

**Ministry of Education and Science of Ukraine**  
**Ukrainian-American Concordia University**  
***Department of International Economic Relations, Business & Management***

Bachelor's Qualification Work

**\_\_ECONOMIC GLOBALISATION AS A FRAMEWORK FOR  
INTERNATIONAL BUSINESS DEVELOPMENT\_\_**

(on the basis of \_CAM & APF “AKTIV  
PLUS,LTD.” \_\_\_\_\_ )

Bachelor's student of

Field of Study 29 – International Relations

Specialty 292 – International Economic Relations

Educational program – International Business

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## **Abstract**

The work focuses on the theoretical and methodical bases of economic globalisation as a framework for the development of international business. The first chapter examines the essence and content of economic globalisation, its impact on international business and the role of international companies in the global economy. The second chapter presents a detailed analysis of the economic activity and financial state of CAM & APF "AKTIV PLUS, LTD.", as well as an assessment of the company's participation in economic globalisation. The third chapter proposes ways to enhance foreign economic activity of international business in order to strengthen economic globalisation, including an analysis of best practices, transformation in the global environment, and a roadmap for building a competitive strategy for international business development. Overall, this work provides insights into the complex dynamics of economic globalisation and its impact on international business, as well as practical recommendations for companies looking to enhance their participation in this global phenomenon.

**Keywords:** Economic globalization, international business, business development, globalization, economic integration

## **Анотація**

Робота зосереджується на теоретичних та методичних засадах економічної глобалізації як рамки для розвитку міжнародного бізнесу. Перший розділ присвячений сутності та змісту економічної глобалізації, її впливу на міжнародний бізнес та ролі міжнародних компаній у глобальній економіці. Другий розділ містить детальний аналіз економічної діяльності та фінансового стану КАМ та АПФ "АКТИВ ПЛЮС, ТОВ", а також оцінку участі компанії в економічній глобалізації. У третьому розділі запропоновано шляхи підвищення зовнішньоекономічної діяльності міжнародного бізнесу з метою зміцнення економічної глобалізації, включаючи аналіз кращих практик, трансформацію у глобальному середовищі та план дій для побудови конкурентної стратегії розвитку міжнародного бізнесу. В цілому, дана робота надає уявлення про складну динаміку економічної глобалізації та її вплив на міжнародний бізнес, а також практичні рекомендації для компаній, які бажають підвищити свою участь у цьому глобальному явищі.

**Ключові слова:** економічна глобалізація, міжнародний бізнес, розвиток бізнесу, глобалізація, економічна інтеграція.

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**School of Management and Business**

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**APPROVED**

Head of Department Prof. L. Zharova

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**TASK  
FOR BACHELOR’S QUALIFICATION WORK**

**Katya Trubchanyn**

(Name, Surname )

**1. Topic of the work:**

**“Economic globalization as a framework for international business development  
(based on the CAM & APF “AKTIV PLUS, LTD.” case)”**

Supervisor of the work ***Roksoliana Liubachivska, Ph.D. in Economics.***

(surname, name, degree, academic rank)

Which approved by Order of University from “22” September 2022 № 22-09/2022-2c

2. Deadline for bachelor’s qualification work submission “23” ***April 2023***

3. Data-out to the bachelor’s qualification work\_

***Materials from the internship received during consultation with representatives of the company. Information from open resources on the Internet, official reporting of financial and economic activities of the enterprise.***






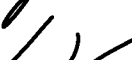
4. Contents of the explanatory note (list of issues to be developed).

***There are main topics a student should develop in this work: to provide a clear definition and explanation of economic globalization; to analyze the concept of international business development and its relevance within the context of economic globalization; to present an in-depth analysis of the CAM & APF “AKTIV PLUS, LTD.” case.***

5. List of graphic material (with exact indication of any mandatory drawings)

*Graphs and figures for analysis of economical and statistical information on the company and its development, visualization of mechanism of development, etc.*

6. Consultants for parts of the work

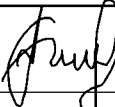
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3	<i>Roksoliana Liubachivska, Ph.D. in Economics</i>		

7. Date of issue of the assignment


Time Schedule

No	The title of the parts of the bachelor's qualification work	Deadlines	Notes
1.	I chapter	<i>31.12.2022</i>	<i>In time</i>
2.	II chapter	<i>20.02.2023</i>	<i>In time</i>
3.	III chapter	<i>11.04.2023</i>	<i>In time</i>
4.	Introduction, conclusions, summary	<i>23.04.2023</i>	<i>In time</i>
5.	Pre-defense	<i>26.04.2023</i>	<i>In time</i>

**Katya Trubchanyn**

  
(signature)

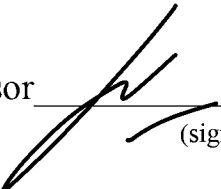
**Roksoliana Liubachivska**

  
(signature)

Conclusions:

*The theoretical part of the qualification work showcased a strong grasp of relevant concepts and theories related to international business strategies. Katya thoroughly explored and synthesized existing literature on this subject, providing a solid foundation for understanding the complexities of companies' international operations. Katya's work stood out due to the depth and precision of their recommendations. Drawing from a detailed analysis of the company's international business strategies, she skillfully identified key success factors, challenges, and opportunities. In general, if successful defense, the thesis can claim to be "good".*

Supervisor

  
(signature)

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## INTRODUCTION

Today, many things are happening in the world that do not leave us unattended, but on the contrary, make us analyse, think and conduct research. Such is globalisation, which is now under the supervision of the whole world and is only progressing every moment. It is a comprehensive process, that combines political, economic, cultural, ecological and religious integrations. During this process the whole world is integrated and connected, many countries deal with each other, launch a lot of processes that make the economy progressive and sustainable. Today, we all can observe how many technologies are appearing every day, and how they affect our routine life, how much they simplify life, our work and gives incredible opportunities for absolutely every person.

Globalisation is not a fast process, it is something that has been developing for many years and continues to develop now, and it is not only about global processes, it is also about the development of the human mind, this is what a person creates, something new, something unique, and this is what the whole world recognizes.

Today, the world is so united and connected that we can buy imported products from all over the world in our home country, we can buy literature from foreign writers, listen to music from foreign artists, we can also send money to anywhere in the world and this is a great opportunity for everyone. Also, today, many of us have the opportunity to work remotely with other countries, have several businesses in other countries and easily track them with the help of technology. The world moves forward and every day new opportunities open up before us in all areas of our lives. Today we have the right to choose.

Economic globalisation is a consequence of globalisation in general, because if all countries are united, economic processes will start and intensify, and thus we can already talk about economic globalization. Economic globalisation plays an important role in our life, and we can easily analyse it, just by looking around us and see what surrounds us today, but economic globalisation has no less strong influence on the development of international business and this is very important today, when the economic situation in the

world today is not stable for a number of reasons, since the main participants in economic globalisation are businesses and various organisations.

## **CHAPTER 1. THEORETICAL AND METHODOLOGICAL BASES OF ECONOMIC GLOBALISATION AS A FRAMEWORK FOR INTERNATIONAL BUSINESS DEVELOPMENT**

### **1.1. The essence and content of economic globalisation as a driving force for the development of international business**

Globalisation is not a recent phenomenon. Throughout history, people have engaged in trade with their neighbours and travelled to far-off places to exchange goods. The Silk Road, an ancient trade route that connected Europe, North Africa, East Africa, Central Asia, South Asia, and the Far East, is an early example of globalisation. Europeans traded their manufactured goods for Chinese silk and spices, which contributed to a global economy where both Europe and Asia were exposed to products from distant lands. The discovery of the New World by Europeans led to a significant expansion of globalisation, with the exchange of plants, animals, foods, cultures, and ideas now known as the Columbian Exchange. The Triangular Trade network is another example of globalisation, where ships transported manufactured goods from Europe to Africa, enslaved Africans to the Americas, and raw materials back to Europe. However, the spread of slavery resulting from this network illustrates that globalisation can have negative consequences as well as positive ones.[3]

In recent years, the level of globalisation has grown significantly and continues to grow, because today we have advanced communications and transport, advanced technologies with which we can easily make various transactions, we can track how successful our or another business is, we can transfer financial assets beyond the borders of their country, and all this today opens up great opportunities for us.

Economic globalisation is the process of enhancing the interdependence of national economies worldwide, through the acceleration and expansion of trade, services, technologies, and capital across national borders. It generally encompasses the growing integration of national economies worldwide, mainly through the exchange of goods and financial transactions. Economic globalisation includes the exchange of goods and



services, the transfer of capital, and the trading of assets such as currency and stocks. It also involves the transfer of technology and knowledge, as well as the movement of people across international borders for work or other purposes. [6 p.3]

The progress in science and technology has significantly reduced transportation and communication costs, enabling economic globalisation to take place. Today, the cost of ocean shipping is only half of what it was in 1930, air freight is only one-sixth, and telecommunication costs have decreased by 99%. The cost of computers has also greatly reduced, from being 1/125 of the price in 1960 to being 80% cheaper in 1998. This "time and space compression effect" of technological advancement has greatly reduced the cost of international trade and investment, allowing for the coordination of global production. For instance, a Ford car may be designed in Germany, have its gearing system produced in Korea, its pump in the USA, and its engine in Australia. Technological progress has made this kind of global production possible, and the rise of the network-based economy has created many shadow enterprises that disregard national borders and distance for certain economic activities. Economic globalisation has been driven by the increasing importance of information in all kinds of productive activities and the spread of market economic systems worldwide. It has developed through the increasing cross-border division of labour that has penetrated the production chains of enterprises in different countries. Therefore, the recent rapid globalisation of the world's economies is largely due to the rapid development of science and technology.[6.p.3]

The GATT and WTO have provided a framework for many countries to progressively reduce their tariffs and non-tariff barriers, leading to the opening up of current and capital accounts. These measures have greatly encouraged the growth of trade and investment. Furthermore, the transformation of centrally planned economies to market economies has made it possible for the world's economies to truly integrate as a whole.[6,p.4]

Huge advances have been made in the technological field: the Internet, communication satellites, cell phones, personal computers and other technical innovations have accelerated the formation of a global capital market, an unprecedented growth in world trade, and electronic commerce.

