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RISKS IN FOREIGN ECONOMIC ACTIVITY OF THE ENTERPRISE

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РИЗИКИ У ЗОВНІШНЬОЕКОНОМІЧНІЙ ДІЯЛЬНОСТІ ПІДПРИЄМСТВА

Foreign economic activity (FEA) opens up broad prospects for enterprises to expand their markets, obtain additional resources, and enhance their competitiveness. At the same time, entering international markets is accompanied by numerous risks that can negatively affect the financial condition and overall operations of the enterprise. Considering the outlined aspects, the purpose of the article is to analyze the main types of risks that enterprises face in foreign economic activity, such as currency, political, legal, commercial, and others. Within the scope of the study, it was found that foreign economic activity (FEA) offers enterprises new opportunities but also carries various risks. These risks are interpreted as the likelihood of unfavorable events or circumstances occurring during the conduct of foreign economic activity, provided that they can lead to financial losses, loss of reputation, breach of contracts, or other negative consequences for the enterprise. The study found that the key characteristics of effective risk management in foreign economic activity include: comprehensiveness, systematic approach, proactivity, adequacy, flexibility, economic efficiency, integration, awareness, and responsibility. It should be noted that each of these characteristics is defined by its focus on achieving specific goals, such as increasing profitability, reducing losses, enhancing competitiveness, and stabilizing the enterprise's operations. Risk management in foreign economic activity that aligns with the aforementioned characteristics allows an enterprise to: 1) minimize the negative consequences of adverse events or circumstances; 2) leverage opportunities arising from risks to achieve strategic goals and enhance competitiveness in the global market. The prospects for further research lie in the development of comprehensive risk management models that take into account various aspects of foreign economic activity and the specific characteristics of enterprises. This will enhance management efficiency and ensure sustainable business development.

Актуальність дослідження зумовлена змістом зовнішньоекономічної діяльності (ЗЕД), що відкриває перед підприємствами перспективи розширення ринків збуту, отримання додаткових ресурсів та підвищення конкурентоспроможності. Разом з тим, доведеним є той факт, що вихід на міжнародні ринки завжди супроводжується численними ризиками, які за своєю природою можуть негативно впливати на фінансовий стан та загальну діяльність підприємства. Враховуючи окреслені аспекти метою статті є загальна ідентифікація основних видів ризиків, з якими стикаються підприємства у ЗЕД, таких як валютні, політичні, правові, комерційні та інші. У межах дослідження встановлено, що ризики у зовнішньоекономічній діяльності (ЗЕД) слід

розглядати як ймовірність виникнення різних негативних подій або обставин під час здійснення суб'єктами господарювання комплексу заходів, спрямованих на взаємовигідне співробітництво та обмін товарами, послугами та капіталами через міжнародні економічні відносини. Відтак, основні аспекти ЗЕД, які включають ризики, класично охоплюють експорт імпорт товарів, послуг та технологій, інвестиції, трансфер технологій, міжнародні фінансові операції, участь у міжнародних організаціях тощо. За результатами дослідження констатовано, що серед базових ознак ефективного управління ризиками у ЗЕД можна виокремити: комплексність; системність; проактивність; адекватність; гнучкість; економічну ефективність; інтегрованість; інформованість; відповідальність. Зазначимо, що кожну з цих ознак визначає спрямованість на досягнення конкретних цілей, таких як збільшення прибутковості, мінімізація можливих збитків, підвищення конкурентоспроможності та стабільності діяльності підприємства. Саме управління ризиками у ЗЕД, що відповідає окресленим вище ознакам дозволяє підприємству: мінімізувати негативні наслідки від настання негативних подій або обставин; використовувати можливості, що виникають завдяки ризикам (для досягнення стратегічних цілей, для підвищення конкурентоспроможності на глобальному ринку тощо). Перспективи подальших досліджень полягають у створенні комплексних моделей управління ризиками, що враховують різні аспекти ЗЕД, особливості функціонування підприємств та дозволять підвищити ефективність управління та забезпечити сталий розвиток бізнесу на глобальному ринку.

