

International Marketing Strategies for Sustainable Development of Enterprises

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ABSTRACT

A mechanism for developing and implementing an international marketing strategy for an agricultural enterprise to ensure its sustainable development, a feature of which is to adapt to the new conditions of international markets, is proposed. It is proved that the introduction of a mechanism for developing and implementing an international marketing strategy for an agricultural enterprise will result in a prompt response to changes in the relevant segments of the international market environment through the development and implementation of market research and development activities, preparation of alternative and flexible management solutions aimed at ensuring the sustainable development of the agricultural enterprise.

The article develops an approach to identifying suitable markets for the export of the commodity group "1001 Wheat", where there are favorable business conditions for enterprises from Ukraine. The proposed approach is based on the application of global indicators of business conditions in international markets.

The foreign markets that demonstrate favorable conditions for doing business in them are identified, which indicates the existence of conditions that are a prerequisite for the formation and implementation of international marketing strategies to ensure the sustainable development of domestic agricultural enterprises producing the "1001 Wheat" product group in the German, Dutch, Belgian, British, Portuguese and Austrian international markets.

It is proved that the proposed mechanism for developing and implementing an international marketing strategy for an agricultural enterprise in the postwar period will promote the sustainable development of Ukrainian agricultural enterprises and the recovery of the Ukrainian economy as a whole.

Keywords: favorable business conditions, assessment of global indicators, sustainable development strategy, innovative tools for assessing potential markets, markets convergent for the export, sustainable development of enterprises.

1. Introduction

In the context of international business diversification, enterprises in various sectors of the economy are implementing an international marketing strategy to ensure their sustainable development.

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The development and implementation of an international marketing strategy is the most common way to ensure the sustainable development of an enterprise, which means the development of new international product markets.

For many domestic agricultural enterprises, sustainable development is a priority area of their strategic development. In our opinion, when developing an enterprise's international marketing strategy, an essential component is to determine its efficiency. The efficiency of the international marketing strategy implementation is influenced by the correct choice of new international markets where there is a demand for products and they can ensure an increase of the competitive level of agricultural products of Ukrainian enterprises.

In this context, the issue of developing and using methods of analysis and evaluating the results of the implementation of the international marketing strategy of enterprises arises. This method should cover all components of the enterprises' activities and stages of their development. At the same time, special attention should be paid to the expected effect of the implementation of the international marketing strategy of enterprises to ensure their sustainable development. Assessing the impact of the international marketing strategy on the sustainable development of Ukrainian agricultural enterprises requires a reasonable measurement of its level.

2. Literature Review

The development of an international marketing strategy to ensure the sustainable development of agricultural enterprises is accompanied by methodological support for the implementation of the chosen idea. There are several methodological approaches developed by scientists (2017, 2020, 2021).

One of the main "ideologists" of the development of international marketing strategies is M. Porter, who suggested that before starting to search for new international markets, one should go through 3 stages, the essence of which is to determine the attractiveness of the chosen industry.

The first step is to determine the attractiveness of international markets or their potential to become attractive. The next step is to determine the cost of searching for new international markets. The golden rule, in that case, is that the costs of entering new international markets must be justified by future revenues. The third step is to determine the level of additional benefits. When implementing an international marketing strategy to ensure the sustainable development of Ukrainian agricultural enterprises, it is necessary to increase positive results at all stages.

To date, there is no common opinion among scientists regarding a single system for evaluating the international marketing strategy of sustainable development of enterprises, both in terms of general and specific indicators that could comprehensively determine the level of efficiency of potential international sales markets, access to which will allow Ukrainian enterprises to ensure sustainable development.

We will cite two of them, which are the most appropriate in the context of this study. The first is based on the use of the Herfindahl-Hirschman formula and is determined from the expression (2013):

$$H_j = \left[\sqrt{\sum_{i=1}^n \left(\frac{x_i}{x} \right)^2} - \sqrt{\frac{1}{n}} \right] / \left[1 - \sqrt{\frac{1}{n}} \right], \text{ де} \quad (1.1)$$

where H – enterprise index;

n – the number of types of products by industry classification;

i – product index (биА $i=1-n$)

x_i – the cost of i -products produced by enterprise j ;

x – total value of commodity products of enterprise j .

$$K\partial = 1 - \sum_{i=1}^n x_i^2 \quad (1.2)$$

$H > 0,7975$ – high level of efficiency of the new potential international sales markets,

$0,7975 > H > 0,4375$ – medium level of efficiency of the new potential international sales markets,

$H > 0,4375$ – low level of efficiency of the new potential international sales markets.

The basis of the definition of another indicator is the method of calculation used to determine the industry concentration ratio.

The efficiency ratio of new potential international sales markets according to this approach is calculated by the expression (2015):

$$K_{\text{мб}} = 1 - \frac{100\%}{\sum_{i=1}^n \text{ИВ}_i (2N_i - 1)}, \quad (1.3)$$

where K – efficiency ratio of new potential international sales markets,

MS_i^2 – share of the commodity industry i in the structure of the agricultural enterprise,

N_i – the ordinal number of the industry in the rank series built according to the descending principle.

Namely, the industry with the largest share in the structure of marketable products has the first number, and the industry with the smallest share is assigned the last.

Therefore, when developing an international marketing strategy for the sustainable development of an agricultural enterprise, it is necessary to take into account all the efficiency indicators of entering new potential international markets.

In our opinion, it is imperative to identify possible risks associated with controllable and uncontrollable factors of the international marketing environment, as well as various barriers to entering new markets.

3. Results of the Study

In the context of strategic changes, the solution of these tasks can be seen as a set of tools to enhance the impact of the management mechanism on the development of an agricultural enterprise. That is why for the effective operation of the enterprise and the simultaneous adaptation of its structure to new international markets, a system of targeted organizational management for the sustainable development of the enterprise is required (Fig. 1).

