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**QUALIFICATION PAPER**

**It is submitted for the Master's degree**

in specialty 292 "International economic relations"  
educational and professional program "International Business"  
on the topic " «INTERNATIONAL COMPETITIVENESS OF UKRAINIAN  
ENTERPRISES IN A PERIOD OF CHALLENGES AND THREATS»

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Sumy, 2023

## ABSTRACT

of Master's level degree qualification paper on the theme  
" «INTERNATIONAL COMPETITIVENESS OF UKRAINIAN ENTERPRISES IN A  
PERIOD OF CHALLENGES AND THREATS»

student Daniil Hlushchenko

The main content of the qualifying bachelor's work is laid out on 55 pages, in particular, the list of used sources with 50 titles, placed on 6 pages.

The object of the study is the international competitiveness of Ukrainian enterprises.

The subject of the study is the theoretical basis and practical implementation of strategies and actions to counter the challenges and threats that affect the international competitiveness of Ukrainian enterprises.

The purpose of the qualification work is to identify challenges and threats to the international competitiveness of Ukrainian enterprises, as well as to develop actions and strategies that will help Ukrainian companies to prevent possible problems in the conditions of globalization of economic processes.

To achieve the goal in the work, the following tasks are set:

- reveal the essence of competitiveness and its indicators;
- identify the main challenges and threats for Ukrainian enterprises on the international market;
- to propose effective strategies and actions for solving and countering possible challenges and threats.

In the process of research, depending on the goals and objectives, appropriate methods of research of economic processes were used, in particular, systematization and generalization, the method of analysis and synthesis, methods of induction, deduction, calculation method.

The information base of the work consists of periodical and scientific publications of domestic and foreign authors, statistical data, analytical reviews and reports, regulatory and legal documents and the legislative base of Ukraine.

Based on the results of the study, the following conclusions were formulated:

- the globalization process has a significant impact on the economy of the states involved in the globalization process, and the impact on each state is different in terms of level and spheres.

- the competitiveness of Ukrainian enterprises is equally sensitive to the domestic economic situation and the situation in the world;

- the main spheres of challenges and threats for Ukrainian enterprises are: political, economic, cultural, technological.

- to counteract challenges and threats, Ukrainian companies should implement strategies at their enterprises, which include the development of current directions: legal, educational, personnel selection.

Results of approbation of the basic provisions of the qualification Master work was considered at:

1. Maryna Domashenko, Daniil Hlushchenko Ukraine's participation in the international commodity market // Socio-Economic Challenges : Proceedings of the International Scientific and Practical Conference, Sumy, March 22–23, 2021 / edited by Prof., Dr. Vasilyeva Tetyana. – Sumy : Sumy State University, 2021. – C. 235-238.

2. Domashenko M.D., Hlushchenko D.T.. Strategy for profitable takeovers and mergers in the Ukrainian and international market // Mechanisms for combating modern challenges and threats: lessons from the EU for Ukraine: materials of the International Scientific and Practical Conference, Sumy, February -28-29, 2024 / by General ed. V.Yu. Shkola, M.D. Domashenko - Sumy: Sumy State University, 2024.

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TASKS FOR MASTER'S LEVEL DEGREE QUALIFICATION PAPER

(specialty 292 " International Economic Relations " )

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3. The purpose of the qualification work is to identify challenges and threats to the international competitiveness of Ukrainian enterprises, as well as to develop actions and strategies that will help Ukrainian companies to prevent possible problems in the conditions of globalization of economic processes.

4. The object of the study is the international competitiveness of Ukrainian enterprises.

5. The subject of the study is the theoretical basis and practical implementation of strategies and actions to counter the challenges and threats that affect the international competitiveness of Ukrainian enterprises.

6. The qualification paper is carried out on materials of periodicals and scientific publications of domestic and foreign authors, statistical data, analytical reviews and reports, regulatory and legal documents and the legislative framework of Ukraine.

7. Approximate master's level degree qualification paper plan, terms for submitting chapters to the research advisor and the content of tasks for the accomplished purpose is as follows:

Chapter 1 Theoretical foundations of international competitiveness of enterprises; the submission deadline is November 19, 2023.

In chapter 1, consider the theoretical foundations of the concept of international competitiveness of enterprises the essence of the concept of competitiveness, the main factors of competitiveness, as well as the competitive environment, are determined.

Chapter 2 2 International competitiveness of Ukrainian enterprises in a period of challenges and treats; the submission deadline is December 7, 2023.

In chapter 2, defines three main groups of competitiveness indicators that will be considered in the work as challenges and threats to the competitiveness of enterprises on the international market, and also defines the main areas in which challenges and threats arise. The second chapter analyzes the activities of LLC "KARNEY"

Chapter 3 Prevention measures of challenges and threats in international business to maintain the competitiveness of the enterprise; the submission deadline is December 12, 2023.

In chapter 3, consider specific strategies and tactical techniques for prevention of challenges and threats by Ukrainian enterprises.

8. Supervision on work:

Chapter	Full name and position of the advisor	Date	
		task issued by	task accepted by
1	PhD, Associate Professor Domashenko M.D.		
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## INTRODUCTION

In the period of globalization, when the world has come more connected and interdependent, new challenges are snappily getting universal in nature and forming real pitfalls to both public and transnational security and stability. On the one hand, globalization stimulates the accelerated development of productive forces, scientific and technological progress, the increase of intellectual implicit and the enhancement of popular multinational mechanisms of operation of the transnational system, and thus contributes to the dependable result of indigenous security problems. On the other hand, the robotic development of globalization processes exacerbates a number of being transnational security problems and creates new pitfalls and challenges. As a result of differences in fiscal and profitable capabilities, commerce between countries is getting more and more asymmetrical. Post-Soviet husbandry, including the frugality of Ukraine, are particularly vulnerable to the negative challenges of globalization.

The precedence for each country is the farther development of request processes, the creation of prerequisites for its successful integration into the world community and determination of its place in the transnational request.

The work consists of three chapters. The sequence of the presentation of the content and results of the research, critical generalization of the analyzed material and strategic modeling of the interrelationships of economic security and competitiveness of the economy of Ukraine in the conditions of the global economy makes it possible to holistically analyze the competitiveness of Ukrainian enterprises on the international market, as well as to identify possible challenges and threats.

The first chapter systematizes and summarizes the theoretical, methodological aspects of the competitiveness of enterprises, the essence of the concept of competitiveness, the main factors of competitiveness, as well as the competitive environment, are determined. Also, in the first chapter, the importance of institutional state regulation of the competitive environment is analyzed, and an example of regulation in Ukraine is considered. At the end of the first chapter, the international

competitiveness of enterprises and its difference from national competitiveness are considered.

The second chapter defines three main groups of competitiveness indicators that will be considered in the work as challenges and threats to the competitiveness of enterprises on the international market, and also defines the main areas in which challenges and threats arise. The second chapter analyzes the activities of LLC "KARNEY" as an example of a company that operates on the national and global market as an exporter of Ukrainian products and an importer of cardboard and paper products in Ukraine. At the end of the second chapter, the challenges and threats affecting the competitiveness of LLC "KARNEY" as an example of a company carrying out its economic activities on the international market are considered.

The final third section of the study contains the definition of tactical and strategic directions for strengthening the competitiveness of Ukrainian enterprises on the international market during the challenges and threats that were discussed in the second section, using the example of LLC "KARNEY".

The main goal of this work is to identify challenges and threats to the international competitiveness of Ukrainian enterprises, and to develop actions and strategies that will help Ukrainian companies to prevent possible problems in the conditions of globalization of economic processes.

The main tasks of this work are:

1. To analyze the essence of competitiveness, to determine the main indicators of competitiveness and to analyze the concept of competitive environment. Analyze the importance of institutional regulation of the competitive environment.
2. To study international competition and its differences from national competition.
3. Identify the main groups and spheres of challenges and threats for Ukrainian enterprises that affect their international competitiveness.
4. To analyze the activities of LLC "KARNEY" as an example of a company operating on the international market.



5. Give specific examples of challenges and threats, dividing them by spheres of influence. To determine and provide concrete strategies and actions that will help Ukrainian companies to prevent challenges and threats.

Results of approbation of the basic provisions of the qualification Master work was considered at:

1. Maryna Domashenko, Daniil Hlushchenko Ukraine's participation in the international commodity market // Socio-Economic Challenges : Proceedings of the International Scientific and Practical Conference, Sumy, March 22–23, 2021 / edited by Prof., Dr. Vasilyeva Tetyana. – Sumy : Sumy State University, 2021. – C. 235-238.

2. Domashenko M.D., Hlushchenko D. International competitiveness of Ukrainian enterprises during challenges and threats // Collection of scientific works "Socio-economic relations in the digital society" T. 1. – 2024.

## 1 INTERNATIONAL COMPETITIVENESS OF ENTERPRISES

The characterization of the market economic environment will be incomplete if such an essential economic regularity as competition is not considered. The market is an organizational structure in which there is a certain order. Competition is the force that regulates relations between producers and consumers.

In a market economy, competition is rivalry, struggle between producers of goods and services for better, economically beneficial conditions for production and sale of the product.

Economic competition is actively studied by scientists in the aspect of economic and legal sciences. Economic competition is an important element of construction market economy. Thus, thanks to the development of economic competition, Ukraine turned from a state with a planning and administrative system of management into a state with a market economy.

