

PECULIARITIES OF FINANCING THE ECONOMIC ACTIVITY OF UKRAINIAN ENTERPRISES IN TODAY'S CONDITIONS

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Introduction. Ukraine's economic integration with the European Union is an important direction of the country's economic development against the background of military operations. In today's conditions, there is a problem of business financing, which plays an important role in ensuring the further preservation and stimulation of the state's development. Cooperation acts as one of the main drivers of expanding financing opportunities for domestic manufacturers in various areas. Currently, the state provides the lending program "Affordable loans 5-7-9%", grant programs for enterprises, attracts foreign investments based on integration with other countries.

Analysis of recent research and publications. Sources of business financing are the subject of research by such domestic scientists as: Aranchii V. I., Tomilin O. O., Dorohan-Pysarenko L. O. [2, p. 112], Kemarska L. G., Didyk I. V., Fedko N. Yu. [13, p. 748–753], Sytnyk N. S., Smolinska S. D., Yasinovska I. F. [14, p. 151–153] and others.

Unsolved issues that are part of the general problem. The question of determining the sources of funding for enterprises is not fully explored, because the current conditions, indicators of the financial condition, and the possibility of attracting new sources of funding are not taken into account.

The aim of the article is determination of types of financing sources of enterprises; research on financial support of enterprises; analysis of business support measures in terms of financial support; formation of recommendations for improving the use of financial resources of enterprises.

Research results. In today's conditions, problems have arisen at enterprises regarding financial stability and the possibility of financial support for their own activities. Therefore, the issue of attracting various financial resources to finance economic activity is gaining relevance. The more and the more reliable sources of investors, the more stable the company feels among its competitors, and the more effectively it redirects its activities to other areas or countries, depending on external and internal factors. Therefore, an important issue is state support, as well as attracting funds from foreign companies to increase the indicators that characterize the financial stability of the business.

Due to the deterioration of the economic situation in the business sphere, there was a need to expand the sources of financing one's own activities. For a broader understanding of the impact of integration processes on the general state of business in Ukraine, let's consider the meaning of the term "business financing". "Business financing is the provision of available cash capital for use in commercial purposes" [17]. In addition, there is an opinion that "the category of "sources of formation of financial resources of enterprises" is a set of sources of formation of additional capital needs for the future period to ensure the development of enterprises" [16]. In our opinion, business financing (the source of the formation of financial resources of enterprises) is the provision of cash capital for own activities in order to maintain a stable financial condition and effective functioning with further profit for future development.

In order for the enterprise to function effectively during crisis situations, financial resources are necessary. They are the basis of the rapid financial and economic development of the business entity. In Figure 1 provides a classification of the types of sources of enterprise financing.



Figure 1. Classification of types of sources of enterprise financing

Source: compiled on the basis of [2, p. 112; 14, p. 153]

According to the research of the European Business Association for 2022, it was determined that in the first half of 2022, the assessment of the Ukrainian investment climate fell by half a point and amounted to 2.17 points out of 5 possible, compared to the second half of 2021 – 2.73 points. However, during the Covid-19 pandemic, the Index decreased to 2.4 points, and during the Euromaidan – to 1.8 points. It can be noted that immediately after the Revolution of Dignity, the Index showed a noticeable increase [3].

Regarding the expectations of CEOs, in 2021, 29% of CEOs believed that the investment climate had worsened within 6 months, 57% believed that no significant changes had occurred, and 14% believed that the business climate had improved (Figure 2). Along with this, in 2022, the majority of CEOs negatively assessed the investment environment in Ukraine. The percentage of CEO increased from 5% to 53% in six months. At the same time, 34% consider it rather unfavorable. 9% of directors have a neutral assessment of the current investment climate, and another 4% consider it favorable. The most positive assessments of the business environment were received from representatives of the legal and consulting business, as well as FMCG enterprises (Figure 2) [12]. Thus, comparing the assessment of the investment climate for 2022 with 2021, it can be noted that there has been a deterioration in sentiment among CEOs regarding the investment climate in Ukraine.

