Kyiv National University of Trade and Economics
Department of international economic relations

FINAL QUALIFYING PAPER
on the topic:
"The Efficiency of Foreign Trade Operations and its Influence on the Profitability of the Enterprise"

(based on the data of Ltd. "Mechanicheskiy Zavod", Kherson)

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Анотація

Дворова Д. «Оцінка ефективності зовнішньоторговельних операцій її вплив на прибутковість підприємства».

Випускна кваліфікаційна робота на здобуття ступеня магістра за спеціальністю «Менеджмент зовнішньоекономічної діяльності». Київський національний торговельно-економічний університет, 2018.

Випускна кваліфікаційна робота присвячена оцінці ефективності зовнішньоторговельних операцій та її вплив на прибутковість підприємства на прикладі підприємства ТОВ «Механічний завод». У першому розділі роботи розглянуто сутність і значення зовнішньоторговельної діяльності підприємства. Визначено фактори, що впливають на ефективність зовнішньоторговельної діяльності підприємства, розглянуті підходи до оцінки ефективності зовнішньоторговельної операцій.

У другій частині роботи проведено аналіз фінансово - господарської діяльності підприємства ТОВ «Механічний завод». Розраховані показники фінансової стійкості, ліквідності, платоспроможності, ділової активності, рентабельності підприємства ТОВ «Механічний завод». Досліджено зовнішньоекономічну діяльність ТОВ «Механічний завод», а також здійснено оцінку ефективності зовнішньоторговельних операцій підприємства та її вплив на прибутковість підприємства.

У третьому розділі визначені напрями підвищення ефективності зовнішньоторговельної діяльності ТОВ «Механічний завод» і розроблено комплекс заходів щодо підвищення ефективності зовнішньоторговельної діяльності підприємства. Здійснено прогнозування фінансових результатів підприємства за умови реалізації запропонованих заходів.

Ключові слова: зовнішньоторговельна діяльність, зовнішньоторговельні операції, експортні операції, імпортні операції,

організація ЗЕД.

Abstract

Dvorova D. "The Efficiency of Foreign Trade Operations and its Influence on the Profitability of the Enterprise"

Final qualifying work for the master's degree in the specialty "Management of foreign economic activity". Kiev National University of Trade and Economics, 2018.

The final qualifying work is devoted to the efficiency evaluation of foreign trade operations in the context of the enterprise Ltd. "Mechanicheskiy Zavod". In the first chapter of the work the essence and importance of the foreign trade activity of the enterprise is considered. The factors influencing the efficiency of foreign trade activity of the enterprise are determined, approaches for the estimation of efficiency of foreign trade operations are considered.

In the second chapter of the work the analysis of financial and economic activity of the enterprise Ltd. "Mechanicheskiy Zavod" is conducted. The indicators of financial stability, liquidity, solvency, business activity, profitability of the enterprise Ltd. "Mechanicheskiy Zavod" are calculated. The foreign trade activity of Ltd. "Mechanicheskiy Zavod" is investigated, as well as an efficiency evaluation of the foreign trade operations and its influence on the profitability of the enterprise.

In the third chapter of the work, the directions of increasing the efficiency of foreign trade activity of Ltd. "Mechanicheskiy Zavod" are determined and a set of measures aimed at increasing the efficiency of the foreign trade activity of the enterprise is developed. The forecasting of financial results of the enterprise is carried out provided that the implementation of the proposed measures will take place.

Keywords: foreign trade activity, foreign trade operations, export operations, import operations, organization of foreign economic activity.

Final qualifying paper: 120 p ., Illustrations - 1, Tables - 34, appendices - 9, references - 75

The object of investigation the process of managing of efficiency of enterprises' foreign trade operations.

The subject of investigation the influence of the efficiency of foreign trade operations on the profitability of Ltd. "Mechanicheskiy Zavod".

Enterprise that is a basis for writting master diploma work is Ltd. "Mechanicheskiy Zavod".

Purpose of final qualifying work is to study the mechanism of the implementation of foreign trade operations, evaluate the efficiency of foreign trade operations of Ltd. "Mechanicheskiy Zavod" and analyze its influence on the profitability of the enterprise.

Tasks: to determine the essence and role of efficiency of foreign trade operations of enterprises; to describe the mechanism of management of foreign trade activity; to highlight the importance of management of foreign trade activity at the enterprises; to analyze financial indicators of activity of Ltd. "Mechanicheskiy Zavod"; to analyze the efficiency of foreign trade activity of Ltd. "Mechanicheskiy Zavod"; to investigate the influence of the efficiency of foreign trade activity on the profitability of Ltd. "Mechanicheskiy Zavod"; to verify the reserves of Ltd. "Mechanicheskiy Zavod" for improving efficiency of foreign trade operations of the enterprise; to propose a set of measures to increase the efficiency of foreign trade activity of Ltd. "Mechanicheskiy Zavod".

Methods of investigation: axiomatic (basing on existing general theoretical positions); analysis and synthesis (researching the methodological approaches to assess the effectiveness of the import substitution strategy); method of comparison and generalization (analysis of financial and economic activity of the enterprise); methods of economic and mathematical modeling (evaluation of the effectiveness of the proposed measures); expert assessment (determining the importance of the rating criteria of suppliers).

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

In the first chapter of the work the essence and importance of the foreign trade activity of the enterprise is considered. The factors influencing the efficiency of foreign trade activity of the enterprise are determined, approaches for the estimation of efficiency of foreign trade operations are considered.

In the second chapter of the work the analysis of financial and economic activity of the enterprise Ltd. “Mechanicheskiy Zavod” is conducted. The indicators of financial stability, liquidity, solvency, business activity, profitability of the enterprise Ltd. “Mechanicheskiy Zavod” are calculated. The foreign trade activity of Ltd. “Mechanicheskiy Zavod” is investigated, as well as an efficiency evaluation of the foreign trade operations and its influence on the profitability of the enterprise.

In the third chapter of the work, the directions of increasing the efficiency of foreign trade activity of Ltd. “Mechanicheskiy Zavod” are determined and a set of measures aimed at increasing the efficiency of the foreign trade activity of the enterprise is developed. The forecasting of financial results of the enterprise is carried out provided that the implementation of the proposed measures will take place.

Conclusions and proposals contains theoretical generalization and ascertain solutions to the given scientific problem, the essence of which is in the comprehensive study, assessment and effective management of foreign trade operations in the researched company.

PLAN

INTRODUCTION

One of the main forms of economic relationships between Ukraine and other countries is the foreign trade activity of individual enterprises. The theme of this work is actual, since a large part of national production in Ukraine is mediated by the effect of external economic relationships, which emphasize the importance of the foreign trade sphere in the system of life support of the country.

The actuality of this problem is due to the fact that effective foreign trade operations contributes to restoration of the country's export potential, increase of competitiveness of Ukrainian goods in world markets, formation of rational structure of export and import, attraction of foreign investments on mutually beneficial conditions, and ensuring economic security of Ukraine. The reform of foreign economic activity, first of all, of industrial enterprises is one of the essential directions of restructuring the foreign trade sphere of the country. It is characterized by decentralization of foreign trade activity and a gradual refusal of the state from the monopoly on foreign trade. Enterprises receive the right to independently enter the foreign market. At their level, the whole range of issues related to export-import activities, including the design of export goods, their production, sales and services, begins to concentrate and the economic, material and legal conditions for increasing the interest of enterprises in export activities and improving its efficiency are fixed.

At the same time, at the current stage, the foreign trade activity of Ukrainian enterprises needs to be improved that, above all, should be promoted by a well-balanced state policy in the foreign trade sphere.

And the exit of the enterprise foreign markets doesn’t lead to a high profitability of the enterprise. It is important to provide effective management of foreign trade operations and investigate the influence of it on the profitability of

the enterprise. That is why the chosen research problem is very relevant at the moment.

The aim of the work is to study the mechanism of the implementation of foreign trade operations, evaluate the efficiency of foreign trade operations of Ltd. "Mechanicheskiy Zavod" and analyze its influence on the profitability of the enterprise.

The following tasks were formed and solved in the work:

- to determine the essence and role of efficiency of foreign trade operations of enterprises;
- to describe the mechanism of management of foreign trade activity;
- to highlight the importance of management of foreign trade activity at the enterprises;
- to analyze financial indicators of activity of Ltd. “Mechanicheskiy Zavod”;
- to analyze the efficiency of foreign trade activity of Ltd. "Mechanicheskiy Zavod";
- to investigate the influence of the efficiency of foreign trade activity on the profitability of Ltd. "Mechanicheskiy Zavod";
- to verify the reserves of Ltd. “Mechanicheskiy Zavod” for improving efficiency of foreign trade operations of the enterprise;
- to propose a set of measures to increase the efficiency of foreign trade activity of Ltd. "Mechanicheskiy Zavod".

The object of the work is the process of managing of efficiency of enterprises’ foreign trade operations.

The subject of the work is the influence of the efficiency of foreign trade operations on the profitability of Ltd. "Mechanicheskiy Zavod".

Problems of increasing the efficiency of foreign trade activity of enterprises have always been at the center of attention of economists. The theoretical methodological basis of this work is the main provisions and conclusions formulated in the scientific fundamental works of domestic and

foreign economists in the field of economic and financial analysis, financial management and management of foreign activity. The question of functioning of foreign trade activity of the enterprise is widely covered primarily in foreign scientific literature. In Ukraine, such problems are discovered by such specialists as Kozak Y. [1, p. 288], Vityevich A. [2, p.140], Mirolyubova T. [3, p.20], Pidgirny [4, p.12], Grinkevich S. [5, p.170], Pokrovskaya V. [6, p.37] and others.

The information base for this work was provided by international and Ukrainian legal acts, data published on the websites of ministries of Ukraine, international statistical committees, publication of periodicals and materials provided by Ltd. " Mechanicheskiy Zavod ".

Writing the work, the following scientific methods were applied: the method of observation, used in conducting observations on changes in the main indicators of export-import activity of the enterprise; the method of mathematical analysis, with the help of which a comparative analysis of foreign trade activity and an estimation of the export potential of the company were conducted; method of situational modeling for determination of the optimal option for improving the efficiency of foreign trade activity.

PART 1
THE TEORETICAL BASICS OF FOREIGN TRADE OPERATIONS EFFICIENCY

1.1. The essence and role of efficiency of foreign trade operations in the profitability of enterprise

Foreign trade operation of enterprise structures is the sphere of their economic activity associated with international production integration and cooperation, export and import of products and services, access of business structures to the external market. Foreign trade activities of enterprise structures differ significantly from on-farm activities. These include, in particular: currency framework of foreign trade operations, state regulation, the system of world prices prevailing in the foreign market [7, p.7].

The basis of foreign trade business activities are foreign trade operations. Foreign trade operations are understood as the complex of actions of counteragents from different countries, aimed at the implementation of trade exchanges.

International trade is carried out by four types of foreign trade operations, namely:

- export operations – selling foreign contractor the commodity with exporting it abroad;

- import operations – the acquisition of commodity from a foreign contractor with the importation of it from abroad;

- reexport operations – sales with the export abroad of imported goods, which is not altered;

- reimport operations – acquisition of the importation from abroad of goods previously exported, which is not subjected to processing [32].

The main condition for the implementation of foreign trade operations is their efficiency. The efficiency theory clearly delineates the concept of effect and efficiency, understanding under the first one - result of the event, and under the second one - the ratio of the effect and costs that it caused.

The important role of efficiency derives from the need of constantly maximizing the profits of the enterprise, while minimizing the cost of obtaining it. Based on this, profitability is often used as a quantitative measure of efficiency.

The substantiation of the theoretical basis for determining the efficiency of foreign trade activity and the methodology for its definition are the focus of attention of domestic scientists for a long time.

The main direction of scientific development of the first half of the 50-ies of the twentieth century was the desire to refine the value tools which used to compare the domestic and foreign trade prices in order to identify the relative efficiency of the exchange.

The analysis of scientific works on this issue made it possible to conclude that the efficiency of foreign trade activity is most often characterized as the efficiency of exports.

Efficiency of export is the profitability of exports, which is measured by the ratio of the cost of goods exported from the country in foreign trade prices to its value in the prices of the domestic market [9, p.113]. Such a definition is a universal characteristic, which is used for both macro- and micro-level.

The most common approach to determining the essence of economic efficiency of foreign trade operations is an approach based on the consideration of efficiency as a performance. Such an interpretation of efficiency derived from the classical school is firmly established in economic theory.

Examples of the formulation of definitions of the efficiency of operations with the application of the above approach are the following characteristics: "By the economic efficiency of the functioning of trade systems is understood to be the efficiency of their functioning" [10].

The efficiency of foreign trade operations in a generalized way is understood as the ratio of the sum of costs and revenues from this activity. The assessment of foreign trade operations of enterprises is carried out using indicators of efficiency. Indicators for assessing the efficiency of foreign trade operations vary depending on the level of management. Each level of assessment corresponds to its kind of economic interests and its efficiency criterion [16, p.223].

It is also necessary to differ general and comparative efficiency. The first one represents the efficiency of the set of solutions already implemented, the second one is determined by choosing one of the available solutions.

Methods of evaluating the efficiency of foreign trade of the company are based on a systematic, comprehensive study of the activities of entities, relationships, interdependencies, processes occurring in different periods of time.

The methodology for assessing the efficiency of the foreign trade of an enterprise, performing foreign trade activity, consists of two parts. First of all, the enterprise analyzes the indicators that are calculated every time, with each export transaction, in order to assess its expediency. Many authors provide their systems and indicators for assessing efficiency. For example, Karuchava D. [37, p.127] considers it expedient to account the dynamics of the appearance of new counterparties, finding the relation of the current period to the previous one. But the majority leans toward the standard performance indicators of the effect and efficiency, calculating the profitability indicators in parallel.

According to Pidgirny [4], the definition of the efficiency of foreign trade operations determines the degree of interest of the company in entering the world market, it allows to justify separate proposals for the purchase and sale of certain goods. The obtained data can be used in the development of plans of export and import of the enterprise, when assessing the structure and directions of foreign trade turnover.

The economic grounding for the decisions taken, managing foreign trade activity, is based on various methods, including: factor, expert, and computational ones.

Sufficiently effective and one of the most complex methods is factorial. The essence is finding factors that affect the efficiency of foreign trade operations. When using this method, mathematical tools are actively used, determining the degree of dependence of the identified factors on the efficiency of foreign trade operations.

The following groups can be classified as the factors of foreign trade operations [30, p.28]:

- factors that distinguish companies – participants of foreign trade activities from companies that are based only on domestic markets;

- external factors – government programs of stimulation of export and import relationships, encouraging foreign investment, etc.;

- behavioral factors of the firms – marketing strategies, management qualifications, etc.

Also factors are divided into internal, to which the company is able to influence, and external – uncontrolled ones.

The first group includes:

- the technological state of the production capacities of the enterprise, its accordance to modern standards;

- methods of conducting production and distribution activities;

- psychological aspects of management, the climate in the enterprise, values, etc.

The second group includes:

- current economic restrictions;

- the political situation in the partner's country;

- features of the foreign economy and local legislation;

- international situation in the market of consumption of goods, etc.

But because of the complexity of this factor approach, it is almost not used in real activity by enterprises with foreign trade activity. On the one hand this is due to the lack of the necessary experience of using such techniques, on the other hand, to the difficulty of identifying and collecting the statistical data necessary for analysis.

A simpler and more commonly used method for assessing the efficiency of the foreign trade operations of an enterprise is to calculate the system of economic indicators that are based on the relation of the results achieved to the costs of achieving them. At the enterprise level, the efficiency of foreign trade operations is often understood as the degree of increasing the income.

According to this, the evaluation of the efficiency of foreign trade operations can be divided into the following two groups [57]:

- effect indicators, representing the difference between income and expenditure on achievement, in monetary terms;

- performance indicators, defined as the ratio of results to the costs of achieving them, are calculated in relative terms: shares, percentages, etc.

The efficiency of foreign trade operations, on the one hand, depends on the benefits gained from its implementation, on the other hand, on the cost of carring out the operation.

In order for performance indicators to give in practice the correct answer to the question of the appropriateness of the company's implementation of certain foreign trade operations, it is worth choosing the criteria of efficiency. The criterion for the efficiency of foreign trade operations is the maximum profit of net income from export operations. According to this criterion, it is worth choosing the best options for cooperation with foreign trade partners. Quantitative assessment of this criterion is carried out on the basis of comparison of the cumulative effect of various options of foreign economic cooperation of the enterprise and the total costs associated with its implementation [37, p.129].

Searching the best methods of determining the efficiency of foreign economic operations, some authors stop their attention on using fuzzy mathematics, which is currently undergoing intensive development. According to A. Pidhirnoy [4], the fuzzy technique can be used in any field of business, including determination of the efficiency of the enterprise's foreign trade turnover.

Classical logic is based on binary logic with two values of truth. In Maple, these two values are true and false . Fuzzy logic is a multivalued logic with truth represented by a value on the closed interval [0, 1], where 0 is equated with the classical false value and 1 is equated with the classical true value. Values in (0, 1) indicate varying degrees of truth.

Thanks to this technique, you can reduce or distribute the risk level, improve the efficiency of operations. Fuzzy numbers, which are obtained as a result of not quite accurate measurements, in most are similar to the distribution in the theory of probabilities, but have no defects that are inherent in that theory. However, despite the large number of advantages of using this method, fuzzy technologies in Ukrainian enterprises are used rarely to determine the efficiency of foreign trade operations. Therefore the study of this methodology and its implementation in different fields of activity will increase the efficiency of business entities, from the planning stage to implementation.

In general, to determine the economic efficiency of export and import operations at the enterprise level, it is recommended to use the method proposed by Mirolyubova T. [3, p.20]. In the methodological aspect the author offers the analysis of the efficiency of foreign trade activities of exporting enterprises and other material structures that sell products to a foreign customer, to calculate analytical performance indicators in the form of absolute (indicators of the effect are expressed in both national and foreign currency as the difference between results and costs) and relative (performance indicators are expressed in relative units as the ratio of results to costs) values.

This technique has several advantages and disadvantages. In particular, it should be noted the simplicity in the calculation of performance indicators, the assessment system can be used to assess the efficiency of almost all types of products, the presence in this method of integrated economic indicators of efficiency allows visually assess the efficiency of an individual transaction and choose the best option. But there are a number of disadvantages. Firstly, the lack of a clear gradation of the values of efficiency indicators, and secondly, in today's situation there have been significant changes in the legislative framework of foreign trade activity, nor does it take into account the possibility of granting a commercial loan to the importer, at which the sale goods are carried out with a deferred payment for a certain period. Also, the implementation of export operations requires the need to adjust the indicators of economic efficiency and efficiency through the credit factor [38, p.194].

Immediate performance evaluation should be based on indicators such as volumes of export of products, profit from foreign trade operations. It should be noted that in addition to exports, the internal and external factors influence the amount of profit (changes in prices for raw materials and finished products, changes in the cost of production, its structure, product range, product quality, current stock prices, rates of customs and tariffs).

The effect can be determined by modifying the known formula on the basis of comparison of foreign exchange earnings from sales of products and costs for its production and sale, subject to adjustment of the indicator of revenue from the sale of export products in foreign currency, taking into account the exchange rate according to the data of the National Bank of Ukraine for the estimated date and coefficient of credit impact.

Economic processes of the development and functioning of agrarian enterprises are constantly changing. In modern conditions of management, not every agrarian enterprise has the opportunity to enter the foreign market. Therefore, there is a need for the development of cooperative processes, which in turn will help to increase labor productivity, make more economical use of

fixed assets of the enterprise, increase the volume of revenues by increasing production volumes, improve the quality of products, and thereby increase the efficiency of the enterprise. The cooperative is nothing but voluntary education, since its members form an organization without losing its independence.

The results of the activities of such formations are carried out with the help of the following indicators: profitability; profit rates; labor productivity; productivity; cost of production; labor intensity; material content; volume investment; marketing efficiency; price; marketing; communication policy; commodity turnover and cooperative costs; market share; the structure of trade; the degree of satisfaction of the needs of members of the cooperative; weight of works and services performed in technological terms, etc [54, p.17].

However, such indicators reflect certain aspects of the activity of cooperative formations in the foreign market and are not able to provide a comprehensive assessment of the economic efficiency of foreign trade operations.

Unfortunately, in the economic literature, there are no methods for assessing the efficiency of foreign trade activities of the cooperative formations themselves. But there is proposed a comprehensive approach to economic assessment of the efficiency of foreign trade operations of cooperative formations to carry out the following stages [53, p.28]:

Stage I - the formation of a system of priorities of the studied indicators and the classification of factors that affect the foreign trade operations;

Stage II - development of integrated indicators of export efficiency;

Stage III - identification of reserves for the growth of export efficiency and development of measures on improving its economic efficiency.