### 1.1 The essence and properties of competitiveness

Every enterprise that enters the market tries to achieve an advantage over other enterprises. The company's ability to achieve such an advantage over other companies is determined by such a concept as competitiveness [1].

Competitiveness is revealed only in conditions of competition and through competition. In countries with a market economy, the competitiveness of an enterprise is the result of an interweaving of factors, generated by the objective development of productive forces, which reflect the results of the policy of large monopolies in the struggle for quality, sales markets and profit [2, p.1].

Competitiveness is one of the main concepts that is actively used in the theory and practice of economic analysis, it is a multifaceted concept that, translated from Latin, means rivalry, the struggle to achieve the best results [2, p.1].

There are quite a large number of definitions and ways of assessing competitiveness. In a broad sense, "competitiveness" is characterized as the ability of a competitor to solve the set tasks, using its advantages in achieving the set goal [1].

Having analyzed a wide range of definitions of the concept of competitiveness, we concluded that the following definitions describe this concept in more detail and more precisely:

1. Competitiveness is the ability in the process of rivalry to achieve better results in some activity, in the field of functioning [3, p. 2].

2. Competitiveness is determined by economic, social and political factors, the position of an individual object on the domestic and foreign markets compared to other similar objects represented on this market [1].

3. Competitiveness is the ability to compete, the ability to successfully conduct a competitive struggle. [4, p. 2].

4. Competitiveness is a set of socio-economic characteristics that reflect the position of the business entity on the market [5, p. 9].

So, as a conclusion of the above, we would like to say that competitiveness is the basis of effective economic development. It is the expression and the main element of competition, which in turn allows the economy to move forward, reject everything superfluous and leave the most effective. Economic competition, and with it competitiveness, is clearly reflected in both subjects of economic relations - producers and consumers.

As mentioned above, competitiveness is a complex category that is formed under the influence of a number of factors, the influence of which can increase and decrease its overall level, reveal the strengths and weaknesses of both the enterprise itself and its competitors. At the same time, each factor can have a positive or negative impact on the competitiveness of the enterprise, each of them can act variably and with different degrees of influence at different points in time. Therefore, in order to obtain a complete picture of the components of the enterprise's competitiveness, it is necessary to clearly define and classify the entire set of factors that affect the studied category.

In the process of analyzing the economic literature, we identified a number of different approaches to determining the list of factors that have an impact on the competitiveness of the enterprise, as well as on its achievement of competitive advantages.

Therefore, the analysis of scientific works, which highlighted the classification of factors of the competitiveness of the enterprise, showed that there is no consensus among scientists about which factors are optimal for assessing the competitiveness of the enterprise.

From the point of view of the systemic approach, the classification of factors by their sources of origin, i.e. their division into internal and external, which act in relationship and interdependence, deserves the most attention.

For a more detailed understanding of the factors, we divided them into some groups, which are shown in Table 1.1.

Table 1.1 - Competitiveness factors [5, p. 9].

Internal factors that affect competitiveness of the enterprise		
№	Group factors	Components of factors
1	Industrial potential	The level of automated regulation of production processes. Quality management system and its effectiveness. The structure of the main means of production, the degree of their wear and tear. Availability of own processing plants.
2	Resource potential	Resource costs per unit of finished products. The level and dynamics of prices for the necessary resources for the manufacture of finished products. Availability of own resources and no need to order from suppliers.
3	Technological potential	The level of technological equipment of production.
4	Human resources potential	Progressive pay. Structure and professional and qualified personnel. The level of development of the motivational function of management. Improving the qualifications of personnel.

Continuation of Table 1.1 - Competitiveness factors [5, p. 9].

Internal factors that affect competitiveness of the enterprise		
№	Group factors	Components of factors
5	Innovative potential	Effective competitive strategy of the enterprise. Availability of strategic competitive advantages. The level of innovative attractiveness. Timely implementation of restructuring or reformation transformations.
6	Investment potential	Availability of own financial resources. Possibility of profitable attraction of external financial resources. Confidence level of potential investors.
7	Marketing potential	Availability of marketing service. Image of the enterprise. Availability of an extensive sales system. Product quality.
8	Production efficiency the company's activities	Indicators of efficiency of resource use
External factors that affect competitiveness of the enterprise		
External factors or factors of the external environment mean a set of active business entities, economic, social and natural conditions, national and interstate institutional structures, external conditions and factors operating in the company's environment.		

If internal factors affect competitiveness directly, then the influence of external factors is not always immediately noticeable.

It should be noted that the intensity of manifestation of external factors does not depend on the activity of the enterprise and is determined by the state of the external environment. The factors of the external environment are heterogeneous in origin, as they are a manifestation of systems of different levels.

Thus, the competitiveness of the enterprise depends on a number of external and internal factors. If external factors only create prerequisites for an enterprise to enter the

market, then a set of internal factors determine its ability for long-term successful functioning.

Analysis of internal and external factors helps to identify strengths and weaknesses in the activity of the enterprise and in the work of its competitors, to develop measures and means by which the enterprise could increase competitiveness and ensure its success, increase its share in sales on a specific product market.

We will consider the factors defined above in more detail in the following sections of this work.

## 1.2 Competitive environment of the enterprise

Modern enterprises operate in a certain environment, which can significantly affect business results. That is, the effectiveness of enterprises depends on the influence of both external and internal forces. An important condition for the successful operation of the enterprise is the correct assessment of its capabilities, taking into account the conditions of the external environment, which will make it possible to determine the position of the enterprise in the branch domestic and foreign markets. Achieving this goal is possible only if there is an operational and objective methodology for assessing competitiveness. An important component of a market economy is the development of a competitive environment.

- A competitive environment is a mechanism in which various objects of business activity compete with each other [6, p. 1].

In the process of competition, businesses will use different approaches and strategies, such as: marketing channels, promotion strategies, pricing methods, etc.

Competitors influence each other's business and the company's decisions. For example, if a company modernizes its production to improve its final product, the company must adapt to the new competitive environment and implement changes within its own company.

Thus, competition is beneficial because it motivates companies to become better and improve their products.

The competitive environment also has a positive effect on customers. To attract consumers, companies usually offer high-quality products at affordable prices. Also, companies must innovate to launch their products. However, competition sometimes makes it difficult for businesses to survive. Take, for example, two companies in one place. If one company sets low prices and discounts, it will be difficult for another company to compete.

The functional component of the competitive environment is determined by the system of relationships between market participants - competitors, consumers, suppliers, which, in turn, depends on the individual strategies of market behavior of each of the market players. In particular, we are talking about the price, advertising, investment, innovation, etc. strategies of each individual market participant, which make up the economic content of market competition as a dynamic process [6, p. 3].

The form of competition depends on the nature of the competitive situation on the market, which determines the degree of interdependence of competitors and the results of their economic activity. Four main market structures are usually distinguished:

- 1) perfect competition;
- 2) monopolistic (imperfect) competition;
- 3) oligopoly;
- 4) monopoly [6, p. 3].

Perfect, free or pure competition is economic model, the state of the market, when individual buyers and sellers cannot influence the price, but shape it with their contribution of supply and demand. In other words, this is a type of market structure where the market behavior of sellers and buyers consists in adjusting to the equilibrium state of market conditions.

Monopolistic competition is a type of market structure of imperfect competition where sellers with market power (of a differentiated product) compete for sales volume. This is a common type of market closest to perfect competition.

An oligopoly is a market structure in which very few sellers dominate the sale of a product, and the entry of new sellers is difficult or impossible.

A monopoly is a market with such a limited number of sellers that each of them can influence the total supply, and therefore the price of a product or service. This ability is called market power.

Analyzing the essence of competition and the competitive environment, Porter's model should be considered. Porter's 5 forces model describes the factors that shape the competitive environment.

The Porter Model, developed by American scientist Michael Porter, is a competitive analysis and strategic planning tool for business organizations [8].

He identifies five forces that influence the level of competition in an industry. These forces are called "Porter's Five Forces" and include:

- Threat of New Competitors: This force evaluates the likelihood of new players entering the market.
- Threat of Substitute Products or Services: This force evaluates the likelihood of alternative products or services that can satisfy customer needs better or cheaper.
- Supplier Power: This analyzes the power and influence of suppliers on the business.
- Buyer Power: This power measures how much influence your customers have over your prices and terms of sale.
- Competition within the industry: Here the level of competition between existing players in the market is analyzed [8].

Analyzing these five forces allows a business organization to better understand its industry and develop strategies to manage competition and achieve sustainable competitiveness.

Thus, it can be concluded that the competitive environment of the enterprise is a part of its external environment of the enterprise in which it functions as a subject of competitive relations.

The competitive environment for each enterprise is an objectively determined state of the market. And every enterprise, being an element of such an environment, must take into account and promptly respond to the factors that shape it.



### 1.3 Institutional regulation of the competitive environment

An important component of the general economic policy of the state is the regulation of the competitive environment for the existence of business. In this connection, two spheres of competition policy are important - the activity of state competition bodies and procedural measures as a mechanism that ensures compliance with established rules. In general, such activity is called the competitive policy of the state.

- Competitive policy is a state policy aimed at regulating and protecting competition in the economic processes of the state, preventing monopolization in economic activity [9].

The modern development of market relations and the competitive environment requires constant improvement of the forms and means of state regulatory influence on competition relations, the search for criteria for establishing the limits of state-legal intervention in the sphere of competition.

