

## ABSTRACTS

УДК 334.788(477)

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### PLACE OF UKRAINIAN CHAMBER OF COMMERCE AND INDUSTRY IN SYSTEM OF ENTREPRENEURSHIP DEVELOPMENT FACTORS

Entrepreneurship development factors are an actual question of modern economics. Despite this, there is no uniform classification of these factors in economical literature. Author of the Article analyses the existing works of Ukrainian and foreign economists regarding this issue and proposes his own classification of enterprise development factors, which separate the total mass of factors by 4 criteria for 9 categories. The description of each category of factors is also provided. On the basis of proposed classification the author determines factors that led to current negative trends in the national economy and business climate in Ukraine.

On the next stage of the study the author determines the Ukrainian Chamber of Commerce and Industry's impact to the above factors, identify area and character of this influence. The relevance of this study is conditioned by the lack of data in the economic literature and by nature of the Ukrainian CCI. The Ukrainian CCI is an organization was established with the purpose to promote business development. To implement the study author works with certain classification of factors (by character of their influence). The author determines incentives and disincentives factors in every category, and then describes functions and services of the Ukrainian CCI in this perspective.

The main results of the study are determination of the Ukrainian CCI's influence to the system of enterprise development factors, as well as identification of the nature of this influence, the main effects from the operational activity of the organization (such as synergies and improve the business climate in the country) and the definition of tools provided this effect.

УДК 658.56:657.37

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### INTEGRATED CORPORATE REPORTING: IMPLEMENTATION ISSUES

The trend of global unification of the financial statements is the introduction of national accounting standards and the spread of international standards. All this led to a significant decrease in information content provided by reporting. The global financial crisis at the beginning of the third millennium has identified the need to develop and introduce new economic model that would protect businesses, investors, employees and society as a whole from these entire possibilities deeper crisis. An important element of this model is considered to be integrated reporting enterprises, which should replace or substantially amend existing in the present financial statements.

Various international organizations are dealing with the development and implementation of integrated business reports: Global Reporting Initiative – GRI, Project Accounting for Sustainability – A4S, International Integrated Reporting Committee – IIRC, International Federation of Accountants – IFAC, International Accounting Standards Committee – IFAC and others. At the same time, most Ukrainian companies are not ready to prepare and publish an integrated business reporting – only 8.3% of them publish a separate non-financial report, and 13.2% – provide environmental and social indicators in the explanatory notes to the financial statements.

Nowadays companies themselves select the format and structure of the sections of the report. In our opinion, the question of methodology preparation and submission of integrated reporting should be an integral part of the company's accounting policies, mandatory for all officers. On the basis of regulations, practices of individual businesses, offers various authors in the article are recommended the approximate contents of an integrated corporate reporting for Ukrainian companies, including 11 chapters.

УДК 330.342.2

*V. Bilotserkivets*

### NEW ECONOMY: CALLS AND PRINCIPLES OF FUNCTIONING IN THE CONDITIONS OF INDUSTRIAL SOCIETY

In the conditions of prevailing of natural economy and becoming of commodity production a new economy had second-rate character. Only with development of industrial society and increase of role of commodity production a new economy gets symptom constancy, gets numeral and various displays. There is becoming of new industrial type economy.

The algorithm of functioning of new industrial type economy foresees the cyclic reiteration of three phases: 1) dominance of changes in consumer properties of blessing; 2) dominants of changes are in technology of production of blessing; 3) relation-balanced changes in consumer properties and technology of production of blessing. Completion of one phase causes the following beginning recurrently. Stipulates functioning of new economy as to integrity, that renewed, regenerates as autopoietic unity of components of rizomes character is renewed.

In the conditions of the first phase the range of choice of consumer broadens quickly, it becomes poli-alternative. An economic subject experiments with the new blessing and gets possibility to promote the combined utility of the consumer set. At the same time, the too stormy increase of amount of food innovations ceases with appearance of dominant design.

During the second phase of increase of amount of blessing with excellent properties braked considerably. Producers can not extend the volume of sale due to suggestion of blessing with new consumer properties, forced to carry focus of competitive activity to technological sphere.