It follows that the tasks of assessing the economic efficiency of foreign trade operations of cooperative formation cannot be considered in isolation, not taking into account the chains of its creation and promotion of products to the external market. Indicators of the efficiency of foreign trade operations and their

analysis allow cooperative formation to identify the utility of foreign economic operations on imports and exports.

The calculation of indicators of efficiency of foreign trade operations of enterprises of a cooperative type should be carried out according to the following principles [53, p.29]:

1. The most complete account of all components of costs and results. Incomplete accounting of costs and results may distort conclusions about the evaluation of the efficiency of a decision;
2. The need to compare with the basic version. In the basic version, the state of affairs can be accepted until a decision is made;
3. Bringing costs and results to one base of comparison;
4. Bringing different time and cost results to one time;
5. Availability of reliable information, system of gathering and analyze information.

The concrete calculation of performance indicators will depend largely on the type of foreign trade operation, its purpose, conditions and other features of a particular transaction.

In our opinion, cooperative formation, carrying out such an assessment of the efficiency of the export operation, will be able to justify individual proposals for the sale of goods in order to choose the most optimal. When the export of the corresponding goods for the enterprise of the producer is economically profitable, the operation of production is rationally organized, ways to increase the export of these goods should be sought, taking into account the most profitable directions of implementation.

Practical implementation of the task of increasing the efficiency of the organization's foreign trade operations is impossible without an adequate system of indicators, which is used to plan and monitor the activities of the organization. As an instrument for monitoring, analyzing and monitoring the development of foreign trade operations of the enterprise, it is possible to use

such indicators of efficiency as the rate of stability of economic growth, economically added value, return on capital employed, return on equity [36].

The level of profitability of the attracted capital is affected by the profitability of sales and asset turnover. And their values are determined by the volume of revenue from sales of imported goods, their cost, other income and expenses, taxable base and the rate of profit tax. The value of the weighted average cost of attracted capital depends on the cost of external borrowing. The analysis of indicators that affect the dynamics of profitability of the attracted capital, indicates the fact that in order to increase the turnover of assets, it is necessary to control the formation and repayment of accounts receivable, purchase of imported goods. Increased sales revenue may require entry into new sales markets, changes in customer policy and product line. In order to reduce the cost of debt financing, one must look for cheap credit resources, monitor credit and currency risks, limit the rate of borrowing to finance the growth of current assets. As part of the analysis of short-term projects, and in particular the implementation of import contracts, the working capital structure is important for assessing the profitability of the organization.

Since in the course of foreign trade operations there is a constant circulation of current assets, during which certain types of assets are transformed into others, it is necessary to turn to the definition of the commercial cycle and its impact on the degree of use of current assets. For example, O.I. Honchar, investigating in his work the notion of a commercial cycle led the position of professor Yu.H. Halkina, who believed that the concept of the duration of the turnover of capital can have different meanings: the turnover time of all advanced capital, the time of turnover of own capital and the time of turnover of the warehouse of the goods (ie, the period of inventory turnover). The profit of the organization arises at the time of shipment of goods, therefore, under the duration of turnover of commercial capital, Yu.H. Halkina understood the time between the receipt of the goods (with the extract of the delivery note) and his retirement from the warehouse (statement of the invoice), i.e. the period of

turnover of warehouse stocks of goods, taking into account the assumption of temporary certainty of the facts of commercial activity [29, p.245].

The length of the commercial cycle determines the organization's need for working capital to support the commercial process. The increase in the duration of the commercial cycle leads to a slowdown in the turnover of funds, i.e. the organization needs additional sources of financing, which often become expensive loans, which has a negative impact on financial results. The shorter the period necessary to complete the cycle, the faster the financial result is formed in the form of increasing profits. The more the number of revolutions was made by the funds invested in the foreign trade business, the greater the amount of profit and money received by the organization for the analyzed period. Consequently, the main factor in the growth of efficiency of foreign trade operations is the acceleration of asset turnover.

Achieving acceptable rates of foreign economic growth is becoming one of the strategic goals for a number of modern organizations in the context of economic globalization, since it is becoming increasingly difficult for organizations to maintain profitability in the absence of growth. The paper shows that for the assessment of the organization's results in the field of foreign trade operations, three indicators are of paramount importance: sales revenue, sales profit and cash flow.

1.2. The management of foreign trade operations efficiency of the enterprises: content and mechanism of implementation

There are certain conditions created by the government for the enterprises of Ukraine for realization of opportunities in the field of foreign trade activity, such as: the enterprise independently chooses the organizational and legal status, the form and methods of performance, forms the strategy of the enterprise, commodity, financial, price and other policies on their own.

But alongside with this, there are different factors that restrain the development of foreign trade activity of enterprises. The main factors are economic blockades and strikes; the lack of operational and flexible regulation tools in the terms of constant change of working conditions; undeveloped contractual mechanism in the sphere of trade relations with foreign partners; high percentage of failure of previous obligations; innovative backwardness and low quality of production; trade restrictions of other countries for the protection of domestic businesses [32].

The main principles of management of foreign trade activity are [32]:

- prevention of expenses of resources connected with the entrance the world market of competitive products;

- formation of conditions when the interests of the enterprise and consumers are taken into account;

- creation and support of a positive image of the company as a reliable partner.

The management of foreign trade activity efficiency on the enterprise level is carried out by the strategic, financial, organizational, infrastructure, logistics, information, marketing and production tools.

The strategic tools include [32]:

1. The choice of a strategic profile of foreign trade activity. Currently, there have been formed four main strategic profiles of international companies in the practice of international business, which help to make key strategic decisions. The specified profiles are as follows: ethnocentrism (E), polycentrism (P), regiocentrism (R) or geocentrism (G). This classification is called EPRG model, but also a formula or a sequence E=>P=>R=>G (with the marked model path). Pidgirny [4] simply assumes that the ethnocentric and geocentric approaches are a consequence of global standardisation, while the polycentric and regiocentric approaches are much closer to local adaptation. The ethnocentric enterprise regards its international development as secondary one to the "internal expansion", and the external market - as a "surrogate" of surplus

production. The polycentric enterprise admits the importance of specific factors affecting its foreign activity, as well as the impact of this activity on capital turnover and profitability. The regiocentrism and geocentrism mean a certain degree of maturity in the perception by the enterprise of its foreign activity. Regiocentrism considers the world as a set of markets with some general characteristics. Geocentrism considers the world as a single market [15, p.12].

2. Strategic planning of foreign trade activity. Planning of foreign trade activity is objectively necessary for any enterprise that is the subject of foreign economic activity. By defining the desirable and possible benchmarks for their future activities on the world market, enterprises thereby reduce the possibility of unforeseen actions of external factors and the degree of risk connected with their actions. Depending on which period of time the plans drawn up in the enterprise cover, planning is divided into three types: long-term (10-25 years), medium-term (5 years), short-term (1-2 years) planning [16, p.223].

3. Development of the basic strategy. The primary analysis in the first stage of development of the basic strategy is to select strategic zones of management and study them in isolation from the existing structure and the range of products and services. This allows to assess the perspectives appear in a particular strategic zone of business to any competitor in terms of development opportunities, profitability, stability and technology, and to decide how an organization can compete in this area with other firms. After choosing strategic zone of management the enterprise begins to develop a range of products and services, with which it will enter the market in this zones (spheres) of activity. To do this, the leadership of the organization, taking into account the results of strategic analysis, can use such tools of formation of the product range as product lifecycle model, product-market matrix, product portfolio analysis, product lifecycle-competition matrix, assessment method of market strategy impact on profit or Porter's generic strategies [18, p.32].

4. Development of foreign trade activity strategy (export and import strategies).

Export strategy. Foreign trade activity of the enterprise often begins with the establishment of export of its products. Even firms that have significant contracts in other countries and made large investments in foreign companies usually continue to export their products to achieve their goals.

The enterprise should choose foreign markets and exit strategies. Firms starting their international activities often prefer those markets that require minimal efforts to adapt the product and adjust marketing strategy. In general, the process of choosing foreign markets is usually carried out on the basis of an increasing degree of detail analysis [18, p.34]. The enterprise needs to determine how it will deliver goods to the selected market. The basis of the export plan is the active organization of exports.

Import strategy. The potential importer must take into account two aspects - procedural and strategic ones. Procedural aspect concerns, first of all, customs rules and regulations concerning import. Importation operations cannot be carried out without having some experience in communicating with the relevant institutions and preparing the necessary documentation. Then the help of an import broker comes. Importing goods to another country, the enterprise must know the customs work perfectly [18, p.35].

5. Strategic control. It is a special type of managerial activity in the enterprise, which exists to observe and evaluate the process of strategic management. Strategic control ensures an achievement of the goals and an implementation of selected strategies through the establishment of stable feedback. The need for strategic control is expressed, on the one hand, by the correctness of the implementation of the chosen strategy and its compliance with its goals, and on the other hand, by the accordance to the conditions of a dynamic external environment and by the providing timely response to them.

The financial instruments of the management of foreign trade activity efficiency are [32]:

1. The use of methods of international settlements. Payment terms are an important element of foreign trade transactions, which determines how the goods will be sold: on cash terms, with advance payment, settlements with granting of a loan or a loan with option (right to choose) payment. Cash payment is a payment of export goods after their transfer (shipment) to the buyer, or payment for documents confirming the shipment of goods in accordance with the terms of the contract. Advance payment (may be in a cash or commodity form) – a guarantee of purchase, the money is not returned. Payments for goods in the form of commercial loans can be combined with cash payments, when a certain percentage of the cost is paid for the provision of commercial documents (in advance), and the rest (80-85%) is paid due to the time set in the contract. In addition to a commercial loan, at individual stages of contract performance, the parties may be forced to credit each other: with payments in the form of an advance, the importer lends to the exporter; when calculating an open account - the supplier lends to the buyer. An alternative form of payment terms is a loan with an immediate cash payment option. If the importer uses the right to delay payment for the purchased goods, he will be deprived of the discount provided by cash payment [23, p.181].

2. The use of ways to finance foreign trade. Export financing – is attracting, securing and using financial resources for the purpose of implementing an export agreement. At the heart of such an agreement is not only trade in consumer goods, but also the supply of machinery and equipment, the sale of intangible property (rights, licenses). Export financing can be done by conventional and non-traditional methods and provided by banks, non-bank institutions or state-owned organizations.

The sources of import financing are similar the sources of export financing. This is due to the fact that granting a loan to the exporter allows him to expand the trade credit to the importer (for example, when the bank is ready to provide the exporter with an advance for collection, the exporter has the opportunity to agree to pay for goods by way of term spending), and also that

the granting of a loan to the importer allows the exporter to receive payment immediately (using, for example, leasing or forfaiting operations).

3. The use of risk management methods in international settlements. The risk exists for both the importer and the exporter. The risk or threat of loss may depend on both the contractual counterparty itself and the political and economic situation in the country or in other countries. If there are identical types of risks, the reasons for their occurrence are different for the seller and the buyer. Both sides have the opportunity to reduce additional risk in foreign trade by making an agreement between the parties: about terms of delivery and payment; relevant documents: arbitration; choice of currency in which invoices are displayed [33].

4. Financial control. Financial control is a set of actions and operations carried out by the specially authorized agencies in order to control the compliance by economic entities, state authorities and local self-government with the norms of law in the process of formation, distribution and use of financial resources for the timely receipt of complete and reliable information about the course of implementation of management financial decisions made.

The organizational instruments of the management of foreign trade activity efficiency are [32]:

1. Changes in the organizational structures of foreign trade activity. The goal of the organizational structure of foreign trade activity is to maximize profits for a long period of time through effective participation in international business. Organizational structure of management of foreign trade activity, must be constantly developed and improved, adapted to changes in the external environment and management. Its forms and methods cannot remain unchanged [39, p.168].

2. Delegation of authority and responsibility to employees. In general, an organization can be considered in two aspects: the distribution of total work between specific units and the organization of the relationship of individual units, the definition of their authority and responsibility. Delegation is used to

implement authority and responsibility. Delegation is a means by which management distributes tasks among employees that must be performed to achieve the goals of the organization. If the assignment is not delegated to other employees, the manager is forced to perform it himself. Therefore, delegation is an act that transforms a person into a manager [39, p.170].

3. Distribution workers by sectors of work. For improving the work a great role belongs to the development of rational forms of division of labor. This division must meet modern working conditions, and above all the technical level of labor armament, the level of culture of production and the worker himself. The form of division of labor should help to reduce labor and material costs, increase its content, eliminate monotony, reduce fatigue and stimulate productivity growth [48, p.232].

4. The system of a quality management. A quality management system is part of an organization management system that aims to achieve results in accordance with the quality objectives in order to meet the needs, expectations and requirements of stakeholders. The organization must develop, document, implement and maintain a quality management system, constantly improving its effectiveness. The quality management system includes a number of interconnected processes. These processes cover not only the processes of the product lifecycle (that contribute directly to the production of products or services), but also the numerous processes of management, monitoring and measurement: resource management, information exchange, internal audits, management analysis, etc [48, p.234].

The infrastructure and logistic instruments of the management of foreign trade activity efficiency are: using of marketing firms; using of dealer network; creation of service centers; work on stock and currency exchanges; improvement of infrastructure; creation of automated warehouse management systems.

The information and marketing instruments of the management of foreign trade activity efficiency are: international segmentation; price, advertising policy

of the enterprise; participation in exhibitions and fairs; using of the Internet; automation of foreign trade activity, etc [32].

The production instruments of the management of foreign trade activity efficiency are: R&D (Research & Development), investment and innovation support, reproduction of fixed assets, etc [32].

The mechanism of management of foreign trade activity as a complex of managerial, economic, organizational, legal and motivational methods of harmonizing the interests of the enterprise with the interests of the subjects of the foreign trade environment, with the help of which, taking into account the peculiarities of the enterprise's activities, it is ensured that profits are obtained from operations in foreign markets, the size of which is sufficient for ensuring the company's costs for its operation and development. The objectives of management become a starting point, since later the achievement of them becomes a criterion for determining the efficiency of the management mechanism.

An effective management mechanism of foreign trade activity permeates the entire management process and therefore should include the following set of measures [32]:

- determination of the macroeconomic and microeconomic conditions for the implementation of foreign trade activity;
- development of the strategy of the enterprise in the foreign market;
- diagnostics of the foreign trade potential of the enterprise;
- implementation of selected foreign trade directions;
- assessment of the efficiency of foreign trade activity;
- regulation of the quality of implementation of foreign trade directions;
- adoption of management decisions to eliminate negative deviations in order to increase the profitability of foreign trade activity.

The mechanism is one of the examples designed to evaluate, monitor and regulate the indicators of the efficiency of foreign trade activity, continuous

monitoring of processes in the foreign market, development of measures to eliminate the detected deviations (Appendices I).

The analysis of foreign trade activity of the enterprise is carried out in order to assess their own market opportunities and to develop measures for improvement of the competitiveness and maximization of profits. In general, the analysis of the foreign trade activity of the enterprise includes [19, p.183]:

- assessment of the level and quality of performance of the company obligations under contracts with foreign partners, research of efficiency, advantages and disadvantages of contracts and agreements;

- analysis of the competitiveness of the enterprise and the competitiveness of products and the sales market in foreign trade activity;

- analysis of the dynamics (development) of foreign trade activity of the enterprise;

- studying the rational use of resources to eliminate unwanted deviations from planned tasks;

- analytical estimation of execution of agreements and production-financial results of foreign trade activity. Identification of factors that positively or negatively affected the final performance of the enterprise;

- assessment of the results of foreign trade activity for the previous and current years;

- analysis of the financial state of the enterprise. In any case, the main objective of such analysis is to increase the efficiency of the operation of this trade entity and to find reserves for such growth.

From the view of the manufacturer of export products (goods), which directly goes to the external market, the indicators of the efficiency of foreign trade activity are based on [32]:

- costs of production of export products;

- the cost of export products at selling (internal) prices;

- the cost of export products in foreign trade prices or foreign exchange earnings from the sale of products on the foreign market;

- the value of imported products in foreign trade prices or foreign currency spent on the purchase of imported goods;

- the cost of selling imported goods at domestic prices;

- costs for the purchase of domestic goods, similar to imported ones.

In modern scientific literature, there are different opinions about the classification of indicators, by which one can determine the efficiency of foreign trade activity. So, Dakhno I. I., Baranovska V. [32] believe that the whole system of indicators of foreign trade activity of enterprises, organizations, firms can be divided into four groups:

- absolute indicators (volume of exports, volume of imports, volume of overhead export / import, average balance, number of claims received, amount of advertisements, number of satisfied claims, volume of use of the trademark of the company, volume of export of new goods);

- relative indicators (dynamics indexes: index of value; index of physical volume; price index; index of quantity, for example dynamics of the share of world or European markets, share of new goods in export, which appeared on the markets in the last 5 years, the share of reduction of expenses, received due to the use of new technologies, etc.); coefficients of performance of obligations on export and import: on cost, on the actual volume, at the price; average duration of the turnover of the export (import) operation; coefficient of return on funds from export or import operations);

- structural indicators (commodity structure of export or import; geographic structure of export or import; structure of overhead costs for export or import);

- efficiency indicators (currency efficiency of export or import; export or import efficiency; average duration of export (import) transaction; coefficient of return on export or import operations; efficiency of export or import).

A generalization of modern views on the analysis of the efficiency of foreign trade activity can be elaborated by a structural and logical scheme for

determining the relevant factors, which includes three groups of performance indicators, namely [38, p.180]:

- export efficiency indicators;
- import efficiency indicators;
- indicators of the efficiency of foreign economic activity.

The following factors may affect the efficiency of foreign trade operations: customs payments, customs clearance, transportation, non-tariff restrictions, marketing, security and risks, etc. All of these factors and risks can be minimized through logistics and a systematic approach.

1.3. The methodological instrumentation of evaluating foreign trade operations efficiency of enterprises

The efficiency of foreign trade activity of an enterprise is a complex category, which combines the parameters characterizing the development of domestic and foreign markets. In order for performance indicators to give in practice the correct answer to the question of expediency of the company's implementation of certain foreign trade operations, it is worth choosing the efficiency criterion correctly.

The criterion for the efficiency of foreign trade activity is the maximum net income from export (or, depending on the type of foreign trade activity, import) operations [8, p.7].

According to this criterion, it is worth choosing the best options for cooperation with external trade partners. Quantitative assessment of this criterion is carried out on the basis of comparison of the cumulative effect of various options of foreign trade cooperation of the enterprise and the total costs associated with its implementation.

The definition of efficiency of foreign trade operations should be formulated based on the purpose of the activity that must be realized over a certain period of time. Such activity is the result of a certain system. The

efficiency of foreign trade activity is a characteristic of the level of achievement of the set goal for a specific period of time, the degree of obtaining the planned result of the system, taking into account the influence of internal and external factors.

The purpose of foreign trade activity of the enterprise is to obtain profit from foreign trade operations. The efficiency of foreign trade activity of the enterprise based on the stated goal can be defined as the degree of achievement of the maximum net profit from foreign trade operations by optimizing the existing aggregate expenditures on the domestic and foreign markets [12].

Thus, summing up the above, the efficiency of foreign trade activity can be characterized by the features given in table 1.1.

Table 1.1

Characteristics of approaches to determining the efficiency of foreign trade activity of the enterprise

Classification feature	Indicators	Characteristics of the approach
1. By types of foreign trade activity	Efficiency of export, import, re-export, re-import	Expedience of a certain type of foreign trade activity
2. By the extent of the object of the research	Integral efficiency	Efficiency of foreign trade activity in the enterprise as general
	Local efficiency	Efficiency of commercial relations with individual foreign trade partners, efficiency of foreign trade operations
3. By methods of evaluation	Absolute efficiency	Efficiency of foreign trade activity, which is confirmed by the whole set of indicators of evaluation

	Relative efficiency	Efficiency of foreign trade activity, confirmed by a selected number of indicators of evaluation.

Source: systemized by the author on the basis of [13]

Thus, the efficiency of foreign trade operations in the economic literature is usually equated with the efficiency of exports. This approach is universal to determine the efficiency of foreign trade activity at different levels of management. Based on the difference between the goals pursued by the enterprise and the state in the process of foreign trade activity, it is advisable to separate the concept of the efficiency of foreign trade activity of the enterprise and the state. The efficiency of foreign trade activity of an enterprise is characterized by obtaining the maximum possible profit from foreign trade operations by optimizing the existing total costs on the domestic and foreign markets.

