

DIGITALES ARCHIV

ZBW – Leibniz-Informationszentrum Wirtschaft
ZBW – Leibniz Information Centre for Economics

Loi, Anna

Article

Evaluation of the economic potential of trade industry companies of Ukraine

Reference: Loi, Anna (2022). Evaluation of the economic potential of trade industry companies of Ukraine. In: *Economy and forecasting* (3), S. 94 - 109.
http://econ-forecast.org.ua/?page_id=189&lang=uk&year=2022&issueno=3&begin_page=94&mode=get_art&flang=en.
doi:10.15407/econforecast2022.03.094.

This Version is available at:
<http://hdl.handle.net/11159/630001>

Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics
Düsternbrooker Weg 120
24105 Kiel (Germany)
E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)
<https://www.zbw.eu/econis-archiv/>

Standard-Nutzungsbedingungen:

Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte.

<https://zbw.eu/econis-archiv/terms-of-use>

Terms of use:

This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence.



Anna Loi¹

EVALUATION OF THE ECONOMIC POTENTIAL OF TRADE INDUSTRY COMPANIES OF UKRAINE

The economic potential of Ukraine's trade industry for the period 2014-2020 is estimated based on the analysis of structural changes in the industry and economic potential of trade companies. Pre-war performance indicators show that the trade industry of Ukraine was one of the drivers of the economy. At the same time, the period of the beginning of the COVID restrictions led to the growth of not only e-commerce, but also trade in general. But Russia's full-scale invasion of Ukraine, which began on February 24, 2022, caused a great damage to both the Ukrainian economy in general and the trade industry in particular.

The study reveals the consolidation of regional business trading companies and further specialization of small businesses.

The drivers of the trade industry development are the growth of information and technical and technological potential of its companies. Accordingly, among the priority areas for capital investment in the industry are software, and obtaining patents, licenses and trademarks, both own and those obtained by partner companies.

Assessment of the financial potential of companies in the trade sector reveals a tendency to move from long-term to short-term financing, which indicates increased business risks. The sources of the risks include the rising energy prices and instability of the foreign economic situation with constant changes in the regulation of the industry.

Estimates of the economic potential of Ukraine's trade industry are supplemented by an analysis of warehousing, which is a related industry for trade. As cases of destruction of warehouses during the current hostilities have shown, the development of warehousing is critical for the realization of the economic potential of trade. It was found that the warehousing industry shows uneven development by region. Based on the analysis, the author formulates a series of

¹ **Loi, Anna Volodymyrivna** - Postgraduate at the Department of Economics and Business Finance, State University of Trade and Economics (19, Kyoto Str., Kyiv, 02156, Ukraine), ORCID: 0000-0002-4092-887X, Researcher ID: GLS-1165-2022; e-mail: a.loi@knute.edu.ua

recommendations on the directions of economic policy for the post-war recovery of trade and warehousing.

Keywords: *potential, economic potential, trade, company*

Problem statement. The trade industry is one of the most important components of the national economy, and trade is a driver of economic development of territories. However, today the Ukrainian economy is experiencing the most severe economic crisis since independence. As a result of the full-scale invasion of Ukraine by the Russian Federation on February 24, 2022, its trade industry suffered heavy losses, losing about 25-35% of its 2021 turnover.

The last four years was a challenge for the global economy as a whole. The attraction of additional financial resources to the economy in the form of COVID-19 payments, along with measures to protect against the coronavirus pandemic, caused a slowdown. The IMF and the World Bank revised their growth forecasts for both the global economy and the largest economies downward.

A certain way out of this situation is to optimize operations or search for internal sources to reduce costs and find new opportunities in the market. Therefore, the analysis and assessment of the economic potential of trade companies will help to see promising areas of development of the entire industry.

The analysis of research and publications. The main aspects of economic potential management were widely studied in the scientific literature, but views on the approaches to its study vary widely. The most commonly used approaches are process based, systemic, and situational ones, but the most common is the systemic approach. In particular, it is used in the studies of D. Vasylykivsky, who notes its universality (Vasylykivsky, 2015) [1], while O. Maslak and O. Bezruchko emphasize the importance of the interrelationships of the structural elements of potential (Maslak & Bezruchko, 2014) [2]. However, there is no generally accepted approach to assessing economic potential in the scientific literature, and each researcher offers his or her own methodology. Some scholars [3, 4] focus on the use of the cost (performance) based approach to assessing potential. And S. Zubkov considers the resource potential as the basis for improving the efficiency of a trade company, which he proposes to evaluate, taking into account its specificity and the importance of its elements using the cost approach [5]. However, O. Emelyanov notes that the assessment of potential should be based on the identification of key competencies in the market, their importance and the level of interconnections, whose improvement will contribute to the company's development [6].

