at December 31, 2016**

Assets	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Fixed assets			
Intangible assets:	1000	178893	178916
initial value	1001	390230	392486
accumulated depreciation	1002	211337	213570
Incomplete capital investments	1005	146245	190673
Fixed assets:	1010	2526459	2479258
initial value	1011	3193674	3219950
accumulated depreciation	1012	667215	740692
Investment property:	1015	0	0
initial value	1016	0	0
accumulated depreciation	1017	0	0
Long-term biological assets:	1020	0	0
initial value	1021	0	0
accumulated depreciation	1022	0	0
Long-term financial investments:			
that records under using the equity of other entities method	1030	0	0
other financial investments	1035	12	12
Long-term receivables	1040	97448	97441
Deferred tax assets	1045	0	0
Goodwill	1050	0	0
Deferred acquisition costs	1060	0	0
Balance of funds in centralized insurance reserve funds	1065	0	0
Other fixed assets	1090	0	0
Total for Section I	1095	2949057	2946300

Continued appendix B

1	2	3	4
II. Current assets			
Inventories	1100	299903	258326
Raw materials	1101	249424	193937
Work in progress	1102	0	0
Finished products	1103	49683	64043
Commodities	1104	796	346
Current biological assets	1110	0	0
Reinsurance deposits	1115	0	0
Promissory notes received	1120	0	0
Accounts receivable for products, goods, works, services	1125	408016	542933
Receivables accounts: for advances paid	1130	0	0
with a budget	1135	65480	42048
including income tax	1136	19296	27976
from accrued income	1140	0	0
from internal payments	1145	0	0
Other current receivables	1155	0	0
Current financial investments	1160	0	0
Money and cash equivalents	1165	12695	80472
Cash in hand	1166	0	0
Cash in bank	1167	0	0
Prepaid expenses	1170	0	0
Other current assets	1190	0	0
Total for Section II	1195	786094	923779
III. Non-current assets held for sale and disposal groups	1200	0	0
Balance	1300	3735151	3870079

Equity and liabilities	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Equity			
Registered capital	1400	244404	244404
Contributions to unregistered share capital	1401	0	0
Capital in revaluation	1405	0	0
Additional capital	1410	2208701	2208701
Emission income	1411	0	0
Accumulated exchange differences	1412	0	0
Reserve capital	1415	2896	2896
Retained earnings (uncovered loss)	1420	247377	-240874
Unpaid capital	1425	(0)	(0)
Withdrawn capital	1430	(0)	(0)
Other reserves	1435	0	0
Total for Section I	1495	2703378	2215127

Continued appendix B

1	2	3	4
II. Long-term liabilities and ensuring			
Deferred tax liabilities	1500	22729	22729
Pension benefit obligation	1505	0	0
Long-term bank credits	1510	598702	824633
Other long-term liabilities	1515	64	46
Long-term ensuring	1520	0	0
Total for Section II	1595	621495	847408
III. Current liabilities and ensuring			
Short-term bank credits	1600	0	0
Promissory notes issued	1605	0	0
Current accounts payable: for the long term obligations	1610	108945	489135
for goods and services	1615	219609	229560
for payments to budget	1620	149	174
including income tax	1621	0	0
for insurance payments	1625	1841	1848
for payments of wages	1630	2172	1643
for advances received	1635	1626	25265
for payments with participants from internal payments	1640	0	0
for insurance activity	1645	0	0
Current ensuring	1660	20852	39053
Deferred income	1665	55032	20558
Deferred commission income from reinsurers	1670	0	0
Other current liabilities	1690	52	308
Total for Section III	1695	410278	807544
IV. Liabilities related to non-current assets held for sale and disposal groups	1700	0	0
V. Net asset value of non-state pension funds	1800	0	0
Balance	1900	3735151	3870079

Continued appendix B

		Date (YYYY MM DD)	CODES
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	2015 01 01 26295487

INCOME STATEMENT
for the year ended December 31, 2016

I. FINANCIAL RESULTS

Item	Code	For the reporting period	For the same period of the previous year
Net income (revenue) from sales of products (goods and services)	2000	1944171	1537515
Cost of sales of products (goods and services)	2050	(1486470)	(1254826)
Gross: profit	2090	457701	282689
Gross: loss	2095	(0)	(0)
Other operating income	2120	283802	186330
Administrative expenses	2130	(85686)	(52476)
Selling expenses	2150	(40678)	(26597)
Other operating expenses	2180	(297307)	(314651)
Financial results of operations: profit	2190	317832	75295
Financial results of operations: loss	2195	(0)	(0)
Income from equity	2200	0	2351
Other financial income	2220	476	603
Other income	2240	147546	88790
Financial expenses	2250	(152675)	(98685)
Losses from equity	2255	(0)	(0)
Other expenses	2270	(574325)	(545743)
Financial results before tax: profit	2290	0	0
Financial results before tax: loss	2295	(261146)	(477389)
Income tax expenses (income)	2300	0	0
Profit (loss) from discontinued operations after tax	2305	0	0
Net financial result: profit	2350	0	0
Net financial result: loss	2355	(261146)	(477389)

Continued appendix B

		Date (YYYY MM DD)	CODES
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	2018 01 01 26295487
Location		by COATSU	8038200000
Legal form	Representative Office	by CLFEA	620
Economic activity	Manufacture of fertilizers and nitrogen compounds	by CEA	20.15
Address, telephone	44-B Yevhena Konovaltsia Street, Kyiv 01133, (044) 207 41 91		
Unit	thous. UAH without decimal place		

BALANCE SHEET
as at December 31, 2017

Assets	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Fixed assets			
Intangible assets:	1000	178916	178535
initial value	1001	392486	395097
accumulated depreciation	1002	213570	216562
Incomplete capital investments	1005	190673	262779
Fixed assets:	1010	2479258	2439195
initial value	1011	3219950	3251655
accumulated depreciation	1012	740692	812460
Investment property:	1015	0	0
initial value	1016	0	0
accumulated depreciation	1017	0	0
Long-term biological assets:	1020	0	0
initial value	1021	0	0
accumulated depreciation	1022	0	0
Long-term financial investments:			
that records under using the equity of other entities method	1030	0	0
other financial investments	1035	12	12
Long-term receivables	1040	97441	97614
Deferred tax assets	1045	0	0
Goodwill	1050	0	0
Deferred acquisition costs	1060	0	0
Balance of funds in centralized insurance reserve funds	1065	0	0
Other fixed assets	1090	0	0
Total for Section I	1095	2946300	2978135

Continued appendix B

1	2	3	4
II. Current assets			
Inventories	1100	258326	391306
Raw materials	1101	193937	309810
Work in progress	1102	0	0
Finished products	1103	64043	81253
Commodities	1104	346	243
Current biological assets	1110	0	0
Reinsurance deposits	1115	0	0
Promissory notes received	1120	0	0
Accounts receivable for products, goods, works, services	1125	542933	685719
Receivables accounts: for advances paid	1130	0	48561
with a budget	1135	42048	44922
including income tax	1136	27976	14343
from accrued income	1140	0	0
from internal payments	1145	0	0
Other current receivables	1155	0	0
Current financial investments	1160	0	0
Money and cash equivalents	1165	80472	220382
Cash in hand	1166	0	13
Cash in bank	1167	0	220369
Prepaid expenses	1170	0	0
Other current assets	1190	0	0
Total for Section II	1195	923779	1390890
III. Non-current assets held for sale and disposal groups	1200	0	0
Balance	1300	3870079	4369025

Equity and liabilities	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Equity			
Registered capital	1400	244404	244404
Contributions to unregistered share capital	1401	0	0
Capital in revaluation	1405	0	0
Additional capital	1410	2208701	2208701
Emission income	1411	0	0
Accumulated exchange differences	1412	0	0
Reserve capital	1415	2896	2896
Retained earnings (uncovered loss)	1420	-240874	-475008
Unpaid capital	1425	(0)	(0)
Withdrawn capital	1430	(0)	(0)
Other reserves	1435	0	0
Total for Section I	1495	2215127	1980993

