FACTORS INFLUENCING THE DEVELOPMENT OF FOREIGN ECONOMIC ACTIVITY IN THE REGION

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Annotation. The article discusses the theoretical and methodological foundations of the study of integration processes and their practical testing. One of the most important areas for improving the efficiency of production and the country's economy is the development of foreign economic activity in the region. The activities of the foreign trade operations on the regional level imply economic benefits in the future. Establishing international business relations is necessary in order to increase the volume of exports, and as a result, companies receive more profit. State participation in the development of foreign economic activity in the region is to create favorable conditions for its development at the national (system of support and regulation of foreign economic activity) and interstate (in the framework of cooperation with foreign countries and participation in international organizations and forums) levels.

Key words: foreign economic activity, economic development, regional economy, integration, planning, economic growth, international relations.

The activity of foreign trade operations in the regions implies economic benefits in the future. The establishment of international business relations is necessary in order to increase the volume of exports, and as a result, companies receive more profits. Under the influence of globalization, the point of view is spreading, according to which every state should succeed in all
spheres of the economy. This trend is due to the desire to ensure the country's self-sufficiency, as well as the opinion that reaching the modern level involves the development of manufacturing industries, rather than focusing on those areas where the country has achieved the greatest success. A prerequisite for successful development has become a deeper integration of the country into the world economy, which allows you to get new technologies and know-how, as well as increasing the role of competition.

**Main provisions of the article.**

The development of foreign economic activity is influenced by the following groups of factors: economic, political, socio-cultural, and technological.

Economic factors include: economic growth, inflation, exchange rates, and others, the unemployment rate, and others.

Political factors influence the management of the company, which must carry out its activities based on the laws adopted by the state.

Social factors influence the dynamics of consumer preferences, the distribution and structure of social groups, age and gender structure.

Technological factors are scientific and technical trends in the foreign market.

**Introduction.** In recent years, the theory of economic integration has been developed by many researchers, among whom the greatest contribution was made by the Nobel prize-winning Dutch economist Jan tin-Bergen, and the British economist J. R. R. Tolkien. The Ministry of Foreign Affairs, researcher of Hungarian origin B. Balassa, the French economist M. Alle and some other authors [1].

Integration is the equalization of conditions for the economic activity of market entities, regardless of which of the two or more states, united in the integration grouping they are residents of. In a broader sense, integration is "the removal of artificial barriers to economic activity and the purposeful introduction of elements of a coherent or unified economic policy".

The main reasons for regions' participation in foreign economic activity are:

- expanding the market for their products in the foreign trade market in order to maximize profits;
- purchasing the necessary raw materials, components, and new technologies in the foreign trade market;
- attracting engineering and other services for production needs, taking into account their uniqueness, higher quality, and lower prices compared to the domestic market;
- attracting foreign investment in order to modernize production, strengthen export potential and competitive positions in foreign trade markets;
- participation in the international division of labor, specialization and co-operation of production in order to successfully develop the economy;
- dependence on barter trade, especially in terms of quality, price, and expansion of production;
- unstable political and economic situation in the country (deterioration of the investment climate, low economic growth);
- competition from foreign companies operating in the domestic market;
- the possibility of reducing the risk of loss of income due to reduced dependence on the domestic market and the conquest of foreign markets;
- search for unique resources that are not available in your own country;
- search for the most favorable geographical location for your business;
- the opportunity to get more profit from better use of production facilities;
- access to the latest technologies in the framework of activities with foreign partners;
increase demand for potential foreign customers;
the ability to purchase cheaper resources in foreign markets, and diversify supply sources.

Factors that hinder the implementation of foreign economic activities of regions:
✓ political and military conflicts, economic crisis;
✓ lack of a balanced mechanism of state regulation;
✓ lack of a contractual and legal framework between the two countries;
✓ technical backwardness of production, poor product quality, outdated production management system, and weak development of cooperative relations;
✓ economic restrictions and prohibitions of other countries due to competition (quotas, sanctions).

The following groups of factors influence the development of a region’s foreign economic activity: economic, political, socio-cultural, and technological. Economic factors include: the rate of economic growth, inflation, currency exchange rates, and others, the unemployment rate, and others. Political factors influence the company’s management, which should conduct its activities based on the laws adopted by the state [2]. Social factors influence the dynamics of consumer preferences, the distribution and structure of social groups, age and gender structure. Technological factors are scientific and technical trends in the foreign market. For each region that carries out foreign economic activity, you can offer to conduct a Rest analysis.

When evaluating political, economic, socio-cultural and technological factors, it is necessary to take into account not only their actual state, but also to predict possible changes in each factor for several years to come. The essence of rest analysis is that using this method, you can determine and identify which of the four factors has a greater impact on the external economic detail of the enterprise. It is by conducting such an analysis that it is possible to determine which of the environmental factors has a greater impact on the development of the enterprise.