During the years of its independence, thanks to the implementation of competitive policy, Ukraine has gone from a planned and administrative system of management to a state with a market economy [10].

For a more detailed understanding of the role of the state regulator in the field of economic competition, consider the status and functions of the Ukrainian Antimonopoly Committee.

- The Antimonopoly Committee of Ukraine is a state authority responsible for regulating and protecting the competitive economic environment in Ukraine [10].

The main tasks of the Antimonopoly Committee of Ukraine are:

1. State control over compliance with laws of Ukraine regarding competition.
2. Restraint and control over the monopolization of spheres.
3. Tariff regulation.
4. Creation of a competitive environment [11].

Effective implementation of the state's competitive policy should create the necessary prerequisites for the development of competition, which will make it possible

to optimally allocate resources in the economy. The existence of non-competitive markets, the existence of market power among economic entities, the asymmetry of market information significantly actualize the role and importance of competitive policy.

That is why, in the conditions of dynamic changes in economic life and a new stage of socio-economic development of Ukraine, the need to adapt the national institutional support of competitive policy to modern trends of social development is increasing.

#### 1.4 Competition in international business

As it was defined earlier, the main concept that reflects the essence of modern market relations is competition.

The global market is formed as a result of the globalization of the economy, technological progress and the growth of international trade. Formation of global market can be divided into several stages:

1. The stage of the first international contacts.
2. The stage of internationalization.
3. Stage of globalization.
4. Stage of global competition [13].

In the conditions of globalization, increased international competition, competitiveness becomes the most important factor in ensuring the efficiency of functioning and sustainable development of economic entities.

So, we distinguished three main types of competition in terms of scale, namely:

1. Intra-industry competition is competition between firms operating in the same industry.
2. Interindustry competition is competition between firms in different industries.
3. International competition is the competition of producers on the world market, which combines intra-industry and inter-industry competition. Competitiveness in

international business is equally important for national companies or individual business entities, as well as for the states they represent.

Let's consider the last in more detail.

Competitiveness determines the firm's ability to withstand competition compared to other firms in a given market. International competitiveness is manifested in the achievement of the firm competitive advantages in international competition. In the global economy, firms compete on the markets of third countries. For a company that produces products for sale, being competitive in the international market means that its products are sold better and in larger volumes than those of competitors. International competition concerns the fate of specific firms or enterprises. They must compete with other domestic firms for factors of production just as with foreign firms that produce competing products [12].

The global market promotes the growth of competition between companies, which forces them to improve the quality of their goods and services, reduce prices and look for new ways of development. This means that the law of supply and demand operates in the global market, where each company tries to occupy its niche and ensure maximum profit. Competition between companies promotes the development of new technologies and production quality and affordable goods and services, as well as increasing production efficiency [13].

To ensure fair competition in the global market and prevent monopolization of the market, many countries establish competition rules and laws.

In addition, there are international organizations such as the World Trade Organization (WTO) that regulate trade between countries and enforce competition rules.

- «The World Trade Organization (WTO) is an international organization whose purpose is to develop a system of legal norms of international trade and control their compliance» [14].

Therefore, global competition policy is an important tool for ensuring fair and effective competition in the global market and protecting consumer rights.

## **2. INTERNATIONAL COMPETITIVENESS OF UKRAINIAN ENTERPRISES IN A PERIOD OF CHALLENGES AND THREATS**

Modern trends in global globalization processes are gaining momentum, which have ambiguous consequences for the economic system and act as a mechanism for spreading instability, which first arises at the local (national) level, and then covers the international (regional) and global levels.

The main research topic of this work is the competitiveness of Ukrainian enterprises in the period of challenges and threats. The study of the competitiveness of the enterprise in the conditions of the economic situation that has developed in Ukraine makes it possible to consider it as a comprehensive characteristic of potential opportunities to provide competitive advantages in the perspective that is available for review. Today, the problem of increasing the level of competitiveness of the enterprise is an urgent issue. The events of recent years have a significant impact on the position of Ukrainian enterprises on the international market of goods and services.

That is why, first of all, we propose to analyze possible obstacles to the development of competitiveness of Ukrainian companies on the international market.

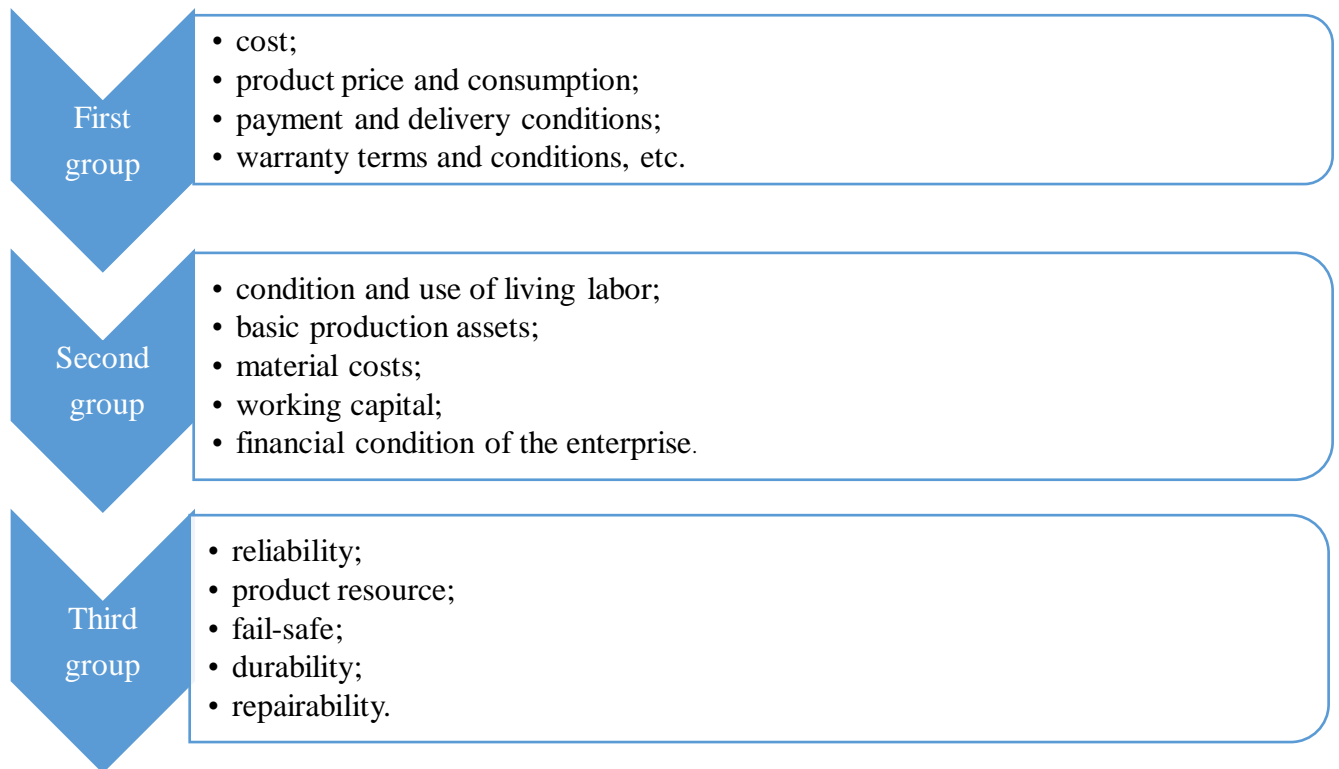
### **2.1 Challenges and threats affecting the competitiveness of companies**

The competitiveness of the enterprise is determined using three groups of indicators that reflect the competitiveness of the products produced and the efficiency of the use of resources [15].

The first group includes indicators that characterize economic parameters [15].

The second group includes indicators that characterize the financial parameters of the enterprise, as well as human resources [15].

The third group includes indicators that characterize regulatory parameters, which show whether the product complies with the standard, norms, rules that regulate the boundaries from which this parameter has no right to leave [15].



Picture 2.1 – Groups of of indicators that reflect the competitiveness [15].

So, having determined the main groups of indicators and their parameters that affect competitiveness, we can come to the conclusion that the aspects included in each of the specified parameters are in some sense a challenge for the enterprise.

Example:

1. The increase in logistics costs directly affects the cost of the final product.
2. The quality of raw materials directly affects the quality of the final product.
3. Accounts receivable affects the ability to pay suppliers on time.
4. The quality of work of employees directly affects the quality of the final product or service.

Analyzing possible types of threats to the company in the international market, attention should be paid to the field of threats.

In the previous section, we identified two types of indicators of the company's competitiveness: internal and external. In this case, the spheres of threats can also be divided into certain types, or spheres in which threats have their influence.

The main areas of threats in international business are:

1. Political sphere. Political and legal risks, political instability, corruption, legal restrictions, policy of state protectionism.
2. Economic sphere. Currency fluctuations, economic instability of individual countries, changes in tariffs and trade agreements.
3. Competition on the international market. Competitive struggle with local companies and international companies which are presented in a separate market.
4. Cultural sphere. Differences in cultural values, norms of behavior and consumer habits.
5. Technological sphere. Rapid technological development can cause threats in the field of cyber security, data security and privacy. [22].

For a more detailed analysis of international competitiveness, challenges and threats in international business, we suggest considering the activities of LLC “KARNEY” as an example of a Ukrainian company operating on the international market.

