

FORMING A METHODOLOGICAL APPROACH TO IDENTIFYING «UNDER-SERVED» FOREIGN MARKETS

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Serpukhov M. Yu. Forming a Methodical Approach to Identifying «Under-Served» Foreign Markets

The article is concerned with testing the methodical approach to identifying the «under-served» foreign markets. The key challenge in activating the export activity and improving its efficiency is finding new, more attractive, markets with easy access and better terms of trade. In order to solve the task of finding new markets, a methodical approach is developed and tested on practical data. The method of identifying the «under-served» markets includes the 4 stages, where the selection of markets takes place according to different criteria. Export opportunities are evaluated in the first stage, which defines availability of the appropriate specialization in the export of products of the selected commodity group and the share of domestic exports in the world market. The second stage includes an evaluation of the potential for the development of external market. At this stage, the potential for the development of external markets is evaluated, which defines whether there are prospects for the development of a market in a certain commodity group. The third stage identifies the markets that have the largest volumes of imports of products and the share of domestic products on them. As a result, countries that consume significant amounts of goods to be exported are defined. The fourth stage evaluates the prospects for exports to «under-served» markets. According to the chosen criteria of market availability and the best terms of trade, prospective markets to which products can be exported are selected. At each stage, the structural blocks of the method of identifying the «under-served» market are considered; based on the practical data the markets for the production of 1101 «Flour from wheat or from wheat and rye mixture» are analyzed; the potential markets to which national enterprises can increase exports are identified.

Keywords: «under-served» markets, potential sale markets, exports, import substitution, trade barriers, protectionism, international trade.

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Серпухов М. Ю. Формування методичного підходу до визначення «недоторгованих» зовнішніх ринків

Стаття присвячена апробації методичного підходу до визначення «недоторгованих» зовнішніх ринків. Ключовою проблемою при активізації експортної діяльності та підвищення її ефективності є пошук нових, більш привабливих, ринків з простішим доступом і кращими умовами торгівлі. Для вирішення завдання з пошуку нових ринків розроблено методичний підхід, який апробовано на практичних даних. Методика визначення «недоторгованих» ринків включає в себе проходження 4 етапів, на яких за різними критеріями відбувається відбір ринків. На першому етапі відбувається оцінка експортних можливостей, за підсумками якої визначається, чи є відповідні можливості для експорту продукції обраної товарної групи та якою буде її частка на світовому ринку. Другий етап включає в себе оцінку потенціалу зовнішнього ринку. На цьому етапі оцінюється потенціал розвитку зовнішніх ринків, за підсумками чого визначається, чи є перспективи розвитку ринку за обраною товарною групою. Третій етап – визначення ринків, які мають великий обсяг імпорту продукції та питомої ваги вітчизняної продукції на них. У підсумку визначаються країни, які споживають у значних обсягах товар, який планується експортувати. На четвертому етапі проводиться оцінка перспективності експорту на «недоторговані» ринки. За визначеними критеріями доступності ринку та кращих умов торгівлі обираються перспективні ринки, на які можна експортувати продукцію. На кожному з етапів розглянуто структурні блоки методики визначення «недоторгованого» ринку; на практичних даних проаналізовано ринки продукції 1101 «Борошно пшеничне або із суміші пшениці та жита (меслину)»; визначено потенційні ринки, на яких вітчизняні підприємства мають можливість збільшити обсяги експорту продукції.

Ключові слова: «недоторговані» ринки, потенційні ринки збуту, експорт, імпортозаміщення, торговельні бар'єри, протекціонізм, міжнародна торгівля.

Рис.: 8. **Табл.:** 5. **Бібл.:** 10.

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Серпухов М. Ю. Формирование методического подхода к определению «недоторгованных» внешних рынков

Статья посвящена апробации методического подхода к определению «недоторгованных» внешних рынков. Ключевой проблемой при активизации экспортной деятельности и повышении её эффективности является поиск новых, более привлекательных, рынков с простым доступом и лучшими условиями торговли. Для решения задачи по поиску новых рынков разработан методический подход, который апробирован на практических данных. Методика определения «недоторгованных» рынков включает в себя прохождение 4 этапов, на которых по разным критериям происходит отбор рынков. На первом этапе оцениваются экспортные возможности, по итогам чего определяются наличие соответствующей специализации по экспорту продукции выбранной товарной группы и удельный вес отечественного экспорта на мировом рынке. Второй этап включает в себя оценку потенциала внешнего рынка. На этом этапе оценивается потенциал развития внешних рынков, по итогам чего определяется, есть ли перспективы развития рынка по данной товарной группе. Третий этап – определение рынков, которые имеют наибольшие объёмы импорта продукции и удельного веса отечественной продукции на них. В итоге определяются страны, потребляющие в значительных объёмах товар, который планируется экспортировать. На четвертом этапе проводится оценка перспективности экспорта на «недоторгованные» рынки. По выбранным критериям доступности рынка и лучших условий торговли выбираются перспективные рынки, на которые можно экспортировать продукцию. На каждом из этапов рассмотрены структурные блоки методики определения «недоторгованного» рынка; на практических данных проанализированы рынки продукции 1101 «Мука пшеничная или из смеси пшеницы и ржи»; определены потенциальные рынки, на которые отечественные предприятия могут увеличить объёмы экспорта продукции.

Ключевые слова: «недоторгованные» рынки, потенциальные рынки сбыта, экспорт, импортозамещение, торговые барьеры, протекционизм, международная торговля.

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Modern foreign trade of Ukraine is characterized by the transformational restructuring, which is based on the change in the vectors in its foreign policy and deterioration in the trade relations with the Russian Federation – Ukraine’s largest trading partner in previous years – as well as the creation of preferential trade conditions. The latter is connected with the operation of the Agreement on the Deep and Comprehensive Free Trade Area (DCFTA), which is part of the EU-Ukraine Association Agreement [1]. The transformation, in the face of increasing international competitiveness, requires searching for new markets and diversifying export activities.

The aim of the study is to solve the scientific and practical problem of justifying the model for searching for new markets that have more attractive characteristics than existing ones. To solve this problem and build the mentioned model, it is necessary to determine the stages of and criteria for the market research, as well as to justify an appropriate algorithm.

Among the scientists engaged in the investigation of this problem, a significant contribution was made by T. D. Brandao, M. Pinat, who studied the nature of the relationship among trade, economic growth and welfare as well as the impact of the structure of trade relations on economic growth [2]; E. D. Mansfield considered the issue concerning institutional barriers through the prism of concluding preferential trade agreements among individual countries, which, on the one hand, provides for revitalization of trade among the countries participating in the agreement, and, on the other hand, creates barriers to trade with other countries [3]; V. Marano carried out research of the impact of internal and external conflicts on trade relations among countries [4]; Alan V. Dardorff, Quy-Toan Do and A. A. Levchenko [5] studied the issues associated with trade policy and identification of sensitive sectors of the economy within the framework of trade agreements.

