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DEVELOPMENT OF THE MECHANISM OF INTERNATIONAL STRATEGIC ECONOMIC PARTNERSHIP FOR UKRAINIAN AUTOMOTIVE INDUSTRY

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Under the conditions of strengthening of integration and disintegration processes in recent years, the problem of economic relations between the countries becomes even more relevant, especially in the background of the pandemic of the COVID-19, the consequences of which threaten world and national economy. That is why economic entities are currently looking for new forms of economic cooperation. In the conditions of market uncertainty strategic partnership is a way of stabilizing business processes. This is especially relevant for the automotive industry, which is in a critical state and is unable to meet these economic challenges. The approaches to defining the essence and content of the concept of international strategic economic partnership are analyzed in the article and own definition of the term is proposed. Advantages of the international strategic economic partnership in modern conditions are determined. The mechanism of formation of a strategic economic partnership is offered, its essence and methodical aspects of stages of this mechanism are presented. In particular, the formation of a strategic economic partnership involves factor analysis of the macroeconomic environment to identify the characteristics of business processes in each country and identify threats and opportunities of the influence of each factor. Practical aspects of the mechanism of international strategic economic partnership (SEP) in the automotive industry of Ukraine are considered. The results of practical approbation of the proposed mechanism are presented on the example of cooperation between the subjects of the automotive industry in close cooperation with the governments of Slovakia and Ukraine. The proposed mechanism will allow to plan, develop, implement, evaluate and effectively manage international SEP.

Keywords: international strategic economic partnership, foreign partner, mechanism, coordination of economic interests, automobile industry.

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Introduction

The current processes of disintegration, which intensified during 2015–2020 [16, 17], cause the problem of the destruction of previously established economic ties between the countries. In the context of disintegration, the Strategic Economic Partnership (SEP) acts as a tool for stabilizing foreign economic relations. In particular, in the context of the virus pandemic, which has spread widely in the world, has caused significant damage to the economies of almost all countries and has significantly affected the automotive industry. Industry players are forced

to curtail production and seek strategic partners to overcome the crisis by pooling resources, sharing risks and finding more cost-effective production because of synergies.

However, in a rapidly changing, dynamic and unpredictable market environment, it is difficult to plan international strategic economic relations and ensure achieving the ultimate goals of the partnership. Therefore, it is important to study the mechanisms of formation and promising areas of international strategic partnership.

This is especially important for undeveloped

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and underinvested sectors of Ukraine's economy, which are strategically important for the national economy, among which is the automotive industry. It is essential to analyze the possibilities of implementing SEP, to study the experience of international SEP to develop a mechanism for their formation and implementation. Analysis of opportunities from the implementation of SEP and the use of positive experience of international SEP – is the key to on-time and effective inclusion in the existing system of distribution of functions in the global automotive industry. This will allow a high-quality implementation of mutually beneficial projects.

Analysis and research of publications

Theoretical and practical aspects of the essence and regulation of strategic economic partnership processes, evaluations of its effectiveness are revealed in the works of foreign and domestic scientists: Tadiwanashe M., Haibo C., Wirth R., Felbermayr G., Campbell E., Summers K., Zhovkva I.I., Kravchenko O.V., Grebeshkova O.M, Makhova G.V., Fesenko M.O. Shevchenko I.Y. and Semirak O.S. are devoted to the study of economic aspects of international cooperation in the automotive industry of Ukraine. Despite the attention of researchers to the study of strategic partnership in the analysis of foreign economic relations between countries, in the modern economic literature, the concept of «strategic economic partnership» has not found unambiguous coverage, and its comprehensive study of a small number of scientific papers. Thus, the relevant aspects of this area of research are determining the essence of strategic economic partnership, study of existing factors influencing the processes of strategic economic partnership, development of practical mechanisms for forming strategic economic partnership both for business and for sectors of the national economy.

The purpose of the article

The purpose of the study is to form a mechanism of international strategic economic partnership in the automotive industry of Ukraine to increase its competitiveness and ensure economic development.

Statement of the main material

The study and systematization of scientific sources on the essence of the concept of «strategic economic partnership» allows us to note the difference in approaches to the interpretation of this category between Ukrainian and foreign scientists. Exists a common view in the scientific literature – authors consider the categories «strategic partnership» and «strategic economic partnership» as a «form of connection» or interaction. Kravchenko O.V. identifies the features of strategic partnership and proposes to distinguish the concept of «partnership»

between the subjects of international economic relations and the concept of «cooperation, mutual relations». According to him, «partnership is a relationship between the subjects of international economic relations, which is carried out on the basis of clearly defined principles. The International Economic Partnership also provides a clear definition of the subjects of partnership and their economic interests» [6]. Another authors, in particular Grebeshkova O.M., Makhova G.V. consider SEP only at the micro level [4] as a model of enterprise development or a specific project. In foreign sources, strategic economic partnership is often interpreted as an agreement. This is especially true for free trade agreements and integration associations. The purpose of which is the economic direction of the partnership. The concept of «strategic partnership» is used in practice in negotiations on international issues, it defines bilateral and even multilateral relations of a special nature and content, but a clear established scientific definition of this concept has not been developed yet [11].

However, in recent years there has been an increase in the attention of foreign scientists to this category. For example, professors Tadiwanashe Muganyi and Haibo Chen of the Chinese School of Economics and Finance point out that SEP is a stable relationship in which the national economies of different countries participate in order to increase trade and stabilize the world economy. However, the disadvantage of this definition is in the disregarding of the micro level of strategic economic partnership.

After analyzing a number of sources, we propose our own definition of the concept. International strategic economic partnership is a form of long-term cooperation of international economic relations, which operates in a changing environment, based on commonly defined goals and principles, to realize the economic interests of partners and promote their effective interaction through synergies.