## 2.2. Characteristics and description of activities LLC “KARNEY”

LLC "KARNEY" is an exporter, importer and distributor of cardboard and paper products in Ukraine and on the territory of Europe [16].

The company started its activities in 2013. From a small enterprise, the main task of which was the production of plasterboard, the company expanded its activities to become one of the largest importers of Ukraine [16].

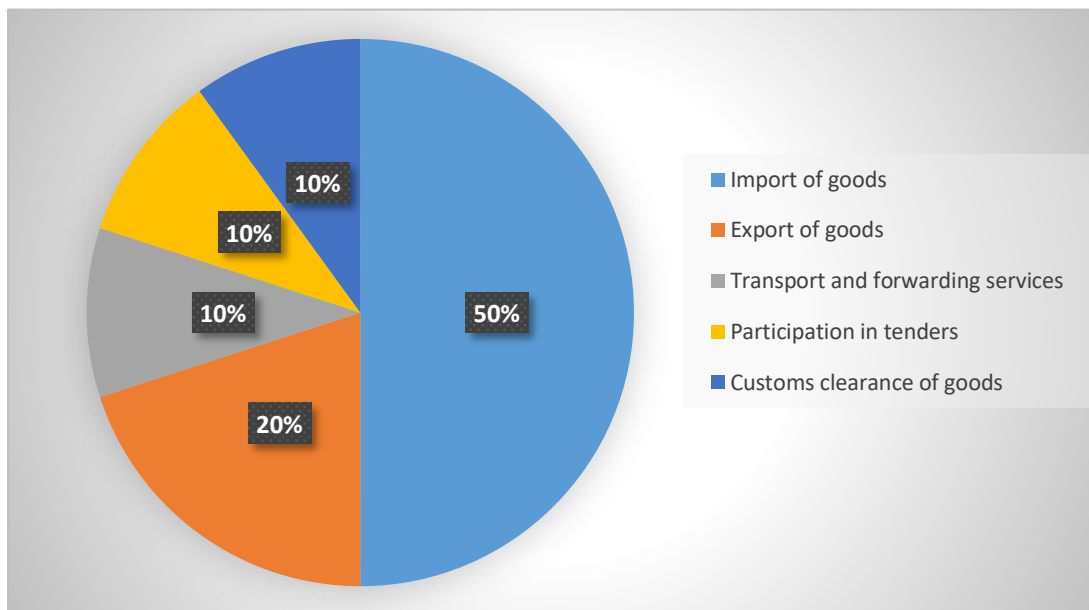
The KARNEY company cooperates and has active contractual relations with a dozen manufacturers of cardboard and paper products, both in Ukraine and abroad.

The main activities of the company are:

1. Import of goods.
2. Export of goods.
3. Transportation of goods.
4. Forwarding services.
5. Customs clearance of goods.

6. Distribution of goods.

7. Participation in public and commercial tenders [19].



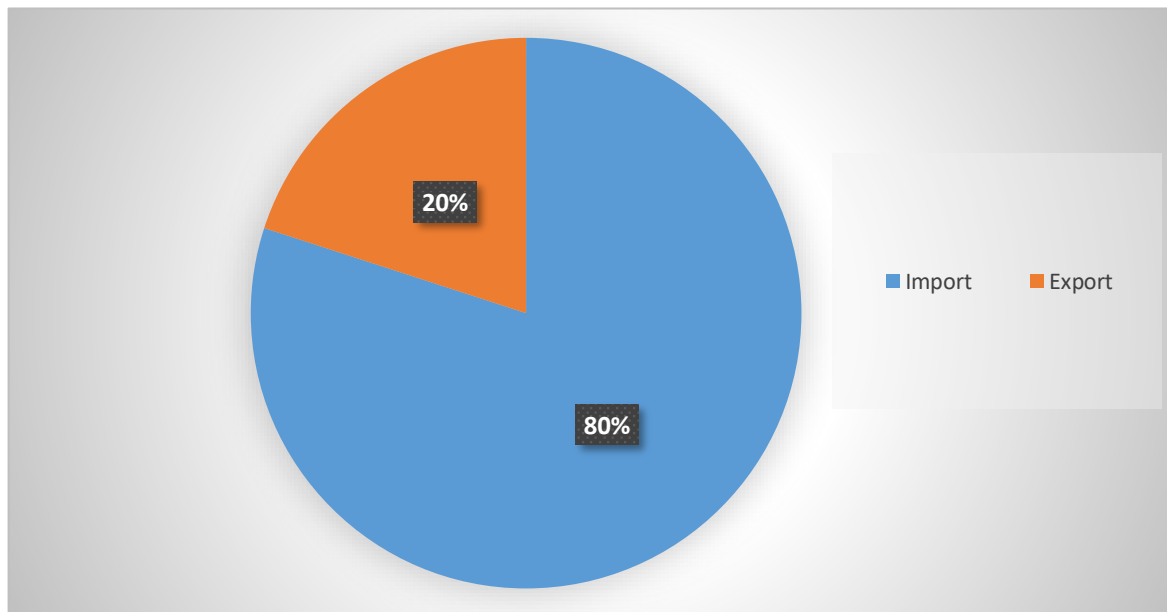
Picture 2.2 - A share of activities of LLC "KARNEY" among all.

For a more detailed and visual understanding of the share of the type of activity among others, we present Picture 2.2.

Thanks to this diagram, we can see that among all types of activity, the import of goods takes the largest share in the company's activity - 50%. After that comes the export of goods - 20%, transport and forwarding services, customs clearance of goods and participation in tenders - 10% each.

To obtain statistical data, we can use the following sources: the single portal of open data, the website of the state tax service [17], [18]. With the help of these sources, we can obtain information about income, losses, assets and funds that are on the balance sheet.

Analyzing the company's activities, information about which is provided on the company's official website, as well as available on official state websites, we will draw up diagram ( Picture 2.3), which will show the ratio of the company's imports and exports.



Picture 2.3 - The ratio of imports and exports of LLC “KARNEY” [19].

So, analyzing the Picture 2.3, we can make the conclusion that the main direction of the company's trade is import of goods- 80%, and export takes - 20% of all goods turnover.

The main goods for the company's trade are: 1. Cardboard for flat layers of corrugated cardboard; 2. Paper for corrugated cardboard; 3. Office paper; 4. Printing boards; 5. Kraft paper [20].

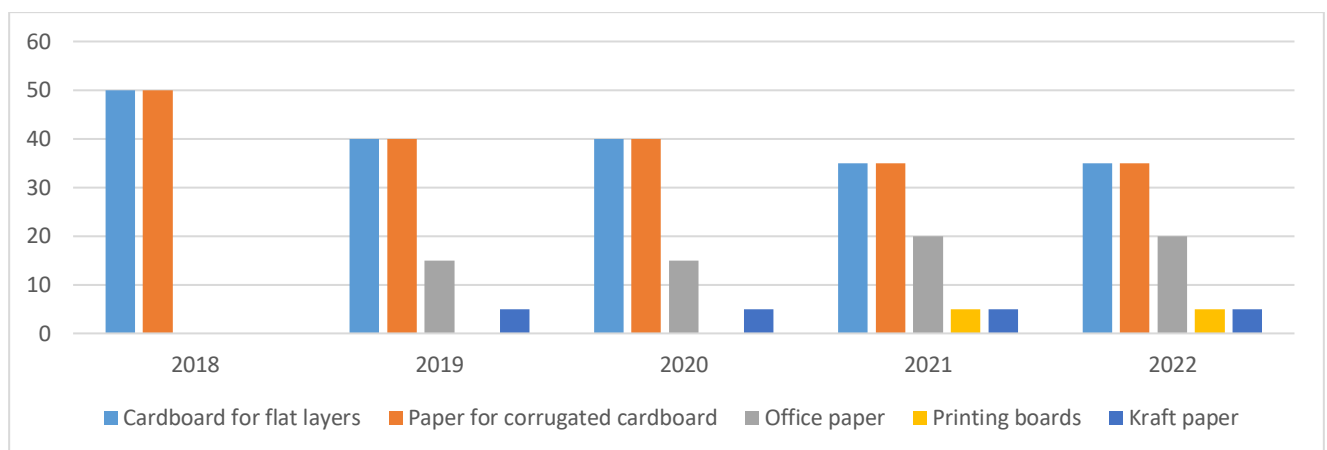
According to the company's official website, LLC “KARNEY” has significantly expanded its product range since 2013 [16].

Table 2.1 - Diversification of the assortment of LLC “KARNEY” in the period from 2017 to 2022 [20].

Goods	Period indicator				
	2018	2019	2020	2021	2022
Cardboard for flat layers	50%	40%	40%	35%	35%
Paper for corrugated cardboard	50%	40%	40%	35%	35%
Office paper		15%	15%	20%	20%
Printing boards				5%	5%
Kraft paper		5%	5%	5%	5%



So, thanks to the Table 2.1 we can see the changes in assortment of LLC “KARNEY” during the last 5 years. We can see that the main goods in 2018 were: cardboard for flat layers and paper for corrugated cardboard. But from 2019 the statistics changed because 2 more positions were added to assortment of the company. As a result, in 2022 company has 5 different directions of goods, that develop step by step. Let’s make the diagram for the visual understanding of changes.



Picture 2.4 – Changes in assortment of LLC “KARNEY” during 2018 – 2022 [20].

