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DIPLOMA WORK

on the topic «IMPROVING MECHANISM OF ENTERPRISE`S FOREIGN
ECONOMIC ACTIVITIES»

Student of 2th year, group ME.m-71a
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relations»

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ABSTRACT
of diploma work on the topic
«IMPROVING MECHANISM OF ENTERPRISE`S FOREIGN ECONOMIC
ACTIVITIES»

by student Yuliia Prykhozhai

The relevance of the topic is that in the modern world the role of foreign economic sphere all time increases. Nowadays a foreign economic activity is an important part of national economy, organisations and enterprises. It`s helps to reach scientific and technological, social and economic progresses.

Through the reforms of foreign economic activities the role of its main subject – enterprise, has changed. Enterprise acquired the right to operate in foreign markets independently. Therefore, a company best bet for reaching effectiveness management of FEA is to develop optimal model (strategy) of management of the enterprise in foreign markets.

Purpose of diploma work is to study of the theoretical foundations and to develop practical recommendations for improving mechanism of enterprise`s foreign economic activities.

Object of research is foreign economic activities of enterprise LLC «Gorobina».

Subject of research is economic relations in the process of organisation and realisation of enterprise`s foreign economic activities.

In this research such methods were used as: systematisation and generalisation (used at theoretical substantiation), comparison (used at process of competitors analysis), SWOT-analysis (used at analysis of strengths and weaknesses of the enterprise), tabular (for summarizing materials), statistical (used at analysis of economic situation of the company and export activities) and other methods.

Information base of diploma work were works of domestic and foreign scientists, existing legal acts, official statistic datum, official documents of the LLC «Gorobina».

The main scientific results of the work are as follows:

- 1) identified strengths and weaknesses of the enterprise;
- 2) developed recommendations for overcome the weaknesses;
- 3) calculated the efficiency of proposed measures.

The results could be used for developing strategic plan for improving mechanism of the enterprise`s foreign economic activities in foreign markets.

Results, of researched of diploma work, were considered in the economic scientific internet conference on the topic «The world of economics», issue 9.

Keywords: foreign economic activities (FEA), principles of FEA, regulation of FEA, tariff (economic) methods of regulation, non-tariff (organizational-administrative) methods of regulation, foreign trade contract, promotion of products.

Diploma work posted on 49 pages, in particular references involves 73 names, placed on 7 pages. The work involves 10 tables, 3 figures and 9 appendixes, placed on 15 pages.

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INTRODUCTION

The relevance of the topic is that in the modern world the role of foreign economic sphere all time increases. Nowadays a foreign economic activity is an important part of national economy, organisations and enterprises. It`s helps to reach scientific and technological, social and economic progresses.

Through the reforms of foreign economic activities the role of its main subject – enterprise, has changed and enterprise acquired the right to operate in foreign markets independently.

In modern market conditions the main goal of enterprises is to make profit and ensure a stable economic growth, enterprises try to keep the existing market position and find new sales markets.

A domestic market is not roomy enough and couldn`t consume all products that produced in the country. This fact forces enterprises to enter the foreign markets but the competition in foreign markets higher than in domestic. That is why during implementation activities in foreign markets it`s a smart move to pay attention to such statements as: market conditions, potential sellers and buyers, building partnerships, negotiations, signing of agreements and others. Therefore, a company best bet for reaching effectiveness management of FEA is to develop optimal model (strategy) of management of the enterprise in foreign markets.

In studying of FEA of enterprises were engaged a lot of domestic and foreign scientists. For example, Zosimova S., in her works, for improving foreign economic activities of enterprises proposed: to make a complex analysis of foreign economic activities and SWOT-analysis; to carry out analysis of enterprise`s external environment (competitors, customers, supplies); to make matrix analysis (matrix BCG, GEM, ADL). After analysis, author recommended to make list of strategies with calculation of probability of their introduction. Other scientist - Okulova A., thinks it`s a good idea to use integrated approach to strategy formation of enter the foreign markets on the basis of competitiveness concept, and provision of TQM.

This approach based on active interaction of all stakeholders that interested in enterprise`s activities: customers, workers, intermediaries, partners and others.

Blacon O., Timoshenko N. recommended to identify the most attractive countries for cooperation, analysis existing foreign economic relations and to choose perspective direction of development. There scientists proposed, for ensuring enterprise competitiveness in foreign markets, to develop на the only direction that will be accounted internal opportunities of enterprise, market conditions and use measures for product promotions [1, 2].

But nobody of these scientists didn`t take into account a products specificity, but it should be born in mind that some goods have some specific features of sales and promotion. This will be taken into account in this work.

Scientific novelty of this work is to develop of recommendations for improving mechanism of enterprise`s foreign economic activities, taking into account specialisation of the enterprise, through increased sales in existing markets and improved system of products promotion in new foreign markets.

Purpose of diploma work is to study of the theoretical foundations and to develop practical recommendations for improving mechanism of enterprise`s foreign economic activities.

Object of research is foreign economic activities of enterprise LLC «Gorobina».

Subject of research is economic relations in the process of organisation and realisation of enterprise`s foreign economic activities.

Based on the relevance of the topic and purpose of research the main tasks of this research are:

- 1) definition of the concept and main entities of foreign economic activities;
- 2) definition of main types of enterprise`s foreign economic activities;
- 3) definition of methods of foreign economic activities regulation;
- 4) analysis of financial and economic state of the enterprise;

- 5) review of implementation mechanisms of enterprise`s foreign economic activities;
- 6) analysis structure and dynamics of foreign economic operations in the enterprise;
- 7) developing recommendations for improving work of the enterprise in foreign markets.

Information base of diploma work were works of domestic and foreign scientists, existing legal acts, official statistic datum, official documents of the LLC «Gorobina».

In this research such methods were used as: systematisation and generalisation (used at theoretical substantiation), comparison (used at process of competitors analysis), SWOT-analysis (used at analysis of strengths and weaknesses of the enterprise), tabular (for summarizing materials), statistical (used at analysis of economic situation of the company and export activities) and other methods.

The results could be used for developing strategic plan for improving mechanism of the enterprise`s foreign economic activities in foreign markets.

Results, of researched of diploma work, were considered in the economic scientific internet conference on the topic «The world of economics», issue 9.

SECTION 1 THEORETICAL FRAMEWORK OF FOREIGN ECONOMIC ACTIVITY OF AN ENTERPRISE

1.1 Concept and essence of foreign economic activity

When enterprises enter the global market, they become involved in a competitive struggle. Firms begin to take care of the technical and qualitative characteristics of their products, explore global markets, and develop modern and effective tools for sales of goods and services, and much more. All of them begin to take part in the foreign economic activity (FEA) of the country.

The concept of foreign economic activity appeared a long time ago, which is why there are many different interpretations. Therefore, for example, under the concept of foreign economic activity, Kyrychenko O. A. means a set of forms, directions, methods of scientific, technical and economic and trade cooperation [3].

Another well-known economist Tiurina N.M. defines the concept of foreign economic activity as a powerful and important factor in the development of the country and economic growth, as well as one of the ways of integration of the national economy into the world economic system, into the processes of international cooperation, international division of labour. [4].

According to the Law of Ukraine "On foreign economic activity", foreign economic activity is the activity of business entities of Ukraine, as well as foreign economic entities, based on cooperation between them, both on the territory of Ukraine and beyond its borders.

The economic entities engaged in FEA (the Law of Ukraine "On foreign economic activity") are:

- 1) individuals-citizens of Ukraine, foreign citizens, as well as stateless persons who have civil legal capacity and active dispositive capacity according to the laws of Ukraine and permanently reside in its territory;
- 2) legal entities registered as such in Ukraine and having permanent location in its territory;

- 3) associations of individuals, legal entities, individuals and legal entities that are not legal entities under the legislation of Ukraine, but have a permanent location in the territory of Ukraine and which are not prohibited by the laws of Ukraine to carry out economic activities;
- 4) structural units of business entities, foreign economic entities that are not legal entities under the legislation of Ukraine (business units, branches, etc.), but have a permanent location in the territory of Ukraine;
- 5) other economic entities engaged in foreign economic activity provided by the laws of Ukraine, including the state represented by its authorities, local governments represented by foreign economic organizations established by them, participating in economic activity in the territory of Ukraine [5].

The main subject of FEA is an enterprise. The global experience shows that about 15% of foreign economic operations are carried out by ministries, unions, organizations of entrepreneurs, and 85% account for enterprises. The fact that the enterprise takes part in the FEA indicates that its production process has expanded beyond the borders of the country and it takes part in the world market (of goods, services, labour, and capital) [6].

The term "enterprise" means an independent business entity that provides services or manufactures products for profit-making and consumer satisfaction.

That is why the enterprise's FEA is based on the possibility of obtaining economic benefits, based on the benefits of the international division of labour and business relationships. This can be explained by the fact that the production of a certain product and its sale, or provision of services in a foreign country has much more advantages than the same activity in the domestic market [7].

So, FEA is a complex of forms, directions, methods of scientific-technical and economic-trade cooperation. One of the main economic entities engaged in foreign economic activity are enterprises. Foreign economic activity of an enterprise has a significant feature, which lies in the fact that it is performed on a different, international level, in correlation with economic entities of foreign countries.

Entering the world market, the enterprises carry out a variety of operations, perform certain functions and operate in accordance with clear principles.

1.2 Types and functions of foreign economic activity

In the course of reforming the economy of Ukraine, enterprises and organizations gained the right to operate in the world market. They have right to make decisions on the choice of foreign partners, product range for export-import agreements, setting the price level, as well as on the choice of the FEA type.

FEA functions include:

1. Organization of the international monetary circulation.
2. Organization of the international exchange of products of labour and natural resources in tangible and value forms.
3. International determination of the value of products, performed in accordance with the international division of labour [9].

The main types of FEA are defined in the Law of Ukraine "On foreign economic activity". These include the following types: visible trade, provision of services to foreign entities, international financial transactions, education and training of specialists, organization of joint ventures, credit and settlement operations, countertrade, participation in the work of organizations, lease relations, work on contract terms (Appendix C) [6].

As for the foreign economic activity of enterprises, its main types are shown in figure 1.1 [10].

