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“Import strategy of LLC Incos Line”

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Introduction

Relevance of the research topic. Import strategy is a fundamental part of the enterprise, which conducts its activities in the field of foreign economic operations. It contains a set of rules through which the company's import operations take place. This combination must be successful, because only if this condition is met can the firm succeed, and its import operations - the most effective.

In modern conditions it is very difficult to form a strategy, because it involves the construction of a certain line of business in the long run. The world we are witnessing today is very volatile due to a number of factors, among which the main and most influential is the pandemic. The number of imported goods is constantly declining, as consumers prefer domestic, cheaper counterparts. In such conditions, it is difficult for import-oriented firms to stay afloat, but a well-chosen strategy, during the development of which the market situation and potential sellers were studied in detail, is capable of generating a profit.

The relevance of this topic is that import activity has always been an integral part of stabilizing both the industry and the national economy as a whole. There are still a large number of questions regarding the development and implementation of import strategy at Ukrainian enterprises, in particular small ones, which conduct their activities in a specific way.

The purpose of the work is to analyze the activities of Incos Line LLC, study the import strategy of the company and make their own adjustments to it, to ensure efficiency and increase the competitiveness of the company's products.

The task is as follows:

- to analyze the features of the management of Incos Line LLC;
- to analyze the financial and economic activities of the enterprise;

- to study the features of foreign economic activity of Incos Line LLC;
- calculate the efficiency of import operations;
- identify alternatives to the development of the company's import strategy;
- make their own proposals to increase the effectiveness of the import strategy.

The object of research is the import strategy of Incos Line LLC.

The subject of the research is a practical substantiation of the expediency of introducing adjustments to the existing import strategy.

Research methods: general - methods of analysis, synthesis, abstraction and generalization, which were used to process the original data, as well as the method of extrapolation, which was used during the implementation of recommendations to improve the import strategy.

The information base for writing a scientific paper were the works of such scientists as Serra A. , Mamutov V., Porter M. , Krugman P. , Alimova O., Scherbak V., Hummels D. and many others.

The practical significance of the work is that the research and its results can be used and implemented in order to increase the efficiency of import operations of Incos Line LLC, as the calculations were made on the basis of enterprise reporting. Despite the fact that the company's performance has improved over the past year, there are no limits to perfection, and by analyzing the work of any company, the author can develop their own recommendations that would improve the state of its affairs.

CHAPTER 1. RESEARCH OF THE IMPORT STRATEGY OF LLC «INCOS LINE»

1.1. Analysis of financial and economic activities of LLC «Incos Line»

Limited Liability Company Incos Line was founded in 2016 by a group of enthusiasts who have been managing the foreign economic activity of a small import-oriented enterprise for a considerable period of time. Incos Line specializes in importing products from the world's leading countries, working with manufacturers who have long made a name for themselves by producing quality products. The main activity according to the NACE is non-specialized wholesale trade.

The company has several offices: in Weimar (Germany), Kiev and Wilmington (USA). Deliveries are made in 57 categories of DK 012: 2015. Medical equipment from Denmark, laboratory equipment and industrial gas filters from the USA, core cutting machines from Finland, transformers from Italy, aircraft tires from China, these are just some of the possibilities and it is constantly expanding.

The company works for public and private enterprises and organizations of Ukraine, cooperates with the world market as a well-established mechanism, gaining experience, opening new brands for Ukrainian buyers, fighting business titans, finding the most convenient conditions for customers.

The main tasks of the company are shown in the Figure 1.1.

It is necessary to say a few words about the peculiarities of enterprise management and its problems. Unlike large companies, small enterprises lack a personnel service and a large-scale personnel policy [6].

Personnel management functions at Incos Line LLC are entrusted to its head, as its staff is very small - 17 people and the need for human resources is eliminated. It is the head of the company who plans and organizes the work of staff, forms a system of motivation and rewards.



Figure 1.1 – Main tasks of Incos Line as a subject of trading [8]

Personnel work is informal and depends on the characteristics of the employee who conducts it. In general, the management style can be described as democratic: each employee has space for creative expression of will, his thoughts are listened to by a leader who is ready to help, prompt, criticize.

Among the advantages of management style are: simplicity of personnel policy [8]:

- great freedom for employees, the opportunity to be creative;
- close cooperation between manager and staff;
- quick reaction to labor disputes and conflicts;
- maintaining a favorable atmosphere for productive work.

However, the full picture of the company's work should be created by the analysis of financial and economic activities. It includes analysis of liquidity,

profitability, business activity and financial stability. It is necessary to begin with the analysis of profitability which is given in table A.1, Annex A

The profitability of the enterprise reflects the ratio of profit per unit of resources consumed. This makes it possible to determine the economic efficiency of the business entity and assess the optimality of other aspects of its activities. The economic meaning of profitability indicators is that they characterize the profit received from each hryvnia funds (own or borrowed) invested in the enterprise [1].

Product profitability is defined as the ratio of gross profit to net income. Based on the table, the profitability of sold products increased during the 5 years of the enterprise, and in 2018 there was a breakthrough. The normative value of the indicator is equal to 5, i.e. the norm is much exceeded, which means one thing: the tendency to increase the margin shows an increase in management efficiency. Cost-effectiveness shows how much profit the company receives per 1 hryvnia costs. This figure has grown from 14.2 to 76% in 5 years, i.e. there is a tendency to increase.

Total profitability is determined by the ratio of net profit to net revenue. Judging by the results of calculations, the overall profitability increased with other indicators for 5 years from 2.87 to 14.1. Return on assets shows how much profit per 1 hryvnia of assets. This figure has been growing for 5 years and is 49.2 kopecks per 1 hryvnia in 2020. Return on current assets is similar to the previous figure, but it takes into account only current assets. According to this indicator, there are fluctuations, i.e. during 2016-2017 it increased, fell sharply in 2018, and then rose to 50.5 kopecks per 1 hryvnia in 2020.

Return on equity shows how much profit 1 hryvnia equity brings. According to this indicator, Incos Line LLC shows consistently high figures, and the peak was reached last year, where profitability exceeded 1 hryvnia for 1 hryvnia equity.

Asset turnover period is an indicator that helps determine the effectiveness of asset management. The decline indicates that companies need fewer resources to finance their current assets. This frees up some financial resources. Money can be used to reduce liabilities (the most expensive part of them) or to intensify current operating, financial or investment activities. The increase in the indicator suggests that the company needs to attract more financial resources to finance current assets, and this leads to an increase in financial costs, as it is necessary to attract additional funds [1].

Over the years, this figure has been falling, then rising, over the past 2 years there has been a downward trend. The period of turnover of current assets shows the period of time during which current assets make a full turnover, i.e. return their value. This figure behaves in the same way as the previous one - rising and falling for 5 years.

Accounts Receivable Turnover in Days is an indicator of the effectiveness of customer relations, which shows how long the latter repay their bills. The ratio gives an idea of the payment discipline of buyers. It is calculated as the ratio of the product of the number of days in the year to the average annual receivables to the amount of sales. Using this indicator, the analyst can determine the effectiveness of receivables management [1].

The normative indicator for wholesale and retail trade is a period of 30 days. Incos Line LLC is investing in the norm, compared to 2019 in 2020 the figure has decreased significantly. Total asset turnover is an indicator of business activity, which demonstrates the efficiency of the company's assets. The ratio is the ratio between revenue and the average annual amount of assets. The value of the indicator indicates how many goods and services were sold during the study period for each hryvnia of assets used.

Judging by the results of the analysis, the efficiency of asset use increases. If in 2019 for each hryvnia of borrowed funds goods were sold for 2.8 hryvnia, next year the figure is 4.8 hryvnia.

The turnover ratio of current assets is identical to the above, but the formula uses the average value of not all, but only current assets. This figure is also growing since 2019. The period of turnover of tangible current assets shows over what period of time the value of these same assets will return, namely - stocks, work in progress, current biological assets. This figure reached a record low in 2020.

The turnover ratio of tangible current assets shows how many goods were sold during the study period per unit of tangible assets. After 2018, it increased significantly from 10.5 to 39 hryvnias. Based on the analysis, we can conclude that in 2018 there is a decline in key indicators of profitability.

Accounts Receivable Turnover, Times is a business activity indicator, which indicates the effectiveness of debt management of customers and other debtors. The value of the ratio shows the number of turnovers of receivables, ie how many times debtors have repaid their obligations to the company. The indicator is calculated as the ratio of revenue (net income) to the average for the period the amount of receivables [1].

It is difficult to formulate an unambiguous conclusion about the impact of receivables on the financial condition of the company. On the one hand, debtors divert the company's financial resources. This may lead to an increase in financial costs due to the need for additional borrowing. However, on the other hand, increasing customer lending allows you to increase sales, because in many areas the ability to receive goods and pay for it later is important.

If the cost of raising additional borrowings for commodity loans exceeds the profit from increased sales, then in this case, reducing the turnover of receivables will have a positive effect on the company. In other cases, an increase in the turnover of receivables will have a positive effect on the company's performance. Based on the results of the analysis, we can conclude that it is necessary to intensify work on obtaining funds from debtors, as the figure in 2020 compared to 2019 increased from 11.4 to 17.05.

If this is a systemic problem, it is necessary to formulate a comprehensive and clear policy of providing trade credits to customers. For example, all clients should be divided into groups based on the history of cooperation, the importance of each of them and the current financial situation. You should choose a style of behavior: conservative, ordinary or aggressive. Depending on this, you should choose - whether the company will lend only to the most reliable customers (conservative option), or will try to maximize sales and lend to all but potential bankrupts (aggressive option). After the analysis of profitability it is necessary to pass to research of indicators of liquidity (Annex B, Table B 1).

The overall coverage ratio characterizes the company's ability to secure its short-term liabilities for the most easily realized part of assets - working capital. This ratio provides the most general assessment of asset liquidity. Since the current liabilities of the company are repaid mainly from current assets, to ensure a normal level of liquidity, it is necessary that the value of current assets exceeds the amount of current liabilities (this requirement also follows from the "golden financial rule"). 5 ... 2,5, but not less than 1 [1].

Based on the results of calculations, we can draw the following conclusion: only in the last 2 years the total coverage ratio is equal to the norm, ie the company has a significant amount of own resources, which seek to cover current liabilities.