To avaluate the efficiency of foreign trade activity of an enterprise such indicators must be calculated: overall efficiency of foreign trade activity, financial results from foreign trade activity before taxation and profitability of foreign trade activity of an enterprise.

The overall efficiency of foreign trade activity is the ratio of expenses for production and transportation of products intended for export and import, and the income received from its sale on the foreign and domestic markets with the purpose of assessing the company's ability to provide a reproduction of the enterprise through foreign trade activity and can be calculated using this formula:

$$E_{fta} = \frac{R_{fta}}{Ex_{fta}}, \quad (1.1)$$

where E_{fta} – efficiency of foreign trade activity;

R_{fta} – revenue from foreign trade activity;

Ex_{fta} – expenses from foreign trade activity.

To calculate expenses from foreign trade activity we can use this formula:

$$Ex_{fta} = C_p + C_{fta}, \quad (1.2)$$

where C_p – cost of production;

C_{fta} – costs of foreign trade activity.

The next indicator for analysis of efficiency of foreign trade activity of an enterprise is financial results from foreign trade activity before taxation that can be calculated using these formulas:

$$F_{r/fta} = F_{r/exp} + F_{r/imp}, \quad (1.3)$$

where $F_{r/fta}$ – financial result from foreign trade activity before taxation;

$F_{r/exp}$ – financial result from export before taxation;

$F_{r/imp}$ – financial result from import before taxation.

To calculate financial results from export before taxation we should use this formula:

$$F_{r/exp} = R_{exp} - Ex_{exp}, \quad (1.4)$$

where R_{exp} – revenue from export;

Ex_{exp} – expenses from export.

To calculate financial results from import before taxation we should use this formula:

$$F_{r/imp} = R_{imp} \cdot (1 - Tr_{va}) - (C_{imp} + Ex_{imp}) \quad (1.5)$$

where R_{imp} – revenue from import;

Tr_{va} – value added tax rate;

C_{imp} – cost of imported products;

Ex_{imp} – expenses for import.

And the last indicator, the level of profitability of foreign trade operations, shows how much profit is received per unit of costs when exporting a particular product. It is calculated by the formula:

$$P_{fta} = \frac{F_{r/fta} \cdot (1 - Tr)}{Ex_{fta}} \cdot 100, \quad (1.6)$$

where P_{fta} – profitability of foreign trade activity of the enterprise, %;

Tr - tax rate.

Efficiency of foreign trade activity is to compare incomes and expenses from foreign trade operations. In this case, there are direct and indirect effects.

The direct effect is a result of the economy of expenditures on the production of export products, when these costs are lower than the world, and the savings from imports, if the cost of imports is less than that could be if an enterprise produces the same product by itself.

Indirect effect is manifested in the positive influence of foreign trade activity on the country's economic development, namely: progressive structural shifts, increased level of technical support of production and industrial potential. Taking into account the specificity of the manifestation of the indirect effect directly quantitatively, it is difficult to assess it. But the direct effect of foreign trade operations can be estimated methodically.

To analyse efficiency of foreign trade operations the following indicators of the efficiency of foreign trade activity can be used too [69, p.67]:

- effect from foreign trade operations;
- budget efficiency of export or import;
- budget effect of export or import;
- indicators of export capability and import resource requirements;
- export costs;
- foreign exchange earnings from exports;
- currency export efficiency;
- costs for imported products;
- currency import efficiency;
- index of currency earnings per unit of production;
- index of internal prices for products;
- trading conditions index.

The calculation of the economic effect of export (Ef_{exp}) is carried out according to the formulas (the sign "+" means that the effect is, the sign "-" means its absence) [69, p.68]:

$$Ef_{exp} = \Sigma P_{dom} \cdot Q_{exp} - \Sigma P_{ex} \cdot Q_{exp}, \quad (1.7)$$

where Ef_{exp} – effect from export operations;

P_{dom} – price for unit of product on domestic market;

Q_{exp} – volume of export production;

P_{ex} – price for unit of product on external market.

The calculation of the economic effect or import (Ef_{imp}) is carried out according to the formulas (the sign "+" means that the effect is, the sign "-" means its absence) [69, p.68]:

$$Ef_{imp} = \Sigma P_{ex} \cdot Q_{imp} - \Sigma P_{dom} \cdot Q_{imp}\,, \quad (1.8)$$

where Ef_{imp} – effect from import operations;

P_{dom} – price for unit of product on domestic market;

Q_{imp} – volume of import production;

P_{ex} – price for unit of product on external market.

Enterprises can have budget efficiency (effect) of export that arises from foreign trade operations. The budget efficiency of export can be calculated by the formula [69, p.80]:

$$E_{b.exp} = \frac{\Sigma C_c \cdot Q_{exp}}{\Sigma P_{dom} \cdot Q_{exp}}, \quad (1.9)$$

where $E_{b.exp}$ – budget efficiency from export operations;

C_c – cost per unit currency;

$\Sigma C_c \cdot Q_{exp}$ – currency revenue from export.

The budget efficiency of import can be calculated by the formula:

$$E_{b.imp} = \frac{\Sigma C_c \cdot Q_{imp}}{\Sigma P_{dom} \cdot Q_{imp}}, \quad (1.10)$$

where $E_{b.imp}$ – budget efficiency from import operations;

$\Sigma C_c \cdot Q_{imp}$ –currency costs per unit of production.

One of the important conditions for conducting efficient foreign trade operations is to meet resource requirements. For this purpose, there is a need for calculating import need and the ability of export of the resources.

A need of import can be calculated by this formula [69, p.79]:

$$Imp_n = N_{imp.o.} - Pr - R, \quad (1.11)$$

where Imp_n – need of import;

$N_{imp.o.}$ – overall need of import products;

Pr – volume of import products, produced by an enterprise;

R – reserves of import products of an enterprise.

The ability of export of the resources by an enterprise can be calculated by this formula [69, p.80]:

$$Exp_a = Pr + R - N_{imp.o.}, \quad (1.12)$$

where Exp_a – ability of export of the resources.

Foreign currencies for the purchase of import products are largely derived from the export of own products. That is why the expediency of export-import operations is determined by comparing foreign exchange earnings from exports with the currency cost for import. For such export comparisons export costs, foreign exchange earnings from exports, and currency export performance. Imports calculate import costs, currency import efficiency should be calculated.

Export costs include the costs for the production of exported products, as well as the costs of its transportation to the border, cargo operations, expenses of foreign trade organizations. Expenditure on imported products is the cost of its production at domestic sales prices.

Foreign trade operations will be appropriate under the following conditions [71, p.107]::

- costs for export production of an enterprise do not exceed costs for export production on the foreign market;

- costs for import of products do not exceed costs for own production of similar products by an enterprise;
- foreign exchange earnings from export exceed currency import costs.

The overall efficiency of foreign trade activity is achieved when the ratio of foreign exchange earnings from exports and currency import costs is more than one.

Foreign exchange earnings from exports are the difference between the export earnings and the cost of producing export goods in the calculations in one currency. Import costs represent the currency value of import. Foreign exchange earnings from export and the cost of currency for import are determined at foreign trade prices, which are close to world prices and which are based on socially necessary labor costs for production.

Currency efficiency of exports in its economic content characterizes the impact of social labor (socially necessary costs) for the production of export products in the form of currency earnings, that is, how many foreign exchange earnings from exports can be obtained from the unit costs of production. The currency efficiency of imports is the efficiency of replacing the domestic production of certain goods with their import.

Another indicator that can be used for analyzing of efficiency of foreign trade activity is the trading conditions index. It is determined by the ratio of the indexes of average export ($I_{p.exp}$) and import ($I_{p.imp}$) prices [71, p.107]:

$$I_{t.c.} = \frac{I_{p.exp}}{I_{p.imp}}, \qquad (1.13)$$

The result of calculation of trading conditions index can describe three possible situations:

1. $I_{t.c.} > 1$ – means that the interrelation of products prices in foreign trade in the current period in comparison with the base one is favorable;

2. $I_{t.c.}<1$ – means that the interrelation of products prices in foreign trade in the current period compared to the base one is unfavorable for the enterprise;

3. $I_{t.c.} = 1$ – means that the trading conditions in the current period, compared with the base one, have not been changed.

Consequently, the trading conditions index allows to identify and analyze trends in the dynamics of prices for export and import products. It depends on the product range and does not depend on foreign exchange rates and trade balance. Therefore, we can say that the trading conditions index is a general indicator that pointing to the interrelation of export and import prices.

CONCLUSIONS TO THE PART 1

1. The basis of foreign trade business activities are foreign trade operations. Foreign trade operations are understood as the complex of actions of counteragents from different countries, aimed at the implementation of trade exchanges.

2. The main condition for the implementation of foreign trade operations is their efficiency. The efficiency theory clearly delineates the concept of effect and efficiency, understanding under the first one - result of the event, and under the second one - the ratio of the effect and costs that it caused.

3. The important role of efficiency derives from the need of constantly maximizing the profits of the enterprise, while minimizing the cost of obtaining it. Based on this, profitability is often used as a quantitative measure of efficiency.

4. The most common approach to determining the essence of economic efficiency of foreign trade operations is an approach based on the consideration of efficiency as a performance. Such an interpretation of efficiency derived from the classical school is firmly established in economic theory.

5. The criterion for the efficiency of foreign trade activity is the maximum net income from export (or, depending on the type of foreign trade activity, import) operations. According to this criterion, it is worth choosing the best options for cooperation with external trade partners.

6. Indicators of determining the efficiency of foreign trade activity of the enterprise are indicators of relative and absolute efficiency of exports, the level of profitability of exports. Price (relative trade efficiency) is an indicator that determines the additional profit or loss from sales of products on the foreign market in comparison with its realization on the domestic market. By means of the indicator of absolute export efficiency, the ratio of expenses for production and transportation of products intended for export, and the income received from its sale on the foreign market with the purpose of assessing the company's ability to provide a reproduction of the enterprise through foreign trade activity is estimated. And the last indicator, the level of profitability of exports, shows how much profit is received per unit of costs when exporting a particular product.

7. There are certain conditions created by the government for the enterprises of Ukraine for realization of opportunities in the field of foreign trade activity, such as: the enterprise independently chooses the organizational and legal status, the form and methods of performance, forms the strategy of the enterprise, commodity, financial, price and other policies on their own.

8. The main principles of management of foreign trade activity are:

- prevention of expenses of resources connected with the entrance the world market of competitive products;
- formation of conditions when the interests of the enterprise and consumers are taken into account;
- creation and support of a positive image of the company as a reliable partner.

9. The management of foreign trade activity efficiency on the enterprise level is carried out by the strategic, financial, organizational, infrastructure, logistics, information, marketing and production tools.

10. The strategic tools include: the choice of a strategic profile of foreign trade activity, strategic planning of foreign trade activity, development of the basic strategy, development of foreign trade activity strategy (export and import strategies), strategic control.

11. The financial instruments of the management of foreign trade activity efficiency are: the use of methods of international settlements, the use of ways to finance foreign trade, the use of risk management methods in international settlements, financial control.

12. The organizational instruments of the management of foreign trade activity efficiency are: changes in the organizational structures of foreign trade activity, delegation of authority and responsibility to employees, distribution workers by sectors of work, the system of a quality management.

13. The infrastructure and logistic instruments of the management of foreign trade activity efficiency are: using of marketing firms; using of dealer network; creation of service centers; work on stock and currency exchanges; improvement of infrastructure; creation of automated warehouse management systems.

14. The information and marketing instruments of the management of foreign trade activity efficiency are: international segmentation; price, advertising policy of the enterprise; participation in exhibitions and fairs; using of the Internet; automation of foreign trade activity, etc.

15. The production instruments of the management of foreign trade activity efficiency are: R&D (Research & Development), investment and innovation support, reproduction of fixed assets, etc.

16. Methods of evaluating the efficiency of foreign trade of the company are based on a systematic, comprehensive study of the activities of entities, relationships, interdependencies, processes occurring in different periods of time.

17. Sufficiently effective and one of the most complex methods is factorial. The essence is finding factors that affect the efficiency of foreign trade

operations. When using this method, mathematical tools are actively used, determining the degree of dependence of the identified factors on the efficiency of foreign trade operations.

18. A simpler and more commonly used method for assessing the efficiency of the foreign trade operations of an enterprise is to calculate the system of economic indicators that are based on the relation of the results achieved to the costs of achieving them. At the enterprise level, the efficiency of foreign trade operations is often understood as the degree of increasing the income.

PART 2
GENERAL ANALYSIS OF THE FOREIGN TRADE OPERATIONS EFFICIENCY AND ITS INFLUENCE ON THE PROFITABILITY OF LTD. “MECHANICHESKIY ZAVOD”

2.1. The analysis of financial indicators of activity of Ltd. “Mechanicheskiy Zavod”

Ltd. "Mechanicheskiy Zavod" is a metallurgical and machine-building enterprise with 100% private equity, which was founded in 2000 in Kherson. The annual production volume of Ltd. “Mechanicheskiy Zavod” for 2017 was about 20 million dollars [51].

Types of products that are manufactured by Ltd. "Mechanicheskiy Zavod" [51]:

- solid fuel boilers: household - capacity from 12 to 95 kW; industrial - capacity from 70 to 400 kW for heating of dwelling houses, buildings of enterprises and establishments of socio-cultural and household purposes;
- facade electric lifts (cradles of construction) with a capacity of 500 kg, a basket length of 1 to 6 meters with a lifting height of 150 m and for work with cranes;
- special platforms and elevators for inspection and repair of cooling towers of AES and CHP plants, coke batteries, chambers and containers of various purposes;
- cranes for submitting materials "from the window" to a height of 30 m;
- low-loading mobile dredgers with a productivity of up to 40 m cubic per hour and average tonnage – productivity on a pulp to 1200 m cubic in an hour with a depth of development up to 20 m;

In order to analyze the financial results of Ltd. "Mechanicheskiy Zavod", dynamics of the financial results of the enterprise should be carried out (table 2.1).

Table 2.1

Dynamics of financial results of Ltd. "Mechanicheskiy Zavod" in 2013-2017, thn uah

Indicators	2013	2014	2015	2016	2017	Absolute deviation					Relative deviation				
						2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Net income (proceeds) from products sale (goods, work, services)	65166	129268	104783	86562	201078	64102	-24485	-18221	114516	135912	2,0	0,8	0,8	2,3	3,1
Cost value of sales (goods, work, services)	61220	121443	100712	84200	187878	60223	-20731	-16512	103678	126658	2,0	0,8	0,8	2,2	3,1
Gross profit	3946	7825	4071	2362	13200	3879	-3754	-1709	10838	9254	2,0	0,5	0,6	5,6	3,3
Other operating revenues	4528	1934	2230	2887	12857	-2594	296	657	9970	8329	0,4	1,2	1,3	4,5	2,8
Administrative expenses	3211	5100	3404	2923	4978	1889	-1696	-481	2055	1767	1,6	0,7	0,9	1,7	1,6
Distribution costs	1802	3106	2301	2225	5411	1304	-805	-76	3186	3609	1,7	0,7	1,0	2,4	3,0
Other operating expenses	3878	1088	360	377	10655	-2790	-728	17	10278	6777	0,3	0,3	1,0	28,3	2,7
Financing results from operating activities: profit	0	465	236	0	5013	465	-229	-236	5013	5013	-	0,5	0,0	-	-
Financing results from operating activities: losses	417	0	0	276	0	-417	0	276	-276	-417	0,0	-	-	0,0	0,0
Other financing revenues	1136	91	22	38	102	-1045	-69	16	64	-1034	0,1	0,2	1,7	2,7	0,1
Other revenues	106	61	225	20	79	-45	164	-205	59	-27	0,6	3,7	0,1	4,0	0,7
Financing expenses	100	123	267	382	1411	23	144	115	1029	1311	1,2	2,2	1,4	3,7	14,1
Other expenses	3	31	194	26	26	28	163	-168	0	23	10,3	6,3	0,1	1,0	8,7
Profit before taxes	722	463	22	0	3763	-259	-441	-22	3763	3041	0,6	0,0	0,0	-	5,2
Losses	0	0	0	626	0	0	0	626	-626	0	-	-	-	0,0	-
Income tax expense	514	863	5	4	893	349	-858	-1	889	379	1,7	0,0	0,8	223,3	1,7
Net income	208	0	17	0	2870	-208	17	-17	2870	2662	0,0	-	0,0	-	13,8
Losses	0	400	0	630	0	400	-400	630	-630	0	-	0,0	-	0,0	-

Source: compiled by the author according to the data of the enterprise

According to the dynamics of financial results of Ltd. “Mechanicheskiy Zavod” in 2013-2017 we can see that the financial results increased just in 2014 and 2017 relating to prevous years but in 2015 and 2016 financial results of the enterprise decreased. The highest growth of financial results were in 2017: gross profit in 2017 increased more than 5 times (5,6) as much as gross profit in 2016 and more than 3 times (3,3) as much as in 2013. Also other operating revenues in 2017 increased more than 4 times (4,5) as much as other operating revenues in 2016 and more than 2 times (2,8) as much as in 2013, while other operating expenses in 2017 increased more than 28 times (28,3) as much as other operating expenses in 2016 and just more than 2 times (2,7) as much as in 2013. But the highest growth was showed in income tax expense in 2017 relating to previous year, which increased 223,3 times as much as in 2016, and just 1,7 times as much as in 2013.

The most noticeable reduce was in 2016 when profit from operating activities decreased to 0 thn uah in 2016 from 236 thn uah in 2015 because of an increase of losses from operating activities in 2016 to 276 thn uah in 2016 from 0 thn uah in 2015. The familiar situation was with net income and losses, the figures of which were changing every year then increasing then decreasing to 0.

The biggest losses were in 2016 (630 thn uah), while the biggest net income of Ltd. “Mechanicheskiy Zavod” was in 2017 (2870 thn uah).

In order to analyze the resource potential of Ltd. "Mechanicheskiy Zavod", dynamics of value and structure of assets and liabilities of the enterprise should be carried out (appendexes B-E).

According to the dynamics of the value of assets of Ltd. “Mechanicheskiy Zavod” in 2013-2017 (appendexe B) we can see that all non-current assets except deferred tax assets were slowly increasing during 5 years. The highest growth of fixed assets was in 2017, when they increased 1,4 times as much as in 2016 and twice as much as in 2013. The enterprise had deferred tax assets just in 2013 (11 thn uah).

The highest growth was in other current receivables in 2016 when they increased 9,3 times as much as in 2015, while in 2017 regarding to 2016 they decreased on 70%. Also other current assets in 2014 increased 7,3 times as much as in 2013 (from 3 thn uah to 22 thn uah), while in 2015-2017 the enterprise did not have any other current assets.

The biggest reduce of figures was in receivables on settlements from budget in 2016 regarding to 2015, when they decrease on 90% from 20633 thn uah to 1894 thn uah. Also receivables on the advances payments in 2014 decreased on 80% regarding to 2013 from 2099 thn uah to 371 thn uah, as well as the enterprise had deferred expenses just in 2014 (220 thn uah).

Analysing growth rate of 2017 regarding to 2013 we can see that almost all indicators increased except deferred tax assets, receivables from budget, money and their equivalents and other current assets.

According to the dynamics of the structure of assets of Ltd. "Mechanicheskiy Zavod" in 2013-2017 (appendixe C) we can see that in 2017 fixed assets had the biggest specific weight in total assets of the enterprise (42,9%), while other current receivables and money and their equivalents had the smallest specific weight in total assets (2,7% and 2,3% relatively).

The dynamics of the the structure of assets of Ltd. "Mechanicheskiy Zavod" was not stable. The specific weight of different indicators was changing each year then icreasing then decreasing. Thus receivables on the advances payments decreased in 2017 regarding to 2016 (0,8) but regarding to 2013 they increased (1,3), inventories decreased in 2017 regarding to 2016 (0,8), but regarding to 2013 they stayed the same.

According to the dynamics of the value of liabilities of Ltd. "Mechanicheskiy Zavod" in 2013-2017 (appendixe D) we can see small growth on 20% of the registered capital in 2015 regarding to 2014 after which it stayed the same during 2016-2017, as well as reserve capital that stayed on the same level (7740 thn uah) during all 5 years. Retained profit then increased then decreased till the growth in 2017 when it increased 4,6 times as much as it in

2016. As we can see Ltd. “Mechanicheskiy Zavod” did not have long-term bank loans until 2017 (18922 thn uah). Other long-term liabilities were higher than in 2017 and stayed almost on the same level until they decreased in 2017 on 60% from 9967 thn uah to 3610 thn uah.