Using factors that influence the development of foreign economic activity, the degree of involvement or influence of regions in the foreign trade market is revealed. For a company that operates in the foreign trade market, external factors of influence are determined. New consumers, suppliers, and competitors are emerging in the foreign trade environment. Thus, it is necessary to consider the features of the formation of these factors, drawing up programs to reduce their negative impact.

Methodology. In the process of the study, General research methods were used: methods of analysis of financial statements: horizontal, vertical, ratio, comparison, and others.
To study the foreign trade operations on the regional level were used the following methods:
- review of the legal and regulatory framework;
- analytical method;
- study of foreign experience;
- possibility of using public-private partnership instruments;
- collection and processing of statistical data.

Results. Foreign economic activity of the region is the process of implementing foreign economic relations through trade exchange, joint entrepreneurship, provision of services, various forms of economic, scientific and technical cooperation, currency and financial and credit operations.

Foreign trade at the regional level began to develop rapidly under the capitalist mode of production and reached its greatest development when a number of the world's largest countries – the United States, Japan, Germany, France, England, Sweden, Italy, and others – entered the world market economic system [3].
The process of rapid development of the capitalist mode of production contributed to solving the technical problems of transferring large quantities of goods over long distances through the use of Railways and steamships in the XIX century. In the XX century, the possibility of broad development of foreign trade increased due to the constant improvement of sea, river, railway, automobile, aviation and pipeline transport [4].

The intensive development of various types of machine production makes it necessary to increase foreign trade exchange operations, since new and diverse types of raw materials, fuels, materials, and scientific developments are needed. The need to purchase oil, timber, ores, and metals is higher the more intensively the country's economy develops. For example, Japan does not have rich natural resources, and its industry can develop solely through foreign trade, especially of regional significance. The intensification of production, in turn, requires the search for a large, capacious market, which also contributes to the expansion of foreign economic relations and the strengthening of the region's foreign economic role [5].

An essential prerequisite for the development of foreign economic activity in the region is the possibility of increasing the rate of profit based on foreign trade operations. The expansion of foreign trade reduces the cost of fixed and variable capital elements and thus helps to reduce production costs. Thanks to competition between producers from different regions and countries, it is possible to bring world prices for goods to the level of their international value on the world market, which is lower than the national value in less developed countries with low social labor productivity, but higher than the national value in developed countries [6].

An important factor in the development of foreign trade is the export of capital, on the basis of which transnational corporations arise, which are most often national in capital and international in scope. There are also multinational corporations that are international in scope and capital. The role of transnational corporations in international trade is very significant, as their intra-corporate turnover accounts for about one-third of international exports.

Discussion. When assessing political, economic, socio-cultural and technological factors, it is necessary to take into account not only their actual state, but also to predict possible changes in each factor for several years to come. The essence of the material presented in the article is that using this method, you can determine and identify which of the four factors has a greater impact on the external economic detail of the enterprise. It is by conducting such an analysis that you can determine which of the environmental factors has a greater impact on the development of the enterprise.

Using factors that influence the development of foreign economic activity, the degree of involvement or influence of enterprises in the foreign trade market is revealed. For a company that operates in the foreign trade market, external factors of influence are determined. New consumers, suppliers, and competitors are emerging in the foreign trade environment. Thus, it is necessary to consider the features of the formation of these factors, drawing up programs to reduce their negative impact.

Conclusions. Thus, the results of the development of foreign economic activity at the regional level include:
- further deepening of the international division of labor;
- saving public labor in regions that actively engage in foreign trade, joint entrepreneurship, and participation in other forms of foreign economic relations;
- intensive and rational exchange of labor results;
- further strengthening of political, scientific, technical, cultural and other ties;
- increasing the number of regions creating a market economy;
- successful operation of multinational corporations and concerns;
- expanding the range of regions and countries that have achieved full convertibility of their currencies.

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ФАКТОРЫ, ОКАЗЫВАЮЩИЕ ВЛИЯНИЕ НА РАЗВИТИЕ ВЭД РЕГИОНА

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Резюме. В статье рассматриваются теоретико — методологические основы изучения интеграционных процессов и их практическая апробация. Одним из наиболее важных направлений повышения эффективности производства и экономики страны является развитие внешнеэкономической деятельности региона. Деятельность по внешнеторговым операциям на региональном уровне подразумевает экономические выгоды в будущем. Наличие международных деловых отношений необходимо для того, чтобы объем экспорта возрастал, и как следствие компании получали больше прибыли. Участие государства в развитии внешнеэкономической деятельности региона заключается в создании благоприятных условий для ее развития на национальном (система поддержки и регулирования ВЭД) и межгосударственном (в рамках сотрудничества с зарубежными странами и участия в международных организациях и форумах) уровнях.

Ключевые слова: внешнеэкономическая деятельность, экономическое развитие, региональная экономика, интеграция, планирование, экономический рост, международные отношения.