The current liquidity ratio shows what part of current liabilities the company is able to repay at the expense of the most liquid circulating assets - cash and cash equivalents, financial investments, and accounts receivable. This indicator shows the payment capabilities of the enterprise to pay off current obligations, provided that settlements with debtors are made in a timely manner. Theoretically, the value of the coefficient is considered sufficient if it exceeds 0.6. With the exception of 2017, this figure is normal and over the past 3 years it has increased from 0.6 to 1.3.

The absolute liquidity ratio allows you to determine the proportion of short-term liabilities that the company can repay in the near future, without waiting for the payment of receivables and the sale of other assets.

Theoretically, the value of the coefficient is considered sufficient if it exceeds 0.2 ... 0.3. In practice, the values are much lower, and according to this indicator, one cannot immediately draw negative conclusions about the ability of the enterprise to immediately repay its debts, since it is unlikely that all creditors of the enterprise would simultaneously present their claims to it. At the same time, too high value of the absolute liquidity indicator indicates the irrational use of financial resources [1].

The indicators of the last three years significantly exceed the norm, ie Incos Line LLC is able to repay its short-term liabilities quickly enough.

One of the components of the analysis of financial and economic activities is the analysis of financial stability of the enterprise. Financial stability is a reliably guaranteed solvency, balance between own and borrowed funds, independence from market conditions and partners, trust of creditors and investors and the level of dependence on them, the availability of such a value of profit that would provide self-financing [12]. The results of the study are shown in Annex B, Table B.2.

The indicator of financial autonomy is one of the most important coefficients of financial stability. It is equal to the ratio of the company's equity to all financial resources. The value of the indicator indicates what part of its assets the company is able to finance from its own financial resources. As mentioned, the company has different goals - on the one hand to generate profits, and on the other - to remain stable in the medium and long term. Therefore, the normative value of the indicator is in the range of 0.4 - 0.6 [1].

According to this indicator, Incos Line LLC for 4 years from 2016 to 2019 was in a situation where the level of risk was too high, and the company's

stability in the medium term - too low. Only in 2020 the indicator normalized and 49% of the company's assets could be financed from equity.

Debt coverage ratio (DSCR) measures the overall ability of a borrower to pay off debt. DSCR of less than 1 indicates that the company's profits are not sufficient to service debt. DSCR greater than 1 means that the company is able not only to service debt obligations, but also to pay dividends. The DSCR can be improved by extending the loan term. Increasing the loan term will decrease the denominator of the formula and thus may increase the ratio to a value greater than 1 [1].

According to this indicator, Incos Line LLC shows a positive trend, although the ratio has never reached 1. If the firm continues to move in the same direction, next year the ratio may rise to 1 and exceed this figure.

Thus, LLC Incos Line is a financially stable company which has showed growth in major financial indicators through years. It's specialized in importing high quality goods for medical industry, construction works, chemical experiments, measuring manipulations and so on. The results of the research turned out to be positive with some exceptions. Overall, this business can be named profitable and it has a great potential and huge room for improvement.

1.2. Analysis of foreign economic activity of LLC «Incos Line»

Now it is necessary to investigate directly the import component of Incos Line LLC. As mentioned in the previous section, the list of goods imported by the company is quite extensive. Incos Line sells imported goods from all over the world in the field of medicine and engineering. The company cooperates with exclusive manufacturers in order to get the necessary goods for customers. During its existence, it has brought to Ukraine about 50 producers of regional and global scale, for example, Cellex, Vinnolit, BK Medical etc [8]. The

company "Incos Line" in the form of a private joint-stock company independently carries out foreign economic activity, which is part of the foreign economic activity of Ukraine and is regulated by the laws of Ukraine, other regulations adopted in accordance with them.

Incos Line continues its work despite the spread of coronavirus infection COVID-19, because the company is aware of the importance of providing their clients with high quality industrial and medical equipment to manufacture goods, improve the quality of living or even save people's lives. Right now the company is actively expanding: the current pandemic influenced the financial situations in many Ukrainian firms specialized in import, but also gave the opportunity to sell more medical equipment of high quality and make it as one of biggest source of profit, for example, for Incos Line.

Talking about the overall situation with import in Ukraine, we can turn to the statistics dated 2020. It shows that the volume of imported goods decreased by almost 10% due to a drop in the purchasing power of people, inflation, an unstable economic situation in the world due to a pandemic, restrictions on the import of certain goods, the closure of borders with some countries, a reduction in trade with the European Union, which is one of the main sources of imported goods for Ukraine [14].

At the same time, one of the import categories, the supply of which increased to Ukraine in 2020, was medical equipment; it is also worth mentioning mechanical equipment and monitors, which are included in the company's assortment [4].

Talking about Incos Line' hugest partner countries, which supply the company with imported goods, it is vital to mention some of the leaders like China, Germany and USA. The diagrams which shows the full statistics is placed below.

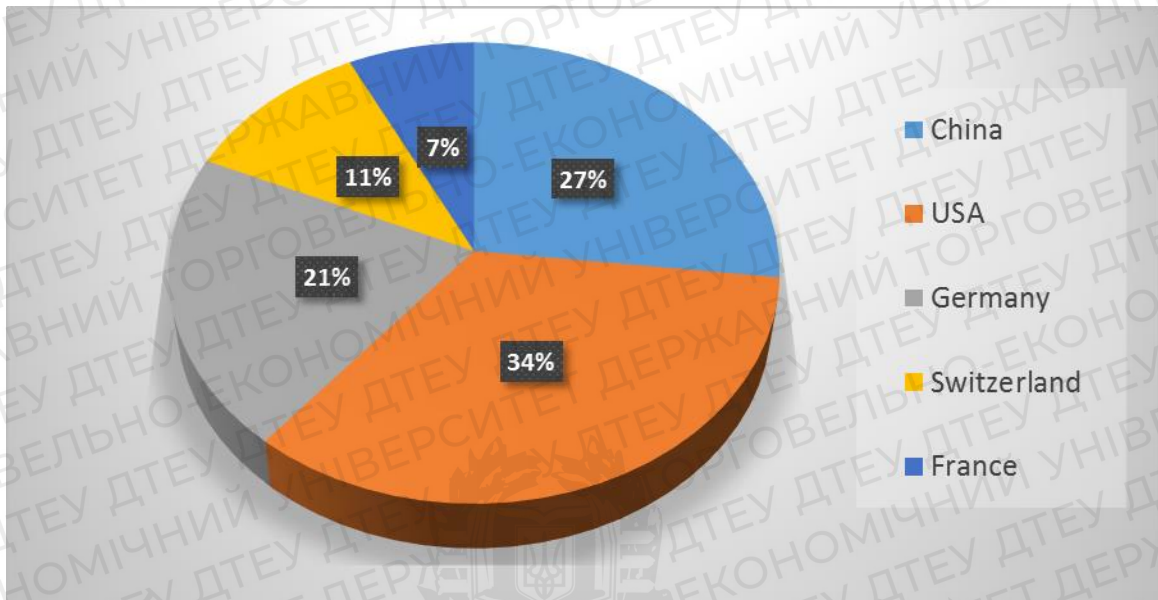


Figure 1.2 – Countries with the biggest amount of partners for Incos Line [8]

Now it's important to examine the essence of assortment of Incos Line to fully understand which products exactly it merchandises and to which categories they belong. This information is showed in the Figure below.

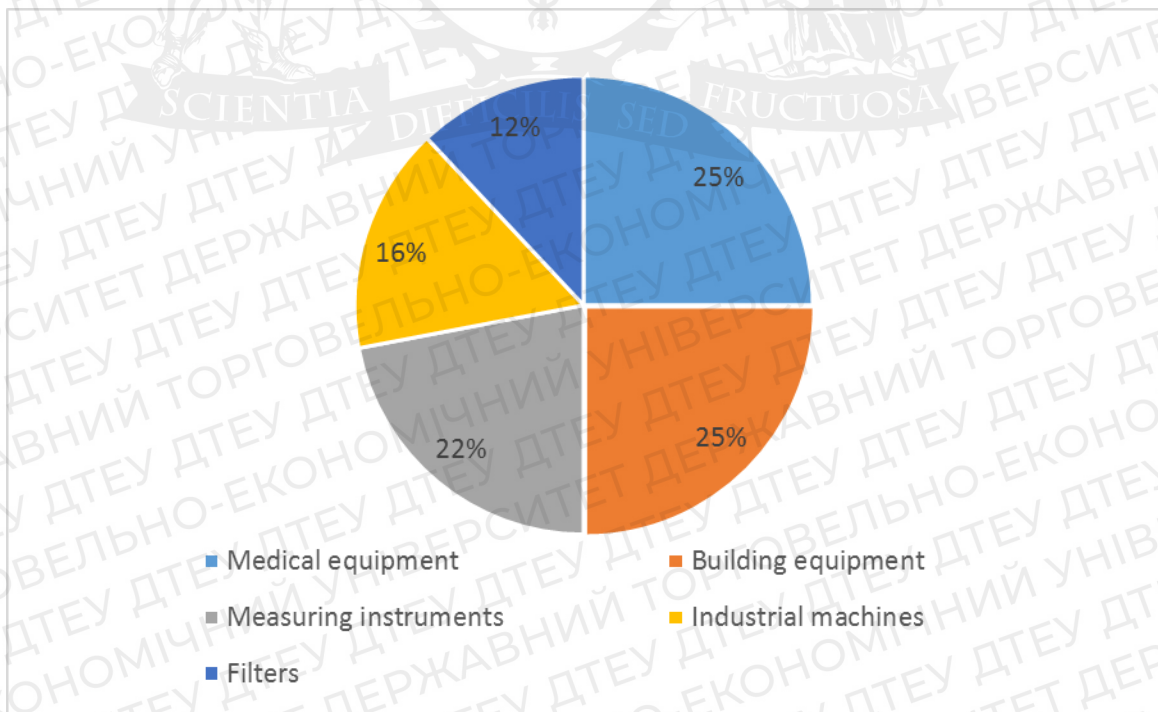


Figure 1.3 – The structure of the assortment of Incos Line [8]

The figure allows you to see the structure of the range of the object of study. The total number of items is 157 and they all have imported origin. Almost all products sold by Incos Line have no analogues of Ukrainian origin, because their production requires highly developed technologies, which, unfortunately, do not exist in Ukraine.