Key words: pure risks, external risks, internal risks, credit risks, effective risk management.
Ключові слова: чисті ризики, зовнішні ризики, внутрішні ризики, кредитні ризики, ефективне управління ризиками.

PROBLEM STATEMENT

Foreign economic activity (FEA) opens up broad prospects for enterprises to expand their market reach, obtain additional resources, and enhance competitiveness. However, entering international markets is accompanied by numerous risks that can negatively impact the financial condition and overall operations of enterprise. Characteristic examples include fluctuations in currency exchange rates, which can significantly affect the value of contracts, leading to financial losses; partner insolvency, which can result in losses; or political instability, conflicts, and government changes, which can affect the business environment. The outlined significance highlights the need to study risks in foreign economic activity (FEA), particularly the specifics of changes in the global economy driven by intensified competition, geopolitical instability, and regulatory unpredictability. Successful operations of enterprises in foreign markets require effective management and comprehensive approach to identifying, assessing, and minimizing risks.

THE ANALYSIS OF RECENT RESEARCHES AND PUBLICATIONS

Various aspects of risk management for enterprises engaged in foreign economic activity have been researched by scholars such as Taran I.V., Sviderska A., Gonchar H.P., Granaturov V.M., and Lavriv V.V. The concept of foreign economic risk as an opportunity has been explored by authors like Mantur-Chubata O.S., Nasypaiko D.S., and Podpletniy V.V. While acknowledging the scientific contributions of these leading scholars, we note that the issue of identifying the main risks of foreign economic activity for enterprises and the specifics of managing development in the context of globalization processes remains not fully explored.

GOAL SETTING (FORMULATION OF GOALS OF THE ARTICLE)

Considering the outlined aspects, the article's purpose is to analyze the main types of risks that enterprises face in foreign economic activity (FEA), such as currency, political, legal, commercial, and others. To achieve this goal:

1. The article examines the specific manifestations of FEA risks in contemporary conditions.
2. It proposes tools for effective risk management in FEA.

Special attention is given to the development of risk management strategies that enable enterprises to ensure stability and success in their international operations.

THE PAPER MAIN BODY WITH FULL REASONING OF ACADEMIC RESULTS

Foreign economic activity (FEA) opens up new opportunities for enterprises, but it also involves various risks. Based on the analysis of scientific literature, these risks can be interpreted as the probability of adverse events or circumstances arising during foreign economic activity, provided that they can lead to financial losses, loss of reputation, disruption of contracts, or other negative consequences for the enterprise.

These risks have diverse nature and can arise at various stages of FEA: from partner search and contract negotiation to transportation of goods and settlements. To systematize the understanding of such risks, it is advisable to classify them based on key characteristics:

Table 1. Basic features that distinguish effective enterprise risk management in foreign economic activity

Features	Characteristic of the feature	Specific manifestation of the feature	Result of combining efficiency features
Comprehensiveness	Risk management encompasses all aspects of the enterprise's foreign economic activity	It includes financial, political, legal, commercial, logistical, and other risks	Allows the enterprise to minimize the negative consequences of adverse events or circumstances; Allows the enterprise to leverage opportunities arising from risks to achieve strategic goals and enhance competitiveness in the global market. Allows the enterprise to formalize potential risks in foreign economic activity (FEA) and their likelihood of occurrence at any given moment.
Systematicity	The risk management process is continuous.	It includes continuous monitoring, analysis, and adjustment of measures to minimize risks.	
Proactivity	Risk management measures are taken in advance	Allows to prevent the occurrence of negative events	
Adequacy	Risk management measures are proportionate to the nature and scale of the risks, as well as the resources and capabilities of the enterprise	Allows to determine a set of actions to counteract and prevent risks, algorithms for adjusting these actions in accordance with changes in the external environment and internal conditions of the enterprise	
Flexibility	The risk management system is capable of adapting to changes		
Economic efficiency	The costs of risk management should be justified by the expected results.	Obtaining tangible results in the form of reduced losses, increased profitability, and stability of operations. Obtaining tangible results related to other business processes.	
Integration	Risk management is an integral part of the overall enterprise management system		
Awareness	Risk management is based on reliable, up-to-date, and comprehensive information.	It includes data on risks, their sources, and potential consequences	
Responsibility	Clearly defined individuals are responsible for managing risks at all levels of the enterprise.	It includes a responsibility matrix that covers all levels of the organizational structure	

Source: formulated by the author based on [1; 3; 5].