In the conditions of the third phase the cardinal improvements of commodities become impossible, list of them new invariants are limited. Possibilities of improvement of technologies are limited.

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*M. Vakulich*

### **MONITOR THE STATE OF THE INVESTMENT CLIMATE OF UKRAINE'S ECONOMY: NEW APPROACHES AND MODERN MODELS**

Monitoring system that allows you to make adjustments when changing investment environment in terms of the variability of the results of the investment process, becomes an efficient means of investment policy subject to the timely receipt of the required information to the participants in the investment process. The problem of establishing monitoring system is forming, methodological strategy that is based on the analysis of statistical indicators of the status of the investment climate in the national economy. The information basis of monitoring researches is systematized database metrics that come from different sources: performance indicators of investment activity (volume of investment resources, changing the structure of investment, the efficiency of investment activity); informational resources about State regulatory-legal support of investment process. Therefore, at the present stage of development of the Ukrainian economy for boosting investment activity, relevant become a question of development system of indicators, which characterize the status of the investment climate on the macro-, meso-, and micro levels of the national economy.

Despite research, scientific papers and publishing domestic and foreign scientists with the specified problem, the task of implementing a systematic approach to the management of investment climate of Ukraine's economy remains unresolved. There is a need for further theoretical and practical researches in this direction. Therefore, the analysis, the result of which is the writing of this article allows you to analyze and improve medical-organizational basis for controlling the investment climate through the proposed model monitoring the investment climate in the economy of Ukraine.

УДК 658.5:658.15

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### **CONTROLLING AND BUDGETING AS AN ENTERPRISE MANAGEMENT INFORMATIONAL SYSTEM**

A development of the trade competition was the main characteristic of the enterprise in XX century. That period had to focus not on the precise and full fixing of value but on the prevention of the unjustified costs, which could have been avoided.

The development of the costs formation systems and costing of the manufactured product allowed John Higgins, the American scientist, to develop the concept of the responsibility center. Later it gave rise to the further development of the management accounts.

The central element of the management system is the financial planning (budgeting) mechanism. The budgeting in the management information system is the basis of planning, decision-making, and financial aspects assessment in the organization.

Moreover, the important role in formation of the strategic aspect of expenditures management belongs to the controlling. Thus, the controlling is the system which joins all the major elements of organization and management of the financial and economical activity of the economic entity. The controlling management can be divided into two sectors – the operational and strategic.

The review of the economic problems appearance development trends needs the constant update of the information management system via its functional extension, integration of the more effective and modern management elements.

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*K. Vorobiova*

### **THE WAYS TO REDUCE OF THE INFLUENCE OF MACROECONOMIC CURRENCY RISKS ON THE UKRAINIAN ECONOMY**

The Government of Ukraine decides to create conditions for sustainable economic growth, improve national competitiveness in the global market. Doing so is a prerequisite for strengthening the financial system by reduce macroeconomic currency risks. Ukraine has no effective ways to reduce macroeconomic cur-

rency risks in governance. Thus the definition of areas to reduce of macroeconomic currency risks on the national economy of Ukraine is necessary. This would ensure conditions for economic growth and national competitiveness.

Generally, currency risks only with currency fluctuations associated. At the same time, in conditions of accelerated inflation between contracting and implementation of the payment purchasing power of the currency is falling. Causing foreign exchange earnings is reduced, even when the market exchange rate remains unchanged. Uncertainty level of financial performance agreement availability gap in time between the conclusion and implementation of agreements increases. Market exchange rates and purchasing power parity during this period can be changed. Changes in the conditions emergence of exchange to currency risk at constant exchange rates provide. It is necessary to the development of the ways to reduce macroeconomic currency risks in governance of Ukraine.

The most appropriate methods of macroeconomic currency risks governance for Ukraine have been determined. The ways to reduce macroeconomic currency risks in governance have been grounded.