Picture 2.4 shows the process of diversification of the company's assortment over the past 5 years. The process of diversification is very important for trading companies, as each product has its own seasonality. For example, summer is a bad season for office paper sales because most people are on summer vacation. But autumn and the first month of winter is a profitable season for companies that make packaging from cardboard and corrugated cardboard, since it is the time before the New Year holidays, when everyone buys gifts.

The successful operation of the enterprise in the market environment directly depends on the development, adoption and implementation of management decisions. The rationality of the management decisions made at the enterprise determine the quality and demand of products, the volume of sales and profit, the possibilities of innovative development, the restoration of human capital, and others. Increasing the

efficiency of development, adoption and implementation of management decisions requires comprehensive consideration of the factors of the internal and external environment [21].

### 2.3 International competitiveness of Ukrainian enterprises during challenges and threats on the example of LLC “KARNEY”

In the previous subsections of this section, we identified three main groups of indicators of the competitiveness of the enterprise, as well as the main areas of threats in the international market. We propose to consider the activities of LLC “KARNEY”, taking into account the above-mentioned challenges and threats, in the modern global environment, as well as taking into account the current situation in Ukraine.

Political sphere. Political and legal risks, political instability, corruption, legal restrictions, policy of state protectionism.

Case number 1.

According to the information published on the official website of the Western Interregional Department of the Ministry of Justice, "the data of public sociological surveys show that the absolute majority of citizens (more than 80%) consider corruption to be a phenomenon characteristic of our society" [23].

In general, the population of Ukraine assesses corruption as an evil that destroys the state, including the economy of our country.

As it was mentioned earlier, one of the main activities of LLC “KARNEY” is participation in state tenders for the supply of office paper to state authorities. Nowadays, all public tenders is carried out through the Prozorro system.

"Prozorro electronic public tender system is an online platform where state customers announce tenders for the purchase of goods, works and services, and business representatives compete at auctions for the opportunity to supply it to the state" [24].

The dishonest behavior of employees of public bodies destroys the principles of effective and transparent tendering. Corrupt people, for their own benefit, start working

for certain companies by applying to them better conditions during the tender than to their competitors [25].

As a result, corruption during tendering leads to:

1. Dishonest behavior towards all participants.
2. Honest companies lose profits and lose the opportunity to develop the company, as well as increase the turnover of funds, which helps the company when scaling to international markets.

Case number 2.

LLC “KARNEY” is an importer of cardboard and paper products in Ukraine. According to its contracts, the company must buy goods from foreign companies using foreign currency.

When transferring funds to an international counterparty, company KARNEY must submit documents to the bank for currency control. Currency control is a part of financial monitoring, during which the servicing bank checks documents and the counterparty, as banks belong to the subjects of primary financial monitoring. Financial monitoring is an inspection aimed at detecting and preventing illegal money circulation. [26].

After the start of the war on the territory of Ukraine, the currency control of banks has significantly increased, as banks check whether international partners are connected to Russian companies. For this, the company KARNEY must provide the following documents:

1. Agreement
2. Registration documents of the foreign partner.
3. Registration data of the beneficial owners of the foreign partner.
4. Invoice [27].

Providing a complete list of the above-mentioned documents significantly complicates the process of payment under a foreign economic contract, as some foreign companies do not want to provide information about their beneficial owners.

Case number 3.

Attention to logistics is due to its ability to ensure better efficiency of the functioning of enterprises or increase costs. Logistics costs are formed in different areas: supply, production and distribution, which makes it difficult to effectively manage them [34].

After the start of the war on the territory of Ukraine, Ukraine began to develop new logistical ways, including negotiations with European countries, regarding the simplification of the control system for the movement of trucks in the European Union, namely the cancellation of special permit documents [28].

Starting from November 6, 2023, strikes and blocking of state checkpoints on the Polish-Ukrainian border began. The strikes started by Polish drivers and carriers who are dissatisfied with the simplification of the control system for the movement of trucks from Ukraine [29].

The result of strikes and border blockades were:

- A lot of traffic at the borders.
- Lack of cars in the European Union, as most cars are waiting at the border.
- Increasing of the prices for international transportation.
- Increasing in the cost of imported and exported goods [29].

The main impact on the activities of the KARNEY company:

1. The increase in the cost of exported goods, due to the increase in logistics prices, as well as the increase in the cost of imported components for the production of cardboard in Ukraine.
2. Growth in the cost of imported goods.
3. Increasing delivery time.

Economic sphere. Currency fluctuations, economic instability of individual countries, changes in tariffs and trade agreements.

Case number 1.

Carrying out activities on the international market of cardboard and paper products, company KARNEY deals with international money transfers.

Exchange rate risk is one of the main risks of the economic sphere.

- «Exchange rate risk is the risk of loss due to adverse changes in the exchange rates of foreign currencies in the course of transactions on the purchase and sale of these currencies» [30].

The main factor in the emergence of currency risks is short-term and long-term exchange rate fluctuations, which depend on the demand and supply of currency on the national and international currency markets [30].

During the settlement of import contracts, the company buys foreign currency, for example Euro or Dollar.

Considering the unstable world economic situation, as well as the military-political situation in Ukraine, this risk is very influential, therefore it requires considerable attention.

For example, the company KARNEY signs a contract for the supply of office paper to a large stationery store. The approximate number of packages is equivalent to two trucks. At the time of signing the delivery contract, the exchange rate of EUR/UAH was 1/40. The price of the Contract is fixed and it is equal to – 150 UAH / 1 pack of paper.

According to available information: one pack of paper weighs 2.5 kg [31], a truck can transport 22,000 kg of cargo [32]. So, a full truck of office paper contains - 8800 packs of paper.

Suppose that one pack of paper costs for company KARNEY- 3.5 EUR.

Let's build a table to analyze the importance of currency risk.

Table 2.2 - Currency risk.

	Variant 1	Variant 2	Variant 3
Number of packs of paper	8800	8800	8800
The price of a pack	3,5	3,5	3,5
Exchange rate EUR/UAH	1/40	1/41	1/39
Amount in UAH	1 232 000,00 UAH	1 262 800,00 UAH	1 201 200,00 UAH

So, after analyzing Table 2.2. we have the following results:

Option 1. In the absence of exchange rate fluctuations, company KARNEY will receive the planned profit.

Option 2. When the EUR exchange rate increases by one hryvnia, company KARNEY loses - 30,000.00 UAH of profit. As of December 1, 2023, the average salary in the city Sumy is 14,000 UAH [33].

Option 3. If the EUR exchange rate decreases by one hryvnia, company KARNEY will receive a larger profit than planned.

Case number 2.

One of the main activities of the KARNEY company is the export of cardboard to the European Union. The company cooperates with many Ukrainian factories: Kyiv Cardboard and Paper Mill, Zhydachiv Paper Factory, Green Park Paper Factory.

The production of paper and cardboard requires the following resources: manpower, electricity, raw materials, chemical elements and gas. All of them are included in the cost of the product.

The production cost includes the costs of the production stage. They are:

- payment for raw materials and basic production materials;
- fuel and energy costs;
- salary;
- transport costs (internal movement of raw materials and semi-finished products);
- repair and maintenance of fixed assets;
- depreciation of fixed assets and fixed assets.

If we talk about manpower or human resource we can say that it is not strongly volatile in price and stable, comparing with other resources. That is why manpower costs is easier in management the others.

But other resources that are included in the cost of goods are subject to much greater fluctuations and changes in prices, a good example is the increase in the electricity tariff starting from June 1, 2023. [35]. Currently, it is difficult to imagine an enterprise that does not use electricity in manufacturing or uses it in small quantities.

Even long before the start of the war, Ukrainian energy engineers were working to connect the electricity system of Ukraine to the European network of operators and, accordingly, to disconnect from the single energy system with Belarus and the Russian Federation. This process theoretically should have lasted more than a year. It was planned to be completed in 2023, after the Ukrainian system passes all relevant tests [35].

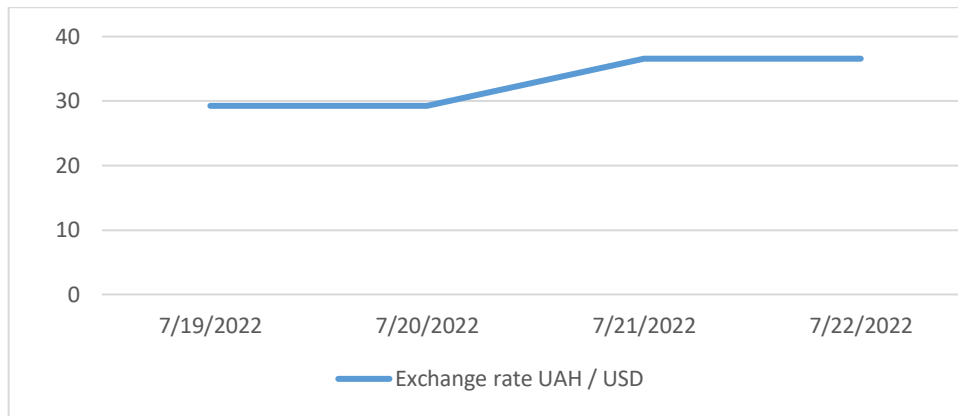
Immediately from February 2022, the energy system of Ukraine was in a state of stress. Part of the power system capacity remained in the territories occupied by the aggressor. According to experts, the country lost a large number of capacities due to the occupation [35].