1. Based on their source, risks are classified into external and internal risks. So, among external risks: political (changes in the political situation of the partner country such as wars, revolutions, sanctions, embargoes, changes in government, etc.), economic (such as fluctuations in currency exchange rates, inflation, recession, changes in tax legislation, customs tariffs, etc.), legal (differences in legal systems of countries, changes in legislation, difficulties in dispute resolution), cultural (due to differences in culture, mentality, business ethics, which can lead to misunderstandings and conflicts), natural (natural disasters, epidemics, pandemics). Among internal risks: are financial (insufficient financial resources, liquidity problems, credit risks), commercial (non-performance of contracts by counterparts, market demand fluctuations, competition), and operational (human errors, technical failures, logistics problems).

2. Based on their impact, risks are categorized into pure risks (associated solely with the possibility of losses, such as fire, and theft) and speculative risks (associated with both the possibility of losses and gains, such as currency exchange rate fluctuations).

3. Based on the level of control, risks are categorized into controlled risks (where the enterprise can influence their probability and consequences) and uncontrollable risks (where the enterprise cannot influence their occurrence).

4. By the sphere of manifestation, there are currency risks (if such risks are associated with changes in exchange rates), credit risks (if such risks are associated with non-fulfillment of debt obligations by counterparties), transport risks (associated with the transportation of goods), customs risks (associated with customs clearance of goods), and country risks (associated with the political and economic situation in the partner country).

So, the most common examples of risks arising in the foreign economic activity of enterprises are:

Political risk. An example of its occurrence is the case when an enterprise exports goods to a country where a coup d'etat takes place, as a result of which the new government imposes an embargo on the import of goods from the exporting country.

Economic risk. An example of its occurrence is the case when an enterprise imports raw materials from a country where the national currency is devalued, increasing the cost of raw materials.

Financial risk. An example of its occurrence is the case when an enterprise takes out a loan in a foreign currency to finance foreign economic activity, but the exchange rate of this currency increases, which leads to an increase in the cost of servicing the loan.

Logistics risk. An enterprise sends a batch of goods to another country, but due to delays in the port and damage to the container during transportation, some of the goods become unusable, leading to financial losses and loss of reputation.

Technical risk. An enterprise purchases a new technological line from Germany, but due to incorrect setup and lack of qualified personnel, the line often breaks down, leading to production downtime and losses.

The examples provided only partially reflect the complex and multifaceted nature of risks in foreign economic activity. That is why effective management of these risks is critical to the success of an enterprise in the international arena. It can be argued that effective risk management in foreign economic activity is an essential condition for the successful operation of an enterprise in the global market.

Risk management in foreign economic activity (FEA) is a systematic process of identifying, assessing, analyzing, and controlling risks associated with the activities of an enterprise in international markets.

This process aims to minimize the negative impact of risks on the financial results and activities of the enterprise, as well as to take advantage of opportunities that arise due to risks. An example of turning risks into opportunities is the company Airbnb, which was founded in 2008 during the global financial crisis (during which the real estate market was experiencing a downturn, and many homeowners were looking for additional sources of income) [2]. Airbnb offered a platform that allowed homeowners to rent out their apartments and houses to travelers, providing hosts with additional income and travelers with affordable accommodation. The risk associated with the financial crisis became a catalyst for Airbnb's success. The company used the crisis as an opportunity to create an innovative business model that changed the way people travel and rent accommodation.