The very concept of under-served market does not have a clear definition and includes various aspects, in particular:

- ✦ an under-served market is a market which has a potential volume of consumption of a product corresponding to our specialization and simpler terms of trade compared to existing ones, which makes foreign trade more attractive in terms of range of product and geographical diversification;
- ✦ an under-served market is the market situation in the national market of a country, which demonstrates certain characteristics of the market and our potential exports or imports of goods in trade with this country.

It should also be noted that an under-served market can be both a foreign market and the domestic market since, as shown by the analysis of intra-industry trade for certain commodity items, we also have under-served markets within the country.

As can be seen, the interpretation of the concept of under-served market is quite broad, but criteria for identifying an under-served market are practically absent.

The methodological approach proposed by the author considers the scheme for searching for under-served product markets using the example of a particular product manufactured and exported by domestic companies. The approach can be applied to any product for which one needs to find under-served markets.

The methodology comprises 4 stages through which we will be able to identify under-served markets and possibilities for exporting goods to them.

To test the methodology, the commodity item 1101 – Wheat or meslin flour (the code of the Ukrainian Classification of Goods of Foreign Economic Activity (UCGEA) – is chosen.

The Ukrainian economy demonstrates a steady trend of exporting low value added products; therefore, it is advisable to intensify activities related to export of final products.

Domestic companies are actively exporting the commodity item 1004 – Grains, in terms of exports of which Ukraine is among the five world leaders. However, this product is only the raw material for manufacturing the product 1101 – Wheat or meslin flour, which in turn is the raw material for manufacturing such final products as bread and other bakery products. Taking into consideration that grain export is essentially a raw material export, and further processing of this product into flour creates value added and new jobs, changing priorities in export activities is economically feasible.

STAGE 1 “Assessment of export possibilities” (Fig. 1). To assess the exportability of the product 1101, we analyze the specialization of Ukraine and possibilities for exporting this product to foreign markets.

As a result, we will determine the exportability of the product and the country’s current potential for exporting this product to a foreign market. To assess export possibilities, we use the following assessment tools and selection criteria (Tbl. 1).

Thus, based on the developed scheme, to identify under-served markets for the product 1101 – Wheat or meslin flour, it is advisable to assess export possibilities.

Flour production is a common activity throughout Ukraine, in which more than 1000 manufacturers of these products of various sizes are engaged. Fig. 2 shows the overall trends in the production of flour for 2011–2017 and the volume of its exports.

As can be seen from Fig. 2, flour manufacturing has a steady trend to reduce by almost 2 times. Thus, we have the corresponding specialization that needs to be further developed. The next step is analyzing trends in imports of the product to Ukraine and calculating the coefficient of import substitution (Tbl. 2).

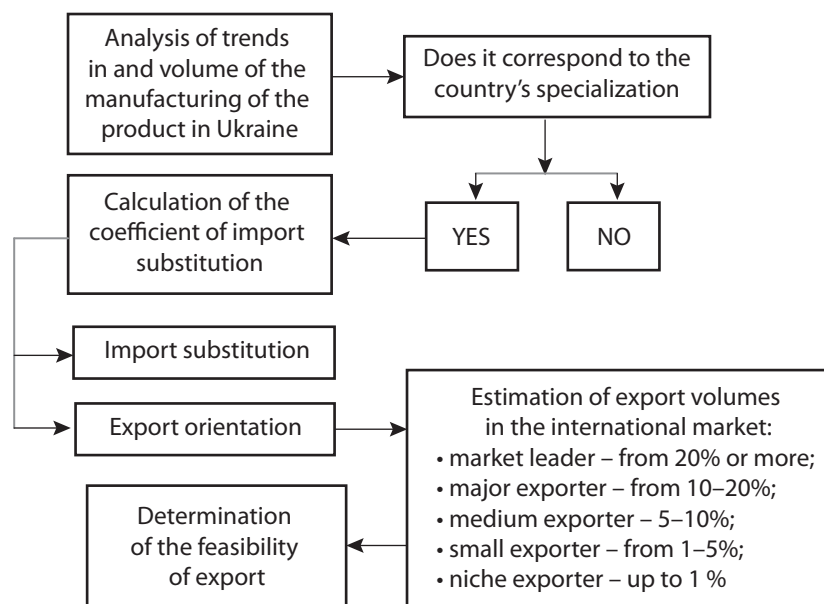


Fig. 1. Scheme of Stage 1 "Assessment of export possibilities"

Source: developed by the author.

Table 1

Indicators used at Stage 1 "Assessment of export possibilities"

| Indicator | General characteristics |
|---|---|
| Trends in and volume of the manufacturing of the product in Ukraine | Analyzing trends in the manufacturing of the product in order to determine whether exporting this product corresponds to Ukraine's specialization. <i>Result: the decision is made on whether the product corresponds to the country's specialization</i> |
| Trends in imports of the product to Ukraine (Coefficient of import substitution) | Determining whether the country is export-oriented in manufacturing this product. <i>Result: it is determined whether the country is export-oriented or not; if not, import substitution should be applied</i> |
| Share of Ukrainian exports in the world volume | Identifying the position of the country in the international market for this product. To do this, it is necessary to calculate the share of Ukrainian exports of the specified product on the world market. <i>Result: the market position is identified (market leader – from 20% or more; major exporter – from 10–20%; medium exporter – 5–10%; small exporter – from 1–5 %; niche exporter – up to 1%)</i> |
| Trends in the manufacturing and export of the product on the international market | Analyzing activity in importing the product and the overall trends in the development of the market. <i>Result: prospects for the development of the market and its growth rate are determined</i> |

At the same time, the earnings from exporting this product, after a reduction in 2016, tend to increase. Thus, we see that the potential of Ukraine in the manufacturing of flour is quite high and the country has possibilities necessary to increase its manufacturing and exports.

The data for the period 2011–2017 demonstrate that exports significantly exceed imports, which allows to make a conclusion that it is advisable to export this product, i. e., as concerns flour, Ukraine is an export-oriented country.

To identify under-served markets, it is necessary to analyze the share of Ukrainian exports in the international market. For this purpose, we will consider trends in the

world exports and the share of the Ukrainian exports in it. Based on the analysis, we can conclude that the volume of Ukrainian exports of the product 1101 to the international market is small. Therefore, according to the developed classification (market leader – from 20% or more; major exporter – from 10–20%; medium exporter – 5–10%; small exporter – from 1–5%; niche exporter – up to 1%), Ukraine is a niche exporter. This means that the country, with its small export volume of this product in individual segments of the market, is not an influential player in this market. The situation is different with the grain market, where Ukraine is in the top 5 countries of exporters of this product, which is a raw material for the manufacturing of flour.