The enterprise had short-term bank loans only in 2014 and 2017 (1538 thn uah and 44 thn uah relatively), current debts for long-term liabilities and for income tax – only in 2017 (240 thn uah and 296 thn uah relatively).

Current debt for payments to the budget had downward character during 2013-2016 until it grew high in 2017 more than 10 times (10,6) as much as in 2016. Also high growth was showed by other current liabilities in 2017 regarding to 2016, when they increased more than 14 times (14,2) as much as in 2016.

According to the dynamics of the structure of liabilities of Ltd. “Mechanicheskiy Zavod” in 2013-2017 (appendixe E) we can see that the registered capital had the biggest specific weight among other articles in balance in 2015 and 2016 (65-66%) and decreased in 2017 to 50,5%. Specific weight of reserved capital had downward character in 2017 too, decreased on 20% from 2016, while specific weight of retained profit in 2017 increased more than 3 times (3,5%) as much as in 2016. Also specific weight of current debts for payments to the budget and other current liabilities increased highly in 2017 regarding 2016 (8,1 and 10,8 as much as in 2016 relatively).

Analyzing the changes in specific weight in 2017 regarding to 2013 we can see that all indicators decreased due to the specific weight of long-term bank loans that were 24,9% of balance but 0% during 2013-2016.

Using the data of the Report on the Company's financial results and the balance sheet of the enterprise (appendixes A), we calculate the profitability of Ltd. "Mechanicheskiy Zavod" for the last 5 years (table 2.2).

According to the profitability ratios of Ltd. "Mechanicheskiy Zavod" over the past 5 years, we can conclude that the company's activity was efficient and profitable in 2013 and 2017, since all profitability indicators are over 0%.

Table 2.2

The profitability level of Ltd. "Mechanicheskiy Zavod" in 2013-2017, %

Indexes	Year					Absolute change			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Return on activity	0,32	0,00	0,02	0,00	1,43	-0,32	0,02	-0,02	1,43
Return on assets	0,36	0,00	0,03	0,00	4,30	-0,36	0,03	-0,03	4,30
Return on non-current assets	1,28	0,00	0,10	0,00	10,34	-1,28	0,10	-0,10	10,34
Return on current assets	0,50	0,00	0,04	0,00	7,36	-0,50	0,04	-0,04	7,36
Return on equity	0,50	0,00	0,04	0,00	5,95	-0,50	0,04	-0,04	5,95
Economic profitability	1,08	0,56	-0,41	-0,66	3,52	-0,52	-0,97	-0,25	4,18

Source: compiled by the author according to the data of the enterprise

The profitability ratios of 2014 and 2016 except economic profitability have a value of 0% that describes the break-even rate of the enterprise in these years, caused by zero profit. Although the figures of profitability ratios of 2013-2016 are low, the indicators of the return on non-current assets should be noted. The value of it in each year reaches the highest figures in compare with other ratios, which shows the effective use of capital assets of the enterprise, as the return on non-current assets characterizes the amount of net profit attributable to each hryvnia of non-current assets. Also we can see that the economic profitability of 2015-2016 years has negative figures, that mean that these years were not efficient and profitable for the enterprise.

Analyzing the dynamics of profitability indicators of Ltd. "Mechanicheskiy Zavod", we can say that during 2013-2017 there were significant changes in the financial state of the enterprise. The absolute changes of indicators of 2014 in relative to 2013 and 2016 in relative to 2015 have

negative figures, that mean that the profitability of the enterprise in 2014 and 2016 decreased. The absolute changes of indicators of 2017 show us the opposite situation. All ratios relative to 2016 increased on more than 1%. The growth of the indicators of 2017 was caused by the purchase of new furnace. During previous years Ltd. "Mechanicheskiy Zavod" was using 2 reverberatory furnaces for the production, but in 2017 the enterprise bought the rotary kiln that produces twice as many products and for 1 ton of the production consumes only 100 cubic meters of gas instead of 180 ones, that decreased the cost of the products greatly.

Using the data of the Report on the Company's financial results and the balance sheet of the enterprise (appendixes A), we calculate the level of business activity of Ltd. "Mechanicheskiy Zavod" for the last 5 years (table 2.3).

Business activity of the enterprise is manifested through the expansion of sales markets, maintaining business reputation, entering the labor and capital markets, etc. By analyzing the periods of turnover of current assets, inventories, receivables and payables, we can see that the turnover of current assets takes the biggest amount of days in each year; in 2013 the turnover of current assets took almost two-thirds of the year. And the turnover of payables takes the least amount of days, that mean that the enterprise frequently makes purchases on credit.

According to the dynamics of business activity of Ltd. "Mechanicheskiy Zavod" we can see the decline of turnover ratios in 2015 and 2016 comparing to their previous years and the growth of this ratios in 2014 and 2017.

The growth rate of indicators of 2017 shows us that the period of turnover of all indicators decreased twice from 2016, and according to the table 2.3 the periods of turnover of current assets, inventories, receivables and payables in 2017 were less than in 2014-2016 except the turnover of production in progress, where the least period was in 2014 (1 day).

Table 2.3

The level of business activity of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Indexes	Year					Growth rate, %			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
1. The period of turnover, days	452,17	245,37	289,25	301,87	136,94	54,27	117,88	104,36	45,36
1.1. Of all current assets	228,48	123,86	146,10	155,43	69,81	54,21	117,96	106,38	44,92
1.2. Of industrial stocks	65,41	36,58	40,55	44,37	21,49	55,93	110,86	109,42	48,43
1.3. Of production in progress	22,92	0,70	2,68	7,05	5,25	3,05	383,47	262,73	74,44
1.4. Of receivables	120,63	79,18	94,98	92,62	39,10	65,64	119,95	97,51	42,22
1.5. Of payables	14,72	5,05	4,93	2,40	1,29	34,33	97,49	48,76	53,55
2. Turnover ratio, times	50,22	603,11	222,38	215,22	379,52	1200,92	36,87	96,78	176,35
2.1. Of all current assets	1,58	2,91	2,46	2,32	5,16	184,47	84,77	94,00	222,64
2.2. Of industrial stocks	5,50	9,84	8,88	8,11	16,75	178,81	90,21	91,39	206,49
2.3. Of production in progress	15,70	514,59	134,19	51,08	68,62	3276,91	26,08	38,06	134,34
2.4. Of receivables	2,98	4,55	3,79	3,89	9,21	152,35	83,37	102,55	236,85
2.5. Of payables	24,45	71,23	73,06	149,82	279,79	291,27	102,57	205,07	186,75
3. Duration of the operating cycle, days	208,97	116,46	138,22	144,04	65,84	55,73	118,68	104,21	45,71
4. Duration of the financial cycle, days	194,25	111,41	133,29	141,63	64,55	57,35	119,64	106,26	45,58

Source: compiled by the author according to the data of the enterprise

According to this analysis we can conclude that by 2017 the turnover period of current assets and inventories decreased, funds invested in settlements returned twice as fast as it was in 2016 and three times as fast as it was in 2013 and the rapidity of payment of the enterprise debts increased.

The ratios of business activity directly affect the financial performance of the enterprise, its solvency. So, using the data the balance sheet of the enterprise (appendixes A), we calculate the solvency of Ltd. "Mechanicheskiy Zavod" for the last 5 years (table 2.4).

Table 2.4

The level of solvency of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Indexes	Actual on					Growth rate, %			
	31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	2013-2014	2014-2015	2015-2016	2016-2017
Total coverage ratio	5,82	4,75	34,38	39,73	11,86	81,68	723,18	115,56	29,86
Intermediate coverage ratio	4,33	3,28	25,57	23,95	7,99	75,78	778,56	93,68	33,37
Absolute liquidity ratio	0,38	0,40	1,53	5,62	0,48	105,62	381,18	366,07	8,62
Own working capital, thn uah	36404	35530	38893	33815	39650	97,6	109,5	86,9	117,3
Share of working capital in stock coverage	3,24	2,55	3,79	2,45	2,81	78,78	148,30	64,82	114,39
Ratio of maneuve-rability	0,85	0,84	0,82	0,72	0,80	98,52	97,89	88,11	110,48

Source: compiled by the author according to the data of the enterprise

The total coverage and intermediate coverage ratios of each years are above normal (>2 and >1 respectively). The highest figures are in 2015 and 2016, when 34,38 and 39,73 hryvnias of current assets of the enterprise

respectively accounted for one hryvnia of current liabilities and the short-term liabilities of this years were repaid at the expense of cash and receivables faster than in other years. The absolute liquidity ratios of each years are above normal (>0,2). The highest indicator is in 2016, showing a part of the short-term debt that the enterprise has the ability to repay immediately. The share of working capital in stock coverage indicators are much above normal (>0,5), remaining almost on the same level each year. The ratios of maneuverability of each years are above normal (>0,2–0,5), showing the enterprise's great opportunities for financial maneuverability. The indicators of this ratio are on the same level except that in 2016, when it reduced to 0,72.

Analyzing the growth rate of the level of solvency of Ltd. "Mechanicheskiy Zavod" for 2013-2017, we can see, that all indicators were not stable, then increasing, then decreasing. The share of working capital in stock coverage and ratio of maneuverability increased in 2017 from 2016 on 14,39% and 10,48% relatively, while total coverage ratio, intermediate coverage ratio and absolute liquidity ratio decreased noticeably on 70,14%, 66,63 and 91,38% in 2017 regarding to 2016 relatively.

Using the data of the data the balance sheet of the enterprise (appendixes A), we calculate the financial stability of Ltd. "Mechanicheskiy Zavod" for the last 5 years (table 2.5).

Table 2.5

The level of financial stability of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Indexes	Actual on:					Growth rate, %			
	31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017	2013-2014	2014-2015	2015-2016	2016-2017
1	2	3	4	5	6	7	8	9	10
Financial autonomy ratio	0,71	0,69	0,81	0,81	0,65	96,53	117,85	100,00	80,65
Ratio of financial debt	0,29	0,31	0,19	0,19	0,35	108,64	60,56	100,00	183,55

Continuation of the table 2.5

1	2	3	4	5	6	7	8	9	10
Ratio of long-term financial autonomy	0,87	0,85	0,98	0,98	0,95	97,07	115,72	100,00	96,65
Ratio of financial dependence	0,40	0,45	0,23	0,23	0,53	113,40	51,30	100,00	227,58
Debt coverage ratio	2,50	2,21	4,30	4,32	1,90	88,19	194,93	100,42	43,94

Source: compiled by the author according to the data of the enterprise

Analyzing the level of financial stability of Ltd. "Mechanicheskiy Zavod", we can say that all of the above ratios have values that are normative. Thus, the financial autonomy ratios of 31.12.2013, 31.12.2014, 31.12.2015, 31.12.2016, 31.12.2017 are above 0,5, which characterizes the financial independence of the enterprise from external sources of financing its activities. The ratios of financial debt of all dates are below 0.5, reflecting a small debt burden on the capital of the enterprise. The ratios of long-term financial autonomy of 31.12.2013, 31.12.2014, 31.12.2015, 31.12.2016, 31.12.2017 have a value above 0,5, which show to what extent the volume of used assets is formed from its own and long-term borrowed capital. The ratios of financial dependence of 31.12.2013, 31.12.2014, 31.12.2015, 31.12.2016, 31.12.2017 are not higher than 1, which characterizes the proportions in which the borrowed capital and equity of the enterprise are related. Debt coverage ratios of 31.12.2013, 31.12.2014, 31.12.2015, 31.12.2016, 31.12.2017 are below 1, which shows how many times the equity capital of the enterprise exceeds its borrowed capital.

Analyzing the dynamics of ratios of financial stability of Ltd. "Mechanicheskiy Zavod" we can see that all ratios were not stable and then increased then decreased during 2013-2015 and 2017.

All ratios did not changed in 2016 regarding to 2015 except debt coverage ratio that increased a little bit on 0,42% from 4,30 in 2015 to 4,32 in 2016. In

2017 financial autonomy ratio, ratio of long-term financial autonomy and debt coverage ratio decreased from 2016 on 19,35%, 3,35% and 56,06% relatively, while ratio of financial debt and ratio of financial dependence in 2017 increased from 2016 on 83,55% and more than twice asa mauch as in 2016 (227,58%) relatively. The debt coverage ratio increased in 2015 almost twice as much as in 2016 (194,93%), showing one of the most highest growth among indocators and vice versa the smallest growth was showed by ratio of financial dependence in the same year (51,30%).

Also, to determine the type of current financial stability of Ltd. "Mechanicheskiy Zavod", we will calculate the following indicators (table 2.6).

Table 2.6

Assessment of the type of financial stability of Ltd. "Mechanicheskiy Zavod" in 2013-2017, thn uah

Indexes	Actual on:				
	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
Stock volume	11235	13918	10273	13780	14125
Own working capital	36404	35530	38893	33815	39650
Current debts: goods, work, services	1404	2006	751	373	970
"Normal sources of funding"	37808	37536	39644	34188	40620

Source: compiled by the author according to the data of the enterprise

Consequently, after analyzing the above indicators, we can determine that Ltd. "Mechanicheskiy Zavod" is characterized by absolute financial stability for 5 years, since indicators of "Normal sources of funding" of 31.12.2013, 31.12.2014, 31.12.2015, 31.12.2016, 31.12.2017 are higher than the indicators of the stock indexes of the same dates respectively.

2.2. The analysis of foreign trade operations of Ltd. "Mechanicheskiy Zavod"

To analyze foreign trade activity of Ltd. "Mechanicheskiy Zavod" we should calculate the dynamics of value and structure of foreign trade operations of the enterprise (table 2.7)

Table 2.7

The dynamics of foreign trade operations Ltd. "Mechanicheskiy Zavod" in 2013-2017

Indicators	Year, thn uah					Growth rate, %			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Export	29654	51845	45250	36945	102548	174,8	87,3	81,6	277,6
Import	16191	33787	30176	23007	62304	208,7	89,3	76,2	270,8
Total	45845	85632	75426	59952	164852	186,8	88,1	79,5	275,0

Source: compiled by the author according to the data of the enterprise

According to the dynamics of foreign trade operations of Ltd. "Mechanicheskiy Zavod" in 2013-2017 we can see that the values of export exceed the values of import in each year, that mean that during all 5 years the balance of trade of the enterprise was positive. Also we can see that the value of foreign trade operations increased in 2014 and 2017 regarding to 2013 and 2016 relatively and decreased in 2015 and 2016 regarding to 2014 and 2015 relatively.

The highest growth of indicators was in 2017, when the value of foreign trade operations increased more than twice (275%) as much as in 2016. And before this growth we can see the biggest reduce in 2016 regarding 2015, when

the value of foreign trade operations decreased on 20,5% from 75 mln uah to almost 60 mln uah.

An important characteristic of the foreign trade activity of the enterprise is its commodity and geographical structure.

The dynamics of commodity structure of export of Ltd. “Mechanicheskiy Zavod” we can see in the table 2.8 and appendices F.

Table 2.8

The dynamics of commodity structure of export of Ltd. “Mechanicheskiy Zavod” in 2013-2017

Production	Year, thn uah					Growth rate, %			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Machine-building cradles	743	1445	954	969	2245	194,48	66,02	101,57	231,68
Dredger	385	1884	1045	848	1120	489,35	55,47	81,15	132,08
Aluminum ingots	28526	48516	43251	35128	99183	170,08	89,15	81,22	282,35
Total	29654	51845	45250	36945	102548	174,83	87,28	81,65	277,57

Source: compiled by the author according to the data of the enterprise

Analyzing the commodity structure of export of Ltd. “Mechanicheskiy Zavod” we can conclude, that during 2013-2017 aluminum ingots was taking the main share of the export of the enterprise, since the specific weight of this product is higher than 90% in each year. The highest income from export of aluminum ingots was in 2017 (99183 thn uah), while the highest specific weight of export of aluminum ingots was in 2017 (96,72%) and in 2013 (96,20%), that means that in spite of the high growth of total export of production in 2017 regarding to 2013 from 29654 thn uah to 102548 thn uah, the share of export of aluminum ingots increased barely noticeable regarding to the export of machine-

building cradles and dredger in 2013 and 2017. The opposite situation was during 2014-2015. In 2014 the specific weight of aluminum ingots decreased from 96,2% to 93,58% while the total export increased regarding to 2013. And in 2015 the specific weight of aluminum ingots increased from 93,58% to 95,58% while the total export decreased regarding to 2014.

According to the commodity structure of export of Ltd. “Mechanicheskiy Zavod” during 2013-2017 the enterprise gets much less income from exporting machine-building cradles and dredger regarding to the export of aluminum ingots in the same years. The highest specific weight of export of dredger was in 2014 (3,63%) as well as the biggest income from the export of them regarding to other years (1884 thn uah). The lowest specific weight of export of dredger was in 2017 (1,09%) while the smallest income from the export of them was in 2013 (385 thn uah), that can be explained by lower growth rate of the export of this product regarding to other products in 2017.

The specific weight of machine-building cradles was on the same level (2-3%) during 2013-2017, while the biggest income from export of this product was in 2017 (2245 thn uah) and the smallest income from export of this product was in 2013 (7435 thn uah).

The export of the enterprise increased in 2014 and 2017 regarding to previous years, and decreased in 2015 and 2016. In 2014 the volume of export of dredger shows the highest growth from 2013 (489,35%) and the biggest reduce was showed in 2015 from 2014 by the export of machine-building cradles (66,02%). Also the volume of export of machine-building cradles and aluminum ingots in 2017 showed high growth from 2016 (231,68% and 282,35% relatively). Also despite of the reduce of the export of dredger and aluminum ingots as well as total export in 2016 regarding to 2015, the export of machine-building cradles in this year increased on 1,57%.

There was high growth of the value of total export of the enterprise in 2017 (277,57%). As it was notices above the growth of the export of the

enterprise was characteristic of 2014 and 2017, but in 2017 the value of export of the enterprise was 102548 thn uah, while in 2014 it was 51845 thn uah.

The commodity structure of import of Ltd. “Mechanicheskiy Zavod” we can see in table 2.9.

Analyzing the commodity structure of import of Ltd. “Mechanicheskiy Zavod” we can conclude, that during 2013-2017 crystalline silicon was taking the main share of the import of the enterprise, since the specific weight of this product shows the highest indicators in each year (52,26-66,34%). Also the enterprise imported large volumes of aluminum fluoride during 2013-2017, the specific weight of this product was 22,24-28,49%. Large volumes of imported crystalline silicon and aluminum fluoride can be explained by the volumes of selling the aluminum ingots in domestic and foreign markets.

Metallurgical equipment, electrical equipment and hydraulic equipment have much less specific weight in total import of the enterprise, the indicators of which are not higher than 2% except the specific weight of metallurgical equipment in 2013, when it was 2,19%, that prove the orientation of Ltd. “Mechanicheskiy Zavod” on selling aluminum ingots. Also analyzing the commodity structure of import of the enterprise we can see that Ltd. “Mechanicheskiy Zavod” bought 3-4 ton forklift trucks just in 2014 and 2015 and tractor DAF with trailers just in 2017.

Analyzing the dynamics of commodity structure of import of Ltd. “Mechanicheskiy Zavod” we can see that the import of the enterprise increased in 2014 and 2017 regarding to previous years, and decreased in 2015 and 2016. The largest change we can see in 2017, where the import of crystalline silicon, metallurgical equipment and aluminum fluoride increased more than twice as much as in 2016 (233,59%, 216,34% and 211,40% relatively) and the import of electrical and hydraulic equipment increased almost twice as much as in 2016 (199,48% and 192,37% relatively). In 2014 the import of aluminum ingots showed the highest growth among other products regarding to 2013 (192,42%).

Table 2.9

The dynamics of commodity structure of import of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Production	Year, thn uah					Specific weight, %					Growth rate, %			
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Aluminum fluoride	4607	8865	7978	6554	13855	28,45	26,24	26,44	28,49	22,24	192,42	89,99	82,15	211,40
Crystalline silicon	10685	17657	17395	15262	35650	65,99	52,26	57,65	66,34	57,22	165,25	98,52	87,74	233,59
Metallurgical equipment	354	585	552	410	887	2,19	1,73	1,83	1,78	1,42	165,25	94,36	74,28	216,34
Electrical equipment	286	478	449	388	774	1,77	1,41	1,49	1,69	1,24	167,13	93,93	86,41	199,48
Hydraulic equipment	259	448	474	393	756	1,60	1,33	1,57	1,71	1,21	172,97	105,80	82,91	192,37
Tractor DAF	0	0	0	0	6232	0,00	0,00	0,00	0,00	10,00	-	-	-	-
Trailers for tractors	0	0	0	0	4150	0,00	0,00	0,00	0,00	6,66	-	-	-	-
3-4 ton forklift trucks	0	5754	3328	0	0	0,00	17,03	11,03	0,00	0,00	-	57,84	0,00	-
Total	16191	33787	30176	23007	62304	100,00	100	100	100	100	208,68	89,31	76,24	270,80

Source: compiled by the author according to the data of the enterprise

In spite of the reduce of total import in 2015 regarding to 2014, the import of crystalline silicon, metallurgical equipment and electrical equipment did not changed much, since the growth rate of these products were more than 93%. And the import of hydraulic equipment in this year even increased on 5,8% regarding to 2014. In 2016 the import of metallurgical equipment decreased most of all (74,28%), while the reduce of all other products in this year was almost on the same level – about 13-17%.