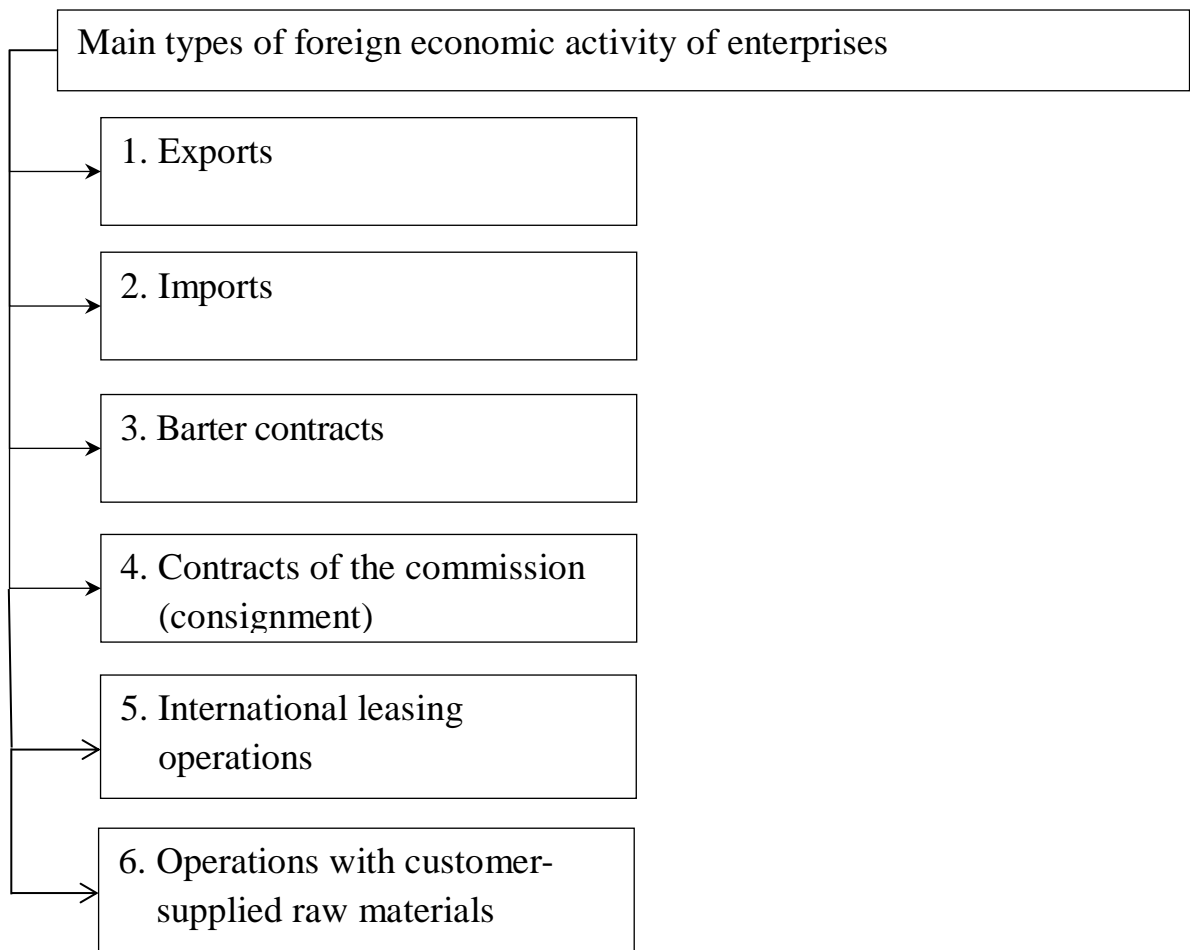


Figure 1.1 – Main types of foreign economic activity of enterprises.

1. Exports

Export of goods means the sale of goods to foreign economic entities, as well as with or without the export of goods across the customs border, including re-export. Re-export of goods is the sale of goods previously imported by the exporter to non-residents and exporting them.

The main purpose of export operations is the receipt of profit from production and other forms of economic activity.

2. Imports

Import of goods means the purchase of goods from foreign economic entities, followed by the importation or export of these goods to the territory of the country. The main purpose of import operations is the receipt of profit from production and other forms of economic activity [11].

3. Operations with customer-supplied raw materials

3.1. Import of customer-supplied raw materials in the territory of Ukraine

In the situation of processing of customer-supplied raw materials with the subsequent export of finished products, the owner of the raw materials is a non-resident. Moreover, in the foreign economic contract for the processing of customer-supplied raw materials, non-resident acts as a customer. The resident, in turn, acts as the executor of the contract, and, therefore, as the importer of customer-supplied raw materials. In this case, the resident is responsible for the timely export of manufactured products outside the customs territory of Ukraine.

At the same time, manufactured products exported abroad are not subject to export duties and other charges and taxes (except customs duties).

In the situation of toll processing with the subsequent sale of finished products in the territory of Ukraine, the sale of products is carried out based on a contract. The contract is concluded between the buyer and the non-resident customer.

3.2 Export of customer-supplied raw materials from the territory of Ukraine

When exporting customer-supplied raw materials with the subsequent import of finished products, the resident customer does so on the basis of a foreign economic contract, which is concluded with a non-resident contractor. Registration of customer-supplied raw materials when exported depends on whether they are subject or not to duties, taxes and charges when exported from the country. If taxable, a Ukrainian customer must issue a bill to customs for the amount of export duties, charges and taxes. If not taxable, a Ukrainian customer must provide a written commitment to return the finished products manufactured from this raw material to Ukraine.

When exporting the customer-supplied raw materials with the subsequent sale of finished products outside Ukraine, the finished products can be sold in the country of the contractor or in another country outside Ukraine. This condition can be specified by the international contract, and in this case, the Ukrainian customer pays export duty, charges and taxes at customs clearance at export [12].

4. Barter contract

Barter or commodity exchange operation is one of the types of export-import operations between foreign economic entities and economic entities engaged in foreign economic activities of Ukraine, in which a certain amount of goods is exchanged for the equivalent in value amount of other goods without cash flow. The subject of a barter contract can be not only property, but also services and labour.

The barter contract specifies: the value of exported goods (services or labour); the value of imported goods (services or labour) with mandatory expression in foreign currency [13].

5. Commission Agreements (consignments)

The essence of a Commission Agreement is that one party (the Committent) grants the authority to the other party (the Commission Agent) to perform one or more legal acts on behalf of the latter and at its own expense.

The subject of the consignment is the provision of intermediary services in the sphere of trade circulation, which do not counteract the requirements of civil legislation [14].

6. International leasing

Leasing or rental operation means an economic operation (except for chartering of marine vessels and other vehicles), which envisages the provision of the property by one party (lessor) to the other party (tenants) for temporary use for a certain fee and for a certain period [15].

The functions of FEA include: organization of the international monetary circulation, organization of the international exchange of products of labour and natural resources in tangible and value forms, etc. Enterprises carry out foreign economic activity in various forms: in addition to export and import operations, they perform it in the form of leasing, consignment, barter operations and operations with customer-supplied raw materials. The activity of economic entities engaged in foreign economic activities is regulated by governmental and non-governmental authorities.

1.3 Regulation of foreign economic activity of Ukraine

Foreign economic activity is one of the factors in the development of the country's economy, which is why its regulation is necessary. FEA regulation is aimed at protecting the interests of the country and its business entities, as well as creating favourable conditions for the development of all types of business activities.

The foreign economic activities function according to certain principles:

- 1) the principle of sovereignty of the Ukrainian people in the implementation of FEA;
- 2) the principle of freedom of foreign economic enterprise;
- 3) the principle of legal equality and non-discrimination;
- 4) the principle of the rule of law;
- 5) the principle of protection of interests of subjects of FEA;
- 6) the principle of equivalence of exchange.

The principle of sovereignty of the Ukrainian people in performing FEA lies in the ability to carry out FEA independently, in accordance with the laws of Ukraine and in compliance with all contracts and obligations of Ukraine.

The principle of freedom of foreign economic entrepreneurship is manifested in the ability to voluntarily participate in FEA in forms and types not prohibited by the laws of Ukraine; to comply with the rules according to the laws.

The principle of legal equality and non-discrimination is revealed in the fact that there is equality of all economic entities engaged in foreign economic activity before the law regardless of patterns of ownership, and other features; inadmissibility of restrictive activities except for situations provided by the laws of Ukraine.

The principle of the rule of law assumes that the regulation of FEA is carried out only by the laws of Ukraine.

The principle of protection of interests of economic entities engaged in foreign economic activities provides equal protection of interests of all economic entities engaged in foreign economic activity both in the territory of Ukraine and abroad;

protection of interests of the state in accordance with the laws of Ukraine, treaties signed by the country and international law.

The principle of equivalence of exchange, inadmissibility of dumping when importing and exporting goods reflects the ability to export and import equivalent goods; prevent the purchase or sale of goods at prices lower than in the domestic market of the country, which do not cover the production costs and selling costs. Dumping involves the importation of goods to the customs territory of a country at a price lower than comparative prices for the like goods in a country carrying out the importing transaction, damaging the national producer [16].

If we talk about the regulation of FEA, it occurs at two levels, national and international (Fig. 1.2).

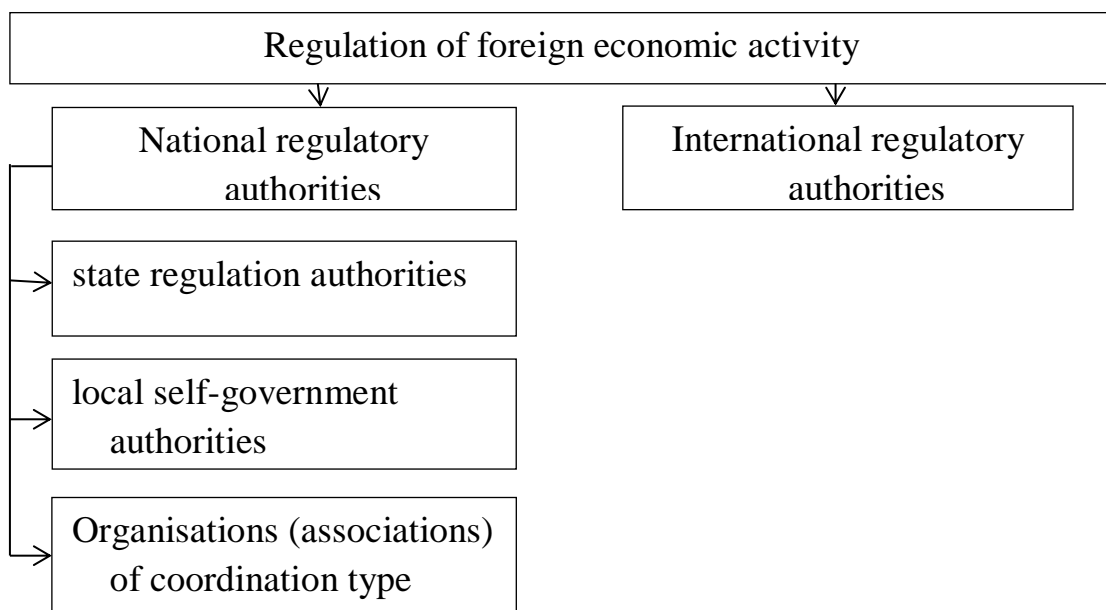


Figure 1.2 - Regulation of foreign economic activity of economic entities.

The authorities of state regulation are the executive, legislative and judicial authorities, within the framework established by the laws and the Constitution of Ukraine. The main authorities of state regulation and their competences are given in Table 1.3 below.

Table 1.3 - Authorities of state regulation of foreign economic activity and their competences.

Authorities of state regulation	Competence
The Verkhovna Rada of Ukraine	adoption, amendment and repeal of laws on FEA; approval of the directions of foreign economic policy of Ukraine;
	introduction of special regimes of FEA;
	approval, consideration and change of the structure of the authorities of state regulation of FEA;
	approval of lists of exported or imported goods subject to licensing;
	conclusion of international contracts in accordance with the laws of Ukraine;
The Cabinet of Ministers of Ukraine	taking measures to implement the foreign economic policy of Ukraine in accordance with the laws of Ukraine;
	adoption of legal regulations on FEA issues in the cases stipulated by the laws of Ukraine;
	coordination of activities of the ministries of Ukraine and agencies regulating FEA;
	implementation of measures to ensure the rational use of funds of the State Currency Fund of Ukraine;
	coordination of work of commercial missions of Ukraine abroad;
The national Bank of Ukraine	storage and usage of the gold and foreign exchange reserve of Ukraine and other state funds;
	representation of the interests of Ukraine in relations with other Central Banks;
	regulation of the exchange rate of the national currency against foreign currencies.

Formed on the basis of [7, 17, 18, 19].

