

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE  
SUMY STATE UNIVERSITY  
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**QUALIFICATION PAPER**

on the topic " UKRAINE'S PLACE IN THE WORLD COMMODITY MARKET"  
Specialty 292 "International Economic Relations"

Student 4<sup>th</sup> course  
group ME-71an

Pam Daniel

It is submitted for the Bachelor's degree requirements fulfillment.

Qualifying Bachelor's paper contains the results of own research. The use of the ideas, results and texts of other authors has a link to the corresponding source.

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## ABSTRACT

on bachelor's degree qualification paper on the topic  
«UKRAINE'S PLACE IN THE WORLD COMMODITY MARKET»

student

Pam Daniel

The main content of the bachelor's degree qualification paper is presented on 32 pages, including references consisted of 22 used sources, which is placed on 3 pages. The paper contains 4 tables.

Keywords: TRADE, COMMODITY MARKET, RETAIL TRADE, WORLD MARKET

The purpose of the bachelor's degree qualification paper is to explore Ukraine's place in the world commodity market.

The object of the research is the world commodity market.

Subject of study is the set of relations arising in the world commodity market.

Methods that were used in the study of this work: abstract-logical, deduction, induction, theoretical generalization, statistical method, comparative analysis etc.

The study is based on statistics, publications of Ukrainian and foreign scholars.

The main scientific results are:

1. Consideration of the theoretical fundamentals of retail trade.
2. Research of the current state and trends in retail development.

The year of qualifying paper fulfillment is 2021.

The year of paper defense is 2021.

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«\_\_» \_\_\_\_\_ 20\_\_ .

TASKS FOR BACHELOR'S DEGREE QUALIFICATION PAPER

(specialty 292 " International Economic Relations " )  
4<sup>th</sup> year course, group ME-71 an

Pam Daniel

1. The theme of the paper is «Ukraine's place in the world commodity market» approved by the order of the university from « 19 »\_ 04\_\_ 2021 № 0193 VI.
2. The term of completed paper submission by the student is 14.06. 2021
3. The purpose of the study is to explore Ukraine's place in the world commodity market.
4. The object of the research is the world commodity market.
5. The subject of the research is the set of relations arising in the world commodity market.
6. The qualification paper is carried out on materials from the Internet resources, publications of Ukrainian and foreign authors, statistical databases.
7. Approximate qualifying bachelor's paper plan, terms for submitting chapters to the research advisor and the content of tasks for the accomplished purpose is as follows:  
Chapter 1 Structure of the world commodity market, deadline – 30.04.2021  
Chapter 1 deals with researching the next tasks:

- to consider the essence of the world commodity market;
- to define sectors of the world commodity market.

Chapter 2 Theoretical fundamentals of world retail trade,

deadline – 24.05.2021

Chapter 2 deals with the concept of world retail trade, signs and forms of retail trade;

Chapter 3 Global trade development trends,

deadline – 10.06.2021

Chapter 3 deals with researching the next tasks:

- to analyze current state and trends of retail enterprises;
- to define dynamics of foreign economic relations development;
- to analyze the current state and prospects of retail income development in Ukraine

#### 8. Supervision on work:

Chapter	Full name and position of the advisor	Date, signature	
		task issued by	task accepted by
1	PhD, Associate Professor Shkola V.Yu.		
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Shkola V.Yu.

The tasks has been received:

\_\_\_\_\_

Pam Daniel

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## INTRODUCTION

Retail trade - a set of types of activity that increases the value of goods and services that are sold to consumers and intended for personal or family use . Work with sales in retail trade enterprises has its peculiarities. Retail trade enterprises sell goods directly to the public using their specific methods and techniques for retail sale , finally complete address of the manufacturer's products.

Proper organization of work in the framework of retail trade promotes growth of turnover , rather full satisfaction aggregate priests that population and obtaining commercial success.

Today, retail traders are busy finding new strategies for marketing to attract and keep buyers. Previously this was to offer people the convenience of the location , a special range of goods , better than in competition , service and credit cards could make purchases in the credit. Now everything is different. Shops and other businesses in retail trade are becoming more and more like one to one. Gone and differences in the services that are provided. All this leads to the fact that many enterprises in retail trade today are reassessing their marketing strategy. For example, department stores, faced with competition from the side of specialized and selling to discount stores , opened their branch in the lane wherever there is a free place in the parking lot , and the income of families above. Others are more satisfied with sales and rebuilding their image ! Because this topic is particularly relevant in our days when there is no shortage of goods and virtually everything you can buy at many stores.

In Ukraine selling goods to the population is mainly engaged in the enterprise of retail trade - the owners of the objects of retail trade (shops, pavilions, kiosks and so on). Retail trade is also involved in industrial and retail businesses through a network of its own branded stores and other points of sale of goods, retail markets, enterprises of public catering, business and other sub immovable entities with different forms of ownership.