V. Nusinov and N. Shura investigated the importance of taking into account the sectoral features and the use of the cluster approach [7]. Also, N. Shura substantiates the importance of taking into account the time factor in assessing the potential of companies through the use of adjusting (weighting) coefficients that take into account not only the stage of the company's life cycle, but also the stage

of the country's economic cycle [8]. In general, the issues of comprehensive assessment of the economic potential of the industry remain open and require further research.

The study of the economic potential of an industry is a rather specific issue, and most researchers conduct it based on a company (companies) or region.

Sectoral potential is assessed using a comprehensive indicator, based on an assessment of not only the potential of the industry as such, but also that of the industries serving it. In the case of trade, logistics plays a huge role. The analysis of household incomes deserves special attention, as they are the source of effective demand. K. Yermakova [10], V. Rovenska, Yu. Burkatskyi [11], G. Kopteva [12], G. Kis [4, 13], M. Balaban, P. Balaban [14], S. Zubkov [5, 15], N. Krasnokutskaya, O. Kruglova [16], L. Frolova, K. Ivanchuk [17] analyze the trade sector of Ukraine and its economic potential.

Among the scholars who studied the economic potential of industries and its components, it is worth noting such as V. Yesina, O. Rudachenko [18], O. Komlichenko, N. Rotan [19], O. Amosha, V. Antonyuk [20] and others [21-25]. Among foreign scientists, the economic potential of industries in the context of green economy and sustainable development was studied by L. Cernat and A. Antimiani [26], T. Kenderdine and P. Bucsky [27], J.M. Ahlström [28], and A. Qosimov [2].

The purpose of the article is to assess the economic potential of the trade industry of Ukraine based on the analysis of the pre-war activities of trade companies and in the regional context of warehousing companies as adjacent to the trade industry.

Research methods: abstraction, comparison, analysis and synthesis, induction and deduction.

Summary of the main material. The global trade industry generates a quarter of the world's GDP. In Ukraine, its share is 13.9%, and it was one of the few industries that showed growth throughout the quarantine restrictions.

When assessing the economic potential of the trade industry, its largest component, the financial potential, plays an important role, which is related not only to the specifics of business processes at the industry's enterprises, but also to the structure of exports/imports of our country.

Analyzing the structure of Ukraine's trade industry by the number and size of companies (Table 1), one can note that between 2014 and 2020, the number of companies in the industry decreased by more than 162 thousand, or 17.56%, with a drop in the number of business entities occurring in small businesses (by 17.5%), while the share of large businesses increased by almost 27%.

Table 1

Structure of the Ukrainian trade industry by company size

Years	Total	Big companies		Medium-sized companies		Small businesses	
		<i>items</i>	<i>%</i>	<i>items</i>	<i>%</i>	<i>items</i>	<i>%</i>
2014	988694	126	0.013	3190	0.013	985378	99.987
2015	989064	106	0.011	2850	0.011	986108	99.989
2016	910413	116	0.013	2761	0.013	907536	99.987
2017	837797	129	0.015	2972	0.015	834696	99.985
2018	818217	135	0.017	3196	0.017	814886	99.983
2019	834159	155	0.019	3346	0.019	830658	99.981
2020	826129	160	0.019	3289	0.019	822680	99.583

Source: [9].

The dynamics of indicators of the number of employed and hired workers by year and company size (Tables 2 and 3) indicates increased role of human potential and human resources in the economic potential of trade business.

Table 2

The number of employed at Ukrainian trade companies by size

Years	Total	Big companies		Medium-sized companies		Small businesses	
		<i>thousand people</i>	<i>% of total</i>	<i>thousand people</i>	<i>% of total</i>	<i>thousand people</i>	<i>% of total</i>
2014	2409344	280778	11.7	364606	15.1	1763960	73.2
2015	2202010	247149	11.2	330840	15.0	1624021	73.8
2016	2182292	257998	11.8	332242	15.2	1592052	73.0
2017	2223116	285086	12.8	349602	15.7	1588428	71.5
2018	2355616	301494	12.8	374642	15.9	1679480	71.3
2019	2385283	335691	14.1	380531	15.9	1669061	70.0
2020	2353478	347340	14.8	383908	16.3	1622230	68.9

Source: [9].

Table 3

The number of hired workers at Ukrainian trade companies by size

Years	Total	Big companies		Medium-sized companies		Small businesses	
		<i>thousand people</i>	<i>in % of total</i>	<i>thousand people</i>	<i>in % of total</i>	<i>thousand people</i>	<i>in % of total</i>
2014	1492861	280772	18.8	364137	24.4	847952	56.8
2015	1280878	247142	19.3	330381	25.8	703355	54.9
2016	1339064	257990	19.3	331832	24.8	749242	55.9
2017	1456771	285077	19.6	349114	23.9	822580	56.5
2018	1616337	301487	18.7	374178	23.1	940672	58.2
2019	1616747	335677	20.8	379886	23.5	901184	55.7
2020	1610788	347326	21.6	383469	23.8	879993	54.6

Source: [9].