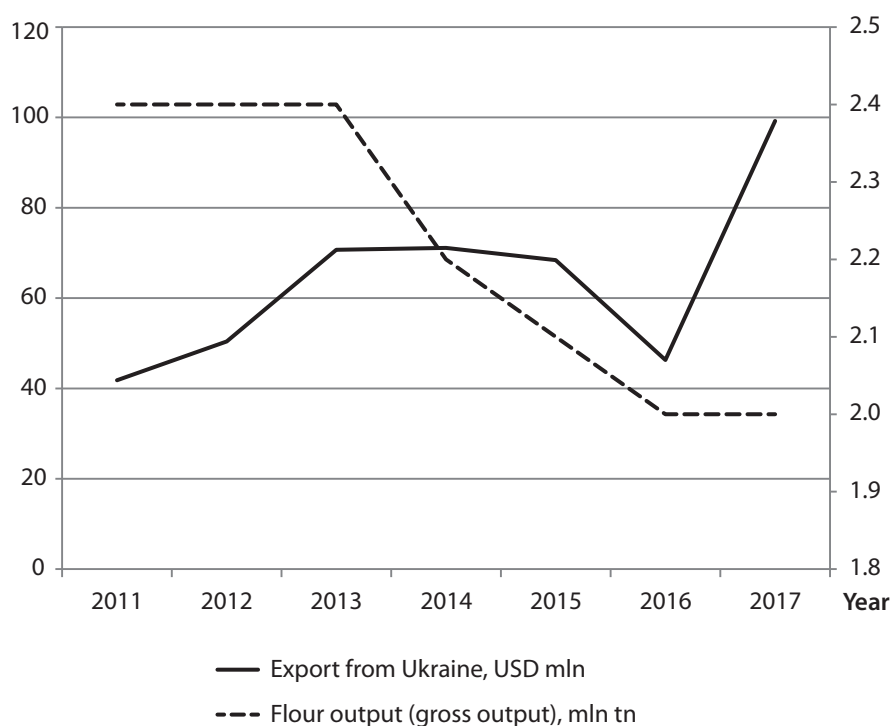


Fig. 2. Overall trends in the manufacturing of flour and exporting of this product by Ukraine

Source: developed by the author based on [8].

Table 2

Results of calculating the coefficient of import substitution for the commodity item Wheat or meslin flour

| Indicator | Year | | | | | | |
|------------------------------|------|------|------|------|-------|------|------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Export from Ukraine, USD bln | 0.04 | 0.05 | 0.07 | 0.07 | 0.07 | 0.05 | 0.10 |
| Import to Ukraine, USD bln | 0.03 | 0.02 | 0.02 | 0.02 | 0.01 | 0.01 | 0.01 |
| Export-import coverage ratio | 1.56 | 2.21 | 3.20 | 4.42 | 10.35 | 8.27 | 7.57 |

Source: developed by the author.

This indicates the need to intensify export activities and to further research under-served markets for the product. In general, based on the results obtained at Stage 1, it can be concluded that Ukraine has a sufficient export potential in the manufacturing of the product 1101 – Wheat or meslin flour – and should increase exports to the international market.

STAGE 2. “Evaluation of the potential of the foreign market”. At Stage 2, it is advisable to evaluate the potential of the foreign market, which will allow to determine its size and trends in it (*Tbl. 3*).

After assessing the potential of foreign markets, it will be possible to determine trends in their development and establish priority markets for exporting the product for individual countries.

The general scheme of Stage 2 aimed at evaluating the potential of the foreign market is shown in *Fig. 3*.

Based on the developed scheme for evaluating the export potential of a foreign market, we will have the answers to our questions regarding the largest markets for

the product and the current trends in the development of import of the product 1101 – Wheat or meslin flour.

As can be seen from the analysis, the international market demonstrates a steady downward trend, which is a negative feature, however, Ukraine’s share in the international market is scanty, which indicates the need to intensify export activities and increase the volume of exports to foreign markets.

To identify priority markets, it is advisable to analyze the countries that are the largest importers of the product 1101 – Wheat or meslin flour – in the world.

Analyzing the trends in imports of the product by countries that are the largest importers, it should be noted that a downward trend is observed only in some of them, including Brazil, Angola, Ireland, Uzbekistan.

However, the markets of Iraq, Afghanistan and the USA demonstrate a significant growth.

The next group of countries importing this product is the group of the largest consumers of the product.

Indicators used at Stage 2 "Evaluation of the potential of the foreign market"

| Indicator | General characteristics |
|--|--|
| Trends in imports of the product on the international market | Analyzing the trends in the import of the product and overall trends in the development of the market. <i>Result: prospects for the development of the market and its growth rate are determined</i> |
| Analysis of the structure of exports of the product on the international market | Assessing and analyzing the geographical structure of foreign trade of countries in the chosen product. <i>Result: countries to which the product under study is exported are identified</i> |
| Analysis of countries that are the largest importers of the product in the world | Analyzing countries that have the largest volume of import of the product and accordingly are the largest consumers in the world. <i>Result: countries with the largest market potential are identified</i> |

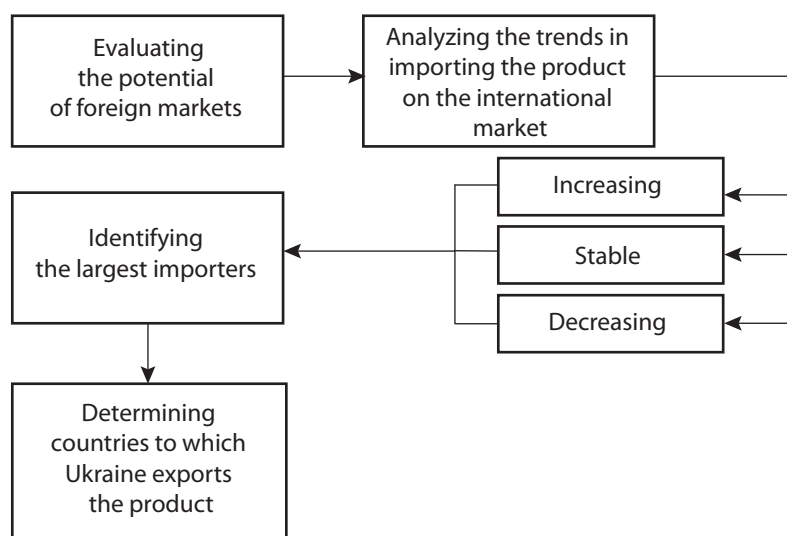


Fig. 3. Scheme of Stage 2 "Evaluation of the potential of the foreign market"

Source: developed by the author.