Also, the authorities of state regulation of FEA include the Ministry of Economic Development and Trade of Ukraine, the Antimonopoly Committee of Ukraine which exercises control over observance of the antimonopoly legislation by economic entities engaged in foreign economic activity; the State Fiscal Service

which carries out customs control in the country in accordance with the laws of Ukraine; and the Interdepartmental Commission on international Trade of Ukraine, which regulates foreign economic activity and takes decisions on the initiation and conduct of anti-subsidy, anti-dumping and special investigations, and further implementation of appropriate compensatory, anti-dumping policies or special measures.

Another link regulating foreign economic activity is the local self-government authorities. These include regional, district, city, settlement and village councils, as well as their executive bodies. The councils represent the interests of territorial communities of cities, settlements, villages; exert organizational and managerial influence on the activities of enterprises engaged in foreign economic activity in a certain territory.

Coordination-type organizations should not be overlooked. These include: economic organizations that operate in the field of FEA and consist of two or more economic entities. These organizations are established on a voluntary basis or by decision of the authorities entitled to establish them. They function temporarily or for unlimited period; they are legal entities established at the regional or state level. These include: associations of exporters and importers, Ukrainian Chamber of Commerce and Industry, investment funds, exchanges, associations and others [14].

The functions of associations of exporters and importers include: analysis of the practice of using of legislative decrees on the export and import of goods and services and their effectiveness; improving the optimization of conditions for export-import operations, in particular, simplification of procedure in the field of foreign trade and elimination of conflicts in the legislation; support of the country in its efforts to join the world organizations.

As for the Ukrainian Chamber of Commerce and Industry (UCCI), it is a non-governmental and non-profit organization established on a voluntary basis uniting individuals and legal entities of Ukraine. The members of the UCCI include legal entities and individuals who are registered as entrepreneurs and their associations; regional chambers of commerce and industry.

The main objectives of the UCCI are: rendering of assistance to enterprises and their associations; provision of services for commercial activities of foreign firms and organizations; promotion of cooperation between economic entities and the state; facilitation the settlement of disputes arising between entrepreneurs; supporting the development of exports of goods and services, providing technical assistance to economic entities in conducting operations in the foreign market; maintaining the register of Ukrainian enterprises; issuing certificates of origin, conducting the examination of quality and quantity of goods [21].

Investment funds, in turn, diversify investments and manage the investment portfolio. While the main functions of the exchanges include: provision of a variety of intermediary services related to the conclusion of trade agreements, organization and conduct of wholesale trading; achieving the minimization of financial and commercial risks, as the exchange through hedging mechanisms and the use of options introduces its own mechanism of price risk insurance; formation of market prices based on the comparison of supply and demand, delivery conditions, etc.

The competences of associations include: performance of tasks defined by the status, act, agreement on the establishment of the association; implementation of a scientific and technical common to the industry; solution of common issues for enterprises, namely the issues of socio-economic development; protection of the rights and interests of enterprises and their associations etc. [20, 22].

The foreign economic activity is regulated not only by national authorities, but also by international authorities, as mentioned above (Fig. 1.2).

The international authorities engaged in the regulation of FEA consist of: international non-governmental agencies and organizations (e.g., Institute of International Law) and international intergovernmental agencies and organizations (the United Nations).

International non-governmental organizations are organizations that operate at the national, subregional, regional or international levels, established to operate in two or more countries on the basis of international norms.

An international intergovernmental organization is an association of states, which is established on the basis of voluntary formal multilateral agreements between countries, has certain goals that are consistent with the generally recognized principles of the international law, has international legal personality and has a permanent internal structure [23].

The law and order in the sphere of foreign economic activity is provided by various systems of means of influence, in other words – methods of regulation.

Methods of state regulation of FEA: tariff (economic) methods of regulation; non-tariff (organizational-administrative) methods of regulation.

Economic or tariff methods of FEA regulation are a set of measures of state regulation, carried out through the establishment of customs tariffs, i.e. tax rates on exports and imports of goods at the time when they cross the border.

The functions of tariff regulation include: fiscal function, i.e. replenishment of the state budget, and the function of protection of domestic goods and services from foreign competitors, i.e. protectionism.

Organizational-administrative or non-tariff methods of regulation are a set of restrictive and prohibitive measures, which are aimed at preventing the penetration of foreign goods and services into the domestic market. In other words, they are hidden protectionism. The functions of non-tariff regulation include: protection of national industry, improvement of competitive conditions in the country importing the commodity [24, 25].

Therefore, the regulation of foreign economic activity is an important element in the development of the country's economy. The regulation of FEA is carried out at two levels – national and international. At the national level, it is carried out by state regulatory authorities, local self-government authorities and coordination-type organizations. The international authorities engaged in the regulation of FEA consist of: international non-governmental agencies and organizations and international intergovernmental agencies and organizations.

Conclusions to Section 1

Foreign economic activity plays an important role in the economy of each country. The concept of FEA appeared a long time ago, which is why there are many different interpretations. According to the Law of Ukraine "On foreign economic activity", foreign economic activity is the activity of business entities of Ukraine, as well as foreign economic entities, based on cooperation between them, both on the territory of Ukraine and beyond its borders.

One of the main subjects is an enterprise. The main types of FEA of an enterprise are: export and import of goods and services, they also carry it out in the form of leasing, consignment, barter operations and operations with customer-supplied raw materials.

This activity is carried out on the basis of certain principles, such as: the principle of sovereignty of the Ukrainian people, the principle of freedom of foreign economic enterprise, the principle of legal equality and non-discrimination, the principle of protection of interests of economic entities engaged in foreign economic activity, the principle of equivalence of exchange, the inadmissibility of dumping when importing and exporting goods.

An important element in the development of the country's economy is the regulation of foreign economic activity. The regulation of FEA is carried out at two levels – national and international. At the national level, it is carried out by state regulatory authorities, local self-government authorities and coordination-type organizations. The main authorities of state regulation are: the Cabinet of Ministers of Ukraine, the Verkhovna Rada, the national Bank and others.

The international authorities engaged in the regulation of FEA consist of: international non-governmental agencies and organizations and international intergovernmental agencies and organizations.

SECTION 2 EFFICIENCY ANALYSIS OF ENTERPRISE'S FOREIGN ECONOMIC ACTIVITIES

2.1 Brief enterprise's characteristic and estimation of financial-economic state of the company

In this work a Limited Liability Company (LLC) «Gorobina» or Sumy distillery plays the role of investigated object. LLC «Gorobina» - is a unique producer of alcoholic beverages in Sumy region. The enterprise was created in 2001 at the base of the lease enterprise Sumy distillery, which was created in 1897.

The main goal of enterprise, LLC «Gorobina», is satisfaction needs of customers and makes profit. The object is production and realisation of alcoholic beverages and vodka, implementation of retail trade and wholesale of alcoholic products.

The main types of enterprise's activities are: production of vodka and alcoholic beverages; production of fruit wines; pouring of import`s wine materials; production of kvass; pouring of alcoholic beverages under brands of distributors.

In 2015 LLC «Gorobina» included in the top of 35 biggest alcohol companies of Ukraine and ranked 26th place in the list [27].

The enterprise has a linear-functional management structure, in another words near linear managers (directors, shop (plant) managers) exist also managers of functional subdivides (planning, technical, finance and accounts departments), which formed project plans, reports, that in result converted in official documents after signing by linear managers (Appendix D). There are several departments exist in the company which directed to achieve main goal: commercial, planning-economic, Production and measurement laboratory, chief process engineer, marketing, logic support. Also lawyer works in the LLC «Gorobina», HR inspector, and head of economic safety [28].

In the limited liability company meeting of participants is a supreme governing, director – executive body. A director is responsible for all problem

resolution in the company, except problem that links with exclusive competence of participants meeting.

The enterprise LLC «Gorobina» has wide production range. It involves more than 30 types of products: vodka, bitters, balm, vermouths and kvass. The products are available under difference trademarks (TM): «Duh zharey», «Gubernia», «Sumska gorobina», « Gorobina », «Sumskiy dvor» and others [26].

Table 2.1 – Commodity structure of LLC «Gorobina», thousand dals, %.

Indicator	2015	%	2016	%	2017	%
alcoholic beverages	182,1	27,8	152,1	43,7	207,3	69,6
fruit wines	358,1	54,6	127,2	36,6	-	-
vermouths	67,2	10,2	22,8	6,6	-	-
kvass	48,6	7,4	45,7	13,1	90,7	30,4
Total production	656,0	100	347,8	100	298,0	100

Formed on the basis of [31, 32, 33].

We can see in the table 2.1 that commodity structure during 2015-2017 had some changes. The main product that produced company in 2017, was alcoholic beverages (69,6 %), as opposed to 2015, when the main part of production was represented by wine (54,6 %).

Also the enterprise proposes a specific service - Private label. LLC «Gorobina» provides an opportunity to holder of trademarks (brands) to implement a spill of alcohol on enterprise`s factory according to the specified compounding or help to develop a new individual compounding, to develop design, container on the base of contract. It should be said that this service can be provides to domestic and foreign customers.

The products of the enterprise were noted by a lot of international and domestic awards. The quality of goods confirmed by certificate according to ISO 9001 [29]. Thanks to high quality products of LLC «Gorobina» occupies a strong position on alcohol market in Ukraine and abroad.

The enterprise cooperates with many countries in the world: Germany, USA, Azerbaijan, Kazakhstan, Poland, Italy and others [30]. Unfortunately in most cases

the enterprise delivers goods not its own trademarks but provides service Private label, in this situation LLC «Gorobina» plays role of producer, on request of clients (holder of trademarks).

Factories' production is implemented through official stores; also dealer system works in all regions of Ukraine. In each region center of Ukraine managers work, that engaged in the sales of LLC «Gorobina» products.

For analysis of effectiveness of LLC «Gorobina» will be learned the main indicators of financial-economic activity (Appendix E), and also will be took into account a separate economic indicators (Appendix F) and indicators of LLC «Gorobina» financial activity (Appendix G) in 2015-2017.

Table 2.2 – The main indicators of financial-economic activity in 2015-2017 of LLC «Gorobina», thousand hryvnias.

Indicators	2015	2016	%	2017	%
Volume of production sold	34776,7	27581,9	79,3	35347,0	128,2
Volume of production	41579,6	26678,8	60	30428,0	114
Volume of production in physical terms (thousand dals)	656,0	347,8	50	298,0	85
Revenue from sales	94803,4	93522,2	98,6	123272,2	131,8
- Value-added tax	6899,9	5540,3	80,3	11819,8	213,3
- Excise duty	21503,6	19936,8	92,7	32818,0	164,6
Net income from production sold	63377,9	67750,8	106,9	78300,1	115,6
Expenses of the production of sold production	55383,5	58830,8	106,2	65671,6	111,6
Gross profit (loss)	9994,4	8920,0	89,2	12628,5	141,6
Other transaction cost	853,1	1141,1	133,8	657,8	57,6
Administrative cost	4179,1	3443,0	82,4	4261,8	123,8
Sales expenses	5082,4	3510,3	69,1	7488,7	213,3
Financial result (loss)	1068,7	1115,7	104,4	767,6	68,8
Other incomes	535,4	399,9	74,7	1199,6	300,0
Other costs	1044,1	1111,9	106,5	1622,1	145,9
Profit tax	193,3	80,9	41,9	159,6	197,3
Net profit (loss)	366,7	323,0	88,1	185,5	57,4
Cost-effectiveness	0,1	1,7	115	0,9	52,4
Product costs	37852,1	26345,2	69,6	33655,0	127,7

Formed on the basis of [31, 32, 33].

