

CIS countries accounted only for 21.2% of the total export of the country). This narrows the possibilities for development of export.

The aim of the research: to analyse the main problems of export development and to present the ways of solving problems. Seeking for this aim, the following research tasks to be accomplished:

- to determine the main problems, which hamper the development of Lithuanian export;
- to analyze nature and structure of Lithuanian export;
- to present the ways of export development.

The object of this research: Lithuanian export. The methods of research are: analysis and synthesis of the scientific literature discussing the problems of export development, the systematic statistical data analysis of Lithuanian export.

On the basis of researches are established the ways of export development. The one way is preparation and realization of export strategy. The second way is improvement of export credit insurance system in Lithuania. Upon evaluating the influence of insurance of export credits a complex attitude is suggested for development of export.

#### **COMPETITION – THE KEY FACTOR FOR EFFECTIVE BUSINESS DEVELOPMENT**

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Competition is one of the main driving forces for the market development, which fosters individual endeavours of market players – rivals, customers, suppliers, newcomers and providers of product substitutes – to reach and hold equilibrium between quality and price in order to maximally satisfy an existing demand. Companies which in the race for higher profits do not follow rules of fair commercial practice not only behave foully towards rivals, but also reduce potential benefits of consumers, have a negative impact on countries prosperity, sustainable economic development, as well as overall technological progress. Therewith, it is

highly important to ensure that mechanism of free competition functions, and companies when struggling for market shares and yields apply such tools of competitiveness as effective production process, innovations and scientific-technical approach, but not illegal secret agreements and abuse of dominant position in the market.

In the article authors describe competition as one of the key factors of fertile business environment, as well as the best stimulus for businesses to constantly improve the indicators of their activity. Authors analyse the main points the European companies need to take into account for being competitive in today's market conditions and on the current stage of economics development.

As the perfect competition exists only theoretically, there are various ways how an enterprise can set up and control prices for its products or services in the market arena. For example, a company can attract customers by highlighting specific characteristics and features of a product or a service, therewith making a certain offer unique, or by reducing costs faster than rivals manage to do the same, consequently ensuring possibility to provide discounts or special prices to clients. At the same time, there are plenty of prohibited techniques for price steering, such as business mergers, cartels or other masterstrokes for illegal price fixation. In this case monopoly companies quote the price they like, and buyers have just two alternatives – either to accept it or to leave a desire at all, as no other businesses are able to enter the market and satisfy consumers' needs. In order to prohibit cartels and other undertakings diminishing free competition, as well as to ensure that providers of products and services act fairly and are independent one from another, governments pass respective regulations on competition and supervise market processes.

The problem of insufficient competition in the market is topical for all the countries of the European Union (EU) and around the world. Each EU member state elaborates national regulations aiming to exclude possibility, for instance, for large retail chains to force product providers to agree on discriminative to them conditions, to apply unfair penalties, setting unfairly low purchasing prices keeping at the same time disproportionately high selling prices for consumers, etc., which

causes wind-down of production and elimination of consumer choice regarding to outputs and prices. In the article there are analysed market shortcomings in different EU countries, as well as identified similarities and common problems topical within the EU internal market. The authors provide their assessment of the current situation concerning lack of competition in certain sectors, and propose possible solutions for improvement of business environment.

In the article there are investigated competitive advantages of businesses inherent to different stages of economic development. Development stage of a country defines values of customers and effectiveness of manufacturing process, which significantly influence look, features and a price of products and services provided in the market. In order to compare competitiveness of enterprises from different countries, there are usually used various indexes or complex indicators which are figured out according to certain parameters. Authors give their evaluation for the potential ability of Latvian companies to successfully operate and compete within the EU internal market and worldwide, taking into consideration stages of economic development of the EU and Latvia.

#### **THE IMPACT OF THE LEVEL OF ENTERPRISE SOLVENCY ON THE DEVELOPMENT OF THE NATIONAL ECONOMY AND BUSINESS**

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Each enterprise incurs a risk to suffer financial difficulties, if a timely and sufficient attention is not given to the creditworthiness of the enterprise. The possible result is a non-solvency of the enterprise and a procedure of non-solvency. But the insolvency of the enterprise might be the choice of the enterprise itself in order to avoid payment of debts.

The problems of insolvency of the enterprise which faces financial difficulties do not refer only to the specific enterprise. A great number of entrepreneurs came across the enterprise insolvency and insolvency process mediately – the enterprise becomes a creditor in the insolvency process of whatsoever enterprise.