The purpose of the bachelor's degree qualification paper is to explore Ukraine's place in the world commodity market.

The object of the research is the world commodity market.

Subject of study is the set of relations arising in the world commodity market.

Methods that were used in the study of this work: abstract-logical, deduction, induction, theoretical generalization, statistical method, comparative analysis etc.

The study is based on statistics, publications of Ukrainian and foreign scholars.

The main scientific results are:

1. Consideration of the theoretical fundamentals of retail trade.
2. Research of the current state and trends in retail development.

# 1. STRUCTURE OF THE WORLD MARKET

## 1.1 The essence of the world market

The market is an integral part of social economic reproduction and is formed in close interaction with all its elements: production, consumption, distribution.

The market is a sphere of commodity-money exchange, the development of trade functions between seller and buyer.

The primary element of the world market is the domestic market, which carries out domestic trade operations.

The national market combines domestic and foreign trade of the country.

The world market is a set of national markets interconnected by global economic ties on the basis of the international division of labor, specialization, cooperation, integration of production and marketing of goods and services.

The world category includes all commodity markets in which an exceptionally large share is made up of foreign trade operations (for example, the world tin market, where the export quota reaches 90% of its production) and those where it is moderate - 30-50% (for example, the world market cars) and even insignificant - 10-20%.

The structure of the world commodity market can be considered in three aspects - regional (or geographical), commodity-sectoral and socio-economic.

According to the regional structure of the world market, there are markets of individual countries or their groups.

According to the commodity-industry structure of the world market, there are individual commodity markets that correspond to the market level of a particular product or part of it. This classification is based on the International Classification - Standard International Trade Classification - SITC, Brussels Customs Nomenclature, Harmonized Commodity Description System.

According to the commodity-industry structure of the world market, there are three leading groups of goods - finished products, raw materials and semi-finished products, and services.

Each commodity group consists of subgroups of goods, which may be separate commodity markets. Thus, the market of industrial raw materials combines the markets of ferrous ores, non-ferrous metals, precious stones, diamonds, chemical raw materials, etc.

According to the socio-economic structure of the world commodity market, there are markets of industrialized countries (PRC), developing countries (CD) and countries with economies in transition (CPE), socialist countries (CSR).



According to the degree of monopolization and the nature of trade agreements on the world market, the following types of its structure are distinguished:

- monopolistic, where one supplier dominates (diamond market);
- oligopolistic, dominated by a group of large sellers (oil market);
- atomistic, where there is a low concentration of supply of goods with the participation of many suppliers and intensified competition (markets for textiles, garments, etc.).

## 1.2 Sectors of the world commodity market

According to the nature of trade agreements and the relationship between sellers and buyers, there are three sectors of the world market: closed, open and preferential goods markets. The main segments (fundamental elements) of the closed sector of the world commodity market include intra-firm supplies, ie trade between branches of parent and subsidiaries of large monopolies or TNCs; sub-supply of goods of small and medium-sized firms acting as contractors of large monopolies, domestic trade of regional integration associations, supply of goods under aid programs, under special interstate agreements, counter-trade. In the closed market, sellers and buyers interact on the basis of non-profit relations, because they are linked by legal dependence, agreements on international specialization and cooperation, the system of partial participation and financial control, preferential and special trade and economic, monetary, military, political and other specific agreements.

The closed sector of the world commodity market is subject to limited influence of market factors, it is characterized by relative stability of market prices, which are based on national prices and do not reflect short-term fluctuations in supply and demand and real cost of goods.

The open sector of the world commodity market is a sphere of usual commercial activity of practically independent sellers and buyers - small and large firms, outsiders, monopoly associations, state and private enterprises. The independence of trade contracts of the open sector of the world commodity market causes a relative instability of relations. In the open sector of the commodity market, short-term commercial agreements and "free" market operations are carried out.

The "free" market is a sector of an open market of free competition of producers and suppliers of goods. This market is dying out because it is being

replaced by modern mechanisms of international regulation of the world commodity market. The "free" market is manifested in stock trading, in the "spot" market (with urgent supply of real goods) and the "black market".

The intermediate position between the closed and open sectors of the world market is occupied by the preferential sector - trade operations on the basis of long-term commercial contracts (DSKK), which are concluded for two years or more (sometimes 15-20 years) and due to preferential economic conditions. Trade on the basis of DSKK is allocated to the preferential zone, which is influenced by the features of both sectors of development of world commodity markets

## **2. THEORETICAL FUNDAMENTALS OF WORLD RETAIL TRADE**

### **2.1 The concept of retail trade**

If you rely on different literature, you can find dozens of definitions , and each of them will be true in its own way . I will discuss a few literature sources, which describes the very essence of the concept of retail trade.

