

CONCEPTUAL BASES OF INTERNATIONAL BUSINESS

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The international division of labor and the world market formation led to the development of international business.

The current state of international business is the result of a centuries-long development since the beginning of international trade. The most famous concept of International Business Development periodization was suggested in 1964 by famous American researcher Richard Robinson. According to his concept, the four era of international business have been distinguished over the past five centuries: commercial era; expansionary era; concession era; the era of independent states.

It is worth paying attention to the fact that later on R. Robinson defined the fifth era of international business (the era of globalization), formed under the influence of revolutionary technological innovations that contribute to economic, social and political change.

International business is related to the transfer of resources (raw materials, capital, technology, people), goods (products, semi-finished products) and services (accounting, legal and banking) from one country to another. A distinctive feature of international business is the fact that this activity is directly affected by such factors: differences in language, distance, exchange rates, tariff barriers, political issues and so on. It is necessary to point out that the specific benefits of international business related to obtaining more profit at the expense of access to:

- 1) foreign labor markets (payment for labour, qualifications);
- 2) sources of raw materials;
- 3) new markets;
- 4) production volume increase and product cost reduction (economies of scale and experience curve);
- 5) currency risks reduction.

International business can be defined as the interaction of firms of different ownership or units located in different countries. The main purpose is to get profit at the expense of benefits and advantages of international business operations.

Modern international business has the following features:

- A significant increase in turnover under the influence of scientific and technological progress;
- Internationalization deepening;
- Global nature of international business;
- International labor division deepening;
- Changes in the structure of goods and services in international trade (increasing the share of goods, reducing raw material);
- Dependence of some international businesses from foreign partners;
- Consideration of social and cultural factors in business;
- Establishing strong technological links between global businesses under the influence of scientific progress.

The problem of achieving the economic goals for certain enterprises in international economic exchange as well as the problem of national interests coordination is arising related to sovereignty and economic security and protection the countries' economic area.

The complexity of international business as a process is determined first of all by the fact that the implementation of competitive advantage is based on the global market strategic behavior that requires decision-making with all macroeconomic factors.