

The Theoretical Aspects Of Foreign Economic Activity

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Abstract. *Despite the political changes, economic situation and legal environment of the country international management has always been an important part of business development.*

The main purpose of the article is to identify the context of foreign economic relations and economic integration is presented.

Due to the methods of scientific cognition it was proved that this allows to realize the possibility of international business.

The article focuses on the main theoretical aspects of foreign economic activities proceedings and the implementation of management at the present stage of market relations. The novelty of the article is in identification of problems that require the executives of national enterprises to improve the relevant actions of foreign economic activity.

Key words – International Business, The Efficient International Business, Activity, Organizational Structure, Management, Foreign Market.

I. Introduction

Management of foreign economic activity in the country's current economic conditions, regulation of financial flows at the international level, expanding the scope and geography of export deliveries of goods and services become more and more important during the growing economic interdependence of countries. Attracting national economy in system of world economic processes positively affects the development of the economy, contributes to production growth, rational use of natural raw materials, avoidance of certain goods' shortages, but primarily raising living standards. More simplistically foreign economic activity is the type of economic activity that is closely linked with other branches of economic system. FEA is quite diverse because this activity has various types and forms and implemented on several levels. The basis of economic activity is foreign trade in goods, services, labor, information and results of intellectual activity.

II. The Main Part

Nowadays, despite changes in the political situation, economic conjuncture and legal environment of the country, this topic is very relevant. Currently the active work of Ukrainian and foreign scientists is conducted on studying the issue of international management, including L. Strovskyi [1], S. Kozantsev [1], O. Hein [2], O. Kyrychenko [8], E. Prokushev [9], B. Smitienko [10], O. Khlevynska [12] and others.

At the present time in Ukraine the process of foreign economic activity formation has not been fully completed yet, its restructuring on a market basis, that is why many approaches to organization of managing FEA that have developed during market relationships require adjustment considering of the changes that have developed in the economy of our country. Access to foreign markets - is not only a guarantee for the stable functioning of the enterprise and the expansion of sales markets, but also ensuring a sufficient level of management efficiency, which is achieved only if there is appropriate level of open system of foreign economic activity company in accordance with the changes in the external environment.

In recent years the national enterprises generally use two ways of foreign trade organizational structure:

1. Entering the foreign markets through their own foreign trade company or a department of foreign economic relations (in large systems it proceeds through the Department of Foreign Economic Relations).

2. Entering the foreign markets through intermediaries.

Creating your own foreign economic departments at the enterprise is efficient to justify if:

- export share is significant in the overall turnover;
- the foreign trade operations are regular ;
- production output with a high level of competitiveness, or perhaps production of unique products in their properties;

- low competition on the relevant segment of the world market;

- products do not require changes for foreign conditions of use;

- the company has the required number of specialists in foreign economic activity.

Otherwise, intermediaries are appropriate to use: national, foreign or international. Intermediaries can assist to increase the effectiveness of foreign trade operations with a help of:

- better knowledge of the market, the availability of permanent clientele;

- reduce costs of products transportation and its storage, including the expense transactions with significant quantities belonging to different manufacturers;

- reduction the terms of deliveries and paperwork;

- providing service before the sale and after-sale service;
- manufacturers supplying by operative and detailed information about changes in product competitiveness and the market situation in general, information about real and potential competitors.

At the present time, many Ukrainian companies are actively participate in foreign trade. However, the effectiveness of foreign economic activity of our national enterprises is still low.

III. Conclusions

The identified problems require the executives of national enterprises to improve the relevant actions of foreign economic activity. Among the main possible measures for improving the organization of FEA at the enterprises it can be distinguish the following:

creation of a separate business unit that would be responsible for successful management of FEA at the enterprise;

marketing research of new markets , the choice of partners for conducting foreign economic activity by collecting relevant information about them

SWOT-analysis for developing enterprise development strategies and improve the mechanism of foreign economic activity on the basis of relevant legislation.

The implementation all above proposed measures in the area of international business activity, undoubtedly will considerably improve the quality of enterprise's work.

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