



Section "Economic Development in Conditions of Multifaceted Uncertainty"

# Strategies activities of industrial enterprises of the state sector of the economy in the conditions of military times

**Baliuk Yliia, post-graduate student of Phd of Department of Higher Mathematics, Economic and Mathematical Methods, Simon Kuznets Kharkiv National University of Economics;**

**Budarin Oleksii, post-graduate student of Phd of Department of Higher Mathematics, Economic and Mathematical Methods, Simon Kuznets Kharkiv National University of Economics.**

The strategies of the enterprises which operate in the state sector of the economy under the conditions of martial law must fully correspond and be subordinated to the strategies Ukrainian economy development.

Industrial enterprises are in difficult conditions and are forced to adapt to today's realities in real time. But they still work. Because of their quick adaptation and support from the state, according to official statistics at the end of 2022, it was possible to hold the economic front. But the systematic destruction of production facilities by russian federation is continuing (since October - the terror of the energy sector). Also, the theft of equipment in temporarily occupied or closed to the front-line territories is presented. Broken logistics chains, the blockade of seaports and the fuel crisis at the beginning of the military conflict provoked, and increased the cost of production, which had a significant negative impact on industrial producers.

Despite all the difficulties and challenges, the manufacturers managed to adapt and overcome the large-scale stoppage of production under the conditions of the Government's introduction of such measures. There is the program for the relocation of enterprises to safe territory, a new tax policy aimed at reducing the fiscal burden on enterprises, fiscal incentives for participants of industrial parks, credit support etc.

In Ukraine a project of the Economic Recovery and Development Plan has been developed. It is aimed at achieving the goals of economic stability and modernization of the country. This document defines sectoral directions, in particular: defense-industrial complex, metallurgy and metalworking, agro-industrial complex. These industries should lead to the development of many other sectors. The Ministry of Economy claims that the creation of the National Fund for the Structural Transformation of the Economy, the introduction of war risk insurance, as well as the development of the processing industry and a network of industrial parks are among the important steps that should ensure the implementation of the ambitious tasks. And they also believe that under the difficult force majeure conditions, the only possible way to support activity is total deregulation, introduction of tax benefits, liberalization and strengthening of state support.

It should be noted that a new economic strategy is being launched in Ukraine, which is based on six programs of non-refundable grant support for small and medium-sized businesses.

The first program is micro-grants for the creation of one's own business, within which the state will provide non-refundable costs for the creation of thousands of new micro-businesses.

The second program is non-refundable grants for the developing the agrarian processing enterprises.

The third program should be realized in the agricultural sector. It will refer to partial compensation of the cost of greenhouses.

The fourth program is grants for planting new fruit and berry gardens.

The fifth program is the Ukrainian Startup Fund which will buy a stake in newly created IT companies that are export oriented.

The sixth program is the ability to receive a grant that can be spent on IT courses for Ukrainians who wish to obtain the qualification of junior developer or graphic designer, or other technical specialty.