"Retail trade - the activity sub-objects the commodity market with the sale of goods and the provision of additional services directly to the public. In the retail trade in all products from the sphere of circulation in the sphere of consumption that are the property of the buyer " [4, p. 148]

Retail trade - a type of trade in goods, as well as the performance of certain services aimed at the buyer, which is the end consumer, individual or legal entity. The purpose of purchasing goods at retail are satisfying personal needs of the buyer, the members of his family (if it is a natural person ) or as employees of the company (if it is a legal person ) on account of the consumption of purchased goods.

The development of retail trade in Ukraine has repeatedly stood against 'object of scientific economic research. This issue is devoted to scientific publications such leading scientists as A. Mazaraki, V.V. Apopiy, V.S. Marcin, L.O. Ligonenko, I.O. Blank, W.W. Fox, L.A. Omelyanovich and others. And although this topic is relevant, because the state of the retail trade is one of the visual indicators of economic development of the state. Growth solvency of demand of the population of Ukraine, the rapid development of domestic production (including light and food industry ), the appearance of Ukrainian brands, improve the investment attractiveness of domestic market of Ukraine for foreign investors - all this strengthens the interest to the modern state of the consumer market requires understanding new realities and prospects for further development of retail trade.

## 2.2 Signs and forms of retail trade

For retail trade characterized by the following features :

1. It is independent, initiative, exercised at his own risk activities of legal entities and citizens with the aim of obtaining profits
2. The main content of commercial activity is the sale of goods at the same time can be carried out related work and various services.
3. goods are sold directly to citizens or other end consumers for personal non-commercial use
4. Products sold for cash or other, assimilated to it means (credit card banks lane erahuvannya of accounts of depositors , etc. )
5. Only a certain range of goods can be sold in retail trade . This range is narrower than in the wholesale trade, but is much broader than in the field of public supply.
6. For retail , it is important to have a trading place. When shopping destinations realize separate, specially equipped places for the implementation of the retail sale of goods with mandatory compliance with the current rules of trading service population and order payments from customers and.
7. Retail Trade thoroughly regulated by legislative and regulatory acts
8. The contracts of sale in retail trade have a public character. [5, p. 160]

Retail traders perform a number of functions that increase the value provided DATA them goods and services. These are usually the following functions :

1. Providing a range of goods and services
2. Crushing party goods that arrive in the retail trade network
3. Storage of stocks
4. Providing service
5. Increasing the value of goods and services

Modern retail trade is carried out in various forms, which vary and are complemented by the influence of scientific and technological progress, the introduction of new tools of computer technology, information technology and

telecommunications IU dir.

Forms of retail trade can be classified according to the following characteristics :

1) At the place of performance :

a) store retail trade, on which account the overwhelming part of the retail trade. Active in the stores, which are located in separate buildings or primisch ennyah and have a trading room for customers ;

b) small retail trade in particular and traveling. It is carried out through a network of non-stationary trade facilities that do not have trading halls : trays, tents, vending machines, car shops , etc. Because of the small retail, the rhovelnu network allowed the realization of food and non-food goods only in a simple range. Retail sale via small retail trade networks is one of the forms of pozamahazynnoho sale of goods.

2) According to the methods of service distinguish :

a) sale of goods from the counter. Characterized by personal contact between seller and buyer in the store ;

b) self-service stores . Contact with the seller, as a rule, is anonymous, the buyer has an opportunity of the easy, free and independent choice of the goods from many x placed in a trading hall ;

c) trade in samples ;

d) trade in catalogs ;

e) parcel trade ;

g) trade by pre- orders ;

h) e- commerce.

3) For the right of ownership to the goods that are sold, are distinguished:

a) commission retail well trade. Implements goods taken from legal and physical persons on commission basis, ie, the right of ownership to goods stored by commitment to the time of its sale to the buyer;

b) branded retail trade. Proprietary trading - is the sale of goods by their manufacturers as well as separate structural units of the producers, who do not have the status of legal entity.

4) The form of calculations can be distinguished:

a) the retail trade for cash and other equated to its payment SAG Obama ;

b) trade on credit and by bank transfer. Trade for cashless calculation belongs to Retail only in cases stipulated by current normative acts.