УДК 339.16

*L. Gonchar, V. Myachin*

### **FUZZY LOGIC OPTIMIZATION MODEL RANGE ENTERPRISE**

Combined ABC and XYZ analysis methods are really important optimization tool range of commercial enterprise.

The classic ABC and XYZ methods involve building a matrix of 9 fields, but to characterize specific field except for linguistic description it should be given a numerical value that is to calculate figures for the indicators of validity of matrix ABC-XYZ fields. Basic parameters of fields' validity in our study were identified using scale of Fishburne.

Developed fuzzy-logical model of quantitative assessment of criterion "percentage of sales, is the sales stability" takes into account not only quantitative but also qualitative characteristics of economic targets that are difficult or impossible to set quantified. It allows in theory to assess the criterion of "percentage of sales, is the sales stability" "connect" many indicators. In practice, the choice of indicators should be justified on the one hand, by their significance, and the other – by the complexity of gathering the necessary information for analysis.

УДК 658.5:519.711

*D. Demyanchuk, V. Kosarev*

### **METHOD OF FEASIBILITY COMPARISON OF ALTERNATIVE MODELS OF EQUIPMENT IN ACCORDANCE WITH THE OVERALL INDEXES OF THEIR USEFUL PROPERTIES**

The authors proposed a universal method of technical and economic comparison of quality of the competing models of equipment using the monotonic graph-analytic convergence of a set of essential physical and technical indicators into a single integral.

The method is implemented on the basis of a model in order to quantitatively assess the models of equipment taking into account their substantially modified and standardized quality indicators. This method is also a tool for making multifactorial comparisons of various technical objects with the aim of considering these comparisons when summarizing the results of the analysis of a set of conditions to make a final decision about choosing the alternative model of equipment being the most appropriate as well as the most promising. The assessment is required for the planning and preparation of solutions to improve their efficiency and implement the necessary technological functions.

Some overall index of quality capabilities of each model of equipment can be characterized by several groups of individual quality indicators, such as: I – performance indicators; II – indicators of operating ability; III – environmental impact indicators; IV – cost indicators. A comparison of each model with any of its alternatives is carried out to make a decision, taking into account existing and future models of equipment.

The procedure consists of several stages of obtaining integral criterion of alternatives to be compared as a list of actions of its user. For greater certainty, it is considered through the example of domestic microwave ovens. This analysis will contribute to the important practical quantitative comparison of the integral quality of existing models of microwave ovens for household and industrial purposes with a new model, which was developed by the author in the last ten years.

The technique, which is based on the use of multifactorial graph-analytic comparison of models of equipment provides an unambiguous solution to the multiple criteria problems and contributes to an objective assessment of the integral characteristics of the models of microwave engineering as well as other models having the similar purpose.

УДК 339.9

*A. Zadoia***ECONOMIES OF THE VISEGRAD COUNTRIES: COMPARATIVE ANALYSIS**

The purpose of this article is to estimate of the macroeconomic situations in the participant-countries of the Visegrad Four on the eve of entering the EU and hereupon entering, as well as to study correlation of dynamics of the national factors with the track record of the EU economy as a whole. A significant dependence of the GDP dynamic in the Czech Republic, Hungary and Slovakia from the dynamics of the EU as a whole and the lack of such the dependencies for the Polish economy was disclosed. There are not statistical confirmation of the predictions of accelerating inflation and rising unemployment for less developed countries in the case of their entering the EU. Organized analysis allows confirming that majority of the problems which are predicted for the countries, increasing free trade with the European Union, can be successfully solved if the starting-up work has been made efficiently. It is not obligatory speedup of inflation or growth of the unemployment. Every country has enough liberties for choice of the efficient methods of the reaction on challenges of integration. One of them is a speedy development of the domestic market and keeping dependency of the national economy on overseas trade (both import, and export) on the safe level, and Polish experience proves it to be valid.