Multinational corporations (MNCs) have become the primary drivers of economic globalisation, as they operate globally and allocate resources based on profit maximisation. Their global expansion is restructuring the macroeconomic mechanisms of the world's economies. As of 1996, there were over 44,000 MNCs worldwide, with 280,000 overseas subsidiaries and branch offices. By 1997, the top 100 MNCs alone accounted for one-third of global trade, and the trade between their parent companies and subsidiaries accounted for another one-third. MNCs also owned over 80% of the US\$3,000 billion balance of foreign direct investment at the end of 1996, and were responsible for about 70% of international technological transfers. These cross-border economic activities within the same enterprises pose a challenge to traditional international trade and investment theories.[6,p.4]

The globalisation of the financial sector is the most rapidly growing and influential aspect of economic globalisation. Initially, international finance was established to meet the requirements of international trade and investment. But with the evolution of economic globalisation, it has gained more independence. Unlike commodity and labour markets, the financial market is the only one that has truly achieved globalisation.[6,p.4]

The process of economic globalisation involves a restructuring and reorganisation of industries on a global scale, driven by technological advancements and changes in income levels. As a result, countries around the world are undergoing industrial readjustment and upgrading. In particular, developed countries in the West are transitioning to a knowledge-based economy and outsourcing labour-intensive industries to developing countries with stronger international competitiveness.[6,p.5]

**(See Fig. A 1.1.1 Globalisation map)**

## **1.2. Economic globalisation affect on international business**

Globalisation in general has an impact on all areas of our lives, but if we talk about economic globalisation, then it has an incredible impact on international business and its development, it affects both positively and negatively. Economic globalisation creates a favourable or not very favourable area for development for any business, it opens up many opportunities for itself, thereby contributing to the development of business as a whole. Conducting business operations in the international arena has its own specifics compared to business operations within the country. To fulfil them, it is necessary to take into account the differences in legal, cultural, and ethical standards of doing business in different countries, the use of different currencies in calculations, as well as the availability of natural and labour resources, and the development of the economies of partner countries.

The developing processes of globalisation are increasingly uniting doing business at home and abroad. Thus, 6.4 million Americans work for foreign firms located in the United States, and 8.1 million people in Europe, Asia, Africa, Latin America, Canada are employed in foreign subsidiaries of American corporations; joint projects of domestic and foreign companies are being implemented to implement large-scale projects in the energy sector, transport and other leading sectors of the economy.[8]

Globalisation is largely determined by the activities of international business and, in turn, dictates its own imperatives to it. In order to fit in and operate successfully in the new economy, international business must successfully use the core competencies of its company, penetrate into new markets, acquire raw materials at a lower price, use cheaper labour, attract new capital and new technologies, which can increase the effectiveness of competition.

International business refers to the exchange of goods and services between individuals and businesses across multiple countries. It encompasses all types of commercial activities, including sales, investments, and transportation, that occur between regions and countries without being limited by political borders. The main focus of international business is on global resources, and the objectives of businesses operating in this field are oriented towards identifying and exploiting global opportunities and overcoming global challenges.[10,p.1]

Globalisation has allowed large companies to benefit from economies of scale, which results in lower costs and prices, leading to further economic growth and increased wealth distribution worldwide. Increased competition among companies in the global market is also a result of globalisation, with companies competing on factors such as price, quality, technology, target market, and more. Those companies that can produce high-quality products at the lowest costs and prices are more likely to succeed in the global market and increase their market share. Globalisation has also given businesses the opportunity to invest in technology, which can simplify work processes, save time, and increase profits. The growth of globalisation has brought about the emergence of new companies and industries, creating opportunities for people to choose from a wider range of goods and services in the international market, such as food, cars, schools, and more. [10,p.8]

International business refers to any business activity that involves the production, exchange, or distribution of goods and services across international borders. The trend towards a more interconnected and integrated global economy, known as globalisation, has led to increased opportunities for international business. This may involve accessing new markets where trade barriers are reducing and consumer preferences are evolving, as well as sourcing goods and services from different countries. While some managers define international business narrowly as "business", as demonstrated by the Google case, it encompasses a much broader scope of activities. [18]

The increase in the emergence of new businesses, new industries opens up great opportunities for unemployed people, as new jobs appear, people can have good earnings, and in some countries this is the fight against poverty. This also increases the rate of immigration, thus giving people the opportunity to develop economically and socially. The rise of foreign investment countries helps in the rapid development of all industrial and local cities, which every country must be open to because this is a very favourable business. For example, foreign investors invest a large amount of capital on some industries. The industries use the capital to conduct research and development so that they can increase technology on the production and growth of industries.

The impact of globalisation on international business has led to a decline in trade and investment barriers, enabling firms to engage in international trade and foreign direct investment (FDI). In the past, tariffs were commonly used to protect domestic industries from foreign competition, thereby impeding international trade. However, the trend towards globalisation has resulted in a reduction of trade and investment barriers, which has benefited all countries by facilitating easier trade and investment activities.[10,p.4]

Globalisation offers companies the opportunity to explore cost-effective methods of producing their products, while simultaneously promoting increased global competition, which drives prices down and offers consumers a wider range of choices. By reducing costs, economic globalisation enables people in both developed and developing countries to achieve a better standard of living on less money. It is an excellent opportunity for the growth of international business, allowing companies to seek out lower-cost ways of producing goods and services, while creating competition that ultimately leads to lower prices and a greater range of product choices for consumers, from budget options to high-quality ones.[19]

Economic globalisation offers a significant advantage of exposing people to diverse foreign cultures, such as food, art, music, films, and individuals. It provides people with the chance to step beyond their own cultural boundaries and explore new experiences,

ultimately broadening their perspective. From a business perspective, this creates a promising opportunity to engage with individuals from all around the world, who have different cultures, values, and characteristics. Today, people can effortlessly order Chinese or European cuisine from the comfort of their homes, or even enroll in an English course taught by a native speaker, all while interacting with people from various nationalities. [19]

Another significant benefit of economic globalisation is the access to a diverse pool of talented individuals from different parts of the world, each with their unique qualities, skills, and innovative ideas. This presents an opportunity for businesses to recruit skilled workers from more developed countries, which can be a mutually beneficial arrangement for both the employee and the organisation. [19]

Together with new people and new opportunities, any company today has access to new markets. Entering new markets, the number of potential customers can increase significantly, as the probability of satisfying even more needs increases, the demand for goods grows and the company begins to grow.

Diversifying business risks is a significant benefit of entering foreign markets as it provides a wide range of opportunities and markets, reducing the impact of any failures in one particular market. Expanding business operations internationally can also increase brand recognition and the company's prestige among its customers. Moreover, entering new markets can create opportunities to expand intellectual property rights, trademarks, and copyrights into new regions.

A significant benefit of economic globalisation is the opportunity to attract investment. As companies grow and expand, they can tap into new sources of investment capital in foreign countries, which may not be available in their home country. This is particularly advantageous for entrepreneurs from CIS countries, where the capital market is relatively small. Fortunately, it is now easy to access information about which countries are more likely to receive funding.

Expanding business operations to multiple locations can lead to an increase in the quantity of required goods and materials for production, which presents an opportunity to negotiate lower prices with suppliers for larger volume purchases.

Expanding your business to multiple countries provides an opportunity to adapt to changing consumer trends and preferences. A product or service that may have lost its popularity in one country can still have a high demand in another. This flexibility allows the business to adjust its strategies and potentially regain lost profits. Additionally, by targeting a diverse audience in various countries, businesses can tap into different markets and cater to the unique needs and preferences of consumers. This can lead to increased sales and a wider customer base.

Establishing a compliant overseas presence can be a challenging task for businesses that aspire to go global and reap the benefits of globalisation. The traditional method of setting up an entity requires significant upfront capital, which can reach up to \$20,000, and annual expenses of around \$200,000 to maintain the business. Moreover, global businesses must stay abreast of the constantly changing labour laws in new countries. When expanding into new countries, companies need to be well-versed in navigating new legal systems to avoid costly missteps that can result in significant financial and legal repercussions.[19]

Expanding a business into new markets presents marketing challenges, as companies need to adapt their strategies to effectively communicate the value of their products or services to a foreign audience. Communication barriers and cultural differences may require businesses to completely rethink their marketing approach to effectively reach consumers in different regions. Simply assuming that a marketing campaign that works in one country will work in another is a risky assumption, as consumer preferences and behaviours vary greatly from market to market.[19]

Starting with basic foreign trade, a company that enters the international business arena has the potential to progress towards becoming a multinational corporation, the most advanced form of global business. [7]

Entering the international market involves more than just gaining experience and potential - it requires overcoming various challenges, such as improving product quality, optimising company costs, developing distribution channels, effectively managing capital and labour, and efficiently working with transportation networks.

The advent of computerization, telecommunications, and informatization has brought about a significant transformation in the nature of international business. The widespread use of telecommunications and the ability to access various markets for goods, services, labour, capital, and information have created immense opportunities for business growth. Nowadays, digitalization is prevalent in all spheres of life and holds immense potential for the future.[21]

Globalisation is a widespread trend where economies around the world are becoming interconnected and borders between countries are becoming less significant. Companies are now able to engage in business activities across the globe, procuring raw materials, conducting research and development, and entering markets worldwide. As trade barriers fall, global trade in goods and services is growing at a faster rate than domestic production. Companies can no longer rely solely on the success of their domestic markets for long-term profitability. The flow of money across national borders is freer, and companies seek better financing rates globally while investors seek favourable returns on their investments. Globalisation has two main components: the globalisation of markets and the globalisation of production. The former refers to the merging of historically separate national markets into one large global market. The latter refers to companies sourcing goods and services from around the world to take advantage of differences in price and quality of factors of production, reducing overall costs and improving product functionality to compete more effectively. Though differences in tastes and preferences between countries can still act as



a barrier to globalisation in some markets, such as mass consumer products, the markets for industrial goods and materials have a universal need and are common global markets. [11,p.85]

The progress of information and communication technologies, along with the decrease of trade barriers, has made geographical and cultural differences less significant in the process of globalisation. Many companies have taken advantage of this and expanded their business activities globally through internationalisation. As a result, the global economy has undergone significant changes, with companies operating in multiple international markets. The interconnections between international markets within the global economic system have become stronger due to the process of globalisation. The relationship between a country's economic and political systems also impacts its economic development. [11,p.86]

Globalisation has transformed international business through various factors, including the growth of the global financial market, the widespread use of technology, and the dissemination of knowledge through improved communication. Additionally, the decentralisation of economic activities, the rise of multinational firms, and the reduction of barriers to trade and investment have also contributed to this change. The power of supranational organisations, such as the European Union, has increased, and regional identities that transcend borders have emerged, shaping the global economy.[1,p.1]

Globalisation refers to the integration of national economies into a single world marketplace, both in terms of markets and production. The first component of globalisation is the merging of separate national markets into a larger global marketplace, while the second involves sourcing goods and services from different locations to benefit from national differences in resource quality and cost. Companies operating in the global business environment face various challenges, including political, economic, competitive, and cultural forces, but these also provide opportunities for growth and development. By consolidating economies of scale in manufacturing and reducing delivery costs,

globalisation encourages internal production and operations coordination to create new value. As a result, interactions between nations and citizens around the world increase. The drivers of globalisation include lower trade barriers, transportation costs, communication costs, and technological advancements.[1,p.3]

In the 21st century global economy, barriers to free trade and investment have been decreasing, leading to a rapid increase in cross-border trade and investment. This has resulted in greater economic interdependence and integration of national economies into a single global economic system. However, running a business in a foreign country involves various political, economic, and legal risks, which can impact the profitability and objectives of the enterprise. Political risk arises from the possibility of political events affecting business operations, while financial risk stems from economic mismanagement in the host country. Legal risk refers to the possibility of a trading partner reneging on contracts or seizing property rights.[1,p.3]