### **3. GLOBAL TRADE DEVELOPMENT TRENDS**

#### **3.1 Current state and trends of retail enterprises**

In the last decade , the role of retail trade in shaping consumer demand has grown significantly. With the development of the domestic retail market, the needs of consumers are transformed at the same time. Accordingly, there is the need to conduct research in retail trade. Growth of the first turnover for 2014. - 2018. occurred due to the intensification of production activities in the real sector of the economy of Ukraine. Meanwhile, retail trade has a moderate rate of growth due to the impact of limiting factors, including growth cost price at home production , increasing the level of inflation. In accordance with the specified data of the State Service of Statistics of Ukraine in 2017 the volume of retail trade in the country increased in comparable prices by 6.5% to UAH 815.3 billion [6]. This volume of retail turnover in January-May 2018 amounted to 354.4 billion UAH, or increased compared to the same period in 2017 at 6.1% [7]. Also should be noted that the increase in retail turnover in the range of 6% is extremely insufficient. This level of growth even not compensates actual consumer inflation (index of consumer prices) in the country, which, according with the data of the State Service of Statistics of Ukraine was fixed at the level of 13.7%, where the main catalyst of inflation was the increase in prices for food stuffs, share which in generally b it structure index of consumer prices amounted to almost 42% [8]. For example, according to information from the General Director of Ukrainian Association of Suppliers of trade networks Alexei Doroshenko, from the beginning of 2018 increased cost to 84% of the products that are subject states monitoring, for example, three leaders make millet grits, beef and cereals. At the same time if you look at the dynamics of growth of prices for such products as apples and vegetables in general, we can see that from the beginning of 2018 their value increased by 20% to 184%. In local

currency retail turnover in Q1 2018 even at 13% higher than the level indicator Q1 2013. In contrast, in dollar terms, turnover is almost three times lower than in 2013. 72% of the total volume of the inner section, the turnover attributable to the enterprise legal person, the main type of economic activity which is retail trade. It should be noted that the increase in turnover of such enterprises in 2017, according to updated data, amounted to 6.0%, amounting to 586, 3 bln UAH. [9]. Relevant analysis of turnover indicators is crucial in shaping the investment attractiveness of the retail industry in general. After all, only in the case of constant monitoring of indicators of the industry in the world and analysis of existing trends, we will be able to get rid of excessive illusions and expectations and find our place in the global economy. If you examine the annual report of "Deloitte" «Global trends in retail trade in 2018» then you can make the conclusion that the 250 largest districts with small networks in the world form the turnover on the level of 4,4 trillion dollars US. The leader of the rating is the American chain of stores "Wal-Mart" with an annual turnover of 485.87 billion. US dollars [10]. At the same time if to take into account the State service with tons Ukraine turnover for 2017 at the level of 815.3 billion. UAH and convert it into the dollar equivalent at the weighted average rate in 2017.  $\$ 1 / \text{UAH} = 26.5966 \text{ UAH}$ , then we get a value of 30.6 billion. dollars, that retail trade across Ukraine is 16 times less for the performance leader of the industry in the world. As for Ukraine, the increase in the volume of retail trade turnover occurred in most regions of the country, with the exception of Volyn and Luhansk, Ternopil regions, where it fell to 5.8%, 1.9% and 0,5%, respectively. The highest growth rate of retail trade falls on the Transcarpathian region, namely 17.2%. More than half the volume of retail trade turnover accounted for goods of domestic production. At the same time in the structure of trade in food, so Ovari this figure exceeded 80%, the Ukrainian industrial goods company trade realized only about one third. Due to actual trends, which were formed in I-III quarters of 2016 r., Can expect some increase in the share of goods of foreign origin in retail turnover,



which is due , in particular , the devaluation of the hryvnia , accordingly , rising import greatest number of commercial networks of enterprises in retail trade , the main type of economic activity which is retail trade (except trade of motor means and motorcycles ) , by types of economic activity in the regions on 1 January 2018 r . falls on the following regions of Ukraine: Kyiv region - 2,493 units, Dnipro region - 3,007 units, Lviv region . - 3066 units. Kharkiv - 3 183 units, m . Kyiv - 3,924 units. The smallest number falls on such regions as Chernivtsi - 610 units, Ternopil - 784 units , Sumy - 902 units , Ivano-Frankivsk - 905 units. Nominal value during the crisis reacted strongly, which indicates a discounted general level of retail prices. The resumption of nominal turnover was established much earlier than the resumption of retail trade. At the end of 2017 was recorded more than 15 percentage points compared with the pre-crisis level of 2008. Can make a conclusion that, in accordance with the ongoing investigations, the retail trade turnover increased both in Ukraine as well and in the countries of the EU that confirms the relevance of the theme study . There is a need for studies of new technologies of retail trade. Trends in e- commerce development and implementation of strategy. Ukraine has enormous potential to increase e- commerce, because Ukrainian is buying online only 3% of the goods , the rest - in traditional stores and in markets. Thus, in England the share of e-commerce is 15%, in China - more than 15%, in the US - 10% [12]. Purchase of goods through the Internet network in Ukraine in the first half of 2017 r . Half times higher than indicators of 2016 r . , the increase was 44%, and turnover - 6 billion UAH . With Mr. Idno with projected revenue business e- commerce in 2018 r . may amount to UAH 65 billion [13]. However, there is also the opposite experience leading enterprise e- commerce , such as the " Amazon " , " Bonobos" and " Warby Parker" , which opened physical stores , possibility and t yet some companies e- commerce will for this example in 2018 r . (Fig . 5). In fact, this indicates the continuity of the process of forming a balanced system of omnichannel sales of goods to consumers , which is a sphere of retail trade . It is a fundamental