Tables 2 and 3 show that while large and medium-sized companies employ all of their employees, small businesses employ an average of 50% (56% in 2018 and 43% in 2015). At the same time, we see that the number of employees at large companies increased by more than 66 thousand people, or 23.7%, compared to 2014, while medium-sized companies increased the number of employees by 19 thousand people, or 5%, over the same period. The dynamics of small businesses are worse, with a reduction of almost 142 thousand people, or an 8% drop. This trend indicates the consolidation of the industry and the growth of regional and national retail chains, while the number of small stores is decreasing.

Table 4 shows what was happening with wages in the industry, with statistics on labor costs by company size.

Table 4

Labor costs at Ukraine's trade companies by company size

Years	Total	Big companies		Medium-sized companies		Small businesses	
		<i>billion UAH</i>	%	<i>billion UAH</i>	%	<i>billion UAH</i>	%
2014	37449.1	13933.81	37.2	13315.29	35.6	10200.01	27.2
2015	44688.5	16568.59	37.1	16574.97	37.1	11544.96	25.8
2016	56735.8	21940.93	38.7	20578.17	36.3	14216.72	25.0
2017	79120.1	30232.40	38.2	28848.78	36.5	20038.89	25.3
2018	99243.4	39592.42	39.9	34715.36	35.0	24935.61	25.1
2019	121729.1	51642.42	42.4	41803.21	34.4	28283.50	23.2
2020	133174.8	57219.18	43.0	43760.35	32.8	32195.26	24.2

Source: [9].

The structure of labor costs almost exactly reflects the structure of employment, but a larger enterprise size leads to higher wages, which in the case of Ukraine is due to the consolidation of the industry and greater competition for workers, as well as an increased number of business entities in the networks.

Compared to 2014, nominal labor costs for large companies grew by almost 7.88 times, while those for medium-sized companies grew by 3.3 times. Small businesses spent 3.2 times more on labor costs in 2020 compared to 2014.

Evaluating this trend, we can conclude that the role of human capital and human potential as one of the components of economic potential is growing.

One of the key indicators reflecting the efficiency of any company is its profitability. The dynamics of net profit (loss) of Ukrainian trade companies by their size is shown in Table 5.

Table 5

Net profit (loss) of Ukrainian trade companies by company size

Years	Net profit (loss), <i>UAH million</i>	Profit making companies		Loss making companies	
		as % of total number of companies	financial result, <i>UAH million</i>	as % of total number of companies	financial result, <i>UAH million</i>
Total					
2014	-133219.5	65.6	27825.7	34.4	161045.1
2015	-88161.0	75.7	48155.0	24.3	136316.0
2016	-4841.8	75.4	62762.9	24.6	67604.7
2017	25874.2	74.9	75740.6	25.1	49866.4
2018	68809.8	76.9	99052.5	23.1	30242.7
2019	108561.5	76.8	139165.7	23.2	30604.2
2020	25881.4	74.1	98394.7	25.9	72513.3
Large companies					
2014	-25079.6	46.0	6142.4	54.0	31222.0
2015	-20545.2	58.3	10635.4	41.7	31180.6
2016	-34.3	67.2	12557.2	32.8	12591.5
2017	8756.7	73.4	17805.6	26.6	9048.9
2018	25073.7	80.7	27540.1	19.3	2466.4
2019	35080.0	78.8	40007.8	21.2	4927.9
2020	11855.7	75.8	29509.7	24.2	17654.0
Medium-sized companies					
2014	-58547.1	59.1	12770.3	40.9	71317.4
2015	-36769.2	71.2	20337.4	28.8	57106.6
2016	3377.6	79.3	28302.1	20.7	24924.5
2017	20178.8	78.8	33341.7	21.2	13162.9
2018	31589.3	82.6	41165.0	17.4	9575.7
2019	54535.5	84.6	63387.4	15.4	8851.9
2020	13073.9	79.0	39314.9	21.0	26241.0
Small businesses					
2014	-49592.8	65.9	8912.9	34.1	58505.7
2015	-30846.6	75.9	17182.2	24.1	48028.8
2016	-8185.2	75.3	21903.5	24.7	30088.7
2017	-3061.4	74.8	24593.3	25.2	27654.7
2018	12146.8	76.7	30347.5	23.3	18200.7
2019	18946.0	76.5	35770.5	23.5	16824.5
2020	951.8	73.9	29570.1	26.1	28618.2

Source: [9].