SEP takes into account the specific needs of each country, their institutional environment, political factors, experience, culture etc.

In research, the necessary steps of successful functioning of SEP that formed a basis of construction of the mechanism consisting of the following blocks, were analyzed and defined (Fig. 1).

The development of a mechanism for forming a strategic economic partnership involves conducting a factor analysis of the macroeconomic environment to identify the features of business processes in each country and identify threats and opportunities from the impact of each individual factor. It also involves analysis of the purpose of the partnership and choosing the level of cooperation. An important component of the formation of the mechanism is

the analysis of the financial position of the partner and the preparation of the financial plan of the agreement, which allows: firstly, to assess the status and potential of each party to cooperation before joint activities; secondly, to compare the results of the enterprise, industry or country before joining the SEP and after. Then it is necessary to formalize the agreement in order to take into account all aspects of future SEP. The proposed mechanism will allow to plan, develop, implement, evaluate and effectively manage SEP.

We consider the practical aspects of the SEP mechanism on the example of the automotive industry of Ukraine. As of the beginning of 2020, there is only one passenger vehicle company in Ukraine – PJSC Eurocar, which is the official manufacturer of Skoda Volkswagen Group cars in Ukraine. In the period of 2013–2015, there were three manufacturers in the automotive market: PJSC ZAZ (renamed PJSC Promavtoinvest in 2016),

Bogdan Corporation and PJSC Eurocar. Bogdan Corporation ceased operations in 2015 (production of passenger cars). (Fig. 2). PJSC «Promavtoinvest» has not produced cars since 2016, as it is in a state of restructuring.

The Eurocar plant has excellent location next to the Solomonovo Industrial Park in the Uzhhorod district of the Zakarpattia region. Two kilometers to the border with Hungary and Slovakia. The development plans of the park envisaged that it would become the basis for the first automobile cluster in Western Ukraine. In addition, this location will allow us to move production with lower logistics costs.

The plant’s production capacity (maximum) is 80,000 cars per year (SKD assembly – 30,000 cars, CKD assembly – 50,000 cars per year) with the potential for further capacity expansion, as large areas of the plant are empty. The total length of the production line is 538 meters. However, as of 2019, only 2% of the total capacity of the plant is operating.



Fig.1. Mechanism of international strategic economic partnership

Source: author’s vision

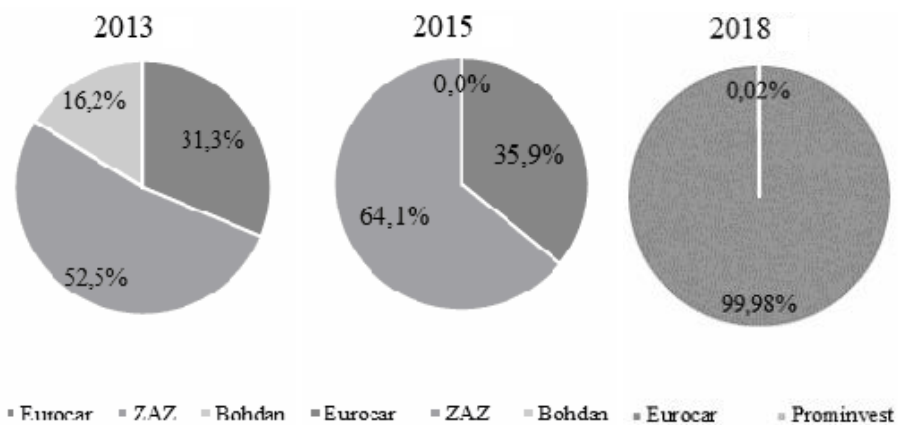


Fig. 2. Dynamics of the share of manufacturers in the automotive industry of Ukraine (%)

Source: compounded by authors on [5]

Transportation to the EU and CIS countries can be realized by the existing production site, which has a railway terminal.

The production lines of the plant are equipped with innovative software, with equipment from leading global manufacturers, such as Transsystem (Poland), EISENMANN (Germany) Chropynska Strojirna (Czech Republic) and others. Since 2011, welding and painting shops have been launched, which can provide the plant access to a new level of full-scale industrial production of passenger cars.

Consequently, let's conduct a practical testing of the proposed mechanism of international strategic economic partnership on the example of the domestic automotive industry and the Ukrainian automotive company PJSC «Eurocar».

I. The choice of the partner and the partner country, defining features and a brief description of the country

At the initial stage of creating the mechanism, it is necessary to choose a partner country and an economic entity to establish a partnership with. The selection process of country and partner for PJSC «Eurocar» involves the analysis of management problems of VW Group in the EU. It was determined that as a result of the struggle between the parties (under the influence of the elections, which lasted three years), Slovakia in the second half of 2019 took a new course to protect strategically important sectors of the economy, thus abolishing a number of privileges for foreign producers. As a result, in early 2020, the VW Group began looking for a new country to work with. The management of VW Group stated the expediency of closing part of the technological lines for the manufacture of cars in Slovakia and the possible transfer of part of the production to another country. At the same time, PJSC «Eurocar» has underutilized production capacity and skilled labor. Although VW Group's analysis of new markets continues, active action has been suspended because of the coronavirus pandemic. However, it is recommended to develop and propose a mechanism for forming a strategic economic partnership in order to start negotiations as soon as possible and be the

first to apply for cooperation. We offer a practical approbation of the mechanism of forming a strategic economic partnership between the Volkswagen Group and PJSC «Eurocar» with close cooperation between the governments of Slovakia and Ukraine.