The dynamics of geographical structure of export of Ltd. "Mechanicheskiy Zavod" we can see in table 2.10 and appendeces G.

Table 2.10

The dynamics of geographical structure of export of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Country	Year, thn uah					Growth rate, %			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Belarus	646	1950	1503	1148	554	301,86	77,08	76,38	48,26
Slovakia	27358	45550	41122	33627	98796	166,50	90,28	81,77	293,80
Hungary	854	1648	1258	985	1065	192,97	76,33	78,30	108,12
Turkey	265	1764	925	728	800	665,66	52,44	78,70	109,89
Japan	531	933	442	457	1333	175,71	47,37	103,39	291,68
Total	29654	51845	45250	36945	102548	174,83	87,28	81,65	277,57

Source: compiled by the author according to the data of the enterprise

Analyzing the geographical structure of export of Ltd. "Mechanicheskiy Zavod" we can conclude, that during 2013-2017 the export of products to Slovakia brought the enterprise the biggest income, since the export to this country has the biggest specific weight (87,86-96,34%). All other countries did not import much products of Ltd. "Mechanicheskiy Zavod". The enterprise

exported to Belarus and Hungary about 2-3% of its products during 2013-2016 and in 2017 the specific weight of export to these countries decreased to 0,54% and 1,04% relatively. The enterprise exported to Japan more than 1% of its products exceprt 2015, when the specific weight of export to this country was 0,98%. The export of the products to Turkey regarding to export to other countries was not stable, since its specific weight was about 1% in 2013 and in 2017, then increased to 3,4% in 2014 and decreased to about 2% in 2015-2016. The smallest specific weight of export was showed by the export to Belarus in 2017 (0,54%).

Analyzing the dynamics of geographical structure of export of Ltd. "Mechanicheskiy Zavod" we can see that the export of the enterprise increased in 2014 and 2017 regarding to the previous years, and decreased in 2015 and 2016, except the export to Belarus and Japan.

In 2014 the export to Belarus increased regarding to 2013 (301,86%) from 646 thn uah to 1950 thn uah, but in each next year it continued to decrease on 22-23% in 2015-2016 until in 2017 the export to Belarus reduced on more than 50% from previous year. And in spite of the reduce of export to other countries in 2016, the export to Japan in 2016 increased on 3,39% regarding to 2015 after the noticeable reduce on more than 50% in 2015 regarding to 2014 from 933 thn uah to 442 thn uah.

The highest indicator of growth rate shows the export to Turkey in 2014 regarding to 2013 (665,66%) and the export to Slovakia and to Japan in 2017 (293,8% and 291,68% relatively), that was caused by the increasing of export of dredger to Turkey in 2014 and machine-building cradles to Japan and aluminum ingots to Slovakia in 2017.

The dynamics of geographical structure of import of Ltd. "Mechanicheskiy Zavod" we can see in table 2.11 and appendices H.

Table 2.11

The dynamics of geographical structure of import of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Country	Year, thn uah					Growth rate, %			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Germany	899	1511	1475	1191	2417	168,08	97,62	80,75	202,94
China	9708	18096	15221	10246	26345	186,40	84,11	67,31	257,12
Canada	4443	12145	12199	11218	33312	273,35	100,44	91,96	296,95
India	784	958	755	105	95	122,19	78,81	13,91	90,48
Czech Republic	357	1077	526	247	135	301,68	48,84	46,96	54,66
Total	16191	33787	30176	23007	62304	208,68	89,31	76,24	270,80

Source: compiled by the author according to the data of the enterprise

Analyzing the geographical structure of import of Ltd. "Mechanicheskiy Zavod" we can conclude, that during 2013-2017 the import from Canada and China has the biggest specific weight in total import of the enterprise (about 90%), since Ltd. "Mechanicheskiy Zavod" buys crystalline silicon and aluminum fluoride from these countries for producing aluminum ingots. The import of the enterprise from Germany, India and Czech Republic during 2013-2017 has much less specific weight in total import of the enterprise (0,15-5,55%). The specific weight of import from Germany shows stable figures (4-5%), that is caused by stable import of metallurgical, electrical and hydraulic equipment from this country by the enterprise. The smallest specific weight in total import is showed by import from India during 2014-2017 – 0,15-3,16% except the results of 2013, when the specific weight of import from India was 4,84%, that was bigger than the specific weight of import from Czech Republic, but in 2017 the specific weight of import from these two countries do not differ much.

Analyzing the dynamics of geographical structure of import of Ltd. “Mechanicheskiy Zavod” we can see that the import of the enterprise increased in 2014 and 2017 regarding to the previous years, and decreased in 2015 and 2016, but during 2013-2017 the geographical structure changed. The import of the enterprise from Germany and China during 2013-2017 has growth rate according to the total import of the enterprise, their figures increased in 2014 and 2017 and decreased in 2015 and 2016.

The opposite situation is showed by the import from Canada, India and Czech Republic. The import from Canada despite of the growth rate of total import increased not only in 2014 and 2017, but also in 2015, that was caused by decreasing import from China and increasing import from Canada, and even in 2016 import from Canada decreased only on 8%. The indicators of import from India and Czech Republic was decreasing during 2015-2017. The biggest reduce of import from India and Czech Republic was in 2016 regarding to 2015 (13,91% and 46,96% respectively). Such downward character of import from these countries means that Ltd. “Mechanicheskiy Zavod” is going to finish importing from India and Czech Republic in the nearest future.

2.3. The estimation of foreign trade operations efficiency and its influence on the profitability of Ltd. “Mechanicheskiy Zavod”

The main condition for conducting a foreign trade operation is its efficiency. Enterprises often suffer significant losses as a result of insufficient technical and economic justification of efficiency of the foreign trade operation, absence of evaluations on the choice of currency price, the currency of payment and other monetary and financial conditions of the transaction.

To analyze the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” we should calculate the efficiency and profitabilities ratios of foreign trade operations of the enterprise (table 2.12).

Table 2.12

The dynamics of the efficiency of foreign trade operations of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Indicators	Years					Growth rate, %			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Revenue from foreign trade activity, thn uah	45845	85632	75426	59952	164852	186,8	88,1	79,5	275,0
Cost of production, thn uah	27723,5	52031,7	45859,4	36382,7	90668,6	187,7	88,1	79,3	249,2
Costs of foreign trade activity, thn uah	17507,5	33225,4	29549,6	23569,4	71241,4	189,8	88,9	79,8	302,3
Efficiency of foreign trade activity, %	101,4	100,4	100,0	100,0	101,8	99,1	99,6	100,0	101,8
Financial result from foreign trade activity before taxation, thn uah	614	375	17	0	2942	61,1	4,5	0,0	-
Profitability of foreign trade activity, %	1,0	0,3	0,0	0,0	1,4	32,4	5,1	0,0	-

Source: compiled by the author according to the data of the enterprise

According to the ratios of the efficiency of foreign trade operations of Ltd. "Mechanicheskiy Zavod" we can see that the efficiency of foreign trade activity of the enterprise during 2013-2017 did not show high results but still was 100% and higher, that means that foreign trade operations in each year were efficient. The highest indicator was in 2017 – 101,8% and the lowest ones were in 2015 and 2016 – 100%.

Analyzing the ratios of profitability of foreign trade activity, we can say that during 2013-2017 the foreign trade operations of Ltd. “Mechanicheskiy Zavod” were profitable except 2015 and 2016, when the profitability of the enterprise was 0%, that means that in these years it did not have profit, but it did not work at a loss as well. The highest indicator was in 2017, when foreign trade operations of the enterprise were profitable on 1,4%.

According to the dynamics of the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” we can see that revenue from foreign trade activity, cost of production and costs of foreign trade activity had downward character in 2015 and 2016 regarding to 2014 and 2015 relatively decreasing on about 11-12% in 2015 and 20% in 2016.

The highest growth was in 2017 regarding to 2016 when all indicators increased more than twice as much as in 2016. And despite of the growth of costs of foreign trade activity that was higher than the growth of the revenue from foreign trade activity, in 2017 we can see the growth of efficiency, while the high growth of revenue from foreign trade activity, cost of production and costs of foreign trade activity in 2014 (about 186-189%) did not lead to the growth of efficiency of foreign trade operations and we can see its reduce on 0,9%.

The different situation we can see with profitability ratios. Financial results from foreign trade activity before taxation was decreasing during first 4 years from 614 thn uah to 0 thn uah and increased noticeably only in 2017 regarding to 2016 from 0 thn uah to 2942 thn uah, that caused the same downward character of the profitability of foreign trade operations of Ltd. “Mechanicheskiy Zavod” during 2013-2016, decreased from 1% in 2013 to 0% in 2016, but then because of the high growth of the financial results from foreign trade activity before taxation in 2017 and less growth of losses, the profitability of foreign trade operations increased to 1,4%.

This situation shows the dependence of efficiency and profitability indicators of the enterprise, since with the reduce of efficiency of foreign trade

operations the profitability of them decreased too and vice versa with the growth of efficiency of foreign trade operations the profitability of them increased.

To analyze the efficiency of export of Ltd. “Mechanicheskiy Zavod” we should calculate the efficiency and profitability ratios of export of the enterprise (table 2.13).

Table 2.13

The dynamics of the efficiency of export of Ltd. “Mechanicheskiy Zavod” in 2013-2017

Indicators	Years					Growth rate, %			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
1	2	3	4	5	6	7	8	9	10
Revenue from export, thn uah	29654	51845	45250	36945	102548	174,8	87,3	81,6	277,6
Cost of production, thn uah	17199,3	30070,1	26245	21428,1	56401,4	174,8	87,3	81,6	263,2
Overhead on export, thn uah	12045,3	21524,9	18993,7	15516,9	44185,3	178,7	88,2	81,7	284,8
Efficiency of export operations, %	101,4	100,5	100,0	100,0	101,9	99,1	99,5	100,0	101,9
Financial result from export before taxation, thn uah	409,3	250,0	11,3	0,0	1961,3	61,1	4,5	0,0	-
Profitability of export operations, %	1,0	0,4	0,0	0,0	1,5	34,6	5,2	0,0	-
The value of export in domestic prices, thn uah	20458	35482	26745	22584	72541	173,4	75,4	84,4	321,2

Continuation of table 2.13

1	2	3	4	5	6	7	8	9	10
Expenses for the sale of export products within the country, thn uah	3068,7	5322,3	4011,8	3387,6	15233,6	173,4	75,4	84,4	449,7
Coefficient of efficien-cy of sales of export products in the domestic market, %	100,9	100,3	88,4	91,0	101,3	99,3	88,2	103,0	111,3

Source: compiled by the author according to the data of the enterprise

According to the ratios of the efficiency of export operations of Ltd. “Mechanicheskiy Zavod” we can see that the efficiency of export of the enterprise during 2013-2017 was 100% and higher, that means that export operations in each year were efficient. The highest indicator of the efficiency of export of the enterprise was in 2017 – 101,9% and the lowest ones were in 2015 and 2016 – 100%.

Analyzing the ratios of profitability of export, we can say that during 2013-2017 the export operations of Ltd. “Mechanicheskiy Zavod” were profitable except 2015 and 2016, when the profitability of the enterprise was 0%, that means that in these years the enterprise did not have profit, but it did not work at a loss as well. The highest indicator was in 2017, when export operations of the enterprise were profitable on 1,5% and in 2013, when export operations of the enterprise were profitable on 1%.

Analyzing coefficient of efficiency of sales of export products in the domestic market we can see that if the enterprise sells its export products on the domestic market these operations will be efficient too except in 2015 and 2016,

since the indicators of efficiency are 88,4% and 91% relatively in these years, and less than export operations up to 9% during all 5 years. The highest indicator during 2013-2017 could have been in 2017, so as coefficient of efficiency of sales of export products in the domestic market in 2017 is 101,3%.

According to the dynamics of the efficiency of export operations of Ltd. “Mechanicheskiy Zavod” we can see that revenue from export, cost of production and overhead on export had downward character in 2015 and 2016 regarding to 2014 and 2015 relatively decreasing on about 12-13% in 2015 and 18% in 2016.

The highest growth was in 2017 regarding to 2016 when revenue from export and export costs increased almost tree times as much as in 2016, that led to the growth of efficiency, while the high growth of revenue from export, cost of production and overhead on export in 2014 (about 175-179%) did not lead to the growth of efficiency of export operations in this year and it decreased on 0,9%.

The different situation we can see with profitability ratios. Financial results from export before taxation was decreasing during first 4 years from 409,3 thn uah to 0 thn uah and increased noticeably only in 2017 regarding to 2016 from 0 thn uah to 1961,3 thn uah, that caused the same downward character of the profitability of export operations of Ltd. “Mechanicheskiy Zavod” during 2013-2016, that decreased from 1% in 2013 to 0% in 2016, but then because of the high growth of the financial results from export before taxation in 2017 and less growth of losses, the profitability of export operations increased to 1,5%.

To analyze the efficiency of import of Ltd. “Mechanicheskiy Zavod” we should calculate the efficiency and profitabilities ratios of import of the enterprise (table 2.14).

Table 2.14

The dynamics of the efficiency of import of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Indicators	Years					Growth rate, %			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Revenue from import, thn uah	16191	33787	30176	23007	62304	208,7	89,3	76,2	270,8
Cost of production, thn uah	10524,2	21961,6	19614,4	14954,6	34267,2	208,7	89,3	76,2	229,1
Expenses for import operations, thn uah	5462,2	11700,5	10555,9	8052,5	27056,1	214,2	90,2	76,3	336,0
Efficiency of import operations, %	101,3	100,4	100,0	100,0	101,6	99,1	99,6	100,0	101,6
Financial result from import before taxation, thn uah	204,7	125,0	5,7	0,0	980,7	61,1	4,5	0,0	-
Profitability of import operations, %	1,0	0,3	0,0	0,0	1,2	29,0	5,1	0,0	-

Source: compiled by the author according to the data of the enterprise

According to the ratios of the efficiency of import operations of Ltd. "Mechanicheskiy Zavod" we can see that the efficiency of import of the enterprise during 2013-2017 was 100% and higher, that means that import operations in each year were efficient. The highest indicators were in 2017 and 2013 – 101,6% and 101,3% relatively and the lowest ones were in 2015 and 2016 – 100%.

Analyzing the ratios of profitability of import, we can say that during 2013-2017 the import operations of Ltd. "Mechanicheskiy Zavod" were

profitable except 2015 and 2016, when the profitability of the enterprise was 0%, that means that in these years it did not have profit, but it did not work at a loss as well. The highest indicator was in 2017, when import operations of the enterprise were profitable on 1,2%.

According to the dynamics of the efficiency of import operations of Ltd. “Mechanicheskiy Zavod” we can see that revenue from import, cost of production and expenses for import operations had downward character in 2015 and 2016 regarding to 2014 and 2015 relatively decreasing on about 10-11% in 2015 and 24% in 2016.

The highest growth was in 2017 regarding to 2016 when revenue from import and costs of import production increased almost tree times as much as in 2016 (270,8% and 229,1% relatively) and expenses for import operations increased even more than tree times as much as in 2016 (336%), that led to the growth of efficiency, while the high growth of revenue from import, cost of production and expenses for import operations in 2014 (about 208-214%) did not lead to the growth of efficiency of import operations in this year and it decreased on 0,9%.

The different situation we can see with profitability ratios. Financial results from import before taxation was decreasing during first 4 years from 204,7 thn uah to 0 thn uah and increased noticeably only in 2017 regarding to 2016 from 0 thn uah to 980,7 thn uah, that caused the same downward character of the profitability of import operations of Ltd. “Mechanicheskiy Zavod” during 2013-2016. From 2013 the profitability of import operations of the enterprise decreased from 1% to 0% in 2016, but then because of the high growth of the financial results from import before taxation in 2017 and less growth of losses, the profitability of import operations increased to 1,2%.

According to the calculations above we should analyse the influence of efficiency of foreign trade operations on the profitability of Ltd. “Mechanicheskiy Zavod” (table 2.15).

Table 2.15

The dependence of the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” and its profitability in 2013-2017, %

Indicators	Years					Growth rate			
	2013	2014	2015	2016	2017	2013-2014	2014-2015	2015-2016	2016-2017
Efficiency of foreign trade operations	101,4	100,4	100,0	100,0	101,8	99,1	99,6	100,0	101,8
Efficiency of export	101,4	100,5	100,0	100,0	101,9	99,1	99,5	100,0	101,9
Efficiency of import	101,3	100,4	100,0	100,0	101,6	99,1	99,6	100,0	101,6
Profitability of foreign trade operations	1,0	0,3	0,0	0,0	1,4	32,4	5,1	0,0	-
Profitability of export	1,0	0,4	0,0	0,0	1,5	34,6	5,2	0,0	-
Profitability of import	1,0	0,3	0,0	0,0	1,2	29,0	5,1	0,0	-

Source: compiled by the author according to the data of the enterprise

According to the table 2.15 we can see that there is a direct interdependence between efficiency of foreign trade operations of the enterprise and its profitability. The dynamics of the efficiency and profitability indicators shows that with the reduce of efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” the profitability of them decreased too and vice versa with the growth of efficiency of foreign trade operations of the enterprise in 2017 regarding to 2016, the profitability of them increased.

Besides profitability indicator is more sensitive to the changes in foreign trade expenses or financial results before the taxation than the efficiency, since with barely noticeable changes of efficiency (99-101% of growth rate) profitability of foreign trade operations changes more than two or even twenty times as much as in previous year (5-34% of growth rate).

CONCLUSIONS TO THE PART 2

1. Ltd. "Mechanicheskiy Zavod" is a metallurgical and machine-building enterprise with 100% private equity, which was founded in 2000 in Kherson. The annual production volume of Ltd. “Mechanicheskiy Zavod” for 2017 was about 20 million dollars.

2. According to the dynamics of the structure of assets of Ltd. “Mechanicheskiy Zavod” in 2013-2017 it was conclude that in 2017 fixed assets had the biggest specific weight in total assets of the enterprise (42,9%), while other current receivables amd money and their equivalents had the smallest specific weight in total assets (2,7% and 2,3% relatively).

3. According to the dynamics of the structure of liabilities of Ltd. “Mechanicheskiy Zavod” in 2013-2017 it was conclude that the registered capital had the biggest specific weight among other articles in balance in 2015 and 2016 (65-66%) but decreased in 2017 to 50,5%.

4. According to the profitability ratios of Ltd. "Mechanicheskiy Zavod" over the past 5 years, it was conclude that the company's activity was efficient and profitable in 2013 and 2017, since all profitability indicators are over 0%. The profitability ratios of 2014 and 2016 except economic profitability have a value of 0% that describes the break-even rate of the enterprise in these years, caused by zero profit. The economic profitability of 2015-2016 years has negative figures, that mean that these years were not efficient and profitable for the enterprise.

5. By analyzing the periods of turnover of current assets, inventories, receivables and payables, it was conclude that the turnover of current assets takes the biggest amount of days in each year; in 2013 the turnover of current assets took almost two-thirds of the year. And the turnover of payables takes the least amount of days, that mean that the enterprise frequently makes purchases on credit.

6. Analyzing the level of solvency of Ltd. "Mechanicheskiy Zavod" it was concluded that the total coverage and intermediate coverage ratios, the absolute liquidity ratios and the ratios of maneuverability of each years are above normal (>2, >1, >0,2, and >0,2–0,5 respectively). The share of working capital in stock coverage indicators are much above normal (>0,5), remaining almost on the same level each year.

7. Assessing the type of financial stability of Ltd. "Mechanicheskiy Zavod" it was determine that the enterprise is characterized by absolute financial stability for 5 years, since indicators of "Normal sources of funding" of 31.12.2013, 31.12.2014, 31.12.2015, 31.12.2016, 31.12.2017 are higher than the indicators of the stock indexes of the same dates respectively.