The financial results of Ukrainian retailers demonstrate the dynamics of growth and profits in the industry for companies of all sizes and the amount of net profit. Therefore, taking into account the number of companies, we can conclude that the industry is consolidating and that small enterprises that could not compete with stronger players in the trade market are going out of business.

Table 6

Capital investments of Ukrainian trade companies including large, medium-sized and small businesses in 2014-2020, UAH thousand

Years	Total	Capital investments – total		
		Large companies	Medium-sized companies	Small businesses
2014	20172706	11657842	5187161	3327703
2015	19704345	9253122	7202438	3248785
2016	27722810	11737003	9178723	6807084
2017	32546006	13497794	11137819	7910393
2018	48367806	27138147	13598591	7631068
2019	54669652	25276974	24279101	5113577
2020	40384538	23976460	12692574	3715504

Source: State Statistics Service of Ukraine, 2020.

Capital investments in the industry on average doubled between 2014 and 2020. The largest growth was observed among medium-sized companies, reflecting the trend toward business consolidation and development of regional retail chains as opposed to national and foreign retail chains.

In the structure of capital investments in the trade industry of Ukraine, we can note an increase in software costs - among large companies by 1.5 times, and among medium and small businesses by 2.4 and 3.3 times, respectively. Such dynamics, together with changes in the industry's structure, indicate increased use of information resources, and thus an increase in the information potential of the industry as a component of its economic potential. At the same time, investments in concessions, patents, licenses, trademarks and similar rights increased only in medium-sized businesses - by 6.61 times, as opposed to a 50% drop in large businesses and a 60% drop in small businesses, which supports the dynamics of the emergence of small regional retail chains that register their rights to their own products.

In assessing the levels of expenditure on existing buildings and structures and on construction and reconstruction of buildings, it is noticeable that small businesses are reducing their values in both indicators, while medium-sized businesses are concentrating investments in existing facilities and large businesses chose the tactic of building new facilities. As for investments in machinery and equipment, medium-sized businesses have the highest growth rate of 2.55 times, while small businesses have increased their investments by 1.31 times and large businesses by 2.75 times.

The growth in investments in information technology and intangible assets reflects the increase in the industry's information potential. And the leadership of machinery and equipment and tangible assets in terms of the share of capital investment indicates a renewal of fixed assets.

Table 7
The areas of capital investment by Ukrainian trade companies with a breakdown into large, medium and small ones in 2014-2020,
UAH million

year	in tangible assets	in existing buildings and structures	in construction and alteration of buildings	in machinery and equipment	in intangible assets	in concessions, patents, licenses, trademarks, and similar rights	in the acquisition of software
Large companies							
2014	10698.22	115.88	6608.46	3427.08	959.62	460.41	419.28
2015	8478.19	177.21	3587.21	4177.74	774.93	63.21	675.18
2016	10889.96	596.29	3757.56	5516.41	847.04	297.39	479.75
2017	12776.67	211.30	3061.03	7974.19	721.13	154.52	413.94
2018	18486.58	82.65	5206.38	11415.94	8651.57	7937.71	471.02
2019	23467.76	354.90	8322.51	12321.63	1809.21	779.98	618.95
2020	22164.98	141.67	8891.17	9440.36	1811.48	233.48	631.95
Medium-sized companies							
2014	4974.43	171.09	1464.31	2912.52	212.73	79.88	105.34
2015	6902.22	286.79	2225.88	3793.50	300.22	108.67	147.11
2016	8708.49	505.39	1152.31	6011.24	470.23	267.15	146.86
2017	10776.93	496.06	1616.31	7548.62	360.89	123.44	165.63
2018	13129.86	540.85	2765.53	8451.44	468.73	129.21	251.85
2019	23796.19	1092.64	2201.37	8646.05	482.92	128.49	199.77
2020	11771.54	955.36	1755.59	7429.28	921.03	528.20	256.19
Small businesses							
2014	3273.95	216.73	890.02	1954.48	53.75	23.35	15.53
2015	3172.83	165.32	641.57	2099.84	75.95	40.39	26.96
2016	6666.95	325.57	1893.83	4091.50	140.13	42.52	57.46
2017	7773.76	307.85	1939.52	5101.18	136.63	33.60	56.34
2018	7469.05	193.69	1806.42	5079.66	162.02	40.38	98.12
2019	5022.50	357.75	964.72	3018.58	91.07	20.87	39.83
2020	3633.87	77.87	769.05	2561.34	81.63	9.14	51.42

Source: [9].

The dynamics of technical and technological potential is relatively lower, but this component of economic potential occupies a special place in the trade sector.

