

in which common result depends on decisions of persons, which are engaged in a "shadow" sector. This condition is just for countries with large "shadow", which has a tendency to become deeper corrupted.

The "shadow" economy cannot be easily liquidated, but it is necessary to decrease its share, to make it within the limits of 20-25 per cent. The most important method must be a policy with the combination of a "whip" and a "gingerbread", but the priority has to belong to the "gingerbread". It is very important to create the normal conditions for business functioning. The state must facilitate the process of firms creating, entering, and functioning on a market by means of:

- reducing of a quantity of the bureaucratic barriers during founding;
- changing the tax system;
- stimulating the foundation of the systems of business legal protection, giving credits on favorable terms, giving of information of good quality.

Capital, which is in the "shadow", must be pulled into a legal sector. But the process of convincing of Ukrainian businessmen to make own business legal, will be very hard, because control made deep psychological traumas. The hardest problem, which has to be settled, is to change the way of our people thinking. It is needed to change some generations.

## **THE COMPETITIVE ANALYSIS OF GOODS' POSITION ON FOREIGN MARKET**

I.V. Andrusenko, E-  
01; V.Gryshchenko

The competition is one of the main operative powers of market economy. The rival overseas market research is required for successful functioning of the enterprise. It is impossible to get the advantages in competitive fight on foreign markets when you ignore your own rival and information about their weak and strong points.

The rival research is produced for the quantification of their influence upon the market. The main result of such research for enterprise must be the reinforcement of their own market position.

It is possible to use the next sequence of the rival research process:

- 1) the rival identification and its classification;
- 2) the rival activity and its results analysis;
- 3) the research strong and weak sides of rival activity.

Under the level of competitiveness of goods are offered to understand the relative feature of product, expressing degree of its preference over goods rival. In this sense the criterion of competitiveness can be the relative share of the valued goods sale in contrast with goods rival.

$$B_{0i} = \frac{M_0}{M_0 + M_i} \quad (1)$$

where  $B_{0i}$  – the relative share of the valued goods sale;

$M_0$  – volume of valued good sale;

$M_i$  – volume of good-rival sale.

Competitiveness of a product depends of row factor, influencing upon preference of the goods and defining volume of its sale on given market. These factors are considered as the components of competitiveness and divided into three main groups: technical, commercial and legal factors.

These factors have a great influence over competitiveness. But for the difficulty of background data reception it is impossible to get an analytical dependency linking them with rate of competitiveness. That's why, in our mind, it is effectual to use the expert methods for forecasting of goods competitiveness.

The rate of goods preference, getting by some means, allow calculating the estimations of the expected share of the valued product and its analogue sale on given market.

$$B_{0i} = \frac{1}{1 + \sum_{i=1}^N \frac{(1 - B_{0i})}{B_{0i}}} \quad (2)$$

where  $B_0$  – the expected share of the valued product sale;

$N$  – a number of rival;

$B_{oi}$  – the preference of the valued product over its analogue.

In denominator of the formula (2) to one it is added an amount of the ratio of analogue preference over valued product to its preference over analogue.

All specified values are defined for given market in the same period. In formula (2) it is defined an expected share of the sale of valued goods and its analogue. The conclusions about the competitiveness of valued goods are done after the results of payment had been matched.

## SOME ASPECTS OF ENVIRONMENTAL RISK

T.V. Ivashchenko, E-03; L.G. Melnik

Where environmental regulation, company law and corporate governance disclosures led, financial exposures follow. These exposures have led, in the US, to the development of a specialized environmental insurance market. Businesses are becoming aware of the need to protect themselves from the impact of possible environmental liabilities and to both understand and quantify their potential off-balance sheet liabilities.

The growth of environmental insurance market outside the US is taking a different form to the 'home grown' variety, where prescriptive legislation encouraged the development of standardised products.

In the US the focus has primarily been set on the potential exposures from on-going business activities (potential environmental risks), such as the cost of clean-up for accidental spillage. In Europe, the focus has been firmly on historical liabilities, largely because of the impact of the industrial revolution: much more industrial activity takes place on brown-field sites that may be heavily contaminated.

So how should companies protect themselves against possible environmental liabilities? The physical control elements to minimise exposures are good practice and an established and regularly audited environmental management system (EMS). While the financial control elements have in the past been restricted to warranties, indemnities and insurance, the best protection from the ongoing business environmental risk is a good EMS.