As you can see, the amount of medical equipment makes 25% of overall product turnover. Some items were introduced to the client only last year and became one of the best-selling products in 2020 and 2021, like cassette rapid test for coronavirus and infra-red contactless thermometer.

On the second place of most popular products which are sold by Incos Line are industrial machines like machine tools, industrial printers, electric batteries etc. Such a structure of the assortment is due to a certain list of clients, among which there are both state and private companies. The first group includes UkrOboronProm, Ukrzaliznytsia, the NBU Banknote-Mint, Kievvodokanal and SBU. The latter includes DTEK, Kyivstar, Globino, Interpipe and Ferrexpro.

Thus, Incos Line is a comparatively young enterprise with an ambitious CEO who tries to bring the best goods from all around the world to Ukraine. The working atmosphere really helps to achieve the goals which were set by the administration – this assertion is based on author's experience. The number of partners is constantly growing and changing because Incos Line aspires to cooperate with the best manufacturers. Pandemic really changed the structure of assortment but, at the same time, it showed new opportunities for the company which concentrated on medical goods – and this niche turned out to be quite profitable.

1.3. Research of import operations' efficiency of LLC «Incos Line»

The economic development of each country is inextricably linked with foreign economic activity. The importance of imports is that imported goods increase the competitiveness of domestic producers and give residents the opportunity to purchase high quality goods that they can not get from local producers. In addition, due to import activities, the country integrates into the world economic space and expands trade relations with partner countries. Incos Line's import activities saturate highly specialized markets with quality goods, helping manufacturers to produce better products and provide better services.

In order to understand how effective are the import operations of the object of study, it is necessary to calculate the effectiveness of imports on the example of a rapid test for coronavirus SGTI-flex COVID-19 Ag manufactured by the current partner Sugentech Inc. According to the rules of Incoterms, products are transported on DAP terms. The following costs are imposed on the importer: payment of customs duties and other payments on import; loading of goods and its transportation from the place of delivery; payment for temporary storage services during customs clearance of imports or if the goods were not accepted in time in the warehouse; inspection of goods before shipment.

Delivery of consignments of goods is as follows: South Korea - Ukraine to the airport Zhulyany. The seller is responsible for delivery to the airport, so the cost of this part of the delivery is included in the cost of raw materials. Incos Line delivers goods from the airport by hired road transport.

Appendix C contains the current contract for this import operation and on its base, we make Table 1.1.

Table 1.1. The main economic indicators for determining the effectiveness of import activities of LLC Incos Line [Appendix C]

Conditions	Data
Name of goods	Rapid test for coronavirus
Code UKT ZED	3822 00 00 00
Exporter country	South Korea
Price per item, USD	7.2
Total number of items	5000
Custom tariff rate	0%
Terms of conditions	DAP Kyiv
NBU exchange rate at the time of payment, UAH/USD	27,01
VAT	0%

The approximate selling price on the domestic market of Ukraine is 340 hryvnas. The structure of costs associated with the purchase of goods and their sale on the domestic market are given in Table 1.2.

Table 1.2. Cost structure associated with the imports of rapid tests for coronavirus [Appendix C]

Costs	Price
Packaging	800 USD
Load on vehicle	1400 USD
Transportation to the place of departure	3600 USD
Load on carriage (main transport)	970 USD
Carriage charges	1500 USD
Insurance	2770 USD
Unloading goods at destination place	780 USD
Export duty and taxes	500 USD
Transportation of goods from the border	640 USD

Taking into consideration the data listed above, we should calculate the efficiency of import operations. The algorithm for calculation is showed below:

$$1. \text{Contract Value} = \text{Quantity} * \text{Price}$$

$$\text{Contract value} = 5000 * 7.2 = 36000 \text{ USD} * 27,01 = 972360 \text{ UAH}$$

$$2. \text{ Customs Value} = \text{Contract value} + \text{Costs}$$

$$\text{Customs Value} = 36000 + 800 + 1400 + 3600 + 500 + 970 + 1500 + 640 \\ = 45410 \text{ USD} = 1\,226\,524.1 \text{ UAH}$$

$$3. \text{ Customs Duty} = \text{Contract Value} * \text{Customs Tariff}$$

Customs duty = 36000 * 0 = 0 USD/UAH. Customs tariff is based on Law of Ukraine of the Verkhovna Rada № 674-IX of 04.06.2020 «About the Customs Tariff of Ukraine»

$$4. \text{ VAT} = (\text{Customs Value} + \text{Customs Duty}) * 20\%$$

VAT = 45410 USD * 0 = 0 USD/UAH. VAT is based on Resolution of the Cabinet of Ministers of Ukraine № 224 of 20.03.2020 "On approval of the list of goods (including medicines, medical devices and / or medical equipment), the import of which into the customs territory of Ukraine are exempt from VAT"

$$5. \text{ Import Contract Price} = \text{VAT} + \text{Customs Value} + \text{Customs Duty}$$

$$\text{Import Contract Price} = 45410 + 2770 + 780 = 48960 \text{ USD} = 1322409.6 \\ \text{UAH}$$

$$6. \text{ Effect of Import Operations} = \text{Revenue} - \text{Costs}$$

$$\text{Effect} = (340 * 5\,000) - 1322409.6 = 377\,590.4 \text{ UAH}$$

$$7. \text{ Efficiency of Import Operations} = \text{Revenue} / \text{Costs}$$

$$\text{Efficiency of import operations} = (340 * 5000) / 1322409.6 = 1.285 \text{ UAH}$$

It can be concluded that the import operation carried out by Incos Line is effective, because for every hryvnia of expenses there is 1,285 hryvnia of income.

The algorithm is based on the information from the foreign trade contract (Appendix C).

Thus, Incos Line carefully chooses the partners who supply the company with goods. The exporter of rapid coronavirus tests is South Korea, whose enterprises have a long and productive history of trading with Incos Line. The

import operation related to rapid coronavirus tests proved its efficiency during the analysis. So, it's profitable to buy this type of goods from South Korea but there's no limit for perfection and it might be useful to search for another trading partner who can offer quality product for better price.

Conclusions for the Chapter 1

As a result of the analysis of economic activity of the object of research it was established that most of the indicators of liquidity, profitability and financial stability are within the norm, which indicates a satisfactory financial condition of the company. Moreover, they have been growing in recent years.

The analysis of foreign economic activity allowed to get acquainted in more detail with the commodity and geographical structure of imports, partners and clients of Incos Line LLC.

A study of the effectiveness of import operations was also conducted, based on one of the most popular products imported by the company - a rapid test for coronavirus from a South Korean manufacturer Sugentech Inc. Calculations have shown that this import operation is effective, as for 1 hryvnia costs comes 1,285 hryvnia of income.

CHAPTER 2. IMPROVEMENT OF IMPORT STRATEGY OF LLC

«INCOS LINE»

2.1. Substantiation of directions of improving import strategy of LLC

«Incos Line»

Due to the fact that the demand for tests is growing from season to season and manufacturers are raising prices, there is a need to analyze alternative import operations. It would be more appropriate to choose the countries that produce the most coronavirus tests and the manufacturers that specialize in supplying this product. The main exporters of the tests are South Korea, China, the United States, Germany and the Netherlands. There is no exact information on the number of tests sold abroad, we can only conduct a research to find out which tests are sold on e-platforms such as Tabletki.ua, liki24.com and kraina-z.com.ua. The number of Chinese tests being sold in the Internet, manufactured by different companies is 7, 3 for Ukrainian companies, 4 for American firms, 2 for Dutch, 3 for German and 2 from South Korean companies.

Incos Line has partners in all of these countries so it won't be complicated to get into partnership with the company from one of them. So, how we should choose a new trading partner? First of all, it would be reasonable to find out which companies are the biggest manufacturers of rapid coronavirus tests in the world.

Unfortunately, the author couldn't find the exact numbers of manufactured tests in 2020 and 2021 so it's impossible to determine the biggest producers of this type of goods. Nevertheless, the information about the range of assortment, history of the company, business reputation, location, technologies of production is in free access and we could use it for choosing a new import strategy.

The first candidate is Shenzhen Bioeasy Biotechnology Co. Ltd, one of the most recognizable and biggest producers of medical equipment in the world. The company was founded in 2007, it's specialized in making rapid test kits and instruments for detection of antibiotics, aflatoxin, pesticides and other food

addictive residues, serving clients all over the world in fields like dairy, meat & seafood, feed, grain and oil, food processing etc [10].

The company's manufacturing process was approved by GMP Certificate which is applied as the highest standard for pharmaceutical producers.

The second producer is Nal von Minden GmbH from Germany, which has been providing market with high quality products for the last 30 years. Just like their colleagues from China, this company's specialization is the manufacturing of tools for in vitro diagnostic. Germany's pharmaceutical industry has an immaculate reputation and is constantly growing through years, domestic companies are one of the biggest players on the market so Nal von Minden can become a reliable partner for next years [9].

The third-choice company is Abbott Laboratories which has the longest history of almost 150 years. Abbott is one of the leaders in the development and production of drugs in selected therapeutic areas: cardiology and metabolic therapy, neurology and psychiatry, gastroenterology, immunology and allergology, flu prevention, men's and women's health [7].

All of 3 potential partners have their advantages and disadvantages concerning the distance between Ukraine and their countries, prices per item, terms of delivery etc. But the most important condition is the quality of the product. If we want to make a reasonable choice, we should make a comparison between all these goods. The comparative table can be seen below.

According to comparative analysis, Shenzhen Bioeasy is the best option for Incos Line. Rapid test for coronavirus from this manufacturer has the best characteristics if we take into consideration products from other companies. Main qualitative characteristics for this type of goods are specificity and sensitivity of the tests. Although the numbers fluctuate just a little and there's no huge difference between all tests, Shenzhen Bioeasy has the best results.

The good thing is that all of the manufacturers have a Good Manufacturing Process certificate which is essential aspect when it comes to the choice of partner.

The production of medical tools and equipment is extremely responsible and it's important for producers to stick to standards, use high quality raw materials and organize the manufacturing process according to international norms and rules.