Slovakia is a country in Eastern Central Europe. It shares borders with Austria, the Czech Republic, Hungary, Poland and Ukraine. The main trade partners of Slovakia are Germany, the Czech Republic, Poland, the Russian Federation and Italy. The largest shares of Slovakia's exports in 2019 by items have vehicles (32% of total exports), electrical equipment (18.5%) and machinery (12.2%). [9] When considered at a more detailed level by product codes, we can see that the most exported goods are cars – 26.2% of the total. The country ranks first in the number of cars produced per capita – 200 cars per 1,000 people.

The similarity in the economic condition of these two countries will be further compared with the features of the business environment and the experience of development will be extrapolated to the automotive industry of Ukraine.

II. Defining common goals and differences, reconciling the interests of the parties (or partners)

An important feature of partnership is its focus on achieving certain goals. Strategic and tactical goals act as a prediction of the outcome of management activities. Which, in turn, is a guide where partners should direct their resources and efforts. One of the problems that arises considering the formation and coordination of the goals of the future strategic partnership is that economic agents have different interests (economic, social, technological, resource etc.). For the first time the idea of taking into account the interests of partners in joint activities in the functioning of certain areas was proposed by E. Freeman. According to his approach, any individuals, groups or organizations that have a significant impact on the decisions approved by the firm and are interested in achieving the common goal of the partnership – are stakeholders. However, the use of the stakeholder approach in the formation of the mechanism of strategic economic partnership has

Table 1

Comparison of economic indicators of Ukraine and Slovakia, 2018

Indicator	Ukraine	Slovakia	Unit
GDP	124 586	106 463	Million dollars USA
GDP per capita	2 816	19 524	Million dollars USA
GDP growth rate	3.3	4.1	%
Population	44.246	5.453	Million persons
Area	579 290	48 080	Km ²
Currency	UAH	EUR	–
FDI to the country	2 355	475.1	Million dollars USA

Source: compounded by authors on [5, 15]

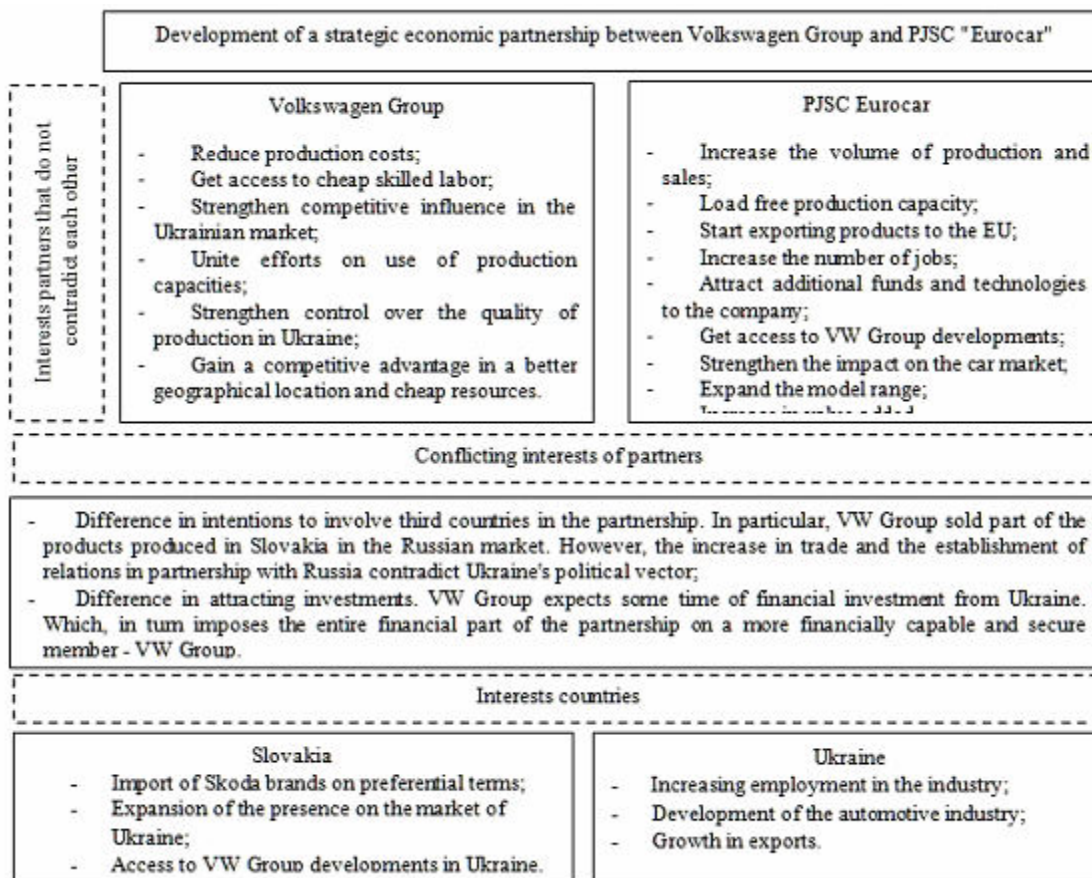


Fig. 3. Algorithm for determining the interests of partners in the implementation of the common goals of SEP.

Source: author's vision

not yet gained popularity. We propose to apply this approach in creating an algorithm for determining the common goals of the partnership and the interests of different partners. (Fig. 3).

Figure 3 shows the algorithm of interaction and coordination of interests of both partners at different levels. This allows us to understand in which vectors further activities can develop due to common interests, and what obstacles (threats) may arise due to conflicts of economic interests.

III. Analysis of business environment factors for the market of goods/services

As a result of the marketing research according to the method of Starostina A.O. [7] the tables of the analysis of factors of the business environment for activity of this SEP in the market of cars were construct.