In the global economy, countries often use measures such as tariffs and quotas to protect their domestic economies, which can have both positive and negative effects on both the host country and the country of origin of investments. To mitigate these effects, regional integrations have been established, such as the North American Free Trade Agreement (NAFTA), the European Union (EU), and the Association of Southeast Asian Nations (ASEAN).[1,p.3]

International trade is an important indicator of the level of globalisation, demonstrating the increased interconnections between different regions of the global economy. These connections involve the movement of capital, goods, raw materials, people, and services across national borders. However, international trade can also be a source of controversy and disruption, as it can alter the distribution of wealth within a country by changing prices, wages, and employment patterns. One particular challenge of international trade is the substitution of labour and capital, which can be more difficult in complex economies than

in simple ones. In such economies, it is not always easy to reallocate labour and capital to other uses.[20]

International companies face challenges related to cultural factors, which impact managerial costs and evaluations in target markets. They must adapt to rapidly changing environments and meet higher expectations for social and environmental responsibility. Companies that focus on promoting social welfare as well as profits tend to recruit and retain high-quality personnel and achieve higher success in their business. Global competition, market expansion, network or alliance building, trade policies, foreign investment policies, technical standards, host government policies, global customer needs, marketing, channels, and management strategy are all challenges that international companies must address. The COVID-19 pandemic has impacted the health and safety of employees and decreased customer purchasing power, leading to risks in new market investment. Technological innovations, such as low-cost network communication and artificial intelligence, offer benefits for global business strategies. Communication in English as a standard language is challenging, and companies must improve employees' English skills to reduce the costs of customization and translation. International companies must also consider economies of scale and the growing population as drivers of growth in the convenience store industry. [1]

### **1.3. Role of the international companies in the global economy**

The origins of the trend towards economic globalisation can be traced back to the traumatic experience of the Great Depression prior to World War II. The Council on Foreign Relations, a group of influential American political leaders, became very cautious about preventing a similar event from occurring again.[22]

Globalisation can be viewed as a method or framework for addressing and addressing the world's pressing issues. Several global problems are considered critical for humanity, including food insecurity and underdevelopment, excessive military spending,

inflation and financial crises, energy and raw material availability, and the rapid growth of the population and its impact on the environment.[22]

According to the United Nations' perspective, globalisation is a result of the interconnectedness of various issues, such as food scarcity, military spending, financial crises, energy and raw material shortages, and environmental degradation, which require collaborative efforts to address due to their occurrence in multiple countries and the presence of mutual technical, social, economic, political, and ecological elements. However, globalisation is not self-sustaining, and it relies on economic and financial policies, which may accurately reflect reality or deviate from it depending on the subjective factors involved. The entities responsible for developing and implementing these policies are major economic and financial power centres, which are created by organisations such as the IMF, World Bank, and WTO to serve their interests.[22]

Today's economy is characterised by economic globalisation, which is mainly driven by transnational corporations and the increasing trend of regionalism, particularly in Europe and other parts of the world. [22]

The term "globalisation" was coined to describe the internationalisation of markets for goods and services, as well as the emergence and growth of multinational companies involved in comprehensive financial, manufacturing, marketing and management activities. [22]

Globalisation is the second largest component of the contemporary world economy, following the establishment of the new economic order. This new economic order involves two major trends, namely the globalisation of businesses and the revolutionising of information technology.[22]

Multinational corporations benefit from globalisation by incorporating international production systems into their networks, which leads to the development of the global

market economy, while the well-being of nations remains a national concern. However, globalisation has been operating without regulation over the past two decades. The unilateral approach of the US in foreign policy after the fall of the Berlin Wall has raised concerns among the elites of former socialist countries now part of the European Union.[22]

It is essential for developing nations to emerge and take action to address the negative consequences of unregulated globalisation that can lead to worldwide crises and social disorder. However, multinational corporations often view the State as an obstacle to globalisation, considering it an outdated economic player instead of a regulatory authority and a promoter of social unity.

Therefore, the State should remain the primary actor on the global stage to ensure democracy, social cohesion, and solidarity. Moreover, globalisation cannot coexist with sustainable development, and it widens the income inequality gap between wealthy and poor individuals.(See **Fig.1.1.3** and **Fig 2.1.3**)

Governments are interested in attracting foreign direct investment (FDI) by multinational enterprises (MNEs) due to their potential to create jobs, bring in new technologies, and promote growth. MNEs account for a significant portion of world output, GDP, and international trade, with their contribution to global GDP estimated at 32% in 2016. They are particularly important in terms of exports and imports, with foreign affiliates responsible for 30% of global exports and MNE headquarters responsible for 34%. While MNEs play a crucial role in economic globalisation, which involves increased economic interdependence between countries through cross-border movement of goods, services, technology, and capital, they also have important implications for international transmission of economic shocks, comparative advantages, gains from trade, domestic firms, and government trade policy objectives.[19]

Multinational corporations have been at the forefront of the process of globalisation, creating numerous connections between the economies of different nations. They utilise

the capital from developed countries to establish manufacturing facilities and plants in developing nations, where they can obtain raw materials and labour at lower costs. The final products are then exported back to the wealthy countries, where there is a demand from consumers. These interconnections result in a greater economic integration among various economies, leading to the creation of a global marketplace or a unified world market.[19]

Transnational corporations play a pivotal role in the key processes of the contemporary global economy. They shape the dynamics, structure, and competitiveness of goods and services in the international market, and exercise control over foreign direct investment and capital flow. Owing to their production and financial resources, they dominate the most science-intensive industries and drive technological advancements in production. [19]

The fast-paced increase of foreign direct investment and the expansion of technological division have led to the emergence of massive global research and production complexes with branches in various countries and continents. As a result, transnational corporations are creating a globalised economy with international production, driving forward progress in science and technology across various fields such as product quality, production efficiency, management methods, and enterprise governance..[19]

The number of TNCs has been rapidly increasing over the years. In 1970, there were 7.3 thousand TNCs worldwide, with a turnover of approximately 626 billion dollars. However, by the early 90s, the number of TNCs had grown to 37 thousand, with a turnover of 7 billion dollars. As of 2012, there were around 82 thousand TNCs operating in the world, generating a turnover of more than 30 trillion dollars. This growth in the number of TNCs can be attributed to various factors, such as competition, which forces them to lower costs, increase production scale, adopt new technologies, explore new markets, seek out inexpensive labour, establish production facilities in low-tax areas, and so on. [19]

The majority of the biggest multinational companies are based in the "triad," which includes the USA, the EU, and Japan. However, there has been a noticeable increase in the presence and expansion of transnational corporations from newly industrialised countries in the global market in recent years. [19]

In a neutral manner, it can be stated that multinational corporations play a role in the advancement of industry, the alteration of the economic structure of developing nations, and ultimately enhance the standing of these countries in global trade and economic interactions.[19]

In the current era, multinational corporations (MNCs) typically receive approval from both developed and developing countries to conduct business within their borders. These corporations are offered tax incentives and other benefits by countries competing to attract foreign direct investment. The influence of MNCs on the acceleration of scientific and technological progress is generally positive, as they possess significant financial resources and employ a large proportion of scientific and technical personnel on a global scale. In order to maintain their competitive advantage, MNCs must continuously develop and enhance their innovative capabilities. Furthermore, MNCs have established high environmental protection standards for their subsidiaries, which is another benefit of their operations. By utilising cross-border movements of goods, services, technology, and capital, MNCs are driving the internationalisation of the global economy and facilitating the development of new patterns in the global division of labour. [19]

Transnational corporations play a crucial role in spreading international standards by unifying the workforce of different countries and imposing identical standards everywhere. This leads to the production and consumption of goods with the same quality level as in parent countries but at a lower price for consumers in less developed economies where subsidiaries are located.

International organisations serve as a crucial means of multilateral diplomacy among nations in contemporary international relations. They emerged in the 19th century as a reflection and outcome of the growing internationalisation of various aspects of societal life. The current system of international organisations is characterised by mutual relations and collaboration among them, with the United Nations at its core. This has given rise to the development of new entities such as joint bodies and coordination bodies.

The United Nations is a multifunctional intergovernmental organisation that has a special place among international organisations. It has numerous programs, commissions, specialised institutions, and funds aimed at regulating economic cooperation between its members. Some of its powerful organisations include the IMF, the World Bank, and the World Trade Organization, which manage important aspects of the international economy. Additionally, there are bodies in the UN that regulate international economic relations at the sectoral level, such as the United Nations Industrial Development Organization (UNIDO) and the Food and Agricultural Organization (FAO), and those that coordinate regional cooperation between countries, like the regional commissions of the UN Economic and Social Council (ECOSOC). Overall, the UN has the capacity to respond promptly to changes in the world's political and economic landscape.

In the 21st century, globalisation has made the world a single socio-economic entity that requires coordinated efforts from governments, public representatives, and businesses across different nations. The use of force to resolve state relations is gradually becoming outdated, and diplomatic solutions are being sought for mutual benefit. To achieve this, numerous international organisations have been created, aimed at solving common issues and implementing projects. Members of these organisations represent their state or community's interests, adhering to respect, non-interference in internal affairs, and decision-making procedures in line with international law. International organisations now address various global issues, ranging from general political to specific issues like economic, scientific, technical, credit and financial, military, and development matters.





## **CHAPTER 2. ECONOMIC ANALYSIS OF ACTIVITY OF THE CAM & APF “AKTIV PLUS, LTD.” AND ASSESSMENT OF THE COMPANY’S PARTICIPATION IN ECONOMIC GLOBALISATION**

### **2.1. General characteristics and analysis of economic activity of CAM & APF “AKTIV PLUS, LTD.”**

A stable economy requires a healthy financial sector which plays a crucial role in providing loans to businesses for expansion, granting mortgages to homeowners, and issuing insurance policies to protect individuals and companies.

The sector also aids in building up retirement savings and employs a significant number of people. Its revenue is primarily generated from loans and mortgages, which gain value during times of low-interest rates. As interest rates decrease, economic conditions improve, leading to more capital projects and investments, ultimately benefiting the financial sector and resulting in further economic growth.

What about an asset management company?

CAM & APF “AKTIV PLUS, LTD.” is a company that provides a wide range of services in the sphere of investment and non-state pension security, has the necessary resources, technologies and human resources for asset management of investment and pension funds and administration of non-state pension funds. The activities of the company are focused on customer satisfaction.