Another group is the group of countries with an average for the international market volumes of consumption of the product 1101 – Wheat or meslin flour. The overall trend in this group shows a certain growth. An active increase in the volume of imports of the product 1101 – Wheat or meslin flour is observed in Sudan and China.

All these countries are potential consumers of the product 1101 – Wheat or meslin flour, that is why it is reasonable for domestic manufacturers to enter their markets.

To determine the potential of foreign markets, it is advisable to evaluate those ones to which Ukrainian manufacturers export their product 1101 – Wheat or muslin flour.

Analyzing the geographical structure of exports of the product 1101 – Wheat or meslin flour, the following should be noted (Tbl. 4):

- ✦ wide geographical diversification (Ukraine exports the product to more than 30 countries);
- ✦ volume of exports to some countries show unstable development trends;

- ✦ export to certain countries is of situational (permanent) nature;
- ✦ there are no countries that are the main consumers of Ukrainian flour.

Let us analyze countries to which Ukraine exports the studied product in terms of export volume. To carry out a detailed analysis aimed at identifying countries that are under-served markets, we need to cluster Ukraine's export volume and analyze the potential of the markets.

The largest group in terms of Ukraine's export volume of the product 1101 – Wheat or meslin flour – is shown in Fig. 4.

The analysis of the trends presented in Fig. 4 shows that:

- ✦ in 2017 China became the largest export market for Ukrainian manufacturers, while in 2016 the volume of their exports to China was small. However, China is an active buyer of Ukrainian flour, which indicates that Ukraine should intensify its activity in the Chinese market;

Table 4

Geographical structure of the Ukrainian exports of the product 1101 on the international market (countries with the largest export volume), USD mln

| Country | Year | | | | | | |
|----------------------|--------|--------|---------|--------|-------|--------|--------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| China | 0 | 0.278 | 9.14 | 20 | 16.9 | 0.152 | 23.2 |
| Angola | 0.0427 | 0.0798 | 0.287 | 0.013 | 1.54 | 0 | 10.4 |
| Moldova | 16.4 | 16.2 | 13.9 | 9.87 | 7.81 | 5.92 | 8 |
| Israel | 2.14 | 2.79 | 7.25 | 9.87 | 7.31 | 2.35 | 6.9 |
| Palestine | 1.27 | 2.44 | 3.88 | 4.29 | 3.95 | 21.9 | 6.8 |
| United Arab Emirates | 0.0812 | 0.0359 | 0.0776 | 0.0543 | 0.272 | 1.27 | 6.77 |
| Somalia | 0 | 0 | 0 | 0.037 | 0 | 0 | 5.36 |
| Panama | 0 | 0 | 0 | 0.711 | 2.26 | 0 | 3.99 |
| Libya | 0 | 2.94 | 0 | 0 | 0.147 | 0 | 3.4 |
| Indonesia | 11.8 | 12.4 | 1.83 | 3.6 | 4.4 | 7.26 | 3.31 |
| United Kingdom | 0.101 | 0 | 0 | 0 | 0.101 | 0.0672 | 2.32 |
| Marshall Islands | 0 | 0 | 0.00276 | 2.37 | 0 | 0 | 1.93 |
| Singapore | 0.0583 | 0.0568 | 0.0615 | 0 | 0 | 0.0191 | 1.64 |
| North Korea | 0 | 0.0322 | 3.28 | 7.64 | 10.1 | 0 | 1.58 |
| Hong Kong | 0 | 0 | 0.555 | 0.686 | 0.587 | 0 | 1.5 |
| Lebanon | 0 | 0.259 | 2.67 | 0 | 0 | 0.993 | 1.45 |
| Georgia | 1.61 | 0.985 | 5.61 | 1.58 | 0.819 | 1.28 | 1.11 |
| Belarus | 0 | 0 | 0 | 1.4 | 0.332 | 0.301 | 0.871 |
| South Korea | 0 | 0 | 0 | 0.143 | 3.12 | 0.0294 | 0.535 |
| Philippines | 0.117 | 0.187 | 0.386 | 1.35 | 2.2 | 1.04 | 0.238 |
| Azerbaijan | 0.407 | 6,6 | 4.58 | 0.0204 | 0.286 | 0.0269 | 0,0265 |
| Oman | 0 | 0 | 0 | 0 | 0 | 2 | 0 |
| Egypt | 0.0754 | 0.0183 | 0 | 0 | 0.106 | 0.993 | 0 |
| Syria | 0.0142 | 0 | 6.1 | 3.01 | 2.69 | 0 | 0 |
| Zambia | 0 | 0 | 0 | 0 | 1.07 | 0 | 0 |
| Thailand | 0.357 | 1.02 | 1.67 | 1.09 | 0 | 0 | 0 |
| Turkmenistan | 0.55 | 1.11 | 1.68 | 0.864 | 0 | 0 | 0 |
| Sierra Leone | 0.487 | 0.0359 | 0.724 | 0.742 | 0.535 | 0.751 | 0 |

Source: developed by the author based on [7].

- ✦ the reduction in exports to the Moldovan market requires additional analysis and identification of reasons for the reduction in order to increase the amount of exports to this market in subsequent periods;
- ✦ the trends in Ukraine's exports to Palestine are also unstable, which indicates the potential for trade with this country;
- ✦ Ukraine is losing the South Korean market to which it previously exported significantly larger volumes of the product;
- ✦ Ukrainian exports to the Indonesian market, which previously consumed the product in large volumes, is gradually declining.

Based on the results of the analysis, we can identify countries for which a detailed review of the reasons for the slowdown in exports and the development of a program to boost exports should be carried out. On the whole, the results obtained suggest that these countries are under-served markets.