After analyses of table 2.2 we can conclude, that volume of production in physical terms has a negative trend. The biggest share in production structure

occupies alcoholic beverages, than kvass and the smallest one - vermouths. It links to tax growth on alcoholic beverages. Increase of excise duty in its turn links to devaluation of hryvnia. Cause of this fact alcohol producers have been compelled to increased prices on their products, in result we can see growth of volume of production in monetary value in 2017 compared to 2016, as opposed to physical terms.

At the same time net profit has a negative tendency during 2015-2017. Indicator of cost-effectiveness has a low level during investigated period of time and we can see that this indicator decreasing.

For financing of current, operating and investing activities the enterprise each year borrows more and more money. In result we can see increasing of volume of finance resources during investigated period; value of enterprise`s current asset increased too, that evidence about expansion of production activities of LLC «Gorobina».

But despite everything the enterprise finally is stay profitable. It should be noted that net income from production sold covered the expenses of the production of sold production during analysed period in 2015-2017.

Don`t forget about the fact, that the development of enterprise also depends on searching of new investors. According to the Economic and social development programmers in Sumy for 2017, LLC «Gorobina» entered to the list of investment projects (investment are aimed to modernisation, re-equipment etc.), that implemented in Sumy in 2017 (Appendix H).

Capital investment during the operation of the enterprise increased from 300 thousand hryvnias till 3 million hryvnias. These funds were aimed to buying equipment, filters for water purification and vodka, trucks and others [34].

Summarising, LLC «Gorobina» - is a unique producer of alcoholic beverages in Sumy region. The enterprise was created in 2001. The enterprise has a linear-functional management structure. The enterprise LLC «Gorobina» has wide production range. It involves more than 30 types of products: vodka, bitters, balm, vermouths and kvass. It cooperates with more than 20 countries.

2.2 Analysis of the enterprise's foreign economic activities

Explore the mechanism of realisation of enterprises foreign economic it should be noted that LLC «Gorobina» entered to the top 10 of biggest alcohol exporter in Ukraine. The main competitors of the company are:

1. Global Spirits (TM «Hortiza», «Morosha», «Pervak», «Getyman»);
2. Eastern Beverage Trading (TM «Medoff», «Arctica», «Coctebely», «Longmixer»);
3. «LVN LIMITED» (TM «Nemiroff», «Kedrova», «Jitnya z medom» and others);
4. Zhytomyr distillery (TM «Zhytomyrska na brunykah», «Chudnoff» and others) [35].

The main goal of LLC «Gorobina» enter on foreign market is aspiration of the company to expands sales market of products and to make bigger profit. In another words, the enterprise, when it enters to international markets and implements export operations, wants to make profit from export. And in this context profit from export should be bigger than profit from realization products on domestic market, in the opposite situation costs on organization of export operation is inexpedient and the operation is ineffective. To achieve this goal LLC «Gorobina» uses system of effective planning and management of enterprise`s FEA.

On the investigated enterprise foreign economic department is not exist. Commercial and planning- economic departments are responsible for these functions.

Manager, from commercial department, is responsible for:

- 1) searching and execution of contracts with foreign partners;
- 2) management of projects on all stages – from generate idea to analyse results;
- 3) negotiations and make presentations;
- 4) participation in international exhibitions;
- 5) formation of export range of products;

6) identification of priority markets and products.

Then, planning-economic department makes calculations and analyses finance indicators of efficient of proposed product range and pricing.

Important element of FEA is drafting of foreign trade agreement (contract) according to which cooperation with foreign partners implements.

LLC «Gorobina» makes selection of foreign client according to several criterions, such as: partner`s solvency, reliability or his business reputation.

The company checks some aspects of potential partners` activities:

- 1) legal (searching information about legal status of firm, norms and rules of trading activities conducting in countries of potential);
- 2) economic (economic situation is more available and more informative, because it reflected all aspects of enterprise`s activities: marketing, production, management, etc.);
- 3) organisation (information about level of management in the firm, data about adaptation to external environment, etc.).

A FEA of LLC «Gorobina» consists of three stages:

- 1) preparation agreement;
- 2) execution of contract;
- 3) implementation of commitments.

The base of successful implementation of foreign economic operation is exactly preparation stage. This stage requires continuous accumulation of information, acquisition of professional skills and experience. Also it includes studying questions of general character, in another words connected with certain sphere of trade and information related to the object of future contract.

There are important statements that company should solve with partners during preparing foreign trade contract. It`s can be: volume, price, quality and products range, requirements to packing, documentation which added to contract, etc.

Execution of a contract, like a stage of FEA, consists of two steps: declaring own position and recommendations to partners and studying of proposals of partners; searching for compromise and making it in a form of contract.

The requirements of term of contract involve:

- 1) delivery of goods is carried out according to FCA terms «Incoterms 2010». Place of shipment – warehouse of the company LLC «Gorobina», Sumy, Ukraine;
- 2) shipment of goods carried out in corrugated boxes on pallets in polyethylene (value of containers involves in price of good);
- 3) price is set in dollars or euros (for Europe), almost exchange rate not fix;
- 4) disputes, that can be during implementation of the contract, parties solve among negotiations or at least in the International commercial arbitration court at the CCI of Ukraine.

Exploring the situation and dynamics of enterprise`s foreign economic activities we can estimate exported production of LLC «Gorobina» in the period 2015-2017. In table 2.3, we can see volume and shares of export operation in the structure of enterprise`s products sold.

Table 2.3 – Share of export operations in the structure of enterprise`s products sold in 2015-2017, thousand dals (1 dal = 10 litres).

Indicators	Years		
	2015	2016	2017
Alcoholic beverages			
Volume of production	182,1	152,1	207,3
Exported goods	18,3	30,9	24,2
% of export	10 %	20,3 %	11,7 %
Vermouths			
Volume of production	67,2	22,8	
Exported goods	0,6	0,3	-
% of export	0,9 %	1,3 %	

Formed on the basis of [31, 29, 30].

As we can see in table 2.3 export is not the main direction of the enterprise`s activities and it is only a small part of product realisation. This is due to the fact that the enterprise is oriented on increasing the share of sales on domestic market in current period of time.

But despite this fact LLC «Gorobina» has strong relationships with many countries of the world, as we can see on the figure 2.4. For example, 2015 was very fruitful for the company: it started export operations to the USA. Representatives of American parties visited the factory and tasted products – vodka «Duh zharei», which was developed for these clients. They were delighted with the product quality. Representatives from China visited the factory in 2013 and were appreciated the naturalness of the components, too [36].

If we speak about geographical structure of export in the LLC «Gorobina» it's impossible to identify the main foreign partner, cause shares of market are very similar, we see that the enterprise works with many European countries. It's links with fact that it now more oriented on Europe.

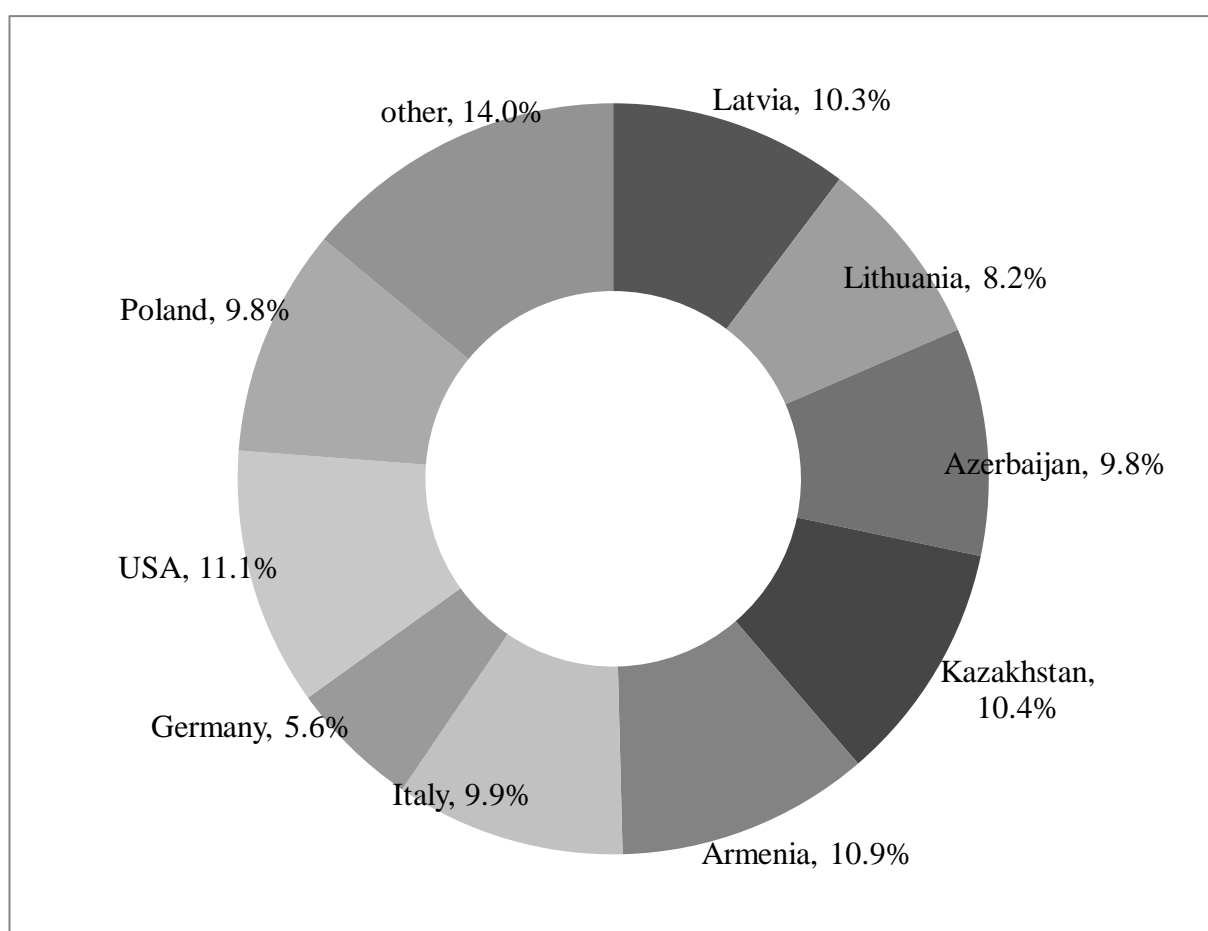


Figure 2.4 – Geographical structure of export of the LLC «Gorobina» in 2017,

%.

It should be noted, that in 2014 the enterprise lost the main partner – Russian, since it's recognised as an aggressor against Ukraine. But this one partner made the biggest profit from. Now, vodka «Duh zharei», which exported to the USA, makes the biggest profit for the company. Price for one bottle is near 300\$ in the USA.

According to the table 2.3 the company exports alcoholic beverages and vermouths. In general, the product range of the LLC «Gorobina» presented near 30 types of commodity items. As we can see from the table 2.1 the main products that exported is alcoholic beverages [32].

Unfortunately the products range of exported products is not wide, the main trademarks that exported are: «Sumska osobliva», «Nedrigaylivska», «Ukrainian with pepper» and «Sumska gorobinova». But the biggest part of exported goods is goods that produced under Private Label (spill under brands of customer`s).

The exported products of the LLC «Gorobina» deliver by water transport in the USA, and by car in Europe and Asia. However, can be used a rail freight routes, too.

Analyse the effectiveness of export of production (table. 2.5).