8. For the exploring of foreign trade activity of Ltd. "Mechanicheskiy Zavod" it was analyzed its commodity and geographical structures. The enterprise exports machine-building cradles, dredger and aluminum ingots to Belarus, Slovakia, Hungary, Turkey and Japan and imports aluminum fluoride, crystalline silicon, metallurgical, electrical and hydraulic equipment, tractor DAF, trailers for tractors and 3-4 ton forklift trucks from Germany, China, Canada, India and Czech Republic.

9. Analyzing the commodity structure of export of Ltd. “Mechanicheskiy Zavod” it was concluded, that during 2013-2017 aluminum ingots was taking the main share of the export of the enterprise, since the specific weight of this product is higher than 93% in each year. The enterprise gets much less income from exporting machine-building cradles and dredger regarding to the export of aluminum ingots. Analyzing the commodity structure of import of Ltd. “Mechanicheskiy Zavod” it was concluded, that during 2013-2017 crystalline silicon was taking the main share of the import of the enterprise, since the specific weight of this product shows the highest indicators in each year (52,268-66,34%). Also the enterprise imported large volumes of aluminum fluoride during 2013-2017 (22,24-28,49%), metallurgical equipment, electrical equipment and hydraulic equipment have much less specific weight in

total import of the enterprise (<3%). Ltd. “Mechanicheskiy Zavod” bought 3-4 ton forklift trucks just in 2014 and 2015 and tractor DAF with trailers just in 2017.

10. Analyzing the geographical structure of export of Ltd. “Mechanicheskiy Zavod” we can conclude, that during 2013-2017 the export of products to Slovakia brought the enterprise the biggest income, since the export to this country has the biggest specific weight (87,86-96,34%). All other countries do not import much products of Ltd. “Mechanicheskiy Zavod”. The enterprise exported to Belarus and Hungary – 2-3% of its products except 2017, to Turkey – 1-3% and to Japan 1-2%. Analyzing the geographical structure of import of Ltd. “Mechanicheskiy Zavod” we can conclude, that during 2013-2017 the import from Canada and China had the biggest specific weight in total import of the enterprise (about 90%), since Ltd. “Mechanicheskiy Zavod” buys crystalline silicon and aluminum fluoride from these countries for producing aluminum ingots. The import of the enterprise from Germany, India and Czech Republic during 2013-2017 had much less specific weight in total import of the enterprise (0,15-5,55%).

11. According to the ratios of the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” it was concluded that foreign trade operations of the enterprise were efficient and profitable in 2013, 2014 and 2017 and in 2015 and 2016 the enterprise did not make profit but did not work at loss too, since the efficiency and profitability ratios of foreign trade operations in these years were 100% and 0% relatively. Also it was concluded that the export operations would be efficient than selling its export products on the domestic market.

12. According to the analysis of the efficiency and profitability of foreign trade operations of Ltd. “Mechanicheskiy Zavod” it was concluded that there is direct interdependence between these indicators, since with the change of efficiency of foreign trade operations the profitability of them changed the same way.

PART 3
THE IMPROVEMENT OF THE FOREIGN TRADE OPERATIONS EFFICIENCY OF LTD. "MECHANICHESKIY ZAVOD"

3.1. The verification of resources for improving efficiency of foreign trade operations of Ltd. "Mechanicheskiy Zavod"

In a market characterized by instability of macro- and micro-economic factors, one of the top-priority tasks of the management is the formation and evaluation of the current promising opportunities of the enterprise, that is, its potential; balancing the capabilities of the enterprise with the potential of the environment to achieve the planned objectives and in order to survive in a competitive environment today and in the future.

At the present stage, the firm's competitiveness is mainly provided by an increase in available resources, the introduction of new technologies, and innovative transformations. The market environment imposes tough requirements on increasing the efficiency of available resources and directions of building up and strengthening of resource potential, reducing production costs, improving the quality of goods [36, p.156].

Resources are a set of tangible and intangible elements that directly or indirectly participate in the production process. The main feature of resources are their reproducibility, which is carried out both in the form of consumer value and in the form of value. The process of operation of enterprises constantly requires the attraction of new resources.

Resource potential of the enterprise is not a set of resources available at the disposal of the enterprise, but the ability of employees and managers to use resources to produce goods (services) and maximize profits. Resource potential does not characterize the entire stock of a specific resource, but that part of them that is involved in production, taking into account economic expediency and

achievements of scientific and technological progress, and it includes not only the existing system of resources, but also new alternative resources and their sources.

Resource potential from the point of view of the enterprise as an economic entity is an important factor affecting the efficiency of financial and economic activity, as well as foreign trade activity, increasing the competitiveness of the enterprise.

Resource potential of the enterprise is characterized by the following indicators [21, p.357]:

- real opportunities of enterprises in one or another sphere of economic activity;
- volumes of resources and reserves both involved and not involved in production;
- the ability of managers to use resources to create products, goods and services in order to maximize profits;
- the form of entrepreneurship and the corresponding organizational and legal structure.

Elements of the resource potential of the enterprise are the following types of resources [21, p.365]:

- labor;
- financial;
- tangible assets consisted of fixed assets (assets) and current assets;
- intangible;
- information.

Labor resources or personnel of an enterprise is a set of individuals who are in relations with the enterprise as a legal entity regulated by acts of labor legislation and form a labor collective of employees with a definite structure in accordance with the structure of production, the ownership of its organizational structure of a particular enterprise.

The labor potential of the enterprise is characterized by such concepts as personnel, labor force, labor resources, human resources. They are interrelated, used as synonyms and necessary for the allocation of specific features of the labor potential of the team. For example, labor force is a set of physical and mental abilities of a person that is used by them to produce material goods and services. Labor resources, as a rule, characterize the potential labor force of the enterprise as part of the country's labor resources. Personnel is a basic (regular, permanent), usually a qualified staff of the enterprise. The concept of human resources is wider than the concept of labor resources and workforce, since they are the main resource of any enterprise, from the qualifications and productivity of their work for the results of its economic activity.

In order to effectively use labor potential at enterprises, its management is carried out, which includes analysis of personnel potential and level of its use, the definition of the need for employees of different specialties, forecasting and planning of the number of employees of the entire enterprise and its individual units in different structural groups; placement of employees and coordination of their activities; motivation of work; account of the results of labor; control over the execution of tasks [24, p.27].

Ltd. “Mechanicheskiy Zavod” has their own department of foreign economic relations with 4 managers of foreign economic activity and each of them is responsible for certain operations. But in cases of purchases of new equipment the enterprise uses these managers for translating big manuals of imported equipment and machines, that take time and reduce the efficiency of manager’s work,. To improve efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod”, the enterprise should order the translation of manuals and other volume works in translation agencies. There is one more way to solve the situation that is to hire an interpreter for the enterprise, but since managers of foreign economic activity know English well, the enterprise do not need an interpreter for all the time. That is why this way will not help to improve efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod”, since it

will increase the expenses of the enterprise due to paying the salary to the interpreter.

Financial resources are funds that are formed in the event of the formation of an enterprise and replenished as a result of economic activity through the sale of products, the execution of works and the provision of services, as well as by attracting external sources of financing [29, p.245].

All sources of funds used to generate financial resources can be divided into two groups: own and borrowed.

Own funds are formed at the time of establishment of the enterprise, as well as in the process of its activities and include:

- authorized capital, created at the expense of unitary or unit payments, issue and placement of shares, budget financing;
- additional capital created as an excess of the receipt of contributions or amounts of funds received from the sale of shares, as well as in the case of reassessment of tangible assets of the enterprise at fair value;
- retained earnings of an enterprise that can be used to finance business activities;
- other productive assets that are generated at the expense of profit;
- depreciation deductions for the reproduction of fixed assets and intangible assets.

Loan funds are formed in the process of enterprise activity and include:

- bank long-term and short-term loans;
- bonds and non-equity loans;
- commodity or commercial loans, etc.

Loan funds are involved due to the fact that in the enterprise there is a periodic need for additional funds which cannot be met at the expense of own funds. The attraction of borrowed funds is carried out on the principles of payment, urgency, reversal, targeted use and material security.

Material resources consist of fixed assets and current assets of the enterprise.

Fixed assets are means of labor that have value and function in production for a long time in their unchanging consumer form, and their value is transferred through a specific labor to the cost of manufactured parts of the products as it operates. Fixed assets of the enterprise are divided into active and passive. The active part of the main productive assets affects the subject of labor, its movement in the production process and the control over the course of production; passive part - to create conditions for the uninterrupted functioning of the active part of the means [36, p.156].

Current assets are part of the property of an enterprise, which includes material and monetary assets that are once involved in the production process and fully transfer their value to finished products (works, services). They provide continuity and all processes that take place at enterprises: supply, production, sales, financing.

According to analysis of commodity structure of Ltd. “Mechanicheskiy Zavod” we can see, that the enterprise exports aluminum ingots most of all products. Researching external markets we can suggest changing the content of aluminum ingots to increase its quality via decreasing a content of calcium in it.

In 2017 Ltd. “Mechanicheskiy Zavod” imported silicon 5-0-3 for 1300$ per 1 ton from Canada, the import of silicon 5-0-0-3 from Canada will cost 1600$ per 1 ton. In 2017 the price on aluminum ingots with a calcium content of 0,3% via an addition of silicon 5-0-3 to the aluminum alloy on the metal market of Slovakia where Ltd. “Mechanicheskiy Zavod” exported its aluminum ingots the most, was 1350$ per 1 ton.

But since the demand on aluminum ingots with silicon 5-0-0-3 content in Slovakia is lower, than on aluminum ingots with silicon 5-0-3 content in the same country, it was suggested to open new metal market – Poland. The price on aluminum ingots with a calcium content of 0,03% via an addition of silicon 5-0-0-3 to the aluminum alloy on the polish market is 1750$ per 1 ton and the

demand on aluminum ingots with silicon 5-0-0-3 content is higher than on the market of Slovakia, besides the transport expenses for export to Poland will not change noticeably since a transportation to Poland is more popular destination than transportation to Slovakia, that is why it is easier to find transport for export to Poland and transfer the production for better price.

The main causes of the loss of resources in metallurgical production are: inappropriate consumption of materials in technologies and products; corrosion and wear; irrational technological losses of energy in the processing of materials, the manufacture and operation of products; irrational use of metal resources; departure from scientifically-substantiated systems of machines for production of metallurgical products.

The main ways of resource-saving technological modernization of production are presented in Table. 3.1.

Table 3.1

Ways of resource conservation

The main sources of loss of resources	Directions of technological modernization
Inappropriate consumption of materials in alloys and products	a) Resource monitoring; b) Improvement of methods of calculation and design; c) Use of modern technologies; d) Use of new materials; e) Technological recycling.
Corrosion and wear	a) Calculation and design of systems with high corrosion and wear resistance; b) Application of new materials.
Irrational technological losses of energy in the processing of materials, the manufacture and operation of products	a) Monitoring of energy consumption, strengthening of thermal protection; b) Calculation and designing of energy saving equipment; c) Replacement of energy-intensive technologies; d) Using non-traditional sources of energy; e) Recycling heat.

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

Intangible resources are part of the company's potential, which provides economic benefits for a long period of time and has an intangible basis for obtaining income, which includes industrial and intellectual property and other resources of non-material origin [41, p.134].

Other types of intangible resources are counted:

- know-how - technology of production, scientific and technical, commercial, organizational and managerial knowledge necessary for the operation of production. Unlike the secrets of the production of know-how, they are not patented, since they are largely composed of certain techniques, skills, and others. Know-how dissemination is carried out by concluding licensing agreements:
- innovative offers - a technical solution that is new and useful for the enterprise, and involves changes in product design, production technology and technology, or changes in the composition of the material. His author is issued a special certificate establishing the right to authorship and remuneration;
- the name of the place of origin of the goods. Displays the name of the country (or locality) to determine the specific qualities of the goods, which are explained by natural conditions, human factor, national characteristics, characteristic of the region;
- goodwill - defines the image of the enterprise. Intangible assets are the rights to use intangible resources. Owners of an industrial property object receive the exclusive right to use them through patents.

An important factor in improving foreign trade operations efficiency is the assessment and analysis of the strengths and weaknesses of the enterprise. Weaknesses will enable the company to identify the danger from the outside of the environment, and the strengths – to use the capabilities of the environment. As a rule, a SWOT analysis of an enterprise is being carried out for this purpose, which gives an assessment of the opportunities and threats of operations on the foreign market.

To determine the strengths and weaknesses of Ltd. “Mechanicheskiy Zavod”, as well as potential threats and opportunities, we conduct a SWOT-analysis of the enterprise. It is based on the actions of internal and external factors that influence the activity of the enterprise (Table 3.2).

Table 3.2

SWOT-analysis of Ltd. “Mechanicheskiy Zavod”

Strengths	Weaknesses
- high quality products; - availability of new products and new production technologies; - availability of regular wholesale buyers; - availability of necessary financial resources; - the ability to send goods to anywhere in the world; - individual work with a buyer.	- low level of qualification of senior management; - small range of services; - lack of marketing planning.
Opportunities	Threats
- possibility of expansion of activity; - conquering new segments of the market; - access to new markets; - introduction of investment projects; - increase in market growth.	- decrease in demand for products; - the possibility of new competitors in this market segment; - decline in the economy; - lower prices for products due to the crisis; - unfavorable tax policy of the state.

Source: compiled by the author according to the data of the enterprise

Effective foreign trade activity of the enterprise is ensured primarily due to the quality of utilization of the resource potential. Investing in resources is a

form of optimal capital, it is known that their quality makes it possible to reduce losses, increase production efficiency.

Specialists note that if an enterprise seeks to implement an efficient foreign trade policy, it is expedient, first of all, to improve the marketing component of its activities. To do this, the enterprise needs to implement the most effective, from the standpoint of experts, marketing activities. In particular, they include: Direct Mail, participation in future foreign exhibitions and search and stimulation of intermediaries, wholesale buyers, dealers.

The most important criteria for the effectiveness of choosing one or another way of improving the efficiency of foreign trade operations of the enterprise should be increased profitability of production and sales of products, as well as profit growth. Because, profit is the main end result of all areas of financial and trade activity and the main source of financial resources of the enterprise.

3.2. The measures complex for the adaptation of international methods of foreign trade operations efficiency of Ltd. “Mechanicheskiy Zavod”

According to suggested measures above we should calculate a forecast on foreign trade activity of Ltd. “Mechanicheskiy Zavod” on 2019-2021 making the dynamics of value of foreign trade operations and structure of foreign trade operations of the enterprise.

For the forecast of future indicators we should use forecasting by average annual absolute growth.

At first we calculate the forecast of commodity and geographical structure of export of Ltd. “Mechanicheskiy Zavod” on 2019-2021 (tables 3.3-3.4).

Table 3.3

The forecast of commodity structure of export of Ltd. "Mechanicheskiy Zavod" on 2019-2021

Production	Year, thn uah		Average absolute growth, thn uah	Year, thn uah			Specific weight, %				
	2017 (base)	2018 (expected)		2019	2020	2021	2017 (base)	2018 (expected)	2019	2020	2021
Machine-building cradles	2245	2621	375,5	2996	3372	3747	2,19	2,17	1,83	1,81	1,79
Dredger	1120	1304	183,75	1488	1671	1855	1,09	1,08	0,91	0,90	0,89
Aluminum ingots 5-0-3	99183	116847	17664,25	134512	152176	169840	96,72	96,75	82,37	81,65	81,09
Aluminum ingots 5-0-0-3	**-**	**-**	**4856***	**24300**	**29156**	**34012**	**-**	**-**	**14,88**	**15,64**	**16,24**
Total	102548	120772	-	163295	186375	209454	100,00	100,00	100,00	100,00	100,00

Source: compiled by the author according to the data of the enterprise

* absolute growth rate was calculated based on the agreements of the export of aluminum ingots 5-0-0-3 for 48600 uah per 1 ton in 2019 with futher absolute growth of 100 tonnes in each next year.

The forecast of geographical structure of export of Ltd. "Mechanicheskiy

Country	Year, thn uah		Average absolute growth, thn uah	Year, thn uah			Spec		
	2017 (base)	2018 (expected)		2019	2020	2021	2017	2018	
Belarus	554	531	-23	508	485	462	0,54	0,44	
Slovakia	98796	116656	17859,5	134515	152375	170234	96,34	96,59	8
Poland	-	-	**4856***	**24300**	**29156**	**34012**	-	-	1
Hungary	1065	1118	52,75	1171	1223	1276	1,04	0,93	
Turkey	800	934	133,75	1068	1201	1335	0,78	0,77	
Japan	1333	1534	200,5	1734	1935	2135	1,30	1,27	
Total	102548	120772	-	163295	186375	209454	100,00	100,00	1

Source: compiled by the author according to the data of the enterprise

* absolute growth rate was calculated based on the agreements of the export of aluminum 1 ton to Poland in 2019 with futher absolute growth of 100 tonnes in each next year.

According to the suggestions for the improving of foreign trade activity of Ltd. “Mechanicheskiy Zavod” the commodity structure of export was diversified with the export of new aluminum ingots of more quality and the geographical structure was diversified with the export to Poland. The forecasts of this product were calculated based on the agreements of the export of 500 tonnes of aluminum ingots 5-0-0-3 for 48600 uah per 1 ton to Poland in 2019 with futher absolute growth of 100 tonnes in each next year.

Analyzing the forecast of commodity structure of export of Ltd. “Mechanicheskiy Zavod” on 2019-2021 we can see that the export of machine-building cradles is expected to grow on 375,5 thn uah in each next year, the dredger is expected to grow on 183,75 thn uah in each next year, that is the smallest growth regarding to the absolute growth of all other products. According to such forecast the value of export of machine-building cradles in 2021 will be 3747 thn uah and the value of export of dredger in 2021 will be 1855 thn uah.

The average absolute growth of export of aluminum ingots 5-0-3 is higher than others – 17664,25 thn uah – and in 2021 the value of export of aluminum ingots 5-0-3 will be 169840 thn uah, plus calculating the export of new aluminum ingots 5-0-0-3 the total export of aluminum ingots will reach 203852 thn uah in 2021.

The export of aluminum ingots will still take the main share of the export of the enterprise, since the specific weight of this product will be higher than 90% in each year. According to the forecast of the specific weight of export the value of export of machine-building cradles and dredger will increase in each year, but the specific weight of them will decrease and by 2021 it will be 1,79% and 0,89% relatively.

According to the forecast of geographical structure of export of Ltd. “Mechanicheskiy Zavod” on 2019-2021 we can see, that average absolute growth rates are all positive except export to Belarus. Average absolute growth of it is negative, that means that the value of export to Belarus will decrease on

23 thn uah each next year and will reduce to 462 thn uah in 2021 from 508 thn uah in 2019. The export to Slovakia has the highest average absolute growth (17859,5 thn uah).

According to the forecast of geographical structure of export of the enterprise the value of export to Turkey will increase each year on 133,75 thn uah and will reach 1335 thn uah in 2021, and the value of export to Japan will increase each year on 200,5 thn uah and will reach 2135 thn uah in 2021. The smallest average absolute growth of the export was showed by the export to Hungary. Average absolute growth of the export to Hungary is 52,75 thn uah and the value of export to Hungary will reach 1276 thn uah in 2021.

The export to Slovakia will still take the main share of the export of the enterprise, since the specific weight of this product will be higher than 90% in each year. According to the forecast of the specific weight of export the value of export to other countries except Belarus will increase in each year, but the specific weight of them will decrease. The lowest specific weight except Belarus is showed by the export to Hungary in 2021 – 0,61%.

The forecast of commodity and geographical structure of import of Ltd. “Mechanicheskiy Zavod” on 2019-2021 we can see in table 3.5-3.6.

According to the suggestions for the improving of foreign trade activity of Ltd. “Mechanicheskiy Zavod” the commodity structure of import was diversified with the import of crystalline silicon 5-0-0-3 and the forecast of import from Canada was calculated with accordance of the agreement of the imported 200 tonnes of crystalline silicon 5-0-0-3 from Canada in 2019 with futher growth of 50 tonnes of the product in each next year.

Analyzing the forecast of commodity structure of import of Ltd. “Mechanicheskiy Zavod” on 2019-2021 the import of all products will increase. The import of electrical equipment has the smallest average absolute growth and will increase on 122 thn uah each year reaching in 2021 the value of 1262 thn uah.

