

**O. M. BEKETOV NATIONAL UNIVERSITY OF URBAN ECONOMY
IN KHARKIV**

School of Economics and Management

Department of Economic Theory and International Economics

EXPLANATORY NOTE

to the Master's Degree Qualification Thesis

on the topic: **“Theoretical and Methodological Foundations of the Formation and Implementation of Enterprises’ Foreign Economic Activity under Globalization (Case of PRC and Ukraine)”**

Written by 2nd year student, group M MiEk 2024-2a
 Specialty 051 Economics
 QIU XIN

Academic Supervisor Yuliia FEDOTOVA

Reviewers Olha RUDACHENKO
 Maksym NAUMOV

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The student's master's degree qualification thesis has been completed in full accordance with the assigned task and the established requirements.

It is admitted to the defense in the examination committee.

Head of the Department of ET and IE



Yuliia FEDOTOVA

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APPROVE

Head of Department  Yuliia Fedotova

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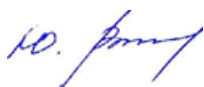
**ASSIGNMENT
FOR THE MASTER'S DEGREE QUALIFICATION THESIS
QIU XIN**

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Academic Supervisor



Yuliia FEDOTOVA

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QIU XIN

QIU XIN

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Student

QIU XIN

QIU XIN

Academic Supervisor



Yuliia FEDOTOVA

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Yuliia Fedotova

ABSTRACT

The qualification thesis comprises 73 pages, 15 figures, 16 tables, and 58 references.

TITLE OF THE THESIS: Theoretical and Methodological Foundations of the Formation and Implementation of Enterprises' Foreign Economic Activity under Globalization (Case of PRC and Ukraine)

PURPOSE OF MASTER'S DEGREE QUALIFICATION THESIS: to conduct a comprehensive investigation of the theoretical and methodological foundations for the formation and implementation of enterprises' foreign economic activity in a globalized environment and to develop practical recommendations for enhancing the efficiency and competitiveness of education enterprises in international markets.

OBJECT OF RESEARCH: education enterprises in the People's Republic of China and Ukraine operating in international markets.

SUBJECT OF RESEARCH: the theoretical, methodological, and practical aspects of forming and implementing the foreign economic activity of education enterprises under globalization.

TASKS OF THE THESIS: to summarize contemporary theoretical approaches to the formation and implementation of foreign economic activity; to systematize the classification features of internationalization strategies and competitive orientations of enterprises; to evaluate the financial resilience, competitive advantages, and industry positions of education enterprises in the PRC and Ukraine; to determine the strategic position of enterprises using the SPACE analysis methodology and classify them according to strategic orientations (aggressive, competitive, conservative, defensive); to develop recommendations on the optimal choice of business models and support mechanisms for foreign economic activity based on the strategic positioning of enterprises; to identify the role of international platforms and organizations, such as the EdTech Hub, in facilitating the implementation of enterprises' foreign economic strategies.

RESEARCH METHODS: a systems approach and scientific abstraction method were used to generalize theoretical foundations; analysis and synthesis methods – to systematize classification features of internationalization strategies; SPACE analysis – to determine strategic positioning; comparative analysis – to assess differences between PRC and Ukrainian enterprises; economic analysis – to evaluate financial resilience and competitive advantages; and graphical methods – to visualize research results.

The findings of this thesis can be used to improve the formation and implementation strategies of foreign economic activity for education enterprises, enhance their competitiveness in both domestic and international markets, and support governmental and international organizations in developing mechanisms to promote the foreign economic engagement of education enterprises.

YEAR OF COMPLETION: 2025

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KEYWORDS: foreign economic activity, internationalization, strategic orientation, competitive strategies, SPACE analysis, globalization, EdTech Hub.

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INTRODUCTION

In the contemporary conditions of global economic development, foreign economic activity plays a crucial role in maintaining and enhancing enterprises' competitiveness, facilitating their integration into international value chains, and ensuring sustainable growth. For Ukraine, which is undergoing a period of profound economic transformation while simultaneously deepening its integration with European markets, and for the People's Republic of China, which has emerged as a leading global economic power, the study of the theoretical and methodological foundations of enterprises' foreign economic activity has become particularly relevant. Geopolitical shifts, trade policy uncertainty, technological disruption, and volatile macroeconomic conditions have fundamentally reshaped the international business environment, creating both challenges and opportunities for enterprises seeking to expand their international presence.

Foreign economic activity serves as a strategic instrument for enterprise development, promoting productivity growth, facilitating the adoption of innovative technologies and management practices, supporting the development of critical infrastructure, and enabling firms' integration into global production networks. In this context, analyzing the factors that determine the effectiveness of foreign economic activity, as well as assessing internationalization strategies and their impact on enterprise stability and competitive position, has become critical.

The education sector represents a strategically significant industry, as it underpins human capital development, drives innovation capacity, supports economic competitiveness, and contributes to social cohesion across all critical sectors of the economy. Education enterprises in both the PRC and Ukraine demonstrate distinctive patterns of international engagement, reflecting differences in institutional frameworks, market structures, technological capabilities, and strategic priorities. The comparative analysis of these enterprises' foreign economic activity reveals both common challenges and country-specific opportunities associated with internationalization, adaptation to global market conditions, and participation in cross-border education provision.

The digital transformation of educational services and the emergence of EdTech enterprises have been analyzed in the context of global market expansion [32, 46, 50, 51, 57], highlighting the unique challenges of B2B2C and B2G business models in cross-border educational service delivery. However, the specific mechanisms of foreign economic activity formation in the educational technology sector under conditions of heightened global uncertainty, and the institutional determinants of the strategic positioning of EdTech enterprises in emerging and transition economies, such as China and Ukraine, remain insufficiently studied, necessitating an in-depth investigation.

The purpose of this master's qualification thesis is to conduct a comprehensive investigation of the theoretical and methodological foundations for the formation and implementation of enterprises' foreign

economic activity in a globalized environment and to develop practical recommendations for enhancing the efficiency and competitiveness of education enterprises in international markets.

To achieve this purpose, the following tasks have been defined:

- to summarize contemporary theoretical approaches to the formation and implementation of foreign economic activity;
- to systematize the classification features of internationalization strategies and competitive orientations of enterprises;
- to analyze global and national trends in the development of the education sector and EdTech industry;
- to evaluate the financial resilience, competitive advantages, and industry positions of education enterprises in the PRC and Ukraine;
- to determine the strategic position of enterprises using the SPACE analysis methodology and classify them according to strategic orientations (aggressive, competitive, conservative, defensive);
- to develop recommendations on the optimal choice of business models and support mechanisms for foreign economic activity based on the strategic positioning of enterprises;
- to identify the role of international platforms and organizations, such as the EdTech Hub, in facilitating the implementation of enterprises' foreign economic strategies.

The object of research is education enterprises in the People's Republic of China and Ukraine operating in international markets.

The subject of research comprises the theoretical, methodological, and practical aspects of forming and implementing the foreign economic activity of education enterprises under globalization.

In the process of completing this work, a complex of general scientific and specialized research methods was employed: a systems approach and scientific abstraction method were used to generalize theoretical foundations; analysis and synthesis methods – to systematize classification features of internationalization strategies; SPACE analysis – to determine strategic positioning; comparative analysis – to assess differences between PRC and Ukrainian enterprises; economic analysis – to evaluate financial resilience and competitive advantages; PEST analysis and SWOT analysis – to assess the macroeconomic and institutional environment; and graphical methods – to visualize research results.

The theoretical and methodological foundation of the work comprises scientific works by domestic and foreign scholars in the fields of international business and strategic management, legislative acts, statistical data from official sources, analytical reviews by international organizations, financial reports from educational enterprises, materials from scientific conferences, and periodical publications.

The scientific novelty of the obtained results lies in the deepening of theoretical provisions regarding the role of strategic positioning in determining internationalization pathways, the assessment of institutional determinants of foreign economic activity in education enterprises under globalization

transformations, and the development of differentiated recommendations for enhancing support mechanisms tailored to enterprises' strategic orientation within the SPACE matrix framework.

The practical significance of the obtained results lies in the possibility of applying the proposed recommendations to improve the formation and implementation strategies of foreign economic activity for education enterprises, enhance their competitiveness in both domestic and international markets, and support governmental and international organizations in developing mechanisms to promote the foreign economic engagement of education enterprises.

The main provisions and results of the qualification thesis have been approved in the form of a scientific article (Appendix A).

The qualification thesis consists of an introduction, three chapters, a conclusion, a list of references, and appendices. The total volume of the work comprises 73 pages, containing 16 tables and 15 figures. The list of references includes 58 sources.

CHAPTER 1

CONCEPTUAL AND METHODOLOGICAL FOUNDATIONS FOR THE STUDY OF ENTERPRISES' FOREIGN ECONOMIC ACTIVITY IN A GLOBALIZED ECONOMIC ENVIRONMENT

1.1 Theoretical Approaches to Interpreting Enterprises' Foreign Economic Activity under Contemporary Globalization Conditions

Over the past at least 1.5 centuries, global economic processes have been characterized by cyclical phases of convergence and divergence among national economies. Since the Industrial Revolution and the emergence of the first truly global economic system in the nineteenth century, countries have periodically shifted their orientation between deepening international economic integration and strengthening isolationist tendencies. These shifts have been driven by a combination of geopolitical, ideological, technological, and institutional factors. In the context of increasing global uncertainty, enterprises' foreign economic activity is crucial for sustaining competitiveness and growth. At the present stage of world economic development, there are substantial grounds to suggest that the global economy is undergoing another phase of transformation, which underscores the need for a rigorous scholarly examination of the nature of globalization, the dynamics of its evolution, and the possibilities for enhancing the effectiveness of its impact on global economic development.

Globalization is conceptualized as a multidimensional process of increasing interdependence among national economies, manifested in the intensification of flows of goods and services, capital, investment, technologies, information, knowledge, ideas, and labor.

Globalization is often contrasted with internationalization; however, the two concepts differ in meaning. Internationalization occurs when a company seeks to expand its operations beyond the national market, that is, when it begins to operate on an international scale. The processes of company internationalization and business globalization have increased interdependence among individual firms and between countries.

Scholars have sought to categorize research on firm internationalization based on various theoretical frameworks [9, p. 155]. A representative classification was proposed by Mtigwe (2006), who argues that the theoretical foundations of internationalization studies primarily derive from behavioral theories, decision-making theories, and market and trade theories. Accordingly, he groups such studies into three categories: market-oriented, firm-oriented, and entrepreneurship-oriented research.

In contrast, Andersen (1997) classifies internationalization research into two main categories: economic and process-oriented. Economic studies of internationalization are grounded in mainstream economic theory, which views decision-makers as rational economic agents with complete market information and who make optimal choices regarding a firm's international expansion. Process-oriented studies, however, are rooted in organizational theory and portray decision-makers as behavioral agents who make relatively satisfactory decisions based on incomplete information.

Considering the theoretical foundations of the proposed classifications, Mtigwe's (2006) market and trade theories fall under economic theories, while behavioral and decision-making theories correspond to organizational theories. Accordingly, this study adopts Andersen's (1997) classification, which suggests that research grounded in international trade, transaction cost theory, and industrial organization theory falls within economic internationalization studies, whereas research based on organizational behavior, strategic management, resource-based theory, network theory, and entrepreneurship theory is classified as process-based internationalization research.

Economic internationalization research emerged in the 1950s, when multinational enterprises (MNEs) became the primary focus of international business studies, replacing nation-states as the central unit of analysis (Buckley & Casson, 1976). This period marked the foundation of modern international business theory. Simultaneously, two parallel research streams developed: the international product life cycle theory (Vernon, 1966) and the theory of specific advantages in foreign direct investment (FDI) (Hymer, 1960). Notably, the international product life cycle model is rooted in international trade theory, whereas the specific advantage theory is based on industrial organization theory [9, p. 156].

Subsequent developments in the theory of foreign direct investment (FDI) gave rise to the internalization theory (Buckley & Casson, 1976), grounded in transaction cost economics, as well as the eclectic paradigm (Dunning, 1988), which integrates the advantages of ownership, location, and internalization [9, p. 157].

In contrast to the economically driven research of the 1950s, studies on firm internationalization have increasingly been informed by organizational theories since the early 1970s. Within this framework, scholars have employed a variety of theoretical perspectives, resulting in the development of multiple conceptual models, including:

- 1) the Uppsala Internationalization Model (U-model), based on behavioral theory (Johanson & Vahlne, 1977);
- 2) the Innovation-Related Internationalization Model (I-model), linking internationalization with innovation processes (Bilkey & Tesar, 1977);
- 3) international Entrepreneurship Research, grounded in entrepreneurship theory (McDougall & Oviatt, 2000);
- 4) Network Approach to Internationalization, informed by network theory (Johanson & Mattsson, 1988);
- 5) the Resource-Based Strategic Choice Approach to Internationalization, rooted in strategic management and resource-based theory (Barney, 1991).

The diversity of these theoretical foundations highlights the complexity and multidimensionality of firm internationalization research. Given the multifaceted nature of the phenomenon, it is unsurprising that multiple approaches have emerged, each emphasizing different aspects of internationalization and giving rise to a variety of conceptual frameworks.

In the current context of economic globalization, enterprises' foreign economic activity plays a pivotal role in maintaining and enhancing their competitiveness. Firms operating in international markets constantly face challenges arising from the high dynamism of global markets, rapid technological innovation, and unpredictable economic changes. A critical factor for successful performance under such conditions is the ability of enterprises to swiftly adapt to changes and maintain stable operations globally.

Strategic management of an enterprise's foreign economic activity in a competitive environment is a complex and multifaceted process. Its primary objective is to develop, implement, and effectively execute strategies that enable the enterprise to adapt to changes in the international business environment and maintain its competitiveness.

An enterprise's competitiveness is influenced by a range of critical factors, including the efficiency of export-import operations, the level of investment activity, the implementation of innovations, financial stability, and the ability to swiftly adjust to changing market conditions.

Performance management involves translating strategic plans into measurable outcomes, with performance indicators functioning as complementary tools (Table 1.1).

Table 1.1

Key Categories of Indicators for Evaluating the Effectiveness of Enterprise Foreign
Economic Activity Management [14, p. 52]

Indicator Category	Representative Indicators
1	2
Absolute Indicators	Total export volume Total import volume Balance of payments Number and value of complaints received Number of resolved complaints
Relative Indicators	Export and import growth indices (value, physical volume, price, quantity, structure) Compliance ratios for export/import obligations Average transaction processing time Return coefficient on foreign economic operations
Structural Indicators	Commodity composition of foreign economic activity Geographic distribution of international operations Overhead and cost structure of foreign economic activity
Efficiency Indicators	Currency efficiency of exports/imports Overall operational efficiency Economic impact of international transactions Efficiency in the procurement of imported goods Efficiency of domestic sales of exported products

Continuation of Table 1.1

1	2
Profitability Indicators	Production profitability Sales profitability Operating profitability Net profit Gross profit
Market Indicators	Market share based on sales volume

In the context of foreign economic activity, performance indicators serve as a fundamental tool for assessing an enterprise's profitability and overall effectiveness. These indicators should be considered as an integrated measure of profitability that reflects the enterprise's efficiency, adaptability, and economic performance. The strategic management of an enterprise's foreign economic activity in a competitive environment involves analyzing both external and internal environments, formulating long-term objectives, allocating resources optimally, establishing effective communication and management systems, and adapting to changing market conditions. Success in this process enables the enterprise not only to maintain its market position but also to expand its presence in international markets, thereby enhancing profitability and overall operational efficiency.

To effectively evaluate the performance of foreign economic activity management, a multi-component approach is employed that encompasses several key indicator groups. There are also specialized methods that are used exclusively within the framework of strategic analysis. Some of them are presented in Table 1.2.

The process of evaluating the effectiveness of foreign economic activity management can be conditionally divided into three main stages.

The first stage – preparatory stage – involves defining the purpose of the evaluation, identifying the object of study, and ensuring the availability of the necessary information base.

The second stage – the technological stage – involves establishing the principles of evaluation (such as systematicity, comprehensiveness, and objectivity), developing criteria, and establishing an indicator system.