Table 2.1. Qualitative and quantitative characteristics of rapid COVID-19 tests [7, 9, 10]

Characteristic of product	Shenzhen Bioeasy	Nal von Minden	Abbott Laboratories
Country of origin	China	Germany	USA
Material for use	Blood	Blood	Nostril nasal swab
Requested time before getting a result	10-15 minutes	10-20 minutes	15 minutes
Availability of GMP certificate for manufacturing process	Yes	Yes	Yes
Specificity of the test	100%	>99%	100%
Sensitivity of the test	98%	97,5%	95%
Price	41 CNY	7 EUR	7 USD

However, it is not possible to unambiguously determine the best partner only by the qualitative characteristics of the goods, because it is also necessary to pay attention to the price, terms of delivery under the contract, location of the partner company, costs associated with delivery of goods and more.

In case the quality characteristics cannot reproduce the reality, it is necessary to take into consideration all the indicators listed above and choose the best supplier. The materials required for supplier evaluations are combined in the Table 2.2.

Table 2.2. Evaluation of suppliers by 0-10 scale [7, 9, 10]

№	Criteria	The weight of criteria	Shenzhen Bioeasy	Nal von Minden	Abbott Laboratories
1	Price of goods	0,25	9	7	8
2	Time of delivery	0,15	6	8	6
3	Conditions of payment	0,1	9	10	9
4	Reliability of supply	0,2	9	9	9
5	Financial state of supplier	0,05	10	10	9,5
6	Distance between supplier and importer	0,1	6	8	5
7	Quality of goods	0,15	10	9	9
Total			8.45	8.4	7.925

According to the above calculations, you can see that the best potential partner is Shenzhen Bioeasy, although the difference between suppliers is almost unnoticeable. The advantages of this supplier are lower product price and product quality. If you take into account the distance between countries and delivery time, Nal von Minden is the best option.

The next step is to choose the means of transport which will deliver the goods to Incos Line. The basis of comparison is air, water and automobile transport. Railway won't be considered due to huge costs of delivery from China and unavailability of trains for transportation from USA. The results of analysis are given in the Table 2.3.

Table 2.3. Comparison of different means of transport for delivery [13]

Type of transport	Speed	Transport capacity	Reliability	Cost	Availability
Air	5	4	5	2	4
Water	3	5	4	4	5
Car	5	4	5	4	5

The main advantage of automobiles is high speed of delivery which saves a significant amount of time for the importer so he won't need to wait 2 months for his cargo to reach the destination.

Water transport can ship heavy goods but the time of delivery can reach extreme heights. Also, the reliability of water transport when we talk about the adherence to the schedule is insufficient. This way of delivery is irreplaceable when it's impossible to deliver goods by land.

Air transport is the most expensive but highly reliable. It's perfect for the delivery of small amounts of products and it's used when there's a need to transport goods as fast as possible. This way of delivery guarantees the safety of cargo [3].

To make a final choice, it's vital to compare the routes of delivery and the transportation expenses. The information needed for comparison is presented in the Table below.

Table 2.4. Logistic conditions of delivery [7,9,10]

№	Indicator	Shenzhen Bioeasy	Nal von Minden	Abbott Laboratories
1	Distance between countries of partners	Ukraine and China – 5943 km	Ukraine and Germany – 1746 km	Ukraine and USA – 9153 km
2	Type of transport	Water	Automobile	Water
3	Transportation tariff	530 USD per m3	500 USD per m3	620 USD per m3
4	Time of delivery	45-60 days	7-14 days	45-60 days
5	Terms of delivery according to Incoterms	FOB Odesa	EXW Moers	DDP Kyiv

We can see that the transportation of goods from Germany is the most convenient, as it takes the least time, the cost of delivery per 1 cubic meter is the lowest, the distance between countries where companies that are potential partners are located, the shortest. However, you should also pay attention to the terms of delivery. If we talk about the Chinese partner, FOB is the most reliable option, based on the peculiarities of trade between China and Ukraine. Chinese sellers usually use three types of terms – EXW, FOB and CIF. The first conditions are the most mysterious, as in most cases, sellers who agree to sell the goods on EXW terms, don't have an export license. In addition, the cost of a trip to China to the seller's warehouse to pick up the desired product is not justified and it will be much easier and cheaper in this case to go to Germany on the same terms [5].

Unlike the previous option, in the case of FOB all the risks and costs of transporting the cargo to the port are borne by the seller. But, from the moment the products are on the deck of the ship at the port of shipment, all responsibility is shifted to the buyer. These terms are the most common when trading with Chinese companies [11].

CIF can be really tricky although these terms can look like the most suitable for the importer. It is considered that these conditions of carriage are quite favorable and reliable for the buyer, since, firstly, all problems and costs of the main carriage to the chosen port of destination are borne by the seller. However, in practice, everything happens exactly the opposite. The cost of freight, as a rule, does not include the costs of unloading at the port of arrival and storage of cargo,

which is calculated in hundreds of dollars. The risk of loss of the goods passes to the recipient not at the port of destination, as he is sure, but at the port of departure after loading on the ship (these are the rules of Incoterms) [5].

So, FOB is the most appropriate option for us to accept which is offered by Shenzhen Bioeasy. EXW offered by Nal von Minden means that the responsibility for the delivery of the goods passes from the seller to the buyer immediately after he received the goods in the warehouse. For Incos Line, this version of the transaction is quite acceptable, as there is a great variety of logistics companies ready for a relatively small price (if you compare the cost of delivery with other options) to deliver the goods to Ukraine.

Abbott Laboratories offers the delivery of goods on DDP terms. It means that responsibility for the goods on the part of the seller ends only after the delivery of the goods to the place of destination, while the seller / sender assumes all the costs of customs clearance / clearance of the goods, delivery, as well as all possible risks that may arise up to this moment. This option is the most beneficial for the buyer because all the risks and expenses are on exporter until the goods are delivered to the final destination [11]. However, Abbot Laboratories' location is the least suitable and the terms of delivery can rise up to 65 days, so that this option shouldn't be considered by Incos Line.

All in all, Nal von Minden seems to be the best partner for Incos Line due to these reasons: suitable geographic location, lower transportation costs comparing to other possible partners, highest speed of delivery, reliable way of transporting by automobile, high quality of goods. For this import operation, it would be best to choose the direct method of supply without third parties. It would help to speed up the process of processing orders and decrease the paperwork. A conclusion of contract must be done with careful preparation. It would be most appropriate for Incos Line to send the request to a German partner of establishing contact for buying rapid tests for COVID-19. When concluding a contract, the important point is to determine the currency of payment and choose the method of settlement.

The price of the goods may be in the currency of the seller's country, so the price currency in which the value of the goods is fixed will be done in EUR. Payment currency in which the obligations of the importer will be done in EUR as it's the official and stable currency of European Union and, to simplify the operations with currency and to avoid excessive converting of money, we will choose it.

Payment procedure will be done as the bank transfer. It is justified as the common form of international payment and has the following sequence:

1. Nal von Minden and Incos Line create a foreign trade agreement, the payment will be completed in the form of banking transfer right after the delivery of goods;
2. Nal von Minden will apply to the serving bank requesting to provide the company with the bank guarantee of delivery and establish the deadline;
3. Incos Line, after obtaining a guarantee, checks for compliance with the terms of FTA and sends to the Ukrainian bank a payment order, a letter in which this bank is instructed to make payment through the exporter's bank the amount specified in the letter for future deliveries of goods under contract;
4. The importer's bank sends the payment order to the exporting bank, with the indicated amount, number of foreign trade agreement, name and address of the recipient of money;
5. The importer's bank at the same time gives the exporter's bank the information how to cover the payment of the recipient bank;
6. The receiving bank will transfer the money to the beneficiary's account and inform him that a certain amount has been transferred to his account for FTA [2].

All in all, into consideration were taken China, Germany and USA as one of the leaders of rapid COVID-19 tests production. For comparison, one company was selected from each of the countries that are the drivers of technological progress, market leaders and reliable trading partners, which is the main

characteristic of Incos Line, which must be taken into account. After a detailed comprehensive analysis, which examined and compared the quantitative and qualitative characteristics of the product, it was decided that the German partner meets many selection criteria, so the creation of a new import strategy will be based around Nal von Minden.

2.2. Development of a set of measures to increase efficiency of import strategy of LLC «Incos Line»

Figure 2.1. shows the scheme of import of rapid COVID-19 tests from Germany to Ukraine on the terms of EXW. The form of payment is banking transfer.

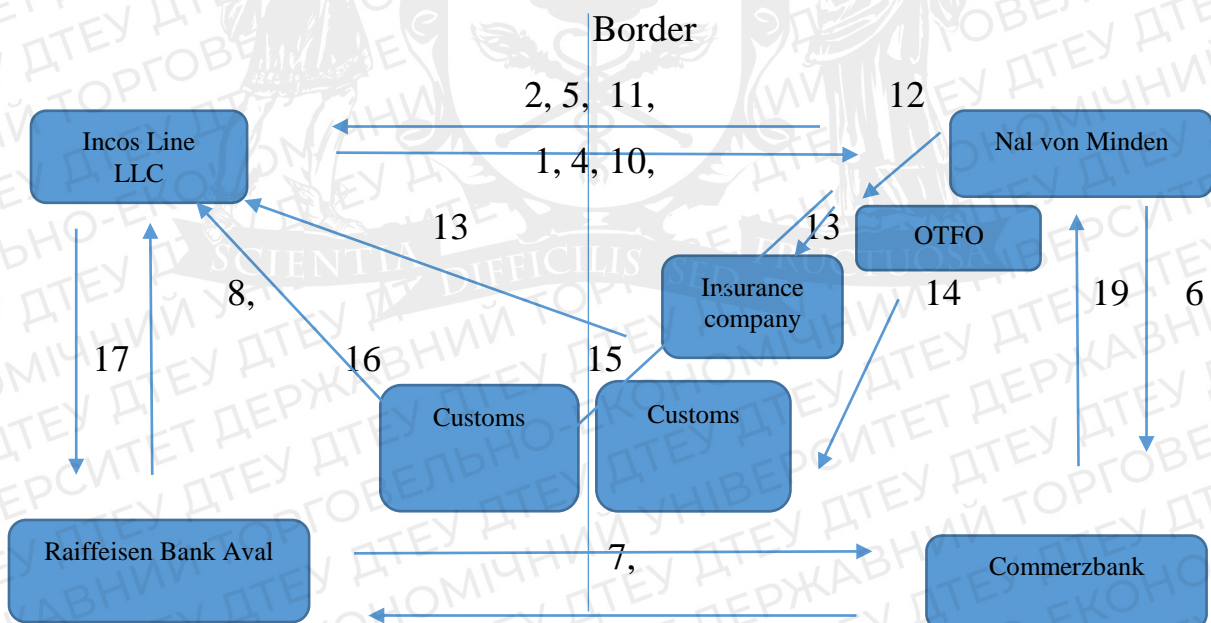


Figure 2.1. The scheme of import operation on EXW terms with banking transfer as a form of payment [2]