УДК 658.5

*A. Kasyanova***PECULIARITIES OF CRISIS MANAGEMENT IMPLEMENTATION AT NATIONAL AND FOREIGN ENTERPRISES: PLANNING, STRATEGIES, RESTRUCTURING**

The article examines the issues of planning, the strategies of crisis management and certain types of enterprise restructuring in the cause of a crisis. Among the alternatives for creating a crisis plan there are described the following: a crisis management plan, a contingency plan, a crisis communication plan, a turn-around strategy, a business restructuring plan, business continuity planning. The article deals with organizational, managerial, financial and economic and communication measures to counter crisis. There is emphasized that the process of efficient crisis management should start far before a crisis has reached its peak pressure and, in terms of a process approach to crisis management, it should be terminated when there is estimated the aftermath of surmounting crisis and there is made a conclusion about impossibility of crisis re-sumption or reiteration.

There is presented a critical overview towards the sequence of the stages of crisis planning. A disputable problem of the scientific essence of crisis management and the peculiarities of its implementation is considered which depends on the stages of a crisis, types of a crisis and the profoundness of a crisis progress at an enterprise.

The article considers the algorithms of resisting a crisis by optimizing managerial processes and the financial and economic activity, by restructuring an enterprise and adopting personnel policy to the crisis state.

The article demonstrates a theoretical analysis of what is meant under crisis management and which are the peculiarities of applying different by their essence counter-crisis plans at national and foreign enterprises considering the whole scope of different crisis phenomena and interrelation between various spheres of corporate activity during a crisis.

УДК 336.22

*T. Kozyr, I. Tyvanyuk***THE REFORM OF SINGLE SOCIAL CONTRIBUTION: PROBLEMS AND PROSPECTS**

On 1 January 2015 the Law of Ukraine "On amendments to some Ukraine legislative acts with the view of reforming obligatory state social insurance and wage legalization" came into effort. This law was accepted for employment legalization and the fight against a shadow salary. Changing the calculation algorithm of social contribution is a not transparent and has the problems in practical application. As a result of this there are some difficulties in control of calculation and payment at different rates and methods of calculation in the transition period.

The main goal of the article is to study theoretical and practical approaches to the new law amendments and provide recommendations on introducing possible amendments to the regulations, in order to facilitate the practical application of this law.

As a result of the study it is possible to conclude that there are some practical complicated problems:

- absence of a clear and effective mechanism for administration of single social contribution and labor legislation;
- the unstable economic situation in the country, that doesn't allow employers to increase an appropriate level of wages and, accordingly doesn't give the opportunity to use a reduced rate of single social contribution;

- presence of complications that take place during calculating wage costs and single social contribution costs as tax expenses;
- complexity of control over accrued and deducted single social contribution using the applicable sub-account in the chart of accounts.

The results of sociological surveys on the legalization of wages indicate the increasing willingness of the society to solve the problem connected with the shadow wages. A number of measures and recommendations on insurers' actions during the transition period which would promote simplification and transparency of the legalization of shadow wages have been proposed.

УДК 657.6

*D. Kronikovskiy*

### **COMBINATION OF MODERN ANALYSIS, DIAGNOSTICS AND PREDICTION TOOLS FOR AN EFFECTIVE SYSTEM OF CONTROLLING**

Known that controlling is an effective tool that is able to transfer control to a new level. There was leading scientists involved in the field of structural and information controlling supplies. However, systematic analysis to the modern tools of analysis, diagnosis and prediction for an effective system of controlling isn't revealed purpose of the article. The combination of strategy and BSC as logically synchronized economic concepts in scientific studies not mentioned. However, this combination of interrelated, because choosing a strategy before hand Management focuses on key indicators, which will focus the company.

The structure of information interaction controlling and management was analyzed. For any business the ability to predict economic situation it is very important to get the best results and avoid losses. That is why actuality of modelling has always been a priority. There is realized the systematic comparison of modern economic management models: polynomial, fuzzy, neuro, neuro-fuzzy-model. The decision to improve the efficiency of movement to the objectives of the enterprise is a complex, multifaceted problem that determines control of powerful action, achieving goals, providing the use of resources in a given time with certain efficiency. Decide the following problem software and target management techniques, including cognitive modelling.

