

*O.V. Polishchuk, PhD, V.V. Dubinina
(National Aviation University, Ukraine)*

Functioning analysis of retail enterprises

The article reveals the tendencies of functioning of retail trade enterprises of Ukraine. The dynamics of the number of stores of retail trade enterprises, the volume of retail space, the volume of retail trade and inventories is considered. The analysis of the structure of trade turnover in Ukraine is carried out.

Retail sector remains one of the system-forming elements of Ukraine's economy. It affects dynamics of such important macroeconomic indicators as employment level, national production, gross domestic product and creates significant share of value added in the state economy. In view of this, there is an objective need to study activity state of retail enterprises with subsequent identification of main trends in their development.

Trade associations (networks) include several tens/hundreds of trade objects. In the world practice they are rapidly developing. Dynamics of retail enterprises network in 2013-2019 is presented in table. 1.

Table 1

Dynamics of retail enterprises network area in 2013-2019. [1-3]

Indicator	Years							Growth rate, %
	2013	2014	2015	2016	2017	2018	2019	
Shops number, thousands	45,5	38,6	38,4	38,4	32,6	36,7	33,6	-25,9
where:								
from 2500 m ² and more	311	178	223	217	177	310	258	-17,1
from 400 to 2499 m ²	1642	1451	1485	1533	1505	3475	3715	126,2
Retail area, thousand m ²	9419	7753	7720	7697	7031	8593	8230	-12,6
where:								
from 2500 m ² and more, thousand m ²	1936	1287	1932	1915	1052	3198	2703	39,6
from 400 to 2499 m ² , thousand m ²	1559	1268	1273	1311	1242	2800	3018	93,6
Average area of shop, m ²								
from 2500 m ² and more	6225	7230	8663	8824	5943	10316	10476	68,1
from 400 to 2499 m ²	949,5	873,9	857,2	855,2	825,2	805,8	812,4	-15,5

* The data are given the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and part of the temporarily occupied territories in Donetsk and Luhansk regions

Table 1 shows that in the studied period number of retail network shop decreased by 25.9%: from 45519 units in 2013 to 33695 units in 2019. Their retail area at this time decreased from 9419 thousand m² in 2013 to 8230 thousand m² in 2019 or 12.6%.

There is a positive trend of shops number increasing with retail area from 400 to 2499 m². It increased during 2013-2019 almost twice and amounted to 3715 units in 2019 compared to 1642 units in 2013.

In 2013-2019 the retail area of shops with area of 2,500 m² and more increased by 39.6% and was equal to 2703 thousand m² in 2019 compared to 1,936 thousand m² in 2013. Area of retail shops with area from 400 m² to 2499 m² was almost doubled: from 1559 thousand m² in 2013 to 3018 thousand m² in 2019.

Average size of one store with sales area of 2500 m² and more was increased by 68.1% in 2019 compared to base and reached 10476.7 m². The opposite trend is typical for shops with sales area from 400 to 2499 m². Its average size decreased by 15.5% in 2019 in accordance with base and was equal to 812.4 m². Provision of population per 1 person with retail space remained unchanged.

Total trade turnover consists of wholesale enterprises trade turnover of wholesale trade (legal entities), retail trade turnover (includes data on legal entities and PE), and retail trade turnover (legal entities).

There is an interesting situation with distribution in the general structure of trade turnover of retail enterprises and private entrepreneurs (PE). Thus, in 2013-2016 their shares were almost the same. Starting from 2017, the share of retail turnover of RE (retail enterprises) reached maximum value of 34% and began to significantly prevail over the share of turnover of PE.

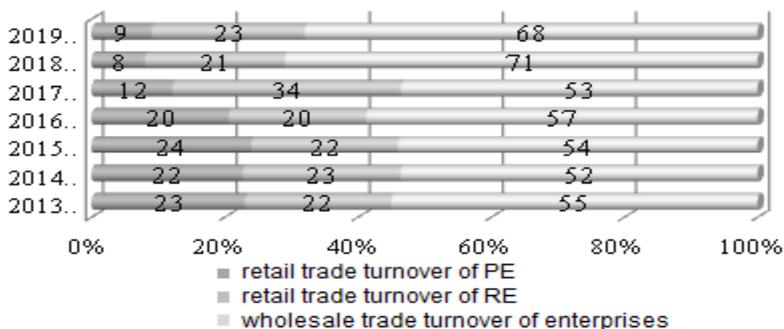


Fig. 1 Trade turnover structure in Ukraine in 2013-2019. [3-5

* The data are given the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and part of the temporarily occupied territories in Donetsk and Luhansk regions

There is an interesting situation with distribution in the general structure of trade turnover of retail enterprises and private entrepreneurs (PE). Thus, in 2013-2016

their shares were almost the same. Starting from 2017, the share of retail turnover of RE reached maximum value of 34% and began to significantly prevail over the share of turnover of PE.