Thus, the analysis of the geographic structure of export activities of Ukraine has revealed the following:

- ✦ Ukraine has small, compared with its potential opportunities, volume of exports of the product 1101 on the world market, while it has an appropriate raw material base (in terms of wheat exports it is in the top 5 of the largest exporting countries of the world);

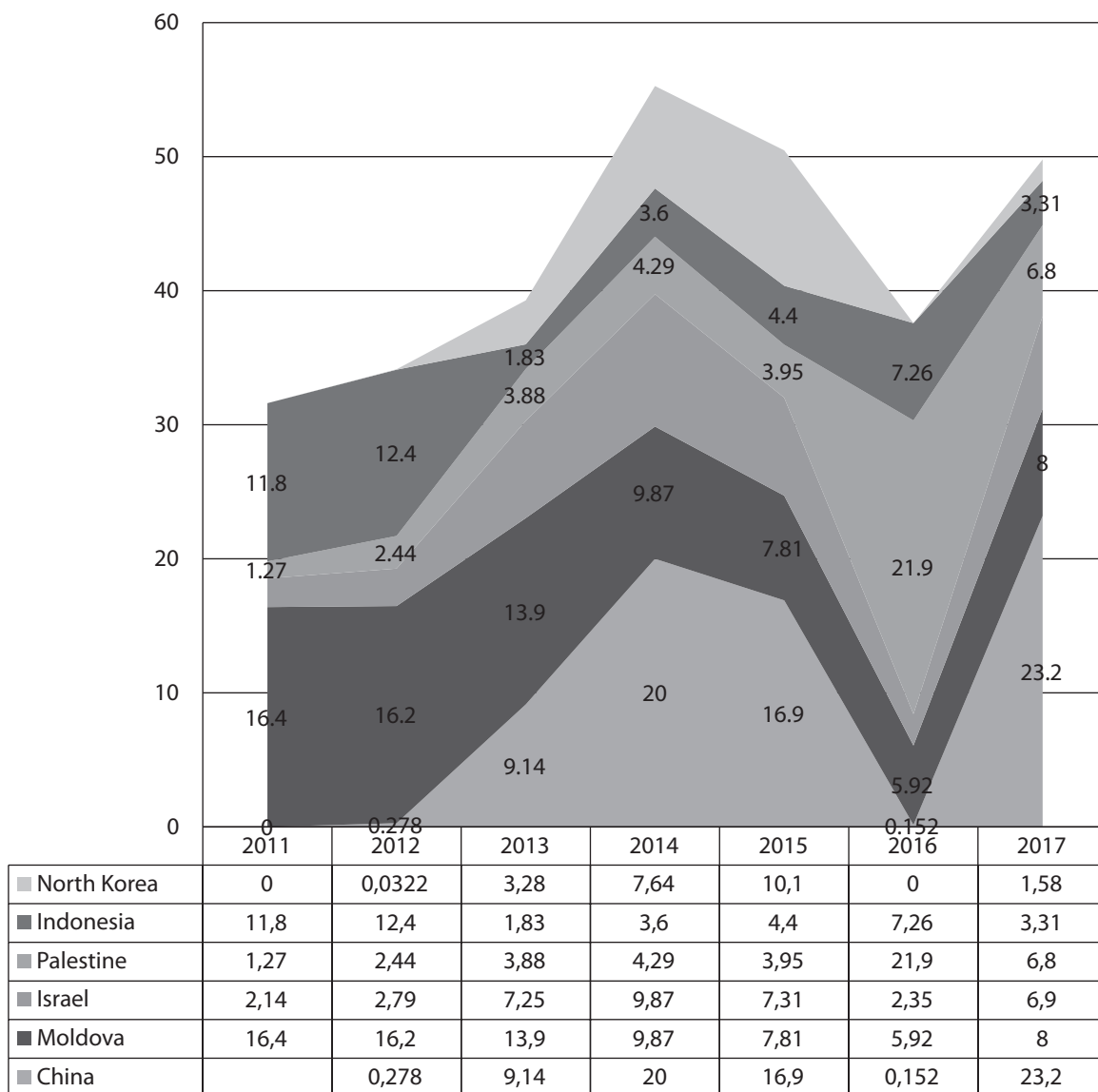


Fig. 4. Group of countries to which Ukraine exports the largest volume of the product 1101 – Wheat or meslin flour

Source: developed by the author based on [7].

- ✦ Ukraine’s exports are diversified, i. e., it exports the product to more than 30 countries of the world;
- ✦ the total consumption of the product 1101 in the international market tends to decrease;
- ✦ Ukraine’s exports of the product 1101 to the markets of consuming countries has a tendency to change, is declining or growing, which indicates unstable market positions of the country;
- ✦ there are a large number of markets in which Ukraine is represented occasionally, i.e., it exported only once or stopped exporting, which are also Ukraine’s under-served markets and require further work to intensify our export activities.

STEP 3. “Identification of markets with a large volume of imports of the product and determination of the share of the Ukrainian product on them”.

At Stage 3, we will compare the volume of imports of the product by the largest consumers in the world and

the geographical structure of exports of Ukrainian companies. As a result, we will obtain the share of the domestic product in foreign markets.

We will group these markets and identify under-served ones – i. e., those markets where we can significantly increase exports of the product and its market share.

The general scheme of Stage 3 aimed at determining the share of the Ukrainian product in foreign markets is shown in Fig. 5.

Based on the developed scheme for determining the share of the Ukrainian product 1101 in foreign markets, we will compare the exports of the domestic product to the largest importing countries in the world with the total exports of the product on their markets. The results of the comparison are presented in Tbl. 5.

Analyzing the results of the comparison, it should be noted that Ukraine exports the product to 13 countries from among the 32 largest countries importing it.

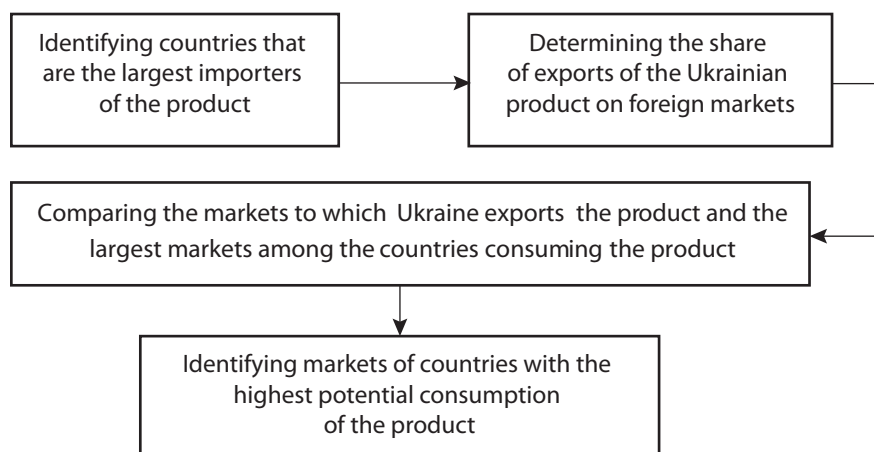


Fig. 5. Scheme of Stage 3 “Determination of the share of the Ukrainian product in foreign markets”

Source: developed by the author.