need for communication with the end consumer simultaneously through multiple online channels that interact among themselves in parallel and in real time, including online shopping, mail distribution, social networks, as well as traditional offline channels, that is, from a magician and zyniv small architectural forms and shop at home to the supermarket and shopping and entertainment center, it is a factor necessary thorough understanding of workers in retail trade networks, as it is prudent and competent way to combine these channels of IL themselves, but also to provide customers with uninterrupted opportunity to buy goods and provide their consumer needs in a convenient for him time, in a convenient place and with the expected level of service of the highest quality. As an innovative glue etc. can cite cases not only of the offline operators completely integrated in the process of selling goods to consumers through their own Internet sites, but also the expansion of online players of traditional types of retail trade. For example, Jack MA, owner of "Alibaba Group", acquired for a short period, not only those retail operators in China as Intime Retail Group, Suning Commerce Group, Sanjiang Shopping Club, but also 36% of the Chinese branch of one of the largest European retail trade networks and it is for company "Auchan". Jeff BEZOS, owner of "AMAZON", acquired the chain of grocery stores "Whole Foods". In Ukraine, the owner of the "ROSETKA" network has opened his own offline sales of goods. Development of monobrand. The development of domestic monobrendiv constantly growing, and it is Vovk, Andre Tan, Goldi, Arber, AnabelArto. Thus, the lingerie brand "Jasmine" opens stores with a retail area of 120 - 250 m<sup>2</sup>. Some operators have returned to the market brands that closed their stores during the crisis, including Gerry Weber, Baldessarini, Lee Cooper, Hugo Boss. Others also had previously not been present in Ukraine, there is a way out of new international brands on the market of Ukraine. However, the development of mono brands does not guarantee the success of enterprises, as evidenced by international experience. By these benefits development could include differentiation of products with the suggestion of

exclusivity , obstruction direct comparison of prices , which means that the owners monobrends not be forced to win on the price development of e- commerce , ease of comparing prices on identical branded products in network Internet , which creates more advantages than ever , the growth of the fashion reputation of the respective monobrends , as the goods are sold under the seller's own name . Based on the limits of consumer proposals , sales of its own brand , as a rule , have higher margins than sales of other branded products. Development of shopping centers (multifunctionality ). Ukraine occupies the last place among the countries of Central and Eastern Europe for the richness of the trade area . On 1 thousand. Residents Ukraine pryhodyatsya all 34 m<sup>2</sup> commercial area , while as in average in the countries of Central and Eastern Europe (CEE ), this figure is 200 - 300 m<sup>2</sup>. Such data are contained in the study of international consulting company " Colliers International " , which examines the markets trading estate such countries as Belarus , Bulgaria , Croatia , Czech Republic , Estonia , Latvia , Lithuania , Poland , Romania , Slovakia and Ukraine . Thus , Kyiv took the 10th place among the capitals of Central and Eastern Europe for the richness trade area. Analysts company " Colliers International" noted that nearly 100% of trading centers in Ukraine are in the traditional format , then as in other countries, a large proportion of falls in retail parks . In the top -20 largest trade and wheel centers of Eastern and Central Europe includes such commercial facilities as the SEC " Lavina Mall" and the SEC " Dream Town". To one of the largest shopping centers can be attributed center "Walk Belyany" closest to the Ukraine neighbor Poland . [16] During 2018 - 2019 . planned to open these shopping centers in Kiev. Also a significant role in the development of shopping centers play their social orientation , as implemented educational , socio l ni , educational projects that enhance target traffic visiting customers . However, with increasing quality trade area shopping centers will increase rental rates (approximately at 10%). There should be noted that the concept of trade-entertaining b are centers (SEC ) in the near future should be conceptually changed . And the key

abbreviation should be RTC , ie entertainment and shopping center . Because modern multipurpose centers today - this is especially for all place the most diverse and rich in and dpochynku (from the children's area to park entertainment ) , and not simply a place to purchase goods . "Buy while resting" - a key principle , which must be followed by the owners of shopping centers . Conclusions . In this way , we can make a conclusion that the formation of rozdr and bnoyi trade in Ukraine significantly affects the experience of leading countries of the world in the selection of new technology sales . Targeting consumers to choose that or other trading facility depends on its consumer experience that promotes differentiation of retail trade lnyh companies on the market . Consumers make a decision on the purchase , taking into account many factors , and not only the cost of the product . Increase the number of conscious consumers' influence on enterprise retail trade , which forces them to use the latest technologies for sale . The use of non-traditional sales channels expand the geographical availability of goods to consumers . It is necessary also to emphasize that with each year in retail trade in artificial intelligence , some executives predict that sp o stut sales to 85% of all transactions by 2020.