As for the indicator of the index of business expectations, in 2018, relative to 2022, we observe in the 1st quarter 2020, a sharp drop (110.5%), then an increase to 112.3% and a slow decline from the 1st quarter 2022 and already in the II quarter. this year it stopped at 72.6%. Enterprises of all types of economic activity expect a further reduction in business activity (Figure 3).

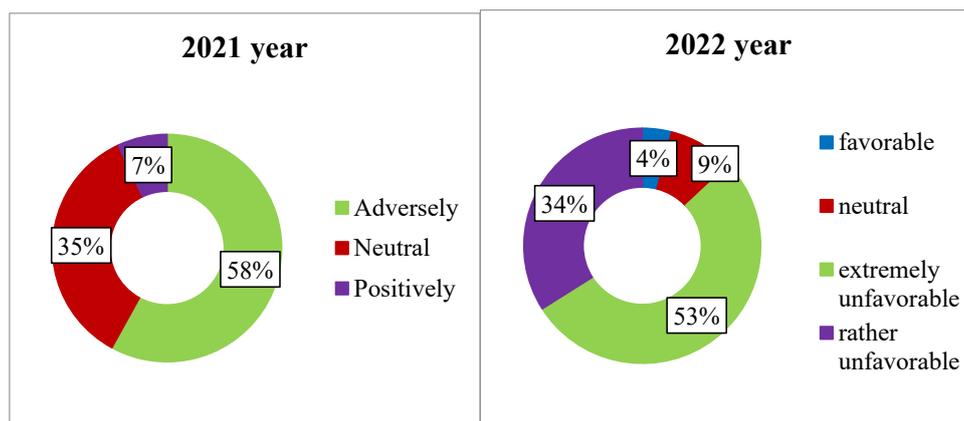


Figure 2. Investment climate in 2021–2022

Source: compiled on the basis of [3; 12]

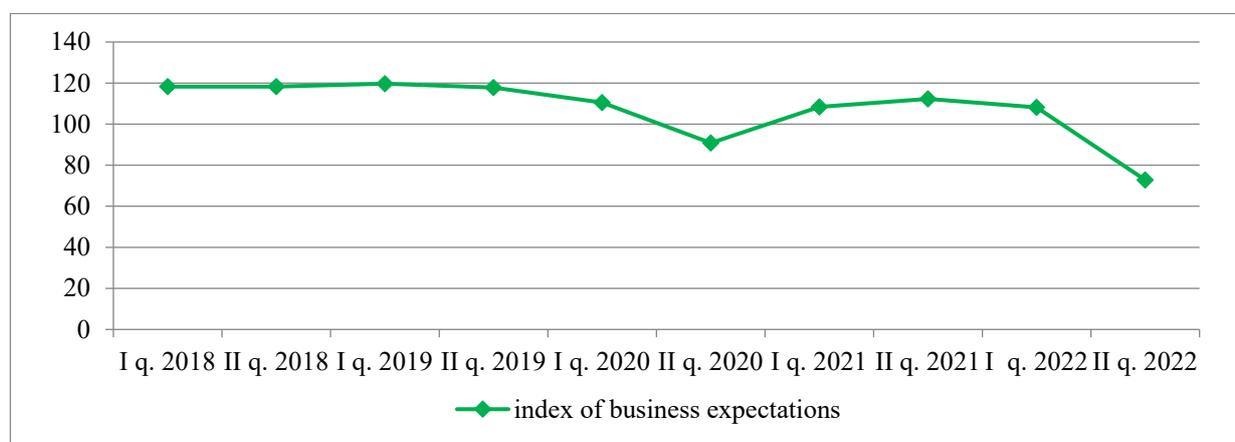


Figure 3. Index of business expectations for 2018–2022

Source: compiled on the basis of [6; 7; 8]

In our opinion, the main indicators that reflect the financial condition of the enterprise and its development prospects are the following: autonomy coefficient, financial dependence coefficient, leveraged and equity ratio (financial risk, financing), equity maneuverability ratio, current liabilities ratio, ratio of long-term liabilities, ratio of provision of own working capital, ratio of own and borrowed capital (financial stability), ratio of non-current and own funds. It is they that make it possible to assess the financial stability of the enterprise, which is shown in the Table 1.