Table 3.5

The forecast of commodity structure of import of Ltd. "Mechanicheskiy Zavod" in 2019-2021

Production	Year, thn uah		Average absolute growth, thn uah	Year, thn uah			Specific weight, %				
	2017 (base)	2018 (expected)		2019	2020	2021	2017 (base)	2018 (expected)	2019	2020	2021
Aluminum fluoride	13855	16167	2312	18479	20791	23103	22,24	21,87	19,57	17,75	16,25
Crystalline silicon 5-0-3	35650	41891	6241,25	48133	54374	60615	57,22	56,68	50,98	46,41	42,64
Crystalline silicon 5-0-0-3	**-**	**-**	**2220**	**8800**	**11020**	**13240**	**-**	**-**	**9,32**	**9,41**	**9,31**
Metallurgical equipment	887	1020	133,25	1154	1287	1420	1,42	1,38	1,22	1,10	1,00
Electrical equipment	774	896	122	1018	1140	1262	1,24	1,21	1,08	0,97	0,89
Hydraulic equipment	756	880	124,25	1005	1129	1253	1,21	1,19	1,06	0,96	0,88
Other import*	10382	13055	-	15822	27422	41265	16,66	17,66	16,76	23,41	29,03
Total	62304	73910	-	94410	117162	142158	100,00	100,00	100,00	100,00	100,00

Source: compiled by the author according to the data of the enterprise

*Other import includes tractors DAF, trailers for tractors, 3-4 ton forklift trucks and other products, that the enterprise buys only once or twice during 5 years.

The forecast of geographical structure of import of Ltd. "Mechanicheskiy

Country	Year, thn uah		Average absolute growth, thn uah	Year, thn uah			Spec		
	2017 (base)	2018 (expected)		2019	2020	2021	2017	2018	
Germany	2417	2797	379,5	3176	3556	3935	3,88	3,78	
China	26345	30504	4159,25	34664	38823	42982	42,28	41,27	
Canada	**33312**	**40529**	**7217,25**	**56547**	**74784**	**95241**	**53,47**	**54,84**	
India	95	0	-172,25	0	0	0	0,15	0,00	
Czech Republic	135	80	-55,5	24	0	0	0,22	0,11	
Total	62304	73910	-	94410	117162	142158	100,00	100,00	

Source: compiled by the author according to the data of the enterprise

*The forecast of import from Canada was calculated according to the average absolute gro

the imported 200 tonnes of crystalline silicon 5-0-0-3 for 44400 uah per 1 ton and further growth

Also the import of hydraulic equipment is forecasted by the absolute growth on almost the same level as well as the growth of electrical equipment – 124,25 thn uah, while the average absolute growth of metallurgical equipment will be 133,25 thn uah. And the value of the import of hydraulic and metallurgical equipment will reach by 2021 1253 thn uah and 1420 thn uah relatively. The average absolute growth of aluminum fluoride is 2312 thn uah and by 2021 the value of import of aluminum fluoride will reach 23103 thn uah.

Crystalline silicon 5-0-3 has the biggest average absolute growth – 6241,25 thn uah and will reach 60615 thn uah of value of import of this product by 2021, plus calculating the import of new crystalline silicon 5-0-0-3 the total import of crystalline silicon will reach 73855 thn uah in 2021.

The import of crystalline silicon 5-0-3 will take the main share of the import of the enterprise, since the specific weight of this product will be higher than 50% in each year and will decrease slowly during all years until the specific weight of this product will reach 51,95% of all import, while the specific weight of all other products will be decreasing during all years except other import the specific weight of wich will increase during almost all years.

According to the forecast of geographical structure of import of Ltd. “Mechanicheskiy Zavod” on 2019-2021 we can see, that the import from Canada and China will have the highest growth, since the average absolute growth of them are 4159,25 thn uah and 7217,25 thn uah relatively and in 2021 the value of import from Canada will reach 95241 thn uah with the accordance of the agreement of the imported 200 tonnes of crystalline silicon 5-0-0-3 for 44400 uah per 1 ton from Canada. Also positive growth will be seen in the import from Germany, the average absolute growth of which is 379,5 thn uah. According to the forecast the value of import of products from Germany in 2021 will reach 3935 thn uah.

The import of products from India and Czech Republic will decrease each year on 172,25 thn uah and 55,5 thn uah relatively. According to the forecast on 2019-2021 in 2021 the value of import from India and Czech Republic will be 0

thn uah. The import from India finishes with 2018, while the import from Czech Republic will stop in 2020.

The import from Canada and China will have the biggest specific weight in all import of the enterprise, but the specific weight of import from Canada will grow during 2019-2021 from 59,89% in 2019 to 67% in 2021, while the specific weight of import from China will decrease from 36,72% in 2019 to 30,24% in 2021.

And to conclude the results we calculate the forecast of foreign trade activity of Ltd. “Mechanicheskiy Zavod” on 2019-2021 (table 3.7).

Table 3.7

The forecast of foreign trade operations Ltd. “Mechanicheskiy Zavod” on 2019-2021

Indicators	Year, thn uah					Growth rate, %			
	2017 (base)	2018 (expected)	2019	2020	2021	2017-2018	2018-2019	2019-2020	2020-2021
Export	102548	120772	163295	186375	209454	117,8	135,2	114,1	112,4
Import	62304	73910	94410	117162	142158	118,6	127,7	124,1	121,3
Total	164852	194681	257705	303537	351612	118,1	132,4	117,8	115,8

Source: compiled by the author according to the data of the enterprise

According to the forecast of foreign trade operations of Ltd. “Mechanicheskiy Zavod” on 2019-2021 the export will grow unstably on 12-35% each year and in 2021 the value of export will reach 209454 thn uah. The value of import of the enterprise showed unstable growth too. Thus the highest growth of import will be in 2019 regarding to 2018, in 2021 the value of import will be 142158 thn uah. The highest growth of foreign trade operations will be in 2019 too, while the smallest – in 2021 regarding to 2020 (115,8%) and by

2021 the value of foreign trade activity of the enterprise must reach 351612 thn uah.

3.3. Forecasted changes in the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” on the basis of suggested measures

According to suggested measures of improving of efficiency of foreign trade operation of Ltd. “Mechanicheskiy Zavod” we should calculate a forecast on the efficiency of foreign trade activity of the enterprise on 2019-2021 (table 3.8).

For the forecast of future indicators we should use forecasting above by average growth rate.

Table 3.8

The forecast of the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” on 2019-2021

Indicators	Years, thn uah		Average absolute growth, thn uah	Years, thn uah		
	2017 (base)	2018 (expected)		2019	2020	2021
1	2	3	4	5	6	7
Revenue from foreign trade activity, thn uah	164852	194681	-	257705	303536,5	351612
Cost of production, thn uah	90668,6	109697,7	-	134517,1	157626,4	185757,1
Costs of foreign trade activity, thn uah	71241,4	84674,88	13433,48	98108,36	111541,8	124975,32
Efficiency of foreign trade activity, %	101,8	100,2	-	110,8	112,8	113,2

Continuation of the table 3.8

1	2	3	4	5	6	7
Financial result from foreign trade activity before taxation, thn uah	2942	3524,0	582	4106,0	4688,0	5270,0
Profitability of foreign trade activity, %	1,4	1,4	-	1,3	1,3	1,3

Source: compiled by the author according to the data of the enterprise

According to the ratios of the efficiency of the forecast of foreign trade operations of Ltd. “Mechanicheskiy Zavod” on 2019-2021we can see that the efficiency of foreign trade activity of the enterprise during 2019-2021 will be higher than 100% and will have growing character, that means that foreign trade operations in each year will be efficient. The highest indicator will be in 2021 – 113,2%.

Analyzing the ratios of profitability of forecasted foreign trade activity, we can say that during 2019-2021 the foreign trade operations of Ltd. “Mechanicheskiy Zavod” will be profitable. But the indicators will decrease slowly during 2019-2021 from 1,4% in 2017 to 1,3% in 2021.

According to the average growth rate, we can see that revenue from foreign trade activity will increase each year and in 2021 the revenue from foreign trade activity will reach 351612 thn uah. Cost of production will increase too and reach 969694,4 thn uah in 2021. And costs of foreign trade activity will increase on 92,12% and will reach 970560,8 thn uah in 2021.

Financial result from foreign trade activity before taxation will grow less, the average absolute growth of it is 582 thn uah and the value of it will reach 5270 thn uah in 2021.

Then we should calculate a forecast on the efficiency of export of Ltd. “Mechanicheskiy Zavod” on 2019-2021 (table 3.9).

Table 3.9

The forecast of the efficiency of export of Ltd. "Mechanicheskiy Zavod" on 2019-2021

Indicators	Years, thn uah		Average growth rate, %	Years, thn uah		
	2017 (base)	2018 (expected)		2019	2020	2021
Revenue from export, thn uah	102548	120772	-	163295	186375	209454
Cost of production, thn uah	56401,4	70047,5	-	81647,5	93187,3	104727
Overhead on export, thn uah	44185,3	52220,25	8034,98	60255,23	68290,21	76325,18
Efficiency of export operations, %	101,9	98,8	-	115,1	115,4	115,7
Financial result from export before taxation, thn uah	1961,3	2349,3	388	2737,3	3125,3	3513,3
Profitability of export operations, %	1,5	1,4	-	1,4	1,5	1,5
The value of export in domestic prices	72541	85562	13020,75	98583	111603	124624
Expenses for the sale of export products within the country	15233,6	18274,8	3041,23	21316,1	24357,3	27398,5
Coefficient of efficiency of sales of export products in the domestic market	101,3	96,9	-	95,7	94,9	94,3

Source: compiled by the author according to the data of the enterprise

According to the ratios of the forecasted efficiency of export operations of Ltd. "Mechanicheskiy Zavod" we can see that the efficiency of export of the enterprise during 2019-2021 will be higher than 100%, that means that export

operations in each forecasred year will be efficient. The efficiency of these export operations will have growing character although the indicator will increase slowly on about 0,3% per year. The highest efficiency of the export operations will be in 2021 – 115,7%, increased from 115,1% in 2019.

Analyzing the ratios of forecasted profitability of export, we can say that during 2019-2021 the export operations of Ltd. “Mechanicheskiy Zavod” will be profitable. The highest indicator will be in 2020 and in 2021, when export operations of the enterprise can be profitable on 1,5%.

Analyzing forecasted coefficient of efficiency of sales of export products in the domestic market we can see that if the enterprise sells its export products on the domestic market these operations will not be efficient, since the efficiency of sales of export products in the domestic market will be lower than 100%. The value of export in the domestic market will increase on 13020,75 thn uah each year and will be 124624 thn uah in 2021, while the expenses for the sale of export products within the country will increase on 3041,23 and will reach 27398,5 thn uah in 2021. The highest indicator during 2019-2021 would be in 2019, so as the coefficient of efficiency of sales of export products in the domestic market in these years would be 95,7%, but still does not efficient.

According to the forecast of the efficiency of export operations of Ltd. “Mechanicheskiy Zavod” on 2019-2021 we can see that revenue from export had growing character and will increase to 209454 thn uah in 2021. The average absolute growth of overhead on export is 8034,98 thn uah and in 2021 will reach 76325,18 thn uah. The cost of production will also have growing character and in 2021 will be 104727 thn uah.

Financial result from export operations before taxation will grow on 388 thn uah and the value of it will reach 3513,3 thn uah in 2021.

Then we should calculate a forecast on the efficiency of import of Ltd. “Mechanicheskiy Zavod” on 2019-2021 (table 3.10).

Table 3.10

The forecast of the efficiency of import of Ltd. "Mechanicheskiy Zavod" in 2019-2021

Indicators	Years, thn uah		Average growth rate, %	Years, thn uah		
	2017 (base)	2018 (expected)		2019	2020	2021
Revenue from import, thn uah	62304	73910	-	94410	117162	142158
Cost of production, thn uah	34267,2	40650,2	-	52869,6	64439,1	81030,1
Expenses for import operations, thn uah	27056,1	32454,6	5398,48	37853,1	43251,6	48650,1
Efficiency of import operations, %	101,6	101,1	-	104,1	108,8	109,6
Financial result from import operations before taxation, thn uah	980,7	1178,7	214,00	1408,7	1622,7	1836,7
Profitability of import operations, %	1,2	1,2	-	1,2	1,1	1,1

Source: compiled by the author according to the data of the enterprise

According to the ratios of the efficiency of the forecast of import operations of Ltd. "Mechanicheskiy Zavod" we can see that the efficiency of import operations of the enterprise during 2019-2021 will be higher than 100% and will increase during 2019-2021, that means that foreign trade operations in each year will be efficient. The highest indicator will be in 2021 – 109,6%.

Analyzing the ratios of profitability of forecasted import operations, we can say that during 2019-2021 the import operations of Ltd. “Mechanicheskiy Zavod” will be profitable. Import operations of the enterprise will be profitable on 1,1-1,2%. The indicators will stay almost the same during 2019-2021, but we can see downward character of this ratio, since the profitability of forecasted import operations will decrease from 1,2% in 2019 to 1,1% in 2021.

According to the average growth rate, we can see that revenue from import activity will increase each year and in 2021 the revenue from import operations will reach 142158 thn uah. Cost of production will increase too and reach 81030,1 thn uah in 2021. And expenses for import operations will increase on 5398,48 thn uah each year and will reach 48650,1 thn uah in 2021.

Financial result from import operations before taxation will grow less, the average absolute growth of it is 214 thn uah and the value of it will reach 1836,7 thn uah in 2021.

Then we should calculate a forecast on the efficiency of suggested export of aluminum ingots 5-0-0-3 to Poland by Ltd. “Mechanicheskiy Zavod” on 2019-2021 (table 3.11).

Table 3.11

The forecast of the efficiency of export of aluminum ingots 5-0-0-3 to Poland by Ltd. “Mechanicheskiy Zavod” on 2019-2021

Indicators	Average growth rate, %	Years, thn uah		
		2019	2020	2021
1	2	3	4	5
Revenue from export, thn uah	-	24300	29156	34012
Cost of production, thn uah	-	12393	14578	16665,88
Overhead on export, thn uah	1988	9477	11465	13453

Continuation of Table 3.11

1	2	3	4	5
Efficiency of export operations, %	-	111,1	112,0	112,9
Financial result from export before taxation, thn uah	88	325	413	501
Profitability of export operations, %	-	1,1	1,2	1,2
The value of export in domestic prices	4584	18845	23429	28013
Expenses for the sale of export products within the country	1920	6082	8002	9922
Coefficient of efficiency of sales of export products in the domestic market	-	102,0	103,76	105,36

Source: compiled by the author according to the data of the enterprise

According to the ratios of the forecasted efficiency of export operation of aluminum ingots 5-0-0-3 to Poland by Ltd. “Mechanicheskiy Zavod” we can see that the efficiency of export operation during 2019-2021 will be higher than 100%, that means that such export operation in each forecasred year will be efficient. The efficiency of these export operations will have growing character although the indicator will increase slowly on about 0,9% per year. The highest efficiency of the export operation will be in 2021 – 112,9%, increased from 111,1% in 2019.

Analyzing the ratios of forecasted profitability of export of aluminum ingots 5-0-0-3 to Poland, we can say that during 2019-2021 the export operation of Ltd. “Mechanicheskiy Zavod” will be profitable. The highest indicator will be in 2020 and in 2021, when export operations of the enterprise can be profitable

on 1,2%. That mean that this indicator will also have growing character and increase slowly from 1,1% in 2019.

Analyzing forecasted coefficient of efficiency of sales of this export product in the domestic market we can see that if Ltd. “Mechanicheskiy Zavod” sells aluminum ingots 5-0-0-3 on the domestic market for domestic prices, these operations will be efficient too, but less than export operation (on about 6-9%). The value of export in the domestic market will increase on 4584 thn uah each year and will be 28013 thn uah in 2021, while the expenses for the sale of export products within the country will increase on 1920 thn uah and will reach 9922 thn uah in 2021. The highest indicator during 2019-2021 will be in 2021, so as the coefficient of efficiency of sales of export products in the domestic market in this year would be 105,36%. But it should be noted that the growth rate of efficiency of sales of export products in the domestic market is higher that the efficiency of export operation, since the first will increase from 102% to 105,36% in 2 years (from 2019 to 2021).

According to the forecast of the efficiency of export of aluminum ingots 5-0-0-3 to Poland by Ltd. “Mechanicheskiy Zavod” on 2019-2021 we can see that revenue from export had growing character and will increase each year on 100 tonnes, just like it was mentioned in the agreement. Overhead on export has the average absolute growth of 1988 thn uah and in 2021 will reach 13453 thn uah. Cost of production will increase too and in 2021 will be 16665,88 thn uah.

Financial result from this export operation before taxation will grow less, the average absolute growth of it is 88 thn uah and the value of it will reach 501 thn uah in 2021.

Such forecast of the efficiency of the suggested export of aluminum ingots 5-0-0-3 to Poland and avaluated results of forecasted profitability and efficiency of sales of export product in the domestic market shows the relevance of providing this export operation by Ltd. “Mechanicheskiy Zavod”. But I would recommend to take into account the efficiency of sales of export product in the

domestic market, since the growth rate of it is higher than that of the efficiency of export operations and in the future (after 2021) can exceed it.

CONCLUSIONS TO THE PART 3

1. Resource potential from the point of view of the enterprise as an economic entity is an important factor affecting the efficiency of financial and economic activity, as well as foreign trade activity, increasing the competitiveness of the enterprise. Resources are a set of tangible and intangible elements that directly or indirectly participate in the production process. Resource potential of the enterprise is not a set of resources available at the disposal of the enterprise, but the ability of employees and managers to use resources to produce goods (services) and maximize profits.

2. Elements of the resource potential of the enterprise are the following types of resources:

- labor;
- financial;
- tangible assets consisted of fixed assets (assets) and current assets;
- intangible;
- information.

3. Ltd. “Mechanicheskiy Zavod” has their own department of foreign economic relations with 4 managers of foreign economic activity and each of them is responsible for certain operations. But in cases of purchases of new equipment the enterprise uses these managers for translating big manuals of imported equipment and machines, that take time and reduce the efficiency of manager’s work. To improve efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod”, the enterprise should order the translation of manuals and other volume works in translation agencies.

4. The main causes of the loss of resources in metallurgical production are: inappropriate consumption of materials in technologies and products;

corrosion and wear; irrational technological losses of energy in the processing of materials, the manufacture and operation of products; irrational use of metal resources; departure from scientifically-substantiated systems of machines for production of metallurgical products. To solve these problems were suggested such methods: resource monitoring, improvement of methods of calculation and design, use of modern technologies, use of new materials, technological recycling, calculation and design of systems with high corrosion and wear resistance, application of new materials, monitoring of energy consumption, strengthening of thermal protection, calculation and designing of energy saving equipment replacement of energy-intensive technologies using non-traditional sources of energy recycling heat.

5. The following factors may affect the efficiency of foreign trade operations: customs payments, customs clearance, transportation, non-tariff restrictions, marketing, security and risks, etc. All of these factors and risks can be minimized through logistics and a systematic approach.

6. An important factor in improving foreign trade operations efficiency is the assessment and analysis of the strengths and weaknesses of the enterprise. Weaknesses will enable the company to identify the danger from the outside of the environment, and the strengths – to use the capabilities of the environment. Using SWOT analysis, it has been found strengths and weaknesses of Ltd. “Mechanicheskiy Zavod”, all of these problems require a prompt and correct solution, this will allow the organization to enter a new level of activity and increase the success of the work between managers and buyers.

7. Specialists note that if an enterprise seeks to implement an efficient foreign trade policy, it is expedient, first of all, to improve the marketing component of its activities. To do this, the enterprise needs to implement the most effective, from the standpoint of experts, marketing activities. In particular, they include: Direct Mail, participation in future foreign exhibitions and search and stimulation of intermediaries, wholesale buyers, dealers.

8. The most important criteria for the effectiveness of choosing one or another way of improving the efficiency of foreign trade operations of the enterprise should be increased profitability of production and sales of products, as well as profit growth. Because, profit is the main end result of all areas of financial and trade activity and the main source of financial resources of the enterprise.

9. On the basis of suggested measures and suggestion of changing use of silicon 5-0-3 on silicon 5-0-0-3 that is the material for aluminum ingots, that Ltd. “Mechanicheskiy Zavod” exports the most, it was calculated forecasted efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod”.

10. According to the forecast of the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” it was concluded that foreign trade operations of the enterprise during 2019-2021 will be efficient and profitable (110-112% and 1,3-1,4% relatively).

11. According to the forecast of the efficiency of export operations of Ltd. “Mechanicheskiy Zavod” it was concluded that export operations of the enterprise during 2019-2021 will be efficient and profitable and (115% and 1,4-1,5% relatively). Also it was concluded that the export operations will be more efficient than selling its export products on the domestic market.