Table 1.2

Comparative Analysis of Methods for Evaluating Enterprise Foreign Economic
Activity [14, p. 54]

Method	Advantages	Limitations	Method Description
1	2	3	4
SPACE method	Enables assessment of the enterprise's competitive position; applicable to small and medium-sized businesses; supports strategy analysis even if not explicitly stated; can guide optimal strategy selection	Relies on expert judgment, which may introduce subjectivity; may not fully account for short-term variable factors	Evaluates the enterprise based on four key dimensions: competitive advantage, financial potential, industry attractiveness, and environmental stability. Strategic recommendations are developed considering the enterprise's internal and external environment
LOTS method	Facilitates in-depth analysis of organizational resources, capabilities, trends, and strategic orientation	Requires extensive data, challenging to apply in non-standard or unique situations	Used to evaluate internal resources and assess long-term development trends of the enterprise
PEST (STEP) analysis	Provides a comprehensive view of the impact of macro-environmental factors on enterprise activities	It is challenging to quantify numerous factors; this complicates the assessment of their dynamic effects	Examine the political, economic, social, and technological factors that influence the enterprise, evaluating their impact. Results are structured in a matrix for analysis
SWOT analysis	Low-cost and straightforward; flexible; assesses both internal and external factors; suitable for evaluating the enterprise	Cannot fully account for all factors; potential subjectivity in scoring	Assesses internal strengths and weaknesses and external opportunities and threats, typically using a scoring system or the J. Wilson matrix

Continuation of Table 1.2

1	2	3	4
	as a whole and its individual components		
RIMS analysis	Evaluates the impact of strategic decisions on profitability; considers multiple variables; supports the selection of practical strategies under varying market conditions	Requires extensive data and precise estimates; may not account for unpredictable factors	Analyzes how selected strategies affect profitability, considering market share, product quality, vertical integration, market growth, industry development, and capital flows. Aims to identify the most suitable strategies for given market conditions
Object profile study	Enables detailed examination of key organizational aspects and prospects	Time-consuming and resource-intensive, defining analysis criteria may be complex.	Involves identifying and quantifying characteristics that determine consumer loyalty or other key organizational metrics, typically on a relative or point scale.

The third stage – calculation and analytical stage – involves calculating indicators, systematizing the obtained data, and drawing conclusions.

The analysis of an enterprise's foreign economic activity relies on specific methods that ensure the achievement of analytical objectives. In the context of increasing instability and uncertainty in the international economy, traditional methods for assessing foreign economic activity remain relevant and reliable, serving as a foundation for evaluating performance and formulating subsequent foreign economic strategies. Despite extensive research on this topic, methodological approaches to analyzing foreign economic activity, adapted to conditions of uncertainty and low predictability in the international environment, require further investigation.

Enterprises engaged in foreign economic activity must primarily ensure their effectiveness through a comprehensive, objective analysis supported by appropriate

methodological tools. At present, there is no universally accepted methodology for analyzing an enterprise's foreign economic activity. The most commonly used approaches include deterministic factor analysis (such as comparison, generalization, detailing, and exclusion); standard methods, including absolute and relative values, indices, time series, statistical observation, grouping, and averages; mathematical methods (modeling, analysis, statistics, integral methods, probability theory, and economic cybernetics); heuristic methods (brainstorming and expert assessment); and specialized techniques, such as SWOT analysis, PEST analysis, portfolio analysis, and SNW/DuPont model analysis [13, p. 54].

At the same time, to analyze the development of enterprises' export-import activities, it is essential to define and justify a system of indicators. These indicators should meet the following criteria: reliability, optimality, comprehensiveness, consistency, comparability, representativeness, manageability, timeliness, adaptability, and accuracy. It is argued that the assessment of an enterprise's foreign economic activity can be effectively conducted using simplified indicators that accurately reflect its outcomes. These indicators are classified into quantitative and qualitative groups. Quantitative indicators are used to demonstrate measurable changes or to reflect the total volume of foreign economic operations. In contrast, qualitative indicators describe the efficiency and rationality of resources allocated to specific foreign economic activities. Additionally, there are structural indicators that encompass the commodity, geographical, and institutional composition of foreign economic relations.

When conducting a qualitative analysis of an enterprise's activities, techniques such as STEP, SWOT, SPACE, and the GE/McKinsey model are commonly used. Given the absence of universally accepted methods for evaluating and analyzing foreign economic activity, it is proposed to implement a comprehensive approach to assessing its effectiveness, based on studying the external environment and the results of the enterprise's international operations. The interpretation, analysis, and audit of foreign economic transactions depend on the type and size of the foreign market in which the enterprise operates, as well as the type and volume of its trading activities. It should be noted that audit and analysis are not possible without an appropriate information base

established within the enterprise's accounting subsystem, which directly supports the formation of information provision for foreign economic activity.

Any enterprise is an open system operating in an environment influenced by numerous factors that create specific opportunities and, if utilized promptly, enhance management efficiency. Conversely, some factors may pose threats and hinder the business's successful functioning; in such cases, the primary task is to minimize their negative impact.

Internal environment factors affecting the analysis of an enterprise's foreign economic activity include: the enterprise's goals for improving economic performance; the qualifications of employees in the foreign economic activity department; the level of technological and software support; the degree of innovation implementation; product quality and compliance with European and international standards; and the ability to relocate production to other countries, among others.

External environmental factors influencing the analysis include the macroeconomic situation, the level of investment attractiveness, competition in the foreign market, variability of consumer demand, consumers' income levels, legislative acts regulating related enterprises, the development of production and information technologies, and socio-environmental initiatives, among others.

The impact of internal and external environment factors varies across enterprises depending on their scope, scale, and other characteristics. However, all enterprises must respond flexibly to changes in these factors, as their economic performance directly depends on them. Therefore, each enterprise engaged in foreign economic activity should implement a comprehensive economic analysis comprising three main stages: the stage of information and analytical support, the analytical and calculation stage, and the management stage, which involves processing the calculations and formulating well-founded conclusions.

The information and analytical support stage involves examining a wide range of environmental factors affecting the enterprise, determining the share of foreign economic activity in the enterprise's total economic operations, analyzing and processing

information in financial reporting forms, and allocating expenses and income by type or direction of foreign trade operations.

During the analytical and calculation stage, a hierarchical system of diagnostic indicators is established to perform an integrated assessment of foreign economic activity. This includes defining a system of diagnostic indicators for each foreign trade operation or area, establishing reference values for the indicators, comparing them with actual calculated values, and calculating an integral indicator of foreign economic activity efficiency.

The management stage involves developing and adopting appropriate management decisions based on conclusions drawn from the processed calculations. Thus, the sequential implementation of the main stages of a comprehensive methodology for analyzing an enterprise's foreign economic activity allows for a thorough assessment of its actual state based on the system of diagnostic indicators and their comparison with reference values, contributing to the identification of reserves for functioning and development of foreign economic activity and the adoption of rational management decisions.

The analysis of theoretical approaches to the study of enterprises' foreign economic activity in the context of contemporary globalization yields several key conclusions. First, the process of enterprise internationalization is multidimensional, encompassing both economic and organizational aspects, as reflected in behavioral, strategic, and resource-based models. Second, strategic management of foreign economic activity requires a comprehensive approach that encompasses evaluating external and internal environments, setting goals, allocating resources optimally, and adapting to shifting market conditions. Third, the effectiveness of management is determined through the systematic application of quantitative, qualitative, structural, and specialized analytical methods, which provide an integrated evaluation of foreign economic activity and support informed managerial decision-making.

Given these findings, further research should focus on developing and substantiating a methodology for studying the processes of formation and implementation of enterprises' foreign economic activity, which will be addressed in Section 1.2.

1.2 Methodology for Studying the Processes of Formation and Implementation of Enterprises' Foreign Economic Activity

Research in international business focuses on the transnational operations of enterprises, strategies of multinational companies, and the behavior of individual actors in these contexts, which form the microfoundations of many managerial decisions and determine their impact on organizational outcomes. Consequently, analysis in the field of international business encompasses multiple levels – macro, meso, and micro – and examines their interrelationships, integrating approaches from business disciplines (accounting, finance, management, marketing) with insights from related fields (economics, political science, psychology). This comprehensive approach enables a thorough assessment of international business performance, supporting informed strategic decision-making.

Contemporary research in international business (IB) focuses on the transnational operations of enterprises, strategies of multinational companies, and the behavior of individual actors, which form the microfoundations of many managerial decisions and determine their impact on organizational outcomes. Analysis in this field spans multiple levels – macro, meso, and micro – and examines their interrelationships, integrating approaches from business disciplines (accounting, finance, management, marketing) with insights from related fields (economics, political science, psychology).

At the same time, contemporary research faces several challenges that also present opportunities. These include faster access to large volumes of numerical and text-based data (e.g., firm websites, social media) and new software and data-analytic developments, which are also increasingly applied in related fields such as management, medicine, and engineering.

In this context, we focus on five key challenges in contemporary international business research. For reference, a summary of these challenges, along with recommendations and implementation guidelines, is provided to illustrate ways to address these issues and ensure a sound research methodology (Table 1.3).

Table 1.3

Challenges and Recommendations for Achieving Sound Methodology in IB Research

[1]

Challenge	Recommendations	Implementation Guidelines
Researching important and relevant issues	Focus on topics meaningful for theory and practice	Participate in multiple projects, act as a reviewer, engage in practical roles in firms, and apply a design-science approach
Ensuring theoretical progress	Subject theories to rigorous testing, clarify causal relationships	Formulate hypotheses with effect bounds, test functional forms, use latent class analysis, implement quasi-experiments, and consider alternative mechanisms
Resolving research design dilemmas	Optimize trade-offs between generalizability, precision, and realism	Define realistic study limits, combine methodological strategies, and justify limitations in the discussion
Integrating quantitative and qualitative methods	Use mixed methods to enhance rigor and relevance.	Fully integrate components, explain integration transparently, involve stakeholders, and study “grand challenges.”
Reducing measurement errors and the distal proxy fallacy	Follow best practices for construct definition, and choose reliable assessment methods	Use SEM-based approaches, test assumptions, apply alternatives to Cronbach’s alpha (omega, coefficient H), and avoid default alpha use

Considering the methodological challenges and recommendations outlined, they constitute a prerequisite for developing a sound analytical framework for studying enterprises’ international activities. The practical implementation of these approaches requires the application of analytical tools that combine theoretical rigor with practical relevance, ensuring a comprehensive assessment of both internal and external factors influencing firm development.

One of the most widely used and versatile instruments of strategic analysis that meets these requirements is SWOT analysis. Its application enables the systematic identification of a firm's strengths and weaknesses, as well as opportunities and threats arising from the external environment, thereby providing a solid foundation for informed managerial decision-making in the field of foreign economic activity.

SWOT analysis is a process that encompasses four elements organized into two dimensions. It comprises the following components: strengths, weaknesses, opportunities, and threats. Strengths and weaknesses characterize an organization's internal factors and attributes, whereas opportunities and threats reflect external factors and characteristics of the operating environment (Figure 1.2). Typically, SWOT analysis is presented in a four-quadrant matrix, which provides a structured synthesis of results for each of the four elements.

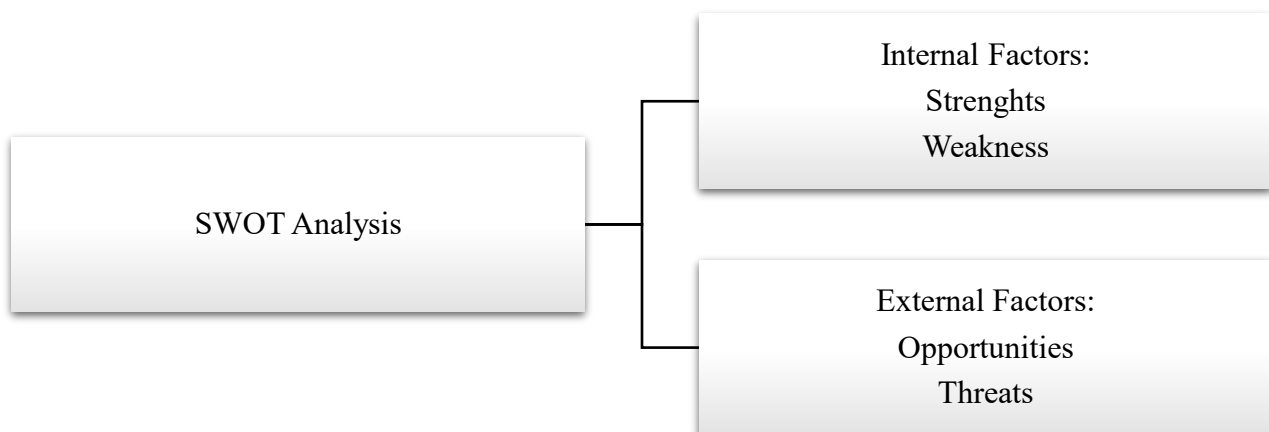


Figure 1.2. SWOT Analysis Framework [6, p. 995]

Within the SWOT framework, an organization's strengths and weaknesses are identified through an examination of its internal environment. In contrast, opportunities and threats are determined by analyzing external factors. In this context, SWOT analysis serves as a strategic planning tool used to assess an organization's strengths, weaknesses, opportunities, and threats. It provides an informational basis for aligning the

organization's resources and capabilities with the competitive environment in which it operates.

Strengths and opportunities facilitate the achievement of organizational objectives and are therefore favorable, whereas weaknesses and threats hinder their attainment and are unfavorable. Accordingly, any effective strategy selection is grounded in a comprehensive analysis of the organization's internal strengths and weaknesses arising from the internal environment, as well as the opportunities and threats shaped by the external environment. In other words, the role of management is to ensure an effective "fit" between internal and external factors by balancing the organization's strengths and weaknesses, considering environmental opportunities and threats.

In the technology sector, companies such as Apple and Microsoft have employed SWOT analysis to identify opportunities for innovation and to determine areas for organizational improvement [17]. In the healthcare sector, SWOT analysis plays a significant role in strategic planning related to hospital management and healthcare service delivery (Ginter, Duncan, & Swayne, 2013). Overall, existing research confirms the importance of SWOT analysis as an effective strategic planning tool for achieving business success across diverse organizational contexts.

The findings suggest that SWOT analysis is a versatile and adaptable tool suitable for a wide range of industries, including technology, healthcare, and small to medium-sized enterprises. It facilitates the identification of innovation opportunities, critical problem areas, and strategic priorities, thereby supporting managerial decision-making and long-term planning processes. At the same time, the effectiveness of SWOT analysis is enhanced when it is integrated with other analytical frameworks, such as PEST analysis and Porter's Five Forces model. Such integration helps overcome the inherent limitations of SWOT analysis, enabling a more comprehensive understanding of external environmental factors and competitive dynamics.

Moreover, the digital transformation of business environments has expanded the application of SWOT analysis by incorporating data analytics and digital tools. The use of real-time data improves the accuracy, relevance, and timeliness of strategic assessments. From a practical perspective, SWOT analysis provides a structured approach

to evaluating the business environment, facilitates strategic discussions, and supports the alignment of organizational strategies with evolving market conditions. Its relative simplicity and accessibility explain its widespread adoption across different managerial levels.

Nevertheless, despite its advantages, SWOT analysis is subject to several limitations, including reliance on subjective judgments, the risk of oversimplifying complex strategic issues, and the absence of standardized prioritization techniques. These challenges can be mitigated by combining SWOT analysis with quantitative methods and advanced data analytics, thereby strengthening the robustness and practical value of strategic decision-making.

Given the limitations of SWOT analysis, particularly its generalized nature and reliance on subjective assessments, it is advisable to complement strategic analysis with tools that enable a more in-depth examination of the external environment in which an organization operates. One such tool is PESTLE analysis, which provides a systematic approach to identifying key drivers of change in the firm's macro-environment.

PESTLE analysis is a key analytical tool for identifying the critical factors that shape the organizational environment [53]. The acronym PESTLE refers to the six key factors: political, economic, social, technological, legal, and environmental (Figure 1.3). The application of PESTLE analysis enables a comprehensive assessment of an organization's external environment by identifying the dynamic forces and conditions that shape its ability to achieve its objectives.

This analytical tool allows organizations to evaluate both current environmental conditions and potential future changes. PESTLE analysis is based on the premise that organizations that continuously scan their external environment gain a competitive advantage over their rivals, as this process supports the collection, analysis, and effective use of information to enhance organizational performance. Moreover, PESTLE analysis is widely used to forecast and estimate the firm's future operating conditions.

Within the PESTLE framework, political and economic factors are among the key elements for assessing an organization's external environment. The political factor enables an examination of how the country's political situation impacts organizational

operations. Political stability and favorable government conditions create opportunities for organizational development, whereas wars, governmental uncertainty, and an unfavorable political climate may negatively impact performance. Identifying such opportunities and mitigating potential threats in the political sphere can significantly enhance organizational resilience and competitiveness.