In the study is analyzed the impact of political, legal, economic, demographic, scientific, technical, natural and cultural factors for doing business in the automotive industry in this market. It was also defined if factor is either a threat or an opportunity for the company and if it affects either the demand or supply of this product. We compile the final tables of factors of market threats and opportunities (tables 2, 3). It was determined that economic and political factors

will have the greatest macroeconomic impact on SEP – a weighting coefficient of 0.3 and 0.2, respectively, for each.

It is necessary to determine the weighting factor for the overall assessment of the factors' significance. In total, this coefficient is equal to one and is distributed among all factors in a defined way (according to the expert's opinion). As the products are knowledge-intensive and with a high level of technical security, scientific and technical factors are estimated at the level of 0.2. Other factors have less influence and are estimated in the following sequence: cultural – 0.1, natural – 0.15, demographic – 0.05.

There are new challenges for the world economy and international economic partnership. The main threat to all markets since the beginning of 2020 is the economic recession caused by the COVID-19 pandemic. This factor has had the greatest impact on the EU's business environment. VW Group, as well as a number of other major automakers, will close its production approximately by the end of fall 2020 [10]. In turn, the VW Group continues to provide assistance in the form of masks (250 thousand per week) and gloves (50 thousand per week) for all countries of base. This incurs

Table 2

Summary table of market threat factors

Factor	Expert scoring factor significance given weight ratio	Option to solve the problem	Influence of the factor on S/D
Ukraine			
Reducing the size of import duties	9×0,3=2,7	To position the product as "made in Ukraine" in support of domestic automaker. Develop a system of protection mechanisms (quotas, certificates). Monitor compliance with anti-dumping legislation.	D
Economic recession caused by a pandemic	9×0,3=2,7	Search of stable strategic partners and as a result – effective interaction, exchange of resources and risk sharing, reduce production and marketing costs	S/D
Long-term decision making	9×0,1=0,9	Introduction a system of bonuses in case of implementing execution plan and passing of checks.	D
The level of corruption	8×0,2=1,6	Careful selection of partners and keeping track of revenues and expenditures according to European standards	D
State quality control	8×0,2=1,6	Obtaining licenses, certificates. Participation in fairs, presentations.	S/D
The level of taxation	8×0,3=2,4	During the first 5 years, the state should provide tax holidays and reduce the number of procedures for paying taxes.	D
Car park aging	7×0,1=0,7	Emphasize the dangers of old cars, the useful life of which is coming to an end. Implement environmental initiatives, reduce recycling tax.	D
The establishment of new technological way	6×0,2=1,2	As a matter of priority, adopt the technological experience and part of the latest technical equipment of the VW Group	S/D
Military conflict	5×0,2=1	Demonstrate stability and growth through military statistics despite military conflict. Reduce the influence of the Russian Federation every year	D
Slovakia			
Economic recession caused by a pandemic	10×0,3=3	Search of stable strategic partners and as a result – effective interaction, exchange of resources and risk sharing, reduce production and marketing costs	S/D
Increased wages	9×0,3=2,7	Instead of raising salaries, introduce bonus programs, free seminars and trainings, give discounts on brand products.	S
Conflict between parties	7×0,2=1,4	Speed up completion of the election process to reassess a new vector of development (protection of domestic producers)	S
Lack of natural minerals needed for production	6×0,15=0,9	Search for access to cheap raw materials (for example in Ukraine)	S/D

Source: author's vision

additional costs but demonstrates the high level of social responsibility of the VW Group.

Despite the improvement of Ukraine's position in the international ranking of Doing Business (76th place – 2018, 71 – 2019, 64 in 2020), among the main negative factors over the past four years, which have the greatest impact on the deterioration of business – corruption and distrust of the judiciary systems. Thus, investors no longer identify military conflict as a decisive factor in the negative impact.

After the termination of the special protective duty on car imports in 2015 due to the start of the Free Trade Area with the EU, the duty on car imports to Ukraine is gradually reduced, which means that it becomes cheaper to import than to produce cars

in the country. Thus, in 2020, duty rates on imports of cars from the EU to Ukraine were formed as follows: 3.8% – 5.5% for customs clearance of a car with a diesel engine (in 2019 it was 6.5%), 5.5% for customs clearance of used cars (in 2019 it was 6.5%). As well as the duty, which is directly related to the studied models (except for electric vehicles) – when clearing a car with a gasoline engine is from 3.4% to 5.5% (4.5% – 6.4% in 2019). In general, there is a tendency to trade liberalization. As for electric vehicles (these are cars equipped exclusively with electric motors, the duty rate is 0% for imports from the EU and from countries other than Russia. A significant item of customs costs is the payment of VAT. A certain level of customs savings can be

obtained by importing into Ukraine not ready for use cars, but machine kits for large-unit assembly, which can be performed at its facilities by PJSC Eurocar for a fee from VW Group. At the same time, both PJSC Eurocar and Ukraine are interested in a high level of national participation in its growth. In this context, we recommend Ukrainian state to apply the world experience, which provides the establishment of a correlation for foreign automakers between the share of value added generated in the host country, and the amount and duration of tax benefits.

It should also be noted that there is a tax on car recycling (differentiated, depending on the year of manufacture, country of origin, etc.). The purpose of the tax was to create a fund for the renewal of the car park. Also, an important factor is not only the level but also the structure of taxation. First of all, it should be noted that according to the Doing Business rating, the company spends 327.5 hours of working time per year on the full procedure of paying taxes in Ukraine. In Slovakia, on the other hand, a similar enterprise would need 215 hours.

A significant share of developments related to the car, gives the prospect of technological cooperation and increase the level of productivity of the industry. This is particularly the case in the conditions of formation of the fifth technological wave of innovation. Slovakia is already on the forth and has all the potential for further development, especially in its automotive industry as a priority. In turn, Ukraine is only on the third, which exacerbates the imbalance of technical support in the region and causes backwardness of the country.