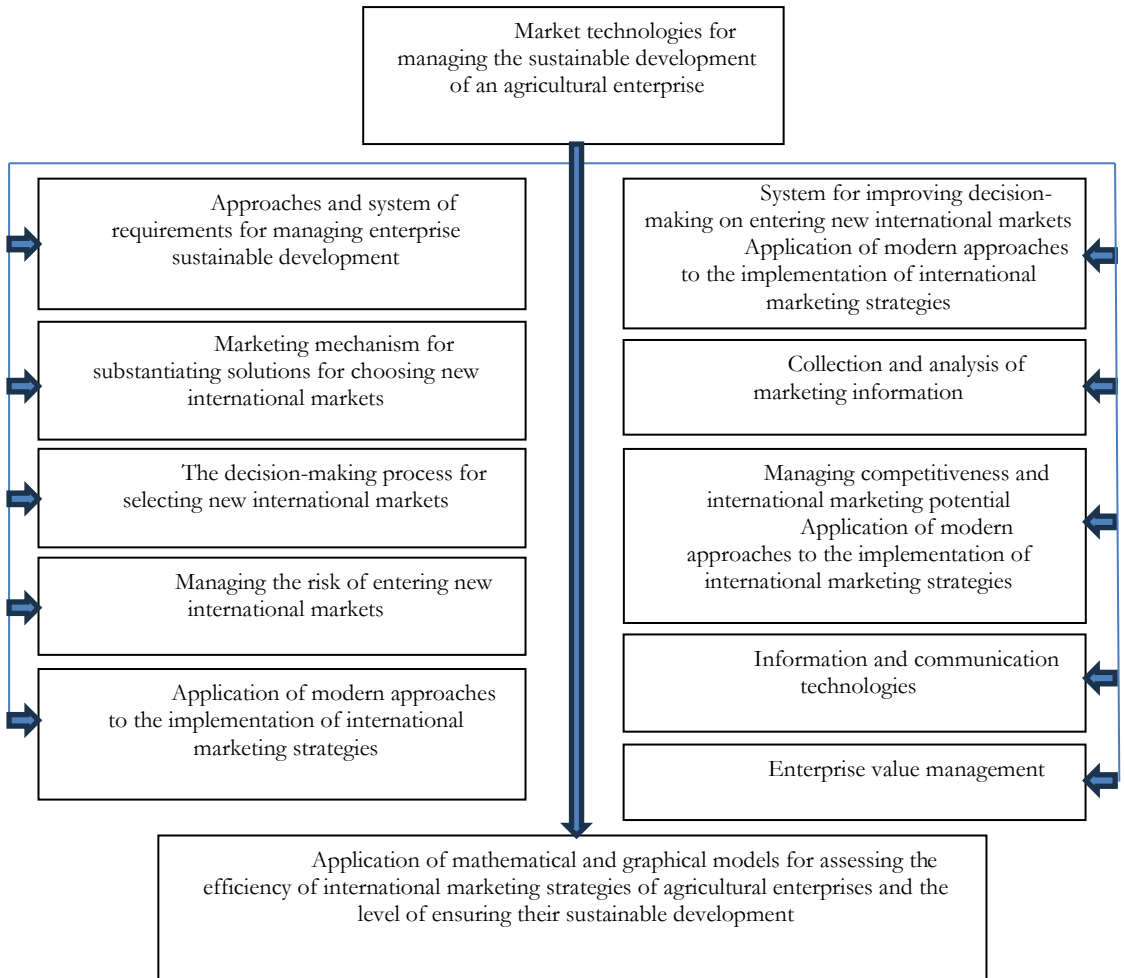


Figure 1. Modern market technologies for managing the sustainable development of an agricultural enterprise
Source: developed by the author based on (2017, 2020)

The identified technologies are directly related to the sustainable development of an agricultural enterprise, as they cover various aspects of its activities and solve organizational and economic management tasks.

The development of an agricultural enterprise as a process is determined by such factors as changes in the external environment and changes in the internal environment. The external environment is continuously evolving: consumer values, market capacity, technologies, prices, laws, etc. are changing. If an agricultural enterprise does not develop along with the external environment and does not adapt to its changes, it will sooner or later go bankrupt. Accordingly, the main goal of an agricultural enterprise is its mandatory development with adaptation to changes in the external environment, adaptation of agricultural products to the strict requirements of international markets, and compliance of agricultural products with the needs of market consumers according to various parameters.

Since the sustainable development of an agricultural enterprise is conditioned by the influence of factors of the internal and external environment, characterized by the expansion of the scale of activities, we consider it relevant to develop a mechanism for the formation of an international marketing strategy for an agricultural enterprise, taking into account general and specific marketing functions with their differentiation for domestic and international markets, an appropriate organizational and legal structure with the aim of maximizing the implementation of an international marketing strategy by agricultural enterprises.

For each agricultural enterprise engaged in international activities, the management mechanism is undoubtedly not limited to a set of methods and levers of managerial influence on the relevant processes but is determined by the intended purpose of the system, the target functions of each element, and its interaction with other elements of the management system, and needs to be adjusted to take into account the level of economic development and the specifics of particular international markets.

Modern market technologies for managing the sustainable development of an agricultural enterprise allow us to classify the factors that influence the effectiveness of the formation of the mechanism for developing and implementing the international marketing strategy of an enterprise (Fig. 2). (2020).

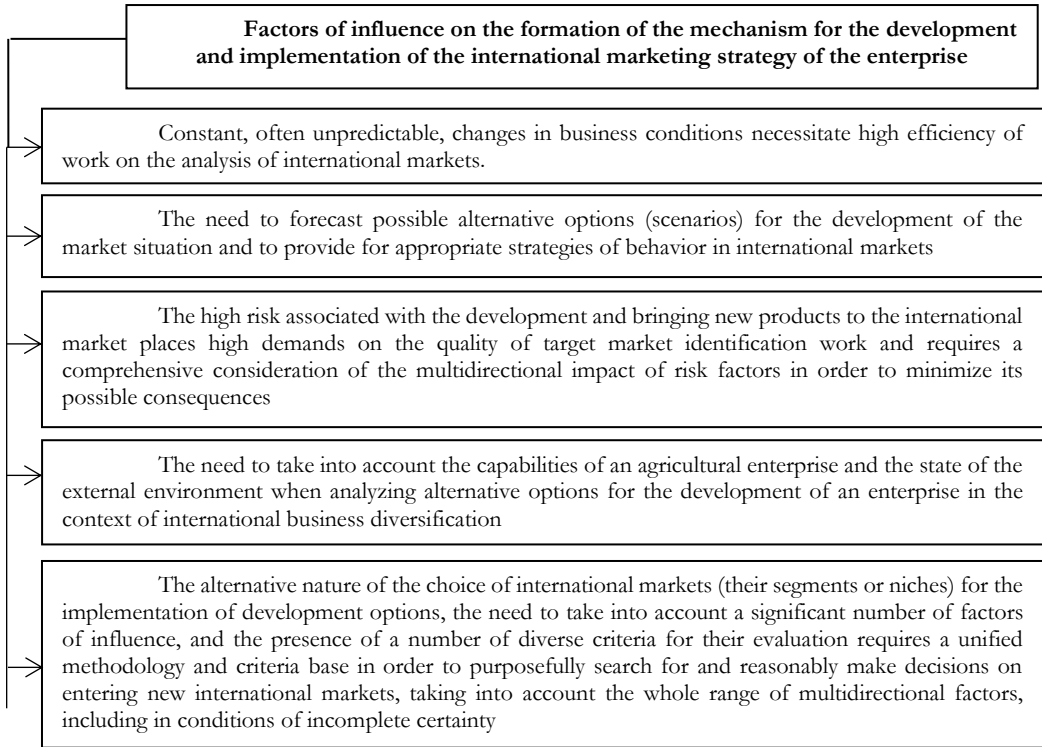


Figure 2. Factors influencing the formation of a mechanism for developing and implementing an international marketing strategy of an enterprise

Source: developed by the author according to (2021)

The mechanism for developing and implementing an enterprise's international marketing strategy is a set of forms, methods, and means by which enterprise managers should regulate business activities in the context of international business diversification.