In addition, due to the war, the economy of the country suffered significant losses. Many large enterprises could not work normally due to the disruption of economic ties and military actions, others, especially those built in the east of Ukraine [35].

Case number 3.

On February 24, 2022, martial law was declared in Ukraine in connection with the full-scale invasion of the Russian Federation on the territory of Ukraine [36].

With the beginning of the full-scale invasion, the National Bank of Ukraine fixed the exchange rate of the hryvnia in relation to foreign currencies, including the US dollar and the euro. As the press service of the National Bank of Ukraine reported, the fixation of the official exchange rate and the introduction of strict currency restrictions on February 24, 2022 made it possible to prevent panic, contributed adaptation of business and population to the conditions of a full-scale war. But over time, the disadvantages of the fixed exchange rate regime begin to outweigh its advantages [37].



Picture 2.5 – Increasing of UAH / USD exchange rate after July 2022 [37].

On February 24, 2022, the National Bank fixed the official exchange rate of the hryvnia to the dollar at UAH 29.25/1 USD. Later, in July 2022, the regulator weakened the exchange rate of the national currency to the level of UAH 36.57/1 USD [37].

As already described in Case number 1, significant fluctuations in exchange rates contribute to economic problems at the enterprise: a significant loss of profit, the implementation of unprofitable economic activities, the implementation of economic activities with a negative profit indicator.

We have described this case separately as it can be attributed to the Economic sphere and the Political sphere of challenges at the same time.

This challenge is political due to the fact that it is caused by the actions of the country's authorities, but nevertheless it has a great impact on the economy of the enterprise, and as a result it leads to economic losses, if the entrepreneur did not take measures in advance

Cultural sphere. Differences in cultural values, norms of behavior and consumer habits.

Case number 1.

The long-term existence and development of any company depends not only on its profitability. As international experience shows, in modern entrepreneurship one of the main factors determining entrepreneurial success is the professional culture of business activity. Effective business strategies coexist successfully with a number of



ethical principles that somehow improve business, increase its social responsibility and attractiveness [38].

Any collective work, cooperation begins, by means of communication, conversations [38].

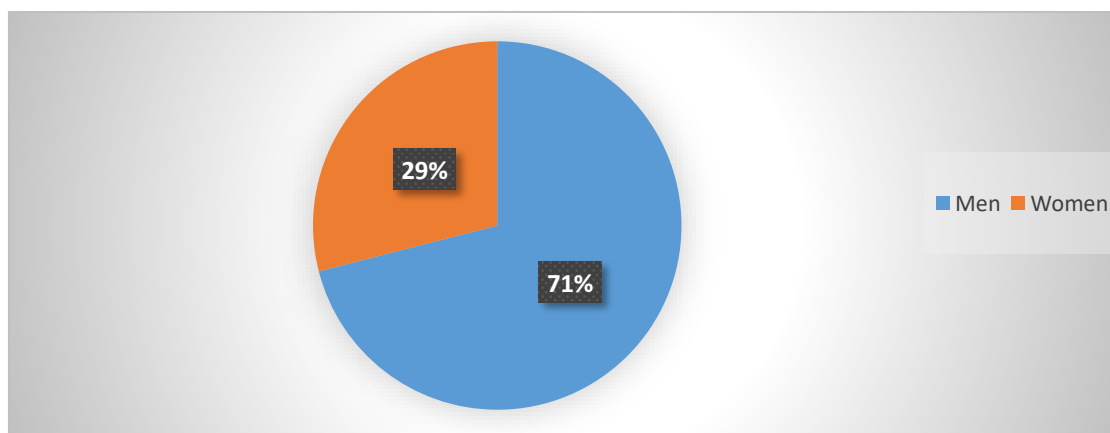
International business meetings play an important role in establishing business relations of the company and the economy of countries as a whole. International negotiations are considered as an organized process of interpersonal interaction of foreign partners, focused on resolving conflicts or developing cooperation, which involves the joint adoption of a certain decision that will have international significance [39], [40].

After the start of a full-scale war in Ukraine, the opportunity for conducting personal international business meetings has significantly decreased.

According to the current legislation of Ukraine, men from the age of 18 do not have the right to leave the country during martial law [41].

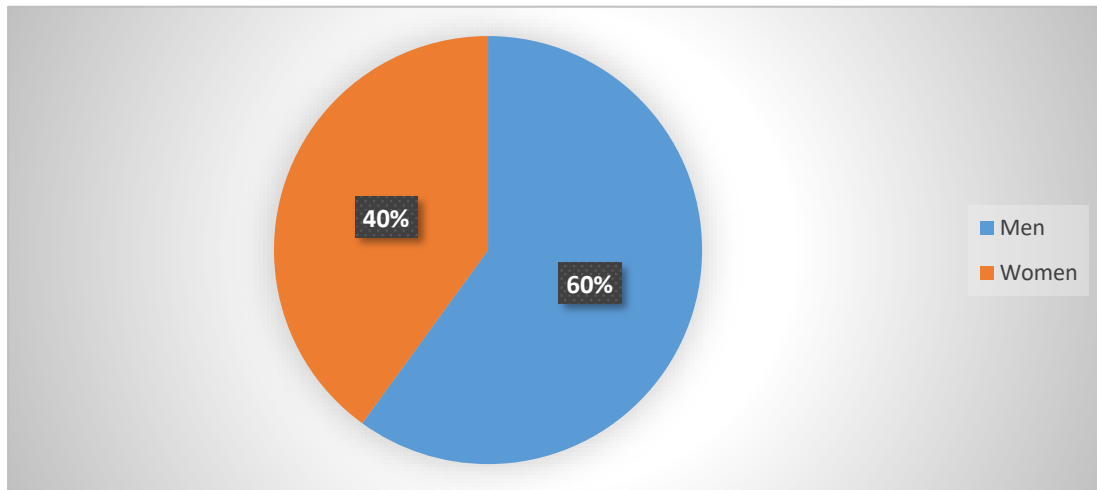
According to the UN Development Program 2021 study, the total share of women in leadership positions in the world is approximately 29% [42].

In Ukraine, there is no systematic collection of data that would make it possible to assess the share of women and men in top management. According to EDRPOU, the share of female managers among all active subjects of economic activity is 40% [42], [43].



Picture 2.6 – Distribution of management positions by gender in the world according to UN data [42].

Picture 2.6 gives us the opportunity to observe and analyze the uneven distribution of leadership positions in the world according to UN statistics in 2021. The inequality lies in the fact that the share of men in managerial positions reaches 71 percent, which is almost 2.5 times more than the share of women - 29 percent.



Picture 2.7 – Distribution of management positions by gender in Ukraine according to Ukrainian Center for Public Data in 2021[43], [44].

Picture 2.7 gives us the opportunity to see and analyze the inequality of the distribution of leadership positions in Ukraine by gender.

The rate of men in management positions is 60%, while the rate of women is 40%. Ukrainian statistics in comparison with the world statistics (Diagram 2.3) give better indicators of gender equality.

Returning to the complication of holding international personal business meetings, we would like to say that the main reason for this is that the majority of Ukrainian managers are men. But as it was mentioned earlier, men over the age of 18 do not currently have the opportunity to travel abroad.

This is what complicates the process of holding international personal business meetings.

Case number 2.

Mentality is a kind of "character" of a nation [48].

The culture of a society determines the ways of communication and interaction between members of this society. The main elements of culture: social structure, language, methods of communication, religion, as well as values and attitudes. The interaction between these elements forms the environment in which international companies operate [39].

«The EU has introduced a series of labor regulations to ensure strong social protection. They cover the minimum requirements for working conditions - such as wages, working hours, part-time work, workers' rights - as well as information on important aspects of their employment and worker dispatch. They have become one of the cornerstones of European social policy. The European Union has introduced common minimum working time standards that apply to all member states. EU legislation on working time sets out the individual rights of all workers, a maximum working week of 48 hours, at least four weeks of paid annual leave per year, rest periods and regular patterns of night work, shift work and work» [45].

The above-mentioned changes in the labor legislation of the European Union are related to the attitude of EU citizens to life and work.

According to a number of sociological studies, citizens of the European Union relate to work with full dedication and full understanding. But the work does not go beyond the working day. A citizen of the European Union, having worked a working day, will organize his personal life until the next working day begins. Citizens of Ukraine are more devoted to work, which gives Ukrainians strength and inspiration for work, despite the fact that the working day is over [46], [47].

The company KARNEY cooperates with a large number of European companies.

The moderation and slowness of citizens of the European Union in work can sometimes delay the deadlines of work processes: production of goods, preparation of documents, etc.

Case number 3.

Powerful integration processes that cover not only economic, but also political spheres characterize the current stage of the development of the world community,

which naturally causes the spread of business and cultural contacts between countries and peoples. The unconditional imperative of integration processes is the requirement of standardization and unification of socio-economic standards and political principles of management. And this, in turn, puts on the agenda the issue of forming a common, global language of international communication. [50]

For most companies, especially those that are international in nature, English is necessary for successful operation and development. Communication is a key aspect of business, so being able to communicate effectively in English is essential. In particular, this applies to written and verbal communication with partners, customers, employees and other stakeholders. In most cases, written communication takes place via e-mail, so it is important to know how to write a professional e-mail in English. Such letters should be concise and clear, using correct grammar and vocabulary, and maintaining a formal tone [49], [50].