A specific feature is for Ukraine is long-term usage of cars. The average age of the car fleet in Ukraine is 22.2 years. In Slovakia, this figure is almost twice lower – 12.5 years.

However, a significant reason for the low level of competitiveness of domestic products is the fact that companies do not have the appropriate certificates. The vast majority of vehicles do not meet the requirements of «Euro-6». The introduction of modern management technologies and the reorientation of manufacturers to quality standards and corporate social responsibility will not only increase exports to European countries, but in general should become one of the leading factors causing the organization of SEP.

In the context of promoting the development of the industry, the most important achievement of Slovakia seems to be that over the years of reforms they have managed to develop effective and competitive systems of benefits for investors. The Slovak automotive industry employs about 130,000 people. In the structure of products produced in Slovakia in monetary terms in 2018, cars accounted

for 46.8%. Also, these products account for 35% of the country's exports. In general, the local car industry generates 13% of GDP. In particular, special economic zones (SEZs) have become widespread, where investors receive customs and tax benefits, which significantly reduce the payback period of investments.

The most common is income tax benefit (especially if the profit is reinvested in the development of production and increase the number of employees). In addition, there is a practice of exemption from real estate tax and transport tax, reimbursement of the cost of creating new jobs or providing loans for these purposes, as well as incentives related to investment procedures in SEZs.

Among the customs' benefits: exemption from import duties on tangible assets imported as a contribution to capital or for production in the zone.

Both countries have agreements to avoid double taxation. In the future, this can significantly reduce the costs of both parties to trade and investment activities. A memorandum on cooperation in trade was also signed between the countries.

The total capacity of the car market in Ukraine in 2018 amounted nearly 150 thousand cars (new and used), Slovakia – 101 thousand cars. In addition to the deteriorating investment climate in Slovakia, wages are rising rapidly (between 2015, the minimum wage has risen by 48% to 580 euros) [9], which will significantly increase production costs. The level of wages used to be a comparative advantage, but now equates Slovakia to other EU countries.

The main share (95%) of capacity in the passenger car market of Ukraine in 2017 is occupied by imports. And only 5% is share of Ukrainian light vehicles production. In 2017, 7.3 thousand cars were produced. However, after two consecutive years, production volumes had a negative trend. This is due to the competitive pressure of used foreign cars with foreign registration. However, at the end of 2019, this threat was overcome by using legal restrictions, so it will no longer affect the market and is not a threat [5].

In addition to the already mentioned duties, logistics costs include fuel, depreciation of cars and operating costs of carriers. The distance between the Eurocar plant and the chain of sales stores in Slovakia is only 130 km, and 450 km to the plant itself. The fact that the markets of Slovakia and Ukraine have a favorable geographical position of Ukraine creates opportunities for further trade. Minerals are concentrated mainly in the Slovak Ore Mountains: iron ore, manganese ore, polymetallic; deposits of antimony, magnesite.

In Ukraine, out of 20 thousand field, about 5 thousand and 90 types of minerals are industrially significant. This part is even taken into account in

Table 3

Summary table of factors of market opportunities

Factor	Expert scoring factor significance given weight ratio	Option to solve the problem	Influence of the factor on S/D
Ukraine			
Doing Business	9×0,2=1,8	Improving the investment climate will lead to increasing level of investments in the country, but it is necessary to continue the qualitative transformation to improve the components of this rating, which have the lowest scores. Introduction of state support for investment projects with significant investments.	D
Economic efficiency of logistics	9×0,3=2,7	Focus the partner's attention on Ukraine's comparative advantage in this direction and present a plan for reducing logistics costs within the SEP.	S\D
Product quality meets the requirements of the partnership	9×0,2=1,8	Obtaining licenses, certificates involve the participation of the manufacturer in fairs, presentations and increase brand awareness and attract new partners (in particular, exports can be realized, as a result of compliance with EU standards).	S
Capacity of the national market	8×0,3=2,4	Creating loyalty programs for customers in order to strengthen the influence of the domestic brand	S\D
Geographically attractive location of the company	8×0,15=1,2	Consider access to neighboring markets with lower logistics costs, as a result of establishing a trade route	S\D
Improving the innovation level of the industry	7×0,2=1,4	Strengthening the effectiveness of collaboration in SEP and exchange of achievements in the field of technical support. In the future, it is possible to establish a joint technology center.	S\D
The availability of natural resources needed for production.	6×0,15=0,9	Allows to find the alternative sources of supply of materials. Provides access to materials in the country of sale.	S\D
Similarity of cultural environment	6×0,1=0,6	Reducing the cost of overcoming the cultural barrier, awareness of doing business and reducing the risks of SEP.	S\D
Fashion for environmental friendliness	5×0,1=0,5	Position the product as environmentally friendly (because one of the phases is the production of electric vehicles) and economical. The plant is also equipped with powerful treatment facilities.	S\D
Purchasing power of the population	5×0,3=1,5	By reducing production costs, recommended government subsidies and partner investment, the cost of a car will be reduced.	S\D
Uniform development of regions	4×0,05=0,2	Obtaining a developed infrastructure with a large number of potential entities to support production.	S\D
Similar age structure of the population	3×0,05=0,15	Potential market size and the ability to extrapolate the results of marketing research.	D
Slovakia			
Promoting industry	10×0,2=2	Abandon vector to protect domestic producers	D
Capacity of the national market	9×0,3=2,7	Creating loyalty programs for customers in order to strengthen the influence of the domestic brand	S\D
Product quality meets the requirements of the partnership	9×0,2=1,8	Obtaining licenses and certificates involves the manufacturer's participation in fairs, presentations and increase brand awareness and attract new partners	S
Geographically attractive location of the company	8×0,15=1,2	Consider access to neighboring markets with lower logistics costs, as a result of establishing a trade route	S\D
Improving the innovation level of the industry	7×0,2=1,4	Strengthening the effectiveness of collaboration in SEP and exchange of achievements in the field of technical support. In the future, it is possible to establish a joint technology center.	S\D