Table 8

The size of non-current assets of Ukrainian trade companies, broken down into large, medium and small businesses, 2014-2020, UAH billion

Years	Total	Large companies	Medium-sized companies	Small businesses
Non-current assets				
2014	202.20	66.35	54.89	80.96
2015	210.93	63.52	53.78	93.63
2016	243.23	81.72	61.63	99.88
2017	276.87	103.70	66.42	106.75
2018	299.29	110.19	79.74	109.36
2019	347.60	159.19	80.17	108.24
2020	370.35	178.87	74.68	116.80

Table 9

The size of current assets of Ukrainian trade companies, broken down into large, medium and small businesses, UAH billion

Years	Total	Large companies	Medium-sized companies	Small businesses
Current assets				
2014	968.58	216.23	403.97	348.37
2015	1186.49	306.38	465.90	414.21
2016	1546.40	325.36	595.52	625.53
2017	1715.82	394.22	659.55	662.05
2018	2013.85	481.67	804.73	727.45
2019	2149.44	541.19	854.87	753.38
2020	2310.39	507.77	905.42	897.20

Table 10

Amount of long-term liabilities and collateral of Ukrainian trade companies, broken down into large, medium and small businesses, UAH billion

Years	Total	Large companies	Medium-sized companies	Small businesses
Long-term liabilities and provisions				
2014	167.98	46.66	67.66	53.67
2015	199.21	61.81	79.88	57.52
2016	253.03	120.14	72.67	60.22
2017	274.37	108.24	102.10	64.03
2018	295.14	124.69	59.98	110.47
2019	249.43	82.80	53.84	112.79
2020	240.63	108.33	51.87	80.44

Table 11

Current liabilities and collateral of Ukrainian trade companies, broken down into large, medium and small businesses, billion UAH

Years	Total	Large companies	Medium-sized companies	Small businesses
Current liabilities and provisions				
2014	882.79	177.70	391.93	313.16
2015	995.88	220.03	403.79	372.06
2016	1212.23	264.63	493.43	454.17
2017	1543.04	291.74	581.00	670.31
2018	1671.85	361.36	657.30	653.20
2019	1962.18	476.51	810.29	675.38
2020	2068.35	535.95	828.05	704.35

Table 12

Balance sheet size of Ukrainian trade companies, broken down into large, medium and small businesses, UAH billion

Years	Total	Large companies	Medium-sized companies	Small businesses
Balance				
2014	1171.11	282.59	459.04	429.48
2015	1397.96	369.94	519.90	508.12
2016	1790.32	407.11	657.37	725.83
2017	1993.36	497.94	726.20	769.22
2018	2313.75	591.95	884.70	837.10
2019	2498.32	700.58	935.65	862.10
2020	2681.38	686.69	980.39	1014.30

Source: Tables 8-12 compiled according to [9].

Assessment of the aggregate balance sheet indicators of Ukrainian trade companies should begin with general indicators. Between 2014 and 2020, the balance sheet of trade companies grew by 2.29 times, with medium-sized businesses showing the least growth - by 2.14 times, and large businesses leading the way with a 2.43 times increase.

Non-current assets grew by 83%, with large companies growing by 2.7 times. Small and medium-sized businesses showed an increase of 1.44 and 1.36 times, respectively.

The dynamics of changes in such balance sheet groups as current liabilities and collateral and long-term liabilities and collateral deserve special attention. The first group grew by 2.2 times, while long-term financing grew by only 1.27 times. At the same time, the dynamics of medium-sized companies differ from those of large and small ones, with a 30% decline in long-term liabilities.

It is possible to note a change in the structure of financing activities and the financial potential of companies in the industry, the ratio of long-term liabilities to current liabilities changed from 0.18 to 0.11 between 2014 and 2020, which indicates the transition of companies to shorter lending cycles and their reaction to



the general situation in the country – Ukraine's market volatility, dynamic changes in legislation and a difficult foreign economic situation.

The state of warehousing has a significant impact on the development of the trade sector (Tables 13, 14).

Table 13

The number of warehousing companies in Ukraine, broken down into large, medium and small businesses, in 2014-2020, units

Years	Total	Large companies	Medium-sized companies	Small businesses
2014	1014	–	213	801
2015	1058	–	194	864
2016	1005	1	186	818
2017	1102	1	197	904
2018	1132	2	203	927
2019	1187	1	198	988
2020	1237	1	180	1056

Source: [9].

As for the state of the warehousing industry, it is worth noting the relatively low dynamics of its growth and the large share of small businesses (over 80%). The growth in the number of warehousing entities among small businesses during the study period was 32%, while the number of medium-sized businesses declined by 15%.