However, oral communication is also important. To communicate effectively in English in business situations, it is necessary to know special terminology and use the appropriate tone of voice. For example, when giving a presentation in English, it is important to use professional vocabulary and know the terms related to your topic. In addition, it is important to pay attention to pronunciation and intonation, as this also affects the perception of the audience [50].

Business negotiations are also an important aspect of business where English is essential. Negotiations can take place with partners, customers, employees and other parties. In this case, it is necessary to have experience and know the terms related to your industry in order to negotiate effectively and achieve the desired results [50].

In addition, English is used in many other aspects of business, such as advertising and marketing. In these industries, special terms and phrases are used to attract the attention of the target audience and get them interested in the product or service. For example, using words and phrases that create a certain emotional effect can increase the number of sales [50].

A challenge for a company that carries out international activities, in particular the company KARNEY can be the lack of knowledge of the English language by the staff.

Unknowing a foreign language will lead the company to the following obstacles:

1. The inability of personnel to conduct business negotiations and business correspondence.
2. Impossibility of expanding the base of foreign buyers.
3. Impossibility of expanding the base of foreign suppliers.
4. Lack of scaling perspective.

Therefore, the language situation in the world can be characterized as a gradual, but steady transition to the English language, which contributes to the simplification and optimization of communicative contacts of citizens of the countries of the world at the institutional and everyday level.

From this indisputable fact, Ukraine must draw certain conclusions for itself. Since Ukraine has chosen the strategic path of entering an integrated Europe, the linguistic and cultural field faces the task of actively promoting the population's mastery of European languages, which will facilitate Ukraine's entry into the pan-European linguistic space; intensive development, increasing the competitiveness of the Ukrainian language and culture.

#### Technological sphere

##### Case number 1.

The pulp industry cannot be called the basic branch of Ukraine's economy. This is a specific branch of the economy that produces both final products and is a supplier of semi-finished products for other industries. The production of paper and cardboard is a complex, multi-operational process that requires a significant amount of various types of economic resources: fibrous semi-finished products (pulp, wood pulp, waste paper) and chemicals, as well as significant costs of thermal and electrical energy, water [51].

In today's realities, industrial production is conditioned by international competition and the need for quick adaptation to market demands. Such requirements

can be fulfilled by implementation of achievements of innovative production technologies [51].

We believe that the introduction of innovations into the activities of domestic enterprises will increase their efficiency and competitiveness on international markets [51].

Today, there are quite a few free niches in the Ukrainian market of cardboard and paper products, the development of which should be attractive to investors and will increase the competitiveness of domestic enterprises [51].

According to experts, the most effective areas of investment can be the development of the production of the following products:

- fiber semi-finished products for the production of cardboard and paper based products
  - use of annual plants (straw, etc.);
  - printing types of paper;
  - perforated paper for forms;
  - office paper for duplicating equipment;
  - sack paper [52].

Company KARNEY is a commercial intermediary and exporter of Ukrainian-made products. According to information available on the company's official website, the main sales markets for exported products are European countries.

The main problem that may arise in the company during the export of Ukrainian products is the quality of its products. A large number of Ukrainian paper factories were built back in the days of the Soviet Union, and will require significant investments to modernize production facilities.

In case of lack of modernization of Ukrainian production, clients of the KARNEY company will complain about the poor quality of the product, which will negatively affect further cooperation.

Case number 2.

On November 15, 2022, our power system experienced the most massive power system shock [53].

There was a power deficit of 30% due to the temporary inability to transmit electricity from power plants to consumers. Since the main hits were on substations [53].

November 15, 2023 was the beginning of a large-scale shelling of the energy system of Ukraine, which lasted throughout the winter. Each strike on the energy system causes an ever-increasing scale of the problem, and over time, state authorities have been forced to implement scheduled blackouts. The implementation of such shutdowns contributed to the restoration of the energy system of Ukraine, but it also brought its disadvantages [54].

Currently, it is impossible to imagine an enterprise that does not use electricity during production, which means that all blackouts completely stop the production process.

Stopping the production process, in turn, causes a shift in the production plan and complaints from customers.

In the second chapter, we considered various types of challenges in the activities of the enterprise on the international market. We considered 4 basic areas, namely:

1. Political sphere.
2. Economic sphere
3. Cultural sphere.
4. Technological sphere.

We have examined the challenges in detail on the example of LLC "KARNEY", based on which we suggest considering the following actions that the company should apply in its activities to prevent undesirable results and increase the company's competitiveness on the international market.

### **3. PREVENTION OF CHALLENGES AND THREATS IN INTERNATIONAL BUSINESS TO MAINTAIN THE COMPETITIVENESS OF THE ENTERPRISE**

Having considered the possible challenges and threats to the competitiveness of the Ukrainian enterprise on the international market, we decided that the following actions are the most effective for the Ukrainian enterprise to prevent challenges and threats.

#### **3.1 Prevention in political sphere**

In the previous section, in the first block of cases, namely cases of the Political sphere, we considered the corruption problem that may arise in the company's activities.

In our opinion, in order to defend its rights, namely the right to participate in fair tenders, LLC "KARNEY" should have a person with a legal education on the staff of its company.

Every day, corporate lawyers make decisions that in one way or another play an important role in running a business. It is a mistake to think that a corporate lawyer is just an office worker who works with legal documents. The role of a lawyer in an enterprise is important, it consists in protecting and preserving the legal, ethical, financial integrity and reputation of the enterprise. A corporate lawyer is a vector that guides top management in making a strategic decision [55].

A corporate lawyer will enable the company to analyze the tender documentation in a better way, as well as properly submit tender offers. In the case described by us, a corporate lawyer, having a legal education and experience in tenders, will be able to file lawsuits in court, or the Antimonopoly Cabinet of Ukraine, regarding the dishonesty of the tender. An experienced lawyer will be able to properly build the protection of the company's interests.

A lawyer is a specialist who has professional legal knowledge in the field of legal sciences, legislation and the practice of its application [56], [57].



A specialist in tenders may be the best option. When hiring such an employee, the company can specify the requirements for the vacancy, some of which will be: experience in participating in tenders, legal education. Tender specialist is a common job nowadays [58].

The main responsibilities of a tender specialist may include:

- preparation of a full package of documents for participation in the tender;
- obtaining documents from state registers.
- concluding contracts with the customer;
- appealing the results of auctions: sending objections, drawing up complaints to the Antimonopoly Cabinet of Ukraine and other organizations;
- providing consultations;
- analysis of competitors' documents [58].

In the second case of the Political Bloc, we considered the settlement procedure under the foreign economic contract, namely the complication of the payment procedure due to the bureaucracy of the banking system as well as the provision by foreign counterparties of data on the beneficial owners of the company.

Unfortunately, foreign companies and their employees do not fully understand the context of today's realities in Ukraine, and do not understand why they should provide information about the company's owners.

A properly drawn up and signed contract of foreign economic activity can serve as a solution to such a problem.

"Foreign economic agreement (contract) is a materially formalized agreement between two or more subjects of foreign economic activity and their foreign counterparties, aimed at establishing, changing or terminating mutual rights and obligations" [59].

The conclusion of a foreign economic agreement (contract) is the most important element of a foreign economic transaction, which depends on the fact that the conditions of the foreign economic transaction, the rights and obligations of the parties, as well as their responsibility, if the terms of the agreement are not fulfilled, are determined in the contract itself [60].

One of the clauses of the foreign trade agreement, namely in the "Terms of payment" section, the parties can agree and prescribe the duties of the seller to provide full information about the beneficial owners of the company. The signed contract will have legal force, which will oblige the foreign company to follow the terms of the contract, in order to receive payment under the contract.

Thus, the issue of the obligation to provide information about the owners of a foreign company will be resolved, which will significantly solve the problem of providing a complete package of documents for payment.

The solution to the challenge described in case number three can be the presence of own trucks in the company.

As mentioned earlier, the issue of logistics is very important in the economic activity of the enterprise, moreover, it is an integral part of the company's activity on the international market.

The problems described in this case of chapter two can be solved by the company purchasing its own trucks, which will help LLC "KARNEY" to diversify risks, significantly reduce the cost of production, and in the event of a shortage of freight transport in certain regions of the European Union, send its cars there for export or importing goods.

### 3.2 Prevention in economic sphere

In the first case of the economic sphere, we described the challenge for the company related to fluctuations in the exchange rate. We on the example of LLC «KARNEY» considered this challenge.

Taking currency risks into account has always been an important issue for Ukrainian companies. The events of 2013 - 2014 had a significant impact on the development of currency risk prevention strategies in companies operating on international markets.

Currency exchange rate fluctuations are a very unstable phenomenon and affect the activities of companies every day, so the question arises as to how exactly to

eliminate or minimize the costs of currency risk. It is not possible to completely eliminate currency risk, but in international business practice, the main methods of risk minimization have been identified [61].

The main measure to avoid this risk is to prescribe special conditions in the Agreement. During the conclusion of the contract, the counterparties have the opportunity to include in the article of the contract "Other conditions" an additional condition that provides for their protection against changes in the exchange rate. In this case, a new currency is introduced into the contract - the currency of the protection. At the same time, the payment currency is dependent on a more stable currency, for example, the US dollar or the euro [62].

We will demonstrate on the example of LLC "KARNEY".

After receiving a request from its client for the supply of cardboard, LLC "KARNEY" begins the process of agreement and signing of the contract between the companies.