Table 2. Techniques for minimizing the negative consequences of adverse events or circumstances in foreign economic activity (FEA) by enterprises

Risk mitigation techniques	Methods, tools, and strategies that are used	Characteristics of minimizing adverse events or circumstances
Risk Transfer	Insurance	Insurance policies against various risks (currency, political, transportation, etc.) can compensate for financial losses.
	Hedging	The use of financial instruments to fix currency exchange rates or commodity prices, which protects against adverse fluctuations.
	Factoring and forfeiting	Selling accounts receivable to a factoring company or bank, which removes the risk of non-payment from the enterprise.
Risk Reduction	Diversification	Allocation of activities across different markets, with diverse products and counterparties, which reduces dependency on a single source of risk
	Limitation	Setting limits on transaction volumes, lending, investments in specific assets, or countries.
	Reserving	Creation of reserve funds to cover potential losses.
	Implementation of quality management systems	Quality control of products, services, and processes, which reduces the risk of claims, returns, and other issues
Risk Avoidance	Avoidance of risky operations	If the risk is too high and cannot be effectively reduced or transferred, the enterprise may opt to refrain from such an operation.
	Selection of reliable partners	Thorough selection of counterparties, verifying their financial stability and reputation.
	Compliance with legislation	Compliance with the legislation requirements of Ukraine and the partner country to mitigate the risk of fines and sanctions.
Operational Response Measures	Emergency action plan	Development of a contingency plan for adverse events (e.g., force majeure situations)
	Monitoring system	Continuous monitoring of risks and timely response to changes.
	Staff training	Enhancement of employees' qualifications in risk management.
Information-Analytical Support	Collecting and analyzing information	Using various sources of information (news, analytics, expert assessments) for forecasting and risk assessment
	Consulting with experts	Engaging experts in law, finance, insurance, logistics, and other fields.

Source: formulated by the author based on [2—3; 5].

Among the basic features of effective risk management in foreign economic activity (Table 1) are: comprehensiveness; systematicity; proactivity; adequacy; flexibility; economic efficiency; integration; awareness; and responsibility [2]. It should be noted that each of these features determines its focus on achieving specific goals, such as increasing profitability, reducing losses, improving competitiveness, and ensuring the stability of the enterprise's operations.

Risk management in foreign economic activity (FEA), aligning with the characteristics outlined above, allows the enterprise to [2]:

1) minimize the negative consequences of adverse events or circumstances;

2) capitalize on opportunities arising from risks to achieve strategic goals and enhance competitiveness in the global market.

Techniques for minimizing the negative consequences of adverse events or circumstances in foreign economic activity (FEA) are a set of methods, tools, and strategies used by enterprises to reduce the probability of risks occurring or mitigate their negative impact on operations in the international economic sphere. These techniques include (Table 2): risk transfer (through insurance, hedging, factoring, and forfeiting), risk reduction (through diversification, limitation, provisioning, and implementation of quality management systems), risk avoidance (by refusing risky operations, selecting reliable partners, compliance with legislation), measures for operational response (emergency action plan, monitoring system, staff training), and information-analytical support (through data collection and analysis, expert consultations) [3; 5].

Techniques for leveraging business opportunities arising from risks should be viewed as a combination of methods, tools, and strategies that allow turning potential threats into