Evaluation and effectiveness of each instrument of analysis, diagnosis and prediction is possible only in symbiosis with the object of study. The article analyzes the details and features of modern tools that are fundamental to the system of controlling the enterprise. Choose one of the tools for evaluating the effectiveness of the controlling system is not convenient, and sometimes impossible, so it is appropriate to use an integrated approach combining several tools that are more detailed and vivid version.

УДК 330.1

*S. Kuzminov*

### **SHOULD POLITICAL ECONOMY BE A DIFFICULT SCIENCE?**

Political economy like all economic theory in general is gradually developing, improving and complicated. But the complexity of political economy is hinder than its popularity among practicing economists. While getting benefit from his direct, often very narrowly targeted and specific duties, specialist, on the one hand, sees no need to study economics, and on the other hand, he is well aware that such a study would require considerable effort and time spent.

Not all sciences are equally popular. Many of them are property of only a narrow circle of specialists. However, economic theory can not afford that luxury. As a social science, it can not be the property of only a narrow circle of specialists because in this case, it will not execute one of the most important its functions which is worldview.

The function of worldview economics exists not only within its political economy direction. This feature is in veiled form exists in the mainstream.

As a social science political economy must be popular. For this purpose, it must be simple to understand. But over-simplification threatens inhibition of research.

It is recommended to follow the experience of modern IT, computer and automotive companies and form interface of political economy that would be friendly to the consumer.

УДК 658.8

*T. Mishustina, T. Gonchar*

### **MARKETING ANALYSIS OF THE PROSPECTS OF DEVELOPING CHILDREN'S CENTERS IN UKRAINE**

Education has a significant influence on the intellectual potential of Ukraine. It is highly competitive in the global market. However, economists consider that building intellectual capacity, including human capital, depends on development of higher and vocational education, science and practical experience but human capital formation begins much earlier. However, agencies that would be involved in the development of

high-quality preschool are missing. The ratio of seats in the kindergarten is 100 to 107 children (in the cities it equals 100 to 113), and this trend has continued to the present time. The analysis has shown that the political and economic factors influence the development of kindergarten negatively. Among the identified factors the most influential ones are negative factors. It demonstrates the considerable political instability in the country and the low activity of the state as to the national economic support of pre-school education. The market of educational services for preschool children in Ukraine is increasing rapidly. Particularly high demand is for services of early child development. It is not only a new trend, it is very promising business that promotes human capital and intellectual potential of Ukraine. To operate successfully centers of early development should regularly carry out marketing analysis of both external and internal environment to develop a marketing mix based on it that would not only satisfy the needs of potential clients but also maximize effectiveness of organization.

УДК 331.522.4.001.57

*V. Pavlova, L. Garmyder*

### **MODELING OF HUMAN RESOURCES DEVELOPMENT AT THE COMPANY**

To ensure the development of human potential commercial enterprise is an important condition to determine the influence of factors depending on the environment of formation and properties of the system. This approach allows preserving the idea of the dialectical unity of opposites, which are usual as the system and the environment. It defines the integrity of human resource capacity as the system and explains the need to maintain the process of its reproduction.

Human resource development of commercial enterprise on the restorative approach is considered using fractal-faceted model which elements are the four predicates; each of them respectively contains four categories.

Fractal-faceted elements of the model are in certain interdependence and interconnection. Based on the fractal character development of human potential, significant nonlinearity of development processes and impact of external environment, the model has the ability to form a new expression. In this case, each element of the model could be represented by a new model, or expanded in the case of joining the separate elements of the new model, forming them into a network.

Fractal-faceted model provides an opportunity to identify patterns and trends in human resource development of commercial enterprise that allows justifying structural changes and the pace of development.

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*Z. Pestovskaya*

### **DIRECTIONS OF UKRAINIAN FINANCIAL MARKET REFORMING**

The financial sector affects the rate of growth of the national economy, industry, welfare and investment growth. The study focused on the formulation of recommendations to improve regulation of the financial market of Ukraine, enhance of effectiveness of coordination of the main regulators on the basis of analysis of key market segments.