According to Figure 2.1. we can describe the stages of an alternative import operation:

1. Incos Line sends a request to the company Nal von Minden expressing the desire to buy goods manufactured by German company;
2. A representative of the company Nal von Minden sends an offer;
3. Incos Line accepts the offer;
4. Incos Line enters into a preliminary agreement on the terms of EXW with the form of payment by bank transfer after delivery of the goods and sends to Nal von Minden one copy;
5. Nal von Minden accepts and returns the signed contract without changes;
6. Nal von Minden sends Commerzbank commodity documents, in accordance with the terms of the contract;
7. Commerzbank sends the commodity documents to Raiffeisen Bank Aval which checks them for compliance;
8. Raiffeisen Bank Aval sends the administrative documents of Incos Line;
9. Incos Line checks the documents for compliance and accepts;
10. Incos Line informs Nal von Minden about its readiness to receive the goods;
11. Nal von Minden notifies Incos Line of the readiness to ship the goods in accordance with the EXW terms of delivery;
12. Nal von Minden enters into an agreement with the international freight forwarding company on the delivery of goods to the warehouse of the buyer, according to which the office of transport and forwarding operations must make all payments that arise in the process of transportation;
13. Office of transport and forwarding operations sends a letter to the insurance company, with which the general policy on cargo insurance is concluded, with a request to insure the goods for the period of its transportation, and to write out the insurance policy on Incos Line;
14. Office of transport and forwarding operations carries out customs clearance of goods in Germany;

15. Office of transport and forwarding operations carries out customs clearance of goods on the territory of Ukraine;

16. Transportation continues on the territory of Ukraine to the warehouse of Incos Line;

17. Incos Line instructs its bank to transfer money for the delivered goods within 30 days to the exporter's bank;

18. Raiffeisen Bank Aval transfers the funds to Commerzbank;

19. Commerzbank informs the company Nal von Minden about the receipt of funds on its account.

Thus, this algorithm is recommended to use for Incos Line when concluding a contract with German partner.

2.3. Forecasting the financial results of LLC «Incos Line» as a result of the implementation of the proposed measures

Now we need to find out if the chosen alternative operation will be profitable or not. Basic terms from contract are listed in the Table 2.1.

Table 2.1. The main economic indicators for determining the effectiveness of import operation

Conditions	Data
Name of goods	Rapid test for coronavirus
USG FEA code	3822 00 00 00
Exporter country	Germany
Price per unit, EUR	7
Total number of units	5000
Terms of delivery	EXW Moers
Custom tariff rate	0
VAT	0
NBU exchange rate at the day of payment , UAH/EUR	30,63

The approximate price on a domestic market is 314 hryvnas. The basic terms of delivery mentioned in the contract are EXW Moers. The structure of costs needed to deliver goods to Ukraine are listed in the Table 2.2.

Table 2.2. Costs structure associated with the import of rapid tests for coronavirus

Costs	Price
Packaging	110 EUR
Load on vehicle	130 EUR
Transportation to the place of departure	100 EUR
Load on main transport	155 EUR
Carriage charges	450 EUR
Insurance	800 EUR
Unloading goods at destination place	130 EUR
Export duty and taxes	220 EUR
Transportation of goods from the border	340 EUR

Based on the above data, we calculate the efficiency of future import operations.

Calculations will be done by the algorithm which is represented below:

$$\text{Contract Value} = \text{Quantity} * \text{Price}$$

$$\text{Contract value} = 5\,000 * 7 = 35\,000 \text{ EUR} * 30.63 = 1\,072\,050 \text{ UAH}$$

$$\text{Customs Value} = \text{Contract value} + \text{Costs}$$

$$\text{Customs Value} = 35\,000 + 110 = 35\,110 \text{ EUR} = 1\,075\,419.3 \text{ UAH}$$

$$3. \text{ Customs Duty} = \text{Contract Value} * \text{Customs Tariff}$$

$$\text{Customs duty} = 0 \text{ UAH.}$$

Customs tariff is based on Law of Ukraine of the Verkhovna Rada № 674-IX of 04.06.2020 «About the Customs Tariff of Ukraine»

$$4. \text{ VAT} = (\text{Customs Value} + \text{Customs Duty}) * 0\%$$

VAT = 0 UAH. VAT is based on Resolution of the Cabinet of Ministers of Ukraine № 224 of 20.03.2020 "On approval of the list of goods (including medicines, medical devices and / or medical equipment), the import of which into the customs territory of Ukraine are exempt from VAT"

$$5. \text{ Import Contract Price} = \text{VAT} + \text{Customs Value} + \text{Customs Duty}$$

Import Contract Price = 35 110 + 130 + 100 + 155 + 450 + 800 + 130 + 220 + 340 = 37 095 EUR = 1 136 219.85

6. Effect of Import Operations=Revenue-Costs

Effect = (314 * 5 000) – 1 136 219.85 = 433 780.15 UAH

7. Efficiency of Import Operations=Revenue/Costs

Efficiency of import operations = (314 * 5 000) / 1 136 219.85= 1.38 UAH

It can be concluded that the import operation carried out by Incos Line is effective, because for every 1 hryvnia of expenses there is 1.38 hryvnia of income what is more profit, if we compare it with a real contract.

Conclusions to the Chapter 2

In the Chapter 2 a profound research of alternative import strategy has been done.

In the 1st paragraph 3 companies were considered to become a new trading partner. At the first stages of research there were no significant differences between candidates as their products meet the standards, have reasonable prices and the companies have a good reputation and their financial state is satisfactory.

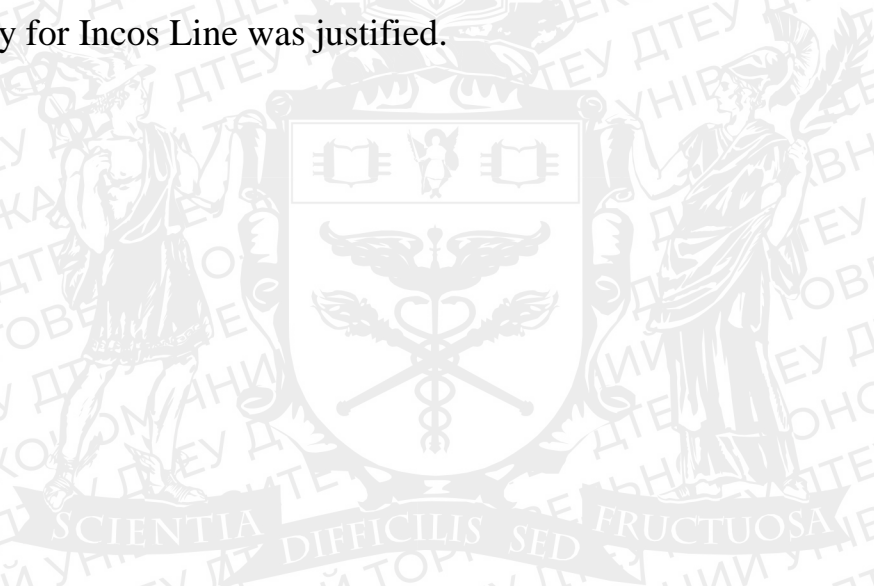
After completing the analysis of 3 possible partners it was decided to choose Nal von Minden as new trade partner due to number of advantages like suitable location, the smallest waiting time for transportation of goods, reliability of shipment and high quality of goods overall.

Automobile transport was determined as the best option to deliver goods to Ukraine because this means of transport is quite cheap comparing to air transport, with best terms of delivery.

In the 2nd paragraph the scheme of import operation was demonstrated. The form of payment is banking transfer, there are eight participants from

different sides of border: Incos Line as importer, Nal von Minden as exporter, Raiffeisen Bank Aval as importer's bank, Commerzbank as exporter's bank, Insurance company, customs in Ukraine and Germany and Office of transport and forwarding operations.

In the 3rd paragraph an analysis of import operation efficiency was done. It shows that an alternative import strategy related to import operations is more effective than the current one. The efficiency of alternative import operation equals 1,38 hryvnia per 1 hryvnia of costs whereas the efficiency of current operation equals 1,285 hryvnia of income. That's how the alternative import strategy for Incos Line was justified.



Conclusions

During the research it was confirmed that import strategy is an important part of company's overall strategy which helps to conduct import operations. It contains a set of rules through which the company's import operations take place. This combination must be successful, because the result of all import activities depends on this factor.

Managers and specialists of foreign trade operations are the people who involved in creation of import strategy. If they are motivated and ready to work efficiently, the company will achieve great success. Talking about Incos Line, employees shows significant productivity, the working climate is appropriate to maintain and even increase their efficiency. CEO is constantly trying to improve the working quality – that's why the company shows the growth in almost every indicator of financial activity from year to year.