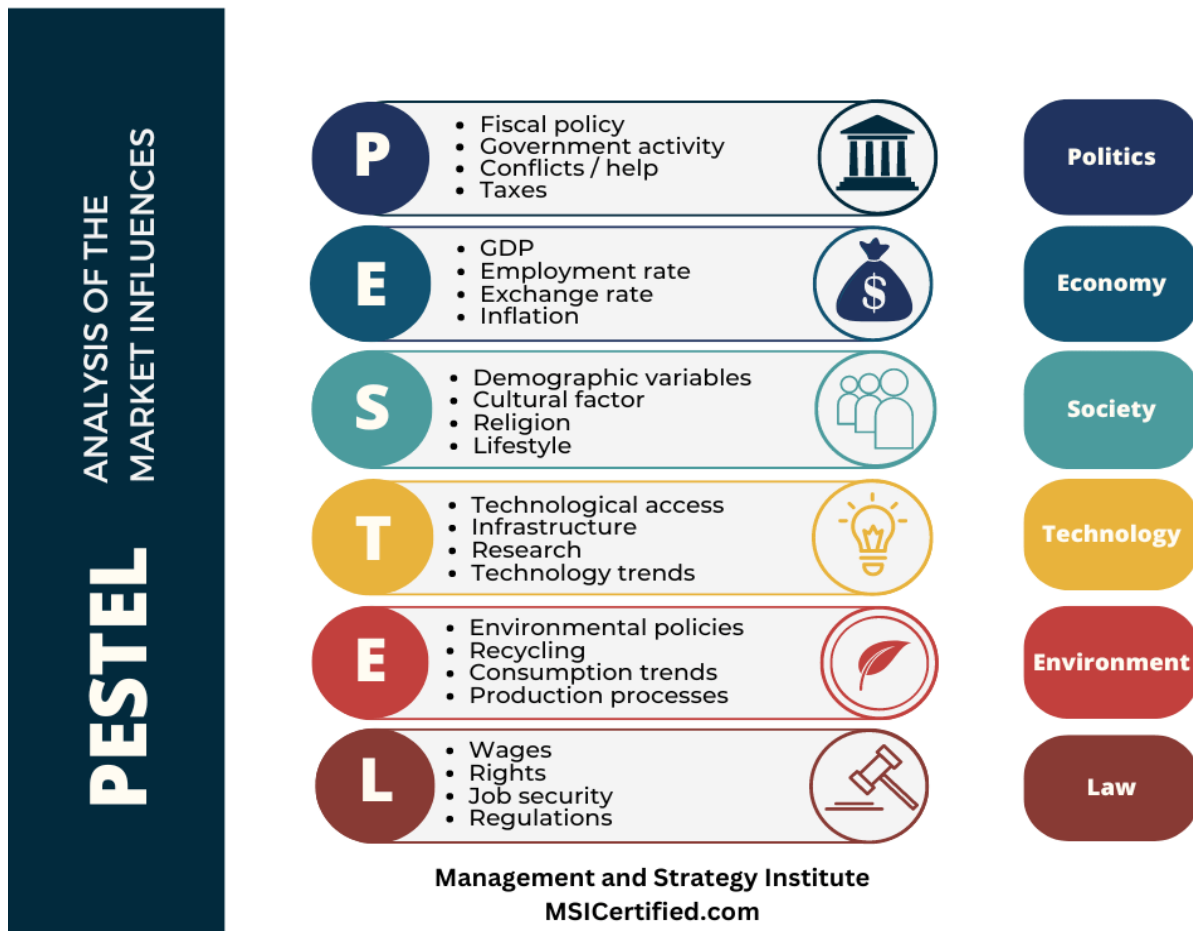


Figure 1.3. PESTEL Analysis of Foreign Economic Activity Influences [53]

The economic factor evaluates the state of the economic environment and its influence on organizational activities. Key indicators include interest rates, taxation, minimum wage, tariffs, economic growth, recession, unemployment, inflation, financing availability, exchange rates, wages, cost of living, and working hours. The results of this analysis enable the organization to respond proactively to economic changes and make strategically informed decisions. For instance, an economic recession can negatively impact financial performance and organizational sustainability, whereas favorable economic conditions can create new growth opportunities.

In addition to political and economic factors, the social, technological, and legal dimensions are critical components of PESTLE analysis that significantly influence organizational performance. The social factor encompasses stakeholders' values, attitudes, beliefs, opinions, and lifestyles. Social beliefs and values substantially affect customer behavior and shape market demand. Analyzing demographic characteristics, such as population size, age distribution, geographic location, income levels, and educational background, enables organizations to effectively define their target markets and plan their workforce requirements.

The technological factor involves assessing the technological environment to prepare the organization for change and to utilize the most effective technologies. Identifying new technologies can enhance productivity and reduce production costs, depending on the level of technological advancement. At the same time, technological changes may present both opportunities and threats to organizational operations.

The legal factor includes the country's laws, regulations, and statutory requirements that directly affect the organization's production, marketing, and commercial activities. PESTLE analysis provides critical insights into legal obligations, which can either facilitate or constrain organizational effectiveness. Considering legal aspects is crucial for mitigating risk and ensuring compliance with regulatory standards.

A coordinated assessment of political, economic, social, technological, and legal factors enables organizations to gain a comprehensive understanding of their external environment, identify opportunities and threats, and make informed strategic decisions that enhance competitiveness and organizational resilience in the market.

The environmental factor encompasses the natural and physical environment, including natural resources such as land, water, and raw materials, as well as the physical space in which the organization operates. PESTLE analysis enables an assessment of the natural environment and the collection of data on pollution levels, government regulations, and the availability of raw materials, all of which impact the conservation of natural resources. Pollution and other factors that negatively impact the organization, particularly if its operations harm the environment, can significantly damage its reputation and operational efficiency. Therefore, it is essential to collect and analyze information on

environmental protection policies, waste management practices, and other ecological risks.

Following a comprehensive analysis of the external environment using the PESTLE framework, it is appropriate to transition to strategic management tools to assess an organization's position and formulate corresponding competitive strategies. One such tool is the SPACE (Strategic Position and Action Evaluation) matrix, which is employed to provide strategic insights for pineapple manufacturers and traders in Chiang Rai.

Within the SPACE framework, the key determinants of organizational positioning and competitive strategy development are competitive advantage and financial stability. These determinants are positively correlated with operational resources, which are defined by job resources, job demands, and motivational incentives. These factors shape employees' perceived behavioral control, which, in turn, fosters a psychological drive to perform tasks in accordance with expected standards.

SPACE, which represents a more objective approach than SWOT analysis, is a valuable method that guides an organization in formulating an appropriate strategic position within the industry, allowing it to realistically and effectively leverage both internal and external factors that drive competitiveness and performance. The internal dimensions are determined by (1) competitive advantage and (2) financial stability, while the external dimensions are determined by (1) industry strength and (2) environmental stability, as schematically illustrated in Fig. 1.4.

The integrated assessment of both the internal and external dimensions of strategic conditions enables the identification of four potential strategic positions that an organization may adopt within its industry: (1) Aggressive, (2) Competitive, (3) Conservative, and (4) Defensive.

The Aggressive strategic position is characteristic of desirable industries, where industry strength is substantial and economic conditions are stable. The Competitive strategic position typically applies to attractive industries with high industry strength operating in comparatively unstable environments. The Conservative strategic position is associated with low-growth yet stable markets, where the principal emphasis is placed on financial stability, while product competitiveness remains a pivotal factor. The Defensive

strategic position pertains to unattractive industries, in which competitiveness constitutes the primary determinant of strategic focus.

Consequently, the SPACE matrix serves as an analytical tool to evaluate and ensure the alignment and coherence of an organization's business strategy by effectively integrating its internal capabilities with prevailing external environmental conditions.

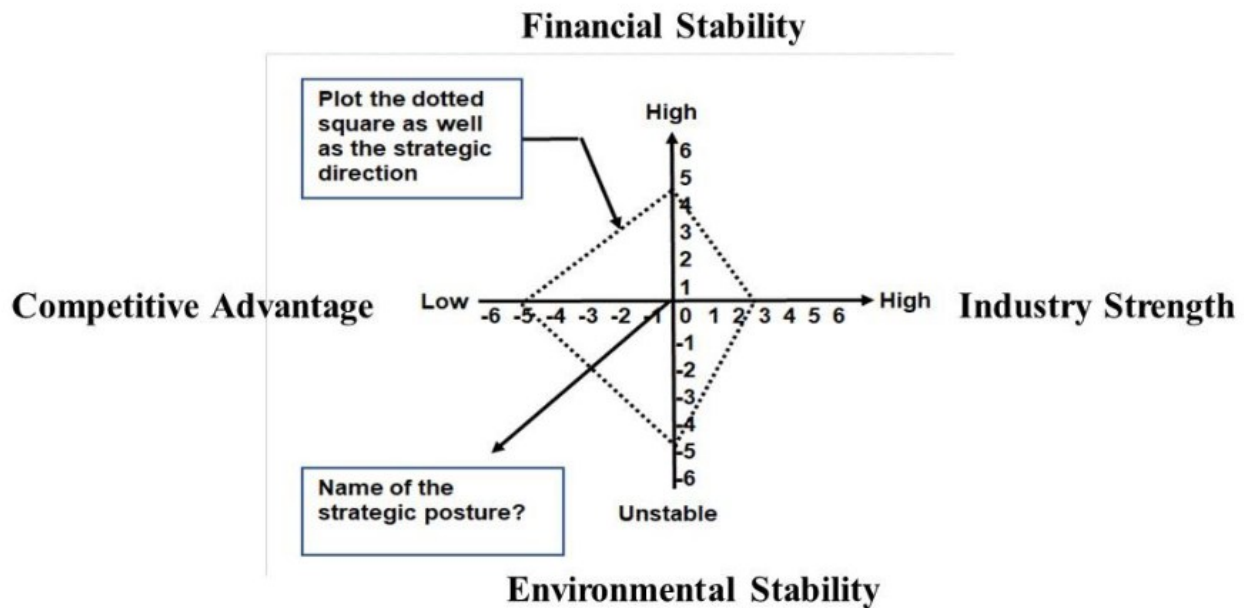


Figure 1.4. SPACE Analysis Framework [15 p. 30]

In summary, the methodological approach reviewed demonstrates that the practical study of the formation and implementation processes of enterprises' foreign economic activity requires a comprehensive analysis of both internal and external factors. Strategic analysis tools, such as SWOT analysis, enable systematic assessment of an organization's strengths and weaknesses, as well as the opportunities and threats in its external environment, providing a foundation for informed managerial decision-making in the context of international business.

The complementarity of SWOT analysis with PESTLE and SPACE tools enables a deeper understanding of the macro- and micro-level conditions that affect enterprise operations in international markets. PESTLE analysis helps evaluate the political, economic, social, technological, legal, and environmental factors that influence foreign economic activity. The SPACE matrix, on the other hand, determines the organization's

strategic position and supports the formulation of competitive strategies by considering internal resources alongside external opportunities and threats.

This comprehensive approach is particularly valuable amid rising global uncertainty, enabling enterprises to anticipate challenges, adapt their strategies effectively, and sustain competitiveness in dynamic international markets. Moreover, the proposed methodological framework not only strengthens theoretical understanding but also provides practical guidance for optimizing foreign economic operations, enhancing organizational resilience, and supporting long-term growth.

Thus, the integrated application of SWOT, PESTLE, and SPACE establishes a systematic and robust methodological framework for analyzing enterprises' foreign economic activity, ensuring a balanced combination of theoretical rigor and practical relevance to enhance organizational performance and strategic adaptability in international markets.

CHAPTER 2

MACROECONOMIC AND INSTITUTIONAL DETERMINANTS OF ENTERPRISES' FOREIGN ECONOMIC ACTIVITY UNDER GLOBALIZATION TRANSFORMATIONS (THE CASE OF THE PRC AND UKRAINE)

2.1. Macroeconomic Conditions and Dynamics of Enterprises' Foreign Economic Activity in the PRC and Ukraine

In the context of global economic globalization and the transformation of international trade relations, the study of macroeconomic conditions and the dynamics of foreign economic activity has become particularly relevant. The People's Republic of China (PRC) and Ukraine, despite significant differences in their economies' scales, levels of economic development, and geopolitical positioning, represent an intriguing subject for comparative economic analysis. The People's Republic of China (PRC), the world's second-largest economy and leading global exporter, is a key player in international trade, implementing the large-scale Belt and Road Initiative and actively integrating into global value chains. Ukraine, possessing substantial agricultural, industrial, and transit potential, seeks to diversify its foreign economic relations and deepen integration with European and Asian markets. A comparative analysis of macroeconomic conditions and the characteristics of enterprises' foreign economic activity in these two countries enables the identification of both successful practices and competitive advantages, as well as the challenges faced by economic entities amid the instability of the international economic environment. The purpose of this subsection is to conduct a comprehensive study of the macroeconomic determinants of foreign economic activity, to analyze the structural features and dynamic trends of international trade and investment flows in the PRC and Ukraine, which will allow for the identification of patterns, specific factors, and models of enterprises' foreign economic activity development under different macroeconomic conditions.

The PRC's economy maintained a solid growth momentum in early 2025, with real GDP increasing by 5.4 percent year-on-year (y/y) in the first quarter, matching the pace of the previous quarter. Consumption growth, supported by fiscal subsidies, improved;

however, it remains below pre-COVID-19 levels, contributing only 2.8 percentage points (pp) to annual growth, compared to an average of 3.6 pp in 2019. Manufacturing investment and exports have demonstrated resilience in recent quarters. However, they are currently facing headwinds due to global trade policy uncertainty, weak aggregate demand, low inflation, and persistently soft labor market conditions.

Economic growth is projected to decelerate from 5.0% in 2024 to 4.5% in 2025 and 4.0% in 2026, as heightened trade restrictions impede export expansion and increased uncertainty adversely affect investment in the manufacturing sector and labor demand (Table 2.1). Fiscal policy is expected to mitigate these adverse factors, at least partially, through increased infrastructure investment, expanded consumer subsidies, and certain social benefits, thereby supporting both investment and consumption.

Table 2.1

Key Macroeconomic Indicators of the People's Republic of China, 2021–2026 [56]

Indicator	2021	2022	2023	2024	2025f	2026f
Real GDP growth (%)	8.6	3.1	5.4	5.0	4.5	4.0
Consumer Price Index (% change, average)	0.9	2.0	0.2	0.2	0.5	1.3
Current Account Balance (% of GDP)	1.9	2.4	1.4	2.2	1.0	0.8
Consolidated Fiscal Balance (% of GDP)*	-3.9	-6.1	-5.5	-6.5	-8.1	-7.8

*note: f – forecast; % change unless indicated otherwise

These indicators provide context for understanding the potential risks and drivers of economic performance, which in turn affect the environment for enterprises' foreign economic activity.

Overall, the risks of the economic outlook are broadly balanced yet significant. At the global level, uncertainty surrounding trade policy and global economic growth constitutes a downside factor for the PRC's projected economic growth. On the other hand, fiscal spending exceeding expectations, primarily financed by the central government, may support growth above baseline projections. Authorities have responded to both domestic and external challenges by easing macroeconomic policy. With a fiscal

impulse estimated at 1.6 % GDP in 2025, these measures are expected to support near-term economic growth. At the same time, the share of stimulus targeting households remains limited, at approximately 0.5 % of GDP, while much of the funding is allocated to public investment.

The following table presents selected macroeconomic indicators for the PRC from 2022 to 2027, highlighting key aspects of economic performance, consumption, investment, trade, and fiscal positions. These indicators provide a comprehensive overview of the country's economic trends and serve as a foundation for analyzing the determinants of enterprises' foreign economic activity. The data include annual percentage changes, where applicable, as well as key fiscal and external sector indicators that reflect both the structural characteristics of the economy and its short- to medium-term growth prospects (Table 2.2).

Despite strong export performance, net FDI remains negative, reflecting rising geopolitical and regulatory risks for foreign investors that constrain long-term capital inflows and technology transfer, even as the PRC continues to integrate into global value chains.