Table 2.5 – Efficiency of exported production, 2017, hryvnias for 1 bottle.

Name of alcoholic beverages	Full cost	Selling price	Profit	Effectiveness of export
«Sumska gorobinova» (0,5 litres)	40,1	56,0	15,9	139,7 %
«Nedrigaylivska» (0,5 l)	43,2	51,5	8,3	119,4 %
«Sumska osobliva» (0,5 l)	43,1	54,9	11,8	127,4 %
«Ukrainian with pepper» (0,5 l)	42,6	67,4	24,8	158,3 %

In table 2.5 we can see, that profit – is a difference between selling price and full cost of good. Calculate the export efficiency [34]:

$$Ee = \left(\frac{\text{Selling price}}{\text{Full cost of good}} \right) \times 100 \% \quad (2.6)$$

$$1) Ee_1 = \left(\frac{56,0}{40,1} \right) \times 100 \% = 139,7 \%;$$

$$2) Ee_2 = \left(\frac{51,5}{43,2} \right) \times 100 \% = 119,7 \%;$$

$$3) Ee_3 = \left(\frac{54,9}{43,1} \right) \times 100 \% = 127,4 \%;$$

$$4) Ee_4 = \left(\frac{67,4}{42,6} \right) \times 100 \% = 158,3 \%.$$

Summarising, the most profitable variant is to export TM «Ukrainian with pepper» and «Sumska gorobinova». These beverages have not very big indicator of full cost, but despite this fact they have a high quality and can be realised at higher price. After their realisation the company can have profit in 24,8 hryvnias and 15,9 hryvnias for 1 bottle. That is why their selling on foreign market is effective.

Less effective is realisation of «Sumska osobliva». And «Nedrigaylivska» has the smaller export effectiveness in comparison with other trademarks. But its export is justified due to the volume of sellers.

2.3 Analysis of enterprise's marketing activity, identification of strengths and weaknesses of export potential

The enterprise LLC «Gorobina» carries actively out marketing policy, which aimed to support and increase volume of realisation of alcoholic beverages.

Marketing department carries out marketing researches on the market and provides information for introduction innovations.

Main tasks of the marketing department involve:

- 1) conducting researches of the alcoholic beverages market;
- 2) studying demand on products that the enterprise produces;
- 3) developing of new product range and improving existed;
- 4) providing marketing information to chairman of the board.

The company carries out some marketing activities such as:

- 1) developing and distributing POS-materials in the shops (i.e. materials which helps to promote brands: flags, stickers, postcards, etc.) [39];

- 2) providing programs for end users, that involved consultations and drawing of gifts;
- 3) accommodating advertising and information materials in mass media and Internet;
- 4) developing of souvenir production.

Consider plan of holding of advertising activities in the company on domestic market of Ukraine (tab.2.6).

Table 2.6 – Plan of holding of advertising campaign in 2017, thousand hryvnias.

Types of advertising activities	Amount of expenses
Installation and rent of big-board	1000-1200
Publishing promotional articles in magazines «Agribusiness»	600-30000
Participations in «Sorotchinsky fair »	from 2000
Development of two-minute video about history and development of enterprise	up to 2000
All	~32500

Formed on the basis of [33].

In conclusion, expenses, which aimed on sales promotion of products on domestic market, are not very big and systems of arrangements are narrow.

As we speak about promotion of products on foreign market, advertising campaign includes some activities such as:

- 1) participations in exhibitions, competitions, fairs, presentations;
- 2) cooperation with trade associations.

LLC «Gorobina» participates in exhibitions, competitions, presentations and fairs in Ukraine and abroad. For example in January 2013 the products of the company have been presented in Berlin on the exhibition - «Green week», where it was the best one. And participation of the company in the third international professional tasted competition in Kiev - «Best Drink», allowed to the company won in some nominations for such products as «Sumska gorobinova», «Sumy light» and balm «Sumy». Also the LLC «Gorobina» participates in some international

exhibitions such as: «Expo» in China, «WinExpo Georgia» in Georgia, «Sumy Invest» in Sumy, and «Eastern Fair» in Poland [38].

The enterprise is a participant of Ukrainian national committee of international commerce chamber. Operation activity of this organization aimed to development of international cooperation and creation terms for integration of Ukrainian business to foreign market [40].

A marketing policy of the LLC «Gorobina» directed on expands the market shares and development of new markets. Also, except improving quality, expansion of product range, increasing volume of production; workers of marketing department responsible for some important task as maintaining of attractiveness of end products in the eyes of consumers. The aesthetic component of products involves a label design, comfortable for transportation packaging that meets European and international standards. Also, all labels of LLC «Gorobina» products » marks of QR-code, which read with the help of mobile phone. On the label customers can read «made in Sumy» and receive some extra information about goods and company [41].

Export potential of enterprise can be considered like potential opportunities of enterprise for developing of its export activity that can be used for searching new foreign markets. For this matrix of SWOT-analysis can be used.

SWOT-analysis gives opportunity to identify weaknesses and strengths of investigated object, potential threats and favourable opportunities for firm activities. After information analyses that links to activities of company, information presented in table form, that involves weaknesses, strengths, opportunities and threats [39, 40].

Table 2.7 – Matrix of the SWOT-analysis of the LLC «Gorobina» export potential.

Strengths	Weaknesses
High-quality workers; Good reputation on market; High quality products; Significant production capacity; Winner of many international competitions;	Insufficient of financing of research and development works; Ineffective marketing campaign; Narrow production range of exported production; Low level of awareness of foreign customers about enterprise`s products; Decreasing the share of export;

Continuation of tab. 2.7.

Opportunities	Threats
Expansion of new geographical markets; Weakening of the competitors; Widening of the production range; Searching for a new groups of customers;	Dependence on suppliers; High level of competition on market; Technological changes and innovations; Tax growth.

After made of matrix of SWOT-analysis of LLC «Gorobina» export potential we can take up strengths and weaknesses of the company (tab. 2.7).

The strengths of the company are: high-quality workers; good reputation on market; high quality products; significant production capacity; winner of many international competitions.

In 2014 new technical equipment was introduced on the enterprise by scientists from institute of technical thermal physics of sciences national academy and Ukrainian research institute of alcohol. This technology in some way is know-how that allows producing goods from melt water and uses a very quality and reliable system of liquid filtration with a help of semi-precious metals and minerals. All this technology helps to increased quality of the enterprise`s products and meet international ISO standards.

LLC «Gorobina» won a lot of international awards, participated in domestic and foreign exhibitions, and thanks to high quality and original compounding of products; the company has a strong position on alcohol market of Ukraine and continues to expanse foreign markets.

The enterprise provides a specific serves - Private label, i.e. production goods under trademarks of customer`s, this is contributes to increase of the enterprise`s profit and allows to expanse a strong reputation on domestic and external markets, because LLC «Gorobina» indicates in a role of producer on labels and that this alcohol produced by order of the importer company.

Let`s describe weaknesses of the LLC «Gorobina».

In its activity the enterprise meets some problems, which have a negative influence on it and lead to decreasing of effectiveness, prevent to sell products and building relationships with other participants of FEA.

The main problem and weakness of FEA is low awareness of foreign customers and distributors about the enterprise's products. The LLC «Gorobina» pays little attention and funds on promotion of alcohol beverages on foreign markets, searching for potential customers. Now, the company has a small amount of arrangements for products promotion such as: participation in different presentations, exhibitions and competitions. Despite the fact, that the enterprise has a lot of awards, but it known only among small group of customers. Unfortunately, the enterprise doesn't have enough free funds for developing marketing campaign.

Also, it should be noted, that the products range of exported goods is very narrow. But don't forget, that clients from different countries have own taste preference and traditions: for example sweet or sours drinks, with different level of beverage strength and others. These characteristics should be accounted during analyses of the market.

Some of the problems connected with lack of the separate foreign economic department. Commercial and planning-economic departments are responsible for tasks of this department.

As mentioned above, the enterprise provides specific service - Private label. On the one hand it really useful for the company, but on the other it prevents to develop their own trademarks of the enterprise LLC «Gorobina» and doesn't give opportunities to get acquainted with the enterprise's products to foreign customers. Not all clients read text on the label, but they know to whom the trademark is belonging.

Also, the firm uses indirect sales channels of products, i.e. it uses help of distributors. This fact helps to save money on transport cost, since the delivery carries out at the expense of dealers, but on the other hand the enterprise is not physically present on international markets.

Don't forget about facts, that events occurring inside of the country, influence on production of alcohol and in result on export operations of the company.

It's very hard to compete with the main competitors to the enterprise: Bayadera Group, Global Spirits, Eastern Beverage Trading and others. Their competitors are

very strong, they have foreign investment or they are branches of the international alcohol companies. All these things prevented them from winning in this competition to the enterprise.

LLC «Gorobina» felt a negative impact caused by inflation and price fluctuations on raw materials. Because all goods are produced from domestic raw materials, and a high price on them influences the cost of goods, and in result on the goods price level. All these things lead to a decrease in the competitiveness of goods on international markets. According to the statistical data prepared by the Ministry of Agrarian Policy, over the past 10 years, the production of ethanol has reduced by 55 %, and in result the price of ethanol increased by 30 %. In now we see that the shadow market has increased to 45 % [44]. It should be noted, that because of price growth on raw materials, the production of alcohol has reduced in Ukraine by 45 % [45].

In general, the economic situation in Ukraine – inflation process, instability, decisions on customer regulation, has a negative impact on planning and realization of the mechanism of the enterprise's foreign economic activities.

Conclusions to Section 2

In this work a Limited Liability Company (LLC) «Gorobina» plays the role of investigated object. This enterprise is a unique producer of alcoholic beverages in Sumy region. The enterprise has a linear-functional management structure.

Thanks to existed infrastructure the company guarantees to their clients a stable high quality, maximal level of serves, delivery in time and the requirements of the customers when producing new goods.

LLC «Gorobina» produces a wide high quality products range, part of this products company exports abroad. The main products, that an enterprise export is vodka. Unfortunately the products range of exported products is not wide, the main trademarks that exported are: «Sumska osobliva», «Nedrigaylivska», «Ukrainian with pepper» and «Sumska gorobinova». But the biggest part of exported goods is goods that produced under Private Label (spill under brands of customer`s).

The enterprise cooperates with many countries in the world: Germany, USA, Azerbaijan, Kazakhstan, Poland, Italy and others.

After made of matrix of SWOT-analysis of LLC «Gorobina» export potential we can take up strengths and weaknesses of the company.

The strengths of the company are: high-quality workers; good reputation on market; high quality products; significant production capacity; winner of many international competitions.

The weaknesses of the company are: insufficient of financing of research and development works; ineffective marketing campaign; narrow production range of exported production (own brands or trademark); decreasing the share of export; lack of a separate foreign economic department; low level of awareness of foreign customers about enterprise`s products.

SECTION 3 RECOMMENDATIONS FOR IMPROVING MECHANISM OF THE ENTERPRISE`S FOREIGN ECONOMIC ACTIVITIES

3.1 Expanding export in the existing sales markets

Analysis of FEA involves studying of: production, marketing, economic activities and investment, sales of goods, scientific researches. After analysis of all these elements in previous section, weaknesses of the enterprises were found.

One of them is fact that export is only a small part in the enterprise`s activity, at the same time range of exported products is very small. It links with the situation that the company in most cases exports not own products, but provides service of Private label; it means that the enterprise spills beverages under trademark of clients. On the one hand it`s really useful for company, because it makes additional profit, but on the other hand it prevents to develop image of their own trademarks, and in result to expand sales on existing markets of their products.