The proportion of non-bank financial institutions in the total financial assets is low, but it is growing steadily. We can see increase in the number of pawnshops, finance and leasing companies, but reduction in the number of factoring, insurance companies and pension funds.

At the same time the volume of trading in securities market was sharply reduced, although the pace of growth of the stock market is still ahead of GDP growth, and the volume of investment in Ukrainian economy through the instruments of stock market is much higher than the volume of long-term loans in banking sector. In 2014, a record number of shares were registered, but most of them are connected with the necessity of banks' additional capitalization.

There are advantages and disadvantages of the proposed elimination of National Commission, which is carrying out state regulation of financial services markets, the transfer of part of its powers to National Bank of Ukraine (control over the insurance market, credit unions, payment and settlement systems, pawnshops, credit bureaus, leasing and factoring), the transfer of control over the activities of non-state pension funds to National Commission on securities and stock market, which is offered to convert to National Commission for financial supervision.

УДК 334.722.8

*Yu. Petrunya*

### **FORMATION AND REPRODUCTION OF STOCK CAPITAL: MANAGEMENT MECHANISMS AND CONTRADICTIONS**

The evolution of scientific views on essence, nature, mechanisms of reproduction stock capital has been investigated. Theoretical concepts and approaches to the definition of "capital" have been analyzed. The main forms of capital operation have been discovered. Questions reproduction stock capital, management systems and other relations in joint-stock companies have been covered. The features of stock capital reproduction in modern terms, the interaction with the real stock market investment, contradictions of this interac-

tion have been considered. The system of management of the company, the system of relations “stakeholders” as factors in the reproduction of capital have been analyzed. Connection with reproduction stock capital and reproduction and accumulation system of capital in the national economy has been grounded. The conclusion about flexibility of instruments of adjustment scale of the stock companies has been grounded. Structure of reproduction and accumulation system of capital in the national economy has been analyzed. The significance of systemic solution “joint-stock issues” in the country to ensure sustainable and effective overall reproduction has been emphasized.

УДК 330.341.1

*N. Riabtseva, O. Alsufieva*

### **FEATURES OF AGREEMENT THE ECONOMIC INTERESTS OF INNOVATIVE ACTIVITY AT THE NANOSCALE LEVEL**

The transience of the nowadays requires deep changes upon transfer the innovative activity into the mass, with the involvement of the population on the basis of the agreement of economic interests.

The realities of innovation-oriented economy require from human the permanent adjustments of his multicomponent system of goals, interests, and behaviors that necessitate manifestations of his innovative activity independently and in a team based on the approval of agreement of corresponding economic interests.

The basis of the system of economic interests upon human innovative activity is the relations of ownership (appropriation) on the resources, conditions and results of this activity.

Comprehension under the certain criteria and agreement of economic interests of the subject of the economy on the nanoscale level concerning the innovative activity is the activity that is aimed at achieving a state of dynamic equilibrium of human and is presented in a specific sequence of its components according to the given algorithm. Analysis of personal strategies of agreement of these interests allows allocating their main directions, namely: informational, insurance, productive and public and algorithm of agreement the economic interests upon innovative activity in general by subject at the nanoscale level. And also, offer reference points of state policy in the sphere of innovations aimed at creating conditions for involving the population to innovative activity based on achieving a balance of interests.

УДК 336.02

*T. Sitash*

### **FINANCIAL POLICY: PRAGMATICS AND ISSUES**

The development of society is accompanied by the need to improve the quality of development and implementation of financial policies. In this aspect, we note that evaluation of the financial mechanism of regulation of socio-economic processes in Ukraine demonstrates the need for the development of the financial system, improving the efficiency of the development and implementation of financial policies in conjunction with economic transformation processes.

State fiscal policy as an integral part of the economic policy of the state, is a system of pre-defined and approved activities, forms and methods of mobilization, allocation and use of financial resources of the state institutions for the state to perform its functions in accordance with the strategic and tactical goals of its economic and social development. It combines objective financial relationships specified in the form of national plans and programmes, management decisions, resulting in the formulation and implementation of strategies for functioning and development of public finance.