Table 3. Techniques for leveraging business opportunities arising from risks

Opportunity utilization techniques	Methods, tools, and strategies that are used	Characterization of the features of using opportunities arising from risks at an enterprise
Identification of hidden opportunities	Analysis of market trends	Risks associated with market changes, the analysis of which can uncover new niches, customer needs, or technological breakthroughs that can be leveraged to create new products or services
	Studying competitors	Observing how competitors react to risks can provide valuable ideas and approaches for your own business
	Conducting SWOT analysis	Researching the strengths and weaknesses of the enterprise, as well as the opportunities and threats associated with risks. This forms the basis for identifying development directions.
Creation of innovations	Investments in research and development	Risks can stimulate innovation by prompting enterprises to seek new solutions and technologies to overcome challenges
	Collaboration with partners	Collaborating with other companies or research institutions can accelerate the innovation development process and reduce risks
	Experimentation	Not being afraid to try new approaches and ideas, even if they involve some risk. Successful experiments can lead to significant breakthroughs.
Ensuring adaptation and operational flexibility	Development of scenarios	Modeling various scenarios related to risks allows for preparation for potential challenges and enables quicker responses to changes.
	Creation of contingency plans	Having alternative courses of action ensures flexibility and the ability to adapt quickly to unforeseen circumstances.
	Continuous assessment and adjustment	Regular monitoring of risks and their impact on business operations allows for timely adjustments to strategy and tactics.
Development of human capital	Training and development of employees	Investments in employee training will help better understand and manage risks.
	Creation of an innovation culture	Encouraging employees to seek new ideas and solutions will promote the development of the company's innovation potential.
	Engagement of external experts	Consultations with experts in various fields will help gain new knowledge and approaches to risk management.

Source: formulated by the author based on [5—7].

competitive advantages and using them to achieve long-term goals [5—6]. These techniques include (Table 3): identifying hidden opportunities (through market trend analysis, competitive analysis, conducting SWOT analysis), fostering innovation (by investing in research and development, partnering with collaborators, and experimenting), ensuring adaptability and operational flexibility (through scenario planning, creating contingency plans, continuous assessment and adjustment), developing human capital (through training and development of employees, fostering an innovative culture, engaging external experts) [5; 7].

Actually, applying these techniques will enable the enterprise not only to effectively manage risks in foreign economic activity (FEA) but also to use them as a catalyst for development, innovation, and achieving strategic goals.

CONCLUSIONS FROM THIS STUDY AND PROSPECTS FOR FURTHER EXPLORATION IN THIS DIRECTION

Within the research, it has been noted that foreign economic activity (FEA) opens up new opportunities for enterprises, but it also carries various risks. These risks are interpreted as the likelihood of unfavorable events or circumstances occurring during the conduct of foreign economic activity, which could lead to financial losses, damage to reputation, contract failures, or other negative consequences for the enterprise. Outlined provisions allow us to state:

1. Among the fundamental characteristics of effective risk management in foreign economic activity (FEA) are comprehensiveness, systematic approach, proactivity, adequacy, flexibility, economic efficiency, integration, awareness, and responsibility. ЗIt should be noted that each of these characteristics is aimed at achieving specific goals such as increasing profitability, reducing losses, enhancing competitiveness, and ensuring the stability of enterprise operations. Effective risk management in FEA, corresponding to the outlined characteristics above, enables an enterprise to minimize the negative consequences of adverse events or circumstances and capitalize on opportunities arising from risks to achieve strategic goals and enhance competitiveness in the global market.

2. Techniques for minimizing the negative consequences of adverse events or circumstances in FEA are a set of methods, tools, and strategies used by enterprises to reduce the likelihood of risks occurring or mitigate their negative impact on activities in the foreign economic sphere. These techniques include risk transfer (through insurance, hedging, factoring, and forfeiting), risk reduction (via diversification, limitation, reserves, and implementation of quality management systems), risk avoidance (by refraining from risky operations, selecting reliable partners, compliance with legislation), emergency response measures (emergency action plans, monitoring systems, staff training), and information-analytical support (information gathering and analysis, expert consultations).

3. The techniques for leveraging enterprise opportunities arising from risks can be viewed as a collection of methods, tools, and strategies that allow transforming potential threats into competitive advantages and using them to achieve long-term goals. These techniques include: identifying hidden opportunities (through market trend analysis, competitor analysis, conducting SWOT analysis), fostering innovation (through investment in research and development, collaboration with partners, and experimentation), ensuring adaptability and operational flexibility (through scenario development, creating contingency plans, ongoing assessment and adjustment), developing human capital (through employee training and development, fostering an innovation culture, engaging external experts).

Prospects for further research involve creating comprehensive risk management models that consider various aspects of FEA and specific characteristics of enterprises, aiming to enhance management effectiveness and ensure sustainable business development

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