Table 14

The number of warehousing companies in Ukraine by region in 2014-2020, units

Region	2014	2015	2016	2017	2018	2019	2020
Ukraine	1014	1058	1005	1102	1132	1187	1237
Vinnitsia region	33	33	33	37	37	35	41
Volyn region	2	1	4	2	4	6	8
Dnipropetrovsk region	88	90	88	98	105	103	112
Donetsk region	21	20	19	19	23	19	20
Zhytomyr region	21	21	21	26	25	29	31
Transcarpathian region	5	10	8	6	9	10	11
Zaporizhzhya region	49	48	40	39	36	41	39
Ivano-Frankivsk region	5	8	9	9	9	11	16
Kyiv region	118	117	111	127	121	115	118
Kirovograd region	37	35	32	34	34	36	35
Luhansk region	16	18	19	19	17	16	17
Lviv region	26	27	26	29	33	33	36
Mykolaiv region	36	47	47	61	66	71	71
Odesa region	104	115	107	111	112	123	132
Poltava region	36	41	37	37	41	42	34
Rivne region	10	8	10	11	10	12	13

Table 14 (continued)

Sumy region	24	21	23	31	31	32	32
Ternopil region	22	18	14	15	23	22	16
Kharkiv region	71	70	62	70	68	77	80
Kherson region	33	32	32	38	37	45	41
Khmelnyskyi region	22	16	17	17	20	21	21
Cherkasy region	15	18	18	25	26	25	22
Chernivtsi region	3	4	5	6	6	8	8
Chernihiv region	25	25	25	27	26	26	26
Kyiv city	192	215	198	208	213	229	257

Source: [9].

Currently, 76% of all companies in the industry are located in the areas where military operations took place and/or are currently taking place – the city of Kyiv and Kyiv region, Zaporizhzhia, Dnipro, Kharkiv and Mykolaiv regions. The warehousing industry, which ensures normal trading activities, has suffered significant damage.

Conclusions

Performance indicators for 2014-2020 show that Ukraine's trade industry was developing quite dynamically. At the same time, the period of the beginning of the COVID restrictions led to the growth of not only e-commerce but also trade in general. However, Russia's full-scale invasion of Ukraine, which began on February 24, 2022, caused great damage to both the Ukrainian economy in general and the trade industry in particular.

To operate effectively in such conditions, an accurate analysis of the economic potential of both the industry as a whole and companies in particular is required. Such an approach would help assess the processes in the industry to make the right decisions on the use of available resources, identify threats, and outline the prospects for current activities.

Currently, the trade industry is witnessing an active consolidation of players, with both net profit and the share of profit makers growing rapidly, indicating both competition compared to that in the EU trade industry and opportunities for growth in the industry.

The industry itself is pursuing a gradual policy of switching to more expensive but shorter-term financing of its operations, which results in increased risks.

The share of investments in software, patents, and intellectual property is increasing among capital investments by trade companies, indicating that companies are moving to digital management and growing e-commerce. The amount of funds invested in equipment, machinery and buildings, indicates a growth of the industry's technical and technological potential.

A policy of reducing the cost of financial resources is necessary for the further effective development of the trade industry in Ukraine. In this regard, the focus should be not only on cheap long-term loans, but also on the allocation of

targeted financing and balanced regional development of warehousing and infrastructure. Special attention should be paid to improving the legislation, namely, the transition from a value-added tax to a sales (purchase) tax. This approach will help to improve the situation of Ukraine's suppliers and reduce the cost of procurement, which will enable sales and turnover growth and hence revitalize the post-war economic recovery of our country.

The issue of subsidizing the renewal of fixed assets, machinery, and equipment remains relevant, but requires a balanced localization policy to reduce dependence on foreign currencies. The issues of energy and resource conservation technologies and the introduction of green energy deserve special attention, but these are topics for other studies.

References

1. Vasylykivsky, D.M. (2015). Formation and realization of the mechanism of increase of economic potential of the enterprise (Doctoral dissertation). Khmelnytsky [in Ukrainian].
2. Maslak, O.I., & Bezruchko, O.O. (2014). Management of economic potential of the enterprise at different stages of its life cycle. *Marketynh i menedzhment innovatsij – Marketing and innovation management*, 1, 201-212. Retrieved from http://nbuv.gov.ua/UJRN/Mimi_2014_1_22 [in Ukrainian].
3. Azhaman, I.A., Gronskaia, M.V., & Pushchina, N.V. (2020). Practical aspects of assessing the economic potential of the enterprise. *Efektivna ekonomika – Efficient economy*, 4. <https://doi.org/10.32702/2307-2105-2020.4.7> [in Ukrainian].
4. Kis, G.R. (2011). The mechanism of ensuring the effective reproduction of the economic potential of the trading company. (Doctoral dissertation). Lviv [in Ukrainian].
5. Zubkov, S.O. (2020). Methodology of formation of strategy of development of the enterprises of trade. (Doctoral dissertation). Kharkiv [in Ukrainian].
6. Emelyanov, O.Y. (2019). Tools and models for assessing the potential of economic development of enterprises. (Doctoral dissertation). Lviv. <https://doi.org/10.25313/2520-2294-2019-5-5006> [in Ukrainian].
7. Nusinov, V.Ya., & Shura, N.O. (2017). Improving the methodology for assessing the economic potential of the enterprise using potential industry clusters. *Visnyk ZhDTU: Ekonomika, upravlinnia ta administruvannia – Bulletin of ZhSTU: Economics, Management and Administration*, 3 (81), 80-88. [https://doi.org/10.26642/jen-2017-3\(81\)-80-88](https://doi.org/10.26642/jen-2017-3(81)-80-88) [in Ukrainian].
8. Shura, N.O. (2021). Considering the time factor when assessing economic potential. *Accounting, analysis and control in the strategy of economic development of Ukraine: materials VII International. scientific-practical conf. No. 14* (p. 244-247). Lutsk: IVV Lutsk NTU [in Ukrainian].
9. State Statistics Service of Ukraine. Activities of enterprises. Retrieved from https://ukrstat.org/uk/operativ/menu/menu_u/size_20.htm [in Ukrainian].
10. Yermakova, K.V. (2014). Strategic analysis of the trade industry of Ukraine. *Upravlinnia rozvytkom – Development Management*, 14, 50-54 [in Ukrainian].
11. Rovenska, V.V.; Burkatskyi, Yu.Yu. (2019). Analysis of the current state of development of the trade industry of Ukraine. *Ekonomichnyj visnyk Donbasu –*