Table 2.2

Selected Economic Indicators of the PRC, 2022–2027 [56]

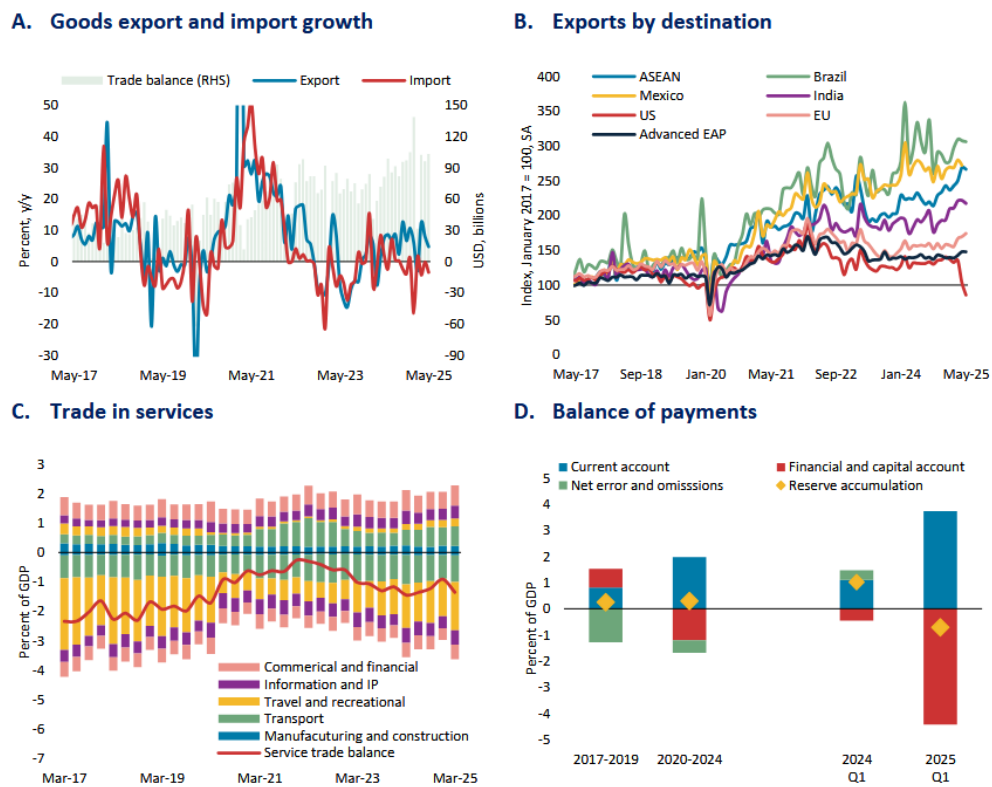
Indicator	2022	2023	2024e	2025f	2026f	2027f
1	2	3	4	5	6	7
Real GDP growth, at constant market prices (%)	3.1	5.4	5.0	4.5	4.0	3.9
Private Consumption (%)	1.7	9.0	4.3	4.9	4.8	4.7
Government Consumption (%)	5.3	7.3	3.3	5.7	5.2	3.8
Gross Fixed Capital Formation (%)	3.4	4.5	3.6	4.7	3.8	3.6
Exports, Goods and Services (%)	-1.9	1.1	11.5	2.0	1.8	1.9
Imports, Goods and Services (%)	-5.1	5.6	4.3	4.4	3.9	2.5
Real GDP growth, at constant factor prices (%)	3.1	5.4	5.0	4.5	4.0	3.9
Agriculture (%)	4.2	4.0	3.5	3.5	3.4	3.4

Continuation of Table 2.2

1	2	3	4	5	6	7
Industry (%)	2.3	4.4	5.3	3.6	3.2	3.1
Services (%)	3.6	6.3	5.0	5.2	4.6	4.5
Inflation (Consumer Price Index, %)	2.0	0.2	0.2	0.5	1.3	2.0
Current Account Balance (% of GDP)	2.4	1.4	2.2	1.0	0.8	0.5
Net Foreign Direct Investment, Inflow (% of GDP)	-0.1	-0.8	-0.9	-0.5	-0.2	-0.1
Consolidated Fiscal Balance (% of GDP)*	-6.1	-5.5	-6.5	-8.1	-7.8	-7.2
Government Debt (% of GDP)	49.4	54.7	63.0	71.2	77.5	81.6
Primary Balance (% of GDP)	-5.1	-4.5	-5.5	-7.0	-6.7	-6.1

*Consolidated fiscal balance includes central and local government budgets

While Table 2.2 provides a broader macroeconomic overview, Figure 2.1 focuses specifically on trade dynamics and the balance of payments, highlighting the performance of PRC exports in the first five months of 2025.



Source: General Administration of Customs, SAFE, World Bank staff estimates.

Figure 2.1. Trade Dynamics and Balance of Payments Indicators of the People's Republic of China, January–May 2025 [56]

During the first five months of 2025, the PRC's merchandise and services exports performed strongly, supported by robust shipments to emerging markets and the global technology upcycle (Fig. 2.1). Measured in value terms, merchandise exports increased by 6.0 % year-on-year (y/y) in January–May, slightly above the 5.9 % recorded in 2024. Stronger exports to emerging markets, as well as to advanced economies in East Asia and Europe, offset contractions in shipments to the United States. Exports to ASEAN countries, Brazil, and India increased by more than 10% year over year.

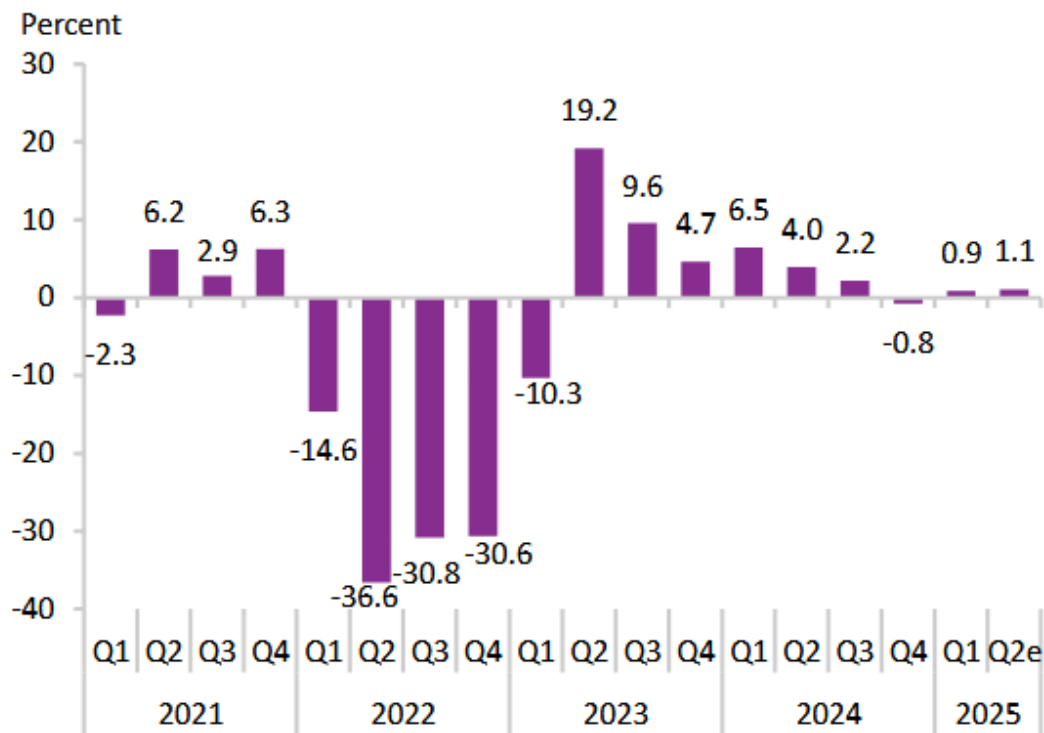
By product category, growth was primarily driven by medium- and high-tech manufactured goods, notably semiconductors and electronics, reflecting the global technology upcycle. In contrast, exports of labor-intensive consumer goods, such as clothing and footwear, declined. Merchandise exports supported double-digit growth in services exports, particularly in the transportation sector.

Despite this strong performance, overall export growth is expected to decelerate relative to last year's level due to heightened uncertainty and potential dampening effects on manufacturing investment and labor demand. Policy measures, including targeted infrastructure investment and selective consumer support, are expected to mitigate the economy's vulnerability to these challenges. Support for the property sector is expected to provide a modest boost to housing demand, primarily in tier-1 cities, though stabilization is likely to occur gradually.

The next step involves a detailed analysis of the macroeconomic conditions and the dynamics of enterprises' foreign economic activity in Ukraine. This analysis enables an assessment of the economy's specific structural characteristics, key development drivers, and risks affecting the foreign economic operations of Ukrainian enterprises.

In Ukraine, following a 2.9% growth in GDP in 2024, economic expansion slowed considerably in early 2025, with a year-on-year increase of only 0.9% in the first quarter and an estimated 1.1% in the second quarter (Figure 2.2). Beyond structural constraints, the ongoing war has directly hindered economic activity, including through intensified attacks that have damaged production capacities, particularly in the coal, gas extraction, and chemical industries. Adverse weather conditions disrupted early harvests and slowed activity in the food processing and transportation sectors; however, improved late-crop

yields in the second half of the year are expected to support the annual outcome. High-frequency indicators suggest a modest recovery began in the latter half of the year, driven by the restoration of gas extraction facilities and by increasing public-sector demand for domestically produced military goods. Rising real wages have supported overall consumer demand, although increasing inequality means that approximately 20 % of the population continues to perceive economic hardship as a primary challenge.



Sources: State Statistics Service and World Bank staff calculations.

Figure 2.2. Quarterly GDP growth compared to the same period in the previous year [56]

Ukraine's economic outlook depends on the duration of hostilities, the country's capacity to maintain macroeconomic stability, and the availability of sufficient donor support. The baseline scenario assumes the conflict continues through 2026, with Ukraine implementing reforms for EU accession and securing adequate fiscal financing under a new IMF program. This would allow high levels of military spending in 2026 while containing inflation and supporting private-sector development. GDP growth is projected at 2 % in 2025 and expected to remain at this level in 2026, with defense-related spending sustaining manufacturing activity. Should hostilities ease in 2027 and reconstruction

commence, growth could accelerate to 5 %. Risks to this outlook remain significant: failure to mobilize fiscal resources or address labor shortages could trigger an economic contraction in 2026. Increasing reliance on government transfers among poorer households – 86 % of bottom-quintile households depended on pensions or social assistance in 2025 – and a growing share of vulnerable groups pose social sustainability risks. Inflationary pressures are expected to ease slightly under a tight monetary policy, but will remain above the central bank's 5 % target well into 2027 due to labor shortages and post-war consumption. A high trade deficit is expected to persist, reflecting defense expenditure requirements and eventual reconstruction imports, which will keep the current account in deficit [37].

Notwithstanding the continued weakness of global prices for Ukraine's principal export commodities, Ukrainian exports in 2024 expanded by 15% in value and by more than 30% in physical volume. This marked a pronounced recovery compared with 2023, when export revenues declined by almost 20%. A key factor behind this improvement was the launch of the new Black Sea shipping corridor in September 2023, which restored the ability to transport a wide range of goods – not limited to agricultural products – via the ports of Odesa, Chornomorsk, and Pivdennyi. This facilitated a nearly twofold increase in iron ore shipments and supported the redirection of Ukrainian grain exports to alternative EU markets after neighbouring countries became saturated in the wake of the full-scale invasion. These market imbalances prompted several Central European states to introduce restrictions on selected Ukrainian agri-food imports. As a result, increased deliveries to destinations such as Spain, Italy, and the Netherlands enabled Ukraine to maintain its wheat and corn exports to the EU in 2024 at levels broadly comparable to those of 2023 (Figure 2.3).

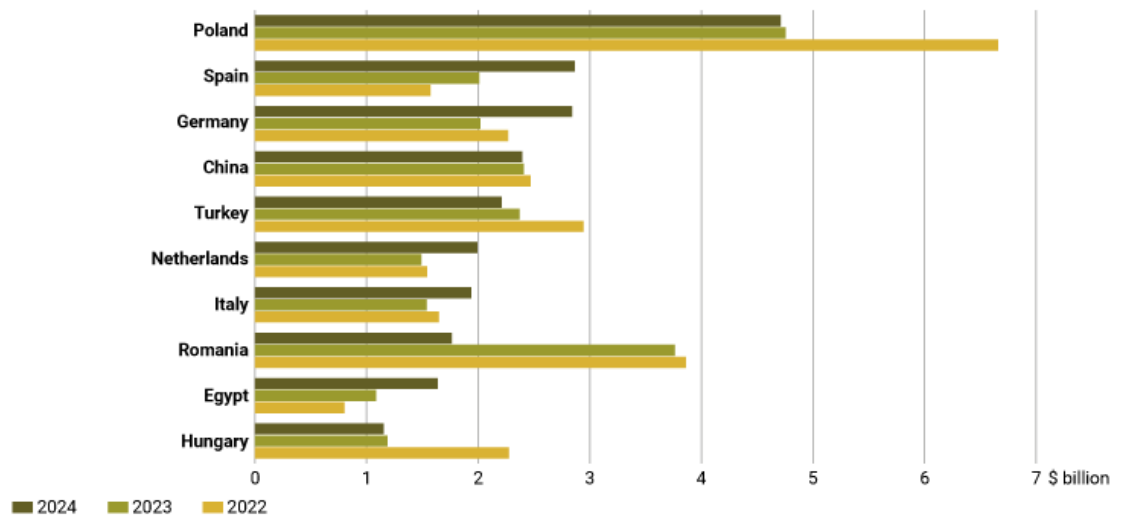


Figure 2.3. Key Markets for Ukrainian Exports [36]

Agri-food products continued to dominate Ukraine's export structure, accounting for nearly 60% of total merchandise exports in 2024, with a total value of USD 24.7 billion, representing a 12% year-on-year increase. The leading export commodities were sunflower oil (USD 5.1 billion), maize (USD 5.1 billion), wheat (USD 3.7 billion), rapeseed (USD 1.8 billion), and soybeans (USD 1.3 billion) (Figure 2.4).

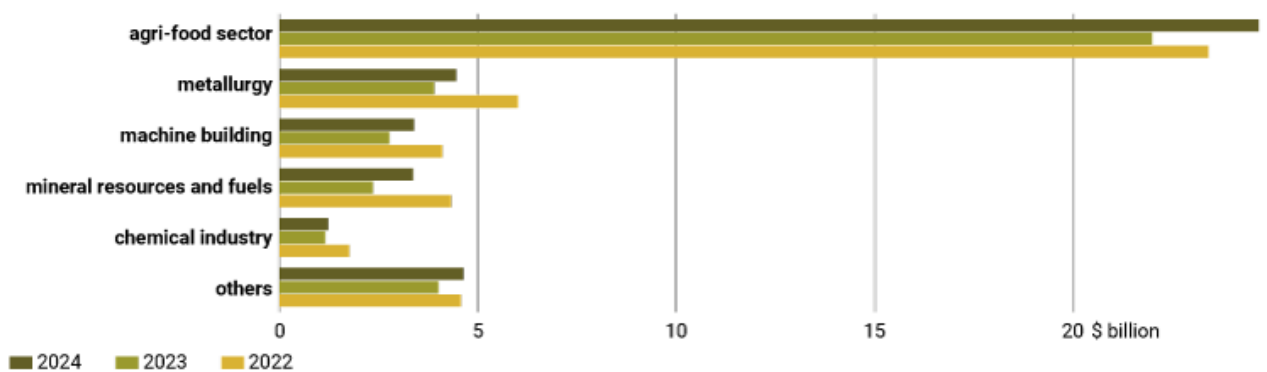


Figure 2.4. Export Value of Ukraine by Economic Sector [36]

Ukraine's imports also exhibited an upward trend. In 2024, the total value of imports reached USD 70.7 billion, an 11% increase from 2023. The European Union remained the country's largest supplier, accounting for 50.4% of total imports (USD 35.7 billion). Other major trading partners included China (20% of imports), Poland (9.9%), and Germany (7.6%) (Figure 2.5).

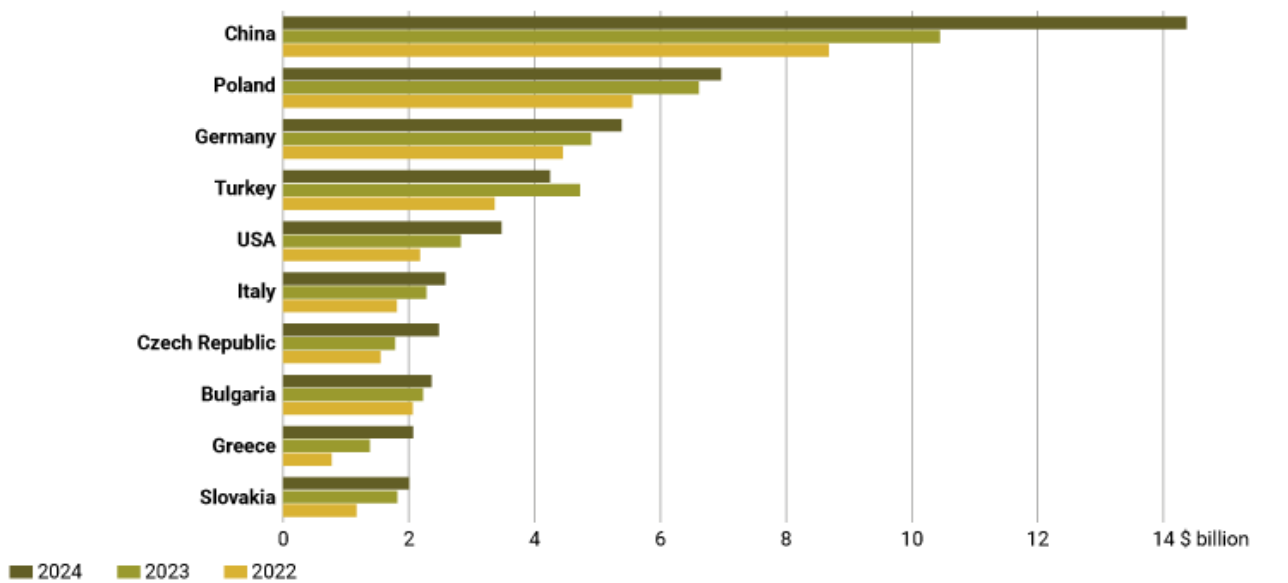


Figure 2.5. Top Import Partners of Ukraine [36]

Ukraine's imports also exhibited an upward trend. In 2024, the total value of imports reached USD 70.7 billion, an 11% increase from 2023. The European Union remained the country's largest supplier, accounting for 50.4% of total imports (USD 35.7 billion). Other major trading partners included China (20% of imports), Poland (9.9%), and Germany (7.6%).

As in previous years, fuels and automobiles remained the principal import categories. A notable share of total imports, amounting to USD 7.1 billion – or 10% of the overall import value – was classified under the “other” goods category. These items are most likely associated with the defense sector (Figure 2.6).