The system of marketing information support of the enterprise requires constant updating, and correction and at the same time requires a systematic approach to the use of innovative tools that will allow the functional units of the enterprise to effectively establish international partnerships, thereby ensuring the effective implementation of the international marketing strategy (Fig. 3).

The proposed mechanism for developing and implementing an international marketing strategy of an agricultural enterprise to ensure its sustainable development is, on the one hand, presented as a system, the feature of which is the individual responsibility of each employee for the overall result, and, if necessary, such a structure has the ability to change its form to make complex marketing decisions and adapt to new conditions of international markets. On the other hand, it is based on a clearly defined sequence of actions (processes) and their cyclical repetition in accordance with the concept of international marketing, the chosen international marketing strategy consists of a set of elements, technologies, tools, and levers.

The result of the introduction of a mechanism for developing and implementing an international marketing strategy for an agricultural enterprise is a prompt response to changes in the relevant segments of the international market environment through the development and implementation of marketing activities to study and develop the market, prepare alternative and flexible management solutions aimed at ensuring the sustainable development of the agricultural enterprise to ensure it. In order to form long-term competitive advantages for agrarian enterprises when entering foreign markets, it is necessary to organize a process aimed at achieving the end result with the help of marketing tools, methods, and technologies, and to take into account that the end result of the mechanism for developing and implementing an international marketing strategy of an agricultural enterprise is to ensure its sustainable development.

Consider a practical case of applying the mechanism for developing and implementing an international marketing strategy of an agricultural enterprise producing the product group "1001 Wheat" in the dynamics of 2018-2022 by analyzing the relevant segments of the international market environment through the development and implementation of marketing activities for market research and development.

Wheat is the second-largest grain crop in the world. Its production has been a record over the past few years: In the 2021/2022 marketing year (01.07.21 - 30.06.22), the world produced 779.3 million tons of wheat, and the forecast for 2022/2023 is 783.8 million tons. China and India are among the top two producers, and Ukraine is among the Top 1 (2023).

Consider the dynamics of production and exports of the "1001 Wheat" commodity group during the 2020/2021 and 2021/2022 marketing years. The world produced 774.55 million tons of wheat, in 2021/2022 the production increased to 779.33 million tons (2023).

China produced 134.25 million tons of wheat in the 2020/2021 marketing year and 136.95 million tons in 2021/2022. India produced 107.86 million tons and 109.59 million tons, respectively, and the EU totaled 126.68 million tons and 138.22 million tons (2023).

In the 2020/2021 marketing year, the global wheat exports amounted to 203.33 million tons, the next year the exports decreased to 202.82 million tons. The European Union exported 29.74 million tons and 31.92 million tons, respectively, Canada – 26.43 million tons and 15.13 million tons, the USA – 27.05 million tons and 21.78 million tons, Australia – 23.77 million tons and 27.53 million tons (2023).

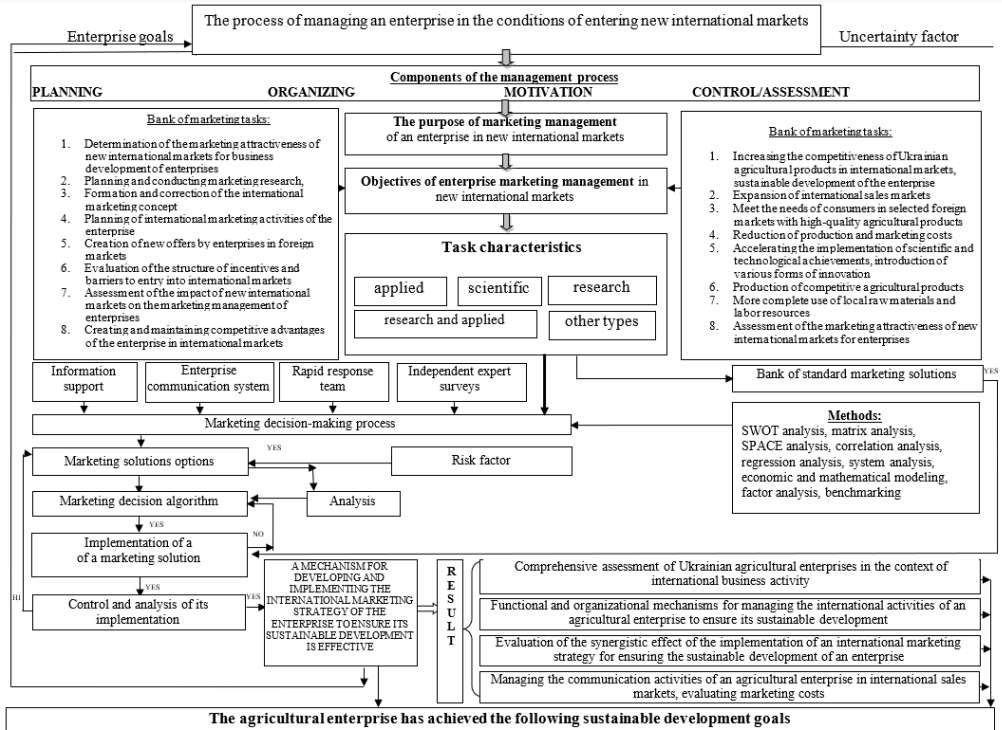


Figure 3. Mechanism of development and implementation of the international marketing strategy of an agricultural enterprise to ensure its sustainable development
 Source: author's own development

The largest importers of wheat are the following groups of countries: Algeria, Egypt, Libya, Morocco, Tunisia, Nigeria (35.09 million tons in 2020/2021 marketing year and 32.8 million tons in 2021/2022); Indonesia, Malaysia, the Philippines, Thailand, Vietnam (25.18 million tons and 27.01 million tons); Lebanon, Iran, Iraq, Israel, Jordan, Kuwait, Saudi Arabia, the UAE, Yemen, Oman (17.74 million tons and 22.9 million tons) (2023).

