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## **ECONOMIC SECURITY OF FOOD INDUSTRY ENTERPRISES OF UKRAINE**

Food industry enterprises are the leading fundamental link in the Ukrainian economy. This is due to the fulfillment by the industry of the main function – satisfying the needs of the population in a number of high-quality food products that are necessary for life. So food factories and enterprises are a stable and large source of employment for a significant part of citizens, both large cities and, importantly, small settlements. The food industry is a complex industry, the functioning of which is closely interconnected with all spheres of the national economy, and of course, is a kind of indicator of economic development and state security.

The economic security of all sectors of the national economy and any enterprise as a whole is based on the achievement of its basic functioning goals (stable long-term activity, efficient use of all types of resources, stability and progressive development, high competitiveness in the market) and protection against internal and especially negative external threats [1].

The food industry is a strategically important sector of the economy, the basis of Ukraine's economic sovereignty, associated with the formation of food security of every Ukrainian, and the population as a whole, that is, satisfaction of a person's vital need for affordable (all levels of society), high-quality (highly healthy) food and preserving the health of the nation. The basis for maintaining and the future foundation of food security should be stabilization of the economic situation in Ukraine, adoption and implementation of a comprehensive strategy to increase the share of employment, sustainable quality development of agricultural and food enterprises.

Ukraine has a significant reserve of potential for the development of the food industry. This is the climatic conditions, and geographical location, and the presence of fertile land, and people's loyalty to farming. So, with the modern adaptive

organization and efficient use of resources, the food industry of Ukraine is really capable, firstly, of maximally satisfying the needs of the domestic market, and secondly, of becoming the leading exporter of food to European and world markets. At the moment, the key threat to the economic security of the food industry in Ukraine is the low competitiveness of domestic products, which is inferior in price and, most importantly, in quality to imported goods. Analysis of the dynamics of food basket consumption per average Ukrainian indicates that at present the national producer satisfies the population's food needs by only 50%. Today, in large cities, more than 60% of food is provided by imported producers [2].

In 2014, the food industry sector as a whole increased production and sales volumes compared to the previous year. Thus, the food product index – the production of food, tobacco products and alcoholic beverages was 102.5%. In 2014, sales of goods were carried out in the amount of UAH 254.5 billion, which is 21.3% of the total volume of food products sold in Ukraine. In 2015, on the contrary, there was a deterioration in the annual dynamics of food production, mainly due to a decrease in domestic demand (a decrease in purchasing power), a narrowing of the raw material base and the loss of distribution channels. The acute problems of food industry enterprises include depreciation of fixed assets, and as a result – low management efficiency and crop failures of agricultural raw materials, which leads to limited resources and their proper quality.

At present, ensuring economic security and efficient functioning of food industry chains is possible under the following conditions: the formation of a stable system of raw materials for continuous production and ensuring the high quality of final products, the organization of product distribution channels and integration with the trade and marketing industry, and the involvement of Ukrainian and foreign investments in the most promising areas of the food industry, ensuring the proper level of financing research programs in the food industry, active government support for Ukrainian producers (reducing the tax burden, preferential credit systems, direct financing), application of protectionist policy elements (import substitution programs), increasing the population's loyalty to domestic goods, and the growth of

solvent consumer demand, production of competitive food products, focus on modern needs of food markets.

Thus, ensuring economic security, and hence the stable development of food industry enterprises – is the first step towards improving food security in Ukraine. Thus, enterprises will achieve the desired functioning goals only if they apply a systematic approach to solving priority issues, one of which is to ensure a state of protection from real or potential threats of internal and external environment.

#### **References:**

1. Shevchenko I. Particularities of the form of economic safety and security / I. Shevchenko // Young science. – 2010. – №10. – P. 178-181.
2. Statistical collection «Balance of funds and consumption of basic foodstuffs by the population of Ukraine» [Electronic resource] / State Statistics Service of Ukraine. – Access mode: <http://www.ukrstat.gov.ua>