That is why; for the enterprise it`s much better to expand export under their trademarks.

In this situation, the most sensible thing is to make deep analysis of the markets and customers, because people from different countries have different taste preferences and traditions.

It should be noted, that the LLC «Gorobina» produces a quite wide range of products that is why a choice of products can be made from the existing assortments. It`s a good idea to make an analysis of the existing foreign markets to which products exported (Europe, former CIS countries) and identify what other products of the company will be popular in this markets.

In this works were proposed to make analysis of the European market, because the enterprise more oriented on this market now, through enhanced cooperation between Ukraine and EU.

Europe is a significant consumer of alcohol in the world; and Germany, France, Spain and Italy included in top 18 biggest consuming countries of alcohol. Let`s

describe taste preferences of European customers. According to the marketing research of one of the business center in Germany - A. C. Nielsen, most Europeans prefer vodka with the strength of the beverage more than 37 %, which produced by the traditional methods using grain or potatoes. Among the company`s products the most suitable is the vodka «Dvoryanskaya classical» (Appendix I).

Except traditional kinds of products citizens of southern Europe prefer flavoured varieties of vodka. For example, in Italy sweet vodka is very popular. And the enterprise can propose to them such beverage like vodka «Gusarskaya». In Germany people like lemon vodka and the most suitable in this situation is export of «Kozatskiy val». In Poland customers prefer «Sumskoy dvor», this alcohol with the strength of 43 %, and it`s good idea to export «Sumskaya ozimaya», with the same strength [47, 48, 49,50].

Before starting export each enterprise should calculate the effectiveness of this operation. And in work is proposed their analysis with the aim to identify their economic effect, oriented on the indicator of cost-effectiveness (tab. 3.1, 3.2).

Table 3.1 - Implementation of international transport operation of export vodka «Dvoryanskaya classical» (0,5 litter) (on FCA terms) on European market.

Indicators	Value
Amount of vodka, bottles	312500
Amount of boxes with bottles, pieces	15625
Contract price for one bottle, dollar	1,6
Product cost, dollar	1
Export cost, hryvnias	653 531
Export revenue, hryvnias	~13950000
Gross income, hryvnias	13296469
Profit, hryvnias	13276469
Cost of exported products, hryvnias	8718750
Tax and other payments, hryvnias	2389764
Net profit, hryvnias	2167954
Export performance, %	15,5 %

FCA - is terms of delivery of different goods by all types of transport. It means that company (seller) responsible for shipment of goods (in this case - on the warehouse of LLC «Gorobina») and pays export customs clearance. Cost of transport and insurance are paid by buyer, and he responsible for transportation goods to place of destination [48].

Calculation of export customs clearance costs includes cost on different documents that are required at customs [52, 53]:

1. Costs: certificate of origin - 2000 hryvnias, certificate of quality - 1,25 UAH/dal (all 19531 hryvnias), phytosanitary certificate - 40 UAH/dal (62500), export licence on alcohol - 1000 hryvnias.

2. Other cost: 6000 hryvnias. This is expenditures on workers' wages who responsible for shipment of goods in transport on the LLC «Gorobina» warehouse.

All export cost: 653531 hryvnias.

3. Calculation of export revenue: $312500 \times 1,6 \times 27,9 \text{ UAH /USD} = 13950000$ million hryvnias.

LLC «Gorobina» usually doesn't use fix exchange rage in foreign trading contract, that is why revenue is roughly calculated.

4. Calculation of gross income: $13950000 - 653531 = 13296469$ hryvnias

5. Allocation from gross income: 20000 hryvnias. These expenditures link with negotiations. (Price of phone calls, Internet, acceptance of partners in the enterprise – they don't visited partners but invited them on the enterprise).

6. Calculation of profit: $13950000 - 653531 - 20000 = 13276469$ hryvnias

7. Payment of profit tax on current rate (18 %): $13276469 \times 0,18 = 2389764$ hryvnias.

8. Cost of exported products: $312500 \times 1 \times 27,9 \text{ UAH/USD} = 8718750$ hryvnias.

8. Calculation of net profit: $13276469 - 2389764 - 8718750 = 2167954$ hryvnias.

9. Calculation of cost-effectiveness (export performance): $\frac{2167954}{13950000} \times 100 \% = 15,5 \%$.

By the analogy, calculation of effectiveness of implementation of international transport operation was made, using Excel program.

Table 3.2 - Implementation of international transport operation of export different vodkas: «Gusarskaya», «Kozatskiy val», «Sumskaya ozimaya» (0,5 litter) (on FCA terms) on European market.

Indicators	«Gusarskaya»	«Kozatskiy val»	«Sumskaya ozimaya»
Amount of vodka, bottles	312500	312500	312500
Amount of boxes with bottles, pieces	15625	15625	15625
Contract price for one bottle, dollar	1,45	2,2	1,78
Product cost, dollar	1,02	1,46	1,35
Export cost, hryvnias	653531	653531	653531
Export revenue, hryvnias	~12642188	~19181250	~15519375
Gross income, hryvnias	11988656	18527719	14865844
Profit, hryvnias	11968656	18507719	14845844
Cost of exported products, hryvnias	8893125	12729375	11770313
Tax and other payments, hryvnias	2154358	3331389	2672252
Net profit, hryvnias	921173	2446954	403279
Export performance, %	7,2 %	12,7 %	2,6 %

After calculation of effectiveness of the export operations can be concluded that export of all trademarks is profitable: «Dvoryanskaya classical» - 15,5 %, «Gusarskaya» - 7,2 %, «Kozatskiy val» - 12,7 %, «Sumskaya ozimaya» - 2,6 %. In result the most effective to the enterprise is export of vodka «Dvoryanskaya classical», because it has not very big products cost, but due to high quality has a quite high price of sale. At the same time the effectiveness of realisation of the vodka «Sumskaya ozimaya» is quite small.

Summarising, we can conclude that increasing of range of products lids to expand of export, and workers of the enterprise should to take into account analysis of the potential markets.

3.2. Improving system of products promotion at foreign markets

One more weakness of the enterprise is low level of awareness of foreign customers about enterprise`s products and ineffective advertising activities on foreign markets. The best bet in this situation is to improve the system of products promotion on foreign markets.

Products promotions is sets of activities that focused on delivering information to the markets, with the aim to receive inverse connection. Promotion involves: advertising, sales stimulation, finding new ways of sales [54].

It`s recommended to implement such activities of products promotions as:

- 1) seeking new potential consumers abroad;
- 2) increasing of qualification of employees from marketing department.

Nowadays there are many new methods of searching potential customers existing and some of them can use the LLC «Gorobina»:

1. Cooperation with different domestic and international organisations;

Some Ukrainian organisations give opportunities to implement monitoring of foreign markets, for example Ukrainian state information-analytical Centre of monitoring of foreign commodity markets. This organisation publishes bulletins «Business-proposal» that include: commercial enquires for export-import of goods and investment opportunities [55].

If company decided in which country want to export, it can visit the embassy website of this country and find contact of trade and economic department of the embassy of Ukraine that located in this country. Specialists from these organisations provide information about: exhibitions activities, legislative acts, help to find new partners and in negotiations process.

2. E-business resources;

Some international trading platforms can help to find new customers abroad, such as: Allbiz.ua, b2b-center.com, europages.com.ua. Eentrepreneurs can find information on these websites about: business events, customs regulations, prices,

etc.

3. Intermediary companies.

Company can use help of another exporter, that will carry out trade of companies` goods using own distribution scheme. It helps to facilitate entry into the new markets or expand sales in the existing markets [56, 57].

A great impact in products promotion plays qualification of employees from marketing department. It should be noted that advertising of alcohol beverages has specific rules and fences. For example in some European countries advertising of alcohol is prohibited or has some restrictions. That is why passing training is a smart move to increase effectiveness of work of marketing department in LLC «Gorobina».

For this purpose all business schools in Sumy have been revised, unfortunately a suitable courses in Sumy according to the enterprise specialisation was not found. But business school was found in Kiev, that responsible for implementation training on promotions of alcohol beverages in foreign markets. It`s called business training centre «Anastasia» [60]. Calculation of costs on employee training is shown in the table 3.3.

Table 3.3 – Calculated of expenditures on the course, UAH (hryvnias).

Number of workers	The course fees for 1 person	Fare (subway, train)	Living cost (hostel)
1 person	4200 UAH	160 UAH *2per. = 320 8 UAH*10days*2per.=160	1per.*150 UAH *12days =1800

All costs are equal 6480 hryvnias.

The main goals of the marketing course are: studding of new methods of alcohol promotion on foreign markets; receiving recommendation about improving image of company; studding ways to attract foreign customers, studding social media marketing, etc.

And now let`s calculate economic effect, that the company can have after course completion that worker of the company would visited.

According to the domestic and international researches was concluded that

improvement of promotion system give a growth of revenue on 10 %. And this indicator will be used in calculations [68, 69, 70].

Calculation of sales revenue, after implementation of measures to improving system of products promotion on foreign markets, is made according to the certain formula (3.4):

$$R_s = \frac{R_{sl} + (R_{sl} \times (P_{gr} + A_{gr}))}{100} \quad (3.4)$$

where R_s – sales revenue after implementation of measures, hryvnias;

R_{sl} – sales revenue for the last period, hryvnias;

P_{gr} – planned growth sales revenue, %;

A_{gr} – average annual growth of sales revenue before implementation, %.

Average annual growth of sales revenue before implementation of measures is calculated according to the certain formula (3.5).

$$A_{gr} = \frac{R_l}{R_b} \times 100 - 100 \quad (3.5)$$

where A_{gr} - average annual growth of sales revenue before implementation of measures, %;

R_l – sales revenue of the last period of comparison, hryvnias;

R_b – sales revenue of base period of comparison, hryvnias.

Average annual growth of sales revenue before implementation of measures is made according to the certain formula (3.5); per sales revenue of the last period of comparison should take revenue of sales in 2017, and per sales revenue of base period of comparison should take revenue of sales in 2016 (table 2.2):

$$A_{gr} = \left(\left(\frac{123272,2}{93522,2} \right) \times 100 \right) - 100 = 31,8 \%$$

Calculation of sales revenue after implementation of measures is made according to the certain formula (3.4):

$$R_s = 123272,2 + \left(123272,2 \times \frac{(10+31,8)}{100} \right) = 174\,799,8 \text{ hryvnias.}$$

Costs on improving system of products promotion on foreign markets is 6480 hryvnias.

Economic effect from implementation of measures which aimed to improving system of products promotion on foreign markets – is relation between sales revenue before implementation of measures and planned growth of sales after implementation of measures minus cost on these measures (3.6).

$$E = 100 - \left(\frac{R_{sl}}{(Pr - Cr)} \right) \quad (3.6)$$

where E – economic effect from implementation of measures, hryvnias;

Pr – planned indicator of sales revenue after implementation of measures, hryvnias;

Cr – costs on implementation of measures, hryvnias;

Rsl – sales revenue for the last period, hryvnias.

Planned indicator of sales revenue after implementation of measures is calculated according to the certain formula (3.7)

$$Pr = R_{sl} + \left(R_{sl} \times \frac{Pgr}{100} \right) \quad (3.7)$$

where Pr - planned indicator of sales revenue after implementation of measures, hryvnias;

Rsl – sales revenue for the last period, hryvnias;

Pgr – planned growth of sales revenue after implementation of measures, %.