### 3.2 Analysis of the current state and prospects of retail income development in Ukraine

Trade Ukraine occupies a leading place in the modern economic system and social sphere of the state AVI and its regions, in shaping economic potential, ensuring effective functioning of the system of reproduction, commodity - money circulation and meeting the needs of the population in goods and services . Universal indicator that describes the scope and level of satisfaction of the demand of the population for the consumer market, the volume of attraction purchasing funds of

the population is retail turnover. The dynamics of this indicator is evidence of the production and its stimulating, promoting and accelerating the turnover of capital production and the state of monetary circulation. Consequently, the retail trade turnover of enterprises trading is characteristic of socio-economic development of the country (region). Turnover is one of the main indicators of commercial activity of a commercial enterprise. Volume was at with small turnover of Ukraine in accordance with the data of the State Committee of Statistics [5] in 2018 was. amounted to 668 369 million UAH, that is 82 038 900 000 UAH more volume last year. The index of physical volume of retail trade turnover of enterprises (legal persons) to claim comparable prices by 2018 r . was 105%, which is positive. In 2017. The structure of retail trade turnover almost corresponds to trends 2010. the share of food products is 40% and non-food - 60% of the total volume. A structure of retail trade turnover by 2018, You can see an increase in the specific weight of food products to 43.3% (highest value index for the entire analyzed period ) and reduce specific weight of non-food products to 56.7% (the lowest of rate for all analyzed periods ). Uneven is the structure of enterprises in retail trade by size, considering the structure of enterprises in retail trade, we can note that the highest specific weight are small businesses (over 99 %) and a small proportion - large enterprises . This trend has been observed for years that analyzes and explains the decision of the owners and managers of commercial enterprises to optimize the level of tax burden, increase the level of potential competitiveness. The value of profit for economic entities in modern economic conditions is extremely important, which is manifested in its functions as an economic category [4]. First , profit is an effective source of providing the company with financial resources ; secondly , the share of profit through distribution mechanisms fills the revenue side of budgets of different levels , extrabudgetary resources and charitable funds; Thirdly , profit is a tool to implement social policies of the enterprise and keep in a ; fourth , profit is an indicator of the efficiency of the enterprise and a protective mechanism against

bankruptcy ; fifth , profit is the main indicator of economic security of the enterprise. So, on the basis of these characteristics can reach conclusions for in that this category is one of the most important indicators of the results of economic activity , the purpose of business activity , and an indicator of the success of the enterprise . As a final result of economic activity of the enterprise and an indicator of its effectiveness will come to the app is the result of combining the action of external and internal factors. Disparities and imbalances in the economy of the country that are accompanied by macroeconomic uncertainty, political instability , devaluation of the national currency , destructive effect on economic condition and profitability of domestic enterprises . The process of creating a system of economic security companies can be regarded as a process of preventing possible damage from adverse effects on system security enterprises on various aspects of financial-economic activities. Thus, during the time of analysis necessary to clarify the financial results , which were enterprises in retail trade for the analyzed period . The main criterion for assessing the development trends of trade enterprises is the dynamics of their pre- tax financial results. This way, you can reach the conclusion that the financial results of activity of enterprises in retail trade during 2010 - 2018 were unstable. In 2011 and in the period 2016 - 2018 activities of enterprises trade in general in Ukraine was profitable in 2012 - 2015 - unprofitable. In the economy of Ukraine throughout the study period there was a tendency to reduce the number of unprofitable enterprises: in 2010 . Their share was 33.2% of the total for enterprises in 2018 or decreased from 9,3% to 23,9%. According to the results of 2018 r profit enterprises in retail trade was 26.86 billion UAH. And also positive is the dynamics of the number of companies that received a positive financial result, that is about profit. Their share increased to 76.1% of total volume in 2018. Among the major factors that impact on the state of trade sector Ukraine in general and direct enterprises in retail trade , it is necessary to allocate such as : crisis phenomena in the global tonnes and domestic economies , political instability , high levels of