CAM & APF “AKTIV PLUS, LTD.” is one of the few financial companies that has all the necessary licences to carry out this activity:

- Licence of NKCPFR series AE No. 294608 issued on 11.12.2014 for carrying out professional activities on the stock market - asset management activities of institutional investors (asset management activities), Licence validity period from 11.12.2014 is unlimited;
- Licence of the DKRRF series AB No. 466735 issued on July 28, 2010 for the administration of non-state pension funds[5]

The main activities of the company are:

- creation and management of assets of investment funds;
- creation, asset management and administration of pension funds.[5]

The basis of activity of CAM & APF “AKTIV PLUS, LTD.” is based on two areas of business:

- creation and management of assets of joint investment institutions (corporate and mutual investment funds);
- creation, asset management and administration of pension funds.[5]

The main activities, that the company have in creation and management of assets of joint investment institutions are:

- compiles and provides, in accordance with the procedure provided for by the regulations of the State Commission on Securities and the Stock Market and the Commission, internal documents of the AMC, regulations, prospectuses for the issue of securities of joint investment institutes, information on the results of the activities of joint investment institutes;
- organises an advertising campaign of joint investment institutions and their securities in accordance with the Law of Ukraine "On Advertising" taking into account the requirements of the Laws of Ukraine "On Joint Investment Institutions" and "On State Regulation of the Securities Market in Ukraine";
- develops proposals for the investment policy of joint investment institutions;
- represents the interests of joint investment institutions in relations with state authorities, legal and natural persons (residents and non-residents), international and public organisations;
- involves AMC representatives in the composition of the liquidation commission of the joint investment institute in the event of its termination;
- appoints representatives of the AMC with the right of an advisory vote to participate in the general meeting of shareholders of the corporate investment fund and informs the general meeting about its activities;

- requires extraordinary meetings of corporate investment fund participants in cases provided for by the Law of Ukraine "On Joint Investment Institutions".

By managing the assets of pension funds, it performs the following functions:

- submits proposals to the pension fund board regarding changes to the investment declaration of the pension fund;
- prepares and submits reports and information to the board of the pension fund in accordance with the legislation and the signed contract on asset management;
- compiles and provides information to the pension fund administrator in accordance with the legislation;
- participates (if invited by the board) in meetings of the board of the pension fund, at which issues related to the results of the activity of such fund are considered;

The main functions of an asset management company:

- Conducting an analysis of the assets of the fund, in which it is planned make an investment.
- Monitoring changes in the value of investments.
- Carrying out risk calculations during implementation investment.
- Investment portfolio calculations (yield, riskiness).
- Analyse information on stock exchange rates and make operational decisions regarding risky securities which are in the fund's portfolio.

Regarding the institute of common investment whose assets are under its management:

- Prepares draft release information notices CII securities.
- Submits regulations, prospectus of share issue for registration and changes to them, concludes and terminates contracts with the auditor (auditing firm), registrar, independent property appraiser -for a corporate investment fund

- Develops and submits regulations, prospectus for registration issuance of investment certificates and changes to them, concludes and terminates contracts with the auditor (auditing firm), custodian, registrar, independent appraiser of property - for a share investment fund.
- Organises placement and redemption of placed valuables of CII securities in accordance with the regulations of the fund and the issue prospectus.
- Provides for the redemption of securities of investment funds open and interval type at the request of owners of valuables papers on behalf of and at the expense of the funds of the fund, and in case of absence such funds - at the expense of funds raised in the name of the credit fund (loan) or own funds within the limits established in force legislation
- Determines the value of net assets of CII, submits reports about the results of the CII activity to the Commission, and also provides publication of such reporting in accordance with current legislation of Ukraine.

Agencies that assess and rate investment funds have a significant impact on the market. These agencies analyse various factors to determine the attractiveness of the funds to investors.

The State Commission for Securities and the Stock Market is the primary body responsible for regulating the activities of Collective Investment Institutions (CIIs). Additionally, the Antimonopoly Committee of Ukraine ensures that all market participants adhere to established legal norms and standards. Regular reporting by all participants on their quarterly and annual activities is also required to prevent illegal activities and potential abuses.

The dynamics of joint investment market development shows that this form of investment funds is relevant and effective for economic system of Ukraine.

## **2.2. Research and analysis of financial state of CAM & APF “AKTIV PLUS, LTD.”**

The financial state of an enterprise is a crucial aspect of its performance, determined by a multitude of production and economic factors and reflected by a set of indicators that demonstrate the availability, allocation, and utilisation of financial resources. It is a comprehensive concept that results from the interplay of all financial relationships within the enterprise.

To thoroughly assess the financial state of an enterprise, it's important to examine the trends of various key indicators that offer insights into the enterprise's financial health from different perspectives.

The financial condition of an enterprise can be determined by various indicators and factors, such as solvency, capital utilisation efficiency, timely settlements, and stable financial resources. On the other hand, an unsatisfactory financial condition may be indicated by inefficient allocation of funds, lack of working capital, payment arrears, and negative trends.

Information systems for financial analysis are crucial in helping investors save and avoid losses in securities investments. To be effective, such systems should conduct both fundamental and technical analysis in both short-term and long-term periods. These systems are particularly important for broker-dealer companies, which currently have limited access to them. This highlights the high level of risk in the stock market and the need to reduce it through information systems.

CAM & APF “AKTIV PLUS, LTD. now has a stable financial position in the Ukrainian market, as it is competitive and quite solvent.

If we look at the company's balance sheet, we can see the company's equity, which indicates that the company is able to cover all of its expenses and debts and be quite

solvent. It is one of the primary sources through which businesses obtain capital to finance their operations and overall development. **(See Fig. C 1.2.2)**

The company's investment portfolio shows the number of income-generating instruments. **(See Fig. C 2.2.2)**

It is a set of financial assets owned by an investor that may include bonds, stocks, currencies, cash and cash equivalents, and commodities. Further, it refers to a group of investments that an investor uses in order to earn a profit while making sure that capital or assets are preserved.

The stability of the company develops into liquidity, and therefore it is also important to take into account the financial indicator of the company, as the financial stability ratio.

Looking at the financial stability ratio, we can say that the company is solvent in the long term, since its coefficient is not less than 0.8-0.9, which is the norm for such an indicator. **(See Fig. C 3.2.2)**

Coverage ratio of the company shows a company's ability to pay its debts and meet its financial obligations. **(See Fig. C 4.2.2)**

The financial result of the company is the difference between earnings before interest and taxes and earnings before taxes. It is determined by the earning or the loss which results from financial affairs. And this is one of the main indicators of the company, since positive financial indicators indicate how stable the company is financially. From the company's financial result table, it appears that the company increased its net profit by 10.6% per year, based on previous indicators.

**(See Fig. C 5.2.2)**

Also, not a few important financial indicators of the company are trade payables and receivables, which means the money that the company must pay for the services rendered on credit, and the money that other persons must pay the company.

Based on the trade payables table, this figure has fallen by 58% from the previous year shown in the table. But as for receivables, they increased by 0.15% from the previous year. **(See Fig. C 6.2.2 and Fig C 7.2.2)**

The analysis of the financial condition of the company is a very important stage for its development, because it gives a forecast and a general understanding of whether the company is solvent, whether it has enough resources for its full functioning and whether it is able to fully fulfil its financial obligations, such as making money transfers on time according to their duties.

The basis for an accurate analysis of a company is its balance sheet, cash flow statement, income statement and statement of other financial indicators. Also, the analysis is carried out for such indicators as profitability and liquidity of the company.

In the short term, the financial condition of the enterprise is estimated by indicators of liquidity and solvency. They characterise whether the company can fully make calculations for short-term liabilities.

The balance sheet's liquidity indicates the ability of an organisation to meet its financial obligations with its assets, which can be easily converted into cash within a timeframe that aligns with the maturity of its obligations. To ensure balance sheet liquidity, it is essential to maintain a proper balance between an organisation's liabilities and assets.

Thus, based on the analysis of the financial condition of the company, we can say that the company has enough equity capital to be solvent and close its loans, based on the analysed year on the balance sheet, and in this period the company increased its income compared to the previous year. At the moment, the company is quite solvent and financially



stable, since the financial stability coefficient does not fall below the coefficient of 0.9, while the norm is the coefficient in the range of 0.8-0.9.

### **2.3. Analysis of the impact and participation of the company in economic globalisation.**

Each company has its own mission and contribution to society, to the economy of the country in which it operates, and ultimately to the process of globalisation itself. Companies need to understand their most important economic impact and what drives them.

The global economy is experiencing an increase in free trade and capital movement, resulting in highly interconnected exchange rates, interest rates, and stock prices markets across different countries. This interconnectedness of global financial markets has a significant impact on economic, social, and political life worldwide.

In the latter part of the 20th century, significant changes in international relations were observed, particularly with regard to the rapid increase in the volume of international capital flow. The technological revolution necessitated the mobility and scale of global financial resources, which were unevenly distributed due to differences in economic development, current balance of payments, and lack of resources in most countries for internal investments, state budget deficits, socio-economic transformations, and debt repayment. As a result, national economies increasingly depend on external borrowing, especially with the high level of liberalisation and globalisation in financial markets.

The integration of global markets, technology, ideas, and cooperation can enhance the quality of life for people in all nations and expand opportunities. As interdependence among people increases, it fosters the development of shared values and advances the progress of humanity on a global scale. This phenomenon has been referred to as the creation of a "megasociety" - a cohesive and interconnected world community. The fates

of individuals and communities, regardless of size, are becoming increasingly intertwined, leading to a closer and more interdependent world.

As for the company CAM & APF "AKTIV PLUS, LTD., it has a direct impact on the country's economy and globalisation as a whole, just like other financial organisations, they have their goal of providing society with certain services and driving the country's economic process. The company has an influence on the rapid spread of financial innovations, it is a catalyst for capital flows within the country, as well as the growth of international securities, the development of healthy and strong competition, which contributes to even greater development of the country as a whole, because there is demand, and there is supply, because if competitiveness is falling, this is already a threat and risk for the budget of Ukraine.

By influencing the country's economy, the company also contributes to the process of financial globalisation, which is associated with a decrease in the level of state regulation and restrictions caused by the interests of individual national states, since financial globalisation is a complex and objective process that is the result of deepening financial ties countries, liberalisation of prices and investment flows, creation transnational financial groups.

Globalisation processes have a significant impact on the economy, with a clear positive effect being the increase in a country's economic growth and GDP level, as a result of foreign capital attraction or increased productivity through the implementation of new technologies. Due to the globalisation of financial markets, investor countries can move their capital to more profitable areas, indicating the level of confidence and attractiveness of a country for potential investors. Furthermore, financial openness of national economies simplifies access of governments and businesses to global financial markets.

Economic globalisation as integrated objective process is the result of deepened financial relations of countries, liberalisation of prices and investment flows, creation of

global transnational financial groups and has a double impact on development world financial system. Globalisation is increasing affects the financial systems of the countries of the world, in particular the financial system of Ukraine, which is confirmed by the growth integrative index of financial globalisation during recent years.

CAM & APF "AKTIV PLUS, LTD. its role in the conditions of economic globalisation is growing and consists, on the one hand, in the need for consistent and adequate fiscal policies aimed at creating conditions for growth competitiveness of the economy in the context of basic national interests, and on the other - in the activation of their own activities in the processes of international financial coordination, standardisation of requirements, rules and norms, unification and interstate coordination of economic policy measures, in particular, to prevent and neutralise the consequences of permanent financial crises.