Continued appendix B

1	2	3	4
II. Long-term liabilities and ensuring			
Deferred tax liabilities	1500	22729	22729
Pension benefit obligation	1505	0	0
Long-term bank credits	1510	824633	1376442
Other long-term liabilities	1515	46	0
Long-term ensuring	1520	0	0
Total for Section II	1595	847408	1399171
III. Current liabilities and ensuring			
Short-term bank credits	1600	0	0
Promissory notes issued	1605	0	0
Current accounts payable: for the long term obligations	1610	489135	226649
for goods and services	1615	229560	377853
for payments to budget	1620	174	6136
including income tax	1621	0	0
for insurance payments	1625	1848	2704
for payments of wages	1630	1643	2320
for advances received	1635	25265	60492
for payments with participants	1640	0	0
from internal payments	1645	0	0
for insurance activity	1650	0	0
Current ensuring	1660	39053	92149
Deferred income	1665	20558	20558
Deferred commission income from reinsurers	1670	0	0
Other current liabilities	1690	308	200000
Total for Section III	1695	807544	988861
IV. Liabilities related to non-current assets held for sale and disposal groups	1700	0	0
V. Net asset value of non-state pension funds	1800	0	0
Balance	1900	3870079	4369025

Continued appendix B

		Date (YYYY MM DD)	CODES
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	2015 01 01 26295487

INCOME STATEMENT
for the year ended December 31, 2017

I. FINANCIAL RESULTS

Item	Code	For the reporting period	For the same period of the previous year
Net income (revenue) from sales of products (goods and services)	2000	2129351	1944171
Cost of sales of products (goods and services)	2050	(1636315)	(1486470)
Gross: profit	2090	493036	457701
Gross: loss	2095	(0)	(0)
Other operating income	2120	422001	283802
Administrative expenses	2130	(77517)	(85686)
Selling expenses	2150	(43591)	(40678)
Other operating expenses	2180	(396259)	(297307)
Financial results of operations: profit	2190	397670	317832
Financial results of operations: loss	2195	(0)	(0)
Income from equity	2200	0	0
Other financial income	2220	648	476
Other income	2240	215221	147546
Financial expenses	2250	(135491)	(152675)
Losses from equity	2255	(0)	(0)
Other expenses	2270	(348536)	(574325)
Financial results before tax: profit	2290	129512	0
Financial results before tax: loss	2295	(0)	(261146)
Income tax expenses (income)	2300	0	0
Profit (loss) from discontinued operations after tax	2305	0	0
Net financial result: profit	2350	129512	0
Net financial result: loss	2355	(0)	(261146)

Continued appendix B

		Date (YYYY MM DD)	CODES
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	2019 01 01 26295487
Location		by COATSU	8038200000
Legal form	Representative Office	by CLFEA	620
Economic activity	Manufacture of fertilizers and nitrogen compounds	by CEA	20.15
Address, telephone	44-B Yevhena Konovaletsia Street, Kyiv 01133, (044) 207 41 91		
Unit	thous. UAH without decimal place		

**BALANCE SHEET
as at December 31, 2018**

Assets	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Fixed assets			
Intangible assets:	1000	178535	180600
initial value	1001	395097	400454
accumulated depreciation	1002	216562	219854
Incomplete capital investments	1005	262779	189413
Fixed assets:	1010	2439195	2605029
initial value	1011	3251655	3491827
accumulated depreciation	1012	812460	886798
Investment property:	1015	0	0
initial value	1016	0	0
accumulated depreciation	1017	0	0
Long-term biological assets:	1020	0	0
initial value	1021	0	0
accumulated depreciation	1022	0	0
Long-term financial investments:			0
that records under using the equity of other entities method	1030	0	0
other financial investments	1035	12	12
Long-term receivables	1040	97614	43832
Deferred tax assets	1045	0	0
Goodwill	1050	0	0
Deferred acquisition costs	1060	0	0
Balance of funds in centralized insurance reserve funds	1065	0	0
Other fixed assets	1090	0	0
Total for Section I	1095	2978135	3018886

Continued appendix B

1	2	3	4
II. Current assets			
Inventories	1100	391306	577894
Raw materials	1101	309810	500135
Work in progress	1102	0	0
Finished products	1103	81253	77256
Commodities	1104	243	503
Current biological assets	1110	0	0
Reinsurance deposits	1115	0	0
Promissory notes received	1120	0	0
Accounts receivable for products, goods, works, services	1125	685719	933151
Receivables accounts:			
for advances paid	1130	48561	21687
with a budget	1135	44922	56676
including income tax	1136	14343	14343
from accrued income	1140	0	0
from internal payments	1145	0	0
Other current receivables	1155	0	0
Current financial investments	1160	0	0
Money and cash equivalents	1165	220382	7315
Cash in hand	1166	13	18
Cash in bank	1167	220369	7297
Prepaid expenses	1170	0	0
Other current assets	1190	0	0
Total for Section II	1195	1390890	1596723
III. Non-current assets held for sale and disposal groups	1200	0	0
Balance	1300	4369025	4615609

Equity and liabilities	Code	At the beginning of the reporting period	At the end of the reporting period
1	2	3	4
I. Equity			
Registered capital	1400	244404	244404
Contributions to unregistered share capital	1401	0	0
Capital in revaluation	1405	0	0
Additional capital	1410	2208701	2208701
Emission income	1411	0	0
Accumulated exchange differences	1412	0	0
Reserve capital	1415	2896	2896
Retained earnings (uncovered loss)	1420	-475008	-463799
Unpaid capital	1425	(0)	(0)
Withdrawn capital	1430	(0)	(0)
Other reserves	1435	0	0
Total for Section I	1495	1980993	1992202

Continued appendix B

1	2	3	4
II. Long-term liabilities and ensuring			
Deferred tax liabilities	1500	22729	22729
Pension benefit obligation	1505	0	0
Long-term bank credits	1510	1376442	0
Other long-term liabilities	1515	0	0
Long-term ensuring	1520	0	0
Total for Section II	1595	1399171	22729
III. Current liabilities and ensuring			
Short-term bank credits	1600	0	0
Promissory notes issued	1605	0	0
Current accounts payable: for the long term obligations	1610	226649	1326299
for goods and services	1615	377853	441087
for payments to budget	1620	6136	5833
including income tax	1621	0	0
for insurance payments	1625	2704	2199
for payments of wages	1630	2320	5358
for advances received	1635	60492	71910
for payments with participants	1640	0	0
from internal payments	1645	0	0
for insurance activity	1650	0	0
Current ensuring	1660	92149	94530
Deferred income	1665	20558	20558
Deferred commission income from reinsurers	1670	0	0
Other current liabilities	1690	200000	632904
Total for Section III	1695	988861	2600678
IV. Liabilities related to non-current assets held for sale and disposal groups	1700	0	0
V. Net asset value of non-state pension funds	1800	0	0
Balance	1900	4369025	4615609

Continued appendix B

		Date (YYYY MM DD)	CODES
Enterprise	Representative Office of "Agrofertrans LTD"	by USREOU	2015 01 01 26295487

INCOME STATEMENT
for the year ended December 31, 2018

I. FINANCIAL RESULTS

Item	Code	For the reporting period	For the same period of the previous year
Net income (revenue) from sales of products (goods and services)	2000	2030168	2129351
Cost of sales of products (goods and services)	2050	(1684139)	(1636315)
Gross: profit	2090	346029	493036
Gross: loss	2095	(0)	(0)
Other operating income	2120	519073	422001
Administrative expenses	2130	(74350)	(77517)
Selling expenses	2150	(40368)	(43591)
Other operating expenses	2180	(312616)	(396259)
Financial results of operations: profit	2190	437768	397670
Financial results of operations: loss	2195	(0)	(0)
Income from equity	2200	0	0
Other financial income	2220	298	648
Other income	2240	36603	215221
Financial expenses	2250	(158289)	(135491)
Losses from equity	2255	(0)	(0)
Other expenses	2270	(179119)	(348536)
Financial results before tax: profit	2290	137261	129512
Financial results before tax: loss	2295	(0)	(0)
Income tax expenses (income)	2300	0	0
Profit (loss) from discontinued operations after tax	2305	0	0
Net financial result: profit	2350	137261	129512
Net financial result: loss	2355	(0)	(0)

Appendix C

Dynamics of financial results of activity of Representative Office of "Agrofertrans LTD", 2014-2018, thous. UAH