Table 1

Indicators of assessment of the financial stability of JSC "LKF "Svitoch" for 2021

Indicator	Recommended value	2020	2021	Relative deviation of 2021 to 2020
Coefficient of autonomy	>0,5	0,69	0,69	0%
Coefficient of financial dependence	<0,5	0,93	0,28	-69,89%
Ratio of leveraged and equity capital (financial risk, financing)	>1,0	0,45	0,45	0%
Equity maneuverability coefficient	>0,4	1,36	1,48	8,82%
Current liabilities ratio	>0,5	0,1	0,54	440%
Ratio of long-term liabilities	<0,2	2,19	2,24	2,28%
Coefficient of security with own working capital	>0,1	0,37	0,42	13,51%
The coefficient of the ratio of own and borrowed capital (financial stability)	>1,0	2,20	2,24	1,82%
Ratio of non-current and own funds	<1,0	0,73	0,67	-8,96%

Source: compiled on the basis of [1; 13]

As of 2021, the coefficient of autonomy at JSC "LKF "Svitoch" has almost not changed compared to 2020 and is higher than the normative value, which indicates that the company does not depend on loan sources of financing its activities. Regarding the dynamics of other indicators, during 2021: the maneuverability indicator has an unsatisfactory value with the value of last year (0.93); the indicator of current and long-term liabilities as of 2021 has a high share of current liabilities, which are higher values in than in 2020; for 2 years, the coefficient of provision of own working capital is higher than the standard, that is, the enterprise has a sufficient level of provision of own working capital; the coefficient of financial stability during 2020–2021 is above the standard, that is, the company has high financial stability. Accordingly, JSC "LKF "Svitoch" is characterized by an improvement in its financial condition and is solvent during 2020–2021.

Taking into account the results of the assessment of the financial condition, we will proceed to the study of the sources of financing of JSC "LKF "Svitoch" (Table 2). From the obtained data, it can be noted that the volume of financial resources is growing, but the structure of funding sources is undergoing changes. In particular, the main financial resource during 2019–2021 is equity (the share increased from 66.41% to 69.12%). As for long-term liabilities and security, their share also increases during 2018–2021 (the share increased from 0% to 16.79%). The opposite situation is observed for current liabilities and security, because their share decreases during 2018–2021, which indicates a decrease in payables and the efficiency of the company's financial activities. The conducted analysis allows us to note that the company is provided with financial resources and is solvent during 2021. However, in the conditions of martial law, in order to restore financial indicators and reduce receivables, it is advisable to rationally use financial resources, use the lending program "Available loans 5-7-9%", receiving grant programs, attracting foreign investments.

Table 2

The structure of sources of financing of JSC LKF Svitoch in 2018–2021

Sources of funding	2018	2019	2020	2021	Relative deviation of 2021 to 2020
Own capital, million hryvnias.	142169	1254008	1314453	1408357	7,14
share, %	38	66,41	68,74	69,12	0,55
Long-term liabilities and security	0	21643	44021	342157	677
share, %	-	1,15	2,30	16,79	630
Current liabilities and provisions	231954	612724	553822	287015	-48,18
share, %	62	32,45	28,96	14,09	-51,35
Liabilities related to non-current assets held for sale and disposal groups	0	0	0	0	0
share, %	-	-	-	-	-
In total	374123	1888375	1912296	2037529	6,55
share, %	100	100	100	100	100

Source: compiled based on [1]

On the basis of the conducted research, business support measures from the state should be considered. In particular, due to the deterioration of the economic situation in the business sector, the government introduced changes to the "Affordable loans 5-7-9%" program. The main factors that currently make the program attractive are the following: "low interest rate; availability of a significant term of crediting; the opportunity to obtain a loan for newly created businesses and legal entities; clear requirements for the borrower and the ability to apply online" [10]. Among the shortcomings of the program, the following can be mentioned: "mandatory participation at one's own expense; the need for collateral and additional costs (credit commission, assessment of collateral, insurance of collateral, etc.)" [10]. The list of banks that provide loans under this program is constantly expanding. Therefore, it can be noted that according to the data of the Ministry of Finance of Ukraine under the program "Affordable loans 5-7-9%" as of September 12, 2022, JSC CB "PRIVATBANK" issued the most loans (19.4 thousand), JSC "Oschadbank" (6.7 thousand) and JSC "Raiffeisen Bank" (4.1 thousand) [10].