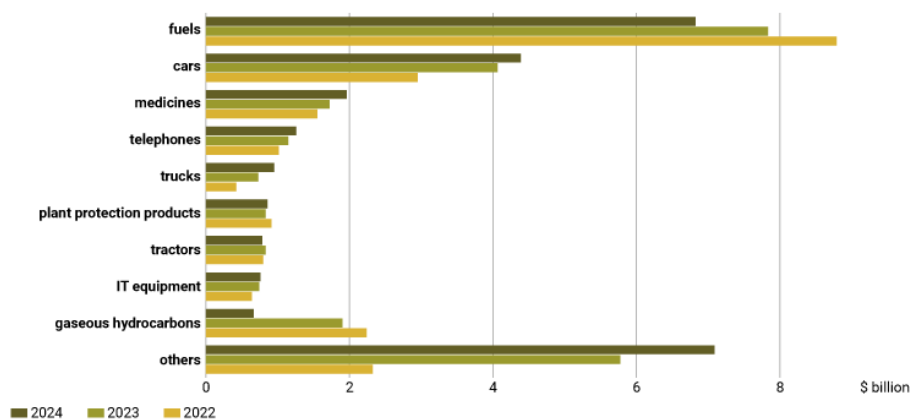


Figure 2.6. Top 10 Imports to Ukraine, 2022–2024 [36]

A comparative analysis of macroeconomic conditions and the dynamics of enterprises' foreign economic activity in the PRC and Ukraine highlights the contrasting

economic environments in which firms operate. In the PRC, sustained export growth, particularly in high-tech sectors, and proactive fiscal support underpin enterprises' international engagement, although net FDI remains negative due to geopolitical and regulatory risks. In Ukraine, foreign economic activity is significantly influenced by ongoing hostilities, structural constraints, and a reliance on agricultural exports. Meanwhile, donor financing and the Black Sea shipping corridor have facilitated the recovery of exports. These differences highlight how macroeconomic stability, sectoral composition, and geopolitical factors significantly impact the patterns, opportunities, and challenges of enterprises' foreign economic operations in each country.

2.2. Institutions and External Economic Conditions Influencing Enterprises' Foreign Economic Activity

Building on the analysis of macroeconomic conditions and the dynamics of enterprises' foreign economic activity presented in Section 2.1, this subsection provides a detailed examination of the institutional and regulatory frameworks, the legal environment, and external economic conditions influencing enterprises' international operations in the People's Republic of China and Ukraine. The analysis begins with an examination of the institutional features of Chinese enterprises' international activities, followed by a parallel assessment of analogous aspects of Ukraine's international activities.

According to the institutional theory framework, the institutional environment is defined as “the set of fundamental political, social, and legal rules that establish the basis for production, exchange, and distribution. Examples of such rules include those governing elections, property rights, and the right to contract”. In other words, institutions are “the rules of the game in a society or, more formally, the humanly devised constraints that shape human interaction...[and] define and limit the choices of individuals” [22, p. 318].

Enterprises entering foreign markets face the so-called liability of foreignness, which manifests as additional risks and costs arising from exchange rate fluctuations,

information asymmetries, and a lack of knowledge about local business conditions. These factors reduce firms' competitiveness relative to domestic companies and complicate entry into international markets. These barriers acquire particular significance in the context of developing and transition economies such as the PRC and Ukraine, where enterprises face both universal internationalization challenges and country-specific institutional constraints.

Although barriers to international market entry have traditionally been analyzed mainly in the context of large multinational corporations, they are no less – and often more – significant for small and medium-sized enterprises. In this context, the PRC's experience as one of the most dynamic economies actively integrating into the global economy warrants a detailed examination.

The “active” internationalization of PRC companies is a relatively recent phenomenon, making it difficult to fully comprehend. Nevertheless, some recent studies have shed light on the motivations, benefits, and challenges of strategies that appear to have evolved in close alignment with the different stages of the “Go Global” policy.

The main findings of these studies indicate that the primary motivation for entering foreign markets extends beyond merely securing access to energy resources and raw materials necessary to sustain the high pace of economic growth. Although operations in these sectors carry significant political and economic influence and are predominantly conducted by state-owned enterprises, they do not fully reflect PRC companies' participation in broader internationalization initiatives.

Seeking new markets for growth remains one of the primary motivations for Chinese companies to expand internationally, alongside the acquisition of advanced technologies and managerial skills, and the need to face intense domestic competition and diversify risk.

Another important aspect that helps us understand the objectives of international expansion is the mode of entry. The predominant approach is to establish joint ventures (JVs), rather than greenfield investments or mergers and acquisitions (M&A). Many enterprises enter into agreements with foreign companies that are already partners in China, thereby creating new JVs. Some proceed with direct acquisitions to gain

immediate access to production capacities, managerial expertise, and technology, thereby compensating for the limited understanding of the dynamics of foreign markets, particularly in the West.

The acquisition of internationally recognized brands is also highly significant. The use of new incentives associated with the Go Global policy, along with the attractiveness of target markets, catalyzes these internationalization initiatives.

Regarding sectoral activity, telecommunications, research, manufacturing (particularly textiles, clothing, and footwear), and mechanical and automotive sectors are particularly active in internationalization.

The primary actors in the internationalization process are not limited to state-owned enterprises and large corporations. Small and medium-sized enterprises (SMEs) from various sectors are expanding into foreign markets at an increasing rate. The size of a firm significantly influences its choice of internationalization strategy. While larger Chinese companies tend to pursue a global market approach, this has not prevented SMEs from initiating their own international expansion pathways (see Table 2.3 for a list of prominent participants in the “Go Global” initiative).

Table 2.3

Key Players in the ‘Go Global’ Initiative: PRC Enterprises’ International Expansion [3, p.101]

Sector	Key Players / Selected Foreign Expansion
1	2
Natural Resources	Baosteel; Chalco; CNOOC – Repsol YPF (Indonesia)
Food	Chalkis – Conserves de Provence (France); Qingdao Beer
Automotive	SAIC – Ssangyong Motor (S. Korea); Lifan; Chery
Chemicals & Pharma	Blue Star – Adisseo (France); Sinochem
Electronics	TCL – Schneider Electronics (Germany); BOE Technology
Household Appliances	Haier – Meneghetti (Italy); Midea Group; Hisense

Continuation of Table 2.3

1	2
Mechanical	Shenyang Machine Tool Group – Schiess (Germany); Huayi Group – Moltech Power Systems (USA)
Telecoms & IT	Lenovo – IBM PC (USA); Huawei; ZTE
Textile	Sail Star – Boewe Textile Cleaning (Germany); D'Long
Research	Suntar – Hoechst (Germany); ChangAn Automobile Group

Another critical observation concerns the challenges firms encounter when implementing the “Go Global” strategy. Key obstacles arise from both the target markets and domestic Chinese institutions. Exogenous factors include high production costs, limited access to financing, and difficulties in establishing connections with local authorities. Endogenous barriers include complex and costly approval procedures for foreign investments, restrictions on the use of foreign currency, and limited access to financial resources.

A portion of the challenges faced by PRC enterprises is inherently managerial, with access to qualified human resources being particularly critical. There is a systemic shortage of managerial skills and practical experience. Additionally, PRC firms face obstacles in the “war for talent,” as multinational corporations enjoy advantages in attracting highly skilled personnel due to their greater prestige and competitive compensation.

Equally significant is the limited knowledge of target markets, particularly more mature ones, in areas such as distribution, taxation, and legal and accounting systems. Enterprises are required to adapt to cultural and linguistic differences, varying approaches to human resource management, and diverse management styles. In particular, the uneven distribution of managerial competencies remains a key challenge for the effective international development of PRC firms.

The experience of PRC enterprises reveals how systematic government support, coupled with the strategic 'Go Global' policy, can facilitate large-scale international expansion despite certain institutional constraints. However, this model represents only one pathway of internationalization for emerging economies. Ukrainian enterprises,

operating in a transition economy with distinct historical legacies, institutional structures, and geopolitical considerations, have developed markedly different patterns of international engagement that warrant separate examination.

Exports continue to serve as a key driver of Ukraine's economic growth. According to the government and the National Bank of Ukraine (NBU), the export sector not only generates substantial foreign exchange revenues – approximately \$51 billion in 2024 – but also fosters GDP growth by promoting investment in advanced technologies, expanding production capacity, and modernizing infrastructure. Moreover, the expansion of exports has created new employment opportunities and contributed to wage growth in related industries. NBU estimates indicate that in 2024, average annual salaries were sustained by 1.4 million individuals employed in various export-oriented sectors. This number is expected to rise in 2025 as new export-focused enterprises emerge and existing ones expand [47].

Despite the growth of Ukraine's export sector, enterprises continue to face significant challenges that hinder international trade. The following figure summarizes the main barriers identified by Ukrainian businesses in early 2025 (Figure 2.7).

In addition to the main obstacles, entrepreneurs also pointed to tariff barriers, including high import duties in certain Asian countries, as well as non-tariff barriers, such as additional regulatory requirements and limited experience supplying specific products. Other significant constraints include difficulties with product certification, insufficient information about foreign markets, inadequate support abroad, and delays in customs clearance. Altogether, these challenges indicate the need for a systematic and coordinated state-level approach to addressing export-related problems.

Low-complexity products dominate Ukraine's goods exports (Figure 2.8, Panel A). Over the past two decades, the economic complexity of the country's goods exports has declined, in contrast to most peer economies. Ukraine specializes in products that are weakly connected to more technologically sophisticated goods, such as chemicals or machinery (Figure 2.8, Panel B).

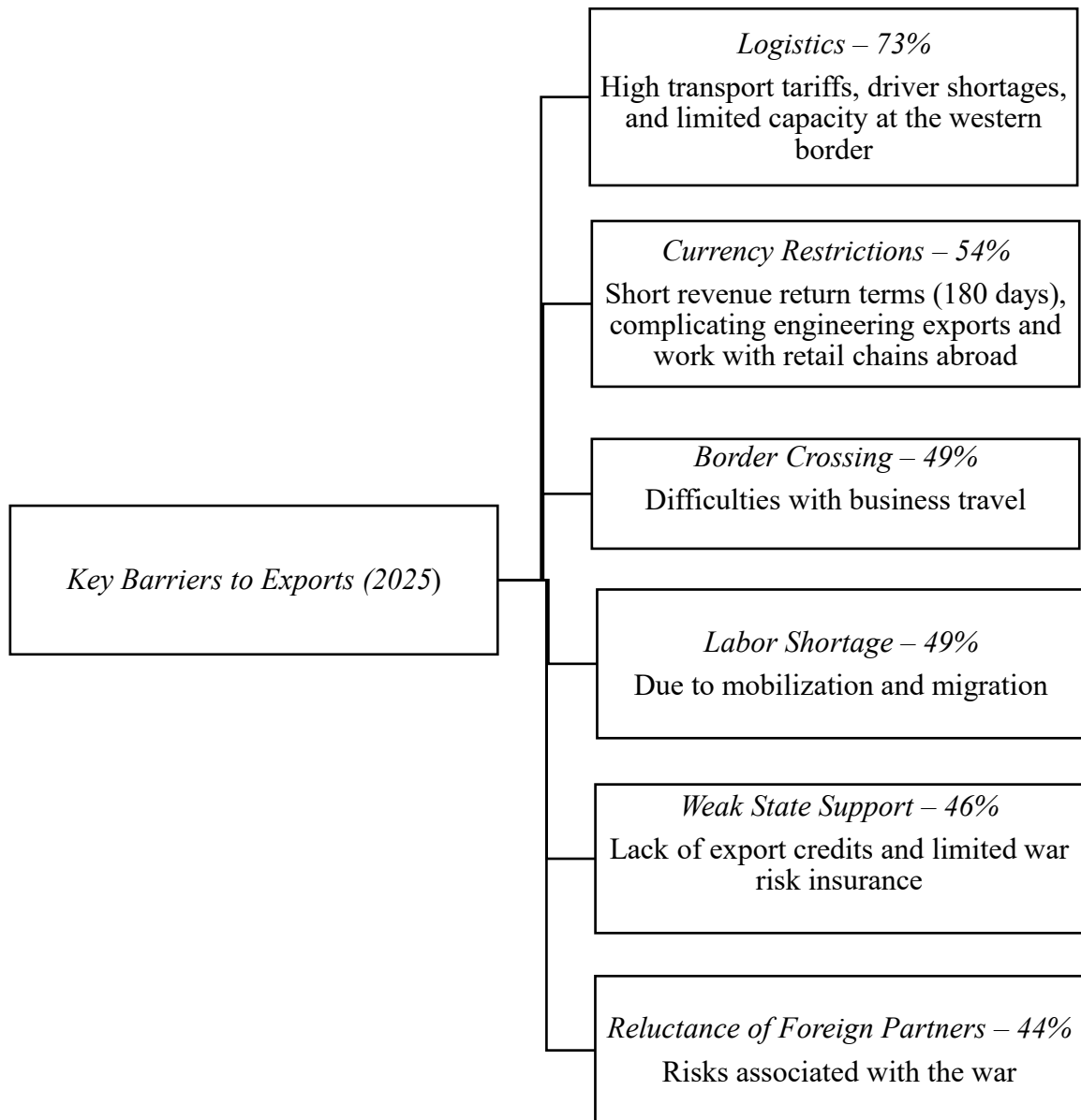
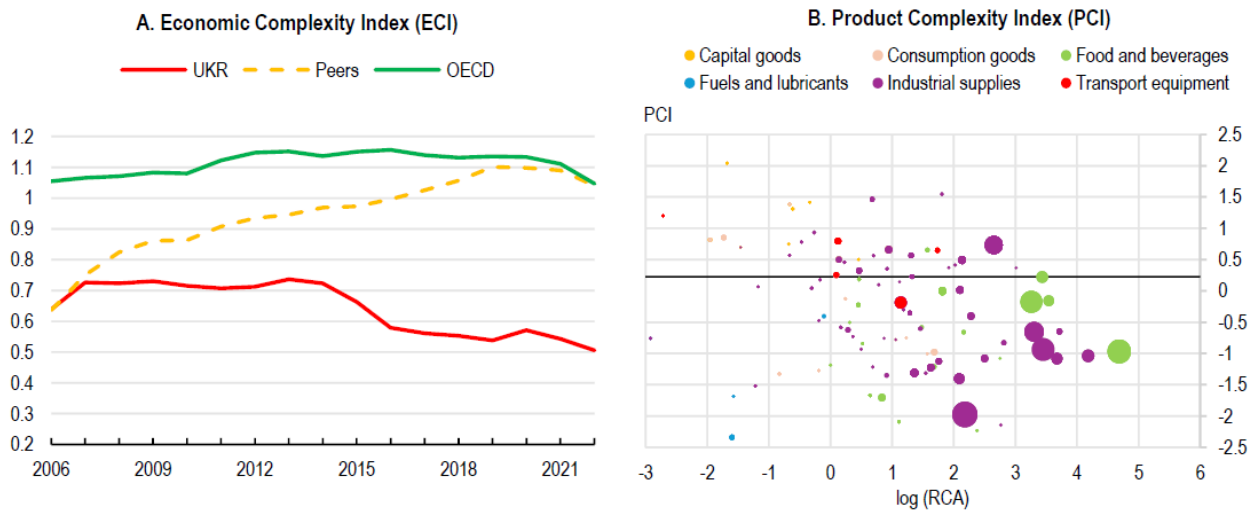


Figure 2.7. Main Barriers to Ukrainian Exports (Jan–Feb 2025) [47]

Evidence suggests that product complexity is closely linked to firms' productivity growth. At the macroeconomic level, higher economic complexity correlates with stronger economic growth. A significant portion of the industry producing more complex goods was concentrated in specific areas of the Donetsk and Luhansk regions and has experienced substantial disruption since 2014 due to military aggression. This partly explains the further decline in economic complexity over the past decade. Cross-country analyses suggest that improvements in framework conditions – such as strengthening the

rule of law, reducing regulatory burdens, ensuring adequate physical infrastructure, and supporting innovation – contribute to increasing economic complexity.



Note: Panel A: The Economic Complexity Index (ECI) quantifies the diversity of a country's exports and the ubiquity of the products it exports, serving as a measure of the knowledge intensity and productive capabilities underlying the national economy. The ECI is derived using 6-digit HS product classifications.

Panel B: The Product Complexity Index (PCI) captures the diversity and sophistication of capabilities required to produce and export a product. Revealed Comparative Advantage (RCA) is calculated as the ratio of a product's share in the country's total exports to its share in global exports. The size of the dots represents the export value in 2021.

Figure 2.8. Economic Complexity in Ukraine's Goods Exports [37]

An export policy should be a natural extension of a business's operations. Although Ukrainian manufacturers are not yet members of the EU, they already apply European standards, creating a distinctive competitive advantage that enables them to integrate rapidly into international markets. By leveraging its human capital, natural resources, and strategic geographic location, Ukraine can enhance public policies and expand the production of higher-value-added goods and services in demand abroad.

In the context of global trade shifts, new opportunities are emerging for Ukrainian exports [47]:

- 1) the growing demand for food security is driving the expansion of agricultural exports;

2) the formation of new value chains is occurring in line with the Green and Digital Transitions;

3) the relocation of capital and production due to geopolitical risks provides Ukrainian companies with opportunities to participate in new international production networks;

4) the development of digital services creates additional opportunities for the export sector by reducing the need for the physical movement of goods and people.