Understanding the instability of the situation on the financial market, namely the fact that the Hryvnia exchange rate has significant fluctuations in relation to foreign currencies, the company KARNEY decides to fix the pre-agreed price in Euro. The company takes such actions due to the fact that the company plans to supply the client imported products, and will in turn be obliged to carry out an international transaction in foreign currency.

Therefore, by fixing the price in the contract in foreign currency, the company KARNEY minimized the currency risk to a large extent.

In the future, the recalculation of the price in Hryvnia will take place at the time when the cardboard is cleared by customs on the territory of Ukraine or on the date of shipping documents to the buyer.

Analyzing the challenge described in the second case, namely the risk associated with the lack of electricity as one of the main resources of the production process, we decided that the best and most effective way to minimize the risk is the diversification of suppliers.

The example describes that in the absence of electricity caused by planned outages, Ukrainian factories will not be able to produce paper and cardboard.

The efficiency of the work of enterprises in modern economic conditions largely depends on their ability to adapt to changing market conditions, therefore the process of diversification, at the current stage, becomes important a factor in stabilizing the financial condition of enterprises [63].

In our opinion, the most effective way to adapt LLC "KARNEY" to the conditions described in the case is the diversification of suppliers. There is a large list of paper factories on the Ukrainian market that can minimize the risk and replace each other in the event that one factory cannot produce products for export.

For example, after receiving an order from the Slovak company for the supply of cardboard, LLC "KARNEY" as a trader sends a production order to the "ZELENY PARK" paper factory.

After the occurrence of the risk described in the case, the "ZELENYI PARK" paper factory is temporarily unable to produce cardboard.

In turn, the KARNEY company, in order to avoid economic losses and the loss of the client, sends an order for production to the Kyiv Cardboard and Paper Plant.

So, by diversifying suppliers, the KARNEY company found an effective solution to the problem.

Analyzing the risk described in the third case, we decided that the most effective way to minimize and avoid risks is a properly drawn up contract between partners.

Case number three at first glance describes the currency risk, as the result of the KARNEY company may have economic losses due to a sharp change in the exchange rate. But, if we examine the situation in more detail, such a significant increase in the exchange rate was caused by the actions of the Ukrainian authorities, namely the National Bank of Ukraine.

Therefore, in our opinion, correctly written terms of the contract between partners will be able to prevent this risk.

For example, when signing a framework agreement for long-term partnership relations, the KARNEY company can write a separate section - "FORCE MAJEURE CIRCUMSTANCES".

"Force majeure circumstances (circumstances of force majeure) are extraordinary and unavoidable circumstances that objectively make it impossible to fulfill the obligations stipulated in the terms of the contract" [64].

Examples of force majeure circumstances are:

1. Epidemic.
2. Natural disasters.
3. War or armed conflict.
4. Actions of the authorities that make it impossible to continue to operate according to the previous conditions [65].

Prescribing the above-mentioned force majeure circumstances in more detail, the company KARNEY will be able, after the occurrence of such circumstances, to partially or fully assume responsibility for non-fulfillment of its obligations.

### 3.3 Prevention in cultural sphere

As already mentioned in the first case, international business meetings play an important role in establishing international partnership relations.

After the start of a full-scale war in Ukraine, the male part of the population is unable to personally participate in offline business meetings abroad. As the majority of management positions in Ukraine are held by men, this significantly complicates conducting personal business meetings in general.

Having analyzed the situation in more detail, I would like to offer the following possible solutions to this problem using the example of the company KARNEY.

Company KARNEY, as a representative of Ukraine on the international market, should increase the level of gender equality at the company, to provide the opportunity for female personnel, even if they do not hold management positions, to take part in personal international business meetings.

Gender equality in business is not only the quantitative balance of women and men in the company, but also the equal power of the voice of women and men in decision-making [66].

Additional advantages for the company KARNEY, after the introduction of gender equality in the company, will be: creativity, flexibility, experience of employees in various fields. Women and men have different experiences, sharing which is extremely valuable for business [66].

Ukrainian large companies are increasingly adopting global practices and introducing gender policy to the agenda. The world is confidently moving towards gender equality. But opinions about the insufficient competence of women to hold managerial positions are still heard in the information space. It is difficult to overcome these stereotypes about excessive emotionality of women, their dependence on mood, etc. But modern studies show that sometimes emotionality is the key to success, because it makes the business approach more humane and empathetic, which is very important in the era of the so-called polycrisis [67].

The challenge we described in the third case is one of the most influential teams that are present in the international market. Communication is a fundamental component in building a business, which is why enterprise employees should know the languages of partners, or know English, which is an international language of communication.

First of all, in order to prevent cultural risk associated with the language of communication, an international company must recruit employees who have specific foreign languages if they are acquired for the development of a specific region or know English. Such a measure will help the company to avoid the problem of misunderstanding of foreign partners.

Secondly, if the company is faced with such a problem, for example, after the release of a specialist who knows a foreign language, or knowledge of English, a specialist is not enough for the introduction of international activity, the company can carry out training for all employees, during which employees of the company will have

possible to obtain or improve knowledge English language. Such measures will help the company achieve the following benefits:

1. Improving the level of knowledge of English among company employees.
2. Improving the level of qualification with company employees.
3. Increasing the level of loyalty to the company.

#### 3.4 Prevention technological sphere

The obsolescence of production equipment, as well as the lack of investments in the modernization of production capacity are the main problems of Ukrainian industries. Outdated technological processes are not effective enough.

The obsolescence of production equipment can lead to poor quality goods or to traumatic cases in production.

In order to prevent technological call, companies must introduce strategies for equipment modernization. One component of such a strategy is the planned technical inspection of the equipment.

The lack of funds for investing in the modernization of production equipment can be solved by opening a storage fund, which will be financed from the budget of the company. The pricing at the enterprise includes two sedimentary components: cost and margin. The cost of the goods by default includes depreciation of production equipment.

After receiving the funds from each contract, the company can transfer funds to the storage fund and plan the modernization of equipment with some time.

## CONCLUSION

At the current stage of development, the world economic system is undergoing transformational changes under the influence of the globalization process. Such a process exerts an indirect influence not only on subjects of the economy, but also requires adequate changes in the economic policy of countries. It should be noted that the economic situation in the country changes in connection with changes in business, in a positive or negative direction.

The work is devoted to the problems of increasing the level of competitiveness of Ukrainian enterprises during challenges and threats.

The work consists of three chapters:

1. The first chapter is devoted to the study of theoretical data on competitiveness and international competitiveness.

2. The second chapter is devoted to the analysis of the activities of LLC "KARNEY" as an international distributor of cardboard and paper products, as well as to the study of challenges and threats.

3. The third section is devoted to the formation of strategies and tasks for Ukrainian companies to counter challenges and threats.

The following tasks were performed in the work:

1. The essence of competitiveness was analyzed, the main indicators of competitiveness were determined, and the concept of a competitive environment was analyzed.

2. The importance of institutional regulation of the competitive environment was analyzed.

3. International competition and its differences from national competition were studied.

4. The main groups and areas of challenges and threats for Ukrainian enterprises affecting their international competitiveness were identified.

5. The activity of LLC "KARNEY" was analyzed as an example of a company operating on the international market.



6. Specific examples of challenges and threats were given, dividing them by spheres of influence.

7. Specific strategies and actions that will help Ukrainian companies to prevent challenges and threats were defined and provided.

The main areas in which challenges and threats may arise for Ukrainian companies and affect their international competitiveness are:

- Political sphere.
- Economic sphere.
- Cultural sphere.
- Technological sphere.

Ways to increase the level of competitiveness of Ukrainian enterprises through the implementation of specific strategies and the implementation of specific actions are proposed.

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# APPLICATIONS



## SUMMARY

Hlushchenko D.T. International competitiveness of Ukrainian enterprises is a period of challenges and treats.

Qualification work is devoted to the study of the international competitiveness of Ukrainian enterprises on the international market in a period of challenges and treats. The work examines the activities of LLC "KARNEY" as a Ukrainian company that carries out its activities on the international market. The paper identified the main challenges and threats for Ukrainian companies on the example of LLC "KARNEY", and also developed actions and strategies that will help Ukrainian companies to prevent possible problems in the conditions of globalization of economic processes.

Keywords: COMPETIVENESS, COMPETITIVE ENVIRONMENT, MARKET, INTERNATIONAL COMPETIVENESS, CHALLENGES, TREATS, PREVENTION MEASURES.

## АНОТАЦІЯ

Глущенко Д. Т. Міжнародна конкурентоспроможність українських підприємств в період викликів та загроз.

Кваліфікаційна робота присвячена вивченню міжнародної конкурентоспроможності українських підприємств на міжнародному ринку в період викликів та загроз. У роботі досліджено діяльність ТОВ «КАРНЕЙ» як української компанії, що здійснює свою діяльність на міжнародному ринку. У роботі визначено основні виклики та загрози для українських компаній на прикладі ТОВ «КАРНЕЙ», а також розроблено дії та стратегії, які допоможуть українським компаніям запобігти можливим проблемам в умовах глобалізації економічних процесів.

Ключові слова: КОНКУРЕНТОСПРОМОЖНІСТЬ, КОНКУРЕНТНЕ СЕРЕДОВИЩЕ, РИНОК, МІЖНАРОДНА КОНКУРЕНТОСПРОМОЖНІСТЬ, ВИКЛИКИ, ЛІКУВАННЯ, ПРОФІЛАКТИЧНІ ЗАХОДИ.