The government of Ukraine also launched grants for certain business sectors for maintaining or starting one's own business on the Diya website under the YeRobot program: "Your Own Business" (up to UAH 250,000); "New level" (up to UAH 8 million); "Your own garden" (grant of UAH 400,000, but no more than 25 hectares); "Your own greenhouse" (up to UAH 7 million); Startup (non-refundable grants from 750,000 to 3.5 million UAH, or repayable assistance from 3.5 million to 8 million UAH); "Start in IT" (scholarship) [4].

In addition to state grants, it is possible to receive funding from foreign countries, in particular the EU. The following foreign programs recommended by the Ministry of Digital Transformation of Ukraine can be named: "support from EU countries (up to 60,000 euros for each project, 200 companies were able to support). Deadline: September 7, 2022. Technology companies, innovative start-ups, representatives of small and medium-sized businesses could receive financing. Financial and non-financial support is provided (business consultations and search for partners); the grant support program for dual purpose projects (up to \$35,000). Deadline: applications are accepted until the end of martial law. Funding is available to veterans and their family members who have become internally displaced persons (IDPs). Funds can be spent on the purchase of goods necessary for running one's business; a fund to support Ukrainian startups from Google (up to \$100,000). Deadline: until the end of 2022. Funding can be received by companies that were founded before February 24, created their product, its pilot version or receive income" [5].

It should be noted that UAH 13 billion in concessional loans were issued in Ukraine during the period of hostilities until May 1. JSC CB "PRIVATBANK" is the leader in business lending according to its programs (issued more than 5,000 business loans worth UAH 10 billion). Let's note classic lending programs: loans against deposits and credit limits. The first program of loans for deposits is issued at 2.5% per annum in hryvnias for an amount up to 85% of the amount of the deposit. The second program, credit limits, provides for the attraction of bank funds in situations where it is necessary to make an urgent payment, at a time when the company experiences a significant shortage of funds. This loan is provided without collateral, if there is a guarantee agreement signed by the head or founder of the enterprise. The size of the limit for legal entities is from UAH 10,000 to UAH 2 million. The interest rate for the credit limit is 16.5% per annum, and for late payment – 33%. A fee of 0.3% of the maximum debt amount for the previous calendar month must also be paid monthly [5].

JSC "Oschadbank" is implementing a credit program for exporters. It is aimed at stimulating the export of goods of Ukrainian origin and increasing the competitiveness of Ukrainian manufacturers on the world market. Exporters can get a loan of up to UAH 20 million, but no more than 85% of the amount of the export contract [5].

Foreign investment in the Ukrainian economy plays an important role in providing enterprises with financial resources and acts as a catalyst for globalization changes in relations with foreign partners. Today, Poland is a strategic partner of Ukraine. In particular, as of the end of 2021, the cumulative balance of Polish investments amounted to 1.140 billion US dollars, the share of Polish investments in the economy of Ukraine from the total volume of foreign direct investments did not exceed 2%. If compared with 2020, the volume of Polish investments increased by 229 million US dollars (Figure 4) [15].