Table 3 continuation

Factor	Expert scoring factor significance given weight ratio	Option to solve the problem	Influence of the factor on S\D
Similarity of cultural environment	$6 \times 0,1 = 0,6$	Reducing the cost of overcoming the cultural barrier, awareness of doing business and reducing the risks of SEP.	S\D
The establishment of new technological way	$5 \times 0,2 = 1$	Strengthening the effectiveness of collaboration in SEP and exchange of achievements in the field of technical support. In the future, it is possible to establish a joint technology center.	S\D
Uniform development of regions	$4 \times 0,05 = 0,2$	Obtaining a developed infrastructure with a large number of potential entities to support production.	S\D
Similar age structure of the population	$3 \times 0,05 = 0,15$	Potential market size and the ability to extrapolate the results of marketing research.	D

Source: author's vision

the state balance of the country's resources. The most important for the automotive industry are coal, iron and manganese ores, titanium-zirconium ores, oil and gas, non-metallic building materials, mineral waters. These minerals are important in terms of potential sources of raw materials for production.

As the industry is knowledge-intensive, it is very important to take into account current trends in the development and implementation of the latest equipment and technologies. As of 2019, Slovakia is implementing about 500 projects related to innovation, including 25 in the automotive industry (most of them related to the development of artificial intelligence for autonomous control). There are 559 registered patents in the country, 122 of them in the automotive industry. A significant share of automotive developments creates prospects for technological cooperation and increasing the level of productivity of the industry. This is especially true in the context of the formation of the fifth wave of innovation, as Slovakia is already on the fourth and has all the potential for further development, especially in its priority automotive industry. In turn, Ukraine is only the third, which increases the imbalance of technical support in the region and leads to backwardness of the country.

The similarity of the cultural environment was identified on the basis of Hofstede's study in the field of cultural environment of different countries. The comparative characteristic of indicators of cultural environment according to Hofstede is executed. These estimates are quite arbitrary, but in general are characterized by the absence of significant differences between countries, which, in turn, prevents a number of conflicts in doing business together.

Technological equipment, used at plants in Ukraine and Slovakia, provides low energy consumption and a high level of environmental

friendliness. VW Group additionally equips special installations at its own plants, which return to the factory network the electricity, produced during the testing of power units, for production needs and heating of production areas.

As a result of calculating the coefficients of significance of each factor we received the following results:

1) Factors that pose a threat to the activities of SEP in Ukraine are estimated at 13.2 points, in Slovakia – 10.7 points.

2) Factors that enable the development of SEP in Ukraine are estimated at 15.15 points, in Slovakia – 11.05 points. It should be noted that some factors that were important for the analysis of the Ukrainian market did not affect the Slovak market in any way.

Thus, the opportunities identified by macro marketing factors outweigh the threats. The largest expert score assessment of the impact on the future of SEP received economic, political, scientific and technical factors, and the market is the least influenced by demographic ones.

IV. Selection of the level of cooperation

Since the partnership will be implemented between enterprises of the same industry, it is recommended to use the inter-sectoral level of cooperation. The companies agree on joint long-term activities to improve their market position. This tool is also used by NATO to establish the stage of activity of the partnership. At different times, one of the partners may be more active and then less active.

V. Analysis of the financial position of partners

Financial plan provides for a calculation of all components of a common future performance of SEP. The main financial plan provides sales forecasts, financial budgeting, as well as contains the development of financial reporting management strategy.

Sales forecasts. For all financial calculations

on the expected volume of production, should be taking into consideration at least three development scenarios: positive, negative and neutral. Negative scenario – the company remains at the previous level of production and sales: about 7 thousand cars a year. The reduction will not take place, as the agreement will not provide the decommissioning of existing models. A negative factor may be the intensification of the crisis because of the pandemic. The expected scenario – an increase in the number of cars produced and sold to 20 thousand, as the production of 2 new models is expected: Skoda Citigo and Skoda Citigoe iV. As a positive scenario can be considered increase of sales to the level more than 20 thousand cars sold per year. The final figures depend on the expected efficiency and return on all aggregate investments, except for production costs (improvement of existing technical equipment, training of employees, etc.)

Description of the financial budget of the firm. In 2019, PJSC Eurocar already evaluated a project to expand the plant through investments from VW Group, the Renault-Nissan alliance and a number of Korean manufacturers. Projects were not launched (some of them did not even reach the negotiation stage) and the government was unable to retain potential partners.

According to preliminary estimates, the expected cost of one built-in line for the complete assembly of one new model (we are considering only the launch of new Skoda models) will cost 1 million USD. , and each subsequent line, which already provides additional equipment for other models – 250 thousand USD each. So, if the conditions of the partnership include the production and supply not only of models that are already being developed, but also of new ones – the budget of the agreement will be estimated at about 2 million USD – only on the first stage of production launching.

Management of financial documents. It is proposed to include the establishment of the order of financial document circulation in this block, but not in the block of formalization of the agreement, as it doesn't concern a subject of the agreement and has organizational nature. The company will have to accept (or rather duplicate its own financial statements) European standards of conduct. For example, it will be necessary to keep records in accordance with IFRS (The International Financial Reporting Standards). However, since this requirement is enshrined in the European integration program, it is expected that all companies will move to this standard.

In the SEP development mechanism for more than two partners or a project with planned diversified economic activities, we propose to develop a full-fledged business project plan instead.

