

The weaknesses of the international business in Ukraine during pandemic COVID-19

**A Capstone
Presented to the Faculty of European University In Partial
Fulfilment of the Requirements for
The Degree: MBA in International Business**

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The overview



Motivation: personal and literate motivation



Literature review: meaning of COVID-19



Methodology: primary and secondary data



Hypothesis: results of the survey



Conclusion

Motivation

Personal motivation

Personal effect

Family effect

Literate motivation

- Did COVID-19 have an impact on the activities of international business in Ukraine?
- Did COVID-19 have an impact on the digitalization of the economy in Ukraine?

International business in Ukraine before COVID-19

Negative influence:

- Political and legal problems
- Structural and organizational problems
- Economic problems
- Socio psychological problems

Positive influence:

- Ties with CIS and countries of Eastern Europe
- United entrepreneurship with developing countries

Key economic aspects for Ukraine in 2020 (pre and post COVID-19)

| | Pre-COVID-19 projections | Post-COVID-19 projections |
|--|--------------------------|---------------------------|
| Economic outlook 2020 | | |
| Inflation (y/y) | 5.5% | 8.7% |
| UAH/USD exchange rate | 27 | 29.5 |
| GDP (%) | 3.7% | - 7.2% |
| Unemployment | 8.1% | 9.5% |
| Monthly average salary (UAH) | 12.5 thousand | 10.7 thousand |
| Balance on Current Account (% GDP) | N.A. | -2.0% |
| General Government Net Lending/ Borrowing (% GDP) | N.A. | -8.2% |
| Forex reserves (USD) | 29.3 bn | |

Source: Cabinet of Ministers, <https://en.interfax.com.ua/news/economic/638333.html> and www.epravda.com.ua/news/2020/03/30/658678/ and International Monetary Fund, World Economic Outlook Database, July 2020.

COVID-19 world pandemic

31 DIC 2019

- WHO was informed of the detection of cases of pneumonia of unknown origin in Wuhan, China.

3 MAR 2020

- The first case of COVID-19 was registered in the territory of Western Ukraine in the city of Chernivtsi.

12 MAR 2020

- The Ukrainian government has introduced quarantine throughout the country.

12 MAY 2020

- The Government of Ukraine began to implement its five-stage quarantine phase-out plan.

24 FEB 2021

- Vaccination has begun in the country - Ukraine received the first batch (500k doses) of the Covishield vaccine produced in India.

Meaning of COVID-19 crisis for Ukraine

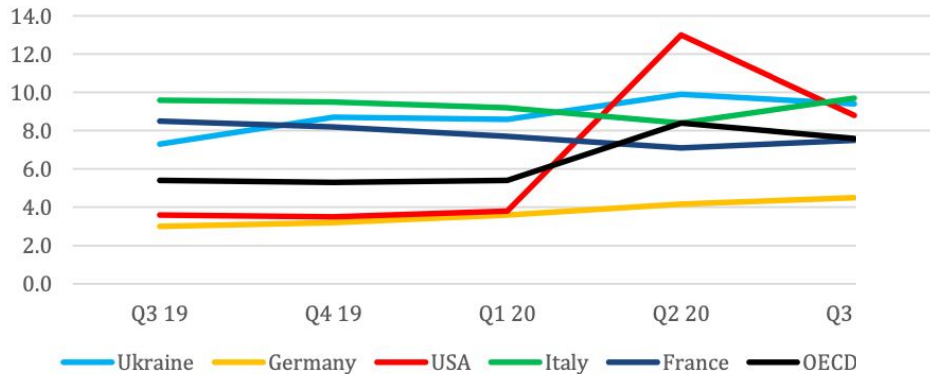
The crisis and ensuing lockdown have caused outputs, household spending, and trade to plunge which will lead to a steep decline in GDP.

Unemployment is surging.

More than 8 percent of small and medium-sized enterprises are on the brink of bankruptcy as were forced to close.

