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INTERNAL AND EXTERNAL FACTORS OF COMPANIES PERFORMANCE IN THE UKRAINIAN CAR MARKET

The article analyzes the car market in Ukraine and contemporary issues automotive industry dynamics in Ukraine for five years. Disclosed changes in sales and production of vehicles affected by the economic crisis. The qualitative and structural changes in the market of cars. The main internal and external factors that influence the car market in Ukraine.

Key words: car market, factors of development, specialties of the operation.

Рифяк Р. Р.

ВНУТРІШНІ ТА ЗОВНІШНІ ЧИННИКИ ВПЛИВУ НА ЕФЕКТИВНІСТЬ ФУНКЦІОНУВАННЯ ПІДПРИЄМСТВ НА РИНКУ АВТОМОБІЛІВ УКРАЇНИ

У статті здійснено аналіз ринку автомобілів в Україні та сучасних проблем автомобільної промисловості України в динаміці за п'ять років. Розкриті зміни, що відбулися у сфері продажу та виробництва автомобілів під впливом економічної кризи. Досліджено якісні та структурні зміни ринку автомобілів. Визначено основні внутрішні та зовнішні чинники, які впливають на ситуацію на ринку автомобілів в Україні.

Ключові слова: автомобілі, ринок, чинники розвитку, особливості функціонування.

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ВНУТРЕННИЕ И ВНЕШНИЕ ФАКТОРЫ ВЛИЯНИЯ НА ЭФФЕКТИВНОСТЬ ФУНКЦИОНИРОВАНИЯ ПРЕДПРИЯТИЙ НА РЫНКЕ АВТОМОБИЛЕЙ УКРАИНЫ

В статье осуществлен анализ рынка автомобилей в Украине и современных проблем автомобильной промышленности Украины в динамике за пять лет. Раскрыты изменения, произошедшие в сфере продаж и производства автомобилей под воздействием экономического кризиса. Исследованы качественные и структурные изменения рынка автомобилей. Определены основные внутренние и внешние факторы, влияющие на ситуацию на рынке автомобилей в Украине.

Ключевые слова: автомобили, рынок, факторы развития, особенности функционирования.

Formulation of the problem in general and its relationship to important scientific and practical tasks. The car market is one of the most dynamic sectors of the domestic market of the last 10 years in Ukraine. However, this market has suffered a severe blow of the financial crisis of 2008-2009, that resulted in a significant fall in cars trade: in 2009-2010 reduced the number of companies working in this area (40%), significantly increased the number of loss-making trade (54%), decreased the amount of turnover (57%), so that Ukraine lost position in the general ranking volume automotive market. One of the dominant factors to overcome the crisis trends and the transition to sustainable development of Ukraine is to ensure the financial and economic performance and increase profitability functioning business car market. In terms of the growing cost of financial resources it has become a major profit source of funding for economic development activities and commercial enterprises.

Analysis of recent studies of the problem. Circle the aforementioned problems of the effective functioning of commercial enterprises in the domestic market with varying degrees of depth viewed I. Blank, L. Balabanov, S. Barantsev, V. Blonskaya, R. Valevych, A. Potter, L. Donets, G. Kramarenko, LA Lihonenko, A. Mazaraki, B. Mizyuk, N. Mitsenko, A. Orlov, A. Poddyerohin, S. Pokropyvnyy, A. Sadyekov, Ushakov, A. Histyeva, W. Huda, A. Sheremet et al. Along with this, in terms of instability of the economy some theoretical

principles and methodological tools of management of financial and economic results of the enterprises involved in commercial activity in the car, require specification and development.

The purposes of article. The aim of the paper is to identify the main problems concerning the formation of financial and economic performance of enterprises functioning in the market of cars in Ukraine and outline ways to increase the efficiency of the management of their profits.