As part of Ukraine's Export Strategy until 2030, Ukrainian businesses require stability, access to finance, and simplified procedures to enter foreign markets effectively. The government can provide support in several key areas to strengthen Ukraine's position in international markets and ensure sustainable export growth. The main areas of support outlined in the strategy are presented in Table 2.4.

Table 2.4. Key Areas of Government Support for Ukrainian Exporters under Ukraine's Export Strategy until 2030 [47]

Area of Support	Description / Expected Impact
Expansion of export geography	Targeting new markets, particularly in the Global South (Middle East, Southeast Asia, and Latin America).
Investment stimulation	Promoting the production of medium- and high-tech products and increasing their share of exports.
Financial support mechanisms	Improving access to financing and other financial instruments for exporters.
Cooperation with potential partners	Expanding opportunities to connect with foreign counterparties and establish trade partnerships.
Export logistics	Optimizing transportation time and costs to enhance efficiency in international trade.
Customs procedures and product certification	Streamlining customs clearance and product certification processes to facilitate export activities.

Institutional factors significantly influence the foreign economic activity of Ukrainian enterprises. In a transition economy, firms operate in an environment characterized by low regulatory predictability and frequent legislative changes. Complex export procedures, limited access to financing, inadequate protection of property rights, and currency restrictions create additional barriers to the development of international operations. Insufficient coordination among state authorities and limited support for exporters further complicate the integration of Ukrainian companies into global markets.

At the same time, exports continue to be a key driver of economic growth, providing foreign exchange inflows, promoting infrastructure development, and generating employment opportunities. However, enterprises face tariff and non-tariff barriers, limited information about foreign markets, and low economic complexity of exported goods. The loss of high-tech production capacities in the Donetsk and Luhansk regions has further reduced the overall sophistication of Ukraine's exports.

Unlike the People's Republic of China, where the state actively promotes international expansion through the "Go Global" policy, Ukrainian enterprises primarily rely on support mechanisms outlined in the Export Strategy until 2030. These measures focus on expanding export markets, stimulating investment in medium- and high-tech products, facilitating access to financing, optimizing logistics, and simplifying certification and customs procedures. Enhancing the effectiveness of the institutional environment and strengthening the rule of law are crucial for improving the international competitiveness of Ukrainian firms.

Overall, institutions and external economic conditions shape the strategies firms choose for entering foreign markets and determine firms' operational effectiveness. The experience of China demonstrates that systematic government support and a clear strategy for international integration can mitigate the adverse effects of institutional constraints. For Ukraine, a combined approach of institutional reforms, increased export complexity, and targeted state support is essential to ensure sustainable, competitive international growth.

CHAPTER 3

DIRECTIONS FOR ENHANCING ENTERPRISES' FOREIGN ECONOMIC ACTIVITY UNDER GLOBALIZATION TRANSFORMATIONS

3.1. Comparative Analysis of Competitive Strategies and Internationalization Models of PRC and Ukrainian Enterprises

Enterprises operate within distinct frameworks and, as a result, formulate and implement strategies tailored to their organizational contexts. Achieving sustainable success and operational efficiency requires developing a long-term strategic plan that enables enterprises to respond effectively to political and economic fluctuations while attracting investment.

Contemporary enterprises face a multitude of challenges, stemming not only from economic and political instability but also from the underdeveloped strategic analysis mechanisms within their organizations. In response, international scholars and practitioners are increasingly advocating for the application of the SPACE analysis methodology, which facilitates the systematic development of strategies and a comprehensive evaluation of both the internal and external environments of small and medium-sized enterprises.

In this context, a comparative analysis of the competitive strategies and internationalization models of education companies entering the People's Republic of China and Ukraine is particularly pertinent. Such a study enables the extraction of critical insights into differences in strategic approaches, the assessment of the effectiveness of organizational adaptation to the dynamics of the global market, and the identification of the key determinants of success for enterprises operating within diverse economic and institutional environments.

Internal factors, such as financial strength (FS) and competitive advantage (CA), are key determinants of an education enterprise's strategic position. In contrast, external factors – industry strength (IS) and environmental stability (ES) – define the strategic position of the entire education sector. Financial strength becomes particularly critical under adverse economic conditions, such as rising inflation or high interest rates.

Education enterprises with strong financial resilience are better positioned to diversify into more promising areas or implement aggressive strategic moves within current segments, displacing weaker competitors. Competitive advantages, manifested in larger market share, lower costs, or technological superiority, enable organizations to maintain higher profitability levels. This is especially important during periods of market decline, when profits are not maximized, and survival becomes challenging.

In emerging markets, the financial and operational strength of education enterprises helps maintain or increase growth momentum, allowing even marginal players to find market niches. As the sector expands, competitive pressures intensify, and industry strength further enhances an enterprise's strategic position [39, p. 8].

Each strategy identified using the SPACE matrix is based on four input dimensions reflected in the quadrant matrix.

First, financial strength (FS), represented on the positive y-axis, encompasses all factors related to the financial condition of an education enterprise, including return on assets, operational improvement efforts, organizational liquidity, and cash flow. These variables are assessed on a scale from 1 to 6, where 1 indicates the weakest and 6 the strongest position.

Second, environmental stability (ES), shown on the negative y-axis, reflects the degree of stability in the external environment of the education sector. This dimension includes variables such as inflation rates, government education policies, fluctuations in demand for education services, and tax conditions. These variables are evaluated on a scale from -1 to -6, where -1 represents the most favorable conditions and -6 the most unfavorable.

Third, industry strength (IS), located on the positive x-axis, captures external industry-related factors influencing education enterprises. These include barriers to entry into the education market, the sector's growth potential, access to financing, and the availability and utilization of technology. These variables are rated on a scale of 1 to 6.

Finally, competitive advantage (CA), plotted on the negative x-axis, reflects the relative advantages of an education enterprise over its competitors, including market

share, quality of education programs, course duration, reputation, and brand image. Like ES, these variables are evaluated on a scale from -1 to -6.

ES and CA are assigned negative values to reflect the degree of external threat or lack of competitive advantage; more negative values indicate higher risk or weaker positioning.

The four SPACE dimensions shape the strategic posture of an education enterprise, which can be aggressive, competitive, conservative, or defensive (Figure 3.1). The resulting strategic orientation is then translated into generic competitive strategies that guide the organization's long-term sustainability, cost leadership, differentiation of education services, market focus, or defensive positioning. The application of the SPACE framework is based on the logic of maximizing the strengths and opportunities of the education enterprise while simultaneously reducing its weaknesses and exposure to external threats.

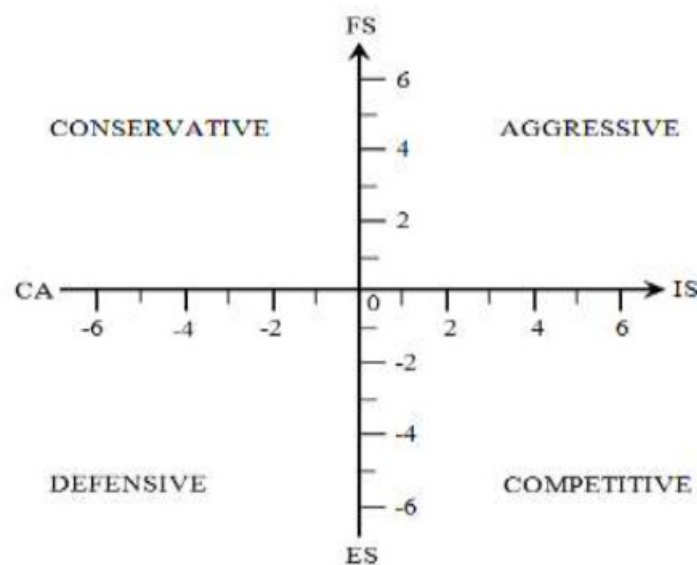


Figure 3.1. Quadrant of Strategic Posture of the Enterprise [39, p. 8]

Within the SPACE framework, the strategic posture of an educational enterprise can be classified into four strategic orientations that reflect the interplay between the organization's internal capabilities and the external environment. Each of these orientations determines the general direction of the enterprise's strategic development and the nature of its competitive behavior in the education market.

First, an aggressive strategic orientation is characteristic of education enterprises operating in an attractive and dynamic market environment while possessing sufficient financial and organizational capacity. In such circumstances, implementing aggressive growth strategies is advisable, including expanding education programs, entering new market segments, and investing in digital technologies and innovative education formats.

Second, the competitive strategic orientation is applicable to education enterprises operating in an attractive yet unstable sector and seeking to sustain competitive advantage. The critical factor in this case is financial resilience, which enables the institution to maintain the quality of its education services, retain qualified personnel, and preserve its market position amid increasing competition.

Third, the conservative strategic orientation is typical for education enterprises functioning in a stable but low-growth market. The primary strategic focus is on ensuring financial stability and enhancing the competitiveness of education offerings through cost optimization, portfolio adjustments, improved resource efficiency, and the gradual introduction of new education programs.

Fourth, the defensive strategic orientation is characteristic of education enterprises operating in an unattractive market environment, with weak competitive positions and limited financial resources. In this context, reduction strategies are appropriate, including discontinuing unprofitable programs, implementing strict cost optimization, downsizing excess resources, and postponing or curtailing investment activities.

To further determine the company's strategic position and develop appropriate recommendations, we proceed to apply the SPACE methodology using the example of a PRC enterprise, HuaxiaQihan Education Technology Co., Ltd. This approach enables a comprehensive evaluation of the company's financial strength, environmental sustainability, industry position, and competitive edge, which helps justify the selection of an optimal development strategy.

Before directly assessing the company's strategic position, it is reasonable to begin with an analysis of its financial strength, as financial resources determine the enterprise's ability not only to grow in the domestic market but also to successfully enter foreign markets, adapt products to local conditions, and mitigate additional risks associated with

international expansion. The first element of the analysis is Financial Strength (FS), which represents the company's financial strength (Table 3.1).

Table 3.1

Assessment of HuaxiaQihan Education Technology Co., Ltd's Financial Strength for International Market Entry [developed by the author]

Factor	Rating (1-6)	Justification
Return on Assets (ROA)	4	The company demonstrates moderate domestic profitability, with sufficient earnings allowing for investment in product localization and marketing in new markets
Efforts to improve operational efficiency	5	The active implementation of AI technologies and automation facilitates scaling into foreign markets and reduces operational costs
Organizational liquidity	4	Adequate liquidity covers the costs of adapting education platforms for new markets and initial marketing campaigns
Cash flow	4	Stable domestic cash flow allows reinvestment in international expansion, although currency fluctuations and regulatory risks require reserves

To summarize the company's financial strength, we calculate an average score by summing the individual factor ratings and dividing by the number of factors. This provides a single representative measure of the company's financial capacity for domestic growth and international market entry.

$$\text{Average FS} = (4 + 5 + 4 + 4) / 4 = 4.25 \quad (3.1)$$

The second element of the SPACE analysis is Environmental Stability (ES), which reflects the level of external risks and unpredictable factors that may affect the company's operations when entering foreign markets. Assessing this factor allows consideration of economic, political, and regulatory conditions that can either facilitate or constrain international expansion. The data are presented in Table 3.2

Table 3.2

Assessment of HuaxiaQihan Education Technology Co., Ltd's Environmental Stability
for International Market Entry [developed by the author]

Factor	Rating (-1 to -6)	Justification
Inflation rate	-2	China's annual inflation rose to 0.8% in December 2025 from 0.7% in the previous month; the economic situation remains relatively stable. When entering foreign markets, it is essential to consider currency fluctuations and local economic conditions
Government education policy	-4	Strict regulatory constraints exist in the domestic market; therefore, international expansion requires adapting operations to comply with local legislation
Fluctuations in demand for education services	-3	High domestic competition and shifting parental priorities exist, but demand for professional education remains; local market research is essential for international expansion
Tax conditions	-3	Standard taxation applies to tech companies, with potential regulatory changes; when entering foreign markets, the tax specifics of target countries must be considered

To summarize the company's environmental stability, the average score is calculated by summing the individual factor ratings and dividing by the number of factors.

$$\text{Average ES} = (-2 - 4 - 3 - 3) / 4 = -3.0 \quad (3.2)$$

The third element of the SPACE analysis is Industry Strength (IS), which reflects the industry's overall attractiveness and growth potential. For international expansion, it is essential to consider global market opportunities, technological leadership, and entry barriers in target markets. The data are presented in Table 3.3.

To summarize the company's industry strength, the average score is calculated by summing the individual factor ratings and dividing by the number of factors.

$$\text{Average IS} = (4 + 5 + 4 + 6) / 4 = 4.75 \quad (3.3)$$

Table 3.3

Assessment of HuaxiaQihan Education Technology Co., Ltd's Industry Strength for International Market Entry [developed by the author]

Factor	Rating (1-6)	Justification
Entry barriers	4	High technological and regulatory barriers protect existing domestic players; for international markets, adaptation to local standards and regulations is necessary.
Growth potential	5	Significant potential exists in professional education, corporate training, and lifelong learning segments. International expansion allows access to emerging markets and niche education segments.
Access to financing	4	Domestic regulatory risks limit funding, but venture capital and international investors can support global expansion.
Availability and use of technology	6	Advanced AI technologies, 5G infrastructure, cloud computing, and Big Data provide a competitive advantage and facilitate efficient platform scaling to foreign markets.

The fourth element of the SPACE analysis is Competitive Advantage (CA), which reflects the company's position relative to competitors, its strengths, and its ability to occupy a profitable niche in international markets. When evaluating international expansion, it is essential to consider market share, the quality of education programs, course diversity, and brand reputation in comparison to global competitors. The data are presented in Table 3.4.

Table 3.4

Assessment of HuaxiaQihan Education Technology Co., Ltd's Competitive Advantage for International Market Entry [developed by the author]

Factor	Rating (-1 to -6)	Justification
Market share	-3	The company is a small player in a highly competitive market; international expansion requires targeting specialized niches

Quality of education programs	-2	Programs are competitive and adapted to the local system, but further localization is required for foreign markets
Duration and diversity of courses	-3	Standard offerings with limited differentiation; the course assortment should be expanded according to local market needs
Brand reputation and image	-4	Low brand recognition domestically; marketing efforts are necessary to build a reputation internationally

To summarize the company's competitive advantage, the average score is calculated by summing the individual factor ratings and dividing by the number of factors.

$$\text{Average CA} = (-3 - 2 - 3 - 4) / 4 = -3.0 \quad (3.4)$$

After evaluating all four elements of the SPACE analysis – Financial Strength (FS), Environmental Stability (ES), Industry Strength (IS), and Competitive Advantage (CA), the coordinates of the SPACE matrix can be determined, which reflect the company's strategic position for entering foreign markets. Calculating these coordinates enables the selection of the optimal strategy type: aggressive, conservative, defensive, or competitive (Figure 3.2).

Based on the matrix, HuaxiaQihan (Beijing) Education Technology Co., Ltd will choose its strategy according to the position indicated in the diagram.

Now, we calculate the coordinates:

$$\text{Horizontal axis (X)} = \text{IS} + \text{CA} \quad (3.5)$$

$$X = 4.75 + (-3.0) = 1.75$$

$$\text{Vertical axis (Y)} = \text{FS} + \text{ES} \quad (3.6)$$

$$Y = 4.25 + (-3.0) = 1.25$$

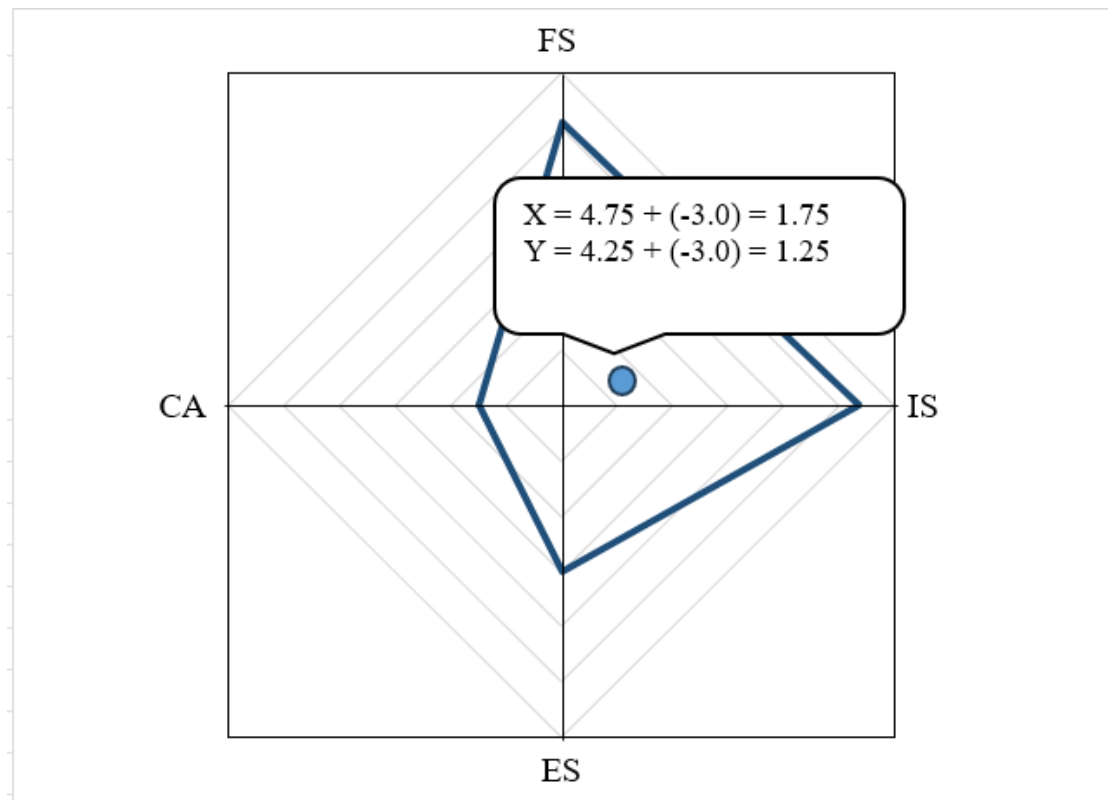


Figure 3.2. SPACE matrix of HuaxiaQihan Education Technology Co., Ltd for assessing the company's strategic position in international market entry [developed by the author]

After calculating the coordinates of the SPACE matrix for HuaxiaQihan Education Technology Co., Ltd., it was determined that the horizontal axis (X) is 1.75 and the vertical axis (Y) is 1.25. These values indicate a favorable strategic position, enabling the company to adopt an aggressive approach to entering international education markets. This strategy involves actively leveraging financial resources, core strengths, and innovative education solutions to expand the company's presence abroad and strengthen its competitive advantages within the education sector.