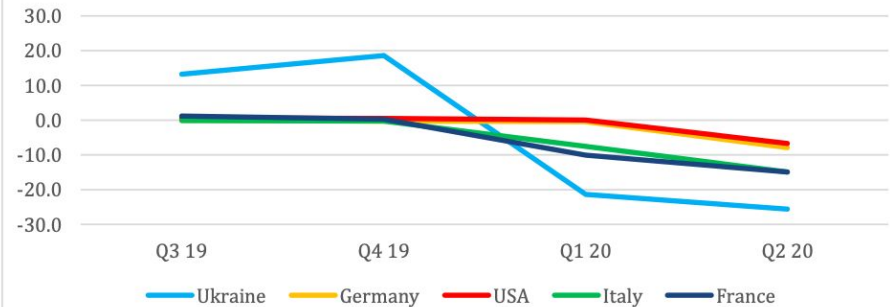
More than 9 million people may risk falling back into poverty during the pandemic.

Unemployment rate: selected countries



Source: OECD data, Ukrstat

Gross Fixed Capital Formation (% change)
(Over the same quarter, previous year)



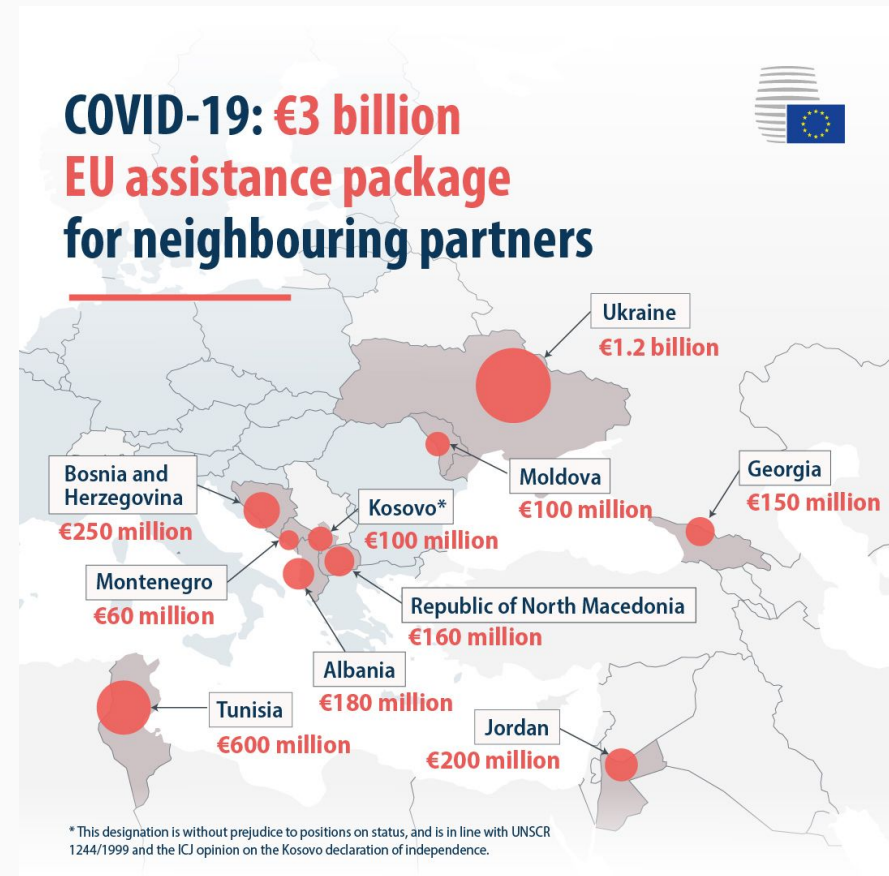
Source: OECD data, National Bank of Ukraine.

Practices of supporting businesses during the pandemic period

Job retention schemes including short-time work schemes and wage subsidy schemes

Deferrals of payments including deferrals of income and corporate tax payments, value added tax, waivers of rent and utility payments

Financial support via debt channels such as simplified loan guarantees, direct lending through public institutions and support for non-banking finance