In the 2020/2021 marketing year, Ukraine produced 25.42 million tons of wheat, exported 16.85 million tons, and imported 0.13 million tons. In the 2021/2022 marketing year, Ukraine increased the production of this grain crop to 33.01 million tons. Exports amounted to 18.84 million tons, and imports – 0.14 million tons (2023).

However, in order to determine the prospects for the marketing attractiveness of new international markets for enterprises, it is necessary to analyze the dynamics of the commodity structure of world exports of the "1001 Wheat" product group in the dynamics of 2018-2022.

Table 1. Dynamics of world exports of the product group "1001 Wheat", 2018-2022, million dollars

Exporters	Export value, million dollars					Absolute deviation, +/-	
	2018	2019	2020	2021	2022	2021/ 2020	2022/ 2021
The whole world	41100,5	40378,7	44861,8	56746,1	66159,1	11884,3	9413
Australia	3082,1	2514,4	2712,8	7247,1	10183,9	4534,3	2936,8
United States of America	5456,3	6278,6	6322,7	7263,5	8523,3	940,8	1259,8
Canada	5711,4	5385,4	6301,6	6642,9	7941,6	341,3	1298,7
France	4124,2	4355,4	4540,8	4549,2	7389,0	8,4	2839,8
Russian Federation	8432,5	6399,3	7918,3	7301,7	6800,4	-616,6	-501,3
Argentina	2418,5	2295,6	2029,5	2973,1	3120,2	943,6	147,1
Ukraine	3004,4	3658,4	3595,5	5074,8	2678,1	1479,3	-2396,7
Germany	1163,9	1254,5	2103,7	1993,2	2212,8	-110,5	219,6
India	46,6	54,0	243,1	1723,4	2130,8	1480,3	407,4
Romania	1223,2	1272,2	948,8	1820,1	2099,4	871,3	279,3
Other markets	6437,4	6910,9	8145	10157,1	13079,6	2012,1	2922,5

Source: Trade statistics for international business development (2023)

Based on the results of the analysis of world exports of the "1001 Wheat" commodity group, 2018-2022, million dollars, we can conclude that in general, the volume of world wheat exports is constantly growing, but some wheat exporters have reduced their export activity for a number of valid reasons.

The structure of world exports of the product group "1001 Wheat" in 2022 is shown in Fig. 4.

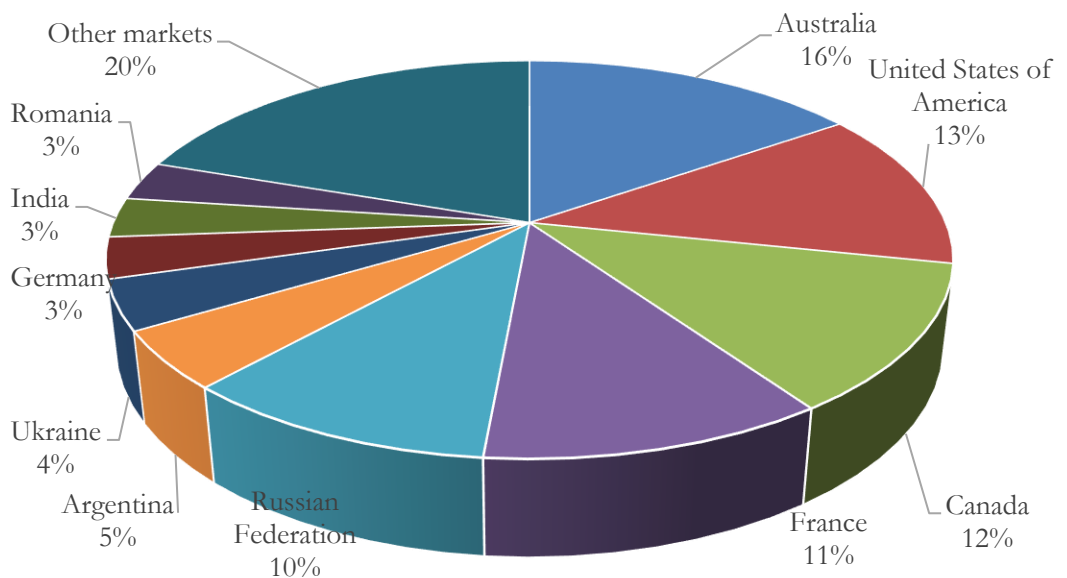


Figure 4. Structure of global exports of the commodity group "1001 Wheat", %, 2022

In the structure of global exports, the leaders are Australia – 16%, the United States of America – 13%, Canada – 12%, France – 11%, and Russia – 10%. The top 10 global grain exporters account for 80% of total exports in 2022.

The volume of exports from Ukraine in 2022 amounted to 4% of the total world volume, which is the 7th place in the world ranking of wheat exporters, when in 2019-2020, before the outbreak of the covid-19 pandemic, the volume of Ukrainian grain exports amounted to 9% and 8%, respectively, in the total world exports of the "1001 Wheat" commodity group. The reason for this decrease in exports is the complicated logistics of exports due to the partial blockade of Ukrainian seaports by Russian troops, the inadequate operation of the grain corridor, and the still low capacity of alternative routes. Since 2022, Russia has been blocking the entry of ships to Ukraine's largest port, Pivdennyi, and in July 2023, it began destroying grain cargo by intensifying missile attacks on farmers' warehouses.

Obviously, in 2020-2023, Ukrainian agricultural producers, in particular producers of the "1001 Wheat" commodity group, suffered significant losses, but the objective of this study is to formulate proposals for the implementation of an international marketing strategy for Ukrainian agricultural enterprises in order to ensure their sustainable development in the postwar period, which will allow domestic farmers to restore their production potential, establish partnerships in new markets, and intensify international marketing activities.

We analyze the volume of Ukrainian wheat exports in 2020-2022, identify the markets that Ukrainian farmers lost due to the covid-19 pandemic and military operations in Ukraine, and further study the prospects for Ukrainian enterprises to enter new markets to ensure their sustainable development in the postwar period (Table 2).