competition , the deficit of professional commercial space and high rental rates for them deformation of the internal market of labor and employment of population , reduction of living population and capacity , negative rate of growth of the population , which negatively affect on the investment attractiveness of the market in retail trade , and so on . In world practice known is the international rating attractiveness of the retail business AT Kearney, Global Retail Development Index (GRDI) [6], which is calculated for the four categories, each of which is estimated at 25%: the attractiveness of the market risk of the country, the saturation of the market factor time . Analysis of attractiveness of markets as at 2019 shows the highest GRDI index for China - 70 points, second place went to India - 69.2 points and third place in Malaysia - 61.9 points. Ukraine in 2019 so and not joined the thirty countries that were included in this rating. Among the countries of the CIS in this list includes Kazakhstan (47 points), Azerbaijan (45.4 points ), Russian Federation (43.6 points ). According to the results of the analysis of the development of retail trade in Ukraine and European countries, we can identify a tendency to a significant lag in domestic retail . Even on a relatively positive dynamics of trade turnover in the domestic sector, retail trade, most potential investors took a wait and see stance on entry to the retail market through the conservation of high internal and external risks [7]. Therefore, domestic enterprises should develop with no entrepreneurial environment in the field of retail trade for account diversification of trade services, introduction of modern technologies, improving methods of selling and servicing customers , development of new forms of sale of goods , the improvement of the e-commerce, finding reserves, increasing the efficiency of trade operations , formation of intellectual capital , ensuring economic security and so on . Conclusions from this study and prospects for further exploration in this direction. In this way, Ana L of status and trends of enterprises in retail trade in Ukraine gave an opportunity to discover the overall positive dynamics and trends regarding the further development of the trade sector Ukraine and potential commercial enterprises. Over the last

decade, significant velocity was the number of enterprises in retail trade on the domestic market that are mainly small businesses. The innovative development of retail requires new approaches to the implementation of trade activities with regard European and global technology in the trade industry . Further research will be aimed at developing recommendations for improving the performance of retail enterprises, which will create a basis for stabilizing their functioning

### 3.3 Dynamics of development of foreign economic relations

After gaining independence, Ukraine pursues an active foreign trade policy. Foreign trade is of great importance for Ukraine. Thus, if in the USA and Japan exports account for about 10% of GDP, in France and Poland - 20%, in Ukraine in 2017 the share of exports of goods was 31%, and services - about 10% of GDP. That is, 40% of jobs in our country exist due to the export of goods and services. The state of foreign trade really reflects the current situation in Ukraine's economy. The dynamics of foreign trade in Ukraine in 2012 - 2019 . Shown in Table 3.1.

Table 3.1 – Volumes of Ukraine's foreign trade in current prices, billion dollars USA

indicator	2012	2013	2014	2015	2016	2017	2018	2019
Export	11.8	10.8	12.9	13.1	14.1	12.8	13.7	12.5
Imports	11.9	12.7	14.1	15.9	18.2	15.2	16.3	12.9
Balance	-0.6	-1.9	-1.2	-2.8	-4.1	-2.4	-2.6	-0.4

These data indicate the relative stability of foreign trade in Ukraine for 2012 - 2019 .

Ukraine's foreign economic relations are carried out in difficult conditions, which are influenced by external and internal factors. As well as the passive position



of the Ukrainian authorities to develop a strategy for the development of competitive export-oriented national producers, falling national production, etc. did not contribute to foreign trade and barter operations, the share of which in foreign economic activity in certain years was significant (Table 3.2).

Table 3.2. Volumes of barter transactions in foreign economic activity of Ukraine

Barter	2017		2018		2019	
	million dollars	%	million dollars,	%	million dollars	%
Commodity circulation	3162	9.0	2010	6.7	804	3.2
Export	1478	9.6	943	6.9	444	3.6
Imports	1684	8.6	1057	6.5	360	2.8
Balance	-206		-114		84	

In 2017 , on barter terms, the volume of exports amounted to 9.6%, and imports - 8.6%. Only as a result of government intervention, the volume of export-import transactions decreased significantly and in 2019 they amounted to 3.6% and 2.8%, respectively.

The structure of Ukrainian exports is inefficient, imports are dominated by goods that are produced in sufficient quantities or can be produced in Ukraine (Table 3.3).

Table 3.3 – Commodity structure of foreign trade in 2019

Name of product groups	Export		Imports	
	million dollars	%	million dollars	%
Total	12 463	100.0	12 945	100.0
Including				
Food products and raw materials for their production	1418	11.4	902	7.0
Products of the fuel and energy complex	1057	8.5	5441	42.0
Production of chemical and related industries	1384	11.1	1459	11.3
Wood and wood products	313	2.5	397	3.1

Industrial products	593	4.8	635	4.9
Ferrous and non-ferrous metals and articles thereof	4874	39.1	409	3.1
	1388	11.1	2255	17.4
Miscellaneous	1436	11.5	1447	11.2

The structure of foreign trade in goods of Ukraine with the countries of the world is given in table 3.4.