VI. Drawing up a financial plan for the partnership

Analysis of the financial condition of partners allows, firstly, to assess the position and potential of each member before the start of joint activities, and secondly, to further compare the results of the enterprise, industry or country activity before joining the SEP and after.

In the article we analyzed the coefficients that more reflect the position, activity dynamics and financial stability of the enterprise. Among such indicators are stock coverage ratio; current debt ratio; absolute liquidity ratio; coefficient of autonomy; coefficient of financial stability, return on assets ratio.

Let's calculate the listed indicators on the basis of the financial statements of the PJSC «Eurocar» company and formulate the reasons of changes in the results of activity of the company (coefficients are calculated as of January 1 of each year) [1]:

1) Stock coverage ratio. In the period of 2014–2018, there is a decrease in the value of the coefficient to 2.743. This occurred due to increased inventories by 2.7 times and reduced short-term bank loans of 0.9 times. Current accounts payable on long-term liabilities are missing throughout the study period. Stocks increased 1.6 times. In general, on average for the entire study period there is a general tendency of decreasing the coefficient, the rate of decline is (–1,105).

2) Current debt ratio. In the last period there was a significant decrease in the coefficient to 0.512. This was due to a 1.7 – fold reduction in other current liabilities. This indicates that the company is unable to properly manage its liabilities, which is negative for both creditors and debtors and creates barriers to investment. During the study period, there is a general trend towards an increase in the current debt ratio, the growth rate is 0.3434.

3) Absolute liquidity ratio. In 2015–2018, there is a sharp decrease in the value of the coefficient by 17 times and it currently stands at 0.24. This is due to a significant increase in cash and cash equivalents by 19.51 times, as well as a decrease in current liabilities by 0.9 times. In general, during the study period there is a tendency of decreasing the absolute liquidity ratio, the rate of decline is –0.356.

4) Coefficient of autonomy. During 2014–2016, there is a decrease in the coefficient from 0.43 to –0.374. In 2017–2018, there is an increase in the value of the coefficient to the level of –0.28. The increase in the ratio is caused by an increase in the value of equity by 1.1 times. In general, on average during the study period there is a general tendency of decreasing the coefficient of independence, the rate of decline is –0.187.

5) Coefficient of financial stability. During the study period (except 2015–2016) there is a tendency to increase the value of the coefficient from 0.524 to

0.773 (this is the highest value for the entire period). This was due to an increase in equity by 1.1 times, as well as a decrease in sources of funds of the enterprise. Throughout the study period, the ratio was not within the recommended limits, there is a tendency of increasing the ratio of financial stability and growth rate is 0.043.

6) Return on assets ratio. For 5 years there was a sharp increase in 2015–2016, and in 2017–2018, and a sharp decline in 2014–2015. The change in the values of the ratio is explained by the fact that the company's assets decreased and net profit increased. In general, during the study period there is a general tendency of increasing the coefficient and the growth rate is 0.637.

A similar analysis is performed to assess the financial condition of the Volkswagen Group.

VII. Formalization of the agreement

This block is final in the formation of the SEP mechanism and is conducted after the negotiation stage, when all aspects of further activities within the partnership have already been identified. The texts of the EU agreements on strategic economic partnerships with Cameroon, Ghana, Mauritius, Seychelles, Zimbabwe and Madagascar and the Caribbean were analyzed [8]. The common and most significant, in our opinion, sections of the document that should be present during the signing of the international agreement on SEP are identified: introduction – a brief description of the essence, purpose; list of partnership participants and their functions; description of the sphere of cooperation; definition of special conditions for conducting economic activities for partners; submission of the list of rights and obligations of the parties; indication and description of SEP principles; adoption of anti-dumping legislation; determining duration of the transaction; approval of the tax system (if it differs from the national one); approval of the method of assessing the economic efficiency of SEP; arbitration and more.

We propose to add strategic indicators that will allow to monitor the results of activities and assess the effectiveness of SEP. In addition, it is proposed to introduce a paragraph on the areas of scientific and technical cooperation and the amount of technical assistance in quantitative and qualitative terms, especially for SEP in high-tech industries. This will oblige the parties to promote mutual innovation and technological development, to provide the necessary production or sales capacity for the industry.

The further role of SEP partner countries is to monitor and coordinate, with which frequency reports to supervisory boards should be introduced. The causes of failed economic partnerships need to be carefully studied and discussed. Based on a study

of global experience on successful partnerships according to the OECD report [3], as well as on SEP that have ceased to participate, it can be concluded that the partnership will be ineffective if:

- Partners do not share the same values and interests;
- There is no division of areas of responsibility, risks and benefits;
- Exists significant inequality (economic, resource, technological etc.);
- One of the partners has more power and individually makes management decisions;
- There is a hidden motivation, not stated by all partners;
- Partnership was created to support the image;
- Partnership members do not resolve internal conflicts;
- Ease of withdrawal from the partnership leads to constant change of partners and, as a result, unstable support.

Conclusion

Thus, the process of creating an international strategic economic partnership requires a thorough analysis of not only economic and political factors, but also a fundamental macroeconomic analysis. Strategic economic partnership is based on the principles of mutual benefits and coordination of economic interests of the parties. The proposed step-by-step mechanism for the formation of an international SEP will allow Ukrainian and foreign businesses to plan, develop, implement, evaluate and effectively manage an international strategic economic partnership. Further research is needed to study the sectoral specifics of SEP in strategic sectors of the Ukrainian economy and assess the impact of integration factors on the conditions and prospects of international strategic economic partnership of Ukraine.