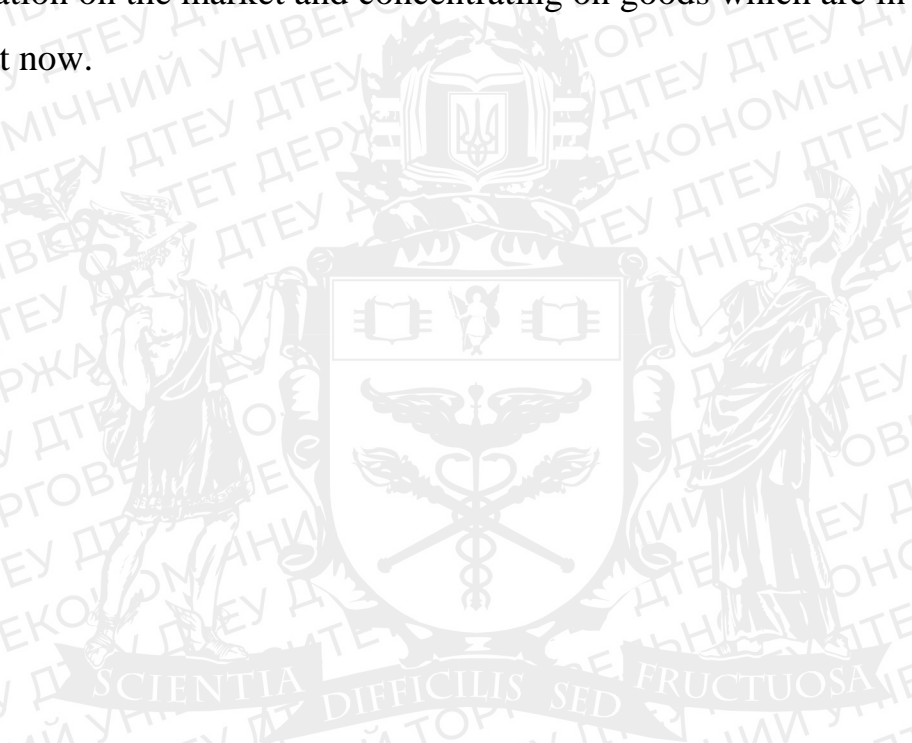
Import strategy of Incos Line proved its efficiency and helped to reach outstanding results in 2020 while the whole world was trying to overcome the consequences of pandemic. Medical goods became one of the most popular goods imported and sold by Incos Line and they generated a big part of profit so the import strategy is mainly focused on importing this kind of goods.

The analysis of efficiency of import operation showed that the import operation related to the purchase of rapid test for coronavirus is quite profitable. But there's always the room for improvement so a new strategy was proposed. The analysis revealed that it would be more effective to choose a new trading partner which would provide Incos Line with rapid tests for coronavirus for reasonable price on appropriate conditions.

If the company doesn't want to become stagnant then it should search for ways to become more profitable and successful. In this case, Incos Line should constantly look for new partners in different countries to bring more high quality goods to Ukraine. In author's opinion, China seems to be a good option

to search for partner companies there because of various factors like a long and successful history of trade between countries.

The alternative import strategy shows potential because the efficiency of proposed import operation is quite high. In author's view, the administration of Incos Line should try to implement this strategy in order to become more successful and reach more impressive results taking into consideration the situation on the market and concentrating on goods which are in a high demand right now.



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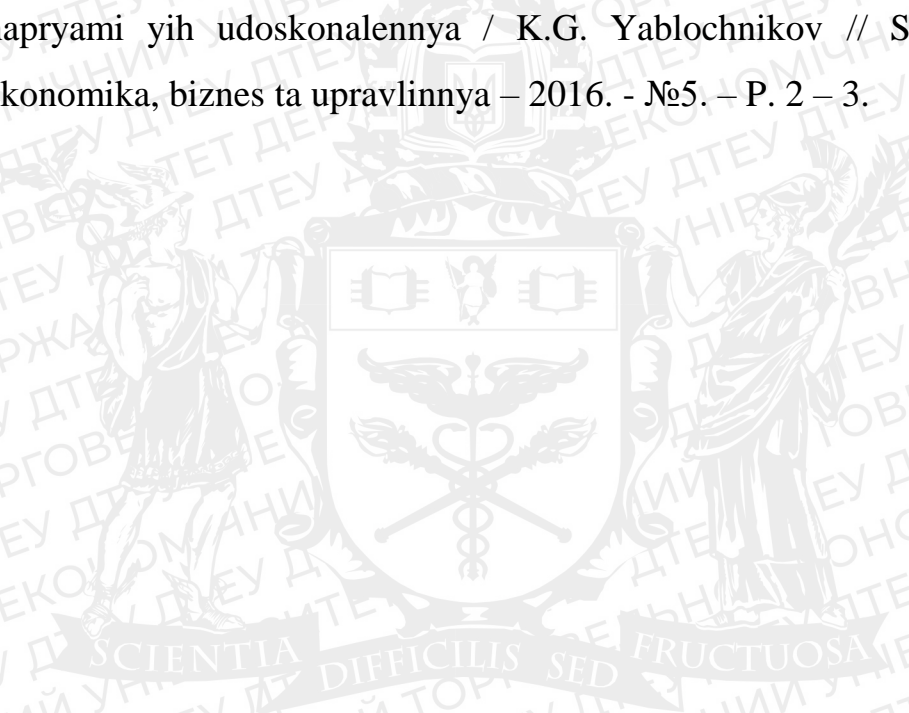


Table A.1. – Profitability analysis of LLC Incos Line

Indicators	2016	2017	A.B.17-16	B.B.17/16	2018	A.B.18-17	B.B.18/17	2019	A.B.19-18	B.B.19/18	2020	A.B.20-19	B.B.20/19
Product profitability	12,4	14,1	1,7	13,7	36	21,9	155,3	41,4	5,4	15	43,1	1,7	4,1
Cost profitability	14,2	16,4	2,2	15,5	55,7	39,3	239,6	70,8	15,1	27,1	76	5,2	7,34
Total profitability	87	2,11	-0,76	-26,5	5,6	3,49	165,4	7,8	2,2	39,3	14,1	6,3	80,7
Return on assets	6,22	9,34	3,12	50,1	5,4	-3,94	-42,2	30,6	25,2	466,7	49,2	18,6	60,7
Return on current assets	6,31	14	7,69	122	5,6	-8,4	-60	32,1	26,5	473,2	50,5	18,4	57,3
Return on equity	102,8	75,4	-27,4	-27	92,8	17,4	23,07	98,6	5,8	6,25	101	2,4	2,4
The period of turnover of current assets	87	56	-31	-36	195,4	139,4	248,9	125	-70,4	-36,03	74	-51	-40,8
Accounts Receivable Turnover in Days	46	26	-20	-43,5	25,6	-0,4	-1,54	32	6,4	25	21,4	-10,6	-33,1
Total assets turnover	4,13	5,2	1,07	26	1,74	-3,46	-66,5	2,8	1,060	61	4,8	2	71,4
The period of turnover of tangible current assets	29	19,5	-9,5	-32,7	35	15,5	80	22	-13	-37,14	9,34	-12,66	-57,5
The turnover ratio of current assets	4,2	6,5	2,3	54,8	1,87	-4,63	-71,2	2,9	1,03	55	4,94	2,04	70,3
The turnover ratio of tangible current assets	12,6	18,7	6,1	48,4	10,5	-8,2	-44	16,6	6,1	58,1	39	22,4	135
Accounts Receivable Turnover, Times	8	14,0 4	6,04	75,5	14,3	0,26	1,85	11,4	-2,9	-20,3	17,05	5,65	50
Assets turnover period	88,3	70,1	-18,2	-20,6	210,1	140	199,7	130	-80,1	-38,1	76,3	-53,7	-41,3

Table B.1 – Liquidity analysis of LLC Incos Line

Indicators	2016	2017	A.B 2017-2016	B.B17/16	2018	A.B 18-17	B.B 18/17	2019	A.B 19-18	B.B 19/18	2020	A.B 20-19	B.B 20/19
The overall coverage ratio	1,05	0,76	-0,29	-27,6	1,02	0,26	34,2	1,38	0,36	35,3	1,9	0,52	37,7
The current liquidity ratio	0,64	0,41	-0,23	-36	0,6	0,19	46,3	0,95	0,35	58,3	1,3	0,35	36,9
The absolute liquidity ratio	0,07	0,12	0,05	71,4	0,49	0,37	308,3	0,23	-0,26	-53,1	0,95	0,72	313,04

Table B.2 – Analysis of financial stability of LLC Incos Line

Indicators	2016	2017	A.B.17-16	B.B.17/16	2018	A.B.18-17	B.B,18/17	2019	A.B.19-18	B.B.19/18	2020	A.B.20-19	B.B.20/19
The indicator of financial autonomy	0,06	0,12	0,06	100	0,06	-0,06	-50	0,31	0,25	416,7	0,49	0,18	58,1
Debt coverage ratio	0,06	0,14	0,08	133,3	0,06	-0,08	-57,1	0,45	0,39	650	0,95	0,5	111,1

К О Н Т Р А К Т № _____**C O N T R A C T No. _____**

М. Київ
(Україна) « ____ » _____ 2020 р.

Kyiv
(Ukraine) _____, 2020

Фірма Sugentech Inc
187, Techno 2-ro, Йонсан-дон, Юсон-Гу, Теджон,
Південна Корея

Company Sugentech Inc
187, Techno 2-ro, Yuseong-gu, Daejeon, Republic
of Korea

в особі Директора Джеймса Лі, який діє на підставі статуту, іменована надалі «Продавець», з одного боку, та

ТОВ Інкос Лайн
Вул. Вишняківська, 3
М. Київ, Київська область
02140 Україна

Represented by CEO Mr./Mrs. James Lee operating pursuant to the bylaws, hereinafter referred to as the «Seller» from one side, and

LLC Incos Line
Vyshnyakivska str., 3
Kyiv, Kyiv region
02140 Ukraine

в особі Директора Тимошука Кирила Анатолійовича, що діє на підставі модельного статуту, іменованій надалі «Покупець», з іншого боку, далі іменовані «Сторони », уклали цей Контракт про наступне:

represented by Mr. Kyrylo Tymoschuk, the Chairman of the Management Board, acting on the basis of the model charter, hereinafter referred to as the ‘Buyer ’ on the other part hereinafter referred to as “Parties”, have concluded the contract on the following:

1. Предмет контракту

- 1.1. Продавець зобов’язується продати, а Покупець оплатити та прийняти у власність наступний Товар: Експрес-тест на коронавірус SGTI-flex COVID-19 Ag.
- 1.2. Специфікація Товару передбачена в Додатку №1 до цього Контракту.
- 1.3. Додаток №1 є невід’ємною частиною цього Контракту.
- 1.4. Сума контракту становить: 48960 доларів США (48960 доларів США, 00 центів).