Table 5

Share of exports of Ukrainian companies on the markets of countries importing the product 1101, USD mln

| Country | Year | | | | | | |
|---|------------|------------|------------|------------|-------------|-------------|-------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Volume of the imported product on the market of Angola | 213.0 | 210.0 | 250.0 | 211.0 | 229.0 | 159.0 | 169.0 |
| Volume of exports of the product from Ukraine | 0.0 | 0.1 | 0.3 | 0.0 | 1.5 | 0.0 | 10.4 |
| Market share, % | 0.0 | 0.0 | 0.1 | 0.0 | 0.7 | 0.0 | 6.2 |
| Volume of the imported product on the market of the USA | 122.0 | 116.0 | 130.0 | 152.0 | 173.0 | 172.0 | 184.0 |
| Volume of exports of the product from Ukraine | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Market share, % | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Volume of the imported product on the market of Hong Kong | 114.0 | 120.0 | 123.0 | 123.0 | 118.0 | 109.0 | 107.0 |
| Volume of exports of the product from Ukraine | 0.0 | 0.0 | 0.6 | 0.7 | 0.6 | 0.0 | 1.5 |
| Market share, % | 0.0 | 0.0 | 0.5 | 0.6 | 0.5 | 0.0 | 1.4 |
| Volume of the imported product on the market of Indonesia | 281.0 | 173.0 | 75.6 | 70.4 | 29.8 | 39.8 | 16.6 |
| Volume of exports of the product from Ukraine | 11.8 | 12.4 | 1.8 | 3.6 | 4.4 | 7.3 | 3.3 |
| Market share, % | 4.2 | 7.2 | 2.4 | 5.1 | 14.8 | 18.2 | 19.9 |
| Volume of the imported product on the market of Thailand | 103.0 | 106.0 | 89.7 | 75.3 | 64.5 | 56.6 | 44.5 |
| Volume of exports of the product from Ukraine | 0.4 | 1.0 | 1.7 | 1.1 | 0.0 | 0.0 | 0.0 |
| Market share, % | 0.3 | 1.0 | 1.9 | 1.4 | 0.0 | 0.0 | 0.0 |
| Volume of the imported product on the market of Philippines | 54.6 | 87.0 | 84.8 | 95.9 | 92.4 | 57.4 | 49.1 |
| Volume of exports of the product from Ukraine | 0.1 | 0.2 | 0.4 | 1.4 | 2.2 | 1.0 | 0.2 |
| Market share, % | 0.2 | 0.2 | 0.5 | 1.4 | 2.4 | 1.8 | 0.5 |
| Volume of the imported product on the market of Syria | 3.3 | 19.2 | 113.0 | 119.0 | 99.0 | 108.0 | 80.4 |
| Volume of exports of the product from Ukraine | 0.0 | 0.0 | 6.1 | 3.0 | 2.7 | 0.0 | 0.0 |
| Market share, % | 0.4 | 0.0 | 5.4 | 2.5 | 2.7 | 0.0 | 0.0 |
| Volume of the imported product on the market of Singapore | 50.8 | 59.8 | 64.6 | 58.3 | 51.7 | 47.8 | 50.2 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|------------|------------|-------------|-------------|-------------|------------|-------------|
| Volume of exports of the product from Ukraine | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 1.6 |
| Market share, % | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 3.3 |
| Volume of the imported product on the market of United Arab Emirates | 127.0 | 33.4 | 44.4 | 26.6 | 42.7 | 43.6 | 39.1 |
| Volume of exports of the product from Ukraine United Arab Emirates | 0.1 | 0.0 | 0.1 | 0.1 | 0.3 | 1.3 | 6.8 |
| Market share, % | 0.1 | 0.1 | 0.2 | 0.2 | 0.6 | 2.9 | 17.3 |
| Volume of the imported product on the market of North Korea | 0.0 | 70.9 | 79.5 | 44.8 | 18.7 | 59.2 | 36.6 |
| Volume of exports of the product from Ukraine | 0.0 | 0.0 | 3.3 | 7.6 | 10.1 | 0.0 | 1.6 |
| Market share, % | 0.0 | 0.0 | 4.1 | 17.1 | 54.0 | 0.0 | 4.3 |
| Volume of the imported product on the market of Somalia | 53.3 | 41.5 | 209.0 | 107.0 | 97.9 | 87.4 | 83.6 |
| Volume of exports of the product from Ukraine | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.4 |
| Market share, % | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.4 |
| Volume of the imported product on the market of China | 7.8 | 8.8 | 19.6 | 42.7 | 40.2 | 39.8 | 81.4 |
| Volume of exports of the product from Ukraine | 0.0 | 0.3 | 9.1 | 20.0 | 16.9 | 0.2 | 23.2 |
| Market share, % | 0.0 | 3.2 | 46.6 | 46.8 | 42.0 | 0.4 | 28.5 |
| Volume of the imported product on the market of the United Kingdom | 39.3 | 35.4 | 54.5 | 58.6 | 48.1 | 46.3 | 46.1 |
| Volume of exports of the product from Ukraine | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 2.3 |
| Market share, % | 0.3 | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 | 5.0 |

Moreover, with the exception of China and North Korea, Ukrainian exporters have small shares in the largest markets in the world. This situation points to the need to mainstream the issue of increasing the efficiency of export activities in these markets.

The top 5 countries of flour importers include: Iraq, Afghanistan, the Netherlands, Uzbekistan and Ireland. However, Ukrainian companies are not represented in the markets of these countries. Fig. 6 illustrates the behavior of the volumes of the imported product with the code 1101 for 2011–2017.

Having analyzed the data, we can note that the group of the top 5 importers of the product 1101 demonstrates an increase in the imports of the product due to Iran and Afghanistan – which are the largest countries importing flour. Given that these countries are the largest markets for the product 1101, Ukrainian companies need to search for ways to enter these markets.

Another group of the largest importers of the product includes countries where Ukrainian manufactures are not represented (Fig. 7).

The volume of imports in the group of countries that are the largest importers of flour, but where the product of Ukrainian manufactures is not represented, shows signs of a downward trend, in particular due to a decrease in imports in Brazil, Bolivia, Malaysia and Guinea. At the

same time, flour imports are growing in France, Bolivia, Sudan, Saudi Arabia and Canada.

Taking into account the volume of imports of the product to the markets of these countries, we can conclude they have significant potential and are under-served for Ukrainian companies.

Thus, based on the comparison of the geographical structure of exports of flour and the largest importers of the product in the world market, it is found that the product of domestic manufacturers is not represented in countries with large consumption volumes, which requires the intensification of export activities and search for ways to enter these markets.

STAGE 4. “Assessment of prospects for exporting to under-served markets”

After identifying the largest import markets for the product 1101 and the share of Ukrainian manufactures of the product in these markets, it is reasonable to analyze factors that significantly affect exports to these countries and select the most promising under-served markets.