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ФОРМУВАННЯ МЕХАНІЗМУ МІЖНАРОДНОГО СТРАТЕГІЧНОГО ЕКОНОМІЧНОГО ПАРТНЕРСТВА ДЛЯ ВИРОБНИКІВ АВТОМОБІЛЕБУДІВНОЇ ГАЛУЗІ УКРАЇНИ

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З посиленням інтеграції та дезінтеграційних процесів в останні роки проблема економічних відносин між країнами стає ще актуальнішою, особливо на тлі розгортання пандемії вірусу COVID-19, наслідки якої загрожують світовій та національній економіці. Саме тому суб'єкти господарювання в даний час шукають нові форми економічної співпраці. В умовах ринкової невизначеності стратегічне партнерство є засобом стабілізації бізнес-процесів. Особливо це стосується автомобілебудування, яке перебуває у критичному стані і не здатне відповісти на ці економічні виклики. У статті проаналізовано підходи до визначення сутності та змісту концепції міжнародного стратегічного економічного партнерства та запропоновано авторське визначення цього поняття. Визначено низку переваг міжнародного стратегічного економічного партнерства в сучасних умовах. Запропоновано механізм формування стратегічного економічного партнерства, розкрито змістовні та методичні аспекти етапів даного механізму. Зокрема, формування стратегічного економічного партнерства передбачає факторний аналіз макроекономічного середовища для виявлення особливостей бізнес-процесів у кожній країні та виявлення загроз та можливостей від впливу кожного окремого фактора. Розглянуто практичні аспекти механізму міжнародного стратегічного економічного партнерства (СЕП) в автомобілебудівній галузі України. Надано результати практичної апробації запропонованого механізму на прикладі співпраці між суб'єктами господарювання автомобілебудівної галузі за тісної співпраці між урядами Словаччини та України. Запропонований механізм дозволить спланувати, розробити, впровадити, оцінити та ефективно управляти міжнародним СЕП.

Ключові слова: міжнародне стратегічне економічне партнерство, зарубіжний партнер, механізм, узгодження економічних інтересів, автомобілебудівна галузь.

ФОРМИРОВАНИЕ МЕХАНИЗМА МЕЖДУНАРОДНОГО СТРАТЕГИЧЕСКОГО ЭКОНОМИЧЕСКОГО ПАРТНЕРСТВА ДЛЯ ПРОИЗВОДИТЕЛЕЙ АВТОМОБИЛЕСТРОИТЕЛЬНОЙ ОТРАСЛИ УКРАИНЫ

Старостина А.А., Нагачевская Т.В., Сорока М.М.

С усилением интеграции и дезинтеграционных процессов в последние годы проблема экономических отношений между странами становится еще более актуальной, особенно на фоне развернувшейся пандемии вируса COVID-19, последствия которой угрожают мировой и национальной экономике. Именно поэтому субъекты хозяйственной деятельности в настоящее время ищут новые формы экономического сотрудничества. В условиях рыночной неопределенности стратегическое партнерство является средством стабилизации бизнес-процессов. Особенно это касается автомобилестроения, которое находится в критическом состоянии и не способно ответить на эти экономические вызовы. В статье проанализированы подходы к определению сущности и содержания концепции международного стратегического экономического партнерства и предложено авторское определение этого понятия. Определено ряд преимуществ международного стратегического экономического партнерства в современных условиях. Предложен механизм формирования стратегического экономического партнерства, раскрыты содержательные и методические аспекты этапов данного механизма. В частности, формирование стратегического экономического партнерства предполагает факторный анализ макроэкономической среды для выявления особенностей бизнес-процессов в каждой стране и выявления угроз и возможностей от влияния каждого отдельного фактора. Рассмотрены практические аспекты механизма международного стратегического экономического партнерства (СЭП) в автомобилестроительной отрасли Украины. Представлены результаты практической апробации предложенного механизма на примере сотрудничества между субъектами хозяйствования автомобилестроительной отрасли при тесном сотрудничестве между правительствами Словакии и Украины. Предложенный механизм позволит спланировать, разработать, внедрить, оценить и эффективно управлять международным СЭП.

Ключевые слова: международное стратегическое экономическое партнерство, зарубежный партнер, механизм, согласования экономических интересов, автомобилестроительная отрасль.

DEVELOPMENT OF THE MECHANISM OF INTERNATIONAL STRATEGIC ECONOMIC PARTNERSHIP FOR UKRAINIAN AUTOMOTIVE INDUSTRY

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Under the conditions of strengthening of integration and disintegration processes in recent years, the problem of economic relations between the countries becomes even more relevant, especially in the background of the pandemic of the COVID-19, the consequences of which threaten world and national economy. That is why economic entities are currently looking for new forms of economic cooperation. In the conditions of market uncertainty strategic partnership is a way of stabilizing business processes. This is especially relevant for the automotive industry, which is in a critical state and is unable to meet these economic challenges. The approaches to defining the essence and content of the concept of international strategic economic partnership are analyzed in the article and own definition of the term is proposed. Advantages of the international strategic economic partnership in modern conditions are determined. The mechanism of formation of a strategic economic partnership is offered, its essence and methodical aspects of stages of this mechanism are presented. In particular, the formation of a strategic economic partnership involves factor analysis of the macroeconomic environment to identify the characteristics of business processes in each country and identify threats and opportunities of the influence of each factor. Practical aspects of the mechanism of international strategic economic partnership (SEP) in the automotive industry of Ukraine are considered. The results of practical approbation of the proposed mechanism are presented on the example of cooperation between the subjects of the automotive industry in close cooperation with the governments of Slovakia and Ukraine. The proposed mechanism will allow to plan, develop, implement, evaluate and effectively manage international SEP.

Key words: international strategic economic partnership, foreign partner, mechanism, coordination of economic interests, automobile industry.

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