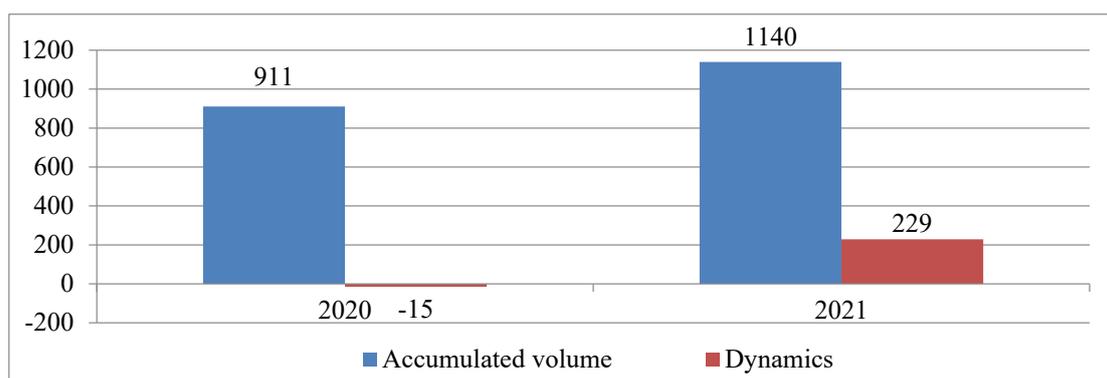


Figure 4. Dynamics of the inflow of Polish investments into the economy of Ukraine for 2020–2021 (million USD)

Source: based on [15]

"The European Union (EU) is an economic (monetary and monetary policy) and political union uniting 27 independent member states located in Europe" [11]. The EU remains united in its solidarity with Ukraine, reacts quickly and decisively to Russian aggression, financially supporting Ukrainian enterprises that have suffered losses.

The main factors that affected the deterioration of the provision of financial resources in 2020 are the following: distrust in the judicial system, widespread corruption, monopolization of markets and seizure of power

by oligarchs, burdensome and unstable legislation, repressive actions of law enforcement agencies, complex tax administration, unstable currency and financial system, restrictions on capital movement and currency transactions. In addition to internal factors, external factors affect the general condition, in particular: large-scale labor migration from Ukraine, military conflict with Russia [9].

In 2021, the EBA identified the following as the main obstacles to the development of Ukraine's investment climate: "weak judicial system (87% of respondents), high level of corruption (85%), shadow economy (76%). This year, for the first time, the low rate of vaccination of the population was added to this list – this is what 50% of directors believe" [12]. Thus, the presence of distrust in the judicial system, the shadow sector of the economy and corruption in state structures due to the seizure of power by oligarchs remain the main problems for the period 2020–2021.

In order to manage the cash receipts of business entities and increase the financial stability of enterprises, it is advisable to implement management measures and improve the use of financial resources: constant monitoring of the financial stability of the enterprise; identification, assessment of the negative impact of factors of the market environment; determination of the probability of occurrence of crisis phenomena and formation of measures for their neutralization, reduction of financial risks; application of a recommended foreign program from the Ministry of Digital Transformation of Ukraine, namely the fund for supporting Ukrainian startups from Google (up to \$100,000); issuing a loan under the state program "Affordable loans 5-7-9%"; attraction of foreign investments through the introduction of modern digital technologies in the production of products and improvement of the level of protection of the company's information security system; reduction of production costs and optimization of the assortment; improvement of depreciation policy; application of modern software; formation of a financial resources management strategy.

Thus, during the period of martial law, the financial situation of enterprises worsens, but the integration processes positively contribute to the attraction of external resources for their financing, which contributes to the recovery of enterprises, liquidation of incurred losses, and improvement of solvency. Therefore, the state needs to continue providing grant programs for enterprises in various fields of activity, stimulate the expansion of the "Affordable loans 5-7-9%" program among Ukrainian banks and promote the strengthening of integration processes with the European Union, namely cooperation in the tax field Fiscalis using European IT-systems, in the field of cyber security, artificial intelligence, the use of digital technologies in the economy.

Conclusion. Based on the results of the study, it was determined that the financial condition of JSC "LKF "Svitoch" during 2021 is stable and the company does not depend on external sources of attracting financial resources. It was established that, despite positive indicators, there are factors of the external and internal environment that negatively affect the provision of financial resources of enterprises. If the integration processes with the European Union do not stop, but rather intensify, the state will be able to minimize losses and prevent future risks. Given the current circumstances (the indicators of the index of business expectations for 2018–2022 significantly decreased from 118.3% to 72.6%), there was a deterioration in the activity of enterprises due to negative economic factors, as well as the state of war in Ukraine. Therefore, only the implementation of the proposed measures will help to provide enterprises with financial resources, which will contribute to the recovery of indicators of financial and economic activity. Rational use of own funds by enterprises and receiving wider support from the state will contribute to the restoration of work in today's conditions.