Item	Year					Deviation									
	2014	2015	2016	2017	2018	absolute, thous. UAH					relative, %				
						2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017	2018/ 2014	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017	2018/ 2014
Net income (revenue) from sales of products (goods and services)	1301142	1537515	1944171	2129351	2030168	236373	406656	185180	-99183	729026	18,17	26,45	9,52	-4,66	56,03
Cost of sales of products (goods and services)	1151451	1254826	1486470	1636315	1684139	103375	231644	149845	47824	532688	8,98	18,46	10,08	2,92	46,26
Gross: profit	149691	282689	457701	493036	346029	132998	175012	35335	-147007	196338	88,85	61,91	7,72	-29,82	131,16
Other operating income	51176	186330	283802	422001	519073	135154	97472	138199	97072	467897	264,10	52,31	48,70	23,00	914,29
Administrative expenses	41027	52476	85686	77517	74350	11449	33210	-8169	-3167	33323	27,91	63,29	-9,53	-4,09	81,22
Selling expenses	26984	26597	40678	43591	40368	-387	14081	2913	-3223	13384	-1,43	52,94	7,16	-7,39	49,60
Other operating expenses	64574	314651	297307	396259	312616	250077	-17344	98952	-83643	248042	387,27	-5,51	33,28	-21,11	384,12
Financial results of operations: profit	68282	75295	317832	397670	437768	7013	242537	79838	40098	369486	10,27	322,12	25,12	10,08	541,12
Income from equity	2351	2351	0	0	0	0	-2351	0	0	-2351	0,00	-100,00	-	-	-100,00
Other financial income	0	603	476	648	298	603	-127	172	-350	298	-	-21,06	36,13	-54,01	-
Other income	18746	88790	147546	215221	36603	70044	58756	67675	-178618	17857	373,65	66,17	45,87	-82,99	95,26
Financial expenses	57140	98685	152675	135491	158289	41545	53990	-17184	22798	101149	72,71	54,71	-11,26	16,83	177,02
Other expenses	50447	545743	574325	348536	179119	495296	28582	-225789	-169417	128672	981,81	5,24	-39,31	-48,61	255,06
Financial results before tax: profit	0	0	0	129512	137261	0	0	129512	7749	137261	-	-	-	5,98	-
Financial results before tax: loss	18208	477389	261146	0	0	459181	-216243	-261146	0	-18208	2521,86	-45,30	-100,00	-	-100,00
Net financial result: profit	0	0	0	129512	137261	0	0	129512	7749	137261	-	-	-	5,98	-
Net financial result: loss	18208	477389	261146	0	0	459181	-216243	-261146	0	-18208	2521,86	-45,30	-100,00	-	-100,00

Source: calculated by the author according to Appendix B

Appendix D

Dynamics of assets of Representative Office of "Agrofertrans LTD", 2014-2018, thous. UAH

Assets	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	31.12. 2018	Deviation									
						absolute, thous. UAH					relative, %				
						2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017	2018/ 2014	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017	2018/ 2014
I. Fixed assets															
Intangible assets:	199358	178893	178916	178535	180600	-20465	23	-381	2065	-18758	-10,27	0,01	-0,21	1,16	-9,41
initial value	388968	390230	392486	395097	400454	1262	2256	2611	5357	11486	0,32	0,58	0,67	1,36	2,95
accumulated depreciation	189610	211337	213570	216562	219854	21727	2233	2992	3292	30244	11,46	1,06	1,40	1,52	15,95
Incomplete capital investments	127810	146245	190673	262779	189413	18435	44428	72106	-73366	61603	14,42	30,38	37,82	-27,92	48,20
Fixed assets:	2560554	2526459	2479258	2439195	2605029	-34095	-47201	-40063	165834	44475	-1,33	-1,87	-1,62	6,80	1,74
initial value	3154816	3193674	3219950	3251655	3491827	38858	26276	31705	240172	337011	1,23	0,82	0,98	7,39	10,68
accumulated depreciation	594262	667215	740692	812460	886798	72953	73477	71768	74338	292536	12,28	11,01	9,69	9,15	49,23
other financial investments	12	12	12	12	12	0	0	0	0	0	0,00	0,00	0,00	0,00	0,00
Long-term receivables	97440	97448	97441	97614	43832	8	-7	173	-53782	-53608	0,01	-0,01	0,18	-55,10	-55,02
Total for Section I	2985174	2949057	2946300	2978135	3018886	-36117	-2757	31835	40751	33712	-1,21	-0,09	1,08	1,37	1,13
II. Current assets															
Inventories	266731	299903	258326	391306	577894	33172	-41577	132980	186588	311163	12,44	-13,86	51,48	47,68	116,66
Raw materials	236897	249424	193937	309810	500135	12527	-55487	115873	190325	263238	5,29	-22,25	59,75	61,43	111,12
Finished products	28749	49683	64043	81253	77256	20934	14360	17210	-3997	48507	72,82	28,90	26,87	-4,92	168,73
Commodities	1085	796	346	243	503	-289	-450	-103	260	-582	-26,64	-56,53	-29,77	107,00	-53,64
Accounts receivable for products, goods, works, services	388979	408016	542933	685719	933151	19037	134917	142786	247432	544172	4,89	33,07	26,30	36,08	139,90
Receivables accounts: for advances paid	0	0	0	48561	21687	0	0	48561	-26874	21687	-	-	-	-55,34	-
with a budget	60088	65480	42048	44922	56676	5392	-23432	2874	11754	-3412	8,97	-35,78	6,84	26,17	-5,68
including income tax	19296	27976	15275	14343	14343	8680	-12701	-932	0	-4953	44,98	-45,40	-6,10	0,00	-25,67
Money and cash equivalents	7124	12695	80472	220382	7315	5571	67777	139910	-213067	191	78,20	533,89	173,86	-96,68	2,68
Cash in hand	0	0	0	13	18	0	0	13	5	18	-	-	-	38,46	-
Cash in bank	0	0	0	220369	7297	0	0	220369	-213072	7297	-	-	-	-96,69	-
Total for Section II	722922	786094	923779	1390890	1596723	63172	137685	467111	205833	873801	8,74	17,52	50,57	14,80	120,87
Balance	3708096	3735151	3870079	4369025	4615609	27055	134928	498946	246584	907513	0,73	3,61	12,89	5,64	24,47