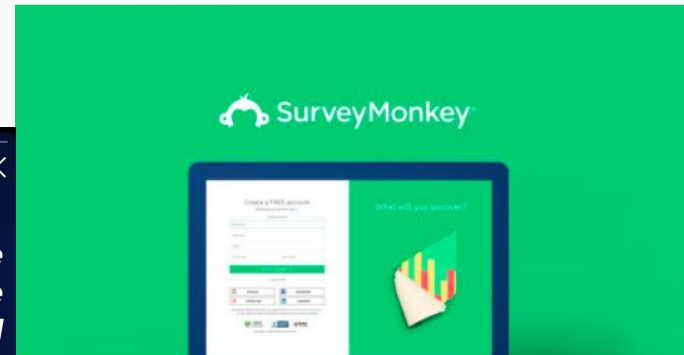
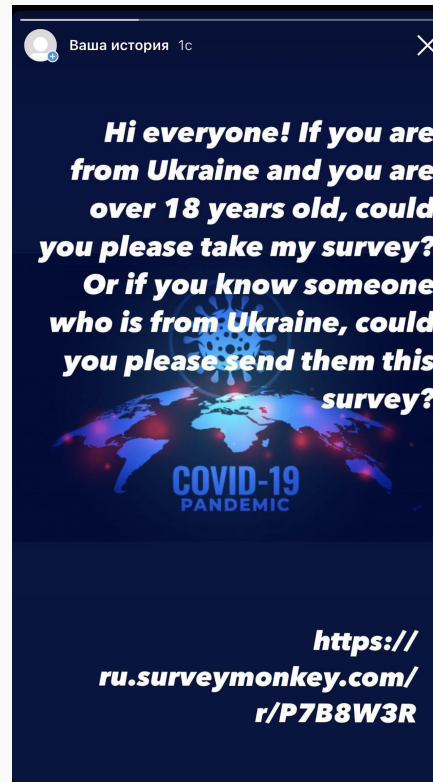


Methodology

Primary data is collected through survey and interview with a Ukrainian businessman.

The primary data's objective is to make the most correct collection of the information regarding the subject of the matter and to complement the literature review.

The survey has initially received 43 responses from Ukrainians who had perception regarding COVID-19's effects on economic situation in the country.



COVID-19 crisis
ru.surveymonkey.com · 1 min read



MAXIMUM RESPONSE LIMIT You have reached your limit of 40 survey responses. To see all 43 responses, upgrade to a paid plan.

UPGRADE

RESPONDENTS: 40 of 43

ADD TO DASHBOARD

SAVE AS

Methodology:

Data collection processes: Primary Data

Data collection process was done through a distribution of a survey created with <https://www.surveymonkey.com>, which consisted of 10 questions on the subject and the interview with 4 open questions.

The survey and the interview were presented in two languages, Russian and English, for the ease of use by non-English speakers.

По вашему мнению в постпандемичный период, какой из следующих сфер больше всего нужна государственная поддержка? In your opinion, during the post pandemic time which sector needs government support the most?

Answered: 38 Skipped: 2



Question 1. Please tell me a little about yourself and your business. Пожалуйста расскажите немного о себе и о своем бизнесе.

Answer to question 1. I am a Ukrainian entrepreneur, who has always been doing business in Ukraine. I have been in business for over 30 years and during this time I have seen many changes in political, economic, and financial areas. To be short, my business is about providing services to clients. Я - украинский предприниматель, который всегда вел бизнес в Украине. За это время, а я уже занимаюсь бизнесом более 30 лет, видел много изменений и политических, экономических и финансовых. Мой бизнес связан с предоставлением услуг клиентам.

Methodology:

Data collection processes: Primary Data

- It will take at least 3 years, as small and medium-sized businesses are actively closed due to lack of funds
- Country's GDP began to fall before the pandemic
- Businesses often face problems as a result of the lack of necessary legislative acts and the violation of political stability in Ukraine
- The conservative economic thinking of the country's citizens is important
- The process of digitalization of the economy.

Conclusion




The economic activity and international business enterprise of a country is significantly weakened by the world pandemic such as COVID-19 is proven to be correct.

The pandemic of the coronavirus infection COVID-19 has led to a collapse of the Ukrainian economy and caused significant damage to businesses.

The COVID-19 pandemic had affected Ukraine's economic and international business activity to a great extent as the country was not ready for such an economic upheaval.

The COVID-19 pandemic has shaped the entire world, including the Ukrainian economy with its business sectors, and the daily life of mankind.

For the whole world, COVID-19 became a stepping stone for the development and for a new way of life, without which it is impossible to move on.





Thank you!

**Stay safe, stay
healthy, stay well**