2. Ціна Товару

- 2.1. Ціни остаточні і не підлягають зміні.
- 2.2. Загальна вартість включає в себе: вартість Товару, вартість упаковки, маркування, запобігання товару від пошкоджень, витрати, пов’язані з сертифікацією Товару, витрати, пов’язані з оформленням товаросупровідних документів, завантаженням товару на транспортний засіб, витрати на митні процедури в країні Продавця, вартість страхування та доставки на завод Покупця.

3. Умови оплати

- 3.1. Валюта контракту – долар США. Оплата за Товар здійснюється в доларах США
- 3.2. Грошові кошти в розмірі 100% від вартості товару, будуть перераховані на розрахунковий рахунок Продавця банківським переказом через 30

1. Subject of the Contract

- 1.1. The Seller is obligated to sell, and the Buyer to pay and accept as a property the following Goods: Rapid test for coronavirus SGTI-flex COVID-19 Ag.
- 1.2. Specification of the Goods is stipulated in the Enclosure No.1 to this Contract.
- 1.3. Enclosure No.1 makes an integral part of the present Contract.
- 1.4. The total value of the contract amounts to US dollars 48960 (48960 US dollars, 00 cents).

2. Price of Goods

- 2.1. The prices are firm and are not the subject of any alterations.
- 2.2. The prices shall include: cost of the Goods, cost of packing, marking, goods preservation from damages, expenses related to certification of the Goods, expenses related to the drawing up of shipping documents, loading of the goods on the board of vehicle, the costs of custom procedures in the Seller’s country, cost of insurance and delivery to the Buyer’s plant.

3. Terms of payment

- 3.1. Contract currency – US Dollars. The payment for the Goods sold shall be made in US dollars.
- 3.2. The monetary funds, which amount 100% of the cost of the Goods shall be transferred to the Seller’s settlement account by bank transfer in 30 (thirty) days after receiving the Goods to the Buyer’s warehouse.

(тридцять) днів після отримання Товару на склад Покупця.

3.3. Датою оплати вважається дата списання грошових коштів з розрахункового рахунку Покупця.

3.4. Комісійні банку, включаючи комісійні банкам – кореспондентам, оплачуються Продавцем.

4. Умови поставки Товару

4.1. Товар поставляється на умовах DAP Київ згідно Інкотермс 2020.

4.2. Товар повинен бути повністю поставлений до 16 червня 2020 року.

4.3. Часткові поставки дозволені за письмовим запитом Покупця.

4.4. Право власності на Товар переходить Покупцю після отримання Товару на складі Покупця в місті Київ.

5. Упаковка та маркування

5.1. Товар поставляється в упаковці, яка повинна забезпечувати повне збереження Товару і охороняти товар від пошкодження при транспортуванні усіма видами транспорту з урахуванням перевалок, а також охороняти товар від атмосферних впливів.

5.2. Продавець несе повну відповідальність за будь-яке пошкодження або втрату Товару, якщо таке пошкодження або втрата викликані невідповідною або неповноцінною упаковкою.

Якість і технічні характеристики товару

6.1. Продавець гарантує високу якість Товару, а також його відповідність специфікації, зазначеної в Додатку №1 до цього Контракту.

6.2. У разі невідповідності Товару специфікації Контракту, Сертифікату відповідності та / або наявності в Товарі дефектів, Продавець гарантує протягом 30 днів за свій рахунок усунути ці дефекти або замінити дефектні частини новими та зобов'язується оплатити доставку до складу Покупця.

7. Права та обов'язки Сторін

7.1. Продавець зобов'язаний:

7.1.1. Передати Покупцю Товар належної якості та в обумовленому цим контрактом кількості.

7.1.2. Забезпечити доставку на умовах зазначених в п.4.1. цього Контракту.

7.1.3. Перед відвантаженням вислати Покупцеві електронною поштою info@inklgroup.com повідомлення про готовність товару до відправки і копії відвантажувальних документів, а саме:

- Рахунок
- Пакувальний лист

3.3. The date when the monetary funds are written-off from the Buyer's settlement account shall be deemed the payment date.

3.4. Bank fees, including fees to Correspondent banks are paid by the Seller.

4. Delivery terms

4.1. The Goods are delivered on DAP Kyiv Buyer's warehouse terms, according to Incoterms 2020.

4.2. The Goods have to be delivered till 16th of June, 2020.

4.3. Upon written request by the Buyer, partial shipments are allowed.

4.4. The rights to the property carry over to the Buyer upon receipt the Goods to his warehouse in Kyiv (Ukraine).

5. Packing and marking

5.1. The package of the Goods should provide their full preservation and protect the Goods from the damage, which can occur while Goods transportation by all means of transport, including loading/unloading of the Goods, and protect them from the atmospheric condensation.

5.2. The Seller is fully responsible for any damage or loss of the Goods, if such damage or loss was caused by improper or invalid packaging and marking.

6. Quality and technical characteristics of the Goods

6.1. The Seller guarantees high quality of the Goods, as well as their correspondence to the Specification, described in the Enclosure 1 to this Contract.

6.2. In case of contradictions between Goods and the Specification of the Contract, Certificate of Quality and/or defects of the Goods, the Seller guarantees to eliminate such defects or to replace defective parts with new ones on his account within 30 days and is obliged to pay cost for delivery to Buyer's warehouse.

7. Parties' rights and obligations

7.1. The Seller shall be obliged:

7.1.1. To transfer to the Buyer the Goods of a proper quality and in the quantity stipulated in this Contract.

7.1.2. To provide the Goods to be delivered on the terms mentioned in point 4.1. of this Contract.

7.1.3. Before the dispatch, to send by e-mail info@inklgroup.com notification about the readiness of the Goods for shipment and copies of the shipping documents as follows:

- Invoice
- Packing List
- Certificate of origin

- Сертифікат походження
- Сертифіка якості
- Товарно-транспортну накладну
- Експортну декларацію.

- Certificate of Quality
- Air Way bill
- Export declaration.

Продавець надає разом з поставкою оригінали вищезазначених документів на відвантаження.

7.1.4. У день відвантаження повідомити Покупцеві про відвантаження Товару на адресу Покупця.

7.2. Покупець зобов'язаний:

7.2.1. Забезпечити розвантаження і приймання Товару за кількістю та якістю протягом 3 (трьох) діб з моменту його надходження на склад Покупця.

7.2.2. Повідомити Продавцю про помічені під час приймання або в процесі експлуатації недоліки проданого Товару, а також надати Акт про невідповідність Товару, складений службою Покупця, що виявила дефект, за підписом Директора з виробництва/ Технічного директора.

7.2.3. Оплатити куплений Товар в терміни, встановлені в розділі 3 цього Контракту.

7.3. Покупець, якому переданий Товар неналежної якості, має право за своїм вибором вимагати від Продавця:

- Безкоштовної заміни дефективної частини Товару;
- Заміни Товару на Товар належної якості протягом 14 (чотирнадцяти) днів від дати подання претензії;

7.4. Покупець має право пред'явити вимогу у зв'язку з недоліками Товару, при виявленні недоліків протягом гарантійного терміну.

8. Гарантійний термін

8.1. Продавець гарантує високу якість товару.

8.2. Гарантійний термін на Товар становить 12 місяців з приймання Товару, але не більше 18 місяців з дати відвантаження, протягом якого Покупець має право пред'явити претензії щодо якості Товару, в разі невідповідності Товару вимогам розділу 6 цього Контракту.

8.3. При виявленні будь-яких дефектів під час гарантійного терміну, Покупець повинен негайно проінформувати Продавця електронною поштою протягом 24 годин. У разі, якщо консультаційний сервіс Продавця не розв'язав проблему по телефону / електронною поштою, Продавець зобов'язаний протягом 3 днів відрядити своїх фахівців на завод Покупця для перевірки роботи забракованої частини і для усунення цих дефектів на прохання Покупця. Продавець зобов'язаний замінити дефектні частини на нові в можливі найкоротші терміни.

Всі витрати, пов'язані з виконанням претензії, та усуненням дефектів відносяться на рахунок Продавця,

The Seller will supply with the delivery the originals of the aforementioned shipping documents.

7.1.4. On the shipment date to notify the Buyer of the Goods shipment to the Buyer's address.

7.2. The Buyer shall be obliged:

7.2.1. To provide the sold Goods to be unloaded and accepted pursuant to the quality and quantity within 3 (three) days from the moment of its entry to the buyer's warehouse.

7.2.2. To notify the Seller of the Goods defects, revealed when accepting thereof, or in the course of the exploitation of the Goods as well as to send the related Reclamation to the Seller issued by the Buyer's responsible services and signed by Production Director/ Technical Director.

7.2.3. To pay for the purchased Goods within the deadline specified in chapter 3 of this Contract.

7.3. The Buyer, to which the Goods of improper quality were transferred, shall be entitled at its own option to require that the Seller:

- Replace faulty Goods free of charge;
- Replace the Goods with the Goods of a proper quality within 14 (fourteen) days from the date of the claim;

7.4. The Buyer shall have the right to make claims related to the defected Goods when revealed within the warranty period.

8. Warranty period

8.1. The Seller guarantees high quality of the Goods.

8.2. The guarantee period for the Goods shall be 12 months from acceptance date, however latest 18 months from shipment date during which the Buyer shall have the right to make claims on quality of the Goods, in case the quality does not comply with the Chapter 6 of this Contract.

8.3. Should any defects be discovered within the warranty period, the Buyer shall notify the Seller as fast as possible by e-mail about such defects during 24 hours. In case consultant service of the Seller by phone/e-mail does not solve the problem, the Seller undertakes to send his specialists within 3 days to the Buyer's site for checking the operation of the faulty parts and for elimination of these defects on the Buyers request. The Seller is obligated to replace the defected parts with new ones as soon as possible.

All expenses connected with the claim and with the elimination of the defects are borne by the Seller if these defects are not the Buyers fault.

за умови, що такі дефекти сталися не з вини Покупця.

9. Відповідальність сторін

9.1. За несвоєчасну поставку Товару Продавець сплачує Покупцю штраф в розмірі 2% від загальної вартості Контракту за кожний послідуєчий тиждень прострочення, але не більше 8% від загальної вартості Контракту. Нарахування штрафних санкцій з 17 липня 2020 року.

9.2. Продавець відповідає за недоліки Товару, якщо не доведе, що недоліки Товару виникли після його передачі Покупцеві внаслідок порушення Покупцем правил користування Товаром або його зберігання.