Calculation of planned indicator of sales revenue after implementation of measures:

$$Pr = 123272,2 + \left(123272,2 \times \frac{10}{100} \right) = 135\,599,4 \text{ hryvnias.}$$

Calculation of economic effect from implementation of measures is made according to the certain formula (3.7):

$$E = 100 - \frac{123272,2}{(135\,599,4 - 6\,480)} = 5 \text{ \%}.$$

Thus, these measures of improving system of products promotion on foreign markets help to improve company image, consumer awareness and increase sales and profit of the company. In result recommendation is cost-effective because costs on measures in the amount of 6 480 hryvnias, lead to increasing sales revenue on 5 %.

Conclusions to Section 3

Analysis of FEA involves studying of: production, marketing, economic activities and investment, sales of goods, scientific researches. After analysis of all these elements in previous section, weaknesses of the enterprises LLC «Gorobina» were found.

It's recommended to implement such activities as: expanding export in the existing sales markets and improving system of products promotion on foreign markets.

For expanding export in the existing sales markets recommended to make analysis of foreign markets, because people from different countries have different taste preferences and traditions. In the work the European market was analysed and was offered four trademarks for export. After the export effectiveness of these goods was realized. After calculation of effectiveness of the export operations can be concluded that export of all trademarks is profitable: «Dvoryanskaya classical» - 15,5%, «Gusarskaya» - 7,2 %, «Kozatskiy val» - 12,7 %, «Sumskaya ozimaya» - 2,6 %. In result the most effective to the enterprise is export of vodka «Dvoryanskaya classical», because it has not very big products cost, but due to high quality has a quite high price of sale. At the same time the effectiveness of realisation of the vodka «Sumskaya ozimaya» is quite small.

If we talk about improving system of products promotion on foreign markets is smart move to: seeking new potential consumers abroad; increasing of qualification of employees from marketing department. Now the enterprise uses only one methods of promotion – participations in exhibitions, competitions. It should be noted that advertising of alcohol beverages has specific rules and fences that is why passing training is a smart move to increase effectiveness of work of marketing department. All this activities lead to increasing sales revenue on 5 %.

CONCLUSION

When enterprises enter the global market, they become involved in a competitive struggle. Firms begin to take care of the technical and qualitative characteristics of their products, explore global markets, and develop modern and effective tools for sales of goods and services, and much more. All of them begin to take part in the foreign economic activity (FEA) of the country.

The concept of foreign economic activity appeared a long time ago, which is why there are many different interpretations.

FEA is the activity of business entities of Ukraine, as well as foreign economic entities, based on cooperation between them, both on the territory of Ukraine and beyond its borders.

One of the main subjects is an enterprise. The main types of FEA of an enterprise are: export and import of goods and services, they also carry it out in the form of leasing, consignment, barter operations and operations with customer-supplied raw materials.

Analysis of FEA involves studying of: production, marketing, economic activities and investment, sales of goods, scientific researches. After analysis of all these elements in previous section, weaknesses of the enterprises were found.

In this diploma work a LLC «Gorobina» plays the role of investigated object. This enterprise is a unique producer of alcoholic beverages in Sumy region. The enterprise has a linear-functional management structure.

LLC «Gorobina» produces a wide high quality products range, part of this products company exports abroad. The main products, that an enterprise export is vodka. Unfortunately the products range of exported products is not wide, the main trademarks that exported are: «Sumska osobliva», «Nedrigaylivska», «Ukrainian with pepper» and «Sumska gorobinova». But the biggest part of exported goods is goods that produced under Private Label (spill under brands of customer`s).

The enterprise cooperates with many countries in the world: Germany, USA, Azerbaijan, Kazakhstan, Poland, Italy and others.

After made of matrix of SWOT-analysis of LLC «Gorobina» export potential we can take up strengths and weaknesses of the company.

The strengths of the company are: high-quality workers; good reputation on market; high quality products; significant production capacity; winner of many international competitions.

After analysis of all this elements in previous section, weaknesses of the enterprises were found. The weaknesses of the company are: insufficient of financing of research and development works; ineffective marketing campaign; narrow production range of exported production (own brands or trademark); decreasing the share of export; lack of a separate foreign economic department; low level of awareness of foreign customers about enterprise`s products.

It`s recommended to implement such activities as: expanding export in the existing sales markets and improving system of products promotion on foreign markets.

For expanding export in the existing sales markets recommended to make analysis of foreign markets, because people from different countries have different taste preferences and traditions.

If we talk about improving system of products promotion on foreign markets is smart move to: seeking new potential consumers abroad; increasing of qualification of employees from marketing department.

Nowadays there are many new methods of searching potential customers existing and some of them can use the LLC «Gorobina»: cooperation with different domestic and international organisations; e-business resources; and intermediary companies.

It should be noted that advertising of alcohol beverages has specific rules and fences that is why passing training is a smart move to increase effectiveness of work of marketing department. The main goals of the marketing course are: studding of new methods of alcohol promotion on foreign markets; receiving recommendation

about improving image of company; studying ways to attract foreign customers, study social media marketing etc.

Now the enterprise uses only one method of promotion – participations in exhibitions, competitions. It should be noted that advertising of alcohol beverages has specific rules and fences that is why passing training is a smart move to increase effectiveness of work of marketing department. All these activities lead to increasing sales revenue on 5 %.

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APPENDIXES

Appendix A

SUMMARY

Prykhozhai Y. Improving mechanism of enterprise`s foreign economic activities. – Diploma work. Sumy State University, Sumy, 2018.

The diploma work focuses on concept of foreign economic activity. Also, the main attention was paid to the main subject of foreign economic activity, namely to the enterprise. In research was analysed work of particular enterprise. In the process of writing, its main activities, product range, financial results, exports and marketing activities were considered. Also, recommendations were developed for improving FEA of the enterprise.

Keywords: foreign economic activities, principles of FEA, regulation of FEA, tariff methods of regulation, non-tariff methods of regulation, foreign trade contract, and promotion of products.

АНОТАЦІЯ

Прихожай Ю.О. Удосконалення механізму зовнішньоекономічної діяльності на підприємстві. – Кваліфікаційна магістерська робота. Сумський Державний Університет, Суми, 2018 р.

Робота присвячена концепції зовнішньоекономічної діяльності, основна увага приділяється основному суб'єкту зовнішньоекономічної діяльності, а саме підприємству. У дослідженні аналізувалася робота конкретного підприємства, були розглянуті його основні напрямки діяльності, номенклатура продукції, фінансові результати, експортна та маркетингова діяльність. Також розроблено рекомендації щодо вдосконалення ЗЕД підприємства.

Ключові слова: зовнішньоекономічна діяльності, принципи ЗЕД, регулювання ЗЕД, тарифні методи регулювання, нетарифні методи регулювання, зовнішньоторговельний контракт, просування продукції.

Appendix B

1. Sheven L.N. «The organization of management of foreign economic activity of the enterprise»

The study examines the features of foreign economic activity. The process of organisation and management of foreign trade activities at the level of modern enterprises is described in detail.

The author describes the functional services and departments that operate in the enterprise. Functional services and departments that contribute to the work of the enterprise can be divided into three groups: a group of services and departments that carry out planning in the enterprise (planning and economic department, transport department, etc.); a group of departments that are directly involved in marketing (department of conjuncture and prices, department of maintenance, etc.); a group of departments designed to ensure the adoption and execution of management decisions in the enterprise (department of enterprise development, human resource department and others).

The main idea of the article is that the task of the enterprise is to implement a rational management of all departments of the enterprise to ensure effective FEA. At the same time, enterprises should take into account: the needs and motives that encourage participation in international cooperation in the international division of labour and attract foreign investment; the level of internationalisation of production activities; methods of product sales; the size of the enterprise, the volume of actual and potential exports; the constancy of foreign economic operations [72].

2. Stankiewicz-Mróz A., Perederii V., Novak V. «Foreign economic activity of enterprises»

In this article, a group of authors analysed and characterized the concept of «evaluation of the effectiveness of foreign economic activity». The concept of the

foreign economic activity of the enterprise in the article is offered on three grounds: by types of foreign economic activity, by the degree of the scope of the research object, by the methods of evaluation.

Also, the methods and essence of assessing the effectiveness of FEA in the enterprise are formulated. For the analysis of foreign economic activity authors propose to use: methods of deterministic factor analysis (detail, comparison, elimination, generalization); standard methods (statistical observation, grouping, absolute and relative values, average values, indices, rows of dynamics); mathematical (mathematical modelling, mathematical analysis, integral method, mathematical statistics, probability theory, economic cybernetics); heuristic methods (expert estimation, brainstorming), special methods (SWOT (scenario method), PEST – political, economic, social, technological (comparative), SNW - strength, neutral, weakness (DuPont model analysis), and portfolio (R-analysis) methods.

According to the article, SWOT analysis and standard methods are considered to be the most effective methods for assessing the international activity of the enterprises [73].

3. Laux J. «Innovative methods in strategic planning of foreign economic activity of enterprises»

In this article the author considers modern methods of strategic management and strategic diagnostics of enterprise`s foreign economic activity.

The purpose of this article is to define innovative approaches to planning, development and implementation of strategies and to develop a comprehensive diagnosis of the strategic potential of foreign economic activity.

During the research, the author proposes to use for diagnosis of the strategic potential of foreign economic activity such methods as: logical abstraction, modelling, PEST-analysis, systems analysis, graphic.

The main results of the study are: 1) disclosure of the features of the construction of strategic management in international business; 2) analysis of

European and American practices of strategic management of foreign economic activity of enterprises; 3) study of algorithmic scheme of strategic management of an enterprises; 4) justification of methods of three-level system of strategic analysis using matrix methods of assessment; 5) the classification of the main methods of matrix analysis within groups: macro, meso, micro levels; 6) a comprehensive diagnosis of the strategic potential of foreign economic activity of enterprises in the world.

The study proved the main areas of innovation and strategic principles of international management and comprehensive methodology for strategic planning matrix based on innovative methods [65].

4. Mirmulstein M., Ramalho R. «Micro, small, and medium enterprises around the world»

The article deals with the main problems of foreign economic activities as enterprises of different levels in general. The dynamics of export and import of goods of the largest enterprises of the world is analysed, the commodity and geographical structure of export and import of goods is defined, the main tendencies and characteristic features are specified. The activity of opening of enterprises around the world is also determined.

The conducted researches allowed to group negative factors of influence on development of foreign economic activity of the enterprises. The main factors that negatively affect the FEA of enterprises include: economic crises, high level of competition in the foreign market, barriers to market entry, unskilled personnel and others.

Also, the article defines the directions of development and improvement of foreign economic activity of enterprises. These include: a comprehensive analysis of sales markets, increasing competitiveness through the introduction of high-tech equipment, reduce the impact of bureaucracy on business and others [62].