Table 2. Dynamics of exports from Ukraine of the commodity group "1001 Wheat", million dollars, 2018 - 2022

Importers	Value of Ukraine's exports, million dollars					Share in Ukraine's exports (%)			Average distance between partner countries and all markets that supply them (km)
	2018	2019	2020	2021	2022	2020	2021	2022	
The whole world	3004,3	3658,4	3595,5	5074,8	2678,1	100,00	100,00	100,00	
Turkey	43,9	207,4	208,1	446,4	475,6	5,79	8,80	17,76	2147
Romania	0,048	0	0	0	329,4	0,00	0,00	12,30	502
Egypt	261,1	664,5	610,8	858,3	241,6	16,99	16,91	9,02	2988
Spain	140,1	48,2	70,8	40,9	228,3	1,97	0,81	8,52	2345
Algeria	3,7	5,6	1,4	46,4	140,7	0,04	0,91	5,25	3361
Poland	1,2	1,3	1,2	1,3	132,2	0,03	0,03	4,94	723
Lebanon	52,7	83,2	133,2	160,3	100,4	3,70	3,16	3,75	1740
Yemen	96,6	119,6	144,4	206,4	87,7	4,02	4,07	3,27	8937

Pakistan	0	0	258,1	353,8	86,8	7,18	6,97	3,24	4871
Indonesia	487,1	537,1	543,2	731,8	79,1	15,11	14,42	2,95	9285
Italy	44,7	34,4	40,2	29,1	77,9	1,12	0,57	2,91	2773
Tunisia	189,7	195,5	194,4	163,1	70,4	5,41	3,21	2,63	2298
Bangladesh	167,4	418,6	294,8	217,1	65,4	8,20	4,28	2,44	5465
Hungary	0,1	0	0	0,2	59,4	0,00	0,00	2,22	482
Saudi Arabia	0	0	13,1	186,2	51,3	0,36	3,67	1,92	5952
Ethiopia	0	61,2	39,1	161,5	47,6	1,09	3,18	1,78	9181
Sudan	16,1	31,6	23,9	14,8	39,1	0,66	0,29	1,46	
Greece	6,1	3,9	17,2	10,3	34,8	0,48	0,20	1,30	1274
Israel	98,1	81,8	54,2	88,6	34,5	1,51	1,75	1,29	3262
Libya	121,9	129,6	108,9	146,5	34,1	3,03	2,89	1,27	2786
Vietnam	0	0	54,1	67,1	23,4	1,50	1,32	0,87	8219
Somalia	0	0	9,4	11,6	22,6	0,26	0,23	0,84	8628
Slovakia	0	0	0	0	22,4	0,00	0,00	0,84	809
Kenya	45,2	56,3	16,8	89,7	20,1	0,47	1,77	0,75	9090
Djibouti	30,2	29,5	4,1	48,7	20,1	0,11	0,96	0,75	7077
Morocco	259,3	174,7	197,1	232,1	20,1	5,48	4,57	0,75	3916
Uganda	6,4	17,2	0	10,8	18,5	0,00	0,21	0,69	9445
United Republic of Tanzania	7,7	9,9	8,2	31,1	15,6	0,23	0,61	0,58	8890
Republic of Korea	164,4	79,7	58,6	96,3	13,3	1,63	1,90	0,50	8548
Germany	3,7	1,8	2,8	1,7	12,4	0,08	0,03	0,46	609
Oman	0,02	0	5,3	51,5	12,2	0,15	1,01	0,46	7168
Switzerland	2,4	0,7	2,5	4,2	11,1	0,07	0,08	0,41	1139
Lithuania	0,8	1,1	0	0,019	7,9	0,00	0,00	0,29	591
Cameroon	0	0	0	8,8	5,6	0,00	0,17	0,21	6249
Republic of Moldova	0,2	0,3	0,9	0,4	4,4	0,03	0,01	0,16	393
Netherlands	39,4	7,6	4,8	12	4,3	0,13	0,24	0,16	492
Albania	0	2,8	4,6	3,8	4,2	0,13	0,07	0,16	
Bulgaria	0	0	0	0	3,7	0,00	0,00	0,14	831
Latvia	0	0	0	0	2,9	0,00	0,00	0,11	538
Ghana	0,7	0	0	10,1	2,6	0,00	0,20	0,10	8104
Cyprus	0,4	0,2	1,9	0	2,5	0,05	0,00	0,09	1580

United States of America	0	0	0	0	2,5	0,00	0,00	0,09	1195
Thailand	105,5	155,7	106,5	77,8	1,9	2,96	1,53	0,07	9488
Portugal	5,6	0	0	0	1,8	0,00	0,00	0,07	1906
United Kingdom of Great Britain and Northern Ireland	7,8	6,8	7,2	7,7	1,2	0,20	0,15	0,04	2980
Estonia	0	0	0	0	1,1	0,00	0,00	0,04	428
Austria	1,5	0,016	0,1	0	0,8	0,00	0,00	0,03	304
Malaysia	25,8	43,3	72,4	9,7	0,746	2,01	0,19	0,03	8245
Georgia	0,2	0,9	0,012	0,001	0,6	0,00	0,00	0,02	1569
Philippines	313	169,8	118,9	93	0,4	3,31	1,83	0,01	9236
Other	253,5	276,6	162,3	343,7	0,9	4,5	6,8	0,03	

Source: Trade statistics for international business development (2023)

Due to the war and the prolonged blockade of Ukrainian seaports, in 2022, compared to 2021, there was a decrease in the supply of most major commodities in the grain group. In particular, the volume of wheat exports amounted to 11.2 million tons, which is 44% less than in 2021. In terms of value, in 2022, there was a decrease in Ukrainian exports of the "1001 Wheat" commodity group by 2396.7 million dollars.

As a result of the change in logistics, the geography of wheat exports from Ukraine has also changed significantly. While before the war in Ukraine, the main importing countries of Ukrainian wheat were Indonesia, Egypt, and Turkey, in 2022 they were Turkey, Romania, Egypt, and Spain. At the same time, grain supplies to the European market have increased.

Analyzing the dynamics of Ukraine's exports of the "1001 Wheat" commodity group over the past five years, we see that a significant number of international partner markets, despite the situation in Ukraine, have retained their leading positions in the list of importers of Ukrainian wheat, namely: in the markets of Turkey, Spain, Algeria, Italy, the demand for wheat is growing, and the share in the total exports of Ukrainian wheat in the most difficult year of 2022 was 17.76%, 8.52%, 5.25, 2.91%, respectively.