Economic Bulletin of Donbas, 2 (56), 145-150. [https://doi.org/10.12958/1817-3772-2019-2\(56\)-145-150](https://doi.org/10.12958/1817-3772-2019-2(56)-145-150) [in Ukrainian].

12. Kopteva, G.M. (2019). Current state and trends of retail enterprises. *Pryazovs'kyj ekonomichnyj visnyk – Pryazovskyi economic herald*, 6(17), 140. <https://doi.org/10.32840/2522-4263/2019-6-27> [in Ukrainian].

13. Kis, G.R. (2014). Reproduction of economic potential in the system of strategic development of trade enterprises. *Naukovyj visnyk Khersons'koho derzhavnoho universytetu. Ser.: Ekonomichni nauky – Scientific Bulletin of Kherson State University. Ser.: Economic Sciences*, 7 (3), 48-51 [in Ukrainian].

14. Balaban, M.P.; Balaban, P.Yu. (2017). Problems of developing the material and technical potential of internal trade of Ukraine. *Naukovyj visnyk Poltavs'koho universytetu ekonomiky i torhivli. Serii: Ekonomichni nauky – Scientific Bulletin of the Poltava University of Economics and Trade. Series: Economic Sciences*, 1, 9-14 [in Ukrainian].

15. Zubkov, S.O. (2014). Indicators of evaluating the effectiveness of the use of elements of the resource potential of a trade enterprise. *Ekonomichna stratehiia i perspektyvy rozvytku sfery torhivli ta posluh – Economic strategy and prospects for the development of trade and services*, 1, 147-158 [in Ukrainian].

16. Krasnokutska, N.S.; Kruglova, O.A. (2016). Peculiarities of formation and use of resource potential of trade enterprises in Ukraine. *Economic annals-XXI*, 162, 73-78. <https://doi.org/10.21003/ea.V162-15> [in Ukrainian].

17. Frolova, L.V., Ivanchuk, K.O. (2015). Trends in the development of trade enterprises of Ukraine. *Visnyk Donets'koho natsional'noho universytetu ekonomiky i torhivli im. Mykhajla Tuhana-Baranovs'koho. Serii: Ekonomichni nauky – Bulletin of the Donetsk National University of Economics and Trade named after Mykhailo Tugan-Baranovskyi. Series: Economic Sciences*, 1, 109-120 [in Ukrainian].

18. Yesina, V.O.; Rudachenko, O.O. (2021). Prospective assessment of the economic potential of Ukrainian industries. *Development of the accounting, analysis and audit system in Ukraine: theory, methodology, organization: a collection of abstracts of reports of the participants of the 19th All-Ukrainian Scientific Conference* (p. 122). Kyiv: August Trade LLC [in Ukrainian].

19. Komlichenko, O.O., Rotan, N.V. (2014). Formation and evaluation of the economic potential of the tourism industry of the region. *Visnyk Odes'koho natsional'noho universytetu. Serii: Ekonomika – Bulletin of Odessa National University. Series: Economics*, 19: 2 (4), 178-182 [in Ukrainian].

20. Amosha, O.I.; Antonyuk, V.P. (2016). The labor market of Ukrainian industry and the labor potential of the industry: modern trends and problems. *Rynok pratsi ta zainiatist' naseleennia – Labor market and population employment*, 4, 18-24 [in Ukrainian].