Table 3.4 – Foreign trade in goods, million dollars

Countries	Export			Imports		
	2016	2018	2019	2016	2018	2019
1	2	3	4	5	6	7
Total	14,400.8	12,637.4	11,581.6	17,603.4	14,675.6	11846.1
CIS countries, total	7405.2	4202.3	3252.2	11175.9	7897.0	6743.2
including						
Belarus	722.5	548.0	345.7	384.5	352.9	343.5
Russian Federation	5577.4	2905.5	2396.4	8816.6	7064.3	5592.2
Turkmenistan	274.0	221.1	102.1	1541.2	1.3	481.0
Baltic countries	263.4	230.8	167.0	287.4	382.0	196.0
other countries world	6732.2	8204.3	8162.4	6140.1	6396.6	4906.0

Table 3.4 Continued

Europe, everything	3193.5	3762.2	3623.2	4368.2	4616.5	3350.5
including						
Italy	344.6	550.2	459.4	341.8	408.6	276.5
Germany	421.9	638.7	560.1	1068.7	1263.6	942.9
Poland	362.7	313.1	301.4	510.7	486.2	258.5
Asia, everything	2711.0	2997.0	3183.8	6683	879.1	756.7
including						
Turkey	408.7	696.3	673.4	109.8	135.7	142.7
Japan	81.3	57.5	59.5	114.9	113.8	98.7
Africa	209.3	562.0	617.1	141.5	118.7	1573

America	598.3	865.4	692.4	931.0	7554	588.4
including						
USA	376.3	502.0	535.9	569.8	590.3	401.6
Australia and Oceania	20.1	17.4	45.1	24.3	20.9	27.2

The commodity structure of exports is dominated by raw materials and primary processing goods: ferrous metals, fertilizers, inorganic chemicals, ferrous metal products, sugar and sugar confectionery, although exported and finished products - nuclear reactors, boilers, equipment, machinery, land vehicles, electric machines, etc. Exports of manufacturing goods are limited due to their low competitiveness.

Ukraine's imports are dominated by mineral fuels, oil, refined products, nuclear reactors, boilers, equipment, machinery, land vehicles, electrical machinery and equipment. A significant share of imports falls on machinery and equipment, computers and office equipment, consumer goods, products and firewood for their production.

## CONCLUSION

Thus, retail is an emerging industry with great prospects for future growth. According to the analysis, it was found that the share of wholesale and retail trade (including repairs of vehicles and motorcycles) in gross domestic product is constantly growing and in 2017 amounted to 14%. In general, the trade turnover in the country is constantly increasing and has a positive dynamics of development, despite the decrease in the number of economic entities engaged in wholesale and retail trade, as well as repair of vehicles and motorcycles.

However, it should be noted that Ukrainian sellers are not competitive enough and lag behind international ones in innovative technologies. In order to revive commercial activity, it is necessary to introduce innovations, apply updated tools of interaction, consolidation, integration and automation, which will increase the efficiency of retail business both today and in the future.

The state, in turn, should stimulate the development of retail trade through state support, improve the investment climate in the industry, and help improve the development of consumer demand. In this case, the actions of the state should be formed into a clear strategy for the development of trade. The combined actions of the state, business and local communities will enable retail to develop

Thus, the analysis of the state and trends of development of retail trade enterprises of Ukraine allowed to identify generally positive dynamics and trends in the further development of the trade sector of Ukraine and the potential of trade enterprises. Over the last decade, the number of retail enterprises has decreased significantly, with mostly small enterprises operating in the domestic market.

Innovative retail development requires new approaches to trade activities, taking into account European and world technologies in the trade sector. Further research will be aimed at developing recommendations for improving the

performance of retail enterprises, which will create a basis for stabilizing their functioning.

Thus, the intensification of the processes of effective and rational development of retail trade will help to solve this problem on the basis of innovation and investment, which requires a planned structurally balanced development of modern trade facilities. It is necessary to use the economic levers of state influence on the development of trade, such as strengthening the position of state entrepreneurship in trade, public investment in trade, creating conditions for increasing the development of the domestic consumer market and trade.

It is a matter of creating preconditions for the growth of effective demand, promoting the development of market institutions that should ensure entrepreneurial activity, overcoming the technological backwardness of trade, creating a favorable climate for the development of small business in trade. All this can ensure the sustainable development of trade and the economy of Ukraine in general.

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## APPENDIX

### SUMMARY

Pam Daniel. Ukraine's place in the world commodity market. – Bachelor's qualification paper. Sumy State University, Sumy, 2021.

The specific features of the current state of Ukrainian retail commodity circulation and its perspectives have been examined. The role of retail trade in the sustainable development of the national economy has been outlined. Global trade development trends have been clarified.

Key words: trade; commodity market, retail trade, retail, world market

### АНОТАЦІЯ

Пам Даніель. Місце України на світовому товарному ринку. – Кваліфікаційна бакалаврська робота. Сумський державний університет, Суми, 2021.

Досліджено особливості сучасного стану українського роздрібного товарного обігу та його перспективи. Окреслено роль роздрібної торгівлі у сталому розвитку національної економіки. З'ясовано тенденції розвитку світової торгівлі.

Ключові слова: торгівля, товарний ринок, роздрібна торгівля, світовий ринок