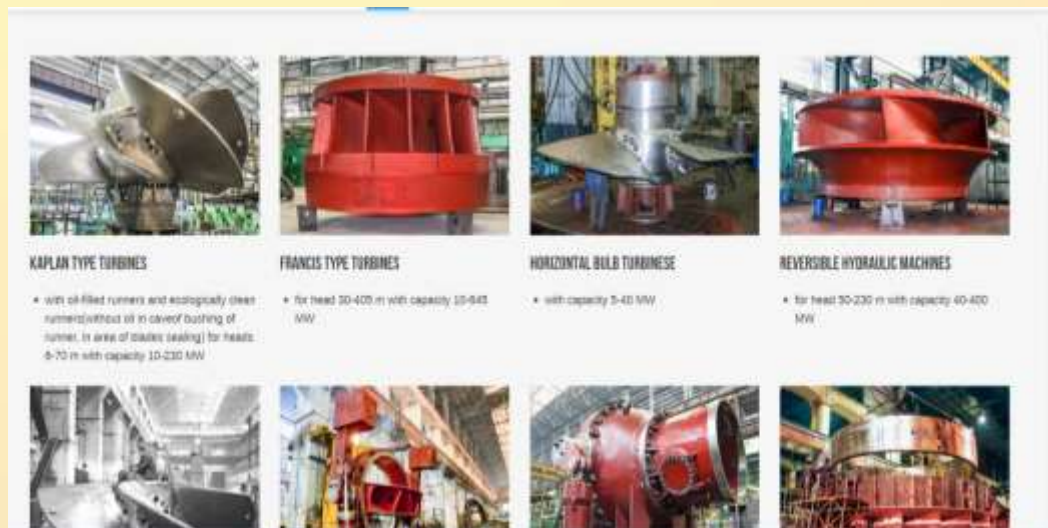


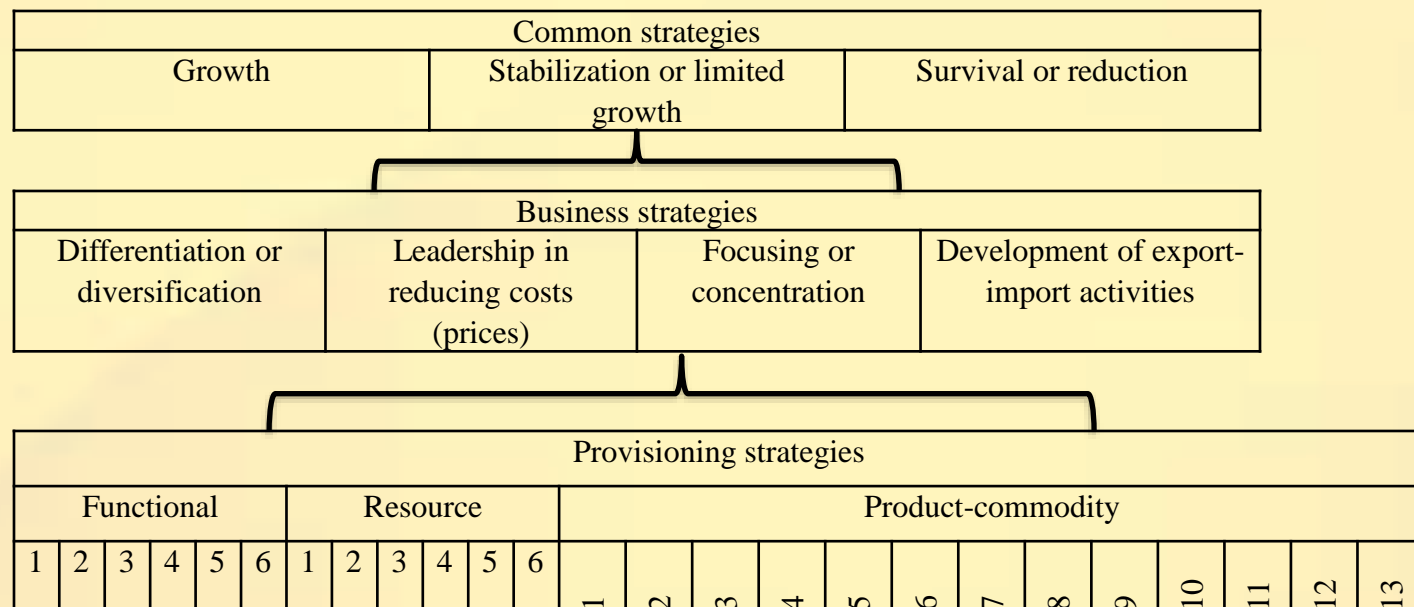
JSC “Ukrainian Energy Machines” is one of the largest enterprises of the world on designing and manufacturing of:

- Steam turbines for:
  - thermal powerplants (TPP);
  - central heating plants (CHP);
  - nuclear powerplants (NPP).
- Hydroturbines for:
  - hydropower plants (HPP);
  - pumped storage power plants (PSPP).
- Hydrovalves for HPP,
- PSPP and pumping plants.

Production capacities let to produce steam and hydroturbines with total designed capacity of 8 mln. kW and 2 mln. kW, respectively per year.

The turbine production is realized in closed cycle: from development and research till manufacturing, assembling, testing and shipping.





where functional strategies: 1 – production; 2 – financial; 3 – marketing; 4 – personnel management; 5 – innovative; 6 – ecological;

resource strategies: 1 – material resources; 2 – financial resources; 3 – energy resources; 4 – labor resources; 5 – information resources; 6 – technique and technology;

product-commodity strategies: 1 – mastering the production and sale of a new product; 2 – sales of the mastered product in new markets; 3 – rationalization of use; 4 – "nutritional integration" (for example, production of semi-finished products, spare parts included as components of the main product, for sale); 5 – territorial expansion or comprehensive integration (for example, with suppliers and the sales system to implement common high-level quality standards for all components); 6 – production and technical evolution with the aim of avoiding the weak points of existing products and increasing their technical and economic indicators; 7 – annual modification of the product; 8 – relative diversification; 9 – unrelated diversification; 10 – conglomerate diversification; 11 – the balance of "life cycles" of products in order to obtain a synergistic effect; 12 – attraction of additional investments for the developing the enterprise in various directions; 13 – "closing" the cash flow cycle due to a flexible sales system (loans, discounts, gifts, etc.).

Under the modern military conditions, JSC «Ukrainian Energy Machines» as strategically important enterprise which ensures the energy security of the State, lost large suppliers of components due to external and internal cooperation. This prompted the search for alternative suppliers in Europe and Asia and led to an increase in purchase prices. Since «Elektrvazhmash» was attached to JSC «Ukrainian Energy Machines», at the beginning of the war there was a significant debt, which the company is repaying. In March 2022, based on the results of financial and economic activity in 2021 the 3.43 million UAH were transferred to the state budget according to CMU Order No. 244-r. as dividends on the state share. In such difficult conditions, the company repaid the tax debt to the state. The company continues its work on filling the portfolio of orders. According to this condition, the results of enterprise activity should be recognized as effective. The quantitative determination of the efficiency level should be adjusted in the direction of increase based on the coefficient that considered the force majeure conditions of obtaining the results of the enterprise's activities.

***THANK YOU FOR YOUR ATTENTION***