To determine the list of markets that may become leaders in the consumption of Ukrainian wheat in the near future, the Group identified a segment of international markets that were not on the list of importing markets of the "1001 Wheat" commodity group until 2022, or their share in Ukraine's grain exports was insignificant. Romanian, Polish, Hungarian, and Slovak markets became the new leaders, having purchased Ukrainian grain in the amount of 329.4 million dollars (12.3% of the total exports of Ukraine), 132.2 million dollars (4.91%), 59.4 million dollars (2.22%), and 22.4 million dollars (0.84%), respectively.

An unpredictable situation occurred with the Chinese import partner, which since 2020 has been confidently leading the top ten largest importers of Ukrainian grain, but in 2021-2022 reduced the volume of purchases of Ukrainian grain. The reason for the significant decrease in grain imports to China was not a decrease in demand for this commodity

group, nor a decrease in consumption in this country, but a disruption in logistics brought on by the covid-19 and the war in Ukraine. In 2022, the Chinese market was ranked 51st among the importers of Ukrainian grain.

Due to the logistics crisis caused by the covid-19 pandemic in 2021 and the Russian invasion of Ukraine in 2022, many markets were unable to maintain their leading positions as the importing markets for Ukrainian grain in 2022. In particular, the markets of Egypt, Yemen, Pakistan, Indonesia, Tunisia, Bangladesh, Saudi Arabia, Ethiopia, Israel, Libya, Vietnam, Kenya, Djibouti, Morocco, the United Republic of Tanzania, the Republic of Korea, Oman, the Netherlands, Thailand, the United Kingdom of Great Britain and Northern Ireland, Malaysia, and the Philippines in 2021-2022 reduced the volume of purchases of Ukrainian grain. There was a significant decrease in the volume of imports of Ukrainian grain in 2022 in the Egyptian market by 7.89%, in the Indonesian market by 11.47%, and in the Pakistani market by 3.43%.

The global grain crisis has had a negative impact on the sustainable development of businesses in many countries, with Egypt's economy in particular suffering from rising grain prices following Russia's invasion of Ukraine last year. In July 2023, Russia pulled out of the grain deal and withdrew all security guarantees for the grain corridor. The Egyptian government criticized Russia's withdrawal from the initiative to export Ukrainian grain and said it would continue to import Ukrainian wheat even after the deal collapsed. Therefore, the world's largest wheat importer will use all opportunities to continue receiving Ukrainian wheat by changing logistics routes through Europe.

To summarize the analysis of Ukrainian wheat exports in 2020-2022, we will identify market segments that are promising for domestic agricultural enterprises to enter in the course of implementing an international marketing strategy and ensuring their sustainable development in the postwar period.

Segment - A, these are the markets that have retained the leading positions of the importing markets of Ukrainian grain during the global grain crisis (Fig. 5).

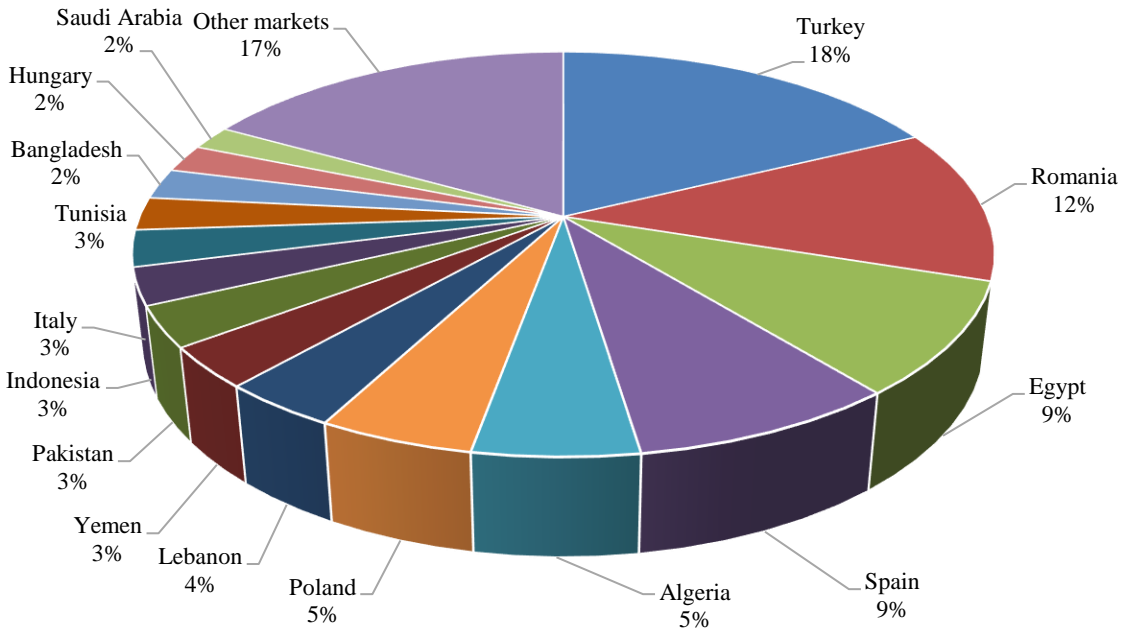


Figure 5. Segment A structure - markets that retained the leading positions of the importing markets of Ukrainian grain during the global grain crisis, %, 2022

Source: developed by the author based on (2023)

Considering the TOP-15 importing partner markets of Ukraine for the "1001 Wheat" commodity group, we can conclude that in total these markets accounted for 83% of Ukrainian wheat exports in 2022, so in the future, they will be promising for domestic enterprises wishing to expand their market share, and, accordingly, to resume international marketing activities and ensure sustainable development of the enterprise.

Segment B is the markets that for a certain period of time left the top importers of the "1001 Wheat" commodity group from Ukraine due to the lack of a grain corridor and the armed aggression of the Russian Federation in Ukraine (Fig. 6).