## **CHAPTER 3 WAYS OF ENHANCEMENT OF FOREIGN ECONOMIC ACTIVITY OF INTERNATIONAL BUSINESS IN ORDER TO STRENGTHEN ECONOMIC GLOBALISATION**

### **3.1. Analysis of best practices of economic globalisation for international business**

The current global landscape, marked by shifts in politics, economics, and technology, has led businesses to adapt their strategies and expand beyond their domestic borders in order to remain competitive and survive. The pressures of a saturated market, intense competition, and the need for cost-effective resources in the postmodern era are pushing business leaders to shift their focus from traditional goals to alternative measures that can help them gain a competitive edge in global markets.

International business can benefit greatly from globalisation as it provides a vast array of opportunities beyond national borders. Businesses can explore new markets, acquire knowledge and skills to improve management and increase profits, or access resources for production. By expanding their reach, international businesses can discover more favourable trading terms, new markets with better prospects, and the necessary resources for growth and development. In short, globalisation opens up a world of possibilities for international businesses to thrive and succeed.

Globalisation can be defined as the opening of a wider local and nationalistic outlook of an interdependent world global market with free transfer of capital, goods, and services across national border frontiers.

Globalisation is the process of reducing barriers to international trade, such as tariffs, import quotas, and export fees, which leads to the increasing unity of the world economic order. If implemented properly, it can result in a more equitable distribution of wealth between rich and poor nations. However, its impact on a fragile economy can be negative. On the other hand, if not properly managed, it may create an uneven world order where the strong remain powerful and the weak are subdued. [10]

There are several best practices of economic globalisation for international business and these are:

- Develop a global mindset: Companies that are successful in international business have a global mindset, which means they understand and respect the cultural

differences, business practices, and social norms of different regions of the world. They also have a willingness to learn from and collaborate with partners in different parts of the world.

- **Invest in market research and analysis:** Companies must conduct thorough market research and analysis to understand the unique characteristics of different markets, including customer needs, competitive landscape, regulatory requirements, and cultural differences. This information can inform their market entry strategy and help them tailor their products, services, and marketing strategies to local preferences.
- **Build strong partnerships and networks:** Successful international businesses have strong partnerships and networks in different parts of the world. This includes partnerships with local suppliers, distributors, and service providers, as well as relationships with government officials, trade organisations, and other stakeholders.
- **Prioritise talent development and retention:** Companies must prioritise talent development and retention to build a strong global workforce. This includes investing in training and development programs, creating opportunities for cross-cultural collaboration and learning, and providing competitive compensation and benefits packages.
- **Embrace technology and innovation:** Advances in technology and innovation have made it easier for companies to operate globally and reach customers in different parts of the world. Successful international businesses embrace these tools and leverage them to improve efficiency, productivity, and customer engagement.
- **Foster a culture of social responsibility:** International businesses have a responsibility to operate in a socially and environmentally responsible manner. This includes complying with local laws and regulations, implementing ethical business practices, and minimising their environmental impact.

In conclusion, companies that adopt these best practices for economic globalisation in international business are more likely to succeed in the global marketplace. By developing a global mindset, investing in market research, building strong

partnerships, prioritising talent development, embracing technology and innovation, and fostering a culture of social responsibility, companies can build sustainable and responsible businesses that benefit all stakeholders.

International business involves the exchange of goods and services among individuals and entities located in different countries. An international business company conducts business operations in multiple countries. It encompasses all types of commercial transactions, including private and governmental, investments, sales, and transportation, that occur across political borders. International business is primarily concerned with global resources, and its objectives are centered around global business opportunities and risks. [12]

Globalisation has intensified competition between companies in the market, leading to their rivalry in terms of price, cost, quality, technology, target market, and other factors. The company that can produce the product or service with the lowest cost, highest quality, and most advanced technology can achieve success in the global market, and consequently increase its market share. The use of technology has improved in developing and under-developed countries, thanks to developed countries' investment in these regions. This investment benefits the developing and under-developed countries and leads to an increase in their economic growth. Globalisation has opened up more opportunities in all countries, particularly in terms of job creation and financial benefits from working abroad, which has increased the rate of immigration and social development. The increase of foreign investment in countries has facilitated the rapid development of local and industrial cities. For instance, foreign investors contribute a large amount of capital to some industries, allowing for research and development, and the improvement of technology in production and industry growth.[11]

Globalisation has contributed to the reduction of trade and investment barriers, enabling firms to engage in international trade and foreign direct investment (FDI). In the past,

tariffs on imports of manufactured goods and services were often used to safeguard domestic industries from foreign competition, which acted as a barrier to international trade. However, with the increasing trend of globalisation, countries have come together to reduce these trade and investment barriers, resulting in benefits for all countries as they can now engage in easier trade and investment activities.[11]

Globalisation encompasses processes that have the potential to affect the entire world, although it does not necessarily have to be fully global to be considered globalisation. It involves measuring the extent of economic globalisation and the creation of new governance institutions to take advantage of opportunities and reduce costs. Over time, globalisation processes become independent variables, while governance institutions become dependent variables, leading to new forces that may impact the extent of globalisation processes. Improving the efficiency of markets is a key goal of globalisation, which can be achieved by outsourcing processes or buying from overseas suppliers to lower costs and increase affordability. This can also result in increased profits, which can be used to improve wages or expand projects. The competition between multiple producers in the global marketplace can lead to higher quality goods and services, providing consumers with more options to choose from. Globalisation has been initiated and encouraged by technological changes, domestic politics, and economic stability.[11]

Through globalisation, foreign direct investment tends to increase at a much greater rate resulting in the growth in world trade, promotion of technology transfer, industrial restructuring, and the growth of global companies. It will lead to an increase of competition from globalisation, which helps to stimulate new technology development, particularly with the growth in foreign direct investment, which helps to improve economic output by making more efficient processes.

Globalisation enables large companies to achieve economies of scale that reduce costs and prices, which in turn support further economic growth and provide more wealth equality throughout the world.

Economic globalisation opens up many opportunities for the development of international business and the economy as a whole, but we will talk about the best outcome of globalisation for business.

Expanding the business and entering other international markets is one of the first big opportunities. By reaching a new market, companies can grow their revenue and find more customers. Different countries or regions offer different opportunities for businesses, including different groups of customers to target and legal frameworks to operate in. The economic conditions or industry regulations may be more favourable for your company in another market, meaning that your business could benefit significantly from doing business across domestic borders.

It can be easier to access new talent in other markets, potentially making recruitment easier for hard-to-fill roles. Expanding your team with employees in another country can help you take advantage of different skill sets, benefit from local educational programs, or operate in markets with reduced overhead.

Manufacturing may be cheaper in other countries, allowing your business to save on materials, personnel costs, and supply chain investment. Different regulatory standards may make it easier to save money on manufacturing, too. If the business is in a country where personnel costs are typically high, offshoring manufacturing processes may provide an opportunity to hire in a more accessible market.

Technology access isn't always the same across the globe, so entering a new market may increase your options. Some technologies are limited to particular countries via trade restrictions, high tariffs, supplier availability, patents, or other restrictions, making it more practical for many businesses to consider new markets.

In some countries, patent and copyright laws may be stronger or weaker than in others. American companies typically enjoy a high level of protection for their technology.



However, a technology that is protected in the US may not be protected in China, and may even be legal to manufacture there. Businesses should conduct thorough research and seek legal advice before making decisions that involve patent and trademark issues. It's important to note that differing laws in foreign markets may actually work to your advantage.

Expanding your business beyond your domestic market can offer advantages. The customs, religions, or cultural practices of other countries may generate demand for your goods or services that is unique or absent in your home market. Additionally, marketing and advertising techniques that are not effective in your domestic market may prove useful when conducting business internationally.

Globalisation changed what it means to do business today, expanding the competitive and opportunity landscape for businesses of all sizes and industries. While globalisation brings markets closer together, some of the positive and negative effects of globalisation become increasingly unavoidable.

With the internet allowing companies to provide services overseas easily, even small businesses can be subject to international pressures such as price competition. The advantages of globalisation are increasingly interwoven into markets, too, as workers, ideas, and capital are freed from national boundaries to follow opportunities wherever they may be.

Businesses can take advantage of globalisation with a clear strategy. For international success, companies need a keen understanding of the markets they operate in, how to market a product effectively overseas, and how to transition into new markets. These strategies are different for every globalisation company—there are several different ways to become a global business.

Lastly, globalisation is a powerful real aspect of the new world system, which is one of the most influential forces of the future course of a nation or country. It consists of several dimensions, like economic, political, environmental, social, cultural, security, health, and others. The focus here is on the concept of "globalisation" as applied to the world economy. The term was coined in the 1980s, but the concept is a classic interpretation, which has different interpretations to different people. Partly, as a result of these different interpretations, there are very different responses to globalisation, with some policymakers, scholars, and activists seeing it as a force for improving the world economy while others see it as a negative impact to the world economic system.

### **3.2. Peculiarities of the transformation of international business in the global environment**

The global business environment is highly competitive, and the availability of information resources is crucial for achieving efficiency and long-term competitiveness in the global markets. The international business environment is shaped by intense investment and innovation processes, where all participants in the global economy share common motives. The distribution and redistribution of added value have become relevant due to changes in the technological component of the reproductive process in large corporations or countries. Technological advancements have become a key factor in the functioning of international business, with the motive being the creation and implementation of commercial innovations rather than just profit. These technologies have had an impact on economic relations, resulting in the emergence of more modern forms of international business, new products, new relations between sellers and buyers, and new competitive and business strategies. The level of productive forces interacts with the nature of industrial relations, leading to new advancements in international business.[36]

The success of a business depends on various factors present in the global business environment. With the ongoing processes of global economic development, integration and disintegration, emergence of new trends in business interaction, global competition,

informatization, virtualization, and networking, it is crucial to continuously monitor and analyse the environment for any necessary corrective actions. By classifying and assessing the various components of the global environment, businesses can effectively manage and develop their enterprise for stable competitiveness and productivity. Understanding the trends in the development of the global environment is vital for maintaining a stable state of the business system.

The transformation of a business to an international and global level entails a large number of benefits, growth and scaling, and definitely, it has its own characteristics.

The transformation of international business in the global environment has been shaped by a number of unique factors and peculiarities. Here are some of the key ones:

- **Increasing global interconnectedness:** Advances in technology and communication have made it easier for companies to operate globally and reach customers in different parts of the world. This has led to increased competition, but also created new opportunities for growth and innovation.
- **Cultural diversity:** Cultural differences can pose a challenge for companies operating in different regions of the world. To be successful, businesses must understand and respect the cultural nuances of different markets, and be willing to adapt their products, services, and marketing strategies accordingly.
- **Regulatory differences:** Different countries have different regulations and legal systems, which can make it difficult for companies to navigate the complex landscape of international business. This requires a strong understanding of local laws and regulations, as well as the ability to adapt to changing regulatory environments.
- **Global supply chain management:** Many companies rely on complex global supply chains to source materials, manufacture products, and distribute goods around the world. This requires sophisticated logistics and inventory management systems, as well as the ability to navigate geopolitical risks and trade barriers.