Source: calculated by the author according to Appendix B

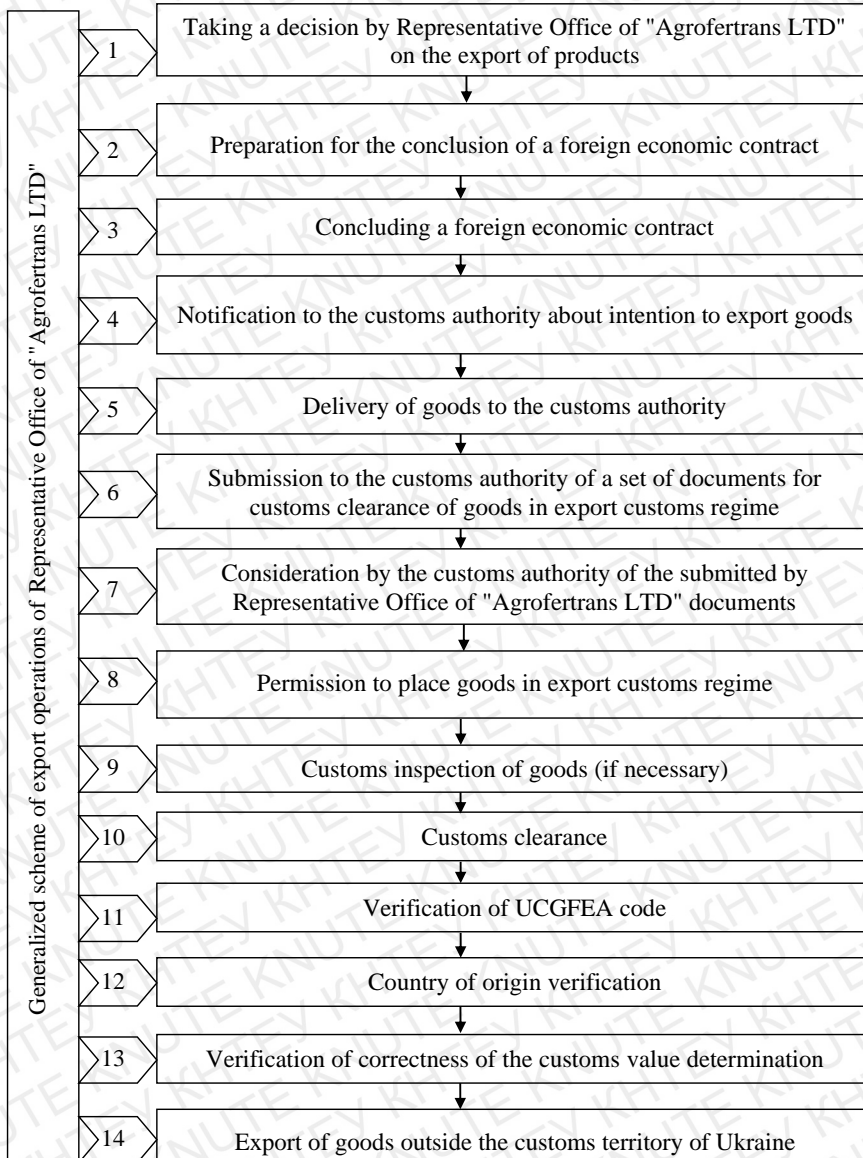
Appendix E

Dynamics of equity and liabilities of Representative Office of "Agrofertrans LTD", 2014-2018, thous. UAH

Equity and liabilities	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	31.12. 2018	Deviation									
						absolute, thous. UAH					relative, %				
						2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017	2018/ 2014	2015/ 2014	2016/ 2015	2017/ 2016	2018/ 2017	2018/ 2014
I. Equity															
Registered capital	244404	244404	244404	244404	244404	0	0	0	0	0	0,00	0,00	0,00	0,00	0,00
Additional capital	2202842	2208701	2208701	2208701	2208701	5859	0	0	0	5859	0,27	0,00	0,00	0,00	0,27
Reserve capital	2896	2896	2896	2896	2896	0	0	0	0	0	0,00	0,00	0,00	0,00	0,00
Retained earnings (uncovered loss)	265587	247377	-240874	-475008	-463799	-18210	-488251	-234134	11209	-729386	-6,86	-197,37	97,20	-2,36	-274,63
Total for Section I	2715729	2703378	2215127	1980993	1992202	-12351	-488251	-234134	11209	-723527	-0,45	-18,06	-10,57	0,57	-26,64
II. Long-term liabilities and ensuring															
Deferred tax liabilities	22729	22729	22729	22729	22729	0	0	0	0	0	0,00	0,00	0,00	0,00	0,00
Long-term bank credits	563033	598702	824633	1376442	0	35669	225931	551809	-1376442	-563033	6,34	37,74	66,92	-100,00	-100,00
Other long-term liabilities	131	64	46	0	0	-67	-18	-46	0	-131	-51,15	-28,13	-100,00	-	-100,00
Total for Section II	585893	621495	847408	1399171	22729	35602	225913	551763	-1376442	-563164	6,08	36,35	65,11	-98,38	-96,12
III. Current liabilities and ensuring															
Current accounts payable: for the long term obligations	95099	108945	489135	226649	1326299	13846	380190	-262486	1099650	1231200	14,56	348,97	-53,66	485,18	1294,65
for goods and services	231050	219609	229560	377853	441087	-11441	9951	148293	63234	210037	-4,95	4,53	64,60	16,74	90,91
for payments to budget	341	149	174	6136	5833	-192	25	5962	-303	5492	-56,30	16,78	3426,44	-4,94	1610,56
for insurance payments	1158	1841	1848	2704	2199	683	7	856	-505	1041	58,98	0,38	46,32	-18,68	89,90
for payments of wages	1343	2172	1643	2320	5358	829	-529	677	3038	4015	61,73	-24,36	41,21	130,95	298,96
for advances received	923	1626	25265	60492	71910	703	23639	35227	11418	70987	76,16	1453,81	139,43	18,88	7690,90
Current ensuring	16274	20852	39053	92149	94530	4578	18201	53096	2381	78256	28,13	87,29	135,96	2,58	480,87
Deferred income	60286	55032	20558	20558	20558	-5254	-34474	0	0	-39728	-8,72	-62,64	0,00	0,00	-65,90
Other current liabilities	0	52	308	200000	632904	52	256	199692	432904	632904	-	492,31	64835,06	216,45	-
Total for Section III	406474	410278	807544	988861	2600678	3804	397266	181317	1611817	2194204	0,94	96,83	22,45	163,00	539,81
Balance	3708096	3735151	3870079	4369025	4615609	27055	134928	498946	246584	907513	0,73	3,61	12,89	5,64	24,47

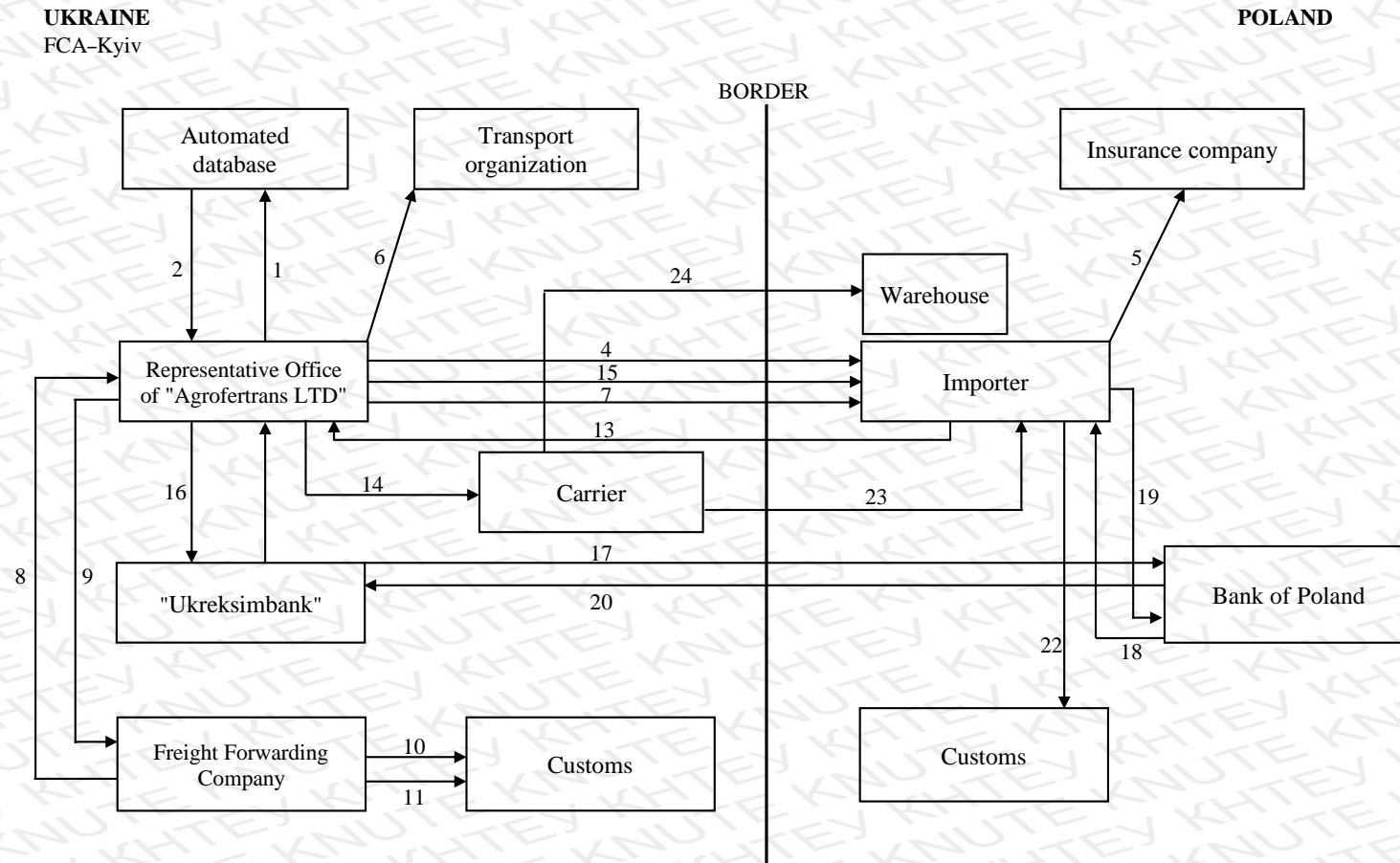
Source: calculated by the author according to Appendix B