The main material of research and explanation of scientific results. Analysis of major trends and issues in the automotive market of Ukraine has allowed to isolate a number of key factors external nature that shape the dynamics of the automotive market in the near future. In particular:

- A significant reduction in all macroeconomic indicators (GDP decline, decline in purchasing power, real wages, employment, income, etc.) does not allow to trade cars hope for recovery in car sales in 2008 in the short term, and therefore substantial increase profitability and profitability of their operations. In 2010-2012 years the situation has slightly improved but did not reach pre-crisis levels;

- One of the most important external factors is the lack of a clear mechanism for loans that could significantly expand the demand for cars in today's environment. Today, some car dealers and auto company develop its own financial programs to stimulate sales. However, even with their participation, the availability of car loans is still far from pre-crisis credit conditions: terms the vast majority of the proposals are short-term (1-3 years), and the initial fees range from 30% to 70% of the car price constraint. Therefore criterial condition of both the Ukrainian car market and the domestic automotive industry, is to encourage and cheaper consumer car loans;

- Destabilizing factor in the expansion of the auto market is unstable Ukrainian currency and imperfect legislation. Evaluation of protective measures for domestic automaker can talk about their low efficacy (Ukrainian car market share continues to fall and the state budget loses significant amounts of customs duties);

- Can be considered a negative factor and the lack of state target economic program of the automotive industry and car market regulation. The concept of a program developed by the Ministry of Industry of Ukraine back in 2008 [2], but to date not entered;

- Additional competitive pressure on enterprises of motor vehicles exerted by the used car market, the main operators which act as individual entrepreneurs should also be attributed to the significant environmental factors. This individual entrepreneurs were more competitive during the crisis due to a much lower level of transaction costs when selling cars.

The mentioned factors affect the exogenous environment functioning of the domestic car market and determine the direction of development in the near future. At the same time, equally important is the set of internal factors in the development of the automotive market of Ukraine, in particular those which are formed on the micro level. These factors should be ranked: organizational and economic enterprise management system of motor vehicles, managing the results of financial and economic activity of the enterprise, the enterprise development strategy, dividend policy, the availability of financial resources for the development of others.

In order to determine the effect of external factors on the development of trade in cars feasible forecasting performance management system of profit. In particular, to study the effectiveness of management (performance review in the context of the development and use of business profits) will build a series of regression models. At the base of modeling underlying economic hypotheses that relationship between factors of formation and distribution of profits of trade cars are qualitatively.

The basic hypotheses developed models determined that the effectiveness of the management of trade in motor vehicles is characterized by a number of the following

parameters: the volume of investment in fixed assets, the volume of dividend payments, the rate of change of fixed capital investment, the rate of change in dividend payments (resulting $U1, U2, U3, V4$), which independent of income ($X1$), the rate of change in income ($X2$), the tax factor ($X3$) and the amount of retained earnings ($X4$). Initial data for the analysis are presented in Table. 1.

Table 1

Initial data for regression modeling efficiency profit management car trade companies

	Investments in assets, thous.	The amount of dividend payments, thous.	The rate of change of investment in assets, %	Rate of change in dividend payments, %	Profit volume, thous	Rate of profit change, %	Tax rate, %	Volume of retained earnings, thous.
	Y_1	Y_2	Y_3	Y_4	X_1	X_2	X_3	X_4
2006	10210,3	15714	89,4	128,0	67 856,4	588,92	28,8	1 307 632
2007	18813,8	93096	84,26	492,44	116 313,8	1614,11	26,9	179 409
2008	3303,4	254	-82,44	-99,73	-211 143	-281,53	28,3	977 822
2009	2095	486	-36,58	91,34	-18 021	-91,47	29,7	1 009 693
2010	6234	3081	197,57	533,95	58 229	423,12	27,8	1 072 970
2011	7004	5870	12,35	90,5	74 087	272,3	28,1	1 190 012
2012	9375	5722	33,85	-1,68	80 291	8,37	27,9	928 045

The results of correlation and regression analysis are presented in Tables 2 and 3.

Table 2

Correlations between the formation and distribution of the profits of trade cars for the 2006-2012 years

	Investments in assets, thous.	The amount of dividend payments, thous.	The rate of change of investment in assets, %	Rate of change in dividend payments, %	Profit volume, thous	Rate of profit change, %	Tax rate, %	Volume of retained earnings, thous.
Investments in assets, thous.	1							
The amount of dividend payments, thous.	-0,469	1						
The rate of change of investment in assets, %	0,553	-0,414	1					
Rate of change in dividend payments, %	-0,355	0,306	-0,353	1				
Profit volume, %	0,714	0,151	0,759	0,836	1			
Rate of profit change, %	0,694	0,131	0,030	-0,537	0,541	1		
Tax rate, %	-0,709	-0,724	-0,235	-0,810	-0,773	-0,749	1	
Volume of retained earnings, thous.	0,979	-0,307	0,773	-0,601	0,700	0,713	-0,037	1

Testing of the above regression equations for adequacy using the coefficients of determination and correlation proved their quality admissibility. Fisher F-statistic confirms

the applicability of regression models for individual observations and results obtained nonrandomness - Fkr. <Fsp ..