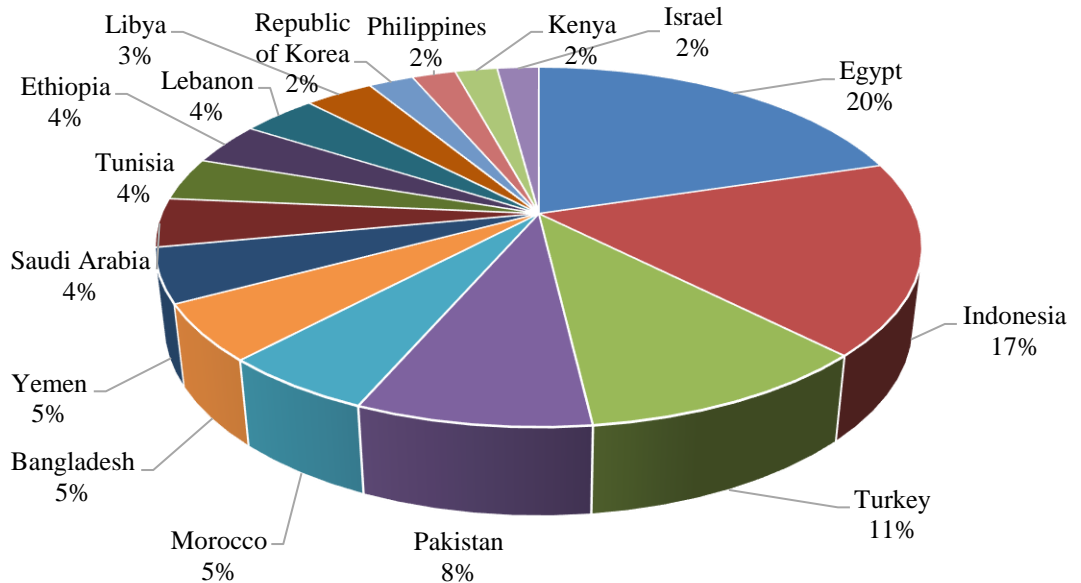


Figure 6. The structure of the markets that held the leading positions of the importing markets of Ukrainian wheat in 2021, %

Source: developed by the author based on (2023)

Taking into account the structure of Segment A - the number of markets that held the leading positions of importing markets of Ukrainian wheat during the global grain crisis of 2022, the structure of Segment B was determined, which includes the markets of Morocco, Ethiopia, the Republic of Korea, the Philippines and Kenya, which for the period of 2022-2023 lost the opportunity to purchase Ukrainian wheat due to the Russian full-scale aggression that blocked Ukrainian ports.

Segment C will include the markets that are the world's leading importers of the TOP-50 commodity group "1001 Wheat" and are not included in segments A and B (Table 3).

Table 3: Structure of Segment C, which includes the world's leading importers of the TOP-50 commodity group "1001 Wheat" that are not included in segments A and B, 2018-2022, million dollars

Importers	Import value, million dollars					Absolute deviation,			Average distance between partner countries and all markets that supply them (km)
	2018	2019	2020	2021	2022	2020/2019	2021/2020	2022/2021	
China	780,9	901,0	2261,7	3038,7	3779,7	1360,7	777,0	741,1	8953
Japan	1640,6	1473,5	1525,0	1785,3	2525,8	51,5	260,2	740,5	9455

Nigeria	1152,2	1266,8	2056,5	2742,8	2264,2	789,7	686,3	-478,7	7609
Brazil	1502,4	1491,1	1343,1	1669,0	2050,1	-148,0	326,0	381,1	2944
Mexico	1169,1	1128,5	1085,3	1370,0	1548,1	-43,2	284,7	178,0	1829
Germany	857,7	738,9	912,6	1101,3	1459,6	173,6	188,7	358,3	609
Vietnam	1177,6	720,3	809,3	1387,3	1331,5	89,0	578,1	-55,9	8219
Netherlands	1183,8	1142,2	955,1	1328,8	1330,9	-187,1	373,7	2,1	492
Belgium	915,3	848,7	861,7	1224,2	1297,1	13,0	362,5	72,9	545
Colombia	431,7	435,8	477,6	654,7	885,4	41,9	177,0	230,7	4618
Peru	538,1	512,6	564,1	617,2	880,5	51,5	53,2	263,3	5405
Chile	300,9	558,2	567,6	838,8	813,7	9,3	271,1	-25,1	5420
Thailand	711,3	797,3	784,9	800,3	681,7	-12,5	15,5	-118,7	9488
United Kingdom	606,4	318,9	524,4	636,7	664,3	205,7	112,3	27,6	2980
Iran (Islamic Republic of)	0,253	147,3	919,3	2486,5	649,3	772,0	1567,3	-1837,2	3706
South Africa	406,5	394,6	492,8	463,5	636,3	98,3	-29,4	172,8	9157
Ecuador	300,0	315,5	325,2	499,0	623,8	9,7	173,8	124,7	5134
Israel	400,6	364,5	355,9	521,5	617,1	-8,6	165,6	95,6	3262
Malaysia	396,5	383,9	377,8	427,1	596,1	-6,1	49,4	168,9	8245
Portugal	321,6	296,6	291,5	358,4	443,5	-5,2	66,9	85,1	1906
Austria	192,3	191,1	238,9	309,1	432,8	47,8	70,1	123,7	304
United Arab Emirates	341,9	340,1	378,5	435,8	402,8	38,4	57,4	-33,0	5641
Greece	251,0	237,9	211,1	335,1	400,0	-27,0	124,1	65,0	1274

Source: developed by the author based on (2023)

Out of segment C, 23 promising markets for Ukrainian wheat, we will select only those markets where the average distance between partner countries and all markets supplying them with the "1001 Wheat" commodity group is the same as the average distance between Ukraine's importing partners (2420 km).

Having determined the correspondence between the indicators "value of imports" and "average distance between partner countries and all markets supplying them (km)" between the markets of segment C and Ukraine, we can see that the markets of China, Japan, Nigeria, Vietnam, Colombia, Peru, Chile, Thailand, and Iran, South Africa, Ecuador, Israel, Malaysia, and the United Arab Emirates have this indicator above 2,420 km, and therefore are less attractive for domestic agricultural enterprises whose task is to ensure the sustainable development of the enterprise in the postwar period.

Segment C.1, which is promising for the implementation of an international marketing strategy to ensure the sustainable development of agricultural enterprises, includes the markets of Brazil, Mexico, Germany, the Netherlands, Belgium, the United Kingdom, Portugal, Austria, and Greece.

A comprehensive assessment of the conditions for business activity in international markets is important for Ukrainian agricultural enterprises under martial law and in the postwar period.

The approach is based on assessing the conditions for business activity in international markets by global indicators, which will allow farmers to develop a plan for entering attractive markets in Brazil, Mexico, Germany, the Netherlands, Belgium, the United Kingdom, Portugal, Austria, and Greece, both in the current crisis and in the postwar period (Table 4).