Following the analysis of the PRC enterprise, the same methodology is applied to the Ukrainian education company EdEra to highlight differences in strategic positioning under diverse economic and institutional conditions. This approach enables a comprehensive evaluation of the company's financial strength, environmental stability, industry position, and competitive advantages, which helps justify the selection of an

optimal development strategy both in the domestic market and potentially in international markets.

The analysis of the strategic position of the Ukrainian education company EdEra, using the SPACE methodology, enables a thorough assessment of its financial resources, competitive advantages, and its position within the education sector.

Before directly assessing the company's strategic position, it is reasonable to begin with an analysis of Financial Strength (FS), as the availability of financial resources determines the enterprise's ability not only to operate effectively in the domestic market but also to successfully adapt education products to local conditions and mitigate risks associated with potential international expansion (Table 3.5).

Table 3.5

Assessment of Financial Strength (FS) of EdEra [developed by the author]

Factor	Rating (1–6)	Justification
Return on Assets (ROA)	4	The company demonstrates moderate domestic profitability, with stable earnings allowing for investment in product localization and marketing. However, economic instability and the ongoing war limit the pace of investment.
Efforts to improve operational efficiency	5	The active implementation of digital technologies and automation enables the scaling of online education platforms while optimizing costs under high operational risk conditions.
Organizational liquidity	3	Liquidity is sufficient for current expenses and product adaptation, but additional reserves are needed due to currency fluctuations, inflation, and potential funding interruptions.
Cash flow	3	Domestic cash flow is stable; however, external risks (war, regulatory constraints, delayed payments) require additional financial reserves for international expansion.

To summarize the company's financial strength, we calculate an average score by summing the individual factor ratings and dividing by the number of factors. This

provides a single representative measure of the company's financial capacity for domestic growth and potential international market entry.

$$\text{Average FS} = \frac{4+5+3+3}{4} = \frac{15}{4} = 3,75 \quad (3.7)$$

After assessing the company's financial strength, it is appropriate to proceed with an analysis of Environmental Stability (ES). Calculating the average ES allows for an evaluation of the extent to which external factors influence the company's strategic position and its ability to operate effectively under conditions of economic instability, regulatory risks, and market fluctuations (Table 3.6).

Table 3.6

Assessment of Environmental Stability (ES) of EdEra [developed by the author]

Factor	Rating (-1 to -6)	Justification
Economic instability	-2	High economic instability and inflation limit the predictability of company revenues and expenses.
Political and regulatory risks	-2	In the context of war and frequent legislative changes, the company faces a high level of regulatory risk.
Competitive environment	-4	The Ukrainian EdTech market is developing dynamically with increasing competition from both local and international players, creating moderate pressure on EdEra's market position.
Technological changes	-5	Rapid technological advancements necessitate ongoing investment in platform updates and innovation to remain competitive, resulting in significant pressure for adaptation and resource demands.

Calculation of Average ES.

$$, \quad \text{Average ES} = \frac{-2-2-4-5}{4} = \frac{-13}{4} = -3,25 \quad (3.8)$$

After assessing Environmental Stability, it is appropriate to proceed with an analysis of Industry Strength (IS). Calculating the average IS enables an evaluation of the market conditions and industry factors that influence the company's strategic position and its ability to compete effectively in the Ukrainian education sector, as well as potentially in international markets (Table 3.7).

Table 3.7

Assessment of Industry Strength (IS) of EdEra [developed by the author]

Factor	Rating (1–6)	Justification
Market size	4	The Ukrainian online education market is experiencing growth, particularly in the school and supplementary course segments, creating favorable conditions for company development.
Market growth	4	Demand for distance learning and digital education resources is steadily increasing, supporting the company's growth prospects.
Entry barriers	3	New entrants can enter the market relatively easily, although technological and content standards increase competition.
Technological advancement	5	The rapid development of education technologies creates additional opportunities for innovation and the expansion of the company's offerings.

Calculation of Average IS

$$\text{Average IS} = \frac{4+4+3+5}{4} = \frac{16}{4} = 4 \quad (3.9)$$

After assessing Industry Strength, it is appropriate to proceed with an analysis of Competitive Advantage (CA). Calculating the average CA enables an evaluation of how internal factors and unique competencies impact the company's ability to compete effectively in the domestic market and potentially expand into international markets (Table 3.8).

Table 3.8

Assessment of Competitive Advantage (CA) of EdEra [developed by the author]

Factor	Rating (-1 to -6)	Justification
1	2	3
Product innovativeness	-5	EdEra offers interactive and digital learning resources that differentiate it from competitors in the market

Continuation of Table 3.8

1	2	3
Reputation and brand	-4	The company is well-known among Ukrainian users and maintains a positive reputation in the education sector.
Team qualifications	-5	Experienced education experts and IT specialists ensure a high level of product quality.
Partnership networks	-3	The company has certain partnerships, but opportunities for international collaboration are limited.

Calculation of Average CA

$$, Average CA = \frac{-5-4-5-3}{4} = -\frac{17}{4} = -4,25$$

(3.10)

Based on the calculated average scores for Financial Strength (FS), Industry Strength (IS), Environmental Stability (ES), and Competitive Advantage (CA), the coordinates of EdEra's SPACE matrix can be determined as follows:

$$\text{Horizontal axis (X)} = \text{IS} + \text{CA} \quad (3.11)$$

$$X = 4 + (-4.25) = -0.25$$

$$\text{Vertical axis (Y)} = \text{FS} + \text{ES} \quad (3.12)$$

$$Y = 3.75 + (-3.25) = 0.5$$

Based on the assessment of financial strength and the stability of the external environment, EdEra's strategic position has been determined using the SPACE analysis method. The calculated coordinates, $X = -0.25$ and $Y = 0.5$, indicate a moderate financial capacity within a stable and attractive market environment. This combination suggests a conservative strategic orientation, focusing on maintaining financial stability, optimizing resources, and gradually introducing new education programs to enhance competitiveness (Figure 3.3).

Comparative analysis reveals that while HuaxiaQihan can pursue an aggressive internationalization strategy due to its strong financial and industry positions, EdEra's

moderate financial resources and stable domestic environment suggest a more conservative approach, focusing on gradual expansion and resource optimization.

This comparison illustrates how differing economic conditions and institutional frameworks influence the strategic posture of education enterprises in internationalization.

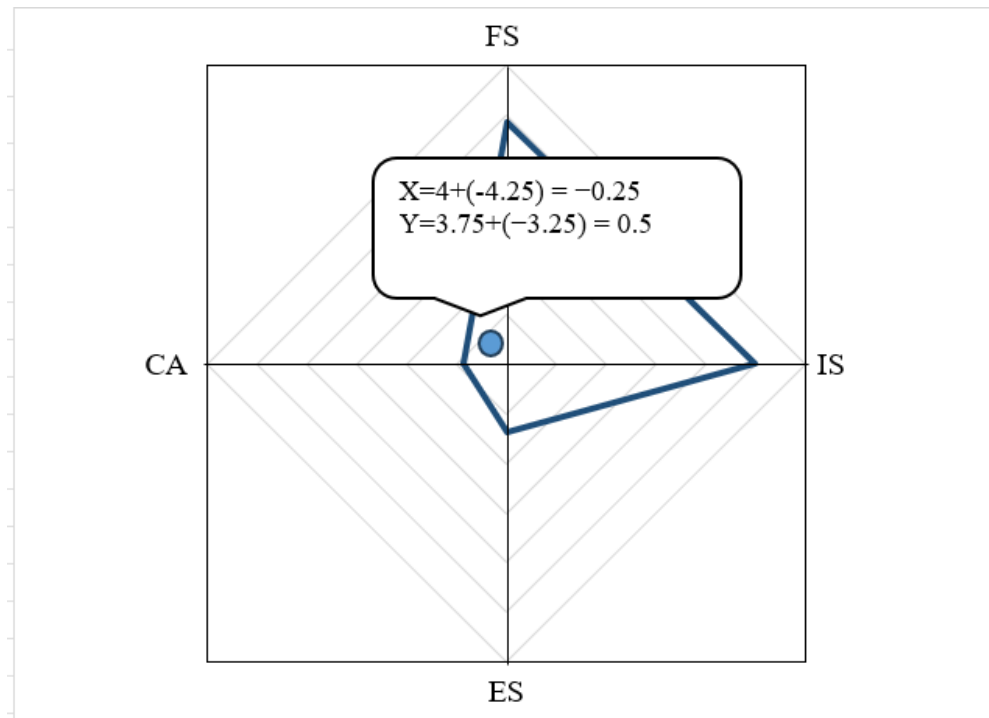


Figure 3.3. SPACE matrix of EdEra for assessing the company's strategic position in international market entry [developed by the author]

3.2. Recommendations for Improving Support Mechanisms for Enterprises' Foreign Economic Activity under Globalization Challenges

Based on the comparative analysis of the competitive strategies and internationalization models of education enterprises from the PRC and Ukraine conducted in Subsection 3.1 using the SPACE analysis methodology, it was determined that the strategic positioning of enterprises differs significantly depending on their financial capacity, competitive advantages, industry potential, and the stability of the external environment. In particular, the Chinese company HuaxiaQihan Education Technology Co., Ltd. demonstrated coordinates of $X = 1.75$ and $Y = 1.25$, which correspond to an

aggressive strategic orientation. In contrast, the Ukrainian company EdEra obtained coordinates of $X = -0.25$ and $Y = 0.5$, indicating a conservative strategic position.

These differences in strategic positioning are determined not only by the internal organizational capabilities of the enterprises but also by substantial disparities in the economic, institutional, and political conditions under which education enterprises operate in China and Ukraine. Accordingly, mechanisms for supporting foreign economic activity and recommendations for entering international markets should be differentiated and tailored to each enterprise's specific strategic position.

The purpose of this subsection is to develop practical recommendations to enhance support mechanisms for the foreign economic activities of education enterprises, taking into account their strategic positioning within the SPACE matrix.

In the context of the rapid expansion of the global EdTech market, expected to reach USD 404 billion by 2025 due to accelerated digitalization, infrastructure modernization, and growing demand for flexible learning solutions (see Figure 3.4), HuaxiaQihan Education Technology Co., Ltd., with its aggressive strategic orientation, is well-positioned to leverage these market dynamics.

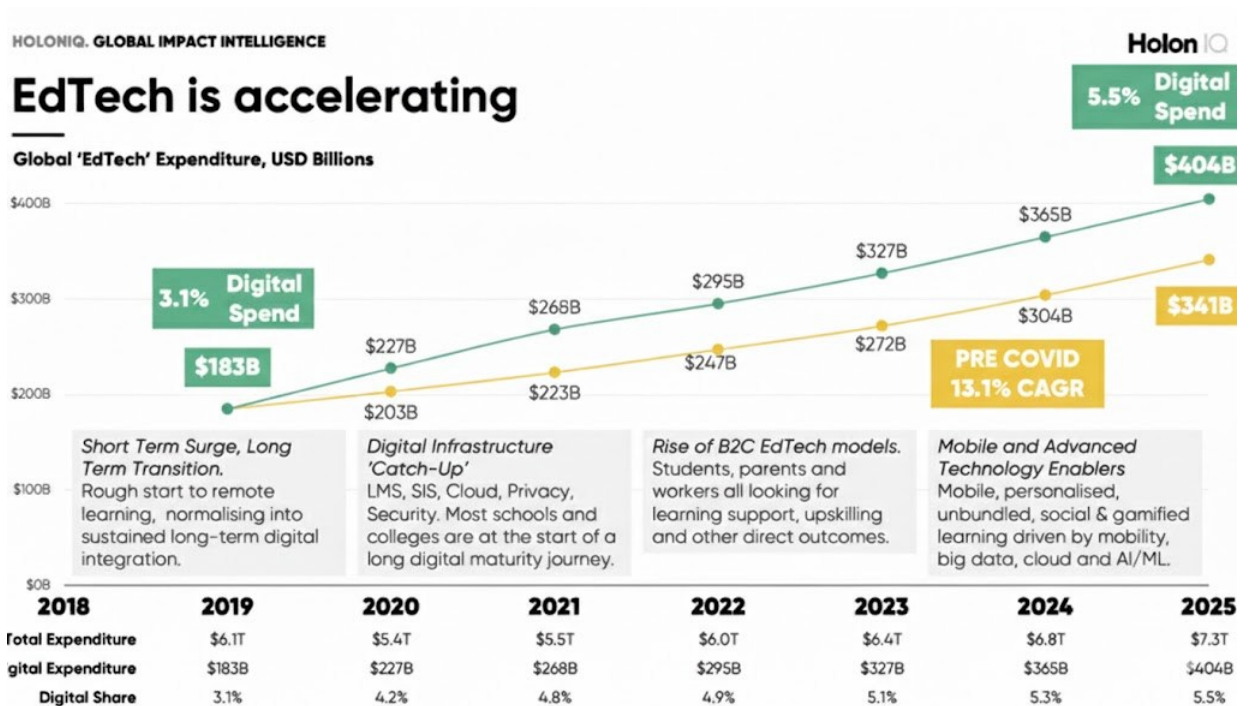


Figure 3.4. Structural Transformation of the EdTech Sector: Digitalization Rates in Global Education during 2018-2025 [50]

The models of online education platforms in China can be classified by market segment, service type, and business model. Market segments include preschool education, K12, higher education, vocational education, foreign language education, examination services, and interest-based education. Service types are categorized into four main groups: content, tools, platforms, and comprehensive services. Business models include B2B, B2C, C2C, C2B, B2B2C, and other modes [32, p. 1093].

B2B, B2C, and B2B2C models, which are enterprise-oriented, are particularly suitable for content- and platform-based businesses, as enterprises serve as the starting point of the service process, facilitating efficient content iteration and system information management—for instance, NetEase Online Open Courses and XDF.CN and Hujiang Online Class are all content-oriented education platforms operating under the B2C model.

All services and courses under consumer-oriented models (C2C, C2B, and other user-based models) are provided in response to user demand. In other words, these models enable education platforms to deliver services tailored to learners' specific learning needs. The viability of the C2B model lies in “providing the most appropriate services” and uncovering the real needs of users. For enterprises with an aggressive strategic positioning and substantial financial capacity, B2B models offer critical advantages: predictable revenue streams from institutional contracts, lower customer-acquisition costs than in B2C models, and reduced market fragmentation risks. Moreover, B2B partnerships create structural barriers to entry, as competitors must replicate not only the product but also established institutional relationships.

In this context, HuaxiaQihan Education Technology Co., Ltd. should focus on B2B models through strategic partnerships with schools and education networks. This approach allows the company to scale its solutions, secure stable revenues, and integrate platforms directly into formal education processes, thereby raising entry barriers for competitors and generating long-term network effects. Such a strategy creates the conditions for accelerated growth, market share expansion, and the establishment of sustainable competitive advantages in the global EdTech market.

While the B2B model provides stability through institutional partnerships, the B2B2C model presents a strategic evolution that enables HuaxiaQihan Education

Technology Co., Ltd. to capture additional value streams. By combining the institutional reach of B2B with direct access to end-users (B2C), the company can simultaneously ensure revenue predictability and tap into diverse market segments without compromising its core institutional relationships. In this model, product owners manage content creation, production, and distribution, while platform owners provide technical support, resource integration, and system management, efficiently connecting learners with educators. Unlike MOOC platforms, which primarily offer remote teaching for established institutions, the B2B2C model enables a broader range of service targets, including small education institutions and individual learners. Product owners can independently determine the teaching content, pricing, and service delivery methods, offering flexibility and responsiveness to user needs.