21. Gryshchenko, I.V. (2014). Organizational and economic foundations of managing the use of the export and import potential of the region in the system of ensuring environmental and economic security. PhD Thesis. Sumy: Sumy State University [in Ukrainian].

22. Lesik, L.I. (2015). Indicators and methods of evaluating the economic potential of machine-building enterprises: diss.... candidate of economic sciences. Lviv Polytechnic National University. Lviv [in Ukrainian].

23. Haustova, K.M. (2017). Theoretical approaches to assessing the regional potential of the industry. *Byznes Ynform – Business Inform*, 1 (468), 127-131 [in Ukrainian].
24. Voronkova, O.Yu., et al. (2019)ю Sustainable Development of Territories Based on the Integrated Use of Industry, Resource and Environmental Potential. *International Journal of Economics & Business Administration (IJEBA)*, 7.2, 151-163. <https://doi.org/10.35808/ijebe/223>
25. Loi, A.; Blakyta, G. (2021). Economic potential of the trade enterprise: structural aspect. *Bulletin of Kyiv National University of Trade and Economics*, 6 (140), 80-88. [https://doi.org/10.31617/visnik.knute.2021\(140\)06](https://doi.org/10.31617/visnik.knute.2021(140)06)
26. Cernat, Lucian; Atimiani, Alessandro (2021). Untapping the Full Development Potential of Trade Along Global Supply Chains: ‘GVCs for LDCs’ Proposal. *Journal of World Trade*, 55.5. <https://doi.org/10.54648/TRAD2021029>
27. Kenderdine, Tristan; Bucsky, Péter (2021). Middle corridor-policy development and trade potential of the Trans-Caspian International Transport Route. *ADB Working Paper Series*.
28. Ahlström, Johan M., et al. (2020). Economic potential for substitution of fossil fuels with liquefied biomethane in Swedish iron and steel industry – synergy and competition with other sectors. *Energy Conversion and Management*, 209, 112641. <https://doi.org/10.1016/j.enconman.2020.112641>
29. Qosimov, Azamat Abdukarimovich (2020). Statistical forecasts of the economic potential of industry of the surkhandarya region and the prospects of its further development. *The American journal of management and economics innovations*, 2.11, 1-15. <https://doi.org/10.37547/tajmei/Volume02Issue11-01>

Received 21.06.22.

Reviewed 09.09.22.

Signed for print 25.12.22.

Анна Лой²

ОЦІНКА ЕКОНОМІЧНОГО ПОТЕНЦІАЛУ ПІДПРИЄМСТВ ТОРГОВЕЛЬНОЇ ГАЛУЗІ УКРАЇНИ

Проводяться оцінки економічного потенціалу торговельної галузі України за період 2014–2020 рр. на основі аналізу структурних змін у галузі та економічного потенціалу підприємств торгівлі. Довоєнні показники діяльності свідчать, що торговельна галузь України була одним із драйверів економіки. При цьому період початку ковідних обмежень зумовив зростання не лише електронної комерції, а й торгівлі загалом. А от повномасштабне вторгнення Росії в Україну, що

² Лой, Анна Володимирівна – аспірантка кафедри економіки та фінансів підприємства, Державний торговельно-економічний університет (вул. Кіото, 19, м. Київ, 02156, Україна), ORCID: 0000-0002-4092-887X, Researcher ID: GLS-1165-2022; e-mail: a.loi@knute.edu.ua

почалося 24 лютого 2022 р., завдало великих збитків як економіці України загалом, так і торговельній галузі зокрема.

Дослідження виявило процеси укрупнення торгових підприємств регіонального бізнесу та подальшої спеціалізації малого бізнесу. Драйверами розвитку торговельної галузі є зростання інформаційного та техніко-технологічного потенціалів її підприємств. Відповідно, серед пріоритетних напрямів для капітальних інвестицій у галузі – програмне забезпечення, отримання патентів, ліцензій та торговельних марок – як власних, так і контрактних виробництв.

Оцінки фінансового потенціалу підприємств торговельної галузі виявили тенденцію до переходу від довгострокового фінансування до короткострокового, що свідчить про зростання ризиків для бізнесу. Джерелами ризиків є зростання цін на енергоносії і нестабільність зовнішньоекономічної кон'юнктури при постійних змінах регулювання галузі.

Оцінки економічного потенціалу торговельної галузі країни доповнені аналізом складського господарства, яке є супутньою галуззю для торгівлі, і як показали випадки знищення складів під час воєнних дій, розвиток складського господарства є критичним для реалізації економічного потенціалу торгівлі. Виявлено, що у розрізі регіонів галузь складського господарства демонструє нерівномірний розвиток. На основі проведеного аналізу сформульовано рекомендації щодо напрямів економічної політики повоєнного відновлення торгівлі і складського господарства.

Ключові слова: потенціал, економічний потенціал, торгівля, підприємство