The general scheme of Stage 4 aimed at evaluating prospects for exporting to under-served markets is shown in Fig. 8.

As a result of the previous stage, we compiled a large list of countries importing flour (product 1101), in the markets of which domestic manufacturers can increase their presence. To optimize the identification of

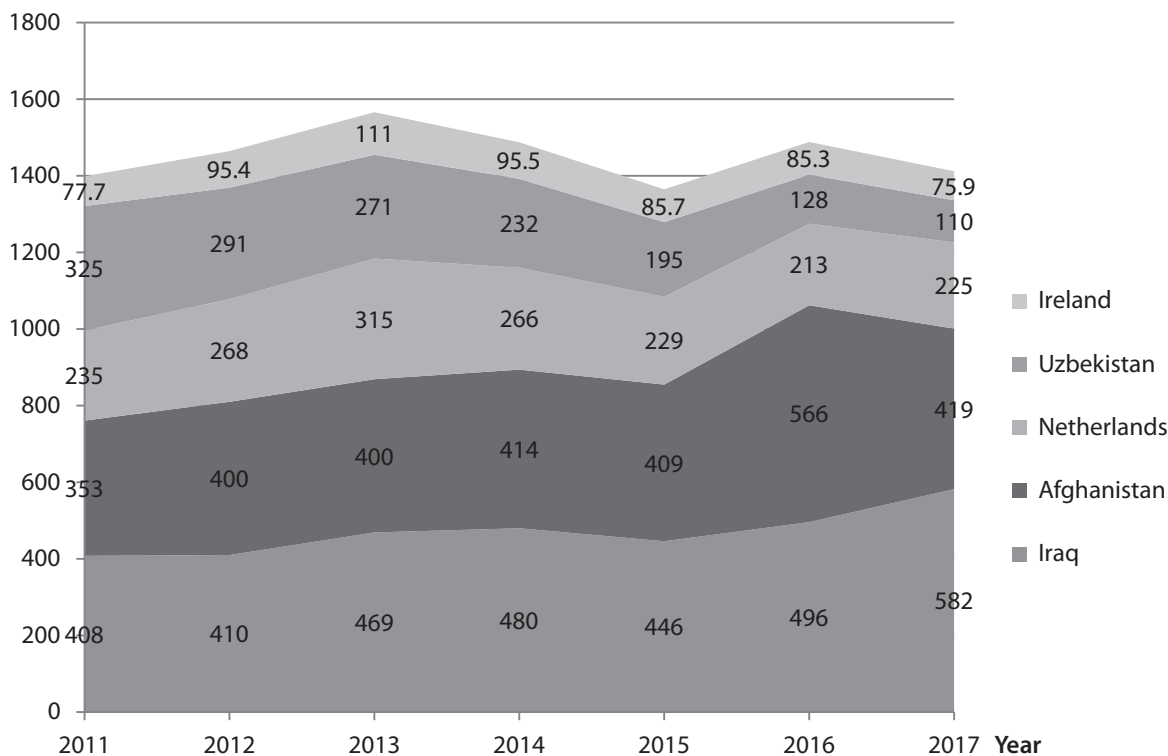


Fig. 6. Trends in the markets of the top 5 countries importing the product 1101, in which domestic manufacturers are not represented

Source: developed by the author based on [7].

promising under-served markets, it is advisable to select the most promising ones using a number of criteria.

The criteria for assessing the priority of under-served markets considered in [9], include the following ones:

- ✦ market value (volumes of imported products and the total market value);
- ✦ trends in the market development (growth, stagnation, decline);
- ✦ marginality (export profitability, export performance);
- ✦ trade barriers (technical, phytosanitary, logistic barriers; quotas, tariff and customs regulations, etc.) [6];
- ✦ competitive situation in the market (ease of entry and internal competitive situation in the market).

This will make it possible to collect the necessary data on each product from the group 1101 and each of under-served markets individually to make a comparison of the markets among themselves and determine the under-served market of the highest priority.

Thus, we can sum it up that the under-served market is a comprehensive characteristic of the market environment with a specific product group described by a set of criteria for assessing potential for exporting the product and expected results of its sale. Comparing the results of calculation of the specified criteria and building the comparative model will make it possible to identify under-served markets and intensify export activities of Ukraine in accordance with its export strategy [10]. ■

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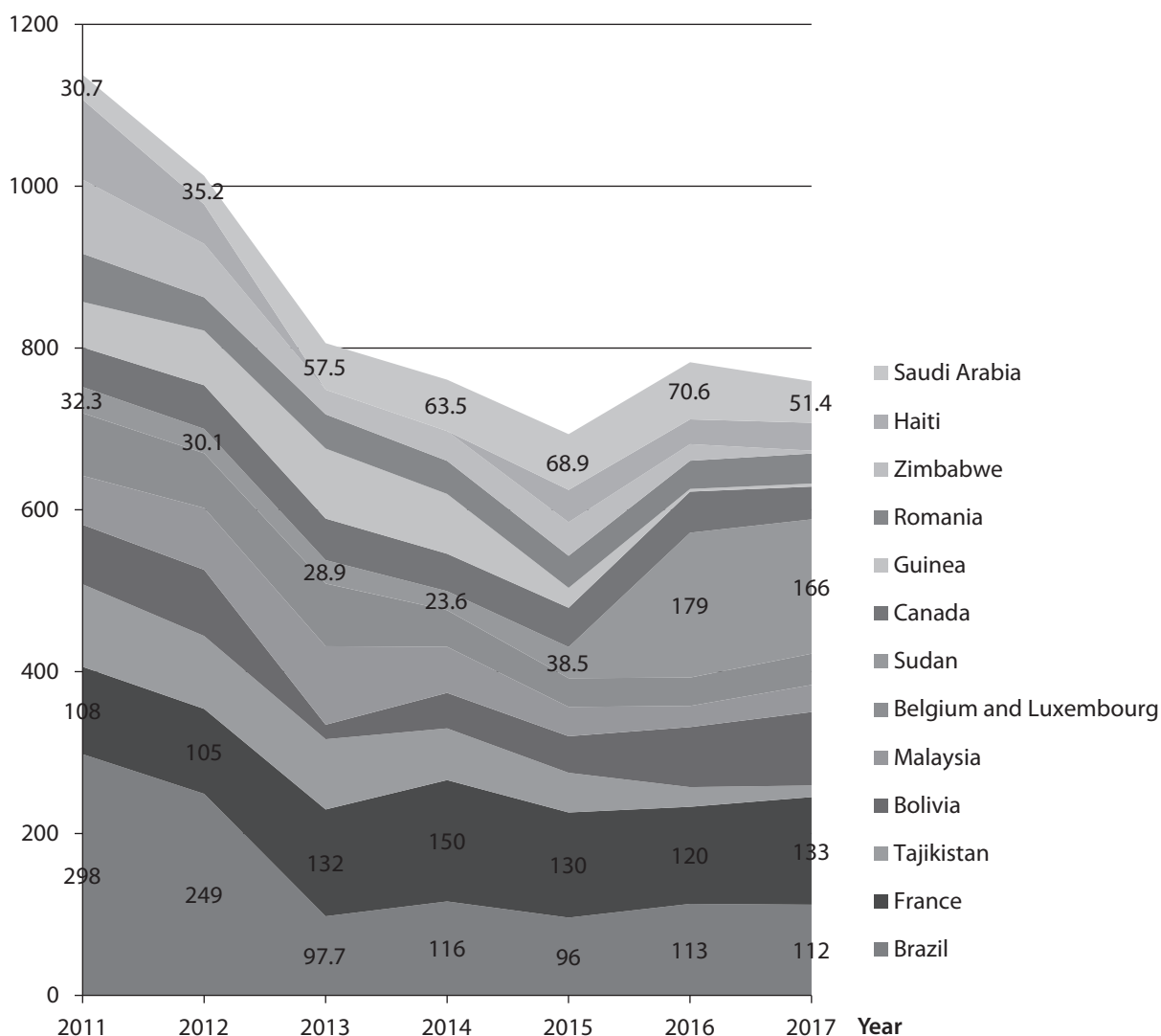