- **Social responsibility:** As companies operate in different parts of the world, they must also be aware of their impact on local communities and the environment. Social responsibility is becoming an increasingly important consideration for international businesses, as consumers and stakeholders demand greater transparency and accountability.
- **Economic volatility:** The global economy is constantly changing, and companies must be able to adapt to economic fluctuations and uncertainties. This requires a flexible and agile approach to business operations, as well as a deep understanding of the economic conditions in different regions of the world.

In conclusion, the transformation of international business in the global environment is shaped by a range of factors and peculiarities that require companies to be adaptable, culturally aware, and socially responsible. Companies that are able to navigate these challenges and seize the opportunities presented by globalisation can thrive in the global marketplace.

International business is based on the ability to receive advantages precisely from the advantages of interstate business operations, i.e. from the fact that the sale of a given product in another country or the establishment of production by a firm of one country in another country, or the provision of services jointly by firms of two third countries, provide the parties involved in business with more advantages than they would had if they were doing business in their countries separately.

As economic globalisation continues to advance, the management of international trade and financial regulations for enterprises, corporations, and firms is becoming increasingly significant.

Ukraine's exit to foreign markets in harsh conditions, international competition, and entry into the world economic system requires students to have knowledge and skills in management organisation international economic relations.

Management of international economic relations based on macroeconomic theories and related to them international concepts of development of the world economy.

International business is the objective basis of the formation system of international management, which constitutes a system management methods aimed at formation, development and use of competitive advantages in different countries.

Transnational corporations (TNCs) have a significant economic and political impact on the countries in which they operate. While their investments in new factories and plants create job opportunities and benefit local suppliers and contractors, they can also pose a threat to local businesses through competition. TNCs have the power to influence politics in the host country. Despite potential negative effects, TNCs can also contribute to raising the standard of living by introducing new products and services that were previously unavailable, shaping new social norms in the process.[33]

[33]

When companies expand their operations outside their home country, they are influenced by the political, social, and cultural factors of the host country. To compete effectively in these markets and maintain positive relationships with the governments, managers of TNCs must strategize how their companies can best interact with the national and local business environment.

The regulations and laws of a foreign country can significantly impact the business opportunities available to international companies. These laws may be aimed at regulating the domestic economic environment and can affect various aspects of the company's activities within the country.

The laws governing international business activities have a direct impact on the operations of multinational companies. These laws are intended to regulate the conduct of

business activities across borders and cover various aspects such as trade, investment, intellectual property, and taxation. Some of these laws are driven by political motives, such as advancing a country's foreign policy or national security goals. Non-compliance with these laws can result in severe legal and financial consequences for companies, including fines, legal sanctions, and damage to their reputation. Therefore, it is crucial for companies to stay up-to-date with the regulations and laws governing international business transactions in each country they operate in.[17]

The most significant aspect of international business is its global nature, which encompasses the worldwide system of exchanging business information, the global financial market, the international structure of technological advancements, and more. As the level of internationalisation progresses, the importance of how this feature influences a particular business, such as the efficiency of utilising globalisation, becomes more significant.[17]

It is noteworthy that there is a growing trend towards transnationalization among small and medium-sized enterprises, and this trend is expected to continue over the next few decades. The transnationalization process will no longer be limited to large-scale production but will contribute to the creation of global competitiveness across different scales of companies. Moreover, the emergence of "global" companies that do not engage in direct foreign investments is a distinct characteristic of this trend. Such companies utilise a business model known as "netchising," which utilises the internet for purchases, sales, and customer relations, giving them a significant advantage over traditional methods such as exports or foreign direct investment.

Changes in global production trends are impacting the location and scope of international business. While international production saw significant growth due to liberalization policies and technological advancements, the pace of growth is now slowing down. This is due to a resurgence in protectionist policies, lower returns on foreign direct investment, and reduced capital requirements for foreign production due to the use of new technologies.

Recent trends in international business suggest a shift away from the traditional approach of investing solely in production factors and low-cost labor. Instead, the focus has shifted towards investing in infrastructure, services, and sustainable industries such as the "green" and "blue" economy. This has led to the emergence of new sectors in the global market, including renewable energy, healthcare, and more..[14]

The integration of digital technologies in international business operations is becoming increasingly prevalent. Approximately one-third of active international companies invest significant resources in digitalizing their processes. Firms that adopt digital technologies experience higher rates of productivity growth, with 70% of such companies achieving this. The top 10% of traditional companies in terms of digital revenues account for up to 80% of the digital revenue generated in their respective sectors. In particular, the numbers are 60% for professional services, 77% for high-tech services and automobile manufacturing, 93% for retail trade, and up to 90% for mass media and telecommunications.[46]

The main digital technologies that reflect the digital transformation of international business include the development and use of artificial intelligence, the Internet of Things, cloud technologies, digital design and modelling of technological processes, adaptive 3D technologies, electronic document management and governance, digital technologies in the field of financial (FinTech) and insurance (InsurTech) services.[14]

International business is shaped by global market competition, which is influenced by dynamic processes of globalisation and internationalisation of production, as well as the strengthening of global companies and the emergence of new civilizational orders. The integration of economic systems at a global level is closely linked to the complex process of internationalisation, which involves the expansion and deepening of global economic ties through increased mobility of production factors and outcomes at a macro level, and the participation of firms in international operations at a micro level.

As a result of the challenges of globalisation and increased internationalisation of production and capital, the environment of international business undergoes structural changes in the system of influence of individual spheres of the external environment, both general and competitive. The multidimensionality of globalisation is revealed through the growing scale and dynamism of the international movement of goods, services, factors of production, information, technology, and innovations. Economic globalisation is characterised by the international economy reaching a higher level of development with the systematic internationalisation of the conditions and spheres of human activity, when in principle we can talk about the formation of a global economy, where socio-economic changes at the national, international, and meta corporate levels of the international environment are caused by gaps in the technological and informational development of subjects at these levels.[42]

The global business environment is highly competitive, and the availability of information resources is crucial for achieving efficiency and long-term competitiveness in the global markets. The international business environment is shaped by intense investment and innovation processes, where all participants in the global economy share common motives. The distribution and redistribution of added value have become relevant due to changes in the technological component of the reproductive process in large corporations or countries. Technological advancements have become a key factor in the functioning of international business, with the motive being the creation and implementation of commercial innovations rather than just profit. These technologies have had an impact on economic relations, resulting in the emergence of more modern forms of international business, new products, new relations between sellers and buyers, and new competitive and business strategies. The level of productive forces interacts with the nature of industrial relations, leading to new advancements in international business. [41]

In conclusion, it should be noted that the transformation of international business in the conditions of globalisation is an extremely complex and multifaceted process. The trends



we highlighted are the emergence of new organisational forms of international business; strengthening the role of large international corporations in international production; activation of digitization and reshoring processes; increasing the innovative activity of international companies are only part of the characteristics that will determine the further evolution of business in the global environment. However, already today, understanding the intensity of the impact of these changes on the future prospects of the functioning of companies conducting international activities will allow the implementation of new business concepts at a qualitatively new stage of the development of the globalised economy.

### **3.3. Roadmap to build competitive strategy for international business development**

The main goal of every business is to maximise profits, by looking for new ways of attracting more money. In order to achieve this goal, it can be achieved by its growth and development. One of the most possible ways for a business to progress development is expansion production into the foreign market.

In a global and digital environment, an international Business strategy has become essential. The drivers of internationalisation are numerous: Extending and accelerating growth, spreading of risks, competitive strategy, access to capital or technology, access to talents, conquest of growing markets. International Business development offers multiple benefits. Consumers have freed themselves from borders with the Internet and e-commerce. At the same time skills and corporate resources have been localised in specialised geographical areas. The development of new markets requires a global presence for the companies willing to remain competitive.

Before building a successful strategy for international business in order to be and remain competitive in the market, it is necessary to conduct a deep analysis and diagnostics of the company. It is necessary to take into account both internal and external factors that certainly affect the development of the company, its future plans and actions.

We first need to determine the company's international goals, by activity and by geography and then we start running internal and external diagnosis.

When a company is going to enter the international level, it must study the external environment, it takes into account all the possible risks and benefits for it, it analyses its potential in the market, review of product or service positioning, evaluate market size and trends, check the competitive landscape, identify key players.and,finally, set value proposition for the market.

Conducting a thorough assessment of the target markets is crucial for any company planning to expand. This assessment entails considering various factors, including the evaluation of industry technology and competition, ensuring product-market fit, and determining the availability of necessary resources to effectively operate the business. Taking these factors into account is essential for making informed decisions and increasing the chances of success in the new markets.

#### Internal Transformation Operations:

- International Sales and Marketing Strategy
- Management Tools, Reporting and Performance Monitoring
- Commercial Strategy and International Marketing Plans – selection of Sales Channels – Human Resource Plans
- Sourcing of local service providers and partners
- Negotiation and drafting of contracts
- M&A . Joint Venture
- Management and monitoring of the local operation
- Staff Management
- Support for legal and fiscal tasks
- Implementation of databases and digital marketing tools
- Measuring & Performance Indicators
- Targeting, Qualification and Selection of Partners

The initial step involves determining the presence of a suitable target audience in the countries targeted for business development. While high demand for a company's services in its home country is promising, it does not guarantee the same level of demand in other countries. Therefore, conducting thorough research is essential before investing resources into expanding into new territories. This research aims to identify whether the company's target audience exists in those markets, ascertain their specific needs for the services offered, and assess their readiness for the company's entry into the market. By gaining this knowledge, the company can make informed decisions and allocate resources effectively to tap into viable markets.

The similarity between foreign markets and the domestic market is often a compelling reason for market selection. The greater the overlap, the smoother the adaptation process is likely to be. This is because to some extent, the success algorithm can be replicated in the foreign market. However, it is crucial to thoroughly understand the specific market dynamics and identify key differences to engage in effective negotiations and establish mutually beneficial agreements. Factors such as trade restrictions, geographical location, currency systems, cultural aspects of the target country, and more should be taken into consideration. By doing so, businesses can navigate the unique characteristics of each market and tailor their strategies accordingly for successful market entry and operations.

The successful expansion of a business into the international arena hinges upon the company's financial and structural stability, as well as its ability to attract and onboard new employees capable of managing substantial workloads. Hence, prior to venturing into global markets, it is imperative to ensure that the company possesses sufficient resources and a skilled workforce to initiate expansion into new markets. This entails evaluating the company's financial health, assessing its operational capabilities, and confirming the availability of personnel to support and drive the expansion efforts. By conducting this assessment, the company can determine its readiness for global market entry and take necessary steps to strengthen its resources and workforce if required.

Creating a robust team responsible for company expansion is crucial in effectively overcoming new challenges. Without expanding the workforce, establishing a business abroad and ensuring the sustainable development of the brand becomes arduous. It is also essential for team members to be proficient in a foreign language, as customers nowadays prefer direct communication with local experts. By assembling a skilled and diverse team, equipped with language capabilities, the company can enhance its ability to navigate the complexities of international markets, establish strong customer relationships, and drive the growth of the business in foreign territories.