Generalized scheme of export operations of Representative Office of
"Agrofertrans LTD"



Source: developed by the author according to data of Representative Office of "Agrofertrans LTD"

Scheme of a typical export operation of Representative Office of "Agrofertrans LTD"



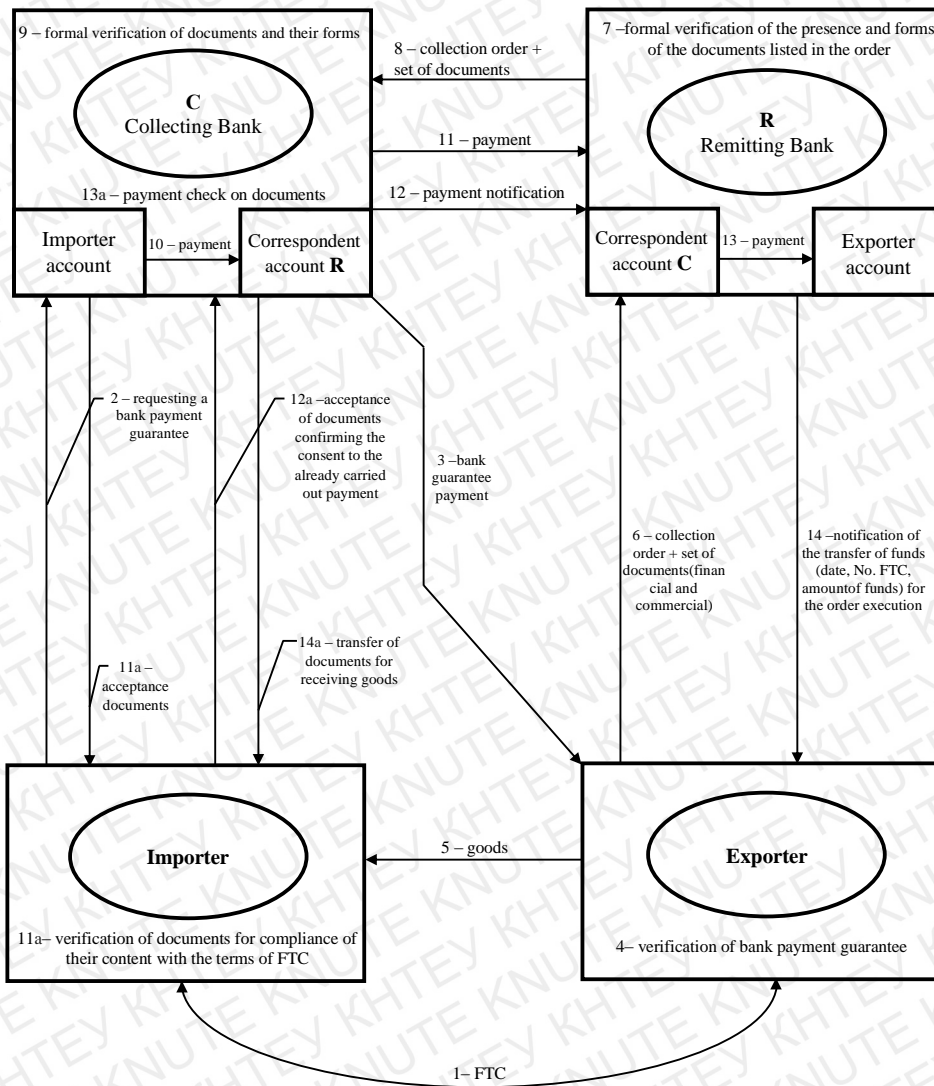
Source: developed by the author according to data of Representative Office of "Agrofertrans LTD"

Continued appendix G

The algorithm for carrying out a typical export operation:

1. Representative Office of "Agrofertrans LTD" sends a request to an automated database.
2. Representative Office of "Agrofertrans LTD" receives information on the basis of which calculates price.
3. Representative Office of "Agrofertrans LTD" identifies the contractor and prepares the contract.
4. Negotiations + conclusion of a contract.
5. The importer sends a letter to the insurance company asking to insure the goods for the period of transportation, and write out the insurance policy to the exporter.
6. Representative Office of "Agrofertrans LTD" concludes the contract of carriage at risk and at the account of the importer.
7. Representative Office of "Agrofertrans LTD" sends to the importer a letter about concluding the contract of carriage.
8. Representative Office of "Agrofertrans LTD" gives permission for shipment of goods.
9. Representative Office of "Agrofertrans LTD" gives the order to the freight forwarding company to carry out the customs declaration and shipment of goods.
10. Freight forwarding company gives a customs declaration to the customs.
11. Customs clearance and permission for export.
12. The manufacturer indicates that the goods are ready for shipment.
13. The importer sends a letter stating the date, time, the carrier to whom the goods are to be shipped.
14. Representative Office of "Agrofertrans LTD" gives the goods to the carrier.
15. Representative Office of "Agrofertrans LTD" sends a transport document stating that the goods are under the control of the carrier.
16. Representative Office of "Agrofertrans LTD" submits of a collection order together with a set of financial documents to "Ukreksimbank".
17. Verification of received documents by "Ukreksimbank" and forwarding them to the Bank of Poland.
18. Bank of Poland submits the collection order and the received documents to the importer in order to receive funds from him.
19. Receiving payment from the importer.
20. Transfer of funds from the Bank of Poland to "Ukreksimbank".
21. Transfer of funds to the account of the exporter.
22. Importer carries out customs formalities.
23. The importer orders the shipment of the goods.
24. The goods are shipped to the importer's warehouse.

Scheme of collection form of payment



Source: [22]

Appendix I

Evaluation of the impact of factors (quantity of goods and price) on changes in value of exports of comparable goods within the "Nitrogen fertilizers" commodity group, 2014-2015

Product	2014			2015			Absolute deviation, thous. UAH, including:		
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	total	due to quantity of goods	due to price of goods
Urea	20349,77	6,70	136343,46	20884,67	6,65	138883,06	2539,60	3557,08	-1017,48
Ammonium Sulphate	19740,31	7,75	152987,40	18637,74	7,80	145374,37	-7613,03	-8600,05	987,02
Ammonium Nitrate	12828,75	6,25	80179,69	13939,44	6,20	86424,53	6244,84	6886,28	-641,44
Calcium Ammonium Nitrate	8141,34	7,30	59431,78	6317,57	7,30	46118,26	-13313,52	-13313,52	0,00
Urea Ammonium Nitrate	4822,70	8,10	39063,87	5727,04	8,00	45816,32	6752,45	7234,72	-482,27
Total	65882,87	-	468006,20	65506,46	-	462616,54	-5389,66	-4235,49	-1154,17

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Continued appendix I

Evaluation of the impact of factors (quantity of goods and price) on changes in value of exports of comparable goods
within the "Nitrogen fertilizers" commodity group, 2015-2016

Product	2015			2016			Absolute deviation, thous. UAH, including:		
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	total	due to quantity of goods	due to price of goods
Urea	20884,67	6,65	138883,06	33290,98	6,60	219720,47	80837,41	81881,64	-1044,23
Ammonium Sulphate	18637,74	7,80	145374,37	28721,63	7,80	224028,71	78654,34	78654,34	0,00
Ammonium Nitrate	13939,44	6,20	86424,53	16437,61	6,25	102735,06	16310,53	15613,56	696,97
Calcium Ammonium Nitrate	6317,57	7,30	46118,26	9157,40	7,25	66391,15	20272,89	20588,77	-315,88
Urea Ammonium Nitrate	5727,04	8,00	45816,32	7610,00	8,10	61641,00	15824,68	15251,98	572,70
Total	65506,46	-	462616,54	95217,62	-	674516,39	211899,85	211990,29	-90,44

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Continued appendix I

Evaluation of the impact of factors (quantity of goods and price) on changes in value of exports of comparable goods
within the "Nitrogen fertilizers" commodity group, 2016-2017