Fig. 7. The largest countries importing the product 1101 to which Ukrainian manufactures do not export

Source: developed by the author based on [7].

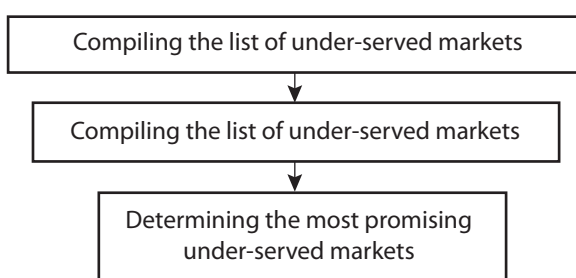


Fig. 8. Scheme of Stage 4 "Assessment of prospects for exporting to under-served markets"

Source: developed by the author.

shvalennya-eksportnoi-strategiyi-ukrayini-dorozhnoyi-karti-strategichnogo-rozvitku-torgivli-na-20172021-roki

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УДК 334.723

JEL: G32; G34; G38; H11; H82

УПРАВЛІННЯ КОРПОРАТИВНИМИ ПРАВАМИ ДЕРЖАВИ: ОЦІНКА ЕФЕКТИВНОСТІ ТА НАПРЯМИ РЕФОРМУВАННЯ

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JEL: G32; G34; G38; H11; H82

Коляда Т. А., Кузьменко Н. В. Управління корпоративними правами держави: оцінка ефективності та напрями реформування

Мета статті полягає у визначенні сутності корпоративного управління, здійсненні оцінки ефективності управління корпоративними правами держави, розкритті чинників впливу та обґрунтуванні основних напрямів реформування у цій сфері в Україні. Доведено, що розглядати ефективність управління корпоративними правами держави доцільно через призму отриманих надходжень до бюджету та/або наданих суспільних благ і послуг. Підприємства з державною часткою власності у статутному капіталі сплачують податки до бюджету за загальною системою оподаткування, як і підприємства іншої форми власності. При цьому додатково перераховують до бюджету частину чистого прибутку та дивідендів у вигляді неподаткових платежів. На основі дослідження динаміки питомої ваги надходжень до Державного бюджету України від управління корпоративними правами держави за 2014–2018 рр. було доведено, що існує тренд щодо зростання фіскального потенціалу державної власності. Це опосередковано свідчить про ефективність управління майном, що є об'єктом права держави. Визначено основні чинники, що впливають на обсяг надходжень до бюджету коштів, отриманих від управління державним майном; розкрито основні загрози щодо зростання ефективності корпоративного управління об'єктами державної власності. Перспективою подальших досліджень у даному напрямі є доведення необхідності забезпечення політичної підтримки запроваджених реформ у сфері управління державними підприємствами задля практичної реалізації всіх переваг корпоративного управління правами держави з урахуванням кращого зарубіжного досвіду та національних традицій.

Ключові слова: управління корпоративними правами держави, ефективність корпоративне управління, надходження до бюджету від управління державним майном.

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Рис.: 2. **Табл.:** 2. **Бібл.:** 15.

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Коляда Т. А., Кузьменко Н. В. Управление корпоративными правами государства: оценка эффективности и направления реформирования
Цель статьи заключается в определении сущности корпоративного управления, осуществлении оценки эффективности управления корпоративными правами государства, раскрытии факторов влияния и обосновании основных направлений реформирования в этой сфере в Украине. Доказано, что рассматривать эффективность управления корпоративными правами государства целесообразно через призму полученных поступлений в бюджет и/или предоставленных общественных благ и услуг. Предприятия с государственной долей собственности в уставном капитале платят налоги в бюджет по общей системе налогообложения, как и предприятия другой формы собственности. При этом дополнительно перечисляют в бюджет часть чистой прибыли и дивидендов в виде неналоговых платежей. На основе исследования динамики удельного веса поступлений в Государственный бюджет Украины от управления корпоративными правами государства за 2014–2018 гг. было доказано, что существует тренд возрастания фискального потенциала государственной собственности. Это опосредованно свидетельствует об эффективности управления имуществом, которое является объектом права государства. Определены основные факторы, влияющие на объем поступле-

UDC 334.723

JEL: G32; G34; G38; H11; H82

Koliada T. A., Kuzmenko N. V. Management of Corporate Rights of the State: Evaluation of Efficiency and Directions of Reforming
The article is aimed at defining the essence of corporate management, evaluating the efficiency of corporate management, disclosing the factors of influence and substantiating the main directions of reforms in this sphere in Ukraine. It is proved that an appropriate consideration of the efficiency of management of corporate rights of the State be made through the prism of revenues received to the budget and/or the public goods together with services provided. Enterprises with a State-shared ownership in the statutory capital pay taxes to the budget under the general tax system, same as enterprises with other forms of ownership. At the same time, part of the net profit and dividends in the form of non-tax payments are additionally transferred to the budget. Based on the study of dynamics of the share of revenues to the State Budget of Ukraine from the management of corporate rights of the State for 2014-2018, it is proved that there is a trend of increasing the fiscal potential of public property. This indirectly demonstrates the efficiency of property management, which is the object of the rights of the State. The main factors influencing the amount of revenue received