12. According to the forecast of the efficiency of import operations of Ltd. “Mechanicheskiy Zavod” it was concluded that import operations of the enterprise during 2019-2021 were efficient and profitable (104-109% and 1,1-1,2% relatively).

13. According to the forecast of the efficiency of export of aluminum ingots 5-0-0-3 to Poland by Ltd. “Mechanicheskiy Zavod” it was concluded that this export operation of the enterprise during 2019-2021 will be efficient and profitable (111-112% and 1,1-1,2% relatively). Also it was concluded that the export operations will be more efficient than selling these export product on the domestic market.

CONCLUSIONS

In the master's work it was solved the scientific and practical task of providing practical recommendations and developing ways to increase the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod”.

The main methods of assessing foreign trade activity of enterprises were conducted. After summarizing these techniques, the main indicators that should be calculated and relied upon in determining the efficiency and profitability of carrying out foreign trade activity at the enterprise were selected. This method involves the calculation of coefficients in both export and import activities, so it can be applied to any enterprise.

It is determined that the structure of the mechanism of management of foreign trade operations includes management objectives, methods, tools and resources. Objectives of management become a starting point, since their achievement, later, becomes a criterion for determining the efficiency of the management mechanism.

It was investigated that the concept of the efficiency of the mechanism of management of foreign trade operations of the enterprise includes a large complex of measures and should penetrate the whole process of management in the enterprise. In addition, it should perform such functions as internal affairs planning, logistics management, risk management, international marketing, supply and sales management, management accounting, control and analysis.

Analysis of the main indicators of economic activity of Ltd. “Mechanicheskiy Zavod” and the dynamics of them showed that the enterprise as a whole functions satisfactorily in the last year. According to the profitability ratios of Ltd. "Mechanicheskiy Zavod" over the past 5 years, it was conclude that the company's activity was efficient and profitable only in 2013 and 2017, since all profitability indicators are over 0%. The profitability ratios of 2014 and 2016 except economic profitability have a value of 0% that describes the break-

even rate of the enterprise in these years, caused by zero profit. The economic profitability of 2015-2016 years has negative figures, that mean that these years were not efficient and profitable for the enterprise.

Analysis of the level of solvency of Ltd. "Mechanicheskiy Zavod" showed that the total coverage and intermediate coverage ratios, the absolute liquidity ratios and the ratios of maneuverability of each years are above normal (>2, >1, >0,2, and >0,2–0,5 respectively). The share of working capital in stock coverage indicators are much above normal (>0,5), remaining almost on the same level each year.

It was assessed the type of financial stability of Ltd. "Mechanicheskiy Zavod" and was determined that the enterprise is characterized by absolute financial stability for 5 years, since indicators of "Normal sources of funding" of 31.12.2013, 31.12.2014, 31.12.2015, 31.12.2016, 31.12.2017 are higher than the indicators of the stock indexes of the same dates respectively.

For the exploring of foreign trade activity of Ltd. "Mechanicheskiy Zavod" it was analyzed its commodity and geographical structures and was concluded that most of all the enterprise exports aluminum ingots to Slovakia and imports aluminum fluoride and crystalline silicon from China and Canada.

There was provided the analysis of the efficiency of foreign trade operations of Ltd. "Mechanicheskiy Zavod" and was concluded that overall efficiency of foreign trade activity of the enterprise of 2013-2017 was higher than 100% except 2015 and 2016 and was decreasing slowly until 2016 and increased in 2017, but foreign trade operations in each year were efficient. The financial results from foreign trade activity before taxation has the highest figures in 2017 (2942 thn uah), increased from 0 thn uah in 2016. According to the calculations foreign trade operations of the enterprise was profitable except 2015 and 2016, when the profitability of the enterprise were 0%. The highest indicator was in 2017 (1,4%).

There was analyzed the interconnection between the efficiency and the profitability of foreign trade operations of the enterprise and was defined direct

interconnection that means that with the growth of efficiency of foreign trade operations of the enterprise, the profitability of the enterprise will grow too and vice versa with the reduce of efficiency of foreign trade operations of the enterprise, the profitability of the enterprise will decrease too.

It was analized the resource potential of enterprises and the opportunities to increase the efficiency of the foreign trade operations of the enterprise and was concluded that enterprises achieve better efficiencies in a number of ways. They may innovate new methods of production or improve the processes they already have in place. They may experiment with new materials, or seek alternative sources for the essential components of their product.

It was analyzed the strengths, weaknesses, opportunities and threats of Ltd. “Mechanicheskiy Zavod” and suggested certain ways for improvement of efficiency of the foreign trade operations of the enterprise.

It was suggested to order the translation of manuals and other volume works in translation agencies, instead of using for the translations the managers of foreign economic activity of the enterprise, that decreases the work speed and the efficiency of their work.

It was defined the main causes of the loss of resources in metallurgical production and suggested such methods to solve these problems: resource monitoring, improvement of methods of calculation and design, use of modern technologies, use of new materials, technological recycling, calculation and design of systems with high corrosion and wear resistance, application of new materials, monitoring of energy consumption, strengthening of thermal protection, calculation and designing of energy saving equipment replacement of energy-intensive technologies using non-traditional sources of energy recycling heat.

To improve the quality and to increase the efficiency of the foreign trade operations of the Ltd. “Mechanicheskiy Zavod” it was suggested to start using silicon 5-0-0-3 to produce the aluminum alloys of higher quality and exports it

to Poland where the demand on such aluminum ingots is higher than in Slovakia.

According to the forecast of the efficiency of foreign trade operations of Ltd. “Mechanicheskiy Zavod” it was concluded that foreign trade operations of the enterprise during 2019-2021 will be efficient and profitable (110-112% and 1,3-1,4% relatively). According to the forecast of the efficiency of export operations of Ltd. “Mechanicheskiy Zavod” it was concluded that export operations of the enterprise during 2019-2021 will be efficient and profitable and (115% and 1,4-1,5% relatively). Also it was concluded that the export operations will be more efficient than selling its export products on the domestic market. According to the forecast of the efficiency of import operations of Ltd. “Mechanicheskiy Zavod” it was concluded that import operations of the enterprise during 2019-2021 were efficient and profitable (104-109% and 1,1-1,2% relatively).

According to the forecast of the efficiency of export of aluminum ingots 5-0-0-3 to Poland by Ltd. “Mechanicheskiy Zavod” it was concluded that this export operation of the enterprise during 2019-2021 will be efficient and profitable (111-112% and 1,1-1,2% relatively). Also it was concluded that the export operations will be more efficient than selling these export product on the domestic market.

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APPENDICES

Appendices A

Consolidated reports of Ltd. “Mechanicheskiy Zavod” for 2013-2017

ASSETS	Line code	Actual on				
		31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017
I. Non-current assets						
Fixed assets	1010	16078	16630	18418	22966	32566
Deferred tax assets	1045	11	0	0	0	0
Total for section I	**1095**	**16089**	**16630**	**18418**	**22966**	**32566**
II. Current assets						
Inventories:	1100	11235	13918	10273	13780	14125
Industrial stocks	1101	10977	13704	8986	11770	10659
Production in progress	1102	258	214	1287	2010	3466
Receivables on products, goods, works and services	1125	4615	4567	5326	2776	15676
Receivables on settlements: the advances payments	1130	2099	371	1151	3101	3444
From budget	1135	21879	19952	20633	1894	6234
Including income tax	1136	0	0	267	269	0
Other current receivables	1155	1247	2135	888	8235	2055
Money and their equivalents	1165	2877	3808	1787	4902	1766
Deferred expenses	1170	0	220	0	0	0
Other current assets	1190	3	22	0	0	0
Total for section II	**1195**	**43955**	**44993**	**40058**	**34688**	**43300**
Total	**1300**	**60044**	**61623**	**58476**	**57654**	**75866**

Liability	Line code	Actual on				
		31.12. 2013	31.12. 2014	31.12. 2015	31.12. 2016	31.12. 2017
I. Own capital						
The registered capital	1400	33194	33194	38277	38277	38277
Reserve capital	1415	7740	7740	7740	7740	7740
Retained profit (uncovered loss)	1420	1892	1492	1427	797	3667
Total for section I	1495	42826	42426	47444	46814	49684
II. Long-term liabilities and provision						

Long-term bank loans	1510	0	0	0	0	18922
Other long-term liabilities	1515	9567	9767	9867	9967	3610
Total for section II	1595	9567	9767	9867	9967	22532
III. Current liabilities and provision						
Short-term bank loans	1600	0	1538	0	0	44
Current debts: long-term liabilities	1610	0	0	0	0	240
goods, work, services	1615	1404	2006	751	373	970
payments to the budget	1620	620	73	66	36	382
including income tax	1621	0	0	0	0	296
insurance settlements	1625	134	143	119	83	139
wages paying	1630	261	260	229	188	254
advances received	1635	45	81	0	79	3
Other current liabilities	1690	5087	5362	0	114	1618
Total for section III	**1695**	**7551**	**9463**	**1165**	**873**	**3650**
Total	**1900**	**60044**	**61623**	**58476**	**57654**	**75866**

Item	Line code	Years				
		2013	2014	2015	2016	2017
Net income (proceeds) from products sale (goods, work, services)	2000	65166	129268	104783	86562	201078
Cost value of sales (goods, work, services)	2050	61220	121443	100712	84200	187878
Gross profit	2090	3946	7825	4071	2362	13200
Other operating revenues	2120	4528	1934	2230	2887	12857
Administrative expenses	2130	3211	5100	3404	2923	4978
Distribution costs	2150	1802	3106	2301	2225	5411
Other operating expenses	2180	3878	1088	360	377	10655
Financing results from operating activities: profit	2190	0	465	236	0	5013
Financing results from operating activities: losses	2195	417	0	0	276	0
Other financing revenues	2220	1136	91	22	38	102
Other revenues	2240	106	61	225	20	79
Financing expenses	2250	100	123	267	382	1411
Other expenses	2270	3	31	194	26	26
Profit before taxes	2290	722	463	22	0	3763
Losses	2295	0	0	0	626	0
Income tax expense	2300	514	863	5	4	893
Net income	2350	208	0	17	0	2870

Losses	2355	0	400	0	630	0

Appendices B

The dynamics of the value of assets of Ltd. "Mechanicheskiy Zavod" in 2013-2017, thn uah

Article balance sheet	Balance on					Absolute deviation					Relative deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2017/ 2013
Fixed assets	16078	16630	18418	22966	32566	552	1788	4548	9600	16488	1,0	1,1	1,3	1,4	2,0
Deferred tax assets	11	0	0	0	0	-11	0	0	0	-11	0,0	-	-	-	0,0
Total non-current assets	**16089**	**16630**	**18418**	**22966**	**32566**	**541**	**1788**	**4548**	**9600**	**16477**	**1,0**	**1,1**	**1,3**	**1,4**	**2,0**
Inventories	11235	13918	10273	13780	14125	2683	-3645	3507	345	2890	1,2	0,7	1,3	1,0	1,3
Receivables on products, goods, works and services	4615	4567	5326	2776	15676	-48	759	-2550	12900	11061	1,0	1,2	0,5	5,7	3,4
Receivables on settlements: the advances payments	2099	371	1151	3101	3444	-1728	780	1950	343	1345	0,2	3,1	2,7	1,1	1,6
From budget	21879	19952	20633	1894	6234	-1927	681	-18739	4340	-15645	0,9	1,0	0,1	3,3	0,3
Including income tax	0	0	267	269	0	0	267	2	-269	0	-	-	1,0	0,0	-
Other current receivables	1247	2135	888	8235	2055	888	-1247	7347	-6180	808	1,7	0,4	9,3	0,3	1,7
Money and their equivalents	2877	3808	1787	4902	1766	931	-2021	3115	-3136	-1111	1,3	0,5	2,7	0,4	0,6
Deferred expenses	0	220	0	0	0	220	-220	0	0	0	-	0,0	-	-	-
Other current assets	3	22	0	0	0	19	-22	0	0	-3	7,3	0,0	-	-	0,0
Total current assets	**43955**	**44993**	**40058**	**34688**	**43300**	**1038**	**-4935**	**-5370**	**8612**	**-655**	**1,0**	**0,9**	**0,9**	**1,3**	**1,0**
Balance	**60044**	**61623**	**58476**	**57654**	**75866**	**1579**	**-3147**	**-822**	**18212**	**15822**	**1,0**	**1,0**	**1,0**	**1,3**	**1,3**

Source: compiled by the author according to the data of the enterprise

The dynamics of the structure of assets of Ltd. "Mechanicheskiy Zavod" i

Article balance sheet	Specific weight on					Absolute deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2
Fixed assets	26,8	27,0	31,5	39,8	42,9	0,2	4,5	8,3	3,1	
Deferred tax assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Total non-current assets	**26,8**	**27,0**	**31,5**	**39,8**	**42,9**	**0,2**	**4,5**	**8,3**	**3,1**	
Inventories	18,7	22,6	17,6	23,9	18,6	3,9	-5,0	6,3	-5,3	
Receivables on products, goods, works and services	7,7	7,4	9,1	4,8	20,7	-0,3	1,7	-4,3	15,8	
Receivables on settlements: the advances payments	3,5	0,6	2,0	5,4	4,5	-2,9	1,4	3,4	-0,8	
From budget	36,4	32,4	35,3	3,3	8,2	-4,1	2,9	-32,0	4,9	-
Including income tax	0,0	0,0	0,5	0,5	0,0	0,0	0,5	0,0	-0,5	
Other current receivables	2,1	3,5	1,5	14,3	2,7	1,4	-1,9	12,8	-11,6	
Money and their equivalents	4,8	6,2	3,1	8,5	2,3	1,4	-3,1	5,4	-6,2	
Deferred expenses	0,0	0,4	0,0	0,0	0,0	0,4	-0,4	0,0	0,0	
Other current assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Total current assets	**73,2**	**73,0**	**68,5**	**60,2**	**57,1**	**-0,2**	**-4,5**	**-8,3**	**-3,1**	**-**
Balance	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**0,0**	**0,0**	**0,0**	**0,0**	

Source: compiled by the author according to the data of the enterprise

The dynamics of the value of liabilities of Ltd. “Mechanicheskiy Zavod” i

Article balance sheet	Balance on					Absolute deviation				
	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17	2014/ 2013	2015/ 2014	2016/ 2015	2017/ 2016	2
The registered capital	33194	33194	38277	38277	38277	0	5083	0	0	5
Reserve capital	7740	7740	7740	7740	7740	0	0	0	0	
Retained profit (uncovered loss)	1892	1492	1427	797	3667	-400	-65	-630	2870	1
Own capital	**42826**	**42426**	**47444**	**46814**	**49684**	**-400**	**5018**	**-630**	**2870**	**6**
Long-term bank loans	0	0	0	0	18922	0	0	0	18922	1
Other long-term liabilities	9567	9767	9867	9967	3610	200	100	100	-6357	-
Long-term liabilities and provision	**9567**	**9767**	**9867**	**9967**	**22532**	**200**	**100**	**100**	**12565**	**1**
Short-term bank loans	0	1538	0	0	44	1538	-1538	0	44	
Current debts: long-term liabilities	0	0	0	0	240	0	0	0	240	
goods, work, services	1404	2006	751	373	970	602	-1255	-378	597	-
payments to the budget	620	73	66	36	382	-547	-7	-30	346	-
including income tax	0	0	0	0	296	0	0	0	296	
insurance settlements	134	143	119	83	139	9	-24	-36	56	
wages paying	261	260	229	188	254	-1	-31	-41	66	
advances received	45	81	0	79	3	36	-81	79	-76	
Other current liabilities	5087	5362	0	114	1618	275	-5362	114	1504	-
Current liabilities and provision	**7551**	**9463**	**1165**	**873**	**3650**	**1912**	**-8298**	**-292**	**2777**	**-**

Balance	**60044**	**61623**	**58476**	**57654**	**75866**	**1579**	**-3147**	**-822**	**18212**	**1**

Source: compiled by the author according to the data of the enterprise

The dynamics of the structure of liabilities of Ltd. "Mechanicheskiy Zavod"

Article balance sheet	**Specific weight on**					**Absolute deviation**				
	31.12.13	**31.12.14**	**31.12.15**	**31.12.16**	**31.12.17**	**2014/ 2013**	**2015/ 2014**	**2016/ 2015**	**2017/ 2016**	**2**
The registered capital	55,3	53,9	65,5	66,4	50,5	-1,4	11,6	0,9	-15,9	
Reserve capital	12,9	12,6	13,2	13,4	10,2	-0,3	0,7	0,2	-3,2	
Retained profit (uncovered loss)	3,2	2,4	2,4	1,4	4,8	-0,7	0,0	-1,1	3,5	
Own capital	**71,3**	**68,8**	**81,1**	**81,2**	**65,5**	**-2,5**	**12,3**	**0,1**	**-15,7**	
Long-term bank loans	0,0	0,0	0,0	0,0	24,9	0,0	0,0	0,0	24,9	
Other long-term liabilities	15,9	15,8	16,9	17,3	4,8	-0,1	1,0	0,4	-12,5	-
Long-term liabilities and provision	**15,9**	**15,8**	**16,9**	**17,3**	**29,7**	**-0,1**	**1,0**	**0,4**	**12,4**	
Short-term bank loans	0,0	2,5	0,0	0,0	0,1	2,5	-2,5	0,0	0,1	
Current debts: long-term liabilities	0,0	0,0	0,0	0,0	0,3	0,0	0,0	0,0	0,3	
goods, work, services	2,3	3,3	1,3	0,6	1,3	0,9	-2,0	-0,6	0,6	
payments to the budget	1,0	0,1	0,1	0,1	0,5	-0,9	0,0	-0,1	0,4	
including income tax	0,0	0,0	0,0	0,0	0,4	0,0	0,0	0,0	0,4	
insurance settlements	0,2	0,2	0,2	0,1	0,2	0,0	0,0	-0,1	0,0	
wages paying	0,4	0,4	0,4	0,3	0,3	0,0	0,0	-0,1	0,0	
advances received	0,1	0,1	0,0	0,1	0,0	0,1	-0,1	0,1	-0,1	
Other current liabilities	8,5	8,7	0,0	0,2	2,1	0,2	-8,7	0,2	1,9	
Current liabilities and provision	**12,6**	**15,4**	**2,0**	**1,5**	**4,8**	**2,8**	**-13,4**	**-0,5**	**3,3**	

Balance	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**0,0**	**0,0**	**0,0**	**0,0**	

Source: compiled by the author according to the data of the enterprise

Appendices F

The commodity structure of export of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Production	Year, thn uah					Specific weight, %				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Machine-building cradles	743	1445	954	969	2245	2,51	2,79	2,11	2,62	2,19
Dredger	385	1884	1045	848	1120	1,30	3,63	2,31	2,30	1,09
Aluminum ingots	28526	48516	43251	35128	99183	96,20	93,58	95,58	95,08	96,72
Total	29654	51845	45250	36945	102548	100	100	100	100	100

Source: compiled by the author according to the data of the enterprise

Appendices G

The geographical structure of export of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Country	Year, thn uah					Specific weight, %				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Belarus	646	1950	1503	1148	554	2,18	3,76	3,32	3,11	0,54
Slovakia	27358	45550	41122	33627	98796	92,26	87,86	90,88	91,02	96,34
Hungary	854	1648	1258	985	1065	2,88	3,18	2,78	2,67	1,04
Turkey	265	1764	925	728	800	0,89	3,40	2,04	1,97	0,78
Japan	531	933	442	457	1333	1,79	1,80	0,98	1,24	1,30
Total	29654	51845	45250	36945	102548	100	100	100	100	100

Source: compiled by the author according to the data of the enterprise

Appendices H

The dynamics of geographical structure of import of Ltd. "Mechanicheskiy Zavod" in 2013-2017

Country	Year, thn uah					Specific weight, %				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Germany	899	1511	1475	1191	2417	5,55	4,47	4,89	5,18	3,88
China	9708	18096	15221	10246	26345	59,96	53,56	50,44	44,53	42,28
Canada	4443	12145	12199	11218	33312	27,44	35,95	40,43	48,76	53,47
India	784	958	755	105	95	4,84	2,84	2,50	0,46	0,15
Czech Republic	357	1077	526	247	135	2,20	3,19	1,74	1,07	0,22
Total	16191	33787	30176	23007	62304	100	100	100	100	100

Source: compiled by the author according to the data of the enterprise

Appendices I

Functional model of the mechanism of management of foreign economic activity of the enterprise