Product	2016			2017			Absolute deviation, thous. UAH, including:		
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	total	due to quantity of goods	due to price of goods
Urea	33290,98	6,60	219720,47	40781,15	6,60	269155,59	49435,12	49435,12	0,00
Ammonium Sulphate	28721,63	7,80	224028,71	37152,24	7,90	293502,70	69473,99	66601,83	2872,16
Ammonium Nitrate	16437,61	6,25	102735,06	21553,86	6,25	134711,63	31976,57	31976,57	0,00
Calcium Ammonium Nitrate	9157,40	7,25	66391,15	11352,31	7,20	81736,63	15345,48	15803,35	-457,87
Urea Ammonium Nitrate	7610,00	8,10	61641,00	11253,84	8,00	90030,72	28389,72	29150,72	-761,00
Total	95217,62	-	674516,39	122093,40	-	869137,27	194620,88	192967,59	1653,29

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Continued appendix I

Evaluation of the impact of factors (quantity of goods and price) on changes in value of exports of comparable goods
within the "Nitrogen fertilizers" commodity group, 2017-2018

Product	2017			2018			Absolute deviation, thous. UAH, including:		
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	total	due to quantity of goods	due to price of goods
Urea	40781,15	6,60	269155,59	42224,09	6,66	281212,44	12056,85	9609,98	2446,87
Ammonium Sulphate	37152,24	7,90	293502,70	38480,67	7,90	303997,29	10494,59	10494,59	0,00
Ammonium Nitrate	21553,86	6,25	134711,63	21608,99	6,27	135488,37	776,74	345,67	431,07
Calcium Ammonium Nitrate	11352,31	7,20	81736,63	13594,26	7,24	98422,44	16685,81	16231,72	454,09
Urea Ammonium Nitrate	11253,84	8,00	90030,72	11452,53	8,03	91963,82	1933,10	1595,48	337,62
Total	122093,40	-	869137,27	127360,54	-	911084,36	41947,09	38277,44	3669,65

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Appendix J

Calculation of the degree of liabilities fulfillment under export contracts with foreign partners
by Representative Office of "Agrofertrans LTD", 2014

Product	2014						Absolute deviation of value of export, thous. UAH	Coefficient of obligations fulfilment by value (K _v)	Coefficient of obligations fulfilment by physical volume (K _q)	Coefficient of obligations fulfilment by price (K _p)
	Planned liabilities			Actual liabilities						
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH				
Nitrogen fertilizers	66050,00	-	467824,50	65882,87	-	468006,20	181,70	1,0004	-	-
Urea	20500,00	6,65	136325,00	20349,77	6,70	136343,46	18,46	1,0001	0,9927	1,0075
Ammonium Sulphate	19700,00	7,75	152675,00	19740,31	7,75	152987,40	312,40	1,0020	1,0020	1,0000
Ammonium Nitrate	12900,00	6,21	80109,00	12828,75	6,25	80179,69	70,69	1,0009	0,9945	1,0064
Calcium Ammonium Nitrate	8150,00	7,33	59739,50	8141,34	7,30	59431,78	-307,72	0,9948	0,9989	0,9959
Urea Ammonium Nitrate	4800,00	8,12	38976,00	4822,70	8,10	39063,87	87,87	1,0023	1,0047	0,9975
Phosphate fertilizers	13000,00	-	125477,60	13060,06	-	126083,60	606,00	1,0048	-	-
Single Superphosphate	5300,00	7,55	40015,00	5337,54	7,50	40031,55	16,55	1,0004	1,0071	0,9934
Triple Superphosphate	5780,00	7,55	43639,00	5781,47	7,55	43650,10	11,10	1,0003	1,0003	1,0000
Monoammonium Phosphate	1400,00	24,05	33670,00	1423,02	24,10	34294,78	624,78	1,0186	1,0164	1,0021
Diammonium Phosphate	520,00	15,68	8153,60	518,03	15,65	8107,17	-46,43	0,9943	0,9962	0,9981
Potassium fertilizers	6000,00	-	73500,00	5985,49	-	72959,75	-540,25	0,9926	-	-
Muriate of potash	3000,00	11,70	35100,00	2969,25	11,62	34502,69	-597,31	0,9830	0,9898	0,9932
Sulphate of potash	3000,00	12,80	38400,00	3016,24	12,75	38457,06	57,06	1,0015	1,0054	0,9961
Compound fertilizers	2750,00	-	34375,00	2736,97	-	34275,82	-99,18	0,9971	-	-
16-16-16	1300,00	12,50	16250,00	1273,78	12,55	15985,94	-264,06	0,9838	0,9798	1,0040
10-26-26	1450,00	12,50	18125,00	1463,19	12,50	18289,88	164,88	1,0091	1,0091	1,0000
Raw Materials for fertilizers	17000,00	-	59200,00	17127,15	-	58671,78	-528,22	0,9911	-	-
Sulfur	9000,00	4,00	36000,00	9003,04	3,90	35111,86	-888,14	0,9753	1,0003	0,9750
Rock Phosphate	8000,00	2,90	23200,00	8124,11	2,90	23559,92	359,92	1,0155	1,0155	1,0000
Total	104800,00	-	760377,10	104792,54	-	759997,15	-379,95	0,9995	-	-

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Continued appendix J

Calculation of the degree of liabilities fulfillment under export contracts with foreign partners
by Representative Office of "Agrofertrans LTD", 2015

Product	2015						Absolute deviation of value of export, thous. UAH	Coefficient of obligations fulfillment by value (K _v)	Coefficient of obligations fulfillment by physical volume (K _q)	Coefficient of obligations fulfillment by price (K _p)
	Planned liabilities			Actual liabilities						
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH				
Nitrogen fertilizers	65560,00	-	464328,00	65506,46	-	462616,54	-1711,46	0,9963	-	-
Urea	21000,00	6,70	140700,00	20884,67	6,65	138883,06	-1816,94	0,9871	0,9945	0,9925
Ammonium Sulphate	18700,00	7,75	144925,00	18637,74	7,80	145374,37	449,37	1,0031	0,9967	1,0065
Ammonium Nitrate	13900,00	6,25	86875,00	13939,44	6,20	86424,53	-450,47	0,9948	1,0028	0,9920
Calcium Ammonium Nitrate	6310,00	7,30	46063,00	6317,57	7,30	46118,26	55,26	1,0012	1,0012	1,0000
Urea Ammonium Nitrate	5650,00	8,10	45765,00	5727,04	8,00	45816,32	51,32	1,0011	1,0136	0,9877
Phosphate fertilizers	12650,00	-	123685,00	12596,16	-	120763,49	-2921,51	0,9764	-	-
Single Superphosphate	5500,00	7,50	41250,00	5560,02	7,40	41144,15	-105,85	0,9974	1,0109	0,9867
Triple Superphosphate	5150,00	7,55	38882,50	5216,47	7,51	39175,69	293,19	1,0075	1,0129	0,9947
Monoammonium Phosphate	1450,00	24,10	34945,00	1448,15	23,90	34610,79	-334,21	0,9904	0,9987	0,9917
Diammonium Phosphate	550,00	15,65	8607,50	371,52	15,70	5832,86	-2774,64	0,6776	0,6755	1,0032
Potassium fertilizers	5100,00	-	62143,50	5137,54	-	62648,40	504,90	1,0081	-	-
Muriate of potash	2550,00	11,62	29631,00	2593,43	11,60	30083,79	452,79	1,0153	1,0170	0,9983
Sulphate of potash	2550,00	12,75	32512,50	2544,11	12,80	32564,61	52,11	1,0016	0,9977	1,0039
Compound fertilizers	5050,00	-	63250,00	5063,03	-	62275,27	-974,73	0,9846	-	-
16-16-16	2500,00	12,55	31375,00	2484,78	12,30	30562,79	-812,21	0,9741	0,9939	0,9801
10-26-26	2550,00	12,50	31875,00	2578,25	12,30	31712,48	-162,52	0,9949	1,0111	0,9840
Raw Materials for fertilizers	13150,00	-	45685,00	13145,40	-	46495,64	810,64	1,0177	-	-
Sulfur	7550,00	3,90	29445,00	7510,25	4,00	30041,00	596,00	1,0202	0,9947	1,0256
Rock Phosphate	5600,00	2,90	16240,00	5635,15	2,92	16454,64	214,64	1,0132	1,0063	1,0069
Total	101510,00	-	759091,50	101448,59	-	754799,34	-4292,16	0,9943	-	-