In order to expand a business and establish a global presence, it is essential to develop a robust system and implement effective management strategies to navigate the inevitable challenges that arise. The intense competition and cultural integration associated with international markets serve as powerful motivations for this endeavour. Despite the diverse range of business models, adequate preparation is key.

Entering a new market requires strong strategy preparations, encompassing aspects such as brand conceptualization, guiding potential customers through the purchasing journey, conducting comprehensive market research, and continuously updating and adapting the company's marketing strategy.

In the global market, competition is essentially stronger than in domestic markets. In order to scale a business successfully, it is important that businesses have a unique production line that will align with international standards and align with professional ethical principles. Striking the right balance between customer-centricity and maintaining objectivity and independence of opinion is also of paramount importance.

Addressing the growing demands of customers can be effectively tackled by establishing a learning ecosystem within the company. This ecosystem will facilitate business growth and ensure that employees continually acquire new skills and competencies. By implementing models, processes, and systems supported by this ecosystem, companies can achieve financial success while meeting customer needs, even during peak periods.

When expanding into new service markets, thorough research is essential. Companies must carefully analyse all aspects of conducting business, evaluate risks, consider the cultural and psychological traits of consumers, and study competitors. Conducting multiple meetings with potential employees, suppliers, and partners in these new markets will yield valuable information about the country's work dynamics and its unique characteristics. This strategic approach is commonly employed by international companies seeking to enter foreign markets.

Embarking on global expansion always carries inherent risks. Making incorrect decisions during the early stages can result in a more rapid downfall in international markets compared to local ones. The demands of global markets for new entrants can and will evolve, emphasising the importance of thorough preparation and considering all potential development scenarios. Being well-prepared for various negative scenarios enables businesses to tackle challenges with confidence and resilience.

To achieve this, it is essential to conduct a thorough and comprehensive market analysis before entering a new market. This analysis will provide valuable insights into several crucial aspects, including:

- potential market size
- features of service provision in a specific country
- Competitors analysis
- Monitoring of the price

The outcome of conducting a comprehensive analysis of the foreign market is the development of a multifactor model that aids in selecting the target market. This model takes into account various exit risks and facilitates the identification of the appropriate strategy.

To initiate business scaling, it is advisable to begin with a well-defined plan that outlines both short-term and long-term growth objectives. This allows business to capitalise on the best opportunities by ensuring that top management possesses a thorough understanding of potential expansion prospects. It is also crucial to have an internal strategy in place and a clear understanding of the business's strengths and weaknesses, as this enables effective competitor analysis.

The strategy encompasses several key components, including:

- Expansion of service offerings
- Competitive pricing policy
- Efficient sales channels for services
- Promotion tools for services

It is crucial to establish ambitious and challenging goals, as they propel the business towards desired outcomes. Each management decision and operational process should be carefully evaluated to ensure their effectiveness in a scaling business environment. By maintaining a focus on scalability, businesses can optimise their operations and drive towards their desired results.

Furthermore, it is important to recognize that instant success is not guaranteed in the global market. Businesses must be prepared to exercise patience and allocate resources for the long term if they aim to establish a strong presence in the chosen country. This requires viewing such endeavours as long-term investments in the future. Consequently, all management decisions should align with the global strategy and encompass a forward-thinking approach, enabling progress in incremental steps.

When a company seeks new markets, it is crucial for its top management to demonstrate a willingness to listen and adapt to local preferences. This adaptability is an integral part of effective business management. By embracing new qualities within a global business context, the company enhances its prospects of attaining desired outcomes and reaping the benefits of expansion.

Businesses cannot afford to remain stagnant, which is why it is natural for companies to expand their service offerings to align with evolving market demands and develop new marketing programs. When entering international markets, it becomes essential to consider the needs and preferences of customers not only in the domestic market but also in foreign markets. However, when generating new ideas and technologies, it is important to consider how they can be effectively applied and adapted to suit the requirements of foreign markets.

Also, there are several types of strategies that will determine the future of doing business and these are: exporting, creating a wholly owned subsidiary, franchising, licensing, and creating a joint venture or strategic alliance.

To establish a global presence, a company must prioritise its position in key markets worldwide. This involves not only participating in numerous international markets but also establishing a strong market presence within them. By strategically configuring its resources across a broad geographical scope, the company gains a competitive advantage. It enables the company to swiftly introduce new products and variations, outpacing competitors who may have a more limited distribution network. This broad spatial configuration allows the company to effectively reach and serve a wider customer base, facilitating rapid growth and market expansion.

To build a competitive strategy for international business development, it's important to start with an understanding of your company's strengths, weaknesses, opportunities, and threats (SWOT analysis). This will help you identify areas where you have a competitive advantage, as well as potential challenges you may face in new markets.

Once you have a clear picture of your company's SWOT, you can begin to research and analyse the target market you want to enter. This should include a thorough analysis of customer needs, competitive landscape, regulatory requirements, cultural differences, and

economic conditions. Use this information to develop a market entry strategy that aligns with your goals and resources.

To successfully execute your market entry strategy, you'll need to build a strong team with the right expertise and cultural understanding. This may involve hiring local employees, partnering with local suppliers and distributors, and establishing relationships with other stakeholders in the target market.

It's also important to develop a marketing plan that takes into account the unique characteristics of your target market(s). This may involve adapting your branding, messaging, and marketing channels to local preferences and cultural norms.

Finally, be prepared to monitor your performance and adapt your strategy as needed based on market conditions, competitive pressures, and other factors that may impact your success. This may involve adjusting your product or service offerings, refining your marketing strategy, or exploring new partnerships and distribution channels.

By following these steps, you can build a competitive strategy for international business development that helps you succeed in new markets and achieve your business goals.

## **CONCLUSION**

In conclusion, this thesis has explored the theoretical and methodical bases of economic globalisation as a framework for international business development. Through the analysis of the economic activity of CAM & APF “AKTIV PLUS, LTD.” and assessment of the company's participation in economic globalisation, the impact of economic globalisation on international business has been examined. The study also delves into the role of international companies in the global economy and provides an analysis of the best practices of economic globalisation for international business.

In the second chapter, it was conducted a thorough analysis of the economic activity and financial state of CAM & APF “AKTIV PLUS, LTD.” It was started with a general



overview of the company's operations, including its history, mission, and current business model. Then, we delved into a detailed financial analysis of the company, examining its financial statements, liquidity, profitability, and solvency ratios.

In addition to evaluating the financial health of the company, we also assessed its participation in economic globalisation. It was identified the company's strengths and weaknesses in terms of internationalisation and analysed the opportunities and threats presented by the global market. This analysis revealed that while the company has some experience operating in international markets, there is still significant room for improvement in terms of expanding its global reach and leveraging the benefits of economic globalisation.

Overall, this chapter provides valuable insights into the economic activity and financial health of CAM & APF “AKTIV PLUS, LTD.”, as well as its current and potential participation in economic globalisation. The findings of this chapter will inform our recommendations for enhancing the company's foreign economic activity and strengthening its position in the global economy, which was presented in the third chapter.

In the third chapter of the bachelor work was focused on ways to enhance the foreign economic activity of international businesses in order to strengthen economic globalisation.

The analysis of best practices of economic globalisation for international business revealed the importance of adopting a customer-oriented approach, establishing strategic partnerships, leveraging technology, and pursuing sustainable development.

The discussion of the peculiarities of the transformation of international business in the global environment highlighted the need for businesses to adapt to the rapidly changing market conditions, to be flexible and innovative, and to keep up with the latest technological advancements.

The roadmap to build competitive strategy for international business development emphasised the significance of conducting market research, identifying opportunities for growth and expansion, developing a clear mission and vision, and setting achievable goals and objectives. The recommendations provided in this chapter are intended to assist businesses in improving their competitiveness and enhancing their participation in economic globalisation.

Finally, the thesis proposes a roadmap for building a competitive strategy for international business development. It is hoped that this analysis will contribute to a better understanding of the complexities of economic globalisation and its effects on international business, as well as provide practical recommendations for enhancing foreign economic activity and strengthening economic globalisation.

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# ANNEXES

## Annex A

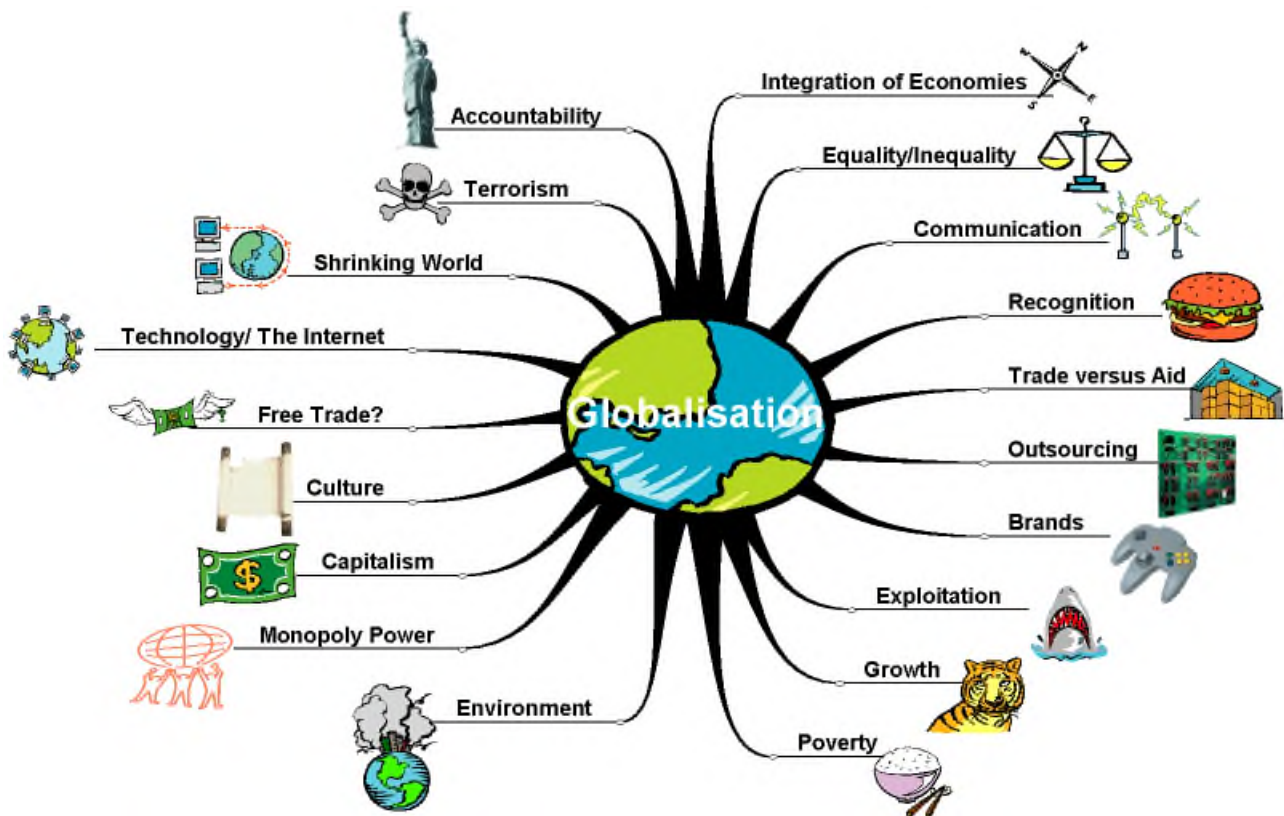
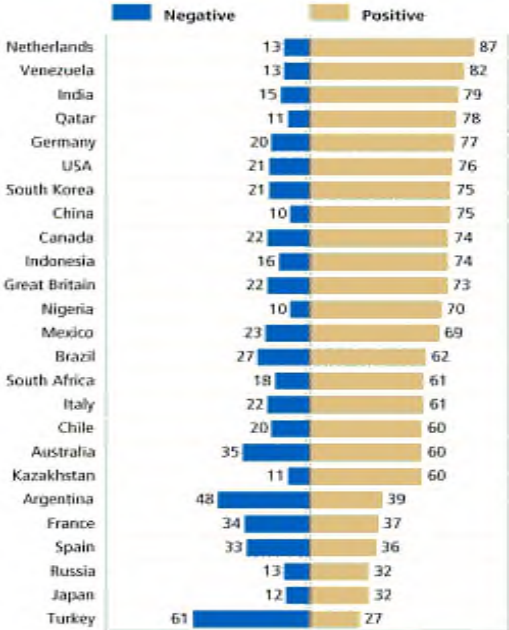