Table 4. Assessment of global indicators of business efficiency in international markets by agricultural enterprises

No	Factor / foreign market	Brazil	Mexico	Germany	Netherlands	Belgium	United Kingdom	Portugal	Austria	Greece
1	2	3	4	5	6	7	8	9	10	11
1.	Economic growth, % (2021)	4,6	4,7	2,6	4,9	6,1		5,5	4,6	8,4
2.	GDP, billion dollars (2021)	1822	1206	3555	7847	497	3036	215	405	201
3.	Per capita GDP at purchasing power parity, thousand dollars (2021)	14592	19086	53179	56617	51739	44979	33675	54121	29548
4.	Inflation, % (2021)	8,3	5,7	3,1	2,7	2,4	2,5	1,3	2,8	1,2
5.	Terms of trade index, % (2020)	115,6	90,6	101,8	93,5	96,2	91,1	94,8	86,6	85,65
6.	Trade openness (quotas), % (2021)	39,2	83,6	88,74	155,7	172,7	56,7	86,1	111,2	89,46
7.	Confidence index (FDI) of foreign direct investment inflows (2021)	2,89	2,62	1,73	-13,9	4,05	0,19	3,1	2,57	2,85
8.	Unemployment rate, % (2021)	13,3	4,09	3,57	4,21	6,26	4,83	6,58	6,18	14,74
9.	Commercial tax rate, % (2021)	65,1	55,1	48,8	41,2	55,4	30,6	39,8	51,4	51,9
10.	Taxes on international trade, % (2021)	2,52	1,58	0	0,01	0	0,63	0	0	0,02
11.	Government efficiency ratio, (2021)	-0,46	-0,31	1,33	1,77	1,13	1,28	0,99	1,57	0,44
12.	Corruption control index (2021)	-0,48	-1	1,81	2,04	1,48	1,67	0,77	1,27	0,21
13.	Regulatory quality index (2021)	-0,11	-0,23	1,63	1,75	1,34	1,47	0,74	1,35	0,44
14.	Business freedom index, points (2021)	63	69	87	88	83	79	76	82	70
15.	Trade freedom index, points (2021)	60	77	79	79	79	84	79	79	79
16.	Economic globalization, % (2020)	42	60	80	90	89	80	78	82	74
17.	Population, million people (2022)	214,3	126,7	83,2	17,5	11,59	67,3	10,33	8,96	10,64

18.	Value added by industry as a percentage of GDP (2022)	18,86	30,8	26,74	18,06	19,6	17,49	19,62	25,8	15,31
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Source: developed by the author (data cut as of July 15, 2023), Global Economy (1990-2023)

Next, a group of 5 experts converted the global business environment indicators and identified new international markets that scored the highest, and therefore can be considered the most suitable for Ukrainian farmers to do business in, in particular, the "1001 Wheat" commodity group (Table 5).

Table 5. Results of the expert assessment of global business performance indicators in international markets by agricultural enterprises

№	Factor / foreign market	Brazil	Mexico	Germany	Netherlands	Belgium	United Kingdom	Portugal	Austria	Greece
1	2	3	4	5	6	7	8	9	10	11
1.	Economic growth, % (2021)	3	3	3	3	4	4	5	4	5
2.	GDP, billion dollars (2021)	5	5	5	5	4	5	3	3	3
3.	GDP per capita at purchasing power parity, thousand dollars (2021)	3	4	5	5	5	5	5	5	5
4.	Inflation, % (2021)	3	4	5	5	5	5	5	5	5
5.	Trade terms index, % (2020)	4	4	4	4	4	4	4	4	4
6.	Trade openness (quotas), % (2021)	3	4	4	5	5	3	4	4	4
7.	Foreign direct investment (FDI) confidence index (2021)	3	3	2	0	5	2	3	2	2
8.	Unemployment rate, % (2021)	2	5	3	3	3	3	3	3	1
9.	Commercial tax rate, % (2021)	2	2	3	3	2	5	5	2	2
10.	International trade taxes, % (2021)	5	5	5	5	5	5	5	5	5
11.	Government efficiency ratio (2021)	2	2	4	4	4	4	3	4	3
12.	Corruption Control Index (2021)	2	2	5	5	5	5	4	5	4
13.	Regulatory quality index (2021)	2	2	4	4	4	4	3	4	3
14.	Business freedom index, points (2021)	4	4	5	5	5	5	5	5	5
15.	Trade freedom index, points (2021)	4	5	5	5	5	5	5	5	5
16.	Economic globalization, % (2020)	3	4	5	5	5	5	5	5	5
17.	Population, million people (2022)	5	5	5	4	4	5	4	3	4

18.	Value added by industry as a percentage of GDP (2022)	4	5	5	3	3	3	3	4	3
	Rating score	59	68	77	73	77	77	74	72	68

Source: developed by the author (data cut as of July 15, 2023)

As a result of the assessment of global indicators of business performance in international markets by agricultural enterprises for the purpose of implementing an international marketing strategy, we can conclude that the economies of Germany, the Netherlands, Belgium, the UK, Portugal, and Austria are approaching the economy of Ukraine, which indicates the ease of conducting business by Ukrainian farmers in these markets, including the offering of "1001 Wheat" group products.

4. Conclusion

The study proposes a mechanism for developing and implementing an international marketing strategy for an agricultural enterprise to ensure its sustainable development, which is presented as a system that is characterized by the individual responsibility of each employee of the company for the overall result – to adapt to the new conditions of international markets.

The introduction of the mechanism for developing and implementing the international marketing strategy of an agricultural enterprise will result in a prompt response to changes in the relevant segments of the international market environment through the development and implementation of marketing activities for market research and development, preparation of alternative and flexible management solutions aimed at ensuring the sustainable development of the agricultural enterprise to ensure its sustainable development.

Given the consequences of the active phase of the war on the territory of Ukraine, Ukrainian farmers continue to produce the "1001 Wheat" commodity group despite all the problems. One of the barriers to the sale of this commodity group in international markets where there is a demand for wheat is the global crisis of the "grain corridor", when there is no logistical support for the sales process.

It is important to understand that the country's economy is being depleted during the war and that, once it ends, businesses will need to operate efficiently. To this effect, Ukrainian enterprises should maintain their financial condition, maximize production capacity and systematically assess the ease of doing business in international markets in order to restore ties with international partners at the earliest opportunity, establish new business communications by implementing an international marketing strategy to ensure their sustainable development in the postwar period.

The article develops an approach to identifying suitable markets for exporting the "1001 Wheat" commodity group, where there are favorable business conditions for enterprises from Ukraine. The proposed approach is based on applying global indicators of business conditions in international markets.

As a result of applying the proposed approach, foreign markets have been identified that demonstrate satisfactory conditions for the business activity of Ukrainian farmers, which indicates that it is possible to do business in the markets of Germany, the Netherlands,

Belgium, the United Kingdom, Portugal, and Austria, and will contribute to the sustainable development of Ukrainian agricultural enterprises and the recovery of the Ukrainian economy as a whole in the postwar period.

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