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Continued appendix J

Calculation of the degree of liabilities fulfillment under export contracts with foreign partners
by Representative Office of "Agrofertrans LTD", 2016

Product	2016						Absolute deviation of value of export, thous. UAH	Coefficient of obligations fulfillment by value (K _v)	Coefficient of obligations fulfillment by physical volume (K _q)	Coefficient of obligations fulfillment by price (K _p)
	Planned liabilities			Actual liabilities						
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH				
Nitrogen fertilizers	94850,00	-	672655,00	95217,62	-	674516,39	1861,39	1,0028	-	-
Urea	33000,00	6,65	219450,00	33290,98	6,60	219720,47	270,47	1,0012	1,0088	0,9925
Ammonium Sulphate	28700,00	7,80	223860,00	28721,63	7,80	224028,71	168,71	1,0008	1,0008	1,0000
Ammonium Nitrate	16400,00	6,20	101680,00	16437,61	6,25	102735,06	1055,06	1,0104	1,0023	1,0081
Calcium Ammonium Nitrate	9050,00	7,30	66065,00	9157,40	7,25	66391,15	326,15	1,0049	1,0119	0,9932
Urea Ammonium Nitrate	7700,00	8,00	61600,00	7610,00	8,10	61641,00	41,00	1,0007	0,9883	1,0125
Phosphate fertilizers	16380,00	-	158907,05	16547,91	-	160067,86	1160,81	1,0073	-	-
Single Superphosphate	7050,00	7,40	52170,00	7195,43	7,35	52886,41	716,41	1,0137	1,0206	0,9932
Triple Superphosphate	6705,00	7,51	50354,55	6716,45	7,50	50373,38	18,83	1,0004	1,0017	0,9987
Monoammonium Phosphate	1850,00	23,90	44215,00	1858,12	24,00	44594,88	379,88	1,0086	1,0044	1,0042
Diammonium Phosphate	775,00	15,70	12167,50	777,91	15,70	12213,19	45,69	1,0038	1,0038	1,0000
Potassium fertilizers	8450,00	-	103240,00	8573,00	-	104502,49	1262,49	1,0122	-	-
Muriate of potash	4100,00	11,60	47560,00	4185,53	11,55	48342,87	782,87	1,0165	1,0209	0,9957
Sulphate of potash	4350,00	12,80	55680,00	4387,47	12,80	56159,62	479,62	1,0086	1,0086	1,0000
Compound fertilizers	6750,00	-	83025,00	6801,46	-	84066,05	1041,05	1,0125	-	-
16-16-16	3100,00	12,30	38130,00	3147,33	12,36	38901,00	771,00	1,0202	1,0153	1,0049
10-26-26	3650,00	12,30	44895,00	3654,13	12,36	45165,05	270,05	1,0060	1,0011	1,0049
Raw Materials for fertilizers	21700,00	-	78592,00	22136,29	-	81525,21	2933,21	1,0373	-	-
Sulfur	14100,00	4,00	56400,00	14441,64	4,10	59210,72	2810,72	1,0498	1,0242	1,0250
Rock Phosphate	7600,00	2,92	22192,00	7694,65	2,90	22314,49	122,49	1,0055	1,0125	0,9932
Total	148130,00	-	1096419,05	149276,28	-	1104678,00	8258,95	1,0075	-	-

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Continued appendix J

Calculation of the degree of liabilities fulfillment under export contracts with foreign partners
by Representative Office of "Agrofertrans LTD", 2017

Product	2017						Absolute deviation of value of export, thous. UAH	Coefficient of obligations fulfillment by value (K _v)	Coefficient of obligations fulfillment by physical volume (K _q)	Coefficient of obligations fulfillment by price (K _p)
	Planned liabilities			Actual liabilities						
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH				
Nitrogen fertilizers	121200,00	-	860685,00	122093,40	-	869137,27	8452,27	1,0098	-	-
Urea	40500,00	6,60	267300,00	40781,15	6,60	269155,59	1855,59	1,0069	1,0069	1,0000
Ammonium Sulphate	37200,00	7,80	290160,00	37152,24	7,90	293502,70	3342,70	1,0115	0,9987	1,0128
Ammonium Nitrate	21500,00	6,25	134375,00	21553,86	6,25	134711,63	336,63	1,0025	1,0025	1,0000
Calcium Ammonium Nitrate	11000,00	7,25	79750,00	11352,31	7,20	81736,63	1986,63	1,0249	1,0320	0,9931
Urea Ammonium Nitrate	11000,00	8,10	89100,00	11253,84	8,00	90030,72	930,72	1,0104	1,0231	0,9877
Phosphate fertilizers	18955,00	-	185040,00	19072,59	-	185680,01	640,01	1,0035	-	-
Single Superphosphate	8050,00	7,35	59167,50	8086,55	7,35	59436,14	268,64	1,0045	1,0045	1,0000
Triple Superphosphate	7705,00	7,50	57787,50	7709,43	7,50	57820,73	33,23	1,0006	1,0006	1,0000
Monoammonium Phosphate	2150,00	24,00	51600,00	2204,46	23,50	51804,81	204,81	1,0040	1,0253	0,9792
Diammonium Phosphate	1050,00	15,70	16485,00	1072,15	15,50	16618,33	133,33	1,0081	1,0211	0,9873
Potassium fertilizers	9100,00	-	110917,50	9076,73	-	111300,92	383,42	1,0035	-	-
Muriate of potash	4450,00	11,55	51397,50	4453,00	11,60	51654,80	257,30	1,0050	1,0007	1,0043
Sulphate of potash	4650,00	12,80	59520,00	4623,73	12,90	59646,12	126,12	1,0021	0,9944	1,0078
Compound fertilizers	6850,00	-	84666,00	6867,49	-	84813,50	147,50	1,0017	-	-
16-16-16	3200,00	12,36	39552,00	3203,26	12,35	39560,26	8,26	1,0002	1,0010	0,9992
10-26-26	3650,00	12,36	45114,00	3664,23	12,35	45253,24	139,24	1,0031	1,0039	0,9992
Raw Materials for fertilizers	24200,00	-	86020,00	24736,88	-	86820,11	800,11	1,0093	-	-
Sulfur	13200,00	4,10	54120,00	13711,96	4,00	54847,84	727,84	1,0134	1,0388	0,9756
Rock Phosphate	11000,00	2,90	31900,00	11024,92	2,90	31972,27	72,27	1,0023	1,0023	1,0000
Total	180305,00	-	1327328,50	181847,09	-	1337751,81	10423,31	1,0079	-	-

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Continued appendix J

Calculation of the degree of liabilities fulfillment under export contracts with foreign partners
by Representative Office of "Agrofertrans LTD", 2018