Fig. A 1.1.1 Globalization Map

Annex B



\*Globalization was defined as the increased trade between countries in goods and services and investment

Fig. B 1.1.3 Effects of Globalization



Fig. B 2.1.3 Global associations and organisations

<https://www.intechopen.com/chapters/38371>

Annex C



Дата, станом на яку здійснено розрахунок пруденційних нормативів	31.12.2020
<b>РОЗМІР ВЛАСНИХ КОШТІВ, ГРН.</b>	<b>19 552 570,91</b>
<b>Розмір капіталу першого рівня, грн</b>	<b>19 552 570,91</b>
Зареєстрований статутний капітал, грн	30 000 000,00
резервний капітал (сума резервів, створених відповідно до законодавства або установчих документів за рахунок нерозподіленого прибутку), грн	734 477,77
Додатковий капітал, грн	0,00
Нерозподілений прибуток на початок звітнього року, грн	0,00
Прибуток поточного року, підтверджений аудиторським висновком (звітом), грн	0,00
<b>Розмір капіталу другого рівня, грн</b>	<b>0,00</b>
Внески до незареєстрованого статутного капітал, грн.	0,00
Капітал у дооцінках, грн.	0,00
Непокритий збиток на початок звітнього року, грн.	0,00
Балансова вартість цінних паперів, заборона щодо торгівлі якими на фондових біржах не встановлена законодавством України, рішеннями Комісії або рішеннями суду, що не перебувають в біржовому списку принаймні однієї з фондових бірж, крім цінних паперів, емітованих або виданих центральними органами виконавчої влади, місцевими органами виконавчої влади, Національним банком України та Державною іпотечною установою, цінних паперів, емітованих (випущених) іноземною державою або відповідним державним органом іноземної держави, яка має міжнародний кредитний рейтинг не нижче інвестиційного рівня за класифікацією міжнародного рейтингового агентства, яке включене до переліку міжнародних рейтингових агентств, визнаних Комісією, а також цінних паперів міжнародних фінансових організацій та цінних паперів іноземного емітента, допущених до торгівлі принаймні на одній з іноземних фондових бірж, що входять до переліку, затвердженого Комісією	- 11 181 906,86
Векселі придбані та одержані, якщо цінні папери векселедавця не перебувають у біржовому реєстрі принаймні однієї з фондових бірж, та векселі, видані фізичними особами, грн.	0,00
Показник мінімального розміру власних коштів для КУА 3 500 000 грн.	<b>3 500 000,00</b>
Виконання вимог	<b>виконано</b>

Fig C 1.2.2 (Company`s equity capital)



## 1.3. Інвестиційний портфель

Назва активу	Код (за наявності)	Балансова вартість	Частка в загальній балан- совій вартості активів (%)
<b>1. Цінні папери погашення та отримання доходу за якими гарантовано КМУ</b>	<b>x</b>	<b>205</b>	<b>47,65</b>
1.1.	UA4000200885	139	32,31
1.2.	UA4000215156	66	15,04
<b>2. Акції українських емітентів</b>	<b>x</b>	<b>22</b>	<b>5,02</b>
2.1. Акції ПАТ «МОТОР СІЧ»	UA4000143135	22	5,02
<b>3. Облігації українських емітентів</b>	<b>x</b>	<b>0</b>	<b>0</b>
<b>4. Об'єкти нерухомого майна</b>	<b>x</b>	<b>0</b>	<b>0</b>
<b>5. Вкладні (депозитні) рахунки у банках</b>	<b>x</b>	<b>188</b>	<b>43,74</b>
5.1. Депозит у ПАТ «УНІВЕРСАЛБАНК»	980	40	9,30
5.2. Депозит у ПАТ «ПРИВАТБАНК»	980	25	5,81
5.3. Депозит у АТ «СКАЙ БАНК»	980	41	9,60
5.4. Депозит у ПАТ «РВС БАНК»	980	43	9,88
5.5. Депозит у ПАТ «УКРГАЗБАНК»	980	9	2,09
5.6. Депозит у ПАТ «УКРГАЗБАНК»	840	30	7,06
<b>5. Поточні рахунки у банках</b>	<b>x</b>	<b>14</b>	<b>3,32</b>
Поточний рахунок у ПАТ «УКРГАЗБАНК»	980	14	3,32
<b>6. Банківські метали</b>	<b>x</b>	<b>0</b>	<b>0</b>
<b>7. Дебіторська заборгованість</b>	<b>x</b>	<b>1</b>	<b>0,27</b>
<b>8. Інші активи</b>	<b>x</b>	<b>0</b>	<b>0</b>

Fig C 2.2.2(Company`s investment portfolio)

4) Коефіцієнт фінансової стійкості	
Розрахунок коефіцієнта фінансової стійкості	
Дата, станом на яку здійснено розрахунок пруденційних нормативів	31.12.2020
Розмір власного капіталу, грн	30 766 144,12
Вартість активів, грн	30 855 157,65
Коефіцієнт фінансової стійкості не менше 0.5	0.9971
Виконання вимог	виконано

Fig. C 3.2.2(Financial stability ratio of the company)

Розрахунок коефіцієнта покриття операційного ризику	
Дата, станом на яку здійснено розрахунок пруденційних нормативів	31.12.2020
Розмір власних коштів, грн	19 552 570,91
Величина нетто-доходу за 1 -й рік, грн	63 121,24
Величина нетто-доходу за 2-й рік, грн	24 551,15
Величина нетто-доходу за 3-й рік, грн	42 032,99
Середнє значення позитивного нетто-доходу, грн	43 235,13
Величина операційного ризику	6 485,27
Коефіцієнт покриття операційного ризику не менше 1	3014,9206
Виконання вимог	виконано

Fig. C 4.2.2(Company's operational risk coverage ratio)

І. ФІНАНСОВІ РЕЗУЛЬТАТИ			
Стаття	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	742	671
Чисті зароблені страхові премії	2010	-	-
премії підписані, валова сума	2011	-	-
премії, передані у перестраховування	2012	-	-
зміна резерву незароблених премій, валова сума	2013	-	-
зміна частки перестраховиків у резерві незароблених премій	2014	-	-
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	( 100 )	( 90 )
Чисті понесені збитки за страховими виплатами	2070	-	-
<b>Валовий:</b>			
прибуток	2090	642	581
збиток	2095	( - )	( - )
Дохід (витрати) від зміни у резервах довгострокових зобов'язань	2105	-	-
Дохід (витрати) від зміни інших страхових резервів	2110	-	-
зміна інших страхових резервів, валова сума	2111	-	-
зміна частки перестраховиків в інших страхових резервах	2112	-	-
Інші операційні доходи	2120	215	274
у тому числі:	2121	202	274
дохід від зміни вартості активів, які оцінюються за справедливою вартістю			
дохід від первісного визнання біологічних активів і сільськогосподарської продукції	2122	-	-
дохід від використання коштів, звільнених від оподаткування	2123	-	-
Адміністративні витрати	2130	( 521 )	( 576 )
Витрати на збут	2150	( - )	( - )
Інші операційні витрати	2180	( 297 )	( 241 )
у тому числі:	2181	152	241
витрати від зміни вартості активів, які оцінюються за справедливою вартістю			
витрати від первісного визнання біологічних активів і сільськогосподарської продукції	2182	-	-
<b>Фінансовий результат від операційної діяльності:</b>			
прибуток	2190	39	38
збиток	2195	( - )	( - )
Доход від участі в капіталі	2200	-	-
Інші фінансові доходи	2220	-	-
Інші доходи	2240	-	11 590
у тому числі:	2241	-	-
дохід від благодійної допомоги			
Фінансові витрати	2250	( - )	( - )
Втрати від участі в капіталі	2255	( - )	( - )
Інші витрати	2270	( - )	( 11 586 )
Прибуток (збиток) від впливу інфляції на монетарні статті	2275	-	-

Fig. C 5.2.2(Financial results of the company)



**6.21. Торговельна та інша кредиторська заборгованість**

	31 грудня 2020	31 грудня 2019
Торговельна кредиторська заборгованість	75	175
Розрахунки з бюджетом	7	8
Одержані аванси	0	0
Заробітна плата та соціальні внески	0	0
Інші	8	8
<b>Всього кредиторська заборгованість</b>	<b>90</b>	<b>191</b>

Fig. C 6.2.2(Trade and accounts payable)

	31 грудня 2020	31 грудня 2019
Дебіторська заборгованість за продукцію, товари, роботи, послуги	18390	18 287
Розрахунки з бюджетом	5	5
Інша дебіторська заборгованість	11	12
Дебіторська заборгованість із внутрішніх розрахунків	69	68
Очікувані кредитні збитки щодо дебіторської заборгованості	(76)	(0)
<b>Балансова вартість всього:</b>	<b>18 399</b>	<b>18 372</b>

Fig. C 7.2.2(Receivables)

**6.1. Дохід від реалізації**

	2020	2019
Дохід від реалізації послуг з управління активів КІФ	29	125
Дохід від реалізації послуг управління активів ПІФ	613	456
Дохід від реалізації інших послуг	-	-
Дохід від реалізації товарів	100	-
<b>Всього доходи від реалізації</b>	<b>742</b>	<b>581</b>

Fig. C 8.2.2(Sales income)