

## **INTERNATIONAL ECONOMICS AND INTERNATIONAL RELATIONS**

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### **PECULIARITIES IN BUSINESS ENTITIES' OPERATION UNDER THE CONDITIONS OF THE COVID-19 PANDEMIC**

Peculiarities in formation and improvement of the state price policy for goods and services are an urgent problem. Its solution makes it possible to ensure the competitiveness of national production at a high level, as well as contribute to socio-economic development of the state.

According to official data, at the end of autumn 2020, a new wave of a disease unknown at the time, called Covid-19, swept the world. This type of disease has been defined as a pandemic and has affected not only social life and human health aspects, but also business, which has faced an unprecedented challenge on a global scale. The pandemic has led to a loss of revenue, disrupted value-added logistics chains, accelerated the loss of relevance in past business models and, conversely, dramatically updated others.

The COVID-19 pandemic has a strong impact on 2020. There is no country that has not felt its effects, even to a small extent. Most governments, seeking to limit the disease development in their country, imposed restrictions on the movement of citizens, which led to an unprecedented immobilization of consumers in their own homes (the so-called lockdown lasted from several to ten weeks). The consequences of these decisions did not take long.

The projected results for the II quarter of 2020 (according to Eurostat) clearly indicate a sharp decline (at least double-digit) in most European economies. The same applies to Ukraine, where the economic situation was also negatively affected by factors such as oil prices and the hryvnia exchange rate. Declining economic activity and production have led to the need to reduce costs, including reduced working hours or layoffs, which in turn have led to deterioration in consumer sentiment [1].

At present, humanity has faced a certain deficit and overpricing of protection means, certain categories of goods and services. The increase in economic activity has mostly affected tourism, passenger air transportation, and public catering. Their prospects are uncertain.

In Ukraine, the active phase of the COVID-19 pandemic began on March 25, 2020. In the first half of 2020, Ukraine's trade turnover amounted to \$47.3 billion. Thus, more than \$24.3 billion worth of goods were imported to Ukraine. It should be noted that compared to the first half of 2019, imports decreased by \$3.4 billion or 12%. Exports to Ukraine amounted to \$23 billion (decrease in exports amounted to \$1.6 billion or 6%) [1].

As of May 2020, the fall in industrial prices deepened to 5.1% due to lower prices for export goods and energy resources, which affected lower prices for mining and metallurgical products, coke and petroleum products, and the chemical industry. Thus, on March 16 of the same year, the price of Brent North Sea oil fell below \$30/barrel for the first time since February 2016. And on March 30, the price of one barrel of Russian Urals oil was \$16.2 on terms of delivery CIF (port of Rotterdam). And this despite the fact that at the end of February this year the price of oil on the world market exceeded \$50/bar [2].

In Ukraine prices, in particular for products, are usually regulated by the market. The state refused to regulate prices as a legacy of the administrative-command Soviet economy. The return of this mechanism, even temporarily, carries certain corruption risks.

Since Ukraine's economy is heavily dependent on energy imports, the probable prospects for the dynamics of oil prices are being studied by domestic experts.

Deputy Chairman of the National Bank of Ukraine, D. Solohub, said at the briefing that the NBU in its macroeconomic forecast had set the average oil price for 2021 at \$35/bar. At the same time, in the Inflation Report prepared by the NBU, April 2022, the increase in price of Brent oil to \$40-48/bar, and in the second half of 2022 to \$50 and more for barrel [2] was forecast.

Today, the economic consequences of coronavirus require corporate leaders to act in several areas: meeting the needs of employees, ensuring business stability, continuous analysis of changing business and social context and preparing the company to succeed in the new reality [3].

The well-known pharmaceutical company Darnitsa is one of the corporations that has experienced all the manifestations of the COVID-19 wave arrival in Ukraine.

Darnitsa Pharmaceutical Company was founded in 1930. The company's portfolio includes about 280 types of finished drugs. The beneficiaries of Darnitsa are the Zagoriy family. Zagoriy Foundation is a family charitable foundation founded in 2015 by Glib, Kateryna ta Volodymyr Zagoriy [4].

To support both society and the state as a whole, during the outbreak of the pandemic, Darnitsa Pharmaceutical Company and Zagoriy Foundation donated three Vela ventilators to Kyiv City Clinical Emergency Hospital from the American company Viasys.

In addition, "Darnitsa" as part of four other pharmaceutical companies, namely: TOV "Farmak", Borshchahivskyi chemical and pharmaceutical plant, "Biopharma" and "InterKhim" are actively engaged in clinical trials of drugs for the treatment of coronavirus infection COVID-19 [4].

As for the regulation of pricing policy, the management of "Darnitsa" understands that it should be more flexible in its actions (agile approach), including the field of pricing. This pharmaceutical company understands that it should learn to act in such a reality and adapt to changing consumer behaviour.

Thus, a pandemic is not a reason to look away from the issue of pricing. In fact, one can predict a significant impact on the practice of price justification and transfer pricing control. And some issues need to be addressed now, as it may be too late to submit a report.

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