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JEL G32

Yuliia Ohrenych, Doctor of Economics, Associate Professor. **Natalia Kairachka**, Student, Zaporizhzhia National University. **Peculiarities of financing the economic activity of Ukrainian enterprises in today's conditions.**

The article highlights the types of enterprise financing and identifies positive and negative factors affecting their activity. The condition was studied and a quantitative assessment was carried out on the example of JSC "LKF "Svitoch". It was revealed that today there is uncertainty in the macroeconomic situation, which has a destructive effect on the formation of Ukraine's economic relations with the European Union. Based on the analysis of the index of business expectations, it was determined that monitoring the stability of Ukrainian business is gaining relevance. Forms of sources of financing were considered, which made it possible to assess the possibilities of attracting more investments in the development of enterprises during martial law and improving cooperation with the EU. It has been established that the economic instability of the state is observed in the conditions of war, which affects the indicators of financial assets of enterprises, their ability to self-finance and independently attract foreign capital to their own business. In today's conditions, the state plays an important role in the formation of sources of financing for enterprises, because it creates various support programs and allocates grants for the development of startups. Reconstruction of Ukrainian business and assistance by the government with the help of various methods of influence, in particular integration with the EU, conducting effective activities by enterprises is one of the most important prerequisites for further expansion and technological development of business, which will further increase the economic stability and mobility of the country's economy during crisis events.

Key words: funding sources, enterprise sustainability, 5-7-9% program, bank loans, grants, investment climate.

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JEL G32

Огренич Юлія Олександрівна, доктор економічних наук, доцент. **Кайрачка Наталія Василівна**, студентка, Запорізький національний університет. **Особливості фінансування господарської діяльності підприємств України в умовах сьогодення.**

Постійний моніторинг функціональної структури джерел фінансування підприємств під час воєнного стану має важливе значення в забезпеченні стабільності економічних процесів, які відбуваються в Україні на фоні інтеграційних процесів з ЄС. У статті розглянуто різновиди фінансування підприємств та визначено позитивні і негативні фактори впливу на їх діяльність. Досліджено стан та проведена кількісна оцінка на прикладі АТ ЛКФ «Світоч». Виявлено, що на сьогоднішній день існує невизначеність макроекономічної ситуації, яка має руйнівний характер впливу на формування економічних відносин України з Європейським Союзом. На підставі аналізу індексу ділових очікувань визначено, що актуальності набуває контроль за ста-

більністю українського бізнесу. Розглянуто форми джерел фінансування, що дозволило оцінити можливість залучення більшої кількості інвестицій у розвиток підприємств під час воєнного стану та поліпшення співробітництва з ЄС. Встановлено, що спостерігається економічна нестійкість держави в умовах війни, що впливає на показники фінансових активів підприємств, їх спроможність до самофінансування та самостійного залучення іноземного капіталу у власну справу. В умовах сьогодення держава відіграє важливу роль у формуванні джерел фінансування підприємств, адже створює різноманітні програми підтримки та виділяє гранти на розвиток стартапів. Відбудова українського бізнесу та сприяння урядом за допомогою різних способів впливу, зокрема інтеграція із ЄС, ведення підприємствами ефективної діяльності є однією із найголовніших передумов для подальшого розширення та технологічного розвитку бізнесу, що в подальшому дозволить підвищити економічну стійкість та мобільність економіки країни під час кризових явищ. Визначено заходи управління та покращення використання фінансових ресурсів суб'єктів господарювання, які сприятимуть підвищенню фінансової стійкості: моніторинг фінансової стійкості; дослідження негативного впливу факторів ринкового середовища; розробка заходів щодо зниження фінансових ризиків; застосування іноземної програми від Міністерства цифрової трансформації України; оформлення кредиту за державною програмою «Доступні кредити 5-7-9%»; залучення іноземних інвестицій; використання програмного забезпечення; формування стратегії управління фінансовими ресурсами.

Ключові слова: джерела фінансування, стійкість підприємства, програма 5-7-9%, банківські кредити, гранти, інвестиційний клімат.