9.3. У разі якщо серед документів, які супроводжують поставку, немає оригіналу Сертифіката походження, то Продавець сплачує Покупцю штраф 3% від загальної вартості Товару.

9.4. У разі, якщо відвантажувальні документи (рахунок-фактура і пакувальний лист), оформлені некоректно, що може вплинути або ускладнити митну очистку Товару, Продавець оплачує Покупцеві пеню в розмірі 3% від вартості контракту за кожний неправильно оформлений документ. Перелік необхідної інформації в документах:

Пакувальний лист

1. Посилання на номер і дату контракту
2. Вага нетто кожної позиції
3. Загальна вага Товару – нетто і брутто
4. Тип упаковки для піддонів та ящиків (дерев'яний, картонний, гратчастий)
5. Кількість ящиків
6. Розмір кожного пакувального місця

Рахунок-фактура

1. Номер рахунку і дата його виписки
2. Посилання на номер і дату контракту
3. Загальна назва Товару (Предмет контракту)
4. Ціна за одиницю і загальна вартість Контракту (повна ідентичність прайс-листу контракту)
5. Умови поставки
6. Умови оплати
7. Замовлена кількість
8. Країна походження.

Подібне застосовується до технічної документації, інструкцій з експлуатації, каталогам і кресленнями, якщо вони не отримані Покупцем за тиждень до відвантаження Товару.

У разі, якщо всі інші документи, необхідні згідно Українського Законодавства, які перераховані в параграфі 7.1.3., оформлені некоректно, Продавець зобов'язується оплатити фактичну суму штрафу після

9. Parties' responsibility

9.1. The Seller shall pay to the Buyer a penalty in the amount of 2% of the total contract value for each commencing week of week of delay, but not more than 8% of the total contract amount. Penalties starting from the 17th of July, 2020.

9.2. The Seller shall be responsible for the shortage of the Goods, if it fails to prove that such shortage of the Goods have arisen after its transfer to the Buyer due to the Buyer's breach of the rules for use or storage of the Goods.

9.3. In case there is no original of Certificate of origin among the documents with the delivery, the Seller will pay to the Buyer the fine in the amount of 3% of the total value of the Goods.

9.4. In case the shipping documents, (invoice and packing list) are not properly set up and affect or prevent customs clearance procedures, the Seller shall pay of 3% of the total value of the Contract for each incorrect document.

The list of required data in the documents:

Packing list

1. Reference to contract No and date of the contract
2. Net weight of each individual part
3. Total gross and net weight of the Goods
4. Type of package for pallets and boxes (wooden, carton or framed box)
5. Quantity of boxes
6. Size of each package

Invoice

1. Invoice number and date of issuing
2. Reference to contract No and date of the contract
3. General name of the Goods (Subject of the contract)
4. Unit price and total amount of the Goods (full correspondence to Price list of the Contract)
5. Terms of delivery
6. Terms of payment
7. Ordered quantity
8. Country of origin.

The same applies for the technical documentation, manuals, catalogues and drawings if they are not received one week prior to shipment of the Goods.

For all other incorrect documents mentioned in paragraph 7.1.3. requested by the Ukrainian Law the Seller shall pay the actual fine against presentation of the actual invoice. The Buyer has the right to deduct the corresponding amount directly from the invoice of

отримання від Покупця відповідного рахунку-фактури. Покупець має право зменшити на цю суму будь-який платіж на користь Продавця.

9.5. За письмовим запитом Покупця Продавець зобов'язаний надати прайс лист і калькуляцію ціни Товар переліченої в специфікації до контракту.

10. Форс-мажор

10.1. Якщо відправка вантажу буде затримана з причин форс-мажору, Продавець повинен проінформувати Покупця по факсу не пізніше ніж через 2 (два) робочі дні з дня виникнення форс-мажорних обставин. Про відновлення нормальних обставин Продавець повинен проінформувати Покупця по факсу не пізніше ніж через 2 (два) робочі дні з дня виникнення відновлення нормальних обставин. На вимогу Покупця Продавець повинен надати докази форс-мажору (наприклад довідку (листа) із Торгово-промислової палати).

10.2. У разі форс-мажору узгоджені дати будуть відкладені на відповідний період. Якщо виконання контракту затримано через форс-мажорні обставини на більше ніж 3 (три) місяці, обидві сторони повинні узгодити нові умови відповідно з виниклими обставинами.

10.3. Форс-мажорними обставинами вважаються: крах поїздів, серйозні пожежі, вибухи, війни в будь-якій формі, повстання, страйки, а також всі інші серйозні події, які визнаються як форс-мажор відповідальним арбітражним судом або Торгово-промисловою палатою.

11. Арбітраж

11.1. Всі суперечки і розбіжності, які можуть виникнути з даного Контракту, будуть, по можливості, вирішуватися шляхом переговорів між сторонами.

11.2. Будь-який спір, що виникає за цим Контрактом або в зв'язку з ним, підлягає передачі на розгляд і остаточне вирішення в Міжнародному комерційному арбітражному суді при Торгово-промислової палаті України.

11.3. Сторони згодні з тим, що в процесі розгляду і вирішення спору буде застосовуватися регламент Міжнародного комерційного арбітражного суду при Торгово-промисловій палаті України. Кількість арбітрів – один.

11.4. В Міжнародному комерційному арбітражному суді застосовується матеріальне право України і використовується англійська мова.

11.5. Місцем арбітражу буде м. Київ, Україна.

12. Загальні умови

12.1. Контракт набуває чинності з дати його підписання обома сторонами і діє до 31.12.2020 року

the Seller.

9.5. Upon written request of the Buyer, the Seller is obliged to provide the price list and and cost calculation of the Goods listed in specification of the Contract.

10. Force-Majeure Circumstances

10.1. If the shipment will completely or partly be prevented out of reasons of a Force Major, the Seller is obliged to inform the Buyer by fax no later than 2 (two) days after these circumstances appeared. The re-establishment of the normal circumstances has to be communicated to the Buyer no later than 2 (two) days after these circumstances reestablished. Upon request of the Buyer, the Seller has to furnish proof of the Force Major (e.g. information (letter) from Chamber of commerce and industry).

10.2. In case of a Force Major the dates agreed upon will be postponed by an equal period. Should the performance of the contract be delayed for reasons of Force Major by more than 3 (three) months, both parties will agree new conditions with respect to the new given circumstances.

10.3. Cases of Force Major are nature of train catastrophes, serious fire, explosions, war in every form, revolts, strikes as well as other serious events which are accepted as Force Major by the responsible arbitration court or Chamber of Commerce and Industry.

11. Arbitration

11.1. All disputes and differences which may arise out of the present Contract will be settled as far as possible by means of negotiations between the Parties.

11.2. Any dispute arising out of or in connection with this Contract should be submitted for settlement to International Commercial Arbitration Court at the Ukrainian Chamber of Commerce and Industry.

11.3. Both Parties agree that the Rules of Procedure of International Commercial Arbitrage in Ukrainian Chamber of Commerce and Industry should be used during an arbitration process. The quantity of arbitrators shall be one.

11.4. Both Parties agree that Ukrainian Substantive Law and English language should be used during an arbitration process.

11.5. The place of arbitration – Kyiv, Ukraine.

12. General conditions

12.1. The Contract becomes effective from the date of its signing by both parties and valid till 31.12.2020,

та в будь-якому випадку до повного виконання Сторонами своїх зобов'язань за цим Контрактом.

12.2. Справжній Контракт укладається в 2 (двох) примірниках українською та англійською мовами, при цьому обидва тексти є автентичними. У разі виникнення розбіжностей текст англійською мовою преважує.

12.3. Всі зміни і доповнення до цього контракту дійсні лише в тому випадку, якщо зроблені в письмовій формі і підписані обома сторонами.

12.4. Сканована копія даного контракту вважається юридично дійсною.

but anywhere till the full execution of the obligations by the Parties.

12.2. The present Contract is made in 2 (two) copies each in the Ukrainian and English languages, both texts are authentic. In case of disputes English text prevails.

12.3. All amendments and additions to this Contract are valid only if made in writing and signed by both parties.

12.4. Scan copy of this contract is considered to be valid.

13. Юридичні і банківські реквізити сторін

ПРОДАВЕЦЬ

ПОКУПЕЦЬ

ТОВ Інкос Лайн

Вул. Вишняківська, 3, м.Київ

Київська область, Україна

Адреса банку:

Рахунок № 262012010612

АТ «Райффайзен Банк Аваль»

Swift code: AVALUAUK

вул. Лескова 9, Київ 01011, Україна

ПОКУПЕЦЬ/THE BUYER

13. Legal addresses and bank details of the parties

THE SELLER

THE BUYER

LLC Incos Line

Vyshnyakivska str., 3

Kyiv, Kyiv region, Ukraine

Account No. 262012010612

Bank: "Raiffeisen Bank Aval" JSC

Swift code: AVALUAUK

Adress: 9, Leskova Str., Kiev 01011, Ukraine

ПРОДАВЕЦЬ/THE SELLER

Тимошук К.П. (Mr. Tymoschuk
К.Р.)
Директор/
Chairman of the Management Board

Mr.
James Lee, CEO

Enclosure No.1

Додаток №1

Specification to the Contract No. _____ dd _____.2020

Специфікація до Контракту № _____ від _____.2020

No/Номер	State of Goods origin /Країна походження товару	Description/Опис	Q-ty/Кіл-ть	Unit price, USD /Ціна за од., в доларах США	Total amount in USD/ Загальна сума в доларах США
1	Південна Корея/South Korea	Експрес-тест для виявлення антигену до коронавірусу SGTI-flex COVID-19 Ag, комплектація: тестова касета – 1 шт., буфер для екстрагування – 1 шт., пробірка для екстрагування зразка – 1 шт., насадка із капельницею – 1 шт., стерильний тампон для відбору зразка – 1шт., підставка з картону – 1шт., інструкція до медичного виробу – 1шт.	5000	7,2	36000
2					
3					
4					
5					
Total price on DAP/ _____ terms: 48960 USD Загальна вартість DAP / _____ 48960 USD _____					

ПОКУПЕЦЬ/THE BUYER

ПРОДАВЕЦЬ/THE SELLER