For HuaxiaQihan, leveraging the B2B2C approach, combined with scaling partnerships with schools, training centers, and small education institutions, allows the company to expand its platform reach, engage diverse market segments, and secure stable revenue streams. This strategy also lays the groundwork for a successful entry into international markets, as integrating the platform into various education environments enhances adaptability and competitiveness in the global EdTech sector, while simultaneously generating long-term network effects and sustainable competitive advantages.

In summary, the choice of business model and market approach should align with the enterprise's strategic positioning. Aggressively positioned enterprises are advised to pursue B2B and B2B2C strategies to scale solutions domestically and internationally, while conservative enterprises should focus on niche opportunities, gradual adaptation, and selective B2G collaborations. Overall, the integration of digital technologies and strategic partnerships provides a foundation for sustainable competitive advantages in the global EdTech sector.

While B2B and B2B2C models are optimal for enterprises with aggressive positioning and substantial resources, the strategic approach for conservatively positioned enterprises must prioritize risk mitigation and resource efficiency. For EdEra, operating under conditions of limited financial capacity and external instability, the focus should

shift from market expansion to strategic consolidation through selective partnerships with public sector institutions.

B2G (business-to-government) refers to the process of selling products or services to public sector organizations, including schools, universities, ministries, and agencies. B2G is a subset of B2B (business-to-business) sales, presenting its own unique challenges and opportunities. This section examines the importance of B2G for EdTech companies, the primary advantages and disadvantages of B2G sales, and practical approaches to addressing them.

For enterprises with conservative strategic positioning, such as EdEra, the B2G model offers distinct advantages that align with risk-averse growth strategies. Unlike B2C models that require substantial marketing investments and face high customer acquisition costs, or B2B models that demand extensive sales infrastructure, B2G partnerships provide: (1) stable, long-term contracts that reduce revenue volatility; (2) institutional validation that enhances credibility without significant brand-building expenses; (3) access to grant funding and development programs specifically designed for education innovation; and (4) opportunities to pilot solutions in controlled environments before scaling. These characteristics make B2G particularly suitable for resource-constrained enterprises seeking gradual international expansion.

For EdEra specifically, the recommended B2G entry strategy should include: (1) targeting EU-funded education programs for Ukrainian institutions, which provide both funding and market access without requiring significant upfront investment; (2) establishing partnerships with international development organizations (such as USAID, British Council) that support education infrastructure in post-conflict regions; (3) participating in government-sponsored digitalization initiatives that offer technical and financial support; and (4) leveraging Ukraine's association with the EU to access Erasmus+ and Horizon Europe programs. This approach allows EdEra to internationalize gradually while maintaining financial stability and building institutional credibility.

However, B2G sales are neither simple nor straightforward. There are numerous challenges and barriers that EdTech companies must overcome to succeed in this market. Firstly, B2G sales cycles are typically long and complex, as they involve multiple

stakeholders, including decision-makers, influencers, and various groups such as politicians, bureaucrats, educators, parents, and students. Each of these groups may have different needs, preferences, and objectives, which makes the sales process lengthy and unpredictable. EdTech companies must demonstrate patience, persistence, and flexibility to navigate the B2G sales cycle successfully.

Secondly, B2G [51] customers have high and diverse expectations for EdTech products, including quality, reliability, security, regulatory compliance, affordability, and educational impact. Companies must not only demonstrate the ability to meet these requirements but also be prepared to adapt and customize their products to different contexts, cultures, and regulatory environments.

Moreover, the B2G market is highly competitive, as EdTech companies face competition not only from other EdTech providers but also from traditional education service providers, such as publishers, consultants, and training organizations. Success in this market requires companies to differentiate themselves from competitors while considering local and regional dynamics and trends that may influence B2G demand.

For EdEra, operating in the Ukrainian and broader Eastern European context, differentiation should leverage the company's deep understanding of post-Soviet education systems, Ukrainian-language content development expertise, and experience delivering education solutions under resource constraints and infrastructural challenges.

In conclusion, the choice of internationalization strategy must align with the enterprise's strategic positioning within the SPACE matrix. For aggressively positioned enterprises like HuaxiaQihan, B2B and B2B2C models enable rapid scaling, market diversification, and a competitive advantage through institutional partnerships. Conversely, for conservatively positioned enterprises like EdEra, selective B2G engagement offers a risk-mitigated pathway to international markets through government partnerships, grant funding, and institutional validation. Both approaches require careful preparation and strategic planning. However, the emphasis differs: aggressive strategies prioritize growth and market capture, while conservative strategies focus on stability, resource optimization, and gradual market entry. These differentiated recommendations provide a framework for enhancing support mechanisms for foreign economic activity,

tailored to the specific capabilities and constraints of education enterprises operating under varying strategic conditions.

The successful implementation of these differentiated internationalization strategies depends not only on enterprise-level capabilities but also on the availability of institutional support mechanisms that provide evidence-based guidance, technical assistance, and access to international funding. The practical viability of both aggressive and conservative strategies is substantially conditioned by the presence of a comprehensive system of evidence-based support, advanced analytical capacities, and structured partnership mechanisms at the global level. For conservatively positioned enterprises like EdEra, which lack the financial resources for independent market research and risk assessment, such institutional infrastructure is particularly critical. In this regard, international organizations such as the World Bank and specialized platforms like the EdTech Hub play a pivotal role in shaping the institutional framework for strategic decision-making and reducing information asymmetries for education enterprises entering global markets.

The EdTech Hub is a global non-profit research partnership funded by the UK Foreign, Commonwealth, and Development Office (FCDO), the Bill & Melinda Gates Foundation, UNICEF, and the World Bank. Established in 2019, the Hub supports high-quality research, facilitates the scaling of promising education technology interventions, and assists education decision makers in integrating EdTech into their systems through evidence-based approaches. These activities are implemented in close coordination with the World Bank's EdTech Team, education advisers from the UK FCDO, UNICEF, and a broad consortium of public, private, academic, and non-profit partners.

The EdTech Hub is a global non-profit research partnership funded by the UK Foreign, Commonwealth, and Development Office (FCDO), the Bill & Melinda Gates Foundation, UNICEF, and the World Bank. Established in 2019 [57], the Hub supports high-quality research, develops innovation "sandboxes" designed to explore mechanisms for scaling promising pilot initiatives, and provides technical assistance to low- and middle-income countries. These activities are implemented in close coordination with the

World Bank's EdTech Team, education advisers from the UK FCDO, UNICEF, and a broad consortium of public, private, academic, and non-profit partners.

The rapid expansion of educational technology used to support remote learning during the COVID-19 pandemic highlighted a range of systemic challenges in educational decision-making. Education policymakers and other decision-makers worldwide were confronted with an overwhelming array of technological solutions, under conditions of limited understanding of their effectiveness, compelling them to make strategically significant decisions within compressed timeframes and often in the absence of a robust evidence base. Moreover, the existing empirical evidence on the effectiveness of educational technologies is predominantly derived from highly industrialized countries in North America, Europe, and East Asia. Within this operational context, the EdTech Hub plays an intermediary institutional role, addressing critical knowledge gaps and supporting informed, evidence-based decision-making in the field of educational technologies.

EdTech Hub places particular emphasis on conducting research, disseminating knowledge, and providing technical support across five key thematic areas: digital personalized learning, technology and teacher professional development, data and data management systems, participation in education, and girls' education. In addition, Hub explores and supports initiatives across a range of cross-cutting themes, addressing various dimensions of education technology implementation globally.

Although Hub operates globally, its activities are specifically focused on countries in Africa, the Middle East, and South Asia. This focus includes implementing multi-year national initiatives in Ghana, Kenya, Sierra Leone, and Tanzania (Africa), as well as in Bangladesh and Pakistan (South Asia). Furthermore, more than 70 countries across Africa, Asia, and the Middle East are eligible to receive timely, targeted support through the EdTech Hub Help Desk, which facilitates the prompt resolution of specific needs and promotes the effective adoption of education technologies at the local level.

The activities of the EdTech Hub are designed not only to advance education technologies within national education systems but also to strengthen the foreign economic activity of educational technology enterprises. By creating conditions for

scaling innovative solutions, disseminating evidence-based practices, and integrating technologies into international education projects, the Hub enhances the global competitiveness of EdTech organizations. The main areas of activity supporting these objectives are summarized in Table 3.9.

Table 3.9

Key Areas of EdTech Hub Activity Supporting Foreign Economic Engagement

[developed by the author]

Focus Area	Description / Activities	Implementation Mechanism
Research Support	Supporting high-quality research to consolidate current knowledge	Large-scale commissioned studies, Hub-led primary research, and desk studies synthesizing existing evidence
Scaling EdTech Interventions	Facilitating the implementation of promising EdTech projects and demonstrating effective approaches	Rapid commissions and calls for proposals; innovation sandboxes generating new evidence of effectiveness
Evidence-Based Policy Integration	Assisting education decision makers to integrate EdTech effectively into their systems	Technical assistance to governments, development partners, and other organizations; Help Desk support for FCDO, World Bank, and UNICEF staff in over 70 countries
Geographic Focus	Multi-year support in Ghana, Kenya, Sierra Leone, Tanzania, Bangladesh, and Pakistan	Coordinated country initiatives; just-in-time support via the EdTech Hub Help Desk

For aggressively positioned enterprises like HuaxiaQihan, the EdTech Hub provides access to evidence-based research on effective scaling strategies, best practices from successful international implementations, and insights into emerging markets in Africa, the Middle East, and South Asia – regions where the company can leverage its B2B and B2B2C models. For conservatively positioned enterprises like EdEra, the Hub offers critical support through its Help Desk services, technical assistance programs, and access to funding opportunities for pilot implementations in partnership with international

organizations such as UNICEF and the World Bank. This differentiated value proposition aligns with the strategic positioning framework outlined earlier, enabling both types of enterprises to enhance their foreign economic activity through institutional support mechanisms.

Through these coordinated activities, the EdTech Hub establishes the foundation for education enterprises to actively enter international markets, increase their competitiveness, and integrate technological innovations into global education processes.

CONCLUSIONS

The theoretical approaches to interpreting enterprises' foreign economic activity under contemporary conditions of globalization have been summarized and systematized. It has been established that foreign economic activity serves as a key mechanism for enterprise modernization, enhancing competitive advantages, and integrating national economies into the global economic system. The study demonstrates that internationalization encompasses both economic (transaction cost theory, eclectic paradigm, international product life cycle) and organizational (Uppsala model, network approach, resource-based view) dimensions, reflecting the multifaceted nature of enterprises' international expansion.

The classification features of internationalization strategies and competitive orientations of enterprises have been systematized, including: by entry mode (exports, joint ventures, mergers and acquisitions, greenfield investments); by strategic motivation (market-seeking, resource-seeking, efficiency-seeking, strategic asset-seeking); by scope (global, regional, focused); by competitive positioning (cost leadership, differentiation, niche focus); and by temporal dynamics (gradual vs. born-global internationalization patterns).

The methodology for studying the processes of formation and implementation of enterprises' foreign economic activity has been developed and substantiated. It has been determined that effective strategic analysis requires the integrated application of SWOT analysis for identifying internal strengths and weaknesses alongside external opportunities and threats, PESTLE analysis for evaluating political, economic, social,

technological, legal, and environmental factors, and SPACE analysis for determining strategic positioning across four dimensions: financial strength, environmental stability, industry strength, and competitive advantage. This comprehensive methodological framework enables enterprises to systematically assess their strategic position and formulate appropriate internationalization strategies tailored to their specific organizational capabilities and external market conditions.

The macroeconomic conditions and dynamics of enterprises' foreign economic activity in the PRC and Ukraine have been analyzed. It has been established that in the PRC, sustained export growth, particularly in high-tech sectors, combined with proactive fiscal support, underpins enterprises' international engagement, although net FDI remains negative due to geopolitical and regulatory risks. GDP growth is projected to decelerate from 5.0% in 2024 to 4.5% in 2025 and 4.0% in 2026, while merchandise exports are projected to increase by 6.0% year-on-year in January–May 2025. In Ukraine, foreign economic activity is significantly influenced by ongoing hostilities, structural constraints, and reliance on agricultural exports, which accounted for nearly 60% of total merchandise exports in 2024 (USD 24.7 billion). GDP growth slowed to 0.9% in Q1 2025, with exports expanding by 15% in value terms in 2024 due to the restoration of the Black Sea shipping corridor.

The institutions and external economic conditions influencing enterprises' foreign economic activity in the PRC and Ukraine have been examined. It has been determined that the PRC's systematic "Go Global" policy facilitates large-scale international expansion through government support mechanisms, financial incentives, and strategic partnerships, despite challenges such as complex approval procedures, limited managerial expertise, and cultural barriers to adaptation. In Ukraine, enterprises face institutional constraints, including regulatory unpredictability, limited access to financing, tariff and non-tariff barriers, and low export economic complexity. The Export Strategy until 2030 focuses on expanding export geography, stimulating investment in medium- and high-tech products, improving financial support mechanisms, and optimizing logistics and certification procedures. Unlike the PRC's proactive state-led approach, Ukrainian

enterprises primarily rely on selective government support and international development programs.

A comparative analysis of competitive strategies and internationalization models of education enterprises from the PRC and Ukraine has been conducted using the SPACE analysis methodology. For HuaxiaQihan Education Technology Co., Ltd. (PRC), coordinates of $X = 1.75$ and $Y = 1.25$ were determined, indicating an aggressive strategic orientation characterized by strong financial strength ($FS = 4.25$), favorable industry strength ($IS = 4.75$), moderate competitive advantage ($CA = -3.0$), and acceptable environmental stability ($ES = -3.0$). For EdEra (Ukraine), coordinates of $X = -0.25$ and $Y = 0.5$ were calculated, reflecting a conservative strategic position with moderate financial strength ($FS = 3.75$), adequate industry strength ($IS = 4.0$), limited competitive advantage ($CA = -4.25$), and challenging environmental stability ($ES = -3.25$). These results demonstrate that strategic positioning is determined by the interplay of internal organizational capabilities and external environmental conditions, necessitating differentiated internationalization approaches.

Recommendations for enhancing support mechanisms for enterprises' foreign economic activities in the face of globalization challenges have been developed and substantiated. For aggressively positioned enterprises such as HuaxiaQihan, the optimal approach is to pursue B2B and B2B2C business models through strategic partnerships with schools, training centers, and educational institutions, enabling rapid scaling, stable revenue streams, and integration into formal education processes. For conservatively positioned enterprises such as EdEra, the recommended strategy focuses on selective B2G (business-to-government) engagement through partnerships with EU-funded education programs, international development organizations (such as USAID and the British Council), government digitalization initiatives, and participation in Erasmus+ and Horizon Europe programs. The role of international platforms, such as the EdTech Hub, has been identified as critical for providing evidence-based research, technical assistance, access to funding opportunities, and facilitating international partnerships. Implementing these differentiated recommendations will ensure enterprises' sustainable competitive

advantage, enhance their integration into global value chains, and support their effective participation in international education markets amid heightened global uncertainty.

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APPENDICES

Approval of Master's Degree Qualification Thesis Results

Fedotova, Y., & Qiu, X. (2026, February 1–28). Methodological approaches to analyzing enterprises' foreign economic activity. In Materials of the International Scientific and Practical Online Conference “Entrepreneurship and Business Administration: Sustainable Development and Innovation”. O.M. Beketov Kharkiv National University of Urban Economy. <https://economy.kname.edu.ua/nauka/nashi-konferentsii/mizhnarodna-naukovo-praktychna-konferentsiia-pidpryiemnytstvo-ta-biznes-administruvannia-stalyi-rozvytok-ta-innovatsii>

METHODOLOGICAL APPROACHES TO ANALYZING ENTERPRISES' FOREIGN ECONOMIC ACTIVITY

YULIIA FEDOTOVA, PhD in Economics,
 QIU XIN, Master's student, second year,
O.M. Beketov National University of Urban Economy in Kharkiv
Yuliya.Fedotova@kname.edu.ua

Foreign economic activity is the process of organizing and developing economic relations between residents of different countries. It is carried out through commercial operations and constitutes an essential component of the mechanism for managing enterprises' foreign economic ties. Such relations are manifested in the exchange of material goods, services, and intellectual products, as well as in the results of production and technical cooperation between countries. In the context of increasing economic openness and the integration of enterprises into the global market, the justification and application of methodological approaches to analyzing foreign economic activity become particularly relevant, as they enhance the efficiency and competitiveness of economic entities.

The research objective is to systematize methodological approaches to analyzing enterprises' foreign economic activity, enhancing management efficiency and competitiveness in international markets.

The study systematizes methodological approaches into three groups: data collection methods for international research, analytical tools for FEA assessment, and indicator systems for performance evaluation. Contemporary methodological approaches to FEA analysis include both primary data collection techniques and specialized analytical tools. Primary data collection encompasses the following methods [1, pp. 601–606].

The first data collection method is surveying, which can be conducted through questionnaires, personnel, or telephone interviews. This method enables the gathering of information from many respondents, but may have limitations