Generally volume of retail trade in actual prices during the period under review was almost doubled: from 420,5 billion UAH in 2013 to UAH 793,4 billion in 2019 (Table 2).

Table 2

Dynamics of retail trade volumes and stocks network of retail trade enterprises in Ukraine in 2013-2019. [1-3]

Indicator	Years				Growth rate, %
	2013	2015	2017	2019	
Retail trade turnover, UAH billion	420,1	487,5	586,3	793,4	+88
including:					
via Internet, UAH billion	1,6	2,5	6,8	9,9	+518
Retail turnover per 1 person, UAH	9236	11380	12914	18800	+103
Retail turnover per 1 shop, UAH billion	9,2	12,7	18,1	23,5	+155
Retail turnover per 1 m ² of retail area, thousand UAH	44,6	63,1	83,4	96,4	+116
Stocks volume at year end, UAH billion	46,8	53,0	69,3	94,2	+88
food	9,5	13,4	19,7	25,7	+170.
goods	37,3	39,6	49,6	68,5	+83
Stoc capacity	0,11	0,10	0,12	0,12	+9
Stocks provision, days	40	38	41	40	0
food	22	23	28	25	+13
goods	51	48	51	53	+4

* The data are given the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and part of the temporarily occupied territories in Donetsk and Luhansk regions

Rapid increase in retail sales took place via the Internet. It was grown 6 times and in 2019 amounted to 9,9 billion UAH compared to 1,6 billion UAH in 2013. There is volume doubling of retail trade per capita. It in 2013 was amounted to 9236 UAH, and in 2019 it was 18800 UAH. The volume of retail trade per 1 store increased from 9,2 billion UAH in 2013 to 23.5 billion UAH in 2019. It in absolute terms is amounted to 14,3 billion UAH. Similar trend is typical for retail trade per 1 m² of retail area. It was doubled and in 2019 was amounted to 96,4 thousand UAH compared to the base year.

Stocks volume at the end of 2019 was amounted to 94,2 billion UAH compared to 46,8 billion UAH in 2015. It indicates an increase of 88%. Indicator of stocks capacity reflects stocks amount per unit of turnover. It increased by 0.1%.

Stocks supply had slight fluctuations. Moreover, the lowest number of days of stocks supply for food companies was in 2015 - 23 days; for non-food - in 2014-2015 was 48 days. While the largest for food and non-food enterprises fell on 2018 and reached 29 days and 54 days.

The largest volume of retail trade turnover (63,3 billion UAH) and stocks volume (20,7 billion UAH) are concentrated in Kyiv.

Retail enterprises, as legal entities, have relations between founders, as well as with creditors. They are determined by organizational and legal forms (Table 3).

Table 3

Dynamics of retail turnover volume of enterprises
by organizational and legal forms in Ukraine in 2017-2019. [1-3]

Enterprises'	Years			2019 / 2017, %
	2017	2018	2019	
Total turnover, billion UAH	586,3	668,3	793,4	135,3
Private entrepreneur	30,7	34,8	39,4	128,3
Communal enterprise	3,8	4,2	3,8	100,0
Filial enterprise	15,8	16,4	16,3	103,2
Foreign enterprise	2,3	8,4	9,7	421,7
Joint stock enterprise	11,5	9,8	11,3	98,3
Limited liability partnership	509,1	586,2	706,7	138,8

* The data are given the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and part of the temporarily occupied territories in Donetsk and Luhansk regions

Growth rate of trade turnover of communal and subsidiaries in 2019/2018 was 90.5% and 99.4%, joint stock companies in 2018/2017 - 85.2%, in 2019 relative to the base - 98.3%. It indicates decrease and these companies did not receive a profit. However, in 2017-2019 there was an increase in retail turnover of enterprise in other organizational and legal forms. High growth rate of retail trade turnover in 2019/2017 was available for foreign enterprises (421.7%) and limited liability partnerships (138.8%).

Thus, it can be generalized that sphere of retail trade of Ukraine during 2013-2019 is characterized by tendencies to reduce network number of enterprises, their retail area, increase volume of retail trade and inventories. Structure of trade turnover of enterprises is dominated by wholesale trade turnover of wholesale trade enterprises.

References

1. Rozdribna torgivlia Ukrainy v 2015 r: stat. zb. – K. : Derzh. sluzhba stat. Ukrainu, 2016. – 135 s.
2. Rozdribna torgivlia Ukrainy v 2015 r: stat. zb. – K. : Derzh. sluzhba stat. Ukrainu, 2018. – 98 s.
3. <http://www.ukrstat.gov.ua>
4. Statystychnyi zbirnyk Ukraina u tsyfrakh u 2019 r. : stat. zb. – K. : Derzh. sluzhba stat. Ukrainu, 2020. – 49 c.
5. Statystychnyi skekorichnyk Ukrainy u 2019 r. : stat. zb. – K. : Derzh. sluzhba stat. Ukrainu, 2020. – 465 c.