The resulting model can be applied in practice subjects of trade cars in predicting the effectiveness of decision-making regarding the management of profit in the short period. In addition, the proposed regression equation can serve as a tool-based development policy of tax incentives for investment trade cars companies.

Table 3

Regression models depending on factors forming and using the profits of trade cars in 2006-2012

Regression model	Interpretation	R ²
$V_1 = 4127 + 8,883x_2$ V_1 – Investments in assets, thous.; x_2 – Rate of profit change, %	Increasing the rate of change of profit commercial enterprises by 1% will lead to increased investment in their capital to 8.883 thousand.	R ² =0,956
$V_4 = 224,6 + 0,01x_1$ V_4 – Rate of change in dividend payments, % x_1 – Profit volume, %	With increasing amounts of profit commercial enterprises per 1 thousand. rate of change in dividend payments rise by 0.01%	R ² =0,646
$V_1 = 14526 - 4845x_3$ V_1 – Investments in assets, thous.; x_3 – Tax rate, %	Increasing the tax factor by 1% lead to a decline in investment in fixed assets in 4845 ths. Increasing the tax burden negative impact on the volume of investment in fixed assets of enterprises	R ² =0,607
$V_2 = 81222 - 27904x_3$ V_2 – Rate of change in dividend payments, %; x_3 – Tax rate, %	With an increase in the tax burden (effective income tax rate) of 1% volume of dividend payments decrease by 27,904 thousand. This confirms the urgent need to reduce the tax burden on business in Ukraine	R ² =0,638
$V_2 = 39,82 + 0,499x_2$ V_2 – The rate of change of investment in assets, % x_2 – Rate of profit change, %	Increasing the rate of change of profit commercial enterprises will lead to a 1% increase in the growth rate of investment in fixed capital by 0.499 %	R ² =0,859
$V_4 = 106,6 + 0,272x_2$ V_4 – Rate of change in dividend payments, %; x_2 – Rate of profit change, %	Increasing the rate of change of profit commercial enterprises by 1% will increase the growth rate of dividend payments to 0,272 %	R ² =0,544

Results of regression modeling suggest:

1) the investment policy of the company is determined not so much the volume of profit as the pace of its growth. That decision to invest in fixed assets of enterprises of cars are accepted mainly due to raise the growth rate of earnings. Thus during the period studied such factors as the amount of retained earnings (the presence of savings in the company) had no significant effect on the process of investment companies;

2) with an increase in the rate of change of the profit of trade cars their management is more inclined to increase investment in fixed assets rather than raising dividend payments, confirming the increase in the growth rate of investment in fixed assets by increasing the rate of change of earnings;

3) one of the determining factors of enterprise revenue management policy is a state tax policy and tax burden on the entity. Rising tax factor causing negative impact on the level of payment of dividends and the amount of investments in fixed assets of the company.

Conclusions. The current stage of reform of state regulation of business activity in Ukraine is accompanied by a number of positive aspects. Thus, the result of the tax reform is to reduce the key tax rates, including corporate income tax and value added tax. However, we believe that the remaining issues are some problems and inconsistencies in the Code on reducing the tax burden on businesses.

Questionable in terms of appropriateness and effectiveness are provisions on reduced rates of VAT. This tax is one of the indirect taxes, so the actual subject of taxation is the end user, not the company that pays him. Thus, reducing the rate of VAT to 17% in acute shortage of resources is not optimal in terms of economic efficiency. In our view, it is necessary to focus on reducing the implicit tax rate on profits and only if resources move to lower rates of value added tax, but in the long run. This reduction of the tax would allow businesses to build a more effective policy management profit, direct it towards investment company or dividend payments to shareholders.

The lack of systematic optimization of taxation leads to excessive amount of tax collection while reducing turnover and, consequently, a critical reduction of working capital business and profits. Lack of appropriate tax incentives leads to a deterioration of the financial sustainability of commercial enterprises, falling of investment activity, slowing development.

The set of studied factors and trends form the external and internal environment functioning car market in Ukraine, and, therefore, must be taken into account by enterprises of motor vehicles in determining the strategic and tactical goals of development and formation mechanisms of Management.

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