Appendix C

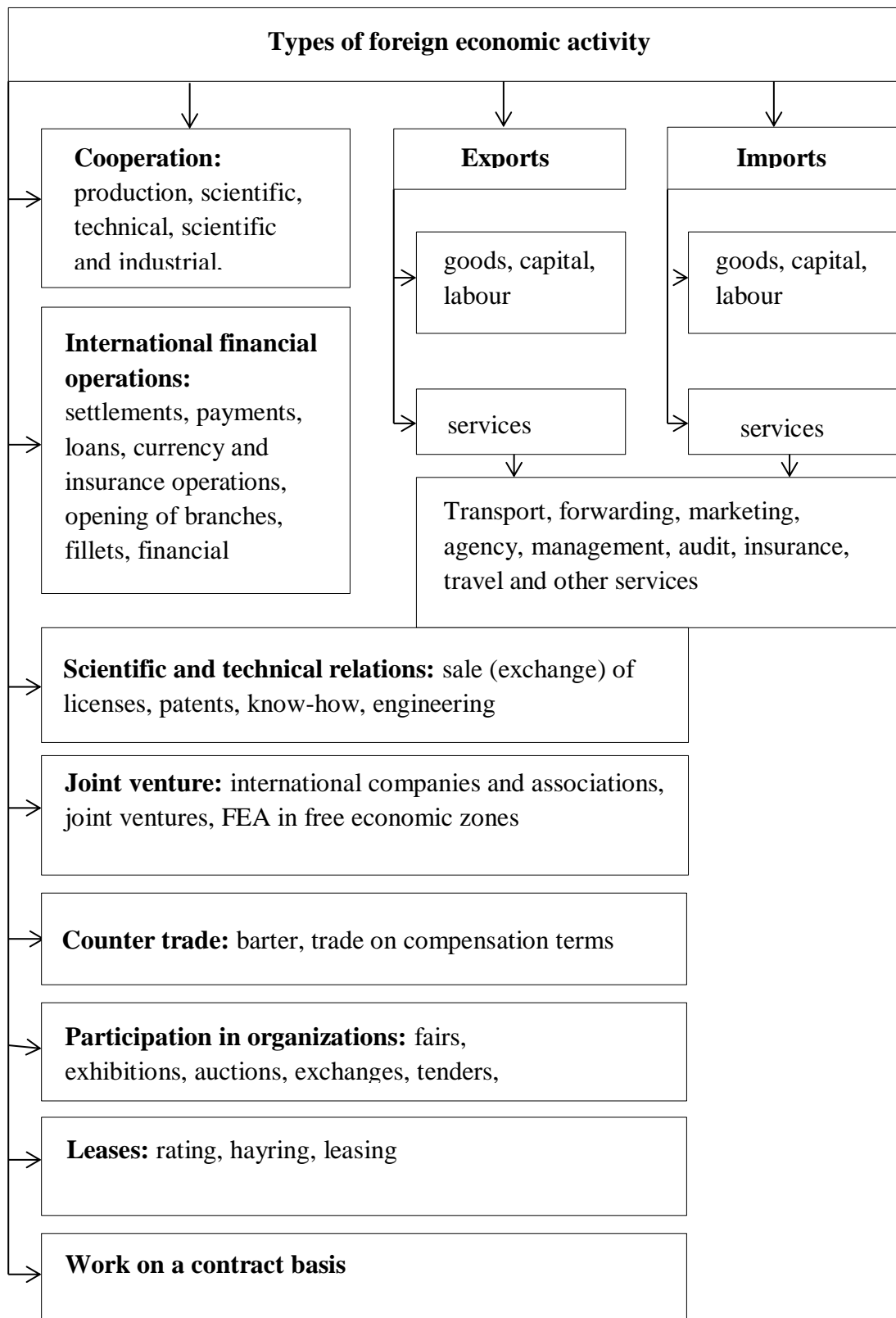


Table C.1 - Types of foreign economic activity in Ukraine.

Appendix E

Table E.1 – The main indicators of financial-economic activity in 2016-2017, thousand hryvnias.

Indicator	2017	2016	%
Volume of production in physical terms (thousand dals)	274,5	302,1	90,9
- alcoholic beverages	207,3	152,1	136,3
- fruit wines	-	127,2	-
- vermouths	67,2	22,8	294,7
- kvass	90,7	45,7	198,5
Capacity utilisation rate	26,3	28,9	90,9
Product costs	33655,0	26345,2	127,7
Cost-effectiveness	-1,7	0,8	
Costs on 1 hryvnia of goods	1,02	0,99	102,6
Products shipped	382,5	363,1	105,3
Volume of production sold	35347,0	27581,9	128,2
Expenses of the production of sold production	35035,4	27121,3	129,2
Revenue from sales	311,6	460,6	67,7
Cost-effectiveness	0,9	1,7	52,4
Net profit (loss)	181,5	323,0	57,4
Wages fund	10093,25	10359,0	97,4
The average number of staff	234	261	89,7
The average number of wages for one staff	4313,4	3968,9	108,7
Accounts receivable at the end of the period	37308,2	41015,5	91,1
Accounts payable at the end of the period	28019,1	347813,3	80,5

Table E.2 – The main indicators of financial-economic activity in 2015-2016, thousand hryvnias.

Indicator	2016	2015	%
Volume of production in physical terms (thousand dals)	302,1	540,2	55,9
alcoholic beverages	152,1	182,1	83,5
fruit wines	127,2	358,1	35,3
vermouths	22,8	-	-
kvass	45,7	48,6	94,0
Capacity utilisation rate	28,9	51,7	55,9
Product costs	26345,2	37852,1	69,6
Cost-effectiveness	0,8	-	-
Costs on 1 hryvnia of goods	0,99	1,08	92,1
Products shipped	363,1	583,0	62,3
Volume of production sold	27581,9	34776,7	79,4
Expenses of the production of sold production	27121,3	37231,9	72,8
Revenue from sales	460,6	-2455,2	-18,7
Cost-effectiveness	1,7	0,1	115
Net profit (loss)	323,0	366,7	88,1
Wages fund	10359,0	909,25	88,1
The average number of staff	261	554	102,8
The average number of wages for one staff	3968,9	3,579	90,9
Accounts receivable at the end of the period	41015,5	48502,9	84,6
Accounts payable at the end of the period	347813,3	48854,0	71,3

Appendix F

Table F.1 – The main indicators of finance activity of LLC «Gorobina» in 2015-2017, thousand hryvnias.

Indicator	2017	2016	2015
Revenue from sales	123272,2	93522,2	94803,4
- Value-added tax	11819,8	5540,3	6899,9
- Excise duty	32818,0	19936,8	21503,6
Net income from production sold	78300,1	67750,8	63377,9
Expenses of the production of sold production	65671,6	58830,8	55383,5
Gross profit (loss)	12628,5	8920,0	9994,4
Other operations incomes	657,8	1141,1	853,1
Administrative costs	4261,8	3443,0	4179,1
Cost of sales	7488,7	3510,3	5082,4
Other operation costs	778,2	1992,1	517,3
Finance result (loss)	767,6	1115,7	1068,7
Other incomes	1199,6	399,9	535,4
Other costs	1622,1	1111,9	1044,1
Profit tax	159,6	80,9	193,3
Net profit (loss)	185,5	323,0	366,7

Appendix G

Table G.1 – The indicators of finance situation in the LLC «Gorobina» in 2015- 2017, thousand hryvnias.

	Ha 01.01.2016	Ha 01.01.2017	Ha 01.01.2018
I. Current asset			
Funds	181,5	-495,9	99,8
Accounts receivable	48502,9	40301,6	37380,2
Reserves:	19764,1	11726,3	11280,2
- material	2161,6	2388,4	2179,2
- finish goods	1636,5	1059,2	1,3
- unfinished production	197,4	237,5	170,3
- goods	15768,6	8041,2	8929,4
All in section I	68448,5	51532,0	48760,2
II. Non-current assets			
Fixed assets	5610,3	4749,0	3980,7
Immaterial assets	19,2	6,4	32,9
Finance investment	2914,3	2626,3	1551,6
Unfinished capital investment	1382,0	1374,8	1410,1
All in section II	9925,8	8756,8	6975,3
III. Costs of future periods	37,7	2610,4	3247,3
All assets	78412,0	62899,2	58982,8
IV. Borrowed funds			
Long term liabilities	881,4	881,4	-
Deferred tax liability	90,0	57,8	57,8
Current liabilities			
Short-term Bank loans	2041,6	726,5	2700,0
Promissory notes issued	11531,5	13316,5	12188,3
Accounts payable for goods, services, work	24524,1	10029,6	14114,1
Arrears to the budget	1123,3	373,7	1035,4

Continuation of tab. G.1

Wages	294,3	279,0	175,4
Other current liabilities	11380,8	10101,0	505,9
Accounts payable	48854,0	34099,8	28019,1
All current liabilities	50895,6	34826,3	30719,1
All in section IV	51867,0	35765,5	30776,9
V. Equity			
Authorized capital	15108,0	15108,0	15108,0
Accumulated capital	10917,9	11506,6	12578,8
All in section V	26025,9	26614,6	27686,8
VI. The provision of the following payments	519,1	519,1	519,1
All passive	78412,0	62899,2	58982,8

Appendix H

Table H.1 – Investment projects of the LLC «Gorobina» in 2017.

Name of the project and enterprise	Period of implementation	Cost of project, K UAH.	Source of financing	Economic effect
Expanding of alcohol production	2017	2150,0	Borrowed funds	Developing quality of goods, decreasing of costs of production, expanding of products range and increasing volume of sales
Buying of labeling machine with electronic copier	2017	4023,0	Borrowed funds	Increasing volume of production finished goods
Buying of automatic visual inspection machine of finished goods	2017	2205,2	Borrowed funds	Increasing volume of production finished goods, quality control of finished goods

Appendix I

Table I.1 – Products of the LLC «Gorobina».

Name	Composition	Strength	Volume, liter
Vodka «Osobliva Akademichna»	water, ethyl alcohol «Lucks», aromatic spirits of pepper mint and lemon oil, honey	40 %	0,75
Vodka «Gubernia dvoryanska svyatkova»	water, ethyl alcohol «Lucks», aromatic spirit of fennel, aromatic spirits of pepper mint, glucose	38%	0,75
Vodka «Osobliva Gubernia dvoryanska lucks»	water, ethyl alcohol «Lucks», aromatic spirit of rye crackers, aromatic spirit of hop	40%	0,75; 0,5
Vodka «Sumskiy dvir osobliva»	water, ethyl alcohol «Lucks», aromatic spirit of lemon essential oil, aromatic spirit of zubrovkas, glucose, ascorbic acid	40%.	1,75; 0,5; 0,25; 100
Tincture «Ukrainskaya z perzem»	water, ethyl alcohol «Lucks», aromatic spirit of pepper, sugar, red pepper	40%	0,5;
Vermouths «Strawberry brandy», «Raspberry brandy», «Cherry with cognac», «Plum brandy», «Rowanberry brandy», «Peach brandy», «Pomegranate with cognac»	wine material processed, ethyl alcohol rectified "Highest purity", concentrated strawberry juice (raspberries, cherries, plums, rowan, peach, pomegranate), cognac, alcohol infusion of walnut, sugar, citric acid, wine and alcohol infusion of vegetable raw materials	20%	0,5; 0,25
Vodka «Sumska ozima»	water, ethyl alcohol «Lucks», aromatic spirit of sage's, glucose	40%	0,5
Vodka «Sumska osobliva Classical»	water, ethyl alcohol «Lucks», vanilla extract, glucose	40%	0,5; 0,25
Tincture «Sumska Gorobinova»	water, ethyl alcohol «Lucks», black chokeberry juice, red rowan juice, oak bark infusion, citric acid, sugar	40%	0,5; 0,25

Continuation tab. I

Tincture «Sumska Light»	water, ethyl alcohol «Lucks», infusion of horseradish, infusion of juniper, glucose	40%	0,5
Tincture «Duch zariv»	water, ethyl alcohol «Extra», white port, ordinary cognac, infusion of apple and pear leaves, rosehip juice, sugar, infusion of cinnamon, clove infusion, vanilla extract	43%	1
Kvass	water, salt, sugar, yeast	-	20; 50; 100
«Private Label»	-	40%	0,5; 0,25