Study of the development and implementation of financial policy in Ukraine demonstrates its diversity. Currently, the financial policy is primarily tactical in nature, subject to current tasks, performs the functions of redistribution and stabilization, fully aligned with the strategic objectives of the social and economic development. Given this, the main objective should be to intensify the regulatory functions of financial policy, the implementation of effective mechanisms, and the formation of strategic nature purposeful decisions to ensure the system of state regulation of unity with the socio-economic strategy.

The impact of fiscal policy on the economy and social development of society requires that fiscal policy was implemented on the basis of scientifically grounded theory. Fiscal policy needs to create the institutional conditions for the functioning of the financial model in a society based on rules, norms, organizational structures, which together have purposefully shaping mechanism of active influence on economic growth, to guide the development of society in the desired direction, and on this basis to improve the welfare of citizens.

УДК 658.8

*I. Taranenko, S. Yaremenko, V. Zelenska*

### **SEARCH METHODS OF INFORMATION ON CONSUMERS FOR IMPLEMENTATION GROWTH STRATEGY FOR COMPANY AT INDUSTRIAL MARKET**

Under the intensification of economic instability at the national and global levels becomes a priority strategic support the domestic companies' competitiveness in global markets of engineering products, and develop marketing strategies for the growth of domestic engineering companies.

Based on the industrial and technological potential, the company PAT "Dniprovazhmash" should consider the following options for growth strategy: a strategy for market penetration; market development strategy.

Market development strategy by going domestic enterprises to new territorial markets provide a steady flow of orders and reduce sensitivity to economic downturns for enterprises and also promote geographical diversification of Ukraine's foreign trade. Strategy of deep penetration to market should provide company further consolidate at the market, increase sales and business income. Implementation of these strategies requires improved methods of marketing research of foreign industrial markets to increase the number of consumers for domestic engineering industry.

The production activity of the company PAT «Dniprovazhmash» focused on the markets of engineering products, primarily the market of equipment for the steel industry. The analysis of current trends in the global market steel products revealed that the most promising region for sales is Asia, namely China, which is leading in terms of production volume and growth rate.

In order to geographical diversification, the methods of search consumers for companies that produce equipment for the steel industry, namely using online resources, may be recommended. It is advisable to conduct primary search the foreign consumers of engineering companies through international B2B internet portals, containing information on companies providing demand for engineering products and equipment for metallurgy, mining and others industrial sectors; through Websites of consulting companies, international and national associations of producers.

УДК 339.9

*T. Wolowiec, J. Soboń*

### **IMPACT OF INCOME TAXATION ON ECONOMIC GROWTH**

The allocation effects of income taxes can be various and depend on such factors as: height of tax rates, capacity of tax scales, subject and base of taxation, scope and scale of tax reliefs and exemptions, the way of distributing tax burden and the way and mode of collecting taxes.

Through income taxes we achieve correction of taxpayers' incomes. Redistribution of national product is conducted between taxpayers and public law entities. The problem here may be the answer to the question whether income taxes perform well the function of redistributing income among various income groups of taxpayers and what is the cost of this tax function.

Income taxes affect economic growth. Increased taxation may translate into either declining direct consumption or declining savings. Lower consumption leads to decreased revenues from direct taxation unless the growth of income tax rates is accompanied by growth of indirect tax rates. This, however, may cause further decline in consumption or decline in savings and capital supply.

High (progressive) income taxation limits private investment by reducing part of income that could be allocated to investment. Statistical analysis conducted on a group of 20 OECD countries for years 1970 – 1994 confirms the negative relation of households savings rate not only to the size of budget deficit, unemployment rate, current account deficit, demographic structure but also to the size of personal income tax.

The research shows that the most negative influence on economic growth, especially on unemployment level, is exerted by fiscal burden constituting the so-called labor costs. Interestingly, contrary to popular beliefs, the research did not show any correlation between the level of income tax burden on economy and economic growth.