Product	2018						Absolute deviation of value of export, thous. UAH	Coefficient of obligations fulfillment by value (K _v)	Coefficient of obligations fulfillment by physical volume (K _q)	Coefficient of obligations fulfillment by price (K _p)
	Planned liabilities			Actual liabilities						
	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH	Quantity of goods, tons	Price per unit, thous. UAH	Value of export, thous. UAH				
Nitrogen fertilizers	124900,00	-	890255,00	127360,54	-	911084,36	20829,36	1,0234	-	-
Urea	40500,00	6,60	267300,00	42224,09	6,66	281212,44	13912,44	1,0520	1,0426	1,0091
Ammonium Sulphate	38200,00	7,90	301780,00	38480,67	7,90	303997,29	2217,29	1,0073	1,0073	1,0000
Ammonium Nitrate	21500,00	6,25	134375,00	21608,99	6,27	135488,37	1113,37	1,0083	1,0051	1,0032
Calcium Ammonium Nitrate	13500,00	7,20	97200,00	13594,26	7,24	98422,44	1222,44	1,0126	1,0070	1,0056
Urea Ammonium Nitrate	11200,00	8,00	89600,00	11452,53	8,03	91963,82	2363,82	1,0264	1,0225	1,0038
Phosphate fertilizers	20550,00	-	196315,00	20703,92	-	198221,00	1906,00	1,0097	-	-
Single Superphosphate	9400,00	7,35	69090,00	9408,11	7,37	69337,77	247,77	1,0036	1,0009	1,0027
Triple Superphosphate	8200,00	7,50	61500,00	8269,70	7,56	62518,93	1018,93	1,0166	1,0085	1,0080
Monoammonium Phosphate	2500,00	23,50	58750,00	2541,99	23,30	59228,37	478,37	1,0081	1,0168	0,9915
Diammonium Phosphate	450,00	15,50	6975,00	484,12	14,74	7135,93	160,93	1,0231	1,0758	0,9510
Potassium fertilizers	9570,00	-	117187,00	9595,16	-	117393,20	206,20	1,0018	-	-
Muriate of potash	4820,00	11,60	55912,00	4836,64	11,58	56008,29	96,29	1,0017	1,0035	0,9983
Sulphate of potash	4750,00	12,90	61275,00	4758,52	12,90	61384,91	109,91	1,0018	1,0018	1,0000
Compound fertilizers	4320,00	-	53352,00	4322,80	-	53473,04	121,04	1,0023	-	-
16-16-16	2000,00	12,35	24700,00	2000,00	12,37	24740,00	40,00	1,0016	1,0000	1,0016
10-26-26	2320,00	12,35	28652,00	2322,80	12,37	28733,04	81,04	1,0028	1,0012	1,0016
Raw Materials for fertilizers	26700,00	-	94150,00	27004,72	-	94574,31	424,31	1,0045	-	-
Sulfur	15200,00	4,00	60800,00	15486,30	3,95	61170,89	370,89	1,0061	1,0188	0,9875
Rock Phosphate	11500,00	2,90	33350,00	11518,42	2,90	33403,42	53,42	1,0016	1,0016	1,0000
Total	186040,00	-	1351259,00	188987,14	-	1374745,91	23486,91	1,0174	-	-

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Fertilizer sales in Tunisia by regions

REGION I: sub-humid zone

Main crops: cereals, citrus, grape crops
Fertilizer sales share: 65%

REGION II: semi-arid zone

Main crops: cereals
Fertilizer sales share: 23%

REGION III: irrigated zone

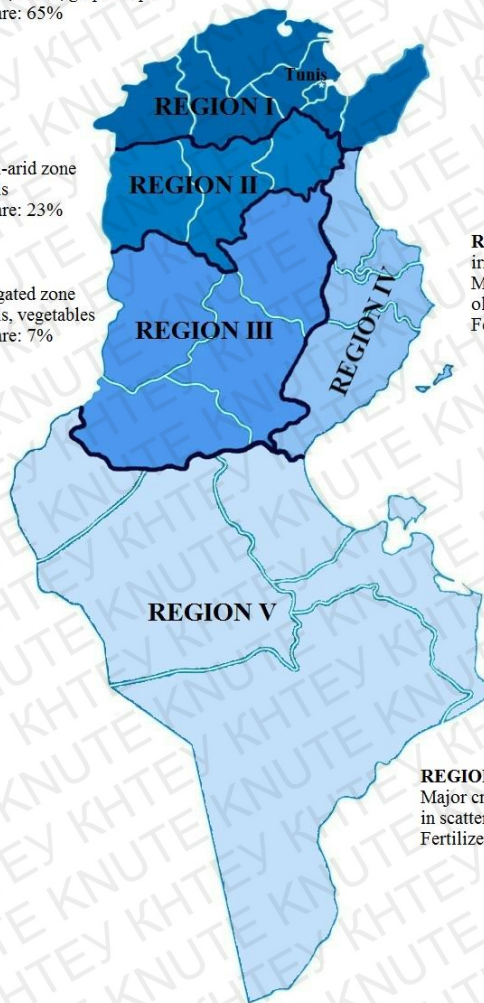
Main crops: cereals, vegetables
Fertilizer sales share: 7%

REGION IV: semi-arid irrigated zone

Main crops: garden crops, olive production
Fertilizer sales share: 3%

REGION V

Major crop activities are located in scattered oases
Fertilizer sales share: 2%



Source: developed by the author according to [3]

Appendix L

Forecast of dynamics of financial results of Representative Office of "Agrofertrans LTD"
under unchanged strategy, 2020-2022, thous. UAH

Item	2018	Planned indicators for 2019	Average grow rate 2018/2014	Forecast			Absolute deviation			
				2020	2021	2022	2019/2018	2020/2019	2021/2020	2022/2021
Net income (revenue) from sales of products (goods and services)	2030168,00	2172280,00	1,12	2440991,04	2742941,63	3082243,51	142112,00	268711,04	301950,59	339301,88
Other operating income	519073,00	596934,00	1,77	1056752,26	1870768,53	3311821,53	77861,00	459818,26	814016,27	1441053,00
Other financial income	298,00	313,00	0,87	272,37	237,02	206,26	15,00	-40,63	-35,35	-30,76
Other income	36603,00	40263,00	1,10	44160,46	48435,19	53123,72	3660,00	3897,46	4274,73	4688,53
Total income	2586142,00	2809790,00	–	3542176,13	4662382,37	6447395,02	223648,00	732386,13	1120206,24	1785012,65
Cost of sales of products (goods and services)	1684139,00	1785187,00	1,10	1965669,41	2164398,59	2383219,29	101048,00	180482,41	198729,18	218820,70
Administrative expenses	74350,00	85503,00	1,19	102082,03	121875,74	145507,45	11153,00	16579,03	19793,71	23631,71
Selling expenses	40368,00	43598,00	1,13	49187,26	55493,07	62607,28	3230,00	5589,26	6305,81	7114,21
Other operating expenses	312616,00	328247,00	1,98	651504,65	1293106,43	2566557,64	15631,00	323257,65	641601,78	1273451,21
Financial expenses	158289,00	205775,00	1,33	274195,19	365365,09	486848,98	47486,00	68420,19	91169,90	121483,89
Other expenses	179119,00	197030,00	1,21	237539,37	286377,46	345256,67	17911,00	40509,37	48838,09	58879,21
Total expenses	2448881,00	2645340,00	–	3280177,91	4286616,38	5989997,31	196459,00	634837,91	1006438,47	1703380,93
Net financial result: profit	137261,00	164450,00	–	261998,22	375765,99	457397,71	27189,00	97548,22	113767,77	81631,72

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"

Appendix M

Forecast of dynamics of financial results of Representative Office of "Agrofertrans LTD"
due to proposed measures implementation, 2020-2022, thous. UAH

Item	2018	Planned indicators for 2019	Forecast			Absolute deviation			
			2020	2021	2022	2019/2018	2020/2019	2021/2020	2022/2021
Net income (revenue) from sales of products (goods and services)	2030168,00	2172280,00	2464991,04	2787941,63	3182243,51	142112,00	292711,04	322950,59	394301,88
Other operating income	519073,00	596934,00	1056752,26	1870768,53	3311821,53	77861,00	459818,26	814016,27	1441053,00
Other financial income	298,00	313,00	272,37	237,02	206,26	15,00	-40,63	-35,35	-30,76
Other income	36603,00	40263,00	44160,46	48435,19	53123,72	3660,00	3897,46	4274,73	4688,53
Total income	2586142,00	2809790,00	3566176,13	4707382,37	6547395,02	223648,00	756386,13	1141206,24	1840012,65
Cost of sales of products (goods and services)	1684139,00	1785187,00	1982669,41	2195398,59	2452219,29	101048,00	197482,41	212729,18	256820,70
Administrative expenses	74350,00	85503,00	102082,03	121875,74	145507,45	11153,00	16579,03	19793,71	23631,71
Selling expenses	40368,00	43598,00	50387,26	57743,07	67607,28	3230,00	6789,26	7355,81	9864,21
Other operating expenses	312616,00	328247,00	651504,65	1293106,43	2566557,64	15631,00	323257,65	641601,78	1273451,21
Financial expenses	158289,00	205775,00	274195,19	365365,09	486848,98	47486,00	68420,19	91169,90	121483,89
Other expenses	179119,00	197030,00	237539,37	286377,46	345256,67	17911,00	40509,37	48838,09	58879,21
Total expenses	2448881,00	2645340,00	3298377,91	4319866,38	6063997,31	196459,00	653037,91	1021488,47	1744130,93
Net financial result: profit	137261,00	164450,00	267798,22	387515,99	483397,71	27189,00	103348,22	119717,77	95881,72

Source: calculated by the author